10. RELATED PARTY TRANSACTIONS *(cont'd)*

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000	1 May 2023 and up to the LPD RM'000
35.	PG Delta	Dato' Low	Interested Director and major shareholder	Disposal of the following parcels of land by PG Delta to Dato' Low:						
			Dato' Low(4)	(i) freehold land held under GRN 00161831, Lot 9699, Mukim Sentul, Daerah Seremban, Negeri Sembilan	-	2,280	-	-	-	-
				(ii) leasehold land held under PM 00001262, Lot 158467, Mukim Teja, Daerah Kampar, Perak	-	145	-	-	-	-
				(iii) land held under Lot 17885, Mukim Teja, Daerah Kampar, Perak ("**Fish Pond Land**")	-	100	-	-	-	-
					-	**2,525 / 3.3% of our NA**	**-**	**-**	**-**	**-**

10. RELATED PARTY TRANSACTIONS *(cont'd)*

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000	1 May 2023 and up to the LPD RM'000
36.	PG E Assets (landlord)	Castleflex Development Sdn Bhd (tenant)	Interested Director and major shareholder (i) Dato' Low[4] (ii) Datin Tea[9]	Payment of rental by Castleflex Development Sdn Bhd to PG E Assets for rental of a property located at No. 46, Jalan Kilang Midah, Taman Midah Cheras, 56000 Kuala Lumpur, Wilayah Persekutuan[7]	-	-	45 / 0.4% of our PAT	60 / 0.3% of our PAT	-	-
37.	• PG Adventure • PG Angkasa • PG Brickfields • PG Delta • PG E Assets • PG Global Wealth • PG Insan Tiara • PG Kenanga • PG Maju • PG Nilai • PG SP • PG Sri Permaisuri • PG Sungai Way • PG Terus Wangsa • PG Total	Trax Capital	Interested Director and major shareholder (i) Dato' Low[4] (ii) Datin Tea[9] Interested Director Low Kai Loon[3]	Sales of unredeemed pledged gold items by our subsidiaries to Trax Capital[20]	2,416 / 16.3% of our revenue	175 / 0.7% of our revenue	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000	1 May 2023 and up to the LPD RM'000
38.	Cahaya Gold	Trax Capital	As disclosed in item 37 above	Purchases of unredeemed pledged gold items by Cahaya Gold from Trax Capital[20]	19 / 0.2% of our COS	925 / 6.6% of our COS	-	-	-	-
39.	• Cahaya Gold • PG Adventure • PG Angkasa • PG Brickfields • PG Delta • PG E Assets • PG Global Wealth • PG Insan Tiara • PG Kenanga • PG Maju • PG Nilai • PG SP • PG Sri Permaisuri • PG Sungai Way • PG Terus Wangsa • PG Total	Trax Capital	As disclosed in item 37 above	Payment of management fees by our subsidiaries to Trax Capital[21]	-	591 / 9.3% of our PAT	1,427 / 11.9% of our PAT	-	-	-

					Value of transaction					
No.	**Company within our Group**	**Transacting party**	**Nature of relationship**	**Nature of transaction**	**FYE 2019**	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2023**	**1 May 2023 and up to the LPD**
					RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
40.	• Cahaya Gold • PG Adventure • PG Brickfields • PG E Assets • PG Global Wealth • PG Insan Tiara • PG Nilai • PG SP • PG Sri Permaisuri	Trax Capital	As disclosed in item 37 above	Payment of interest by our subsidiaries to Trax Capital in relation to loans from Trax Capital Following the Acquisitions, the net amount due to Trax Capital has been fully settled via the capitalisation as detailed in Section 5.4.1 of this Prospectus	-	-	860 / 7.2% of our PAT	-	-	-
41.	• Atapttech • PG Angkasa • PG Delta • PG Global Wealth • PG Kenanga • PG Maju • PG Sri Permaisuri • PG Sungai Way • PG Terus Wangsa • PG Total	Trax Capital	As disclosed in item 37 above	Receipt of interest by our subsidiaries from Trax Capital in relation to loans by our subsidiaries Following the Acquisitions, the net amount due between our subsidiaries and Trax Capital has been fully settled via the capitalisation as detailed in Section 5.4.1 of this Prospectus	-	-	501 / 4.2% of our PAT	-	-	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	1 May 2023 and up to the LPD
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
42.	PG E Assets	Trax Capital	As disclosed in item 37 above	Disposal of investment in unquoted shares of Dinamik Ulung Sdn Bhd by PG E Assets to Trax Capital	964 / 1.4% of our NA	-	-	-	-	-
43.	PG Delta	Low Kai Loon	Interested Director Low Kai Loon(3)	Disposal of a piece of freehold land held under GRN 00125267, Lot 17890, Mukim Kampar, Daerah Kinta, Perak by PG Delta to Low Kai Loon	-	968 / 1.3% of our NA	-	-	-	-
44.	PG Insan Tiara	Low Kok Hu	Interested major shareholder Low Kok Hu(10)	Disposal of a motor vehicle by PG Insan Tiara to Low Kok Hu	-	-	70 / 0.1% of our NA	-	-	-
45.	PG Delta	Low Kok Hu	Interested major shareholder Low Kok Hu(10)	Disposal of 2 motor vehicles by PG Delta to Low Kok Hu	-	-	71 / 0.1% of our NA	-	-	-
46.	Cahaya Gold	Imas Gold Sdn Bhd	Interested Director and major shareholder Dato' Low(4)	Sales of pre-owned and new gold products by Cahaya Gold to Imas Gold Sdn Bhd	-	-	16,562 / 27.2% of our revenue	-	-	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

					Value of transaction					
No.	**Company within our Group**	**Transacting party**	**Nature of relationship**	**Nature of transaction**	**FYE 2019**	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2023**	**1 May 2023 and up to the LPD**
					RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
47.	Cahaya Gold	Imas Gold Sdn Bhd	As disclosed in item 46 above	Purchases of pre-owned gold products by Cahaya Gold from Imas Gold Sdn Bhd	-	-	3,441 / 8.1% of our COS	-	-	-

Notes:

* Less than 0.1%.

(1) Low Kai Sein, the son of Dato' Low and Datin Tea, is a director and shareholder of Autoris Adjusters.

(2) This tenancy has been terminated following the assignment of the tenancy from Evergreen Fintech to Evergreen Properties.

(3) Low Kai Loon:
- was an alternate director of CC Low until his resignation on 27 December 2022;
- was a shareholder of Evergreen Fintech and disposed of his shareholding in Evergreen Fintech on 7 April 2023; and
- is a shareholder of Evergreen Freelife and Trax Capital.

(4) Dato' Low:
- was a director and shareholder of Evergreen Credit Express and disposed of his shareholding in Evergreen Credit Express on 29 March 2022, and subsequently resigned as a director on 31 March 2022;
- was a director and shareholder of Imas Gold Sdn Bhd via his shareholding in IFintech Solutions Sdn Bhd and disposed of his shareholding in IFintech Solutions Sdn Bhd on 5 October 2021, and resigned as a director on 31 May 2021;
- is a shareholder of Evergreen Freelife and the sole shareholder of CC Low; and
- is a director and shareholder of Trax Capital, Apex Creative, Castleflex Development Sdn Bhd, Insan Tiara and Evergreen Properties.

(5) Please refer to Section 6.17 of this Prospectus for the salient terms of the existing tenancy agreement between our Group and our related parties.

(6) This property is rented by our Group from Evergreen Properties instead of directly from the owner of the property, i.e. Dato' Low or his family, as Evergreen Properties is the property management company for Dato' Low and his family.

10. RELATED PARTY TRANSACTIONS *(cont'd)*

(7) This tenancy has been terminated following the completion of the Disposals on 19 December 2022.

(8) Following the Disposals, Atapttech has ceased the provision of motor insurance claims processing software to Autoris Adjusters and CC Low.

(9) Datin Tea:
- was a shareholder of Evergreen Credit Express and disposed of her shareholding in Evergreen Credit Express on 29 March 2022;
- is a shareholder of Apex Creative and Insan Tiara; and
- is a director and shareholder of Trax Capital, Evergreen Freelife and Castleflex Development Sdn Bhd.

(10) Low Kok Hu, the brother of Dato' Low:
- was a shareholder of Evergreen Credit Express and disposed of his shareholding in Evergreen Credit Express on 29 March 2022;
- is a shareholder of Insan Tiara; and
- is a director of CC Low.

(11) This tenancy has been terminated following the relocation of our "Cahaya Gold" retail outlet from this location.

(12) This property is rented by Cahaya Gold from Evergreen Properties instead of directly from the owner of the property as Cahaya Gold does not require the entire area for our "Cahaya Gold" retail outlet.

(13) The built-up area of the property is 729 sqm whilst the separate area of the property rented by each co-tenant is as follows:

Tenant	**Rented area**
• Cahaya Gold	65 sqm
• EMCC	664 sqm

(14) This tenancy has been terminated following the expiration of the tenancy.

(15) Our Company had charged management fees to CC Low in relation to the cost allocation of our 17 administrative staff who were responsible for the administrative matters of our Group, including CC Low. In anticipation of the Disposals, our Company had ceased charging CC Low management fees after 30 June 2022.

(16) This tenancy in relation to Lot 2 (Ground Floor) & 2A (1st Floor), Jalan Kenanga, Pudu, 55200 Kuala Lumpur, Wilayah Persekutuan, i.e. the portion of the property unutilised for our "Pajaking" pawnshop, has been terminated with effect from 1 January 2023.

(17) This tenancy has been terminated following the completion of the disposal of this property on 1 December 2022.

10. RELATED PARTY TRANSACTIONS *(cont'd)*

(18) This property is sub-rented by our Group to Evergreen Properties as our Group does not require the entire area for our "Pajaking" pawnshop.

(19) Following the acquisition of Atapttech in the FYE 2021, our Group has ceased usage of the pawn processing software from Evergreen Fintech.

(20) Following the Acquisitions, Trax Capital has ceased its sales and purchase of unredeemed pledged gold items to/from our subsidiaries.

(21) Prior to the Acquisitions, Trax Capital had charged management fees to our subsidiaries in relation to the cost allocation of our 17 administrative staff who were transferred to Trax Capital as part of a group restructuring exercise. Following the Acquisitions, our 17 administrative staff were transferred back to our Group.

Our Directors (save for our interested Directors) are of the view that the following related party transactions were not carried out on an arm's length basis nor on normal commercial terms in view that:

(i) the management fees paid to Trax Capital were based on actual staff costs incurred by Trax Capital to support the operations of our subsidiaries;

(ii) the management fees received by our Company were based on proportionate actual staff costs incurred by our Company to support the operations of our Group, including CC Low;

(iii) the IT solutions service fee charged by Atapttech to CC Low were below the normal rate that is charged for such services;

(iv) the disposal of the Fish Pond Land, which includes a pond situated within, does not have a comparable transaction in the vicinity and was transferred at our Group's original cost of investment;

(v) the unredeemed pledged gold items purchased by Trax Capital in the FYE 2019 and FYE 2020 were based on the amount of pawn receivables (in relation to pawn loans amount RM200 and below) or the successful bid price (in relation to pawn loans amount above RM200) as they were inter-company transactions in view that Trax Capital was then the holding company of our subsidiaries; and

(vi) the investment in unquoted shares in Dinamik Ulung Sdn Bhd was disposed at cost to Trax Capital as Trax Capital was then the holding company of PG E Assets.

Save as disclosed above, our Directors (save for our interested Directors) confirm that the other related party transactions (as summarised below) were carried out on an arm's length basis and on normal commercial terms which were not favourable to our related parties than those generally available to third parties in view that:

(i) the rental rates for the rented properties were arrived at based on the then prevailing market rates of properties within the vicinity;

10. RELATED PARTY TRANSACTIONS *(cont'd)*

(ii) the consideration for the disposal of motor vehicles and investment properties which include amongst others, 4 parcels of land within the vicinity of the Fish Pond Land as detailed in items 4, 30, 35 and 43 above, were arrived at based on the then prevailing estimated market prices of similar assets;

(iii) the IT solutions service fee charged by Atapttech to Autoris Adjusters and Evergreen Freelife were based on the normal rate charged for such services;

(iv) the IT solutions service fee charged by Evergreen Fintech were based on the maximum administrative fee allowed under the Pawnbrokers Act;

(v) the interest charged on the loan from CC Low to PG E Assets were based on CC Low's cost of borrowing of the same loan from a financial institution whilst the 6% per annum interest charged on the other loans to/from the related parties were within the range of our Group's cost of borrowings;

(vi) the cost of the unredeemed pledged gold items purchased from Trax Capital in the FYE 2019 and FYE 2020 were arrived at after taking into consideration the then prevailing market price of gold;

(vii) the price of the pre-owned gold products (including unredeemed pledged gold items that are in good condition) and new gold products sold to Imas Gold Sdn Bhd were arrived at after taking into consideration the then prevailing market price of gold; and

(viii) the cost of the pre-owned gold products purchased from Imas Gold Sdn Bhd were arrived at after taking into consideration the then prevailing market price of gold.

After our Listing, we may be required to seek our shareholders' approval each time we enter into material related party transactions in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such related party transactions during the validity period of the mandate.

In the event there are any proposed related party transactions that require prior approval of our shareholders, our Directors, major shareholders and/or persons connected with them who have any direct or indirect interest in the proposed related party transactions shall abstain from deliberation and voting on resolutions pertaining to the respective transactions. Under the Listing Requirements, related party transactions may be aggregated to determine its materiality if the transactions occurred within a 12-month period, are entered into with the same party or with parties related to one another or if the transactions involved the acquisition or disposal of securities or interests in one corporation/asset or of various parcels of land contiguous to each other.

After our Listing, our Audit and Risk Management Committee will review the terms of any related party transactions and ensure that any related party transactions (including any recurrent related party transactions) are carried out on terms not more favourable to the related party than those generally available to the third parties dealing at arm's length basis with our Group and are not to the detriment to our minority shareholders. Our Group will also seek shareholders' approval for the related party transactions, where required. We will make disclosures in our annual report of the aggregate value of the recurrent related party transactions entered into by us based on the nature of the transactions made, names of the related parties involved and their relationship with our Group during the financial year.

10.2 Transactions Entered Into That are Unusual in Their Nature or Conditions

Our Directors have confirmed that there are no transactions that were unusual in its nature or condition, involving goods, services, tangible or intangible assets, to which we were a party in respect of the FYE 2019, FYE 2020, FYE 2021, FYE 2022, FPE 2023 and up to the LPD.

10.3 Loans and Financial Assistance Made to/from or for the Benefit of Related Parties

Save as disclosed below, our Directors have confirmed that there are no other material loans and/or financial assistance (including guarantees of any kind) made by/to our Group to/from related parties or for the benefit of the related parties for the FYE 2019, FYE 2020, FYE 2021, FYE 2022, FPE 2023 and up to the LPD:

	FYE 2019	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2023**	**1 May 2023 and up to the LPD**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Advances to or amount owing by:						
• Related parties(1)	14,078	9,891	-	-	-	-
Loans/Advances from or amount owing to:						
• Related parties(2)	15,972	18,423	8,779	-	-	-
• Shareholders and Directors(3)	1,325	12	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

Notes:

(1) The details of the advances to or amount owing by our related parties are as follows:

Company within our Group	Transacting party	Nature of relationship	Nature of transaction or purpose	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	1 May 2023 and up to the LPD
				RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
• PG Angkasa • PG Delta • PG Global Wealth • PG Kenanga • PG Maju • PG Nilai • PG Sri Permaisuri • PG Sungai Way • PG Terus Wangsa • PG Total	Trax Capital	Interested Director and major shareholder (i) Dato' Low[(a)] (ii) Datin Tea[(b)] Interested Director Low Kai Loon[(c)]	Advances to Trax Capital for working capital	13,833	9,891	-	-	-	-
PG Delta	CC Low	Interested Director and major shareholder Dato' Low[(a)] Interested Director Low Kai Loon[(c)] Interested major shareholder Low Kok Hu[(d)]	Advances to CC Low for working capital	61	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

Company within our Group	**Transacting party**	**Nature of relationship**	**Nature of transaction or purpose**	**FYE 2019**	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2023**	**1 May 2023 and up to the LPD**
				RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
PG Adventure	Incredible Bonanza Sdn Bhd	Person connected Low Kai Sein[(e)]	Advances to Incredible Bonanza Sdn Bhd for working capital	80	-	-	-	-	-
PG Delta	CC Low	As disclosed above	Amount owing by CC Low in relation to disposal of a motor vehicle to CC Low	104	-	-	-	-	-

Notes:

(a) Dato' Low is a director and shareholder of Trax Capital and the sole shareholder of CC Low.

(b) Datin Tea is a director and shareholder of Trax Capital.

(c) Low Kai Loon is a shareholder of Trax Capital and was an alternate director of CC Low until his resignation on 27 December 2022.

(d) Low Kok Hu is a director of CC Low.

(e) Low Kai Sein is a director of Incredible Bonanza Sdn Bhd.

The advances to or amount owing by our related parties were unsecured, interest-free and repayable on demand. As at the end of the FYE 2021, the advances to or amount owing by our related parties have been fully repaid, whereby the advances to Trax Capital were settled as part of the capitalisation of the net amount due to Trax Capital in December 2021 as detailed in Section 5.4.1 of this Prospectus.

10. RELATED PARTY TRANSACTIONS *(cont'd)*

(2) The details of the loans/advances from or amount owing to our related parties are as follows:

Company within our Group	Transacting party	Nature of relationship	Nature of transaction and purpose	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000	1 May 2023 and up to the LPD RM'000
• Cahaya Gold • PG Adventure • PG Brickfields • PG Delta • PG E Assets • PG Insan Tiara • PG Nilai • PG SP • PG Total	Trax Capital	As disclosed in note 1 above	Advances from Trax Capital for working capital	14,843	9,573	-	-	-	-
• EMCC • PG E Assets	CC Low	As disclosed in note 1 above	Loans from CC Low for working capital	-	8,836	8,779	-	-	-
PG E Assets	Low Kok Thai	Interested Director and major shareholder Dato' Low[(a)]	Loan from Low Kok Thai for working capital	1,000	-	-	-	-	-
• PG Kenanga • PG Nilai • PG Sri Permaisuri	Evergreen Wood Furniture Sdn Bhd	Person connected Low Kai Sein[(b)]	Advances from Evergreen Wood Furniture Sdn Bhd for working capital	55	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

Company within our Group	Transacting party	Nature of relationship	Nature of transaction and purpose	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000	1 May 2023 and up to the LPD RM'000
PG E Assets	Evergreen Credit Express	Interested Director and major shareholder (i) Dato' Low[(a)] (ii) Datin Tea[(c)] Interested major shareholder Low Kok Hu[(d)]	Amount owing to Evergreen Credit Express in relation to outsourced staff for security surveillance from Evergreen Credit Express	3	14	-	-	-	-
• PG Adventure • PG Angkasa • PG Brickfields • PG Delta • PG E Assets • PG Global Wealth • PG Insan Tiara • PG Kenanga • PG Maju • PG Nilai • PG Sri Permaisuri • PG SP • PG Sungai Way • PG Total • PG Terus Wangsa	Evergreen Fintech	Interested Director Low Kai Loon[(e)]	Amount owing to Evergreen Fintech in relation to provision of IT solutions by Evergreen Fintech	43	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

Company within our Group	Transacting party	Nature of relationship	Nature of transaction and purpose	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000	1 May 2023 and up to the LPD RM'000
PG Delta	Apex Creative	Interested Director and major shareholder (i) Dato' Low[(a)] (ii) Datin Tea[(c)]	Amount owing to Apex Creative in relation to prepaid rental by Apex Creative	28	-	-	-	-	-

Notes:

(a) Dato' Low:
- is a brother of Low Kok Thai;
- was a director and shareholder of Evergreen Credit Express and disposed of his shareholding in Evergreen Credit Express on 29 March 2022, and subsequently resigned as a director on 31 March 2022; and
- is a director and shareholder of Apex Creative.

(b) Low Kai Sein is a director and shareholder of Evergreen Wood Furniture Sdn Bhd.

(c) Datin Tea:
- was a shareholder of Evergreen Credit Express and disposed of her shareholding in Evergreen Credit Express on 29 March 2022; and
- is a shareholder of Apex Creative.

(d) Low Kok Hu was a shareholder of Evergreen Credit Express and disposed of his shareholding in Evergreen Credit Express on 29 March 2022.

(e) Low Kai Loon was a shareholder of Evergreen Fintech and disposed of his shareholding in Evergreen Fintech on 7 April 2023.

The loans/advances from or amount owing to our related parties were unsecured, interest-free and repayable on demand save for the loans from CC Low to our Company and PG E Assets which bore annual interests at 6% and its cost of borrowing respectively. As at the end of the FYE 2022, the loans/advances from or amount owing to our related parties have been fully repaid, whereby the advances from Trax Capital were settled as part of the capitalisation of the net amount due to Trax Capital in December 2021 as detailed in Section 5.4.1 of this Prospectus whilst the loans from CC Low have been settled as part of the Disposals in December 2022 as detailed in Section 5.4.4 of this Prospectus.

(3) The details of the advances from our shareholders and Directors are as follows:

Company within our Group	**Transacting party**	**Nature of relationship**	**Nature of transaction and purpose**	**FYE 2019**	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2023**	**1 May 2023 and up to the LPD**
				RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
PG Delta	Datin Tea	Interested Director and major shareholder Datin Tea	Advances from Datin Tea for working capital	814	12	-	-	-	-
• PG Adventure • PG Angkasa • PG Delta • PG Kenanga • PG Nilai • PG Sri Permaisuri	Dato' Low	Interested Director and major shareholder Dato' Low	Advances from Dato' Low for working capital	511	-	-	-	-	-

The advances from our shareholders and Directors were unsecured, interest-free and repayable on demand. As at the end of the FYE 2021, all the advances from our shareholders and Directors have been fully repaid.

Our Directors (save for our interested Directors) are of the view that, save for the loans from CC Low to our Company and PG E Assets, the advances to/from or amount owing by/to our related parties and advances from our shareholders and Directors were not carried out on an arm's length basis nor on normal commercial terms in view that the transactions were interest-free. The loans from CC Low to our Company and PG E Assets were carried out on an arm's length basis and on normal commercial terms.

Our Company has put in place strict internal control and compliance procedures in relation to loans and financial assistance, and no further loans or financial assistance will be given to any related parties by our Group unless such loans and financial assistance are permitted under law and the Listing Requirements and brought to our Audit and Risk Management Committee and our Board for deliberation and approval.

10.4 Monitoring and Oversight of Related Party Transactions and Conflict of Interest

10.4.1 Audit and Risk Management Committee review

Our Audit and Risk Management Committee assesses the financial risk and matters relating to related party transactions and conflict of interest situations that may arise within our Group including any transactions, procedures or course of conduct that raises questions of management integrity. Our Audit and Risk Management Committee maintains and periodically reviews the adequacy of the procedures and processes set by our Company to monitor related party transactions and conflict of interest. It also sets the procedures and processes to ensure that transactions are carried out in the best interest of our Company on normal commercial terms that are industry norms and not more favourable to the related party than those generally available to third parties dealing at arm's length, and are not to the detriment of the interest of our Company's minority shareholders. Amongst others, the related parties and parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberations on the transactions.

All reviews by our Audit and Risk Management Committee are reported to our Board for its further action.

10.4.2 Our Group's policy on related party transactions and conflict of interest

It is the policy of our Group that all related party transactions and conflict of interest must be immediately and fully disclosed by our interested or conflicted Directors or major shareholders to the management for reporting to our Audit and Risk Management Committee. Any related party transactions must be reviewed by our Audit and Risk Management Committee to ensure that they are negotiated and agreed upon in the best interest of our Company on an arm's length basis, and are based on normal commercial terms not more favourable to the related party than those generally available to third parties, and are not to the detriment of the interest of our Company's minority shareholders. In respect of our Directors' interests in companies carrying on similar businesses, our Directors will also be required to abstain from deliberations and voting on resolutions pertaining to matters and/or transactions where a conflict of interest may arise.

In addition, in line with the Malaysian Code on Corporate Governance and the Corporate Governance Guide, our Directors are required to make an annual disclosure of any related party transactions and conflict of interest with our Group and our Audit and Risk Management Committee must carry out an annual assessment of our Directors which include an assessment of such related party transactions and/or conflict of interest. Our Audit and Risk Management Committee will in turn report to our Board after their evaluation and assessment and make the appropriate recommendations to our Board.

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11. CONFLICT OF INTEREST

11.1 Interest in Similar Businesses of Our Group

As at the LPD, none of our Directors and/or substantial shareholders has any interest, whether direct or indirect, in any businesses or corporations which are carrying on a similar trade as our Group or which are the customers or suppliers of our Group.

11.2 Declarations of Conflict of Interests by Our Advisers

(i) Mercury Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as our Principal Adviser, Underwriter and Placement Agent for our Listing.

(ii) Raja, Darryl & Loh has confirmed that there is no conflict of interest in its capacity as the Solicitors to our Group in relation to our Listing.

(iii) ChengCo PLT has confirmed that there is no conflict of interest in its capacity as the Auditors and Reporting Accountants to our Group in relation to our Listing.

(iv) PROVIDENCE has confirmed that there is no conflict of interest in its capacity as the IMR to our Group in relation to our Listing.

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12. FINANCIAL INFORMATION

12.1 Historical Financial Information

Our Company was incorporated in Malaysia under the Act on 3 September 2021. We completed the Acquisitions and Disposals on 22 December 2021 and 19 December 2022 respectively to form our Group. As such, our historical financial information is presented based on our audited financial statements as if our Group structure had been in existence throughout the financial years/period under review. For information, no financial information of our Company was included for the FYE 2019 and FYE 2020 as our Company was only incorporated on 3 September 2021.

Our audited financial statements were prepared in accordance with the Malaysian Financial Reporting Standards ("**MFRS**") and International Financial Reporting Standards ("**IFRS**"). There are no accounting policies which are peculiar to our Group in regard to the nature of the businesses or the industries which our Group is involved in and there has been no audit qualification on our audited financial statements for the FYE 2019, FYE 2020, FYE 2021, FYE 2022 and FPE 2023.

The following historical financial information should be read in conjunction with the "Management Discussion and Analysis of Financial Condition and Results of Operations" as set out in Section 12.2 of this Prospectus, as well as the Accountants' Report as set out in Section 13 of this Prospectus.

12.1.1 Statements of profit or loss and other comprehensive income

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

	Audited				**Unaudited**	**Audited**
	FYE 2019	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2022**	**FPE 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	14,802	24,426	60,903	67,173	20,359	35,956
COS	(10,761)	(13,963)	(42,336)	(43,737)	(12,945)	(26,168)
GP	**4,041**	**10,463**	**18,567**	**23,436**	**7,414**	**9,788**
Other operating income	647	1,364	2,575	10,107	370	307
General and administration expenses	(1,933)	(1,838)	(3,493)	(6,413)	(1,407)	(1,923)
Profit from operations	**2,755**	**9,989**	**17,649**	**27,130**	**6,377**	**8,172**
Finance costs	(971)	(808)	(2,090)	(2,903)	(478)	(1,345)
PBT	**1,784**	**9,181**	**15,559**	**24,227**	**5,899**	**6,827**
Tax expense	(989)	(2,856)	(3,603)	(4,176)	(1,494)	(1,894)
PAT	**795**	**6,325**	**11,956**	**20,051**	**4,405**	**4,933**
EBITDA[(1)]	5,194	12,423	19,551	29,587	7,206	8,866
GP margin (%)	27.3	42.8	30.5	34.9	36.4	27.2
PBT margin (%)	12.0	37.6	25.5	36.1	29.0	19.0
PAT margin (%)	5.4	25.9	19.6	29.8	21.6	13.7
Basic EPS[(2)] (sen)	0.1	0.7	1.4	2.4	0.5	0.6
Diluted EPS[(3)] (sen)	0.1	0.6	1.1	1.8	0.4	0.4

Notes:

(1) The table below sets out the computation of our EBITDA:

	Audited				Unaudited	Audited
	FYE 2019	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2022**	**FPE 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
PBT	1,784	9,181	15,559	24,227	5,899	6,827
Finance costs	971	808	2,090	2,903	478	1,345
Finance income	-	-	(501)	(8)	-	(96)
Depreciation and amortisation	2,439	2,434	2,403	2,465	829	790
EBITDA	**5,194**	**12,423**	**19,551**	**29,587**	**7,206**	**8,866**

(2) Computed based on our PAT divided by our 847,302,499 issued Shares before our IPO.

(3) Computed based on our PAT divided by our enlarged 1,114,902,499 issued Shares after our IPO.

12.1.2 Statements of financial position

The table below sets out a summary of our statements of financial position as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 30 April 2023:

	Audited				
	As at 31 Dec 2019	**As at 31 Dec 2020**	**As at 31 Dec 2021**	**As at 31 Dec 2022**	**As at 30 Apr 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
ASSETS					
Non-current assets					
Property, plant and equipment	4,466	3,966	3,825	3,091	2,924
Right-of-use assets	14,888	14,867	12,165	10,939	10,504
Investment properties(1)	21,503	15,533	15,218	13,090	13,000
Other investments(2)	-	-	2,496	-	-
Total non-current assets	**40,857**	**34,366**	**33,704**	**27,120**	**26,428**
Current assets					
Inventories(3)	34	758	3,752	648	360
Trade receivables(4)	62,423	83,611	117,616	165,292	160,998
Other receivables, deposits and prepayments(5)	1,884	3,210	1,658	1,655	2,355
Amount due from related parties(6)	14,078	9,891	-	-	-
Current tax assets	74	28	20	420	276
Cash and bank balances(7)	1,174	2,373	3,300	17,263	11,877
Total current assets	**79,667**	**99,871**	**126,346**	**185,278**	**175,866**
TOTAL ASSETS	**120,524**	**134,237**	**160,050**	**212,398**	**202,294**

12. FINANCIAL INFORMATION *(cont'd)*

	Audited				
	As at 31 Dec 2019	As at 31 Dec 2020	As at 31 Dec 2021	As at 31 Dec 2022	As at 30 Apr 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	-	-	90,026	90,026	90,026
Invested equity(8)	76,000	90,676	-	-	-
(Accumulated losses)/Retained earnings	(13,574)	(14,268)	(2,312)	17,739	22,672
Preference shares(9)	5,287	-	-	-	-
Merger reserves(10)	-	-	20,350	20,350	20,350
TOTAL EQUITY	**67,713**	**76,408**	**108,064**	**128,115**	**133,048**
Non-current liabilities					
Borrowings(11)	11,320	16,501	19,904	45,615	45,107
Lease liabilities	15,900	16,347	13,897	12,926	12,590
Amount due to related parties(6)	-	8,425	-	-	-
Deferred tax liabilities	44	55	119	156	171
Total non-current liabilities	**27,264**	**41,328**	**33,920**	**58,697**	**57,868**
Current liabilities					
Trade payables	7	5	21	115	189
Other payables and accruals(12)	5,784	851	2,017	2,320	2,210
Amount due to Directors(13)	1,325	12	-	-	-
Amount due to related parties(6)	15,972	9,998	8,779	-	-
Borrowings(11)	1,591	3,733	5,087	21,247	6,477
Lease liabilities	692	879	859	1,000	1,010
Current tax liabilities	176	1,023	1,303	904	1,492
Total current liabilities	**25,547**	**16,501**	**18,066**	**25,586**	**11,378**
TOTAL LIABILITIES	**52,811**	**57,829**	**51,986**	**84,283**	**69,246**
TOTAL EQUITY AND LIABILITIES	**120,524**	**134,237**	**160,050**	**212,398**	**202,294**

Notes:

(1) The decrease in investment properties by RM6.0 million or 27.8% as at 31 December 2020 as compared to 31 December 2019 was mainly due to the disposal of investment properties with a total NBV of RM5.6 million during the FYE 2020.

The decrease in investment properties by RM2.1 million or 14.0% as at 31 December 2022 as compared to 31 December 2021 was mainly due to the disposal of 2 investment properties with a total NBV of RM1.8 million during the FYE 2022.

(2) Other investment refers to our cost of investment in CC Low, i.e. our former subsidiary, prior to the Disposals. The decrease in other investment in the FYE 2022 was due to the completion of disposal of our entire equity interest in CC Low on 19 December 2022 pursuant to the Disposals.

(3) Our inventories comprise gold products for our gold and luxury products retail and trading business.

The increase in inventories by RM3.0 million or 395.0% as at 31 December 2021 as compared to 31 December 2020 was mainly due to the expansion and growth of our gold and luxury products retail and trading business via the opening of one new “Cahaya Gold” retail outlet in the FYE 2021 and the increase in sales volume from our 2 existing “Cahaya Gold” retail outlets which were opened in the FYE 2019 and FYE 2020 respectively.

The decrease in inventories by RM3.1 million or 82.7% as at 31 December 2022 as compared to 31 December 2021 was mainly due to retail sales of new gold product inventories brought forward from the FYE 2021 as well as lower purchases of new gold products by Cahaya Gold for retail sales during the FYE 2022 as we were more focused on growing our pawnbroking business.

(4) The increase in our trade receivables from RM62.4 million as at 31 December 2019 to RM165.3 million as at 31 December 2022 was mainly due to the growth of our pawnbroking business which resulted in an increase in the number of pawn loans from 106,464 pawn loans as at 31 December 2019 to 207,359 pawn loans as at 31 December 2022.

The decrease in our trade receivables from RM165.3 million as at 31 December 2022 to RM161.0 million as at 30 April 2023 was mainly due to lesser renewal of pawn loans as well as early redemption of pawn loans by our pawnbroking customers prior to the Hari Raya festive season in April 2023.

(5) The increase in other receivables, deposits and prepayments by RM1.3 million or 70.4% as at 31 December 2020 as compared to 31 December 2019 was mainly due to advances to a third-party pawnbroking consultancy customer amounting to RM1.4 million upon its request for a short-term loan for working capital purposes, which has been fully repaid in the FYE 2021. Subsequent thereto, we have not advanced any monies to any third parties.

The decrease in other receivables, deposits and prepayments by RM1.6 million or 48.3% as at 31 December 2021 as compared to 31 December 2020 was mainly due to repayment of the said advances.

The increase in other receivables, deposits and prepayments by RM1.1 million or 63.7% as at 30 April 2023 as compared to 31 December 2022 was mainly due to prepayment of professional fees in respect of our Listing and insurance premium totaling RM0.6 million.

(6) The amounts due from/to related parties during the financial years under review were mainly in relation to Trax Capital, the former holding company of our subsidiaries, as well as CC Low, our former subsidiary which was disposed pursuant to the Disposals as detailed below:

	Audited		
	As at 31 Dec 2019	**As at 31 Dec 2020**	**As at 31 Dec 2021**
	RM’000	**RM’000**	**RM’000**
Amounts due from related parties			
Trax Capital	13,833	9,891	-
CC Low	165	-	-
Incredible Bonanza Sdn Bhd[(i)]	80	-	-
Total	**14,078**	**9,891**	**-**

	Audited		
	As at 31 Dec 2019	As at 31 Dec 2020	As at 31 Dec 2021
	RM'000	RM'000	RM'000
Amounts due to related parties			
Trax Capital	14,842	9,573	-
CC Low	-	8,836	8,779
Low Kok Thai(ii)	1,000	-	-
Apex Creative Resources Sdn Bhd(iii)	28	-	-
Evergreen Credit Express(iv)	3	14	-
Evergreen Wood Furniture Sdn Bhd(v)	55	-	-
Evergreen Fintech(vi)	44	-	-
Total	**15,972**	**18,423**	**8,779**

Notes:

(i) The company is principally involved in property investment.

(ii) Low Kok Thai is a sibling of Dato' Low.

(iii) The company is principally involved in the business of general construction, import and retail of vegetable, as well as trading of sport and outdoor equipment.

(iv) The company is principally involved in the business of retail of sport, garment apparel and outdoor equipment, money lending and hire purchase. Both Dato' Low and Datin Tea had ceased their involvement in Evergreen Credit Express in March 2022.

(v) The company is principally involved in the business of catering and operation of restaurants as well as production of wood raw materials and sales of wood products.

(vi) The company is principally involved in the business of agriculture and animal husbandry as well as property management and provision of solar energy consultancy.

The net amount due to Trax Capital were fully settled in the FYE 2021 via capitalisation of the net amount due to Trax Capital pursuant to and as an integral part of the Acquisitions as set out in Section 5.4.1 of this Prospectus.

The amount due to CC Low has been fully settled upon completion of the Disposals on 19 December 2022.

(7) The increase in cash and bank balances from RM3.3 million as at 31 December 2021 to RM17.3 million as at 31 December 2022 was mainly due to the drawdown of bank borrowings totalling RM26.7 million to finance the cash capital of our pawnbroking business.

The decrease in cash and bank balances from RM17.3 million as at 31 December 2022 to RM11.9 million as at 30 April 2023 was mainly due to non-rollover of our revolving credits facility upon its maturity, i.e. repayment of this short-term bank borrowing upon its maturity, as our Group has sufficient cash and bank balances to finance our existing business operations.

(8) Represents the aggregate share capital of our subsidiaries acquired (excluding CC Low, our former subsidiary which has been disposed pursuant to the Disposals).

The increase in invested equity of RM14.7 million or 19.3% as at 31 December 2020 as compared to 31 December 2019 was mainly due to the issuance of new ordinary shares by the following subsidiaries during the FYE 2020:

Subsidiary	**RM'000**
Cahaya Gold	[(a)]100
PG Brickfields	[(b)]4,000
PG Delta	[(c)]2,000
PG E Assets	[(c)]351
PG Nilai	[(b)]4,000
PG Total	[(c)]4,225
Total	**14,676**

Notes:

(a) The issuance of new ordinary shares by Cahaya Gold for cash was to increase its working capital.

(b) The issuance of new ordinary shares by PG Brickfields and PG Nilai were to capitalise part of their amount due to Trax Capital totalling RM8.0 million as at 2 December 2020.

(c) The issuance of new ordinary shares by PG Delta, PG E Assets and PG Total were due to conversion of the following preference shares issued by the respective companies:

Subsidiary	**Preference shares**
PG Delta	2,000,000 RCPS at an issue price of RM1.00 each in the FYE 2017
PG E Assets	232,000 redeemable preference shares ("**RPS**") at an issue price of RM1.00 each in the FYE 2017 and 118,900 RPS at an issue price of RM1.00 each in the FYE 2020
PG Total	3,055,000 RCPS at an issue price of RM1.00 each in the FYE 2019 and 1,170,000 RCPS at an issue price of RM1.00 each in the FYE 2020)

For information purposes, all the RCPS and RPS were first converted into ICPS of the respective companies at an issue price of RM1.00 per ICPS, prior to conversion of the said ICPS into ordinary shares of the respective companies in the FYE 2020.

Following the completion of Acquisitions on 22 December 2021, our invested equity was reclassified as our issued share capital pursuant to MFRS 3: Business Combinations.

(9) Being the nominal value of the preference shares issued by the following subsidiaries of our Company:

Subsidiary	**Preference shares**	**Amount RM'000**
PG Delta	2,000,000 RCPS at an issue price of RM1.00 each issued in the FYE 2017	2,000
PG E Assets	232,000 RPS at an issue price of RM1.00 each issued in the FYE 2017	232
PG Total	3,055,000 RCPS at an issue price of RM1.00 each issued in the FYE 2019	3,055
Total		**5,287**

(10) Represents the difference between the total purchase consideration of the Acquisitions and the nominal value of the shares of our subsidiaries acquired pursuant to the Acquisitions. The difference arose due to the capitalisation of the net amount due by some of our subsidiaries to Trax Capital totalling RM16.4 million as at 1 October 2021 as detailed in Section 5.4.1 of this Prospectus.

(11) The increase in borrowings from RM12.9 million as at 31 December 2019 to RM66.9 million as at 31 December 2022 was mainly due to drawdown of bank borrowings as additional cash capital for our pawnbroking business.

The decrease in borrowings from RM66.9 million as at 31 December 2022 to RM51.6 million as at 30 April 2023 was mainly due to non-rollover of our revolving credits facility as detailed in note 7 above.

(12) The decrease in other payables and accruals by RM4.9 million or 85.0% as at 31 December 2020 as compared to 31 December 2019 was mainly due to the refund of a RM5.0 million deposit for a property development project which was aborted in the FYE 2020.

The increase in other payables and accruals by RM1.2 million or 133.2% as at 31 December 2021 as compared to 31 December 2020 was mainly due to an increase in amount payable to licensed auctioneers, accruals for processional fees, staff salary, bonus, loan interest and service tax.

(13) The amount due to Directors are in respect of the amounts due to Dato' Low and Datin Tea, our Promoters and Directors. The decrease by RM1.3 million or 99.1% as at 31 December 2020 as compared to 31 December 2019 was mainly due to a set-off against the consideration from the disposal of investment properties to Dato' Low and Datin Tea.

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12.2 Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read together with the Accountants' Report as set out in Section 13 of this Prospectus.

The management's discussion and analysis contain data derived from forward-looking statements that involve risks and uncertainties. Future results may differ significantly from those included in these forward-looking statements. Factors that may cause future results include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors as set out in Section 9 of this Prospectus.

12.2.1 Overview of our operations

We are principally involved in the following businesses:

(i) Pawnbroking services

We provide pawnbroking services through our network of 22 "Pajaking" pawnshops, whereby our pawnbroking subsidiaries offer pawn loans at a monthly interest rate of between 1.5% to 2.0% to our pawnbroking customers with loan periods of up to 6 months.

We generate interest income from the pawn loans offered. In addition to interest income, we also derive administrative fee of RM0.50 for each pawn ticket issued.

(ii) Retail and trading of gold and luxury products

In the event of default and as part of our cash recovery process, our pawnbroking subsidiaries will procure our unredeemed pledged items from public auctions (for unredeemed pledged items of defaulted pawn loans amount above RM200) or take possession of (for unredeemed pledged items of defaulted pawn loans amount RM200 and below) for onward sale by Cahaya Gold, whereby the consideration for such purchases will be set off against our pawn receivables.

In addition, we also source pre-owned gold products from third-party pawnshops (which are already in their possession), gold trading companies and walk-in individuals to our "Cahaya Gold" retail outlets as well as new gold products from gold trading companies for onward sale.

(iii) Pawnbroking consultancy and IT solution services

Leveraging on our experience in providing pawnbroking services, we also provide pawnbroking consultancy and IT solution services to third-party pawnbrokers. A monthly fee is charged to these pawnbrokers for the services rendered.

Please refer to Section 6 of this Prospectus for an overview of our businesses and Section 12.3 of this Prospectus for the significant factors affecting our operations and financial performance.

12.2.2 Revenue

We sell our services and products locally in Malaysia. Our services and products sold are denominated in RM.

Revenue by business

	Audited								Unaudited		Audited	
	FYE 2019		FYE 2020		FYE 2021		FYE 2022		FPE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Pawnbroking[(1)]												
- Interest income	10,214	69.0	14,254	58.4	19,107	31.4	28,091	41.8	8,474	41.6	10,874	30.2
- Administrative fee	53	0.4	58	0.2	63	0.1	89	0.1	26	0.1	34	0.1
	10,267	69.4	14,312	58.6	19,170	31.5	28,180	41.9	8,500	41.7	10,908	30.3
Gold and luxury products retail and trading[(2)]												
- Unredeemed pledged items sold to gold trading companies, scrap gold collectors and luxury product retailers	4,252	28.7	6,506	26.6	25,422	41.7	21,385	31.8	6,922	34.0	16,549	46.1
- Pre-owned gold products (including unredeemed pledged gold items that are in good condition)	283	1.9	3,091	12.7	8,663	14.2	12,283	18.3	1,579	7.8	5,899	16.4
- New gold products	-	-	281	1.1	6,652	11.0	3,770	5.6	2,554	12.5	2,417	6.7
	4,535	30.6	9,878	40.4	40,737	66.9	37,438	55.7	11,055	54.3	24,865	69.2
Others[(3)]	-	-	236	1.0	996	1.6	1,555	2.4	804	4.0	183	0.5
Total	**14,802**	**100.0**	**24,426**	**100.0**	**60,903**	**100.0**	**67,173**	**100.0**	**20,359**	**100.0**	**35,956**	**100.0**

Notes:

(1) Total pawn loans disbursed during the financial years/period under review are as follows:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Total pawn loans disbursed	132,793	179,517	242,400	351,208	108,175	125,631

(2) The breakdown of revenue from our gold and luxury products retail and trading business by types of customers is as follows:

	Audited				**Unaudited**	**Audited**
	FYE 2019	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2022**	**FPE 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Sale of pre-owned and gold and luxury products (including unredeemed pledged items from our pawnbroking segment)						
- Retail customers	282	1,859	3,555	6,243	355	2,343
- Gold trading companies, scrap gold collectors and luxury product retailers	4,253	7,738	30,531	27,425	8,146	20,105
Sale of new gold products						
- Retail customers	-	281	3,750	3,227	2,554	2,417
- Gold trading companies	-	-	2,901	543	-	-
Total	**4,535**	**9,878**	**40,737**	**37,438**	**11,055**	**24,865**

(3) Comprises the following:

	Audited				Unaudited	Audited
	FYE 2019	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2022**	**FPE 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Pawnbroking consultancy	-	236	533	541	178	178
IT solutions	-	-	346	671	458	5
Management fee[(a)]	-	-	117	343	168	-
Total	**-**	**236**	**996**	**1,555**	**804**	**183**

Note:

(a) Being management fee charged to CC Low, our former subsidiary, prior to the completion of the Disposals.

FYE 2019 vs FYE 2020

Our revenue increased by RM9.6 million or 65.0% in the FYE 2020, which was mainly due to the increase in revenue from our pawnbroking as well as gold and luxury products retail and trading businesses by RM4.0 million (39.4%) and RM5.3 million (117.8%) respectively in the FYE 2020.

Pawnbroking

Revenue from our pawnbroking business increased by RM4.0 million or 39.4% in the FYE 2020, which was mainly due to the increase in total pawn loans disbursed by RM46.7 million or 35.2% to RM179.5 million in the FYE 2020. This increase in total pawn loans disbursed was mainly due to availability of additional cash capital for our pawnshops via drawdown of banking facilities totalling RM14.9 million during the FYE 2020, which enabled us to offer more pawn loans to our pawnbroking customers, as well as full year revenue contribution from 2 new pawnshops which were opened in June and July 2019.

Gold and luxury products retail and trading

Revenue from our gold and luxury products retail and trading business increased by RM5.3 million or 117.8% in the FYE 2020, which was mainly due to the following:

(i) higher revenue from sales of unredeemed pledged items to gold trading companies, scrap gold collectors and luxury product retailers by RM2.3 million.

For information purposes:

(a) prior to April 2019, our Group's unredeemed pledged items were purchased by our respective pawnbroking subsidiaries from public auctions for onward sales;

(b) between April 2019 and August 2020, Trax Capital was the designated trading company for our Group's unredeemed pledged items. During this period, Trax Capital purchased all of our Group's unredeemed pledged items for onward sales. For clarification, the subsequent sales by Trax Capital of such unredeemed pledged items were not recorded in our Group's financial statements as Trax Capital is not part of our Group; and

(c) subsequent to August 2020, Cahaya Gold is the designated trading company for our Group's unredeemed pledged items.

The increase in revenue from sales of unredeemed pledged items to gold trading companies, scrap gold collectors and luxury product retailers was mainly due to higher purchases of our Group's unredeemed pledged gold items by Cahaya Gold and/or our pawnbroking subsidiaries during the FYE 2020 as compared to the FYE 2019 (FYE 2019: 26.7 kg; FYE 2020: 28.0 kg) for onward sales as part of our cash recovery process, following:

(a) an increase in defaulted pawn loans mainly as a result of higher disbursement of pawn loans (FYE 2019: RM132.8 million; FYE 2020: RM179.5 million); and

(b) 4 months purchases of our Group's unredeemed pledged items by Cahaya Gold during the FYE 2020 as compared to 3 months purchases by Cahaya Gold and/or our pawnbroking subsidiaries during the FYE 2019, as a result of the change in designation of trading company for our Group's unredeemed pledged items as elaborated above.

In addition, the increase in revenue was also due to a significant increase in gold price during the FYE 2020 from USD1,514.75 per ounce (equivalent to RM6,820.92) at the end of December 2019 to USD1,887.60 (equivalent to RM8,499.86) per ounce at the end of December 2020.

(ii) higher revenue from sales of pre-owned gold products by RM2.8 million.

The increase in revenue from sales of pre-owned gold products was mainly due to higher retail sales volume of pre-owned gold products (FYE 2019: 1.9 kg; FYE 2020: 12.2 kg) following the opening of a new “Cahaya Gold” retail outlet in Jalan Genting Kelang in the FYE 2020 as well as a full year revenue contribution from our “Cahaya Gold” retail outlet in Ampang which was opened in October 2019, and an increase in gold price as elaborated in subsection (i) above.

Others

We began offering pawnbroking consultancy services in January 2020 and generated RM0.2 million revenue in the FYE 2020.

FYE 2020 vs FYE 2021

Our revenue increased by RM36.5 million or 149.3% in the FYE 2021, which was mainly due to the increase in revenue from our pawnbroking as well as gold and luxury products retail and trading businesses by RM4.8 million (33.9%) and RM30.9 million (312.4%) respectively in the FYE 2021.

Pawnbroking

Revenue from our pawnbroking business increased by RM4.8 million or 33.9% in the FYE 2021, which was mainly due to the increase in total pawn loans disbursed by RM62.9 million or 35.0% to RM242.4 million in the FYE 2021. This increase in total pawn loans disbursed was mainly due to availability of additional cash capital for our pawnshops via net advances received from related parties and drawdown of banking facilities totaling RM22.3 million, which enabled us to offer more pawn loans to our pawnbroking customers.

Gold and luxury products retail and trading

Revenue from our gold and luxury products retail and trading business increased by RM30.9 million or 312.4% in the FYE 2021, which was mainly due to the following:

(i) higher revenue from sales of unredeemed pledged items to gold trading companies, scrap gold collectors and luxury product retailers by RM18.9 million.

The increase in revenue was mainly due to higher purchases by Cahaya Gold of our unredeemed pledged gold items during the FYE 2021 as compared to the FYE 2020 (FYE 2020: 28.0 kg; FYE 2021: 93.1 kg) for onward sales as part of our cash recovery process as a result of:

(a) 12 months purchases of our Group’s unredeemed pledged items by Cahaya Gold during the FYE 2021 as compared to 4 months purchases by Cahaya Gold during the FYE 2020, following the change in designation of trading company for our Group’s unredeemed pledged items in the FYE 2020 as elaborated above; and

(b) increase in defaulted pawn loans following higher disbursement of pawn loans (FYE 2020: RM179.5 million; FYE 2021: RM242.4 million) and higher default rate (FYE 2020: 7.6%; FYE 2021: 8.8%).

(ii) higher revenue from sales of pre-owned and new gold products by RM11.9 million.

The increase in revenue was mainly due to higher retail sales volume of pre-owned and new gold products (FYE 2020: 13.3 kg; FYE 2021: 59.0 kg) following the opening of a new "Cahaya Gold" retail outlet in Jalan Chan Sow Lin in the FYE 2021, as well as an increase in retail sales volume from our 2 existing "Cahaya Gold" retail outlets as a result of more marketing activities carried out by our Group.

Others

Pursuant to the acquisition of Atapttech in the FYE 2021, we commenced provision of IT solutions to third party pawnbrokers. Revenue from our other business thus comprise revenue generated from our pawnbroking consultancy services and IT solutions as well as management fee from CC Low, our former subsidiary, amounting to RM0.5 million, RM0.3 million and RM0.1 million respectively.

FYE 2021 vs FYE 2022

Our revenue increased by RM6.3 million or 10.3% in the FYE 2022 mainly due to the increase in revenue from our pawnbroking business by RM9.0 million or 47.0%.

Pawnbroking

Revenue from our pawnbroking business increased by RM9.0 million or 47.0% in the FYE 2022, which was mainly due to higher pawn loans disbursed by RM108.8 million or 44.9% in the FYE 2022.

The increase in total pawn loans disbursed was mainly due to availability of additional cash capital for our pawnshops via drawdown of banking facilities totalling RM46.7 million, which in turn had enabled us to offer more pawn loans to our pawnbroking customers.

Gold and luxury products retail and trading

Revenue from our gold and luxury products retail and trading business decreased by RM3.3 million or 8.1% in the FYE 2022, which was mainly due to the following:

(i) lower revenue from sales of unredeemed pledged items to gold trading companies, scrap gold collectors and luxury product retailers by RM4.0 million.

The decrease in revenue was mainly due to:

(a) absence of labour costs charged in the FYE 2021 amounting to RM1.1 million for dismantling precious stones embedded in our unredeemed pledged gold items sold to a gold trading company at its request; and

(b) lower trading volume of unredeemed pledged gold items to gold trading companies and scrap gold collectors (FYE 2021: 93.1 kg; FYE 2022: 82.6 kg) as a higher proportion of unredeemed pledged gold items were retained for retail sales as they are in good condition; and

(ii) lower revenue from sales of new gold products by RM2.9 million.

The decrease in revenue was mainly due to lower retail sales volume of new gold products (FYE 2021: 24.0 kg; FYE 2022: 13.5 kg) as a result of lesser purchases of new gold products from gold trading companies for retail sales as we were more focused on growing our pawnbroking business. In addition, due to the increasing demand for our pawnbroking services, a larger proportion of our funds were utilised to fund the cash capital of our pawnbroking business instead of purchasing new gold products from gold trading companies for onward retail sales.

Notwithstanding the above, our Group recorded a higher revenue from retail sales of pre-owned gold products by RM3.6 million mainly due to higher sales volume of pre-owned gold products (FYE 2021: 34.9 kg; FYE 2022: 46.9 kg) following a higher volume of our unredeemed pledged gold items retained for retail sales.

Others

Revenue from our other businesses increased by RM0.6 million or 56.0% in the FYE 2022 mainly due to higher revenue contribution from the provision of IT solutions following the acquisition of Atapttech in October 2021.

FPE 2022 vs FPE 2023

Our revenue increased by RM15.6 million or 76.6% in the FPE 2023 mainly due to the increase in revenue from our pawnbroking and gold and luxury products retail and trading business by RM2.4 million or 28.3% and RM13.8 million or 124.9%.

Pawnbroking

Revenue from our pawnbroking business increased by RM2.4 million or 28.3% in the FPE 2023, which was mainly due to higher pawn loans disbursed by RM17.5 million or 16.1% in the FPE 2023 as compared to the FPE 2022.

The increase in total pawn loans disbursed was mainly due to availability of additional cash capital for our pawnshops via drawdown of bank borrowings in June 2022 and December 2022 totalling RM42.0 million, which in turn had enabled us to offer more pawn loans to our pawnbroking customers.

Gold and luxury products retail and trading

Revenue from our gold and luxury products retail and trading business increased by RM13.8 million or 124.9% in the FPE 2023, which was mainly due to the following key factors:

(i) higher revenue from trading sales of unredeemed pledged items to gold trading companies, scrap gold collectors and luxury product retailers by RM9.6 million.

The increase in revenue was mainly due to higher purchases by Cahaya Gold of our unredeemed pledged gold items (FPE 2022: 27.0 kg; FPE 2023: 60.6 kg) for onward sales as part of our cash recovery process, following an increase in defaulted pawn loans as a result of amongst others, higher disbursement of pawn loans (FPE 2022: RM108.2 million; FPE 2023: RM125.6 million); and

(ii) higher revenue from sales of pre-owned gold products by RM4.3 million.

The increase in revenue was mainly due to higher retail sales volume of pre-owned gold products (FPE 2022: 6.0 kg; FPE 2023: 21.4 kg) as a result of amongst others, higher purchases of pre-owned gold products from the following for onward retail sales:

(a) our pawnbroking subsidiaries (i.e. unredeemed pledged gold items that are in good condition and retained for retail sales), following an increase in defaulted pawn loans as elaborated in sub-section (i) above; and

(b) third party pawnshops (i.e. pre-owned gold products that are already in their possession), following an increase in the number of third party pawnshops offering their pre-owned gold products for sales to our Group (FPE 2022: 2; FPE 2023: 3) as well as an increase in the volume of pre-owned gold products offered for sales by our existing third party pawnshop suppliers to our Group (FPE 2022: 3.5kg; FPE 2023: 7.8kg).

Others

Revenue from our other businesses decreased by RM0.6 million or 77.2% in the FPE 2023 mainly due to the absence of management fee income and IT service fees following the assignment of the motor insurance claims processing software used by CC Low to CC Low pursuant to the Disposals.

12.2.3 COS

Our COS comprise the following:

(i) Pawnbroking services

The COS for our pawnbroking services mainly comprises direct operating costs such as staff costs and lease liabilities interest for our rented pawnshops pursuant to MFRS 16: Leases.

(ii) Retail and trading of gold and luxury products

The COS for our retail and trading of gold and luxury products business mainly comprise:

(a) cost of purchase of our unredeemed pledged items whereby:

(aa) for unredeemed pledged items of defaulted pawn loans amount above RM200, at the successful bid price at public auctions; and

(bb) for unredeemed pledged items of defaulted pawn loans amount RM200 and below, at the defaulted pawn loans amount plus accrued interests;

(b) cost of purchase of pre-owned and new gold products from third-party pawnshops, gold trading companies and walk-in individuals to our "Cahaya Gold" retail outlets, where applicable; and

(c) direct operating expenses such as staff costs and rental for our "Cahaya Gold" retail outlets.

(iii) Others

COS for our other businesses only comprise direct operating costs for our IT solution services such as staff costs and depreciation charges for the related computer software.

There is no COS for our pawnbroking consultancy services as such services are mainly carried out by our key management personnel based at our head office and the time spent by these key management personnel for such services are minimal. As such, the staff costs of these key management personnel are only recorded under our general and administration expenses.

COS by business

	Audited								Unaudited		Audited	
	FYE 2019		FYE 2020		FYE 2021		FYE 2022		FPE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Pawnbroking	6,578	61.1	6,750	48.3	7,373	17.4	7,639	17.5	2,444	18.9	2,783	10.6
Gold and luxury products retail and trading												
- Unredeemed pledged items sold to gold trading companies, scrap gold collectors and luxury product retailers	3,902	36.3	4,900	35.1	20,199	47.7	20,506	46.9	6,375	49.3	15,361	58.7
- Pre-owned gold products (including unredeemed pledged gold items that are in good condition)	281	2.6	2,028	14.5	8,124	19.2	11,671	26.7	1,518	11.7	5,584	21.3
- New gold products	-	-	285	2.1	6,592	15.6	3,753	8.6	2,553	19.7	2,387	9.1
	4,183	38.9	7,213	51.7	34,915	82.5	35,930	82.2	10,446	80.7	23,332	89.1
Others[(i)]	-	-	-	-	48	0.1	168	0.3	55	0.4	53	0.2
Total	**10,761**	**100.0**	**13,963**	**100.0**	**42,336**	**100.0**	**43,737**	**100.0**	**12,945**	**100.0**	**26,168**	**100.0**

COS by component

	Audited								Unaudited		Audited	
	FYE 2019		FYE 2020		FYE 2021		FYE 2022		FPE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Cost of goods sold	4,183	38.9	7,072	50.6	34,194	80.8	35,242	80.6	10,166	78.5	23,152	88.5
Staff costs	2,101	19.5	2,158	15.5	2,879	6.8	3,347	7.7	1,085	8.4	1,111	4.2
Operating expenses[(ii)]	4,477	41.6	4,733	33.9	5,263	12.4	5,148	11.7	1,694	13.1	1,905	7.3
Total	**10,761**	**100.0**	**13,963**	**100.0**	**42,336**	**100.0**	**43,737**	**100.0**	**12,945**	**100.0**	**26,168**	**100.0**

Notes:

(i) Comprise the following:

	Audited				Unaudited	Audited
	FYE 2019	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2022**	**FPE 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Pawnbroking consultancy	-	-	-	-	-	-
IT solutions	-	-	48	168	55	53
Management fee	-	-	-	-	-	-
Total	**-**	**-**	**48**	**168**	**55**	**53**

(ii) Include lease liabilities interest for our rented pawnshops pursuant to MFRS 16: Leases and rental for our "Cahaya Gold" retail outlets.

FYE 2019 vs FYE 2020

Our COS increased by RM3.2 million or 29.8% in the FYE 2020, which was mainly due to the increase in cost of purchases of gold and luxury products by RM3.0 million or 72.4%.

Pawnbroking

COS for our pawnbroking business increased by RM0.2 million or 2.6% to RM6.8 million in the FYE 2020, which was mainly due to the increase in operating expenses of our pawnbroking business by RM0.2 million or 5.7% to RM4.7 million in the FYE 2020 arising from, amongst others, the opening of 2 new pawnshops in June and July 2019.

Gold and luxury products retail and trading

COS for our gold and luxury products retail and trading business increased by RM3.0 million or 72.4% in the FYE 2020, which was mainly due to the following:

(i) higher volume of our unredeemed pledged gold items (FYE 2019: 26.7 kg; FYE 2020: 28.0 kg) which were purchased and sold to gold trading companies and scrap gold collectors as part of our cash recovery process; and

(ii) higher purchases of pre-owned and new gold products following the increase in sales volume as a result of amongst others, the opening of a new "Cahaya Gold" retail outlet in Jalan Genting Kelang.

FYE 2020 vs FYE 2021

Our COS increased by RM28.4 million or 203.2% in the FYE 2021, which was mainly due to the increase in cost of purchases of gold and luxury products in the FYE 2021.

Pawnbroking

COS for our pawnbroking business increased by RM0.6 million or 9.2% in the FYE 2021, which was mainly due to the increase in staff costs by RM0.4 million arising from amongst others, an increase in our pawnbroking staff from 53 as at 31 December 2020 to 64 as at 31 December 2021 following the growth of our pawnbroking business as well as annual salary increments.

Gold and luxury products retail and trading

COS for our gold and luxury products retail and trading business increased by RM27.7 million or 384.0% in the FYE 2021, which was mainly due to the following:

(i) higher purchases of our unredeemed pledged gold items (FYE 2020: 28.0 kg; FYE 2021: 93.1 kg) in view of the following:

  (a) 12 months purchases of our Group's unredeemed pledged items by Cahaya Gold during the FYE 2021 as compared to 4 months purchases by Cahaya Gold during the FYE 2020, following the change in designation of trading company for our Group's unredeemed pledged items in the FYE 2020 as elaborated in Section 12.2.2 of this Prospectus; and

  (b) increase in defaulted pawn loans following higher disbursement of pawn loans (FYE 2020: RM179.5 million; FYE 2021: RM242.4 million) and higher default rate (FYE 2020: 7.6%; FYE 2021: 8.8%).

(ii) higher purchases of pre-owned and new gold products following the increase in sales volume as a result of, amongst others, the opening of a new "Cahaya Gold" retail outlet in Jalan Chan Sow Lin as well as the increase in sales volume from our 2 existing "Cahaya Gold" retail outlets as elaborated in Section 12.2.2 of this Prospectus.

Others

The COS incurred was mainly for our new IT solutions business, which was mainly in relation to staff costs and depreciation charges for the related computer software.

FYE 2021 vs FYE 2022

Our COS increased by RM1.4 million or 3.3% in the FYE 2022, which was mainly due to the increase in cost of purchases of gold and luxury products by RM1.0 million or 2.9%.

Pawnbroking

COS in respect of our pawnbroking business increased by RM0.3 million or 3.6% in the FYE 2022, which was mainly due to annual salary increments for the operations personnel under our pawnbroking business.

Gold and luxury products retail and trading

COS in respect of our gold and luxury products retail and trading business increased by RM1.0 million or 2.9% in the FYE 2022, which was mainly due to higher cost of purchases of pre-owned gold products (including our unredeemed pledged gold items that are in good condition) as well as unredeemed pledged items sold to gold trading companies, scrap gold collectors and luxury product retailers by RM3.9 million. This was mainly due to higher amount of defaulted pawn loans which were offered at a higher pawn loan amount over the value of the pledged items.

This increase was partially offset by lower purchases of new gold products by Cahaya Gold for retail sales as we were more focused on growing our pawnbroking business.

Others

The COS incurred was mainly for our new IT solutions business, which was mainly in relation to staff costs and depreciation charges for the related computer software.

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FPE 2022 vs FPE 2023

Our COS increased by RM13.2 million or 102.1% in the FPE 2023, which was mainly due to the increase in cost of purchases of gold and luxury products by RM12.9 million or 123.4%.

<u>Pawnbroking</u>

COS in respect of our pawnbroking business increased by RM0.3 million or 13.9% in the FPE 2023, which was mainly due to annual salary increments for the operations personnel under our pawnbroking business as well as increase in operation costs such as auction fee and insurance expenses.

<u>Gold and luxury products retail and trading</u>

COS in respect of our gold and luxury products retail and trading business increased by RM12.9 million or 123.4% in the FPE 2023, which was mainly due to the following:

(i) higher volume of our unredeemed pledged gold items (FPE 2022: 27.0 kg; FPE 2023: 60.6 kg) which were purchased and sold to gold trading companies, scrap gold collectors and luxury product retailers, which was mainly due to an increase in defaulted pawn loans as elaborated in Section 12.2.2 of this Prospectus; and

(ii) higher purchases of pre-owned gold products from our pawnbroking business (i.e. unredeemed pledged gold items that are in good condition and retained for retail sales) and third party pawnshops (FPE 2022: 6.0 kg; FPE 2023: 21.4 kg), which was mainly due to an increase in defaulted pawn loans as well as an increase in volume of pre-owned gold products from third party pawnshops, as elaborated in Section 12.2.2 of this Prospectus.

<u>Others</u>

The COS incurred was mainly for our IT solutions business, which was mainly in relation to staff costs and depreciation charges for the related computer software.

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12.2.4 GP and GP margin

The following table summarises the breakdown of our GP and GP margin by business:

	Audited								Unaudited		Audited	
	FYE 2019		FYE 2020		FYE 2021		FYE 2022		FPE 2022		FPE 2023	
	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Pawnbroking	3,689	35.9	7,562	52.8	11,797	61.5	20,541	72.9	6,056	71.2	8,125	74.5
Gold and luxury products retail and trading												
- Unredeemed pledged items sold to gold trading companies, scrap gold collectors and luxury product retailers	350	8.2	1,606	24.7	5,223	20.5	879	4.1	547	7.9	1,188	7.2
- Pre-owned gold products (including unredeemed pledged gold items that are in good condition)	2	0.7	1,063	34.4	539	6.2	612	5.0	61	3.9	315	5.3
- New gold products	-	-	(4)	(1.4)	60	0.9	17	0.5	1	*	30	1.2
	352	7.8	2,665	27.0	5,822	14.3	1,508	4.0	609	5.5	1,533	6.2
Others[(i)]	-	-	236	100.0	948	95.2	1,387	89.2	749	93.2	130	71.0
Total GP / Overall GP margin	**4,041**	**27.3**	**10,463**	**42.8**	**18,567**	**30.5**	**23,436**	**34.9**	**7,414**	**36.4**	**9,788**	**27.2**

Notes:

* Less than 0.1%.

(i) Comprises the following:

	Audited				Unaudited	Audited
	FYE 2019	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2022**	**FPE 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Pawnbroking consultancy	-	236	533	541	178	178
IT solutions	-	-	298	503	403	(48)
Management fee	-	-	117	343	168	-
Total	**-**	**236**	**948**	**1,387**	**749**	**130**

As shown above, we have been able to generate profits from sales of unredeemed pledged items and pre-owned gold products (including unredeemed pledged gold items that are in good condition) during the financial years/period under review. This indicates that we have been able to recover our defaulted pawn loans (including accrued interests) from the sales of such unredeemed pledged items.

FYE 2019 vs FYE 2020

Our GP increased by RM6.4 million or 158.9% in the FYE 2020, which was mainly due to the increase in GP from our pawnbroking as well as gold and luxury products retail and trading businesses by RM3.9 million (105.0%) and RM2.3 million (657.1%) respectively in the FYE 2020.

<u>Pawnbroking</u>

GP from our pawnbroking business increased by RM3.9 million or 105.0% in the FYE 2020, which was mainly due to the increase in total pawn loans disbursed by RM46.7 million or 35.2% to RM179.5 million in the FYE 2020 as well as a higher GP margin as explained below.

The GP margin for our pawnbroking business increased from 35.9% in the FYE 2019 to 52.8% in the FYE 2020, which was mainly due to higher economies of scale as our pawnbroking operating costs mainly consist of fixed costs such as staff costs and rental expenses which do not increase when the business of each of our pawnshops grow.

Gold and luxury products retail and trading

GP from our gold and luxury products retail and trading business increased by RM2.3 million or 657.1% in the FYE 2020, which was mainly due to the following:

(i) higher trading volume of unredeemed pledged gold items (FYE 2019: 26.7 kg; FYE 2020: 28.0 kg) as elaborated in Section 12.2.2 of this Prospectus;

(ii) higher retail sales volume of pre-owned and new gold products following the opening of a new “Cahaya Gold” retail outlet in Jalan Genting Kelang; and

(iii) increase in gold price from USD1,514.75 (equivalent to RM6,820.92) per ounce at the end of December 2019 to USD1,887.60 (equivalent to RM8,499.86) per ounce at the end of December 2020.

The GP margin for our gold and luxury products retail and trading business increased from 7.8% in the FYE 2019 to 27.0% in the FYE 2020, which was mainly due to the increase in gold price as elaborated above.

FYE 2020 vs FYE 2021

Our GP increased by RM8.1 million or 77.5% in the FYE 2021, which was mainly due to the increase in GP of our pawnbroking as well as gold and luxury products retail and trading businesses by RM4.2 million (56.0%) and RM3.2 million (118.5%) respectively.

Pawnbroking

GP from our pawnbroking business increased by RM4.2 million or 56.0% in the FYE 2021, which was mainly due to the increase in total pawn loans disbursed by RM62.9 million or 35.0% to RM242.4 million in the FYE 2021 as well as a higher GP margin as explained below.

The GP margin for our pawnbroking business increased from 52.8% in the FYE 2020 to 61.5% in the FYE 2021, which was mainly due to higher economies of scale as our pawnbroking operating costs mainly consist of fixed costs such as staff costs and rental expenses which do not increase when the business of each of our pawnshops grow.

Gold and luxury products retail and trading

GP from our gold and luxury products retail and trading business increased by RM3.2 million or 118.5% in the FYE 2021, which was mainly due to the following:

(i) higher trading volume of unredeemed pledged gold items (FYE 2020: 28.0 kg; FYE 2021: 93.1 kg) as elaborated in Section 12.2.2 of this Prospectus; and

(ii) higher retail sales volume of pre-owned and new gold products following the opening of a new “Cahaya Gold” retail outlet in Jalan Chan Sow Lin as well as increase in retail sales volume from our 2 existing “Cahaya Gold” retail outlets as elaborated in Section 12.2.2 of this Prospectus.

However, the GP margin for our gold and luxury products retail and trading business decreased from 27.0% in the FYE 2020 to 14.3% in the FYE 2021, mainly as a result of:

(i) no significant increase in gold price in the FYE 2021 as compared to FYE 2020; and

(ii) higher retail and trading of new gold products during the FYE 2021, which have a lower margin as compared to pre-owned gold products as pre-owned gold products are generally purchased at a discount to their estimated value.

FYE 2021 vs FYE 2022

Our GP increased by RM4.9 million or 26.2% in the FYE 2022, which was mainly due to the increase in GP of our pawnbroking business by RM8.7 million or 74.1% in the FYE 2022 as compared to the FYE 2021.

Pawnbroking

GP from our pawnbroking business increased by RM8.7 million or 74.1% in the FYE 2022, which was mainly due to the increase in total pawn loans disbursed by RM108.8 million or 44.9% to RM351.2 million as well as a higher GP margin as explained below.

The GP margin of our pawnbroking business increased from 61.5% in the FYE 2021 to 72.9% in the FYE 2022, which was mainly due to higher economies of scale as our pawnbroking operating costs mainly consist of fixed costs such as staff costs and rental expenses which do not increase when the business of each of our pawnshops grow.

Gold and luxury products retail and trading

GP from our gold and luxury products retail and trading business decreased by RM4.3 million or 74.1% in the FYE 2022, which was mainly due to the decrease in GP from sales of unredeemed pledged items to gold trading companies, scrap gold collectors and luxury product retailers by RM4.3 million mainly as a result of the following:

(i) significant decrease in gold price during the FYE 2022 from USD1,808.00 per ounce (equivalent to RM8,141.42) in March 2022 to USD1,632.44 per ounce (equivalent to RM7,350.88) in November 2022; and

(ii) absence of labour cost which were charged in the FYE 2021 of RM1.1 million as elaborated in Section 12.2.2 of this Prospectus.

As a result, the GP margin for our gold and luxury products retail and trading business decreased from 14.3% in the FYE 2021 to 4.0% in the FYE 2022.

FPE 2022 vs FPE 2023

Our GP increased by RM2.4 million or 32.0% in the FPE 2023, which was mainly due to the increase in GP of our pawnbroking business by RM2.1 million or 34.2% in the FPE 2023 as compared to the FPE 2022.

Pawnbroking

GP from our pawnbroking business increased by RM2.1 million or 34.2% in the FPE 2023, which was mainly due to the increase in total pawn loans disbursed by RM17.5 million or 16.1% to RM125.6 million as well as a higher GP margin as explained below.

The GP margin of our pawnbroking business increased from 71.2% in the FPE 2022 to 74.5% in the FPE 2023, which was mainly due to higher economies of scale as our pawnbroking operating costs mainly consist of fixed costs such as staff costs and rental expenses which do not increase when the business of each of our pawnshops grow.

Gold and luxury products retail and trading

GP from our gold and luxury products retail and trading business increased by RM0.9 million or 151.7% in the FPE 2023, which was mainly due to the increase in GP from:

(i) higher trading volume of unredeemed pledged gold items (FPE 2022: 27.0 kg; FPE 2023: 60.6 kg) as elaborated in Section 12.2.2 of this Prospectus; and

(ii) higher retail sales volume of pre-owned gold products (including unredeemed pledged gold items that are in good condition) as elaborated in Section 12.2.2 of this Prospectus.

The increase in GP margin for our gold and luxury products retail and trading business from 5.5% in the FPE 2022 to 6.2% in the FPE 2023 was mainly due to an increase in gold price from USD1,898.42 per ounce (equivalent to RM8,548.58) at the end of April 2022 to USD1,991.42 per ounce (equivalent to RM8,967.36) at the end of April 2023.

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12.2.5 Other operating income

	Audited								Unaudited		Audited	
	FYE 2019		**FYE 2020**		**FYE 2021**		**FYE 2022**		**FPE 2022**		**FPE 2023**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Bargain purchase	-	-	-	-	178	6.9	-	-	-	-	-	-
Compensation fee	*	*	110	8.1	-	-	-	-	-	-	-	-
Gain on disposal of:												
- Investment properties	-	-	148	10.8	-	-	5,834	57.7	-	-	-	-
- Property, plant and equipment	-	-	-	-	90	3.5	47	0.5	-	-	-	-
- Other investments	-	-	-	-	-	-	3,108	30.8	-	-	-	-
- Right-of-use assets	-	-	-	-	55	2.1	-	-	-	-	-	-
Gain on termination on lease liabilities	-	-	-	-	206	8.0	-	-	-	-	-	-
Loan interest income	-	-	-	-	501	19.5	-	-	-	-	-	-
Bank interest income	-	-	-	-	-	-	8	0.1	-	-	96	31.3
Wages subsidies	-	-	-	-	411	16.0	-	-	-	-	-	-
Rental income	647	100.0	1,106	81.1	1,118	43.4	1,092	10.8	368	99.5	211	68.7
Others[(i)]	-	-	*	*	16	0.6	18	0.1	2	0.5	-	-
Total	**647**	**100.0**	**1,364**	**100.0**	**2,575**	**100.0**	**10,107**	**100.0**	**370**	**100.0**	**307**	**100.0**

Notes:

* Less than RM1,000 or 0.1%.

(i) Comprise insurance claim, interest income and/or waiver of debts.

FYE 2019 vs FYE 2020

Our other operating income increased by RM0.7 million or 110.8% in the FYE 2020, which was mainly due to the following:

(i) forfeiture of rental deposit of RM0.1 million as compensation for restoration of the rented premise following termination of the tenancy by our tenant;

(ii) gain on disposal of investment properties in Negeri Sembilan totalling RM0.2 million; and

(iii) increase in rental income by RM0.5 million or 70.9% mainly as a result of rental income from additional units rented out in the FYE 2020 for our investment properties in Cheras, Kuala Lumpur and Kemaman, Terengganu.

FYE 2020 vs FYE 2021

Our other operating income increased by RM1.2 million or 88.8% in the FYE 2021, which was mainly due to the following:

(i) bargain purchase of RM0.2 million arising from the acquisition of Atapttech at a consideration lower than its NA value in the FYE 2021;

(ii) gain on disposal of motor vehicles and right-of-use assets totalling RM0.1 million;

(iii) gain on termination of lease liabilities arising from the termination of a tenancy of a pawnshop of RM0.2 million as a result of relocation of the said pawnshop to a better location in the vicinity;

(iv) interest income of RM0.5 million in relation to a loan to Trax Capital, the former holding company of our subsidiaries; and

(v) wage subsidies of RM0.4 million received from the Malaysian Social Security Organisation (PERKESO), which is a financial aid programme offered by the Malaysian Government to support employers whose operations have been affected by the COVID-19 pandemic but are continuing their operations and retaining their employees during the COVID-19 pandemic.

FYE 2021 vs FYE 2022

Our other operating income increased by RM7.5 million or 292.5% in the FYE 2022, which was mainly due to the following:

(i) gain on disposal of 2 investment properties located at Kuala Lumpur (pursuant to the Disposals) and Terengganu (as part of our plan to dispose non-core assets) totaling RM5.8 million; and

(ii) gain on disposal of our entire equity interest in CC Low pursuant to the Disposals amounting to RM3.1 million

FPE 2022 vs FPE 2023

Our other operating income decreased by RM0.1 million or 17.0% in the FPE 2023, which was mainly due to loss of rental income following our disposal of 2 investment properties in December 2022.

12.2.6 General and administration expenses

	Audited								Unaudited		Audited	
	FYE 2019		FYE 2020		FYE 2021		FYE 2022		FPE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff costs[1]	923	47.7	653	35.5	1,906	54.6	2,657	41.4	931	66.2	889	46.2
Depreciation												
- Property, plant and equipment	160	8.3	44	2.4	34	1.0	70	1.1	23	1.6	24	1.2
- Investment properties	340	17.6	335	18.2	315	9.0	313	4.9	106	7.5	89	4.6
Investment properties expenditure[2]	112	5.8	186	10.1	115	3.3	96	1.5	17	1.2	18	0.9
Service tax, stamp duty and attestation fee	33	1.7	99	5.4	57	1.6	175	2.7	24	1.7	52	2.7
Rental expenses	81	4.2	112	6.1	88	2.5	179	2.8	61	4.3	79	4.1
Traveling and accommodation	65	3.4	36	2.0	36	1.0	86	1.3	32	2.3	24	1.2
Auditors' remuneration	69	3.6	71	3.9	130	3.7	137	2.1	39	2.8	36	1.9
Tax agent and secretarial fees	59	3.1	71	3.9	64	1.8	133	2.1	51	3.6	30	1.6
Bad debts written off [3]	-	-	54	2.9	24	0.7	22	0.3	-	-	7	0.4
Property, plant and equipment written off	-	-	-	-	109	3.1	88	1.4	-	-	-	-
Unrealised foreign exchange loss	-	-	-	-	-	-	307	4.8	-	-	232	12.1
Professional fees	35	1.8	67	3.6	419	12.1	1,557	24.3	10	0.7	149	7.8
Others [4]	56	2.8	110	6.0	196	5.6	593	9.3	113	8.1	294	15.3
Total	**1,933**	**100.0**	**1,838**	**100.0**	**3,493**	**100.0**	**6,413**	**100.0**	**1,407**	**100.0**	**1,923**	**100.0**

Notes:

(1) Staff costs comprise remunerations, statutory contributions and other staff related costs. Included in staff costs are management fees charged by Trax Capital, the former holding company of our subsidiaries, in relation to the allocation of our administrative staff costs from October 2020 until the transfer of these administrative staff back to our Group in October 2021.

(2) Investment properties expenditure comprise upkeep of properties, quit rent and assessment.

(3) Bad debts written off relate to the write-off of pawn loans whereby the pledged items are subject to police investigations.

(4) Mainly comprise postage and courier charges, upkeep of equipment, printing and stationery, entertainment, telephone, bank charges, utility charges and sundry expenses.

FYE 2019 vs FYE 2020

Our general and administration expenses decreased by RM0.1 million or 4.9% in the FYE 2020, which was mainly due to the following:

(a) decrease in staff costs by RM0.3 million due to amongst others, non-allocation of staff costs from February 2020 to September 2020 in relation to 17 of our administrative staff who were transferred to Trax Capital as part of a group restructuring exercise in February 2020. For clarification, Trax Capital had not allocated the staff costs to the respective companies as these companies were then its subsidiaries; and

(b) decrease in depreciation of property, plant and equipment by RM0.1 million as certain assets have been fully depreciated.

FYE 2020 vs FYE 2021

Our general and administration expenses increased by RM1.6 million or 90.0% in the FYE 2021, which was mainly due to the following:

(a) increase in staff costs by RM1.3 million mainly as a result of the allocation of our administrative staff costs by Trax Capital, the former holding company of our subsidiaries, to our Group, from October 2020 onwards. Pursuant to the Acquisitions, these administrative staff were transferred back from Trax Capital to our Group in October 2021;

(b) write-off of renovation costs of a pawnshop of RM0.1 million following the relocation of the said pawnshop to a better location in the vicinity; and

(c) increase in professional fees by RM0.1 million mainly as a result of fees incurred in relation to new banking facilities obtained by our Group as well as for our Listing fees.

FYE 2021 vs FYE 2022

Our general and administration expenses increased by RM2.9 million or 83.6% in the FYE 2022, which was mainly due to the following:

(a) increase in staff costs by RM0.8 million, mainly as a result of the recruitment of 3 additional administrative staff as well as annual salary increments;

(b) increase in professional fees by RM1.1 million, mainly as a result of fees incurred for our Listing and borrowings obtained to fund our working capital totaling RM1.1 million; and

(c) unrealised foreign exchange loss of RM0.3 million incurred in respect of a USD denominated borrowing drawndown in June 2022, following the weakening of the RM against the USD.

FPE 2022 vs FPE 2023

Our general and administration expenses increased by RM0.5 million or 36.7% in the FPE 2023, mainly due to unrealised foreign exchange loss of RM0.2 million incurred in respect of the USD denominated borrowing following further weakening of the RM against the USD as well as higher professional fees by RM0.1 million as a result of amongst others, fees incurred for our Listing.

12.2.7 Finance costs

	Audited								Unaudited		Audited	
	FYE 2019		FYE 2020		FYE 2021		FYE 2022		FPE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Bank borrowing interest	853	87.8	658	81.4	1,230	58.9	2,399	82.6	434	90.8	1,345	100.0
Lease liabilities interest(i)	-	-	5	0.6	*	*	-	-	-	-	-	-
Loan interest paid to related parties(ii)	118	12.2	145	18.0	860	41.1	504	17.4	44	9.2	-	-
Total	**971**	**100.0**	**808**	**100.0**	**2,090**	**100.0**	**2,903**	**100.0**	**478**	**100.0**	**1,345**	**100.0**

Notes:

* Less than RM1,000 or 0.1%.

(i) Being interest on lease liabilities for motor vehicles pursuant to MFRS 16: Leases.

(ii) Being 6% annual interest paid in relation to loans from related moneylending companies, i.e. Insan Tiara and Trax Capital, which were drawndown as additional cash capital for our pawnbroking business.

FYE 2019 vs FYE 2020

Our finance costs decreased by RM0.2 million or 16.8% in the FYE 2020, which was mainly due to the settlement of a loan from a related moneylending company amounting to RM1.5 million in the FYE 2019. Whilst our Group had drawndown banking facilities totaling RM14.9 million as additional cash capital for our pawnbroking business, our bank borrowings interest remained at RM0.8 million in the FYE 2020 mainly as a result of reductions in the banks' base lending rates by approximately 1% during the FYE 2020.

FYE 2020 vs FYE 2021

Our finance costs increased by RM1.2 million or 158.7% in the FYE 2021, which was mainly due to the drawdown of banking facilities totalling RM4.1 million in the FYE 2021 as well as loans from a related party as additional cash capital for our pawnbroking business. Following the Acquisitions, the loans from the related party has been fully settled via the capitalisation as detailed in Section 5.4.1 of this Prospectus.

FYE 2021 vs FYE 2022

Our finance costs increased by RM0.8 million or 38.9% in the FYE 2022, which was mainly due to the drawdown of banking facilities totalling RM46.7 million in the FYE 2022 to fund our working capital, including cash capital for our pawnbroking business.

FPE 2022 vs FPE 2023

Our finance costs increased by RM0.9 million or 181.4% in the FPE 2023, which was mainly due to the net drawdown of banking facilities subsequent to the FPE 2022 totalling RM42.0 million to fund our working capital, including cash capital for our pawnbroking business.

12.2.8 Tax expense

	Audited				Unaudited	Audited
	FYE 2019	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2022**	**FPE 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Income tax	980	2,836	3,563	3,914	1,461	1,879
Deferred tax	9	12	34	37	33	15
Real property gain tax	-	8	6	225	-	-
Total tax expense	**989**	**2,856**	**3,603**	**4,176**	**1,494**	**1,894**
Effective tax rate (%)	55.4	31.1	23.2	17.2	25.3	27.7
Statutory income tax rate (%)	24.0	24.0	24.0	24.0	24.0	24.0

For the financial years/period under review, we have not incurred any withholding tax as our Group's revenue and other income were generated in Malaysia.

FYE 2019 vs FYE 2020

Our tax expense increased by RM1.9 million or 188.7% in the FYE 2020, which was mainly due to the increase in profits generated from our pawnbroking business. However, the effective tax rate in the FYE 2020 was lower at 31.1% as compared to 55.4% in the FYE 2019. The higher effective tax rate of 55.4% for the FYE 2019 was mainly due to the following:

(a) deferred tax assets of RM0.2 million were not provided in respect of unutilised losses and unabsorbed capital allowances of our loss-making subsidiaries in the FYE 2019 as we had then assessed that the said unutilised losses and unabsorbed capital allowances might not be utilised in the foreseeable future;

(b) non-tax deductible expenses incurred totalling RM1.0 million, which mainly comprise depreciation on non-qualifying assets and interest on borrowings to finance our investment properties which were only tax deductible up to the net rental income generated by the respective investment properties; and

(c) under provision of income tax in prior years of RM0.1 million.

FYE 2020 vs FYE 2021

Our tax expense increased by RM0.7 million or 26.2% in the FYE 2021, which was mainly due to the increase in profits generated from our pawnbroking as well as gold and luxury products retail and trading businesses.

The lower effective tax rate of 23.2% in the FYE 2021 as compared to the statutory income tax rate of 24% was mainly due to the utilisation of unutilised losses and unabsorbed capital allowances for which no deferred tax assets were provided in the prior financial years totalling RM0.1 million in the FYE 2021.

FYE 2021 vs FYE 2022

Our tax expense increased by RM0.6 million or 15.9% in the FYE 2022, which was mainly due to the increase in profits generated from our pawnbroking business.

The lower effective tax rate of 17.2% as compared to the statutory income tax rate of 24% was mainly due to the following:

(a) gain on disposal of investment properties totaling RM5.8 million was only subject to 10% real property gains tax pursuant to the Real Property Gains Tax Act 1976; and

(b) gain on disposal of our entire equity interests in CC Low amounting to RM3.1 million was not subject to tax.

FPE 2022 vs FPE 2023

Our tax expense increased by RM0.4 million or 26.8% in the FPE 2023, which was mainly due to the increase in profits generated from our pawnbroking as well as from gold and luxury products retail and trading businesses.

The higher effective tax rate of 27.7% as compared to the statutory income tax rate of 24% was mainly due to higher unrealised foreign exchange loss and professional fees incurred, which are non-tax deductible expenses, by RM0.4 million in the FPE 2023 as compared to the FPE 2022.

12.2.9 PBT and PAT

	Audited				Unaudited	Audited
	FYE 2019	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2022**	**FPE 2023**
PBT (RM'000)	1,784	9,181	15,559	24,227	5,899	6,827
PBT margin (%)	12.0	37.6	25.5	36.1	29.0	19.0
PAT (RM'000)	795	6,325	11,956	20,051	4,405	4,933
PAT margin (%)	5.4	25.9	19.6	29.8	21.6	13.7

FYE 2019 vs FYE 2020

Our PBT and PAT increased by RM7.4 million (414.6%) and RM5.5 million (695.6%) respectively in the FYE 2020, which was mainly due to the increase in our GP by RM6.4 million in the FYE 2020 arising from amongst others, an increase in total pawn loans disbursed by RM46.7 million and the growth of our gold and luxury products retail and trading business as elaborated in Section 12.2.4 of this Prospectus.

Our PBT margin and PAT margin increased to 37.6% and 25.9% respectively in the FYE 2020, mainly due to higher economies of scale following the growth of our pawnbroking business as well as the increase in gold price as elaborated in Section 12.2.4 of this Prospectus.

FYE 2020 vs FYE 2021

Our PBT and PAT increased by RM6.4 million (69.5%) and RM5.6 million (89.0%) respectively in the FYE 2021, which was mainly due to the increase in our GP by RM8.1 million in the FYE 2021 arising from amongst others, an increase in total pawn loans disbursed by RM62.9 million and the expansion and growth of our gold and luxury products retail and trading business as elaborated in Section 12.2.4 of this Prospectus.

However, our Group recorded a decrease in PBT margin and PAT margin to 25.5% and 19.6% respectively in the FYE 2021 mainly as a result of:

(i) no significant increase in gold price in the FYE 2021 as compared to the FYE 2020; and

(ii) higher retail and trading of new gold products during the FYE 2021, which have a lower margin as compared to pre-owned gold products which are generally purchased at a discount to their estimated value.

FYE 2021 vs FYE 2022

Our PBT and PAT increased by RM8.7 million (55.7%) and RM8.1 million (67.7%) respectively in the FYE 2022 as compared to the FYE 2021. The increase was mainly due to the following:

(i) increase in our GP by RM4.9 million, mainly as a result of the growth in our pawnbroking business as elaborated in Section 12.2.4 of this Prospectus; and

(ii) increase in our operating income by RM7.5 million, which was mainly due to the gains on disposals of investment properties and our entire equity interests in CC Low as elaborated in Section 12.2.5 of this Prospectus.

Our PBT margin and PAT margin increased to 36.1% and 29.8% respectively in the FYE 2022, which was mainly due to the following:

(i) increase in GP margin from our pawnbroking business from 61.5% in the FYE 2021 to 72.9% in the FYE 2022, mainly as a result of higher economies of scale following the growth of our pawnbroking business as elaborated in Section 12.2.4 of this Prospectus; and

(ii) decrease in our effective tax rate from 23.2% in the FYE 2021 to 17.2% in the FYE 2022 as elaborated in Section 12.2.8 of this Prospectus.

FPE 2022 vs FPE 2023

Our PBT and PAT increased by RM0.9 million (15.7%) and RM0.5 million (12.0%) respectively in the FPE 2023 as compared to the FPE 2022. The increase was mainly due to the increase in our GP by RM2.4 million, mainly as a result of the growth in our pawnbroking business as elaborated in Section 12.2.4 of this Prospectus.

Our PBT margin and PAT margin decreased to 19.0% and 13.7% respectively in the FPE 2023, which was mainly due to the following:

(i) increase in general and administrative expenses by 36.7%, mainly due to unrealised foreign exchange loss incurred amounting to RM0.2 million as well as higher professional fees by RM0.1 million as a result of amongst others, fees incurred for our Listing as elaborated in Section 12.2.6 of this Prospectus;

(ii) increase in finance costs by 181.4%, mainly due to net drawdown of bank borrowings subsequent to the FPE 2022 totalling RM42.0 million as elaborated in Section 12.2.7 of this Prospectus; and

(iii) increase in our effective tax rate from 25.3% in the FPE 2022 to 27.7% in the FPE 2023 as elaborated in Section 12.2.8 of this Prospectus.

For information purposes, as part of a group restructuring exercise in February 2020, 17 of our administrative staff were transferred to Trax Capital, the former holding company of our subsidiaries, whereby the relevant staff costs were only allocated to our Group from October 2020 onwards. Please refer to Section 12.2.6 of this Prospectus for further details.

For illustrative purposes, assuming that the said staff costs were fully allocated to our Group in the FYE 2020, we would have recorded an adjusted PAT as follows:

	Audited				Unaudited	Audited
	FYE 2019	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2022**	**FPE 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
PAT	795	6,325	11,956	20,051	4,405	4,933
Add/(Less):						
- Staff costs	-	(1,148)	-	-	-	-
- Tax impact assumed at the statutory income tax rate of 24%	-	276	-	-	-	-
Adjusted PAT	**795**	**5,453**	**11,956**	**20,051**	**4,405**	**4,933**

12.2.10 Key financial ratios

Our key financial ratios are as follows:

	Audited				
	FYE 2019	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2023**
Trade receivables turnover (days)(1)					
- Pawn receivables	131	137	137	134	143
- Other trade receivables	25	4	21	22	4
Inventories turnover (days)(2)	4	10	19	18	2
Current ratio (times)(3)	3.1	6.1	7.0	7.2	15.5
Gearing ratio (times)(4)	0.2	0.4	0.3	0.5	0.4
Return on cash capital (%)(5)	14.9	15.0	17.4	16.9	(6)19.9

Notes:

(1) Due to the nature of our pawnbroking business, our trade receivables include outstanding pawn loans as well as interest receivables on the outstanding pawn loans. Therefore, to reflect a more meaningful presentation, trade receivables turnover is separately computed as follows:

(i) pawn receivables - average between the opening and closing pawn receivables (i.e. total pawn loans outstanding and pawn interest receivables) over total pawn loans disbursed and interest income from our pawnbroking business during the financial year/period multiplied by 365 days for each financial year or 120 days for the FPE 2023; and

(ii) other trade receivables (comprise trade receivables from our gold and luxury products retail and trading, and pawnbroking consultancy and IT solutions businesses) - average between the opening and closing trade receivables for our other businesses over the revenue generated from these businesses multiplied by 365 days for each financial year or 120 days for the FPE 2023.

(2) Computed based on the average between the opening and closing inventories over COS for the financial year/period multiplied by 365 days for each financial year or 120 days for the FPE 2023.

(3) Computed based on current assets over current liabilities.

(4) Computed based on total interest bearing borrowings over total equity.

(5) Computed based on interest income over cash capital for the financial year/period, whereby cash capital is computed based on total pawn receivables plus our pawnbroking subsidiaries' cash and bank balances.

(6) Annualised.

For information, trade payables turnover period is not computed as trade payables during the financial years/period review were less than RM0.1 million as our Group does not purchase nor require any material supplies for the operation of our businesses, save for purchases of gold products for our gold and luxury products retail and trading business which are on cash term.

(i) Trade receivables turnover

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade receivables					
- Pawn loans outstanding	58,781	78,990	107,106	155,365	150,221
- Pawn interest receivables	3,441	4,599	5,810	9,834	9,349
- Other trade receivables	201	22	4,700	93	1,428
Total pawn loans disbursed	132,794	179,517	242,400	351,208	125,631
Revenue from pawnbroking	10,267	14,312	19,170	28,180	10,908
Revenue from gold and luxury products retail and trading business, and pawnbroking consultancy and IT solutions	4,535	10,114	41,733	38,993	25,048
Trade receivables turnover period (days)					
- Pawn loans outstanding	133	140	140	136	146
- Pawn interest receivables	103	103	99	101	106
- Other trade receivables	25	4	21	22	4

(a) Trade receivables turnover period (in respect of our pawn receivables)

For our pawnbroking business, we offer pawn loans with a loan period of up to 6 months to our pawnbroking customers. Upon the expiry of the pawn loan period, our pawnbroking customers may choose to redeem their pledged items or renew their pawn loans. Customers who opt to renew their pawn loans are required to re-pawn their pledged items to obtain new pawn tickets with a new pawn loan period. We charge monthly interest rates ranging between 1.5% to 2.0% on the pawn loans disbursed which are payable upon redemption or renewal of the pawn loans.

Our pawn loan receivables turnover period is dependent on the duration of the pawn loan period. During the financial years/period under review, our pawn loan receivables turnover period is within the maximum pawn loan period of 6 months.

Our Group has no significant concentration of credit risk from our pawn receivables. Our Group minimises credit risk by requiring pledged items from our pawnbroking customers as collaterals. As such, we do not make provision for impairment losses in respect of these receivables when they are past due as they are secured by the pledged items.

During the financial years/period under review, we had written off pawn receivables when the pledged items are subject to police investigations amounting to RM0.05 million, RM0.02 million, RM0.02 million and RM0.007 million in the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

(b) Trade receivables turnover period (in respect of our other trade receivables)

Other trade receivables are in respect of receivables from our gold and luxury products retail and trading business as well as our pawnbroking consultancy and IT solutions business segments whereby:

- for our gold and luxury products retail and trading business segment, we generally sell gold and luxury products on cash term basis, i.e. within 7 days from the date of the invoice; and

- for our pawnbroking consultancy and IT solutions business segment, we render our services with a credit term of 30 days.

The decrease in other trade receivables turnover period from 25 days in the FYE 2019 to 4 days in the FYE 2020 was mainly due to collection of a long overdue other trade receivable in relation to an ad-hoc sale of apparels in the FYE 2018 amounting to RM0.3 million in the FYE 2020.

During the FYE 2021, 2 of our major customers have been granted a 60-day credit term due to, amongst others, better margins earned on sales to these customers as a result of additional services provided such as customised designs for minted gold bars and dismantling of precious stones from pre-owned gold products. As a result, our other trade receivables turnover period had increased from 4 days in the FYE 2020 to 21 days in the FYE 2021.

Other trade receivables turnover period for the FYE 2022 was fairly consistent with the FYE 2021.

During the FPE 2023, our other trade receivables turnover period had reduced back to 4 days as we no longer grant a 60-day credit term to our customers.

The ageing analysis of our trade receivables as at 30 April 2023 is as follows:

		Past due				
	Not past due	**1-30 days**	**31-60 days**	**61-90 days**	**91-120 days**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Trade receivables	146,917	9,490	4,421	101	69	160,998
% of total trade receivables	91.2	5.8	2.8	0.1	0.1	100.0
Subsequent collections as at the LPD	86,298	703	276	52	69	87,398
Outstanding trade receivables	**60,619**	**8,787**	**4,145**	**49**	**-**	**73,600**

The outstanding trade receivables not past due as at the LPD of RM60.6 million are in relation to our pawn receivables which are within the pawn loan period.

The outstanding trade receivables which are past due as at the LPD totalling RM13.0 million are in relation to our pawn receivables which have not been redeemed or renewed upon the expiry of the pawn loan period. Our Board is of the opinion that these pawn receivables are recoverable as the unredeemed pledged items will be subsequently sold as part of our cash recovery process.

(ii) Inventory turnover

As set out in Section 6.1(ii)(a) of this Prospectus:

(a) unredeemed pledged gold items that are not in good condition will be sold by Cahaya Gold to gold trading companies and scrap gold collectors within the same month the said items were acquired from public auction or taken possession by our pawnbroking subsidiaries;

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

(c) unredeemed pledged luxury products, regardless of whether they are in good condition or otherwise, will be sold by Cahaya Gold to luxury product retailers within the same month the said items were acquired from public auctions or taken possession by our pawnbroking subsidiaries.

In addition to the above, we also purchase other pre-owned and new gold products from third-party pawnshops, gold trading companies and walk-in individuals to our “Cahaya Gold” retail outlets, where applicable, for onward sale.

In view of the foregoing, our inventories comprise the following:

	Audited				
	As at 31 Dec 2019	**As at 31 Dec 2020**	**As at 31 Dec 2021**	**As at 31 Dec 2022**	**As at 30 Apr 2023**
	RM’000	**RM’000**	**RM’000**	**RM’000**	**RM’000**
New gold products	-	671	3,467	-	-
Pre-owned gold products (including unredeemed pledged gold items)	34	87	285	648	360
Total	**34**	**758**	**3,752**	**648**	**360**

Meanwhile, our inventory turnover period is as follows:

	Audited				
	FYE 2019	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Opening inventories	215	34	758	3,752	648
Closing inventories	34	758	3,752	648	360
COS	10,761	13,963	42,336	43,737	26,168
Inventory turnover period (days)	4	10	19	18	2

The increase in inventory turnover period from 4 days in the FYE 2019 to 19 days in the FYE 2021 was mainly due to the expansion and growth of our gold and luxury products retail and trading business, whereby our "Cahaya Gold" retail outlets increased from 1 retail outlet as at 31 December 2019 to 3 retail outlets as at 31 December 2021.

Inventory turnover period for the FYE 2022 was fairly consistent with the FYE 2021.

The decrease in our inventory turnover period from 18 days in the FYE 2022 to 2 days in the FPE 2023 was mainly due to all of our new gold products, which generally have a longer turnover period as compared to pre-owned gold products, have been sold in the FYE 2022.

(iii) Current ratio

	Audited				
	As at 31 Dec 2019	**As at 31 Dec 2020**	**As at 31 Dec 2021**	**As at 31 Dec 2022**	**As at 30 Apr 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Current assets	79,667	99,871	126,346	185,278	175,866
Current liabilities	25,547	16,501	18,066	25,586	11,378
Current ratio (times)	3.1	6.1	7.0	7.2	15.5

Our Group is capable of meeting our current obligations as our current ratio is maintained at more than 1 time over the financial years/period under review.

The increase in our current ratio from 3.1 times as at 31 December 2019 to 15.5 times as at 30 April 2023 was mainly due the increase in our current assets, as a result of the significant increase in our pawn loans outstanding from RM58.8 million as at 31 December 2019 to RM150.2 million as at 30 April 2023, following the growth of our pawnbroking business.

(iv) Gearing ratio

	Audited				
	As at 31 Dec 2019	**As at 31 Dec 2020**	**As at 31 Dec 2021**	**As at 31 Dec 2022**	**As at 30 Apr 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
- Borrowings	12,911	20,234	24,991	[(a)]66,862	[(a)]51,584
- Lease liabilities	92	84	-	-	-
- Amount due to related parties which are interest bearing[(c)]	-	8,835	8,778	-	-
Total	**13,003**	**29,153**	**33,769**	**66,862**	**51,584**
Total equity	67,713	76,408	108,064	128,115	133,048
Gearing ratio (times)	0.2	0.4	0.3	0.5	0.4

Notes:

(a) The increase in borrowings during the FYE 2022 was due to the drawdown of bank borrowings totalling RM26.7 million as additional cash capital for our pawnbroking business.

(b) The decrease in borrowings during the FPE 2023 was mainly due to the net repayment of our short-term bank borrowing (i.e. revolving credits) totaling RM15.0 million.

(c) For information purposes, the amount due to related parties are included in the computation of our gearing ratio as such advances are interest bearing and form part of the sources for our cash capital.

The increase in our gearing ratio from 0.2 times as at 31 December 2019 to 0.4 times as at 30 April 2023 was mainly due to the increase in our borrowings to fund the cash capital for our pawnshops in tandem with the growth of our pawnbroking business.

The lower gearing ratio of 0.3 times as at 31 December 2021 as compared to 0.4 times as at 31 December 2020 was mainly due to the capitalisation of the net amount due by our subsidiaries to Trax Capital of RM16.4 million pursuant to the Acquisitions as detailed in Section 5.4.1 of this Prospectus.

The lower gearing ratio of 0.4 times as at 30 April 2023 as compared to 0.5 times as at 31 December 2022 was mainly due to net repayment of our short-term bank borrowing (i.e. revolving credits) during the FPE 2023 totaling RM15.0 million.

(v) Return on cash capital

Return on cash capital is a financial ratio analysis used to indicate the financial performance of our pawnbroking business. The said ratio is computed based on total interest income generated from our pawnbroking business divided by our cash capital over the relevant financial years/period under review as summarised below:

	Audited				
	FYE 2019	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Interest income	10,214	14,254	19,107	28,091	10,874
Cash capital[(a)]	68,931	94,906	109,622	166,555	163,533
Return on cash capital (%)	14.9	15.0	17.4	16.9	[(b)]19.9

Notes:

(a) Please refer to Section 6.10 of the Prospectus for the computation on our cash capital.

(b) Annualised.

We offer pawn loans with a loan period of up to 6 months at a monthly interest rate of between 1.5% to 2.0% on the pawn loans disbursed.

The increase in our return on cash capital from 14.9% in the FYE 2019 to 19.9% in the FPE 2023 was mainly due to a larger proportion of our pawn loans were disbursed by our pawnbroking subsidiaries that charges the maximum monthly interest rate of 2.0%.

The slight decrease in our return on cash capital from 17.9% in the FYE 2021 to 16.9% in the FYE 2022 was mainly due to a larger proportion of our pawn loans were disbursed by our pawnbroking subsidiaries that charges a lower monthly interest rate of 1.5%.

12.3 Significant Factors Affecting Our Operations and Financial Performance

Our operations and financial performance have been and will continue to be affected by factors including, but not limited to, the following:

(i) Pawnbroker's licences for our pawnbroking business

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

As such, the operations and financial performance of our pawnbroking business are dependent on, amongst others, our ability to renew our existing pawnbroker's licences prior to their expiry, our ability to obtain new pawnbroker's licences for the new "Pajaking" pawnshops which we intend to establish in the future, as well as our continued adherence to the relevant regulations under the Pawnbrokers Act.

Over the financial years/period under review, we have obtained new pawnbroker's licenses for our 6 new "Pajaking" pawnshops established in 2019 and have been able to renew all of our existing pawnbroker's licenses.

(ii) Cash capital for our pawnbroking business

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

During the financial years/period under review, our cash capital was mainly financed by our internally generated funds, proceeds from issuance of securities, advances from our Directors and related parties, and drawdown of borrowings. Please refer to Section 6.10 of this Prospectus for details of the sources of funds for our cash capital over the financial years/period under review.

(iii) Volatility in price of gold

Our pawnbroking business involves sales of unredeemed pledged gold items as part of our cash recovery process. In addition, we also sell new and pre-owned gold products through our “Cahaya Gold” retail outlets, as well as through Cahaya Gold’s website and via social media and e-commerce platform.

As gold is a globally traded commodity, its price is affected by various market factors which are beyond our control such as supply and demand for gold, inflation, the USD exchange rate, interest rates as well as global and regional political and economic conditions.

As set out in Section 9.1.5 of the Prospectus, the market price for gold has generally been on an uptrend over the financial years/period under review, especially during the FYE 2020 which contributed to an increase in GP margin for our gold products retail and trading business. However, there is no assurance that this uptrend will continue in the future.

In the event of a sudden and/or prolonged downward movement in gold price, the value of our unredeemed pledged gold items may be reduced and we may not be able to fully recover the defaulted pawn loans through sales of unredeemed pledged gold items. In addition, the profitability of our gold products retail and trading business may also be adversely impacted.

(iv) Fluctuations in foreign exchange rate

As at the LPD, we have a USD5.0 million (equivalent to RM22.5 million) unsecured borrowing, which were drawndown in the FYE 2022 to fund our cash capital. As such, any significant fluctuations in the USD exchange rate against the RM would have an impact on our finance costs and our repayment amount. As our revenue are generated in RM, there is no natural hedging for the USD denominated borrowing.

In the event of a material depreciation in the RM against the USD, we would incur higher finance costs and repayment amount for the said USD denominated borrowing. Save for the unrealised loss on foreign exchange amounting to RM0.3 million in the FYE 2022 and RM0.2 million in the FPE 2023, our financial performance during the financial years/period under review was not materially affected by fluctuations in foreign exchange rates.

Please refer to Section 9.1.13 of the Prospectus for further details relating to our exposure to foreign exchange rate fluctuation and note 34(c)(i) of the Accountants' Report as set out in Section 13 of this Prospectus for the sensitivity of our Group's PAT for the FYE 2022 and FPE 2023 against an estimated change in exchange rates.

(v) Fluctuations in interest rates

As at 30 April 2023, our total interest-bearing borrowings stood at RM51.6 million. Please refer to Section 12.4.3 of this Prospectus for the breakdown of our borrowings.

Our financial performance for the financial years/period under review were not materially affected by fluctuations in interest rates. However, as some of our term loans are based on floating rates, a significant increase in interest rates would increase our finance costs, which in turn may have an adverse impact on our financial performance. Please refer to note 34(c)(ii) of the Accountants' Report as set out in Section 13 of this Prospectus for the sensitivity of our Group's PAT for the financial years/period under review against an estimated change in interest rates.

(vi) Adequacy of insurance coverage

We would need to maintain adequate insurance coverage in order to protect us against losses such as theft, robbery and/or fire that may occur in our ordinary course of business, especially for our pawnbroking as well as gold and luxury products retail and trading businesses, which involve valuable items and cash.

We have procured, amongst others, a special contingency policy (pawnshop insurance) for all of our "Pajaking" pawnshops with total insured sum of RM196.6 million, as well as a jeweller's block insurance policy for all of our "Cahaya Gold" retail outlets with total insured sum of RM2.4 million.

Notwithstanding the foregoing, our financial performance may be adversely impacted in the event we incur substantial losses that are in excess of our insured sums or the losses incurred are not covered under our insurance policies. In addition, as our insurance policies are subject to annual renewal, there can be no assurance that we would be able to renew or procure new insurance policies on favourable terms and at premiums acceptable to us.

The impact of other factors on our businesses and financial performance are as follows:

(1) Inflation

Our financial performance during the financial years/period under review were not materially affected by the impact of inflation.

(2) Government/economic/fiscal/monetary policies

There were no government, economic, fiscal or monetary policies which have affected our financial performance during the financial years/period under review. However, there is no assurance that our financial performance will not be adversely affected by the impact of changes in government, economic, fiscal or monetary policies moving forward.

12.4 Liquidity and Capital Resources

12.4.1 Working capital

Our businesses are financed by a combination of internal and external sources of funds. Currently, our internal sources of funds comprise shareholders' equity and cash generated from our business operations while our external sources of funds mainly comprise borrowings from financial institutions.

Our Board is confident that our working capital will be sufficient for our existing and foreseeable requirements for a period of at least 12 months from the date of listing after taking into consideration, amongst others, the following:

(i) our cash and cash equivalents of RM9.0 million as at the LPD;

(ii) our total unutilised credit facilities (excluding facilities to be repaid via our Public Issue proceeds) of RM20.3 million as at the LPD; and

(iii) the expected proceeds from our Public Issue.

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12.4.2 Cash flows

The table below set out a summary of our statements of cash flows for the financial years/period under review:

	Audited				Unaudited	Audited
	FYE 2019	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2022**	**FPE 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Net cash (used in)/from operating activities	(16,412)	(12,091)	(17,800)	(27,390)	6,363	12,158
Net cash (used in)/from investing activities	(490)	(36)	(525)	13,096	(112)	(97)
Net cash from/(used in) financing activities	15,615	10,915	18,173	32,147	6,522	(17,442)
Net (decrease)/increase in cash and cash equivalents	**(1,287)**	**(1,212)**	**(152)**	**17,853**	**12,773**	**(5,381)**
Cash and cash equivalents brought forward	2,056	769	(443)	(595)	(595)	17,258
Cash and cash equivalents carried forward	**769**	**(443)**	**(595)**	**17,258**	**12,178**	**11,877**
Cash and cash equivalents comprise the following:						
Cash and bank balances	1,174	2,373	3,301	17,263	12,207	11,877
Bank overdrafts	(405)	(2,816)	(3,896)	(5)	(29)	-
Total	**769**	**(443)**	**(595)**	**17,258**	**12,178**	**11,877**

We recorded negative net cash flows from operating activities during the financial years under review, which was mainly due to the growth of our pawnbroking business, whereby total pawn loans disbursed to our pawnbroking customers had increased from RM132.8 million in the FYE 2019 to RM351.2 million in the FYE 2022.

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12. FINANCIAL INFORMATION *(cont'd)*

Our negative net cash flows from operating activities during the financial years/period under review are analysed as follows:

	Audited				Unaudited	Audited
	FYE 2019	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2022**	**FPE 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Cash flows from operating activities						
Profit before tax	1,784	9,180	15,559	24,227	5,899	6,827
Adjustments for:						
- Bad debt written off	-	54	24	22	-	7
- Depreciation of:						
• investment properties	340	335	315	313	106	89
• property, plant and equipment	778	772	812	850	290	265
• right-of-use assets	1,321	1,327	1,276	1,303	433	435
- Bargain purchase	-	-	(178)	-		
- Gain on disposal of:						
• investment properties	-	(148)	-	(5,834)	-	-
• other investments	-	-	-	(3,108)	-	-
• property, plant and equipment	-	-	(90)	(47)	-	-
• right-of-use assets	-	-	(55)	-	-	-
- Gain on termination of lease liabilities	-	-	(206)	-	-	-
- Interest expense	2,152	1,964	3,173	3,912	832	1,661
- Interest income	-	-	(501)	(8)	-	(96)
- Unrealised loss on foreign exchange	-	-	-	306	-	232
- Property, plant and equipment written off	-	-	109	88	-	-
- Rental concession	-	(134)	(121)	(76)	(9)	(28)
- Waiver of debt	-	-	(4)	-		
Operating profit before working capital changes	**6,375**	**13,350**	**20,113**	**21,948**	**7,551**	**9,393**

12. FINANCIAL INFORMATION *(cont'd)*

	Audited				Unaudited	Audited
	FYE 2019	**FYE 2020**	**FYE 2021**	**FYE 2022**	**FPE 2022**	**FPE 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Changes in:						
- Inventories	181	(724)	(2,994)	3,104	2,507	288
- Trade receivables	(21,721)	(21,242)	(33,879)	(47,698)	(4,263)	4,288
- Other receivables, deposits and prepayments	1,298	(1,588)	1,569	2	(388)	(700)
- Trade payables	(196)	(2)	8	94	111	74
- Other payables and accruals	(1,312)	88	1,099	303	2,276	(111)
Cash (used in)/from operations	**(15,375)**	**(10,118)**	**(14,084)**	**(22,247)**	**7,794**	**13,232**
- Interest received	-	-	-	8	-	96
- Interest paid	-	(29)	(143)	(213)	(76)	(22)
- Tax paid	(1,037)	(1,944)	(3,573)	(4,938)	(1,355)	(1,148)
Net cash (used in)/from operating activities	**(16,412)**	**(12,091)**	**(17,800)**	**(27,390)**	**6,363**	**12,158**

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As tabulated above, we recorded an increasing operating profit before working capital changes during the financial years/period under review, i.e. from RM6.4 million in the FYE 2019 to RM28.2 million (annualised) in the FPE 2023. The growth in our operating profit before working capital changes indicates that our businesses, including our pawnbroking business, are sustainable and profitable after fulling all related operating expenses.

The changes in working capital, which resulted in the negative operating cash flows during the financial years under review, were mainly due to the increase in our pawn receivables as we grow our pawnbroking business and disburse more pawn loans to our pawnbroking customers to earn higher interest income.

However, the total pawn loans disbursed to our pawnbroking customers are mainly financed by our internally generated funds, as well as proceeds from issuance of securities, advances from Directors and related parties, and drawdown of borrowings which are classified under cash flows from financing activities pursuant to MFRS 107: Statement of Cash Flows.

Thus, due to the inherent nature of our pawnbroking business, whereby the disbursement of pawn loans are recorded as operating cash outflows whilst cash/capital injections for our pawnbroking business via issuance of securities, advances from Directors and related parties, and drawdown of borrowings are part of financing cash inflows, i.e. different classification of cash flows for our pawnbroking business, we recorded negative operating cash flows during the financial years under review as we grow our pawnbroking business.

For clarification, we recorded positive operating cash flows during the FPE 2023 mainly due to our lower pawn receivables as a result of amongst others, lesser renewal of pawn loans as well as early redemption of pawn loans by our pawnbroking customers prior to the Hari Raya festive season in April 2023 as elaborated in Section 12.1.2 of this Prospectus.

For illustration purposes, we would have recorded positive operating cash flows for the financial years under review, after adjusting the proceeds from issuance of securities, advances from Directors and related parties, and drawdown of borrowings for working capital purposes as follows:

	Audited			
	FYE 2019	**FYE 2020**	**FYE 2021**	**FYE 2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net cash used in operating activities	(16,412)	(12,091)	(17,800)	(27,390)
Adjustments for:				
- Proceeds from issuance of preference shares	3,055	1,289	-	-
- Proceeds from issuance of shares	-	100	*	-
- Finance from/(repayment) to Directors	676	(1,177)	(12)	-
- Advances from/(repayment) to related parties	17,103	14,639	18,248	(8,778)
- Net (repayment)/proceeds from borrowings (after adjusting for repayment of borrowings) for working capital purposes	(2,435)	5,557	3,677	45,436
Adjusted net cash from operating activities	**1,987**	**8,317**	**4,113**	**9,268**

Note:

* Less than RM1,000.

FYE 2019

Net cash used in operating activities

In the FYE 2019, we recorded net operating cash outflow of RM16.4 million. The operating cash outflow during the FYE 2019 mainly comprise the following:

(i) disbursement of pawn loans to our pawnbroking customers of RM132.8 million;

(ii) payment of staff costs, operating and administration expenses, and purchases of gold and luxury products of RM9.1 million; and

(iii) tax payments of RM1.0 million.

The above payments were offset by the following cash collections:

(i) receipts from redemptions of pawn loans by our pawnbroking customers of RM99.7 million;

(ii) proceeds from sales of unredeemed pledged items of RM12.3 million;

(iii) collections from our other businesses totalling RM4.3 million; and

(iv) receipts of other operating income of RM0.6 million.

Net cash used in investing activities

For the FYE 2019, we recorded a net cash outflow of RM0.50 million from our investing activities, which was mainly due to the purchase of property, plant and equipment such as fixture and fittings, computer equipment, safe cabinets, pawnshop equipment, security alarm and closed-circuit television (CCTV) system, and renovation for 2 new pawnshops amounting to RM0.5 million.

Net cash from financing activities

For the FYE 2019, we recorded a net cash inflow of RM15.6 million from our financing activities, which was mainly due to the following inflows:

(i) proceeds from issuance of RCPS amounting to RM3.1 million; and

(ii) net advances from related parties of RM17.1 million.

The above cash inflows were partially offset by the following:

(i) repayment of bank borrowings and lease liabilities (including interest) of RM5.1 million; and

(ii) repayment of loan from a related party of RM1.5 million.

FYE 2020

Net cash used in operating activities

In the FYE 2020, we recorded a net operating cash outflow of RM12.0 million. The operating cash outflow during the FYE 2020 mainly comprise the following:

(i) disbursements of pawn loans to our pawnbroking customers of RM179.5 million;

(ii) payment of staff costs, operating and administration expenses, and purchases of gold and luxury products of RM11.6 million; and

(iii) tax payments of RM1.9 million.

The above payments were offset by the following cash collections:

(i) receipts from redemptions of pawn loans by our pawnbroking customers of RM161.7 million;

(ii) proceeds from sales of unredeemed pledged items of RM10.8 million;

(iii) collections from our other businesses totalling RM10.3 million; and

(iv) receipts of other operating income of RM1.2 million.

Net cash used in investing activities

For the FYE 2020, we recorded a net cash outflow of RM0.04 million from our investing activities mainly due the purchase of property, plant and equipment such as fixtures and fittings, office equipment and renovation for 1 new "Cahaya Gold" outlet and 2 investment properties totalling RM0.28 million which was partially offset by the receipts of proceeds from disposal of investment properties of RM0.24 million.

Net cash from financing activities

For the FYE 2020, we recorded a net cash inflow of RM10.9 million from our financing activities, which was mainly due to the following inflows:

(i) proceeds from issuance of RCPS and RPS totaling RM1.3 million;

(ii) proceeds from issuance of ordinary shares of RM0.1 million;

(iii) drawdown of bank borrowings of RM14.9 million; and

(iv) net advances from a related party of RM14.6 million.

The above cash inflows were partially offset by the following:

(i) repayment of bank borrowings and lease liabilities (including interest) of RM11.8 million;

(ii) repayment of advances from Directors of RM1.2 million; and

(iii) dividend payments of RM7.0 million.

FYE 2021

Net cash used in operating activities

In the FYE 2021, we recorded a net operating cash outflow of RM17.8 million. The operating cash outflow during the FYE 2021 mainly comprise of the following:

(i) disbursements of pawn loans to our pawnbroking customers of RM242.4 million;

(ii) payments of staff costs, operating and administration expenses, and purchases of gold and luxury products of RM40.8 million; and

(iii) tax payments of RM3.6 million.

The above payments were offset by the following cash collections:

(i) receipts from redemptions of pawn loans by our pawnbroking customers of RM213.5 million;

(ii) proceeds from sales of unredeemed pledged items of RM18.8 million;

(iii) collections from our other businesses totaling RM37.1 million; and

(iv) receipts of other operating income of RM1.6 million.

Net cash used in investing activities

For the FYE 2021, we recorded a net cash outflow of RM0.5 million from our investing activities, which was mainly due to the following:

(i) net cash outflow from acquisition of Atapttech of RM0.8 million; and

(ii) purchase of property, plant and equipment and right-of-use assets of RM0.4 million.

The above cash outflow was partially offset by interest received of RM0.5 million and proceeds from disposal of property, plant and equipment and right-of-use assets of RM0.2 million, whereby the said purchase and disposal of property, plant and equipment and right-of-use assets were mainly in relation to the relocation of a pawnshop to a better location in the vicinity.

Net cash from financing activities

For the FYE 2021, we recorded net cash inflow of RM18.2 million from our financing activities, which was mainly due to the following inflows:

(i) net advances from related parties of RM18.2 million; and

(ii) drawdown of bank borrowings of RM4.1 million.

The cash inflows were partially offset by the following:

(i) repayment of bank borrowings and lease liabilities (including interest) of RM3.3 million; and

(ii) interest payment on loan from a related party of RM0.9 million.

FYE 2022

Net cash used in operating activities

In the FYE 2022, we recorded a net operating cash outflow of RM27.4 million. The operating cash outflow during the FYE 2022 mainly comprise the following:

(i) disbursement of pawn loans to our pawnbroking customers of RM351.2 million; and

(ii) payment of staff costs, operating and administration expenses, and purchases of gold and luxury products of RM45.3 million.

The above payments were offset by the following cash collections:

(i) receipts from redemptions of pawn loans by our pawnbroking customers of RM302.6 million;

(ii) proceeds from sales of unredeemed pledged items of RM24.6 million; and

(iii) collections from our other businesses of RM43.6 million.

Net cash used in investing activities

For the FYE 2022, we recorded a net cash inflow of RM13.0 million from our investing activities, mainly arising from the receipts of disposal proceeds from the following:

(i) 2 investment properties located in Kuala Lumpur (which was disposed pursuant to the Disposals) and Terengganu (which was disposed as part of our plan to dispose non-core assets) totaling RM7.7 million; and

(ii) other investments (i.e. disposal of our entire equity in CC Low pursuant to the Disposals) of RM5.6 million.

Net cash from financing activities

For the FYE 2022, we recorded a net cash inflow of RM32.1 million from our financing activities, which was mainly due to the drawdown of bank borrowings of RM46.7 million.

The above cash inflows were partially offset by the following:

(i) repayment of bank borrowings and lease liabilities (including interest) of RM9.2 million; and

(ii) repayment of amount due to a related party (i.e. CC Low) pursuant to the Disposals of RM8.8 million.

FPE 2023

Net cash from operating activities

In the FPE 2023, we recorded a net operating cash inflow of RM12.1 million. The operating cash inflow during the FPE 2023 mainly comprise the following:

(i) receipts from redemptions of pawn loans by our pawnbroking customers of RM126.2 million;

(ii) proceeds from sales of unredeemed pledged items of RM16.0 million; and

(iii) collections from our other businesses RM23.7 million.

The above cash inflows were partially offset by the following:

(i) disbursement of pawn loans to our pawnbroking customers of RM125.6 million; and

(ii) payments of staff costs, operating and administration expenses, and purchases of gold and luxury products of RM27.0 million.

Net cash used in investing activities

For the FPE 2023, we recorded a net cash outflow of RM0.1 million from our investing activities, which was mainly due to purchases of additional safe cabinet for some of our "Pajaking" pawnshops.

Net cash used in financing activities

For the FPE 2023, we recorded a net cash outflow of RM17.4 million from our financing activities, which was mainly due to net repayment of bank borrowings and lease liabilities (including interest) of RM16.9 million.

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12.4.3 Borrowings

As at 30 April 2023, our outstanding interests bearing borrowings stood at RM51.6 million, details of which are set out below:

Type	**Purpose**	**Tenure**	**Annual interest rate**	**Less than 1 year**	**Between 1 to 5 years**	**More than 5 years**	**Total**
		Year	**%**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Denominated in RM							
Revolving credits	Working capital	Less than 1	Kuala Lumpur Interbank Offer Rate (KLIBOR) + 3%	5,000	-	-	5,000
Term loans	Working capital	1 to 11	2.7 – 7.4	1,477	5,870	16,944	24,291
Denominated in USD							
Borrowing[(i)]	Working capital	5	6.0	-	22,293	-	22,293
Total				**6,477**	**28,163**	**16,944**	**51,584**

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Note:

(i) Set out below are the salient terms of the USD denominated borrowing:

Lender	:	RISA Partners, Inc.
Loan amount	:	USD5.0 million (equivalent to RM22.5 million)
Maturity date	:	If our IPO is completed by 31 December 2023 5 years from the drawdown of the loan (i.e. by 2 June 2027) If our IPO is not completed by 31 December 2023 1 year from the drawdown of the loan. The lender may extend the final maturity date in its sole discretion upon request by EMCC for an additional 1 year up to 4 times.
Interest rate	:	If our IPO is completed by 31 December 2023 6.0% p.a. If our IPO is not completed by 31 December 2023 Assuming no extension of maturity date, in addition to repaying the outstanding loan and interest accrued, our Company is to pay the lender an additional interest of 12% on a net "IRR" basis. Net "IRR" basis refers to the discount rate determined by an iterative process which results in the net present value of the loan approximating to zero when such discount rate is applied.
Security	:	Unsecured loan
PAT targets	:	Our Group is to achieve the following PAT targets throughout the duration of the borrowing:

	[(a)]PAT targets	
	USD' million	RM' million
FYE 2022	3.0	13.3
FYE 2023	3.5	15.6
FYE 2024	3.5	15.6
FYE 2025	3.5	15.6
FYE 2026	3.5	15.6

Note:

(a) Please refer to the ensuing paragraph after this table for our basis to achieve the PAT targets.

Financial covenants : Our Group:

(a) shall not incur more than USD0.5 million (equivalent to RM2.3 million) annually for investment purposes;

(b) net debt to PAT ratio shall not be more than 5 times in each financial year; and

(c) net debt to equity ratio shall not be more than 0.8 times in each financial year.

General covenants	:	Our Group: (a) shall conduct our businesses properly and cannot engage in any new business or make significant changes to our existing businesses without the lender's prior consent; (b) shall not take on additional debt or financial obligations without the lender's prior consent; (c) shall not declare or pay any dividend or make any other distribution to our shareholders without the lender's prior consent (which consent will not be required after the completion of our IPO); (d) shall not create encumbrances over any of our assets or sell or transfer shares or properties without the lender's prior consent; and (e) except for our IPO, shall not issue or allot new shares or engage in any type of merger and acquisition transaction without the lender's prior consent.

We have achieved the PAT target for the FYE 2022. Our Board is of the view that the PAT targets for the FYE 2023 to FYE 2026 is achievable after taking into consideration the following:

(i) additional interest income to be derived from the cash capital funded by the said USD5.0 million (equivalent RM22.5 million) borrowing which was drawndown in June 2022, as well as a RM20.0 million banking facility drawndown in December 2022;

(ii) our average rate of return on cash capital over the financial years and period under review of 16.8%; and

(iii) our historical financial performance as set out in this Section which is based on our Group's financial statements (i.e. already excluded the financial results of CC Low, a former subsidiary of our Company which has been disposed pursuant to the Disposals).

Notwithstanding the above, in the event we foresee that we would not be able to meet the said financial targets, we would endeavour to obtain new financing to refinance this USD denominated borrowing and/or progressively reduce the cash capital for our pawnbroking business in order to repay such borrowing when it becomes due and payable. Please refer to Section 9.1.4 of this Prospectus for further details on the risk in the event we are unable to meet the PAT targets.

We have not defaulted on payments on principal sums and/or interests in respect of any of our borrowings over the financial years/period under review and up to the LPD. As at the LPD, neither our Company nor any of our subsidiaries is in breach of any terms and conditions or covenants associated with the credit arrangements or bank borrowings which can materially affect our financial position and results or business operations or the investments by the holders of our Shares.

As at the LPD, RM4.2 million of our banking facilities are secured by amongst others, legal charge over assets owned by our Promoters and/or related parties, which will be fully repaid as set out in Section 4.5 of this Prospectus.

In addition, RM25.8 million of our banking facilities are secured by amongst others, joint and several guarantees by our Promoters, Directors and/or persons connected with them as well as corporate guarantees by Trax Capital, the former holding company of our subsidiaries and other related companies.

As at the LPD, we have obtained consents for the release of the said personal and/or corporate guarantees for all these banking facilities, whereby such consents are conditional upon the listing of our Company on the ACE Market of Bursa Securities and our Company giving a corporate guarantee in lieu of the existing guarantees.

12.4.4 Financial instruments, treasury policies and objectives

As at the LPD, save for our bank borrowings as disclosed in Section 12.4.3 of this Prospectus, we do not utilise any other financial instruments.

Our main treasury policy is to maintain sufficient working capital to finance our operations, coupled with adequate credit facilities to meet estimated commitments arising from our operational expenditure and financial liabilities. A combination of internal and external sources of funds include cash generated from operations as well as borrowings from financial institutions. The primary objective is to have sustainable shareholders' equity to ensure we have the ability to continue as a going-concern and grow our business in order to maximise our shareholders' value. We review and manage our capital structure to maintain the debt-to-equity ratio at an optimal level based on our business requirements and prevailing economic conditions.

12.5 Capitalisation and Indebtedness

The following table set out our capitalisation and indebtedness as at 30 June 2023, and after taking into account our Public Issue and the utilisation of proceeds therefrom:

	Unaudited as at 30 Jun 2023	**After our Public Issue and utilisation of proceeds**
	RM'000	**RM'000**
Shareholders' equity	135,330	195,998
Indebtedness		
Current		
- Secured and guaranteed	8,808	8,808
Non-current		
- Secured and guaranteed	34,683	30,683
- Unsecured	23,395	23,395
Total indebtedness	66,886	62,886
Total capitalisation and indebtedness	**202,216**	**258,884**
Gearing ratio (times)	**0.49**	**0.32**

12.6 Material Investment and Divestitures

Save as disclosed below, we do not have any other material investments and divestitures which were incurred for the financial years/period under review:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	1 May 2023 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Divestitures						
Investment properties	-	(ii)5,635	-	(iii)1,816	-	-
Other investments	(i)964	-	-	(iv)2,496	-	-
Total	**964**	**5,635**	**-**	**4,312**	**-**	**-**

Notes:

(i) Disposal of unquoted shares to Trax Capital, the former holding company of our subsidiaries.

(ii) Disposal of lands and buildings to our related parties as set out in Section 10.1 of this Prospectus.

(iii) Disposal of 2 investment properties located in Kuala Lumpur (pursuant to the Disposals) and Terengganu (as part of our plan to dispose non-core assets); and

(iv) Disposal of our entire equity interest in CC Low pursuant to the Disposals.

12.7 Material Capital Commitments

As at the LPD, there are no material capital commitments incurred or known to be incurred by us that have a material adverse impact on our results of operations or financial position.

12.8 Trend Information

Based on our track record for the financial years/period under review the following trends may continue to affect our business operations:

(i) we generate more than 30% of revenue and more than 60% of GP from our pawnbroking business and we will continue to focus in this segment; and

(ii) the main component of our COS are purchases of gold and luxury products and we expect this trend to continue.

As at the LPD, after all reasonable enquiries, our Board confirms that our business operations have not been and are not expected to be affected by any of the following:

(i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, position, operations, liquidity and capital resources, save as disclosed in this Section, and Sections 6, 7 and 9 of this Prospectus;

(ii) material capital commitments;

(iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save as disclosed in this Section and Section 9 of this Prospectus;

(iv) known trends, demands, commitments, events or uncertainties that have resulted in a material impact on our Group's revenue, save as disclosed in this Section and Section 9 of this Prospectus; and

(v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position, save as disclosed in this Section, and Sections 6, 7 and 9 of this Prospectus.

Our Board is optimistic about the future prospects of our Group given our Group's competitive strengths as set out in Section 6.2 of this Prospectus as well as our commitment to implement our future plans and strategies as set out in Section 6.11 of this Prospectus.

12.9 Significant Changes

Save as disclosed in Sections 9.1 and 12.3 of this Prospectus, no significant changes have occurred which may have a material effect on the financial position and results of our Group subsequent to the FPE 2023.

12.10 Order Book

As at the LPD, save for the contractual revenue (subject to automatic renewal annually) for our pawnbroking consultancy services to be recognised up to the FYE 2023 of RM0.2 million, we do not have any other order book due to the nature of our businesses as elaborated below:

(i) we provide pawnbroking services to our pawnbroking customers upon their request and the date of redemption/renewal of the pawn loans are at their discretion;

(ii) retail and trading of gold and luxury products are not on a contractual basis; and

(iii) we charge third-party pawnbrokers a monthly IT solution fee for each pawn transaction processed.

12.11 Dividend Policy

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

Our Directors will take into consideration, amongst others, the following factors when declaring any dividends:

(i) the availability of adequate reserves and cash flows;

(ii) our operating cash flow requirements and financing commitments;

(iii) our anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans;

(iv) our Company is solvent as the Act requires;

(v) any material impact of tax laws and other regulatory requirements; and

(vi) prior written consent from financial institutions, where required.

Dividend payments will not be subject to Malaysian taxation and no withholding tax is imposed on our Company for any dividend payment. Further, dividend distributed by our Company, if any, will be exempted from Malaysian taxation in the hands of our shareholders.

Investors should note that our intention to declare dividends should not be treated as a legal obligation on our Company to do so. The level of dividends should also not be treated as an indication of our Company's future dividend policy. There can be no assurance that dividends will be paid out in the future or on timing of any dividends that are to be paid in the future. In determining dividends in respect of subsequent financial years, consideration will be given to maximising shareholders' value. As at the LPD, save for the consents from the relevant financiers for the distributions of dividends, there are no dividend restrictions imposed on our Group.

The dividends declared and paid for the financial years/period under review are as follows:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividend paid/declared	19	7,020	-	-	-

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

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EVERGREEN MAX CASH CAPITAL BERHAD

[Registration No.: 202101028602 (1428902-D)]
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT

FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 31 DECEMBER 2022 AND FOR THE FINANACIAL PERIOD ENDED 30 APRIL 2023

EVERGREEN MAX CASH CAPITAL BERHAD
[Registration No.: 202101028602 (1428902-D)]
(Incorporated in Malaysia)

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CHENGCO
CHARTERED ACCOUNTANTS

CHENGCO PLT 201806002622 (LLP0017004-LCA) & AF0886
Wisma Cheng & Co
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The Board of Directors
EVERGREEN MAX CASH CAPITAL BERHAD
Lot 11-10, Level 11, Wisma Trax
No. 1, Jalan Lima Off, Jalan Chan Sow Lin
55200 Kuala Lumpur
Wilayah Persekutuan

Date: 2 August 2023

Dear Sirs,

Reporting Accountants' Opinion on the financial statements contained in the Accountants' Report of Evergreen Max Cash Capital Berhad ("EMCC" or "the Company")

We have audited the accompanying financial statements of Evergreen Max Cash Capital Berhad and its operating entities as defined in Note 2 to the financial statements (collectively known as the "Group"), which comprise of the statements of financial position as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 30 April 2023, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial years ended 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and for the 4 months financial period ended 30 April 2023, and notes to the financial statements, including a summary of significant accounting policies, as set out in pages 5 to 69.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 30 April 2023 and of their financial performance and their cash flows for the financial years ended 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and for the 4 months financial period ended 30 April 2023 in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By- Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

EVERGREEN MAX CASH CAPITAL BERHAD
[Registration No.: 202101028602 (1428902-D)]
(Incorporated in Malaysia)

Reporting Accountants' Opinion on the financial statements contained in the Accountants' Report of Evergreen Max Cash Capital Berhad ("EMCC" or "the Company") (cont'd)

Reporting Accountants' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an accountants' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountants' report to the related disclosures in the financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our reporting accountants' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group, including the disclosures, and whether the financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

EVERGREEN MAX CASH CAPITAL BERHAD
[Registration No.: 202101028602 (1428902-D)]
(Incorporated in Malaysia)

Reporting Accountants' Opinion on the financial statements contained in the Accountants' Report of Evergreen Max Cash Capital Berhad ("EMCC" or "the Company") (cont'd)

Other Matters

The comparative information for the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows and notes to the financial statements for the financial period ended 30 April 2022 has not been audited.

This report has been prepared solely to comply with the Prospectus Guidelines issued by the Securities Commission Malaysia and for inclusion in the prospectus of Evergreen Max Cash Capital Berhad in connection with the listing of and quotation for the entire enlarged issued share capital of Evergreen Max Cash Capital Berhad on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this opinion.

CHENGCO PLT
201806002622
(LLP0017004-LCA) & AF0886
Chartered Accountants

Kuala Lumpur,
Date: 2 August 2023

TAN WAE LENG
02850/05/2024 J
Chartered Accountant

EVERGREEN MAX CASH CAPITAL BERHAD
[Registration No.: 202101028602 (1428902-D)]
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, Dato' Low Kok Chuan and Datin Tea Guat Ngo, being two of the directors of Evergreen Max Cash Capital Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial positions of the Group as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 30 April 2023 and of their financial performance and cash flows for the financial years ended 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and financial periods then ended 30 April 2022 and 30 April 2023.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

………………………………
Dato' Low Kok Chuan

………………………………
Datin Tea Guat Ngo

EVERGREEN MAX CASH CAPITAL BERHAD
[Registration No.: 202101028602 (1428902-D)]
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION

		Audited				
		31.12.2019	**31.12.2020**	**31.12.2021**	**31.12.2022**	**30.4.2023**
	Notes	**RM**	**RM**	**RM**	**RM**	**RM**
ASSETS						
Non-current assets						
Property, plant and equipment	5	4,465,710	3,965,804	3,825,026	3,091,653	2,924,059
Right-of-use assets	6	14,888,524	14,866,797	12,164,926	10,939,133	10,503,982
Investment properties	7	21,503,138	15,533,497	15,218,010	13,089,608	13,000,307
Other investments	8	-	-	2,496,164	-	-
		40,857,372	34,366,098	33,704,126	27,120,394	26,428,348
Current assets						
Inventories	9	33,635	757,549	3,751,821	647,693	359,907
Trade receivables	10	62,423,247	83,610,716	117,615,528	165,291,520	160,998,270
Other receivables, deposits and prepayments	11	1,884,673	3,210,506	1,657,959	1,655,895	2,355,278
Amount due from related parties	12	14,077,968	9,890,973	-	-	-
Current tax assets		74,392	27,580	20,380	419,849	276,291
Cash and bank balances	13	1,173,535	2,373,323	3,300,368	17,263,112	11,876,940
		79,667,450	99,870,647	126,346,056	185,278,069	175,866,686
TOTAL ASSETS		120,524,822	134,236,745	160,050,182	212,398,463	202,295,034
EQUITY AND LIABILITIES						
EQUITY						
Share capital	14.1	-	-	90,025,891	90,025,891	90,025,891
Invested equity	14.2	76,000,102	90,675,902	-	-	-
Retained earnings		(13,573,987)	(14,268,378)	(2,311,876)	17,739,508	22,671,876
Preference shares	15	5,287,000	-	-	-	-
Merger reserves	17	-	-	20,350,360	20,350,360	20,350,360
TOTAL EQUITY		67,713,115	76,407,524	108,064,375	128,115,759	133,048,127
Non-current liabilities						
Amount due to related parties	12	-	8,424,813	-	-	-
Borrowings	18	11,320,456	16,501,245	19,903,990	45,614,638	45,106,575
Lease liabilities	19	15,900,294	16,346,992	13,897,174	12,926,681	12,590,450
Deferred tax liabilities	20	43,475	55,030	119,078	155,968	170,773
		27,264,225	41,328,080	33,920,242	58,697,287	57,867,798
Current liabilities						
Trade payables	21	6,810	5,155	20,687	114,869	189,449
Other payables and accruals	22	5,784,240	851,676	2,017,196	2,320,315	2,209,824
Amount due to directors	12	1,324,857	12,373	-	-	-
Amount due to related parties	12	15,971,759	9,997,756	8,778,425	-	-
Borrowings	18	1,590,910	3,732,750	5,086,933	21,246,673	6,477,358
Lease liabilities	19	692,087	879,341	859,032	999,565	1,009,947
Current tax liabilities		176,819	1,022,090	1,303,292	903,995	1,492,531
		25,547,482	16,501,141	18,065,565	25,585,417	11,379,109
TOTAL LIABILITIES		52,811,707	57,829,221	51,985,807	84,282,704	69,246,907
TOTAL EQUITY AND LIABILITIES		120,524,822	134,236,745	160,050,182	212,398,463	202,295,034

The accompanying notes form an integral part of these financial statements

EVERGREEN MAX CASH CAPITAL BERHAD
[Registration No.: 202101028602 (1428902-D)]
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Audited					Unaudited
	Notes	**1.1.2019 to 31.12.2019 RM**	**1.1.2020 to 31.12.2020 RM**	**1.1.2021 to 31.12.2021 RM**	**1.1.2022 to 31.12.2022 RM**	**1.1.2023 to 30.4.2023 RM**	**1.1.2022 to 30.4.2022 RM**
Revenue	23	14,802,261	24,425,882	60,903,252	67,172,653	35,956,116	20,359,132
Cost of sales		(10,761,640)	(13,963,279)	(42,336,584)	(43,736,707)	(26,168,371)	(12,944,546)
Gross profit		4,040,621	10,462,603	18,566,668	23,435,946	9,787,745	7,414,586
Other operating income	24	646,557	1,363,975	2,575,803	10,107,308	307,141	370,073
General and administration expenses		(1,932,563)	(1,837,497)	(3,493,378)	(6,413,162)	(1,923,115)	(1,406,993)
Profit from operations		2,754,615	9,989,081	17,649,093	27,130,092	8,171,771	6,377,666
Finance costs	25	(971,115)	(808,306)	(2,089,943)	(2,902,571)	(1,344,875)	(478,390)
Profit before tax	26	1,783,500	9,180,775	15,559,150	24,227,521	6,826,896	5,899,276
Tax expense	27	(988,633)	(2,855,471)	(3,602,648)	(4,176,137)	(1,894,528)	(1,493,994)
Profit for the financial year/period represented total comprehensive income for the financial year/period		794,867	6,325,304	11,956,502	20,051,384	4,932,368	4,405,282
Earnings per share (sen per share)							
Basis and diluted	31	0.09	0.66	1.41	2.37	0.58	0.52

The accompanying notes form an integral part of these financial statements

EVERGREEN MAX CASH CAPITAL BERHAD
[Registration No.: 202101028602 (1428902-D)]
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY

	Invested equity RM	Share capital RM	Preference shares RM	Irredeemable convertible preference shares RM	Merger reserves RM	Retained earnings RM	Total RM
At 1 January 2019	**76,000,102**	**-**	**2,232,000**	**-**	**-**	**(14,350,294)**	**63,881,808**
Total comprehensive income for the financial year	-	-	-	-	-	794,867	794,867
Contribution by and distribution to owners of the Company							
- Issuance of preference shares (Note 15.1)	-	-	3,055,000	-	-	-	3,055,000
- Dividends (Note 28)	-	-	-	-	-	(18,560)	(18,560)
	-	-	3,055,000	-	-	(18,560)	3,036,440
At 31 December 2019	**76,000,102**	**-**	**5,287,000**	**-**	**-**	**(13,573,987)**	**67,713,115**
At 1 January 2020	**76,000,102**	**-**	**5,287,000**	**-**	**-**	**(13,573,987)**	**67,713,115**
Total comprehensive income for the financial year	-	-	-	-	-	6,325,304	6,325,304
Contribution by and distribution to owners of the Company							
- Issuance of shares (Note 14.2)	8,099,900	-	-	-	-	-	8,099,900
- Issuance of preference shares (Note 15.1 and 15.2)	-	-	1,288,900	-	-	-	1,288,900
- Conversion of RCPS to ICPS (Note 15.1, 16)	-	-	(6,225,000)	6,225,000	-	-	-
- Conversion of RPS to ICPS (Note 15.2, 16)	-	-	(350,900)	350,900	-	-	-
- Conversion of ICPS to ordinary shares (Note 14.2, 16)	6,575,900	-	-	(6,575,900)	-	-	-
- Dividends (Note 28)	-	-	-	-	-	(7,019,695)	(7,019,695)
	14,675,800	-	(5,287,000)	-	-	(7,019,695)	2,369,105
At 31 December 2020	**90,675,902**	**-**	**-**	**-**	**-**	**(14,268,378)**	**76,407,524**
At 1 January 2021	**90,675,902**	**-**	**-**	**-**	**-**	**(14,268,378)**	**76,407,524**
Total comprehensive income for the financial year	-	-	-	-	-	11,956,502	11,956,502
Contribution by and distribution to owners of the Company							
- Issuance of shares (Note 14.1)	-	90,025,891	-	-	-	-	90,025,891
- Effect of acquisition of a common control subsidiaries	(90,675,902)	-	-	-	20,350,360	-	(70,325,542)
	(90,675,902)	90,025,891	-	-	20,350,360	-	19,700,349
At 31 December 2021	**-**	**90,025,891**	**-**	**-**	**20,350,360**	**(2,311,876)**	**108,064,375**

The accompanying notes form an integral part of these financial statements

EVERGREEN MAX CASH CAPITAL BERHAD
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STATEMENTS OF CHANGES IN EQUITY

	Invested equity RM	Share capital RM	Preference shares RM	Irredeemable convertible preference shares RM	Merger reserve RM	Retained earnings RM	Total RM
At 1 January 2022	**-**	**90,025,891**	**-**	**-**	**20,350,360**	**(2,311,876)**	**108,064,375**
Total comprehensive income for the financial year	-	-	-	-	-	20,051,384	20,051,384
At 31 December 2022	**-**	**90,025,891**	**-**	**-**	**20,350,360**	**17,739,508**	**128,115,759**
At 1 January 2023	**-**	**90,025,891**	**-**	**-**	**20,350,360**	**17,739,508**	**128,115,759**
Total comprehensive income for the financial period	-	-	-	-	-	4,932,368	4,932,368
At 30 April 2023	**-**	**90,025,891**	**-**	**-**	**20,350,360**	**22,671,876**	**133,048,127**

The accompanying notes form an integral part of these financial statements

EVERGREEN MAX CASH CAPITAL BERHAD
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STATEMENTS OF CASH FLOWS

	Audited					Unaudited
	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	1.1.2022 to 30.4.2022 RM
Cash flows from operating activities						
Profit before tax	1,783,500	9,180,775	15,559,150	24,227,521	6,826,896	5,899,276
Adjustments for:						
Bad debt written off	-	54,170	23,624	22,380	6,610	-
Bargain purchase	-	-	(178,270)	-	-	-
Depreciation of:						
- investment properties	340,168	334,576	315,487	312,737	89,301	105,692
- property, plant and equipment	777,901	771,977	811,775	849,654	265,471	290,358
- right of use assets	1,321,195	1,327,541	1,275,659	1,302,916	435,151	432,478
Gain on disposal of:						
- investment properties	-	(147,935)	-	(5,834,335)	-	-
- other investment	-	-	-	(3,107,836)	-	-
- property, plant and equipment	-	-	(90,095)	(46,908)	-	-
- right-of-use assets	-	-	(54,988)	-	-	-
Gain on termination of lease liabilities	-	-	(206,443)	-	-	-
Interest expense	2,152,643	1,963,406	3,173,009	3,911,909	1,661,324	832,043
Interest income	-	-	(500,924)	(7,939)	(96,061)	-
Loss on foreign exchange (unrealised)	-	-	-	306,564	232,167	-
Property, plant and equipment written off	-	-	108,828	87,727	-	-
Rental concession	-	(133,915)	(120,629)	(76,254)	(27,656)	(8,800)
Waiver of debt income	-	-	(4,456)	-	-	-
Operating profit before working capital changes	6,375,407	13,350,595	20,111,727	21,948,136	9,393,203	7,551,047
Changes in:						
Inventories	181,187	(723,914)	(2,994,272)	3,104,128	287,786	2,507,444
Trade receivables	(21,720,681)	(21,241,639)	(33,878,690)	(47,698,372)	4,286,640	(4,262,987)
Other receivables, deposits and prepayments	1,297,573	(1,588,358)	1,569,468	2,064	(699,383)	(388,315)
Trade payables	(196,043)	(1,655)	8,233	94,182	74,580	111,373
Other payables and accruals	(1,312,557)	87,436	1,099,295	303,119	(110,491)	2,275,586
Cash (used in)/generated from operations	(15,375,114)	(10,117,535)	(14,084,239)	(22,246,743)	13,232,335	7,794,148
Interest received	-	-	-	7,939	96,061	-
Interest paid	-	(29,186)	(142,700)	(213,505)	(22,515)	(76,447)
Tax paid	(1,037,101)	(1,944,333)	(3,573,464)	(4,938,012)	(1,147,629)	(1,353,753)
Net cash (used in)/from operating activities	(16,412,215)	(12,091,054)	(17,800,403)	(27,390,321)	12,158,252	6,363,948

The accompanying notes form an integral part of these financial statements

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STATEMENTS OF CASH FLOWS

	Audited					Unaudited
	1.1.2019 to 31.12.2019 RM	**1.1.2020 to 31.12.2020 RM**	**1.1.2021 to 31.12.2021 RM**	**1.1.2022 to 31.12.2022 RM**	**1.1.2023 to 30.4.2023 RM**	**1.1.2022 to 30.4.2022 RM**
Cash flows from investing activities						
Loan interest received	-	-	500,924	-	-	
Acquisition of subsidiaries, net cash acquired (Note 38)	-	-	(806,895)	-	-	-
Proceeds from disposal of investment properties (Note 39.1)	-	235,980	-	7,650,000	-	-
Purchase of property, plant and equipment	(489,935)	(272,071)	(378,648)	(280,949)	(97,877)	(112,040)
Proceeds from disposal of property, plant and equipment	-	-	90,100	123,849	-	-
Proceeds from disposal of right of use assets	-	-	70,000	-	-	-
Proceeds from disposal of other investments	-	-	-	5,604,000	-	-
Net cash (used in)/from investing activities	(489,935)	(36,091)	(524,519)	13,096,900	(97,877)	(112,040)
Cash flows from financing activities						
Dividend paid	(18,560)	(7,019,695)	-	-	-	-
Loan interest paid	(118,453)	-	(860,107)	(503,701)	-	(43,913)
Proceeds from issuance of preference shares (Note 39.2)	3,055,000	1,288,900	-	-	-	-
Proceeds from issuance of shares (Note 39.2)	-	99,900	1	-	-	-
Drawdown from bank borrowings (Note 39.2)	-	14,870,000	4,100,000	50,202,000	5,000,000	4,952,000
Repayment of bank borrowings (Note 39.2)	(2,434,620)	(9,312,912)	(422,509)	(4,747,280)	(20,504,587)	73,092
Bank borrowing interest paid	(852,662)	(773,888)	(1,087,007)	(2,185,367)	(1,322,360)	(358,030)
Repayment of lease liabilities (Note 39.2)	(614,300)	(537,947)	(696,684)	(830,827)	(298,193)	(275,207)
Lease liabilities interest paid	(1,181,528)	(1,160,332)	(1,083,195)	(1,009,338)	(316,449)	(353,653)
Finance from/(repayment to) directors (Note 39.2)	676,547	(1,176,712)	(12,373)	-	-	-
Net change in advance from/(to) related companies (Note 39.2)	17,103,404	14,637,805	18,234,404	(8,778,425)	-	2,527,596
Net cash from/(used in) financing activities	15,614,828	10,915,119	18,172,530	32,147,062	(17,441,589)	6,521,885
Net (decrease)/increase in cash and cash equivalents	(1,287,322)	(1,212,026)	(152,392)	17,853,641	(5,381,214)	12,773,793
Cash and cash equivalents at beginning of financial year/period	2,056,253	768,931	(443,095)	(595,487)	17,258,154	(595,487)
Cash and cash equivalents at end of financial year/period (Note 13)	768,931	(443,095)	(595,487)	17,258,154	11,876,940	12,178,306

The accompanying notes form an integral part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 Introduction

This report has been prepared solely to comply with the Prospectus Guideline issued by the Securities Commission Malaysia and for inclusion in the prospectus of Evergreen Max Cash Capital Berhad ("EMCC") in connection with the listing of and quotation for the entire enlarged issued share capital of EMCC on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") (hereinafter defined as "the Listing") and should not be relied upon for any other purpose.

1.2 Background

The Company was incorporated in Malaysia on 3 September 2021 as a private company under the name of Evergreen Max Cash Capital Sdn. Bhd., and subsequently converted to a public company and changed its name to Evergreen Max Cash Capital Berhad on 25 April 2022. The registered office of the Company is located at 18-2, Jalan 2/114, Kuchai Business Centre, Off Jalan Klang Lama, 58200 Kuala Lumpur.

1.3 Principal activities

The principal place of business of the Company is located at level 11-10, Wisma Trax, No. 1, Jalan Lima Off, Jalan Chan Sow Lin, 55200 Kuala Lumpur. The principal activities of the Company is investment holdings. Through its subsidiaries, the EMCC group of companies ("Group") is principally involved in the provision of pawnbroking services. In addition, the Group is also involved in the business of retail and trading of gold and luxury products, as well as provision of pawnbroking consultancy services and Information Technology ("IT") solutions to third party pawnbrokers.

The details of the subsidiary and combined entities are as follows:

Name of company	Date of incorporation	Effective ownership (%)						Principal activities
		31 December				30 April		
		2019	2020	2021	2022	2023	2022	
Pajak Gadai Insan Tiara Sdn. Bhd.	14 March 2012	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Terus Wangsa Sdn. Bhd.	25 January 2010	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Total Sdn. Bhd.	1 April 2005	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai SP Sdn. Bhd.	9 September 2014	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Sungai Way Sdn. Bhd.	20 November 2011	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Brickfields Sdn. Bhd.	29 April 2011	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Global Wealth Sdn. Bhd.	24 September 2014	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Adventure Sdn. Bhd	12 March 2009	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Nilai Sdn. Bhd.	19 August 2009	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Sri Permaisuri Sdn. Bhd.	2 July 2014	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Angkasa Sdn Bhd	20 May 2008	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Maju Sdn. Bhd.	14 October 2016	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai E Assets Sdn. Bhd.	30 December 1996	100	100	100	100	100	100	Pawnbroking and related businesses

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1. GENERAL INFORMATION (CONT'D)

1.3 Principal activities (cont'd)

The details of the subsidiary and combined entities are as follows: (cont'd)

Name of company	Date of incorporation	Effective ownership (%)						Principal activities
		31 December				30 April		
		2019	2020	2021	2022	2023	2022	
Pajak Gadai Kenanga Sdn. Bhd.	1 July 2016	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Delta Sdn. Bhd.	21 June 1977	100	100	100	100	100	100	Pawnbroking and related businesses
Atapttech Sdn. Bhd.	17 August 2018	-	-	100	100	100	100	Provision of IT Solutions
Cahaya Gold & Jewellery Sdn. Bhd.	15 August 2018	100	100	100	100	100	100	Retail of gold and luxury products as well as provision of pawnbroking consultancy services

At the date of this report, the above entities within the Group are incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 2 August 2023.

1.4 Group structure

Acquisitions

On 1 October 2021, EMCC had entered into a share sale agreement with Trax Capital Sdn Bhd ("Vendor") to acquire the entire issue share capital of Vendor's subsidiaries at total purchase consideration amounted to RM90,025,890 which was satisfied through issuance of 529,564,061 share of the Company at issue price of RM0.17 ("Acquisitions"). The Vendor's subsidiaries which had been acquired by the Company are as below:

(a) Ataptech Sdn. Bhd.;
(b) Cahaya Gold & Jewellery Sdn. Bhd.;
(c) CC Low Marketing Sdn. Bhd.;
(d) PG Adventure Sdn. Bhd.;
(e) PG Angkasa Sdn. Bhd.;
(f) PG Brickfields Sdn. Bhd.;
(g) PG Delta Sdn. Bhd.;
(h) PG E Assets Sdn. Bhd.;
(i) PG Insan Tiara Sdn. Bhd.;
(j) PG Kenanga Sdn. Bhd.;
(k) PG Maju Sdn. Bhd.;
(l) PG Nilai Sdn. Bhd.;
(m) PG SP Sdn. Bhd.;
(n) PG Sungai Way Sdn. Bhd.;
(o) PG Terus Wangsa Sdn. Bhd.; and
(p) PG Total Sdn. Bhd.

The Acquisitions exercise was completed on 22 December 2021.

On 15 September 2022, the Company had entered into a share sale agreement with Dato' Low Kok Chuan to dispose off the entire issue share capital of CC Low Marketing Sdn. Bhd. at total cash consideration amounted to RM5,604,000 ("Disposal"). The Disposal was completed on 19 December 2022.

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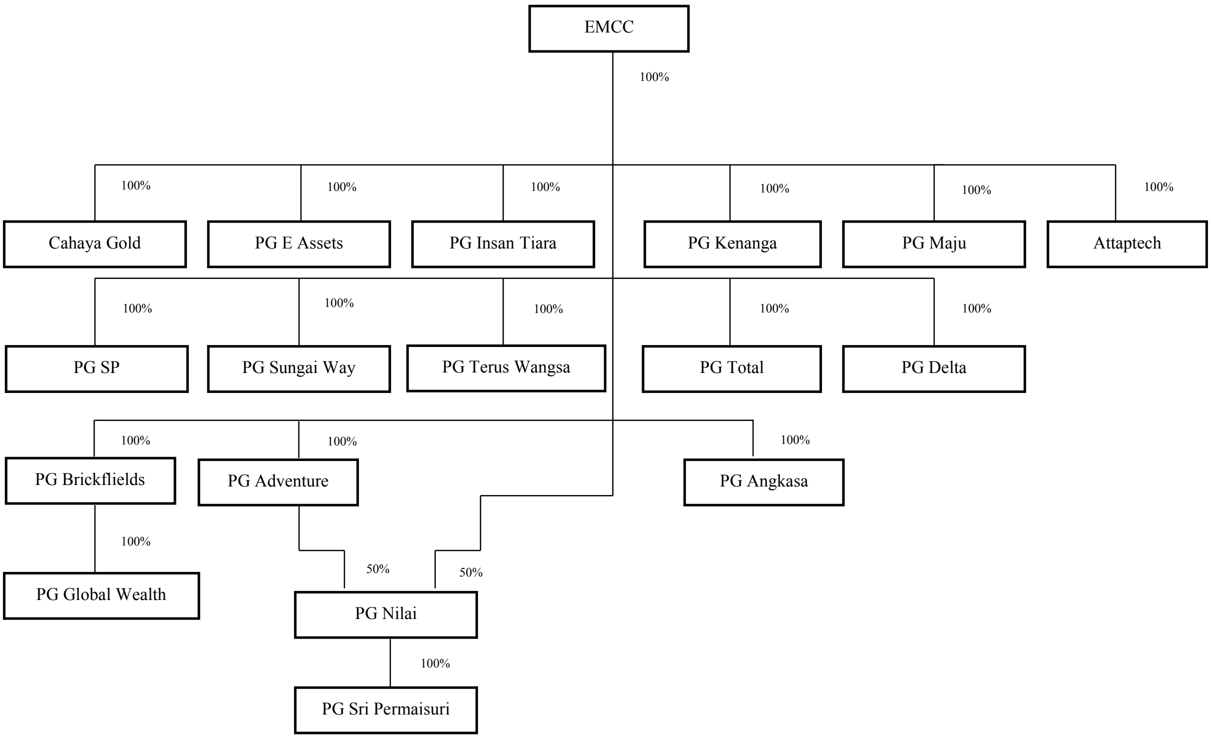
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION (CONT'D)

1.4 Group structure (cont'd)

Following the restructuring above, the Group's structure is as follows:



PG Insan Tiara	: Pajak Gadai Insan Tiara Sdn. Bhd.	PG Brickfields	: Pajak Gadai Brickfields Sdn. Bhd.
PG Angkasa	: Pajak Angkasa Sdn. Bhd.	Cahaya Gold	: Cahaya Gold & Jewellery Sdn. Bhd.
PG Terus Wangsa	: Pajak Gadai Terus Wangsa Sdn. Bhd.	PG Adventure	: Pajak Gadai Adventure Sdn. Bhd.
PG Maju	: Pajak Gadai Maju Sdn. Bhd.	PG Nilai	: Pajak Gadai Nilai Sdn. Bhd.
PG Total	: Pajak Gadai Total Sdn. Bhd.	PG Sri Permaisuri	: Pajak Gadai Sri Permaisuri Sdn. Bhd.
PG E Assets	: Pajak Gadai E Asset Sdn. Bhd.	Atapttech	: Atapttech Sdn. Bhd.
PG Sri Permaisuri	: Pajak Gadai SP Sdn. Bhd.	PG Kenanga	: Pajak Gadai Kenanga Sdn. Bhd.
PG Delta	: Pajak Gadai Delta Sdn. Bhd.	PG Glabal Wealth	: Pajak Gadai Global Wealth Sdn. Bhd.
PG Sungai Way	: Pajak Gadai Sungai Way Sdn. Bhd.		

(The Company and the above entities are collectively defined as the "Group")

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NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION (CONT'D)

1.4 Group structure (Cont'd)

The Group is regarded as a continuing entity resulting since the common control entities were controlled substantially by the same major shareholders before and immediately after the Acquisitions. Consequently, immediately after the Acquisitions, there was a continuation of control over the entities financial and operating policy decisions and risk and benefits by the same major shareholders that existed prior to the Acquisitions. The Acquisitions have been accounted for as an acquisition under common control in manner similar to pooling interest. Accordingly, the financial information for the financial year ended ("FYE") 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and financial period ended ("FPE") 30 April 2023 and 30 April 2022 have been prepared on the basis of merger accounting and comprise the financial statements of the subsidiaries which were under common control of the major shareholders that existed prior to the Acquisitions during the relevant periods. No financial information of Evergreen Max Cash Capital Berhad was included for the FYE 31 December 2019, 2020 and 2021 as the Company was only incorporated on 3 September 2021.

2. BASIS OF PREPARATION

The financial statements of EMCC for the FYE 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and FPE 30 April 2022 and 30 April 2023 have been prepared pursuant to the listing of and quotation for the entire enlarged issued share capital of EMCC on the ACE Market of Bursa Malaysia Securities Berhad which consist of the financial statements of the following entities under common control for each of the financial years/period, and subsidiary at the date of acquisition.

	FYE 31 December				FPE 30 April	
Name of entity	**2019**	**2020**	**2021**	**2022**	**2022**	**2023**
Pajak Gadai Insan Tiara Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Terus Wangsa Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Total Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai SP Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Sungai Way Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Brickfields Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Global Wealth Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Adventure Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Nilai Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Sri Permaisuri Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Kenanga Sdn Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Angkasa Sdn Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Maju Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai E Assets Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Delta Sdn. Bhd.	(a), (c)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Cahaya Gold & Jewellery Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Atapttech Sdn. Bhd.	-	-	(d)	(d)	(d)	(d)

(a) *The financial statements of the Group include the financial statements of these combining entities for the respective financial years/periods*

(b) *The financial statements of the Group for the respective financial years/periods have been prepared based on the audited financial statements which were audited by Chengco PLT.*

(c) *The financial statements of the Group for the FYE 31 December 2019 have been prepared based on the audited financial statements which were re-audited by Chengco PLT for the purpose of inclusion into the financial statements of the Group. The audited financial statements which were lodged with Companies Commission of Malaysia were audited by a firm of Chartered Accountants other than Chengco PLT.*

(d) *Atapttech Sdn. Bhd. was acquired on 1 October 2021 and its results was consolidated into EMCC.*

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2. BASIS OF PREPARATION (CONT'D)

EMCC applied merger method of accounting on a retrospective basis arising from the acquisition of the entire equity interest in business combinations under common control, refer Note 3.1 for basis of combination, and acquisition method of accounting arising from the acquisition of an entity from third party during the track record period of this financial statements from the date of which control was obtained over the said entity, refer Note 3.1 for basis of consolidation.

The financial statements of the Group are prepared under the historical cost convention and modified to include other basis of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The financial statements, which are expressed in Ringgit Malaysia ("RM") which is also the functional currency of the Group.

2.1 Standards, amendments to published standards and IC interpretations issued but not yet effective

The following are standards, amendments to published standards and IC interpretations issued by Malaysian Accounting Standard Board ("MASB") but not yet effective, up to the date of issuance of the financial statements. The Group intends to adopt these standards, amendments to published standards and IC interpretations, if applicable, when they become effective in the following financial year:

MFRS (Including the Consequential Amendments)		Effective Date
Amendments to MFRS 16	Leases – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10	Financial Statements – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The initial application of the abovementioned new and amendments to published standards and IC interpretation, where applicable, are not expected to have any material financial impact to the financial statements.

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3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of combination

Merger method of accounting

Common control business combination outside the scope of MFRS 3, "Business Combinations" ("MFRS3")

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. A business combination involving common control entities, are outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results equity changes and cash flows of the combining entities in the financial statements. The financial statements of commonly controlled entities are included in the financial statements from the day that control commences until the date that control ceases.

The Group is regarded as a continuing entity since the common control entities were controlled substantially by the same major shareholders before and immediately after the Acquisitions. Accordingly, the financial information have been prepared on the basis of merger accounting.

In applying merger accounting, financial statement line items of the combining entities for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the financial statements of the combining entities as if the combination had occurred from the date when the combining entities under the control of the controlling party or parties.

A single uniform set of accounting policies is adopted by the combining entities. Therefore, the assets, liabilities and equity of the combining entities are recognised at the carrying amounts in the financial statements of the controlling party or parties prior to the common control combination. The carrying amounts are included as if such financial statements had been prepared by the controlling party, including adjustments required for conforming to the Group's accounting policies and applying those policies to all years presented. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the financial statements of the combining entity.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the combining entity are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The identifiable assets of all commonly controlled entities accounted for at their historical costs. The accounting policies of common controlled entities have been changed where necessary to align them with the policies adopted by the Group.

The Group resulting from the restructuring exercise as disclosed in Note 1.4, is made up by seventeen entities under common control. Accordingly, the financial statements have been accounted for using the principles of merger accounting where financial statement line items of the merged entities for the reporting periods in which the common control combination occur are included in the financial statements of the Group as if the combination had occurred from the date when the merged entities first came under the control of the same shareholders.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of combination (cont'd)

Acquisition method of accounting

Subsidiary is entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over entity.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investment includes transactions costs.

The acquisition method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Subsidiary is consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

An excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

An excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.2 Financial instruments

Financial instruments are recognised in the statement of financial position when, and only when, the Group becomes a party to the contract provisions of the financial instruments.

Except for the trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Financial instruments (cont'd)

The Group categorises the financial instruments as follows:

(a) Subsequent measurement

Financial assets

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business models for managing those assets change.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost**

  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment in accordance with Note 3.8. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **Fair value through other comprehensive income ("FVOCI")**

  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Financial instruments (cont'd)

(a) Subsequent measurement (cont'd)

Debt instruments (Cont'd)

- **Fair value through profit or loss ("FVPL")**

  Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

  Financial assets at FVPL are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

Financial liabilities

The Group classifies its financial liabilities in the following measurement categories:

• Financial liabilities at FVPL
• Financial liabilities at amortised cost

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at FVPL are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group has not designated any financial liability as at FVPL.

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(b) Regular way purchase or sales of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group commits itself to purchase or sell an asset).

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NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Financial instruments (cont'd)

(b) Regular way purchase or sales of financial assets (cont'd)

Trade date accounting refers to:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(c) *Derecognition*

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive cash flows from the financial asset expire; or

(ii) the Group has transferred its rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

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NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment

(a) Measurement basis

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss in the year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to the acquisition of the asset and costs of bringing the asset to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of asset if the obligation for dismantlement, removal or restoration costs is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to profit or loss. The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(b) Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line basis to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Air-conditioner	5 – 10 years
CCTV and alarm system	5 – 10 years
Computer equipment	4 – 7 years
Furniture and fittings	5 – 10 years
Motor vehicles	5 – 10 years
Office equipment	5 – 10 years
Pawnshop equipment	5 – 10 years
Renovation	5 – 10 years
Safe cabinets	5 – 10 years
Signboard	5 – 10 years
Tools and equipment	5 – 10 years
Wiring and electrical items	5 – 10 years

The residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (cont'd)

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.4 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administration purposes.

Investment properties are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. Subsequent to initial recognition, investment properties are either stated at cost less accumulated depreciation and impairment losses, or fair value, if any.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties excluded the freehold land and fish pond has an unlimited useful life and therefore is not depreciated.

Leasehold land and buildings are depreciated on a straight-line basis over the lease terms of 55 to 90 years. Freehold building is depreciated on a straight-line basis over its estimated useful life of 50 years.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Upon derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

3.5 Other investment

Other investment on shares is accounted for at cost less impairment losses.

On disposal of an investment, the different between disposal proceeds and its carrying amount is recognised in profit or loss.

3.6 Inventories

Inventories mainly comprise gold products held for trading and retailing activities.

All the inventories of the Group are measured at the lower of cost and net realisable value.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value, which is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated cost necessary to make for sale.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

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NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment of assets

(a) *Impairment of financial assets*

Financial assets measured at amortised cost, financial assets measured at FVOCI, lease receivables or a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group measures loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

• debt securities that are determined to have low credit risk at the reporting date; and

• other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, the Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when:

• the borrower is unable to pay its credit obligations to the Group in full, without taking into account any credit enhancements held by the Group; or

• the contractual payment of the financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment of assets (cont'd)

(a) *Impairment of financial assets (cont'd)*

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

• significant financial difficulty of the issuer or the borrower;

• a breach of contract, such as a default of past due event;

• the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

• it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

• the disappearance of an active market for that financial asset because of financial difficulties; or

• the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

(b) *Impairment of non-financial assets*

The carrying amounts of non-financial assets (except for inventories and deferred tax assets measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group makes an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

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NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment of assets (cont'd)

(b) *Impairment of non-financial assets (cont'd)*

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in the prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.9 Equity

An equity instrument is a contract that evidences a residual interest in the asset of the combining entities after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of direct attributable incremental transaction costs. Dividend on ordinary shares are recognised in equity in the period in which they are declared.

3.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.11 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs are recognised in profit or loss in the period they occur.

3.12 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease, of which conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Leases (cont'd)

(a) Right-of-use assets

Right-of-use assets are initially recognised at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of use assets are subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the useful live of the underlying asset, from the commencement date of the underlying assets, as follows:

	Useful lives
Motor vehicle	3 – 5 years
Shoplots	9 – 15 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are also subject to impairment. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.8.

(b) Lease liabilities

As a lessee

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the its incremental borrowing rate because the interest rate implicit in the lease is not readily determinable.

Lease payments included in the measurement of lease liabilities comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the leases and reduced for the lease payments made.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Leases (cont'd)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property, machinery, equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases of low-value assets are recognised as expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the lease assets are consumed.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in the other operating income in the statement of profit or loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

3.13 Revenue recognition

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax and discounts.

The Group recognised revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs;
(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) *Pawnbroking - Interest charges*

Interest income on pawned loans is recognised on an accrual basis from the initial date a collateral is pledged, up to the date of the pawn loan redemption/renewal/default, at fixed interest rates varying between 1.5% - 2% per month.

(b) *Sale of gold and luxury products*

The Group is in the business of trading and retails of gold and luxury products.

Revenue from these sales is recognised upon satisfaction of identified performance obligation, which generally coincides with delivery and acceptance of promised goods sold.

(c) *Pawnbroking – Administrative fees*

Revenue from the pawnbroking – administrative fees is recognised at a point in time when the performance obligation is satisfied upon the transfer of the services to the customer.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue recognition (cont'd)

(d) *Rendering of services*

Revenue from the rendering of services such as providing IT solution and pawnbroking consultancy services are recognised on an accrual basis upon the render of such services.

3.14 Taxes

Income tax expense recognised in profit or loss comprise current tax and deferred tax, except to the extent that it relates to business combinations or items recognised directly in equity or other comprehensive income.

(a) *Current tax*

Current tax assets and liabilities for the current period is measured at the amount expected to be recovered from or paid to, using the tax rates and tax laws used to compute the amount that are enacted or substantively enacted at the end of the reporting period, plus any adjustments to tax payable in respect of previous financial year.

(b) *Deferred tax*

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the statement of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

3.15 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group.

(b) Defined contribution plans

As required by the law, the Group contributes to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.16 Related parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity;
(ii) has control or joint control over the reporting entity; or
(iii) has significant influence over the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the entity is a member).
(iii) both entities are joint ventures of the same third entity.
(iv) one entity is a joint ventures of a third party and the other entity is an associate of the third entity.
(v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) the entity is controlled or jointly controlled by a person identified in (a).
(vii) the entity, or any member of a group of which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.
(viii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Fair value measurement

The fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, The Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.18 Foreign currency

Foreign currency transactions

Transaction in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

The preparation of the financial statements requires directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

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4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D)

4.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement which has the most significant effect on the amounts recognised in the financial statements:

(a) *Determining the lease term of contracts with renewal options – Group as lessee*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. (eg, construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for the leases of shops. The Group typically exercises its option to renew for these leases because there will be a significant negative effect on its operations if a replacement asset is not readily available.

(b) *Classification of investment properties*

Certain property comprises of a portion that is held to earn rental income or capital appreciation, or for both, whilst the remaining portion is held for use in the production or supply of goods and services or for administrative purposes. If the portion held for rental and/or capital appreciation could be sold separately (or leased out separately as a finance lease), the Group accounts for the portion as an investment property. If the portion held for rental and/or capital appreciation could not be sold or leased out separately, it is classified as an investment property only if an insignificant portion of the property is held for use in the production or supply or goods and services or for administrative purpose. Management uses its judgement to determine whether any ancillary services are of such significance that a property does not qualify as an investment property.

4.2 Key sources of estimation uncertainty

The measurement of some assets and liabilities requires management to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Group are in measuring:

(a) *Tax expense*

Significant judgement is required in determining the Group's estimation for current and deferred taxes because the ultimate tax liability for the Group as a whole is uncertain. When the final outcome of the tax payable is determined with the tax authorities in each jurisdiction, the amounts might be different from the initial estimates of the tax payables. Such differences may impact the current and deferred taxes in the period when such determination is made. The Group will make adjustments for current or deferred taxes in respect of prior years in the current period on those differences arise.

The tax expense of the Group is disclosed in Note 27 to the financial statements.

(b) *Impairment of non-financial assets*

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

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4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D)

4.2 Key sources of estimation uncertainty (Cont'd)

(b) Impairment of non-financial assets (cont'd)

The value in use calculation is based on a discounted cash flow model. The directors estimate the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

(c) Allowance for expected credit losses on pawnshop loans and interest receivables on pawnshop loans.

The Group uses a provision matrix to estimate the allowance for ECLs on pawnshop loans and interest receivables on pawnshop loans. The Group has estimated the probability of default being the forfeiture of the customers' pledges based on historical non-redemption data of the individual pawnshop. The Group has estimated the loss given default based on the expected realisable value of the customers' pledges. Significant judgement and estimation are involved in using the historical non-redemption data to derive the probability of default as the pawnshop loans age as well as considering any forward-looking economic information. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The carrying amount of the Group's trade receivables which includes the pawnshop loans and interest receivables on pawnshop loans at the end of the financial year is disclosed in Note 10 to the financial statements.

(d) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their estimated economic useful lives. The directors estimate the useful lives of these property, plant and equipment based on factors such as business plan and expected level of usage. Future results of operations could be materially affected by changes in these estimates which could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment is disclosed in Note 5 to the financial statements.

(e) Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses an incremental borrowing rate to measure the lease liabilities. An incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

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5. PROPERTY, PLANT AND EQUIPMENT

	Air conditioner RM	CCTV and alarm system RM	Computer equipment RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Pawnshop equipment RM	Renovation RM	Safe cabinets RM	Signboard RM	Tools and equipment RM	Wiring and electrical items RM	Total RM
(Audited)													
Cost													
At 1 January 2019	162,297	259,961	319,618	361,519	474,084	193,980	322,575	5,390,346	597,288	301,218	23,570	329,439	8,735,895
Additions	12,318	35,856	77,102	11,975	-	3,245	23,388	134,521	60,500	108,819	-	22,211	489,935
At 31 December 2019 and 1 January 2020	174,615	295,817	396,720	373,494	474,084	197,225	345,963	5,524,867	657,788	410,037	23,570	351,650	9,225,830
Additions	8,150	2,200	6,070	28,400	-	22,855	8,674	190,122	-	2,650	-	2,950	272,071
At 31 December 2020 and 1 January 2021	182,765	298,017	402,790	401,894	474,084	220,080	354,637	5,714,989	657,788	412,687	23,570	354,600	9,497,901
Acquisition of subsidiary company	-	-	664,360	226	-	46,824	-	23,576	-	-	-	-	734,986
Additions	4,150	12,100	18,710	-	-	80,175	38,655	179,633	33,600	11,625	-	-	378,648
Disposals	-	-	-	-	(255,352)	-	-	-	-	-	-	-	(255,352)
Written off	-	-	-	-	-	-	-	(138,928)	-	-	-	-	(138,928)
At 31 December 2021 and 1 January 2022	186,915	310,117	1,085,860	402,120	218,732	347,079	393,292	5,779,270	691,388	424,312	23,570	354,600	10,217,255
Additions	4,040	3,000	106,069	29,798	-	17,438	38,106	-	57,250	23,748	-	1,500	280,949
Disposals	-	-	(85,500)	-	-	(34,720)	-	-	-	-	-	-	(120,220)
Written off	(118,197)	-	(126,850)	(194,821)	-	(73,482)	-	(1,579,504)	(3,500)	(11,280)	-	(74,770)	(2,182,404)
At 31 December 2022 and 1 January 2023	72,758	313,117	979,579	237,097	218,732	256,315	431,398	4,199,766	745,138	436,780	23,570	281,330	8,195,580
Additions	2,030	4,500	8,027	1,960	-	16,860	17,100	-	47,400	-	-	-	97,877
At 30 April 2023	74,788	317,617	987,606	239,057	218,732	273,175	448,498	4,199,766	792,538	436,780	23,570	281,330	8,293,457
Accumulated depreciation													
At 1 January 2019	89,851	62,764	172,427	241,543	474,076	104,632	107,099	2,334,168	120,803	69,539	10,606	194,711	3,982,219
Charge for the financial year	14,639	41,486	72,456	21,813	-	17,628	43,900	401,242	65,778	68,072	2,357	28,530	777,901
At 31 December 2019 and 1 January 2020	104,490	104,250	244,883	263,356	474,076	122,260	150,999	2,735,410	186,581	137,611	12,963	223,241	4,760,120
Charge for the financial year	14,533	41,488	64,088	27,456	-	20,740	38,568	406,703	65,780	66,472	2,357	23,792	771,977
At 31 December 2020 and 1 January 2021	119,023	145,738	308,971	290,812	474,076	143,000	189,567	3,142,113	252,361	204,083	15,320	247,033	5,532,097
Acquisition of subsidiary company	-	-	308,818	115	-	11,904	-	12,967	-	-	-	-	333,804
Charge for the financial year	15,563	43,024	71,286	27,426	-	31,962	40,197	420,920	67,160	67,988	2,357	23,892	811,775
Disposal	-	-	-	-	(255,347)	-	-	-	-	-	-	-	(255,347)
Written off	-	-	-	-	-	-	-	(30,100)	-	-	-	-	(30,100)
At 31 December 2021	134,586	188,762	689,075	318,353	218,729	186,866	229,764	3,545,900	319,521	272,071	17,677	270,925	6,392,229

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5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Air conditioner RM	CCTV and alarm system RM	Computer equipment RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Pawnshop equipment RM	Renovation RM	Safe cabinets RM	Signboard RM	Tools and equipment RM	Wiring and electrical items RM	Total RM
(Audited)													
Accumulated depreciation													
At 1 January 2022	134,586	188,762	689,075	318,353	218,729	186,866	229,764	3,545,900	319,521	272,071	17,677	270,925	6,392,229
Charge for the financial year	11,966	33,071	141,972	40,942	-	45,085	44,627	393,745	52,056	66,436	-	19,754	849,654
Disposals	-	-	(34,908)	-	-	(8,371)	-	-	-	-	-	-	(43,279)
Written off	(99,390)	-	(115,374)	(190,466)	-	(72,803)	-	(1,529,106)	(1,488)	(11,280)	-	(74,770)	(2,094,677)
At 31 December 2022 and 1 January 2023	47,162	221,833	680,765	168,829	218,729	150,777	274,391	2,410,539	370,089	327,227	17,677	215,909	5,103,927
Charge for the financial period	1,733	10,083	41,384	7,086	-	14,880	15,916	126,144	24,633	18,341	786	4,485	265,471
At 30 April 2023	48,895	231,916	722,149	175,915	218,729	165,657	290,307	2,536,683	394,722	345,568	18,463	220,394	5,369,398
Net carrying amount													
At 31 December 2019	70,125	191,567	151,837	110,138	8	74,965	194,964	2,789,457	471,207	272,426	10,607	128,409	4,465,710
At 31 December 2020	63,742	152,279	93,819	111,082	8	77,080	165,070	2,572,876	405,427	208,604	8,250	107,567	3,965,804
At 31 December 2021	52,329	121,355	396,785	83,767	3	160,213	163,528	2,233,370	371,867	152,241	5,893	83,675	3,825,026
At 31 December 2022	25,596	91,284	298,814	68,268	3	105,538	157,007	1,789,227	375,049	109,553	5,893	65,421	3,091,653
At 30 April 2023	25,893	85,701	265,457	63,142	3	107,518	158,191	1,663,083	397,816	91,212	5,107	60,936	2,924,059

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6. RIGHT-OF-USE ASSETS

	Motor vehicles RM	Shoplots RM	Total RM
(Audited)			
Cost			
At 1 January 2019, 31 December 2019 and 1 January 2020	226,887	17,696,393	17,923,280
Additions	-	1,305,814	1,305,814
At 31 December 2020 and 1 January 2021	226,887	19,002,207	19,229,094
Disposal	(226,887)	(1,696,010)	(1,922,897)
At 31 December 2021	-	17,306,197	17,306,197
Additions	-	77,123	77,123
At 31 December 2022 and 1 January 2023	-	17,383,320	17,383,320
Additions	-	-	-
At 30 April 2023	-	17,383,320	17,383,320
Accumulated depreciation			
At 1 January 2019	69,277	1,644,284	1,713,561
Charge for the financial year	60,795	1,260,400	1,321,195
At 31 December 2019 and 1 January 2020	130,072	2,904,684	3,034,756
Charge for the financial year	45,378	1,282,163	1,327,541
At 31 December 2020 and 1 January 2021	175,450	4,186,847	4,362,297
Charge for the financial year	878	1,274,781	1,275,659
Disposal	(176,328)	(320,357)	(496,685)
At 31 December 2021 and 1 January 2022	-	5,141,271	5,141,271
Charge for the financial year	-	1,302,916	1,302,916
At 31 December 2022 and 1 January 2023	-	6,444,187	6,444,187
Charge for the financial period	-	435,151	435,151
At 30 April 2023	-	6,879,338	6,879,338
Net carrying amount			
At 31 December 2019	96,815	14,791,709	14,888,524
At 31 December 2020	51,437	14,815,360	14,866,797
At 31 December 2021	-	12,164,926	12,164,926
At 31 December 2022	-	10,939,133	10,939,133
At 30 April 2023	-	10,503,982	10,503,982

The Group leases shoplots for pawn broking activities. The leases for shoplots generally have lease terms 9 years to 15 years.

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7. INVESTMENT PROPERTIES

	Freehold land RM	Freehold building RM	Leasehold land and building RM	Fish pond RM	Total RM
(Audited)					
At cost					
At 1 January 2019, 31 December 2019 and 1 January 2020	4,346,795	2,224,507	17,360,033	100,000	24,031,335
Disposal	(4,346,795)	(60,000)	(1,281,839)	(100,000)	(5,788,634)
At 31 December 2020 and 1 January 2021, 31 December 2021, 1 January 2022	-	2,164,507	16,078,194	-	18,242,701
Disposal	-	(2,164,507)	(526,366)	-	(2,690,873)
At 31 December 2022, 1 January 2023 and 30 April 2023	-	-	15,551,828	-	15,551,828
Accumulated depreciation					
At 1 January 2019	-	727,389	1,460,640	-	2,188,029
Charge for the financial year	-	43,290	296,878	-	340,168
At 31 December 2019 and 1 January 2020	-	770,679	1,757,518	-	2,528,197
Charge for the financial year	-	43,290	291,286	-	334,576
Disposal	-	(59,999)	(93,570)	-	(153,569)
At 31 December 2020 and 1 January 2021	-	753,970	1,955,234	-	2,709,204
Charge for the financial year	-	43,290	272,197	-	315,487
At 31 December 2021 and 1 January 2022	-	797,260	2,227,431	-	3,024,691
Charge for the financial year	-	39,683	273,054	-	312,737
Disposal		(836,943)	(38,265)	-	(875,208)
At 31 December 2022 and 1 January 2023	-	-	2,462,220	-	2,462,220
Charge for the financial period	-	-	89,301	-	89,301
At 30 April 2023	-	-	2,551,521	-	2,551,521
Net carrying amount					
At 31 December 2019	4,346,795	1,453,828	15,602,515	100,000	21,503,138
At 31 December 2020	-	1,410,537	14,122,960	-	15,533,497
At 31 December 2021	-	1,367,247	13,850,763	-	15,218,010
At 31 December 2022	-	-	13,089,608	-	13,089,608
At 30 April 2023	-	-	13,000,307	-	13,000,307

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7. INVESTMENT PROPERTIES (CONT'D)

The following freehold land and leasehold land and building have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 18:

	Audited				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Net carrying amount:					
Freehold land	2,276,795	-	-	-	-
Leasehold land and building	15,321,432	14,122,960	13,850,763	13,089,608	13,000,307
	17,598,227	14,122,960	13,850,763	13,089,608	13,000,307

The following are recognised in profit or loss in respect of investment properties:

	Audited				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Rental income	646,490	1,105,988	1,114,613	658,100	211,080
Direct operating expenses	969,266	913,244	825,689	697,956	219,842

8. OTHER INVESTMENTS

	Audited				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Unquoted shares, at cost					
At beginning of financial year/period	964,000	-	-	2,496,164	-
Additions	-	-	2,496,164	-	-
Disposal	(964,000)	-	-	(2,496,164)	-
At end of financial year/period	-	-	2,496,164	-	-

The unquoted shares represent investment in Dinamik Ulung Sdn. Bhd. and CC Low Marketing Sdn. Bhd.. In financial year ended 31 December 2019, the investment of unquoted shares in Dinamik Ulung Sdn. Bhd. had been disposed and in financial year ended 31 December 2022, CC Low Marketing Sdn. Bhd. shares had been disposed.

9. INVENTORIES

	Audited				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Trading goods, at cost	33,635	757,549	3,751,821	647,693	359,907
Inventories recognised as an expense	59,376	6,895,035	14,011,285	35,242,393	23,358,500

There were no inventories written-down for the financial years ended 31 December 2019 to 31 December 2022 and the financial period ended 30 April 2023.

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10. TRADE RECEIVABLES

	Audited				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Pawn loan receivables	58,781,215	78,989,909	107,105,381	155,365,041	150,220,970
Interest receivable on pawned loans	3,440,835	4,598,732	5,810,171	9,833,625	9,348,579
Other trade receivables:					
- Third parties	201,197	22,075	4,572,776	92,854	1,428,721
- Related parties	-	-	127,200	-	-
	62,423,247	83,610,716	117,615,528	165,291,520	160,998,270

Other trade receivables involving business segments in gold and other product retail and trading and IT solutions.

Pawn loans receivables are loans to customers extended under pawnbroking business which are interest-bearing, ranging between 1.5% to 2.0% per month, up to a maximum of 6 months. The quantum of loans granted to customers is based on a fraction of the value of the collaterals pledged to the Group.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Audited				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Other receivables	734,800	1,867,781	80,743	135,125	141,756
Deposits	572,983	581,268	583,458	640,566	827,550
Prepayments	576,890	761,457	993,758	880,204	1,385,972
	1,884,673	3,210,506	1,657,959	1,655,895	2,355,278

12. AMOUNTS DUE FROM/TO RELATED PARTIES AND AMOUNT DUE TO DIRECTORS

Amount due from related parties are non-trade in nature, unsecured, interest free and recoverable on demand

Amount due to directors are non-trade in nature, unsecured, interest free and repayable on demand.

The amount due to related companies are non-trade in nature, unsecured, no fixed term of repayment and interest free except for RM8,835,395 as at 31 December 2020 and RM8,778,425 as at 31 December 2021 which are subject to interest rate ranging from 3.6% to 6.60% per annum.

13. CASH AND BANK BALANCES

	Audited				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Cash in hand	2,775	1,734,361	2,262,537	2,030,687	3,187,315
Cash at bank	1,170,760	638,962	1,037,831	15,232,425	8,689,625
	1,173,535	2,373,323	3,300,368	17,263,112	11,876,940

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13. CASH AND BANK BALANCES (CONT'D)

For the purpose of presenting the statements of cash flows, cash and cash equivalents comprise the following:

	Audited				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Cash and bank balances	1,173,535	2,373,323	3,300,368	17,263,112	11,876,940
Less: Bank overdraft (Note 18)	(404,604)	(2,816,418)	(3,895,855)	(4,958)	-
	768,931	(443,095)	(595,487)	17,258,154	11,876,940

14. SHARE CAPITAL AND INVESTED EQUITY

14.1 Share capital

	Audited					
	31.12.2021 Unit	31.12.2022 Unit	30.4.2023 Unit	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Issued and fully paid with no par value:						
At date of incorporation/ beginning of financial year/period	1	529,564,062	529,564,062	1	90,025,891	90,025,891
Issuance of shares to acquire subsidiaries	529,564,061	-	-	90,025,890	-	-
Bonus issue	-	-	317,738,437			
At end of the financial year/period	529,564,062	529,564,062	847,302,499	90,025,891	90,025,891	90,025,891

(i) The Company issued 1 ordinary share at issue price of RM1 on the date of incorporation for a total cash consideration of RM1.
(ii) The Company issued 529,564,061 new ordinary shares at issue price of RM0.17 for the acquisition of entire issued share capital of all entities within the Group pursuant to the conditional share sale agreement dated 1 October 2021.
(iii) The Company issued 317,738,437 bonus issue in the ordinary share on the basis of three (3) bonus shares for every five (5) existing shares on 15 June 2022.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

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14. SHARE CAPITAL AND INVESTED EQUITY (CONT'D)

14.2 Invested equity

The invested equity is the aggregate share capital of the companies disclosed in Notes 1.4 to the financial statements.

	Audited					Audited				
	Number of ordinary shares					Amount				
	31.12.2019 Unit	31.12.2020 Unit	31.12.2021 Unit	31.12.2022 Unit	30.4.2023 Unit	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Issued and fully paid with no par value:										
At beginning of financial year	88,000,102	88,000,102	102,675,902	-	-	76,000,102	76,000,102	90,675,902	-	-
Issuance of shares	-	8,099,900	-	-	-		8,099,900	-	-	-
Conversion from irredeemable convertible preference shares	-	6,575,900	-	-	-	-	6,575,900	-	-	-
Reversed against the purchase consideration for the acquisition of common entities	-	-	(102,675,902)	-	-	-	-	(90,675,902)	-	-
At end of financial year	88,000,102	102,675,902	-	-	-	76,000,102	90,675,902	-	-	-

For the purpose of this report, the invested equity represents the aggregate invested equity of issued share and paid-up capital of all entities within the Group.

The issued shares and paid-up capital of all entities within the Group was increased by way of the following allotment of new ordinary shares:

(i) On 27 August 2020, 99,900 new ordinary shares at issue price of RM1 per share with cash consideration for working capital purpose.

(ii) On 2 December 2020, 4,000,000 new ordinary shares at issue price of RM1 per share with non-cash consideration for partial settlement of the amount due to related parties.

(iii) On 2 December 2020, 4,000,000 new ordinary shares at issue price of RM1 per share with non-cash consideration for partial settlement of the amount due to related parties.

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14. SHARE CAPITAL AND INVESTED EQUITY (CONT'D)

14.2 Invested equity (cont'd)

(iv) Conversion of Irredeemable convertible preference shares as below:

Date	Number of shares	Issue price RM	Amount RM
8 December 2020	4,225,000	1.00	4,225,000
8 December 2020	118,900	1.00	118,900
8 December 2020	232,000	1.00	232,000
8 December 2020	2,000,000	1.00	2,000,000
	6,575,900		6,575,900

15. PREFERENCE SHARES

15.1 Redeemable convertible preference shares ("RCPS")

	Audited				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Issued and fully paid:					
At beginning of financial year/period	2,000,000	5,055,000	-	-	-
Additions	3,055,000	1,170,000	-	-	-
Conversion of shares to ICPS	-	(6,225,000)	-	-	-
At end of financial year/period	5,055,000	-	-	-	-

During the financial year ended 31 December 2020, all RCPS issued by the Group has been converted into irredeemable convertible preference shares ("ICPS"), prior to the conversion of preference shares to ordinary shares.

The main features of the RCPS are as follows:

(a) The issue prices of each RCPS is RM1;

(b) The Redeemable Convertible Preference Shares holders shall be paid a dividend at an effective rate of 8% per annum basis and that the said dividend shall be payable within one (1) month upon completion of twelve (12) months tenure;

(c) The final date of redemption shall be three (3) years from the Commencement Date ("Maturity Date") subject to Automatic Renewal (if any);

Any redemption of the Redeemable Convertible Preference Shares shall be made in cash. The cash amount ("Redemption Sum") payable on redemption is based on the subscription price and unpaid dividend (if any) upon redemption.

(d) The Redeemable Convertible Preference Shares holders shall be entitled to attend the meetings of the Redeemable Convertible Preference Shares. Every Redeemable Convertible Preference Share holder who is present in person in such class meetings shall have on a show of hands one vote and on a poll one vote for every Redeemable Convertible Preference Shares of which he is a holder.

(e) Save as summarised herein and provided in the Constitution of the Company, the Redeemable Convertible Preference Shares shall not confer any right or claims as regards to the participation in the profits of the Company.

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15. PREFERENCE SHARES (CONT'D)

15.2 Redeemable preference shares ("RPS")

	Audited				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Issued and fully paid:					
At beginning of the financial year/period					
Redeemable preference shares - Class A	232,000	232,000	-	-	-
	232,000	232,000	-	-	-
Addition:					
Redeemable preference shares - Class B	-	118,900	-	-	-
Conversion to ICPS	-	(350,900)	-	-	-
At end of the financial year/period	232,000	-	-	-	-

During the financial year ended 31 December 2020, all RPS issued by the Group has been converted into irredeemable convertible preference shares ("ICPS"), prior to the conversion of preference shares to ordinary shares.

The main features of the RPS are as follows:

(a) The issue price of each RPS is RM1;

(b) Holders of the ICPS shall be paid preferential dividends upon completion of 12 months tenure from the date of the issue of the shares, at an effective preferential dividend rate of 8%;

(c) Each RPS can be redeemable by the Company at redemption amount equivalent to the total of subscription price plus dividend of 8% per annum on the subscription price, upon maturity; and

(d) Holders of the RPS do not carry an entitlement to vote.

16. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	Audited				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Issued and fully paid:					
At beginning of the financial year/period	-	-	-	-	-
Conversion of shares:					
- from RCPS to ICPS	-	6,225,000	-	-	-
- from RPS to ICPS	-	350,900	-	-	-
- from ICPS to ordinary shares	-	(6,575,900)	-	-	-
At end of the financial year/period	-	-	-	-	-

During the financial year ended 31 December 2020, all ICPS has been converted to ordinary shares at prices ranging from RM1.00 per share.

The main features of the ICPS are as follows:

(a) The issue price of each ICPS is RM1;

(b) Holders of the ICPS shall be paid preferential dividends upon completion of 12 months tenure from the date of the issue of the ICPS, at an effective preferential dividend rate of 7% to 10%; and

(c) Holders of the ICPS are given rights to the receipt of notices (including that of general meetings), reports and audited financial statements and to attend meetings of the Company, with an entitlement vote.

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17. MERGER RESERVES

The merger reserves arises as and when the combination take place, it comprises the difference between the cost of merger and the nominal value of shares acquired in the companies disclosed in Note 1.4 to the financial statements.

18. BORROWINGS

	Audited				
	31.12.2019 RM	**31.12.2020 RM**	**31.12.2021 RM**	**31.12.2022 RM**	**30.4.2023 RM**
Current liabilities					
Secured					
Bank overdraft	404,604	2,816,418	3,895,855	4,958	-
Revolving loan	-	-	-	20,000,000	5,000,000
Term loans					
- Not later than 1 year	1,186,306	916,332	1,191,078	1,241,715	1,477,358
	1,590,910	3,732,750	5,086,933	21,246,673	6,477,358
Non-current liabilities					
Unsecured					
Borrowings					
Later than 1 year but not later than 5 years	-	-	-	22,075,000	22,292,500
Secured					
Term loans					
Later than 1 year but not later than 5 years	2,386,964	3,659,820	8,829,752	4,918,006	5,869,681
Later than 5 years	8,933,492	12,841,425	11,074,238	18,621,632	16,944,394
	11,320,456	16,501,245	19,903,990	23,539,638	22,814,075
	11,320,456	16,501,245	19,903,990	45,614,638	45,106,575
	12,911,366	20,233,995	24,990,923	66,861,311	51,583,933

Term loans

Term loan of the Group bear interest base lending rate ("BLR") minus 0.50% to 2.10% and above 0.50% to 1.25% per annum and is secured and supported as follows:

(i) Corporate guarantee by related company.
(ii) Joint and several guarantee by the directors of the combining entities.
(iii) Secured over legal charge by the investment properties of the Group (Note 7) and/or the properties under the ownerships of the directors of the Group.
(iv) Third party open charge under the National Land Code.

Borrowing (Unsecured)

The borrowing (unsecured) amounted USD5,000,000 (equivalents to RM22,000,000) and interest is charged at 6% per annum. The borrowing is denominated in USD.

Revolving loan

The Company has revolving loan up to a limit of RM5,000,000 with interest at 6.16% per annum as at 30 April 2023 and RM20,000,000 as at 31 December 2022 with interest at 6.18% per annum.

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18. BORROWINGS (CONT'D)

Bank overdrafts (cont'd)

The Group was granted an overdraft facility with the limit up to RM420,000 as at 31 December 2019, RM3,420,000 as at 31 December 2020, RM4,000,000 as at 31 December 2021 and RM1,000,000 as at 31 December 2022.

Bank overdraft bears interest at 0.50% to 1.50% per annum above the bank's base lending rate and is secured and supported as follows:

(i) Legal charge over the property of the Group.
(ii) Legal charge over the property held by a director of the Group.
(iii) Joint and several guarantee by directors of the Group.

19. LEASE LIABILITIES

	Audited				
	31.12.2019 RM	**31.12.2020 RM**	**31.12.2021 RM**	**31.12.2022 RM**	**30.4.2023 RM**
Minimum lease payment					
At 1 January	17,206,681	16,592,381	17,226,333	14,756,206	13,926,246
Additions	-	1,305,814	-	77,122	-
Disposal	-	-	(1,652,814)	-	-
Interest charged	1,181,528	1,160,332	1,083,195	1,009,338	316,449
Repayments	(1,795,828)	(1,698,279)	(1,779,879)	(1,840,166)	(614,642)
Rent concessions	-	(133,915)	(120,629)	(76,254)	(27,656)
At 31 December	16,592,381	17,226,333	14,756,206	13,926,246	13,600,397
Future minimum lease payments					
Not later than 1 year	1,829,608	2,055,893	1,864,820	1,942,845	1,932,828
Later than 1 year and not later than 5 years	7,898,008	8,594,502	8,047,417	8,250,717	7,964,735
Later than 5 years	15,413,458	14,856,321	11,204,538	9,088,086	8,743,594
	25,141,074	25,506,716	21,116,775	19,281,648	18,641,157
Less: future finance charges	(8,548,693)	(8,280,383)	(6,360,569)	(5,355,402)	(5,040,760)
	16,592,381	17,226,333	14,756,206	13,926,246	13,600,397
Present value of liabilities					
Current					
Not later than 1 year	692,087	879,341	859,032	999,565	1,009,947
Non-current					
Later than 1 year and not later than 2 years	4,153,533	4,601,440	4,755,479	5,310,989	5,138,915
Later than 2 years and not later than 5 years	11,746,761	11,745,552	9,141,695	7,615,692	7,451,535
	15,900,294	16,346,992	13,897,174	12,926,681	12,590,450
	16,592,381	17,226,333	14,756,206	13,926,246	13,600,397

During the financial year ended 31 December 2021, as a result of the Covid-19 pandemic, the Group has received rent concessions in the form of reduced rent considerations for an agreed number of months. Therefore, the Group has applied the practical expedient to all rent concessions that meet the conditions of the MFRS 16 amendment.

Total rent concessions received by the Group as at 30 April 2023: RM27,656, 31 December 2022: RM76,254, 31 December 2021: RM120,629 and 31 December 2020: RM131,915.

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19. LEASE LIABILITIES (CONT'D)

The lease liabilities of the Group bear effective interest rates ranging from 2.10% to 7.00%. The lease period ranging from 2 years to 15 years and has option to renew these leases.

20. DEFERRED TAX LIABILITIES

	Audited				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
At beginning of financial year/period	34,920	43,475	55,030	119,078	155,968
Acquisition of subsidiary company	-	-	29,686	-	-
Recognised in profit or loss (Note 27)	8,555	11,555	34,362	36,891	14,805
At end of financial year/period	43,475	55,030	119,078	155,968	170,773

The deferred tax liabilities arise from accelerated capital allowances over depreciation of property, plant and equipment.

21. TRADE PAYABLES

	Audited				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Related parties	-	-	3,950	-	-
Non-related parties	6,810	5,155	16,737	114,869	189,449
	6,810	5,155	20,687	114,869	189,449

22. OTHER PAYABLES AND ACCRUALS

	Audited				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Other payables	259,635	250,859	425,100	248,947	74,712
Accruals	251,635	400,367	1,360,301	1,868,970	2,025,399
Deposit received	5,272,970	200,450	202,175	202,175	109,175
Service tax payables	-	-	29,620	223	538
	5,784,240	851,676	2,017,196	2,320,315	2,209,824

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23. REVENUE

	Audited					Unaudited
	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	1.1.2022 to 30.4.2022 RM
Pawnbroking	10,267,352	14,311,685	19,170,244	28,179,761	10,907,805	8,500,190
Gold and luxury products retail and trading						
- Sale of unredeemed pledged items and pre-owned gold products	4,534,909	9,597,828	34,085,168	33,467,721	22,448,006	8,501,072
- Sale of new gold	-	280,555	6,651,495	3,970,700	2,416,836	2,554,186
Others:						
- Pawnbroking consultancy services	-	235,814	533,114	540,459	178,669	177,314
- Management fee	-	-	117,263	342,787	-	167,975
- IT solution	-	-	345,968	671,225	4,800	458,395
	14,802,261	24,425,882	60,903,252	67,172,653	35,956,116	20,359,132
Timing of revenue recognition:						
At point in time	4,588,512	10,172,001	41,449,846	43,105,127	25,081,892	11,884,692
Overtime	10,213,749	14,253,881	19,453,406	24,067,526	10,874,224	8,474,440
	14,802,261	24,425,882	60,903,252	67,172,653	35,956,116	20,359,132

24. OTHER OPERATING INCOME

	Audited					Unaudited
	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	1.1.2022 to 30.4.2022 RM
Bargain purchase	-	-	178,270	-	-	-
Compensation fee	-	110,000	-	-	-	-
Gain on disposal of:						
- investment properties	-	147,935	-	5,834,335	-	-
- other investment	-	-	-	3,107,836	-	-
- property, plant and equipment	-	-	90,095	46,908	-	-
- right-of-use assets	-	-	54,988	-	-	-
Gain on termination of lease liabilities	-	-	206,443	-	-	-
Insurance claim	67	-	-	16,789	-	-
Interest income	-	-	-	7,939	96,061	-
Other income	-	52	423,010	1,939	-	1,940
Rental income	646,490	1,105,988	1,117,617	1,091,562	211,080	368,133
Loan interest income received	-	-	500,924	-	-	-
Waiver of debts	-	-	4,456	-	-	-
	646,557	1,363,975	2,575,803	10,107,308	307,141	370,073

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25. FINANCE COSTS

	Audited					Unaudited
	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	1.1.2022 to 30.4.2022 RM
Bank borrowing interest	852,662	803,074	1,229,707	2,398,870	1,344,875	434,477
Lease liabilities interest	1,181,528	1,160,332	1,083,195	1,009,338	316,449	353,653
Loan interest paid to related companies	118,453	-	860,107	503,701	-	43,913
	2,152,643	1,963,406	3,173,009	3,911,909	1,661,324	832,043
The following finance costs are segregated to:						
Cost of sales	1,181,528	1,155,100	1,083,066	1,009,338	316,449	353,653
Finance costs	971,115	808,306	2,089,943	2,902,571	1,344,875	478,390
	2,152,643	1,963,406	3,173,009	3,911,909	1,661,324	832,043

26. PROFIT BEFORE TAX

	Audited					Unaudited
	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	1.1.2022 to 30.4.2022 RM
Profit before tax is arrived after charging/(crediting):						
Auditors' remuneration						
- current financial year/period	70,600	74,564	129,318	137,126	36,496	39,207
- (Over)/under provision in prior financial year/period	(1,600)	(3,800)	236	-	-	-
Bad debts written off	-	54,170	23,624	22,380	6,610	-
Depreciation of:						
- investment properties	340,168	334,576	315,487	312,737	89,301	105,692
- property, plant and equipment	777,901	771,977	811,775	849,654	265,471	290,358
- right-of-use assets	1,321,195	1,327,541	1,275,659	1,302,916	435,151	432,478
Loss on foreign exchange (unrealised)	-	-	-	306,564	232,167	-
Management fee	-	-	1,427,282	-	-	-
Property, plant and equipment written off	-	-	108,828	87,727	-	-
Rental concessions	-	(133,915)	(120,629)	(76,254)	(27,656)	(8,800)
Rental expense [1]	225,764	120,150	245,501	345,921	142,710	150,090

[1] The amount represents short-term lease and low value underlying assets under MFRS 16 as disclosed in Note 3.13 to this report.

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27. TAX EXPENSE

(a) *Major components of tax expense*

	Audited					Unaudited
	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	1.1.2022 to 30.4.2022 RM
Income tax						
Current	837,746	2,683,293	3,764,228	4,010,283	1,879,723	1,556,907
Under/(over) provision in prior financial year/period	142,332	153,123	(202,428)	(95,957)	-	(95,957)
	980,078	2,836,416	3,561,800	3,914,326	1,879,723	1,460,950
Real property gain tax	-	7,500	6,486	224,920	-	-
Deferred tax (Note 20)						
Current	4,878	6,644	201,987	(2,272)	(18,696)	(2,151)
Under/(over) provision in prior financial year/period	3,677	4,911	(167,625)	39,163	33,501	35,195
	8,555	11,555	34,362	36,891	14,805	33,044
	988,633	2,855,471	3,602,648	4,176,137	1,894,528	1,493,994

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27. TAX EXPENSE (CONT'D)

(b) *Relationship between tax expense and accounting profit*

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate is as follows:

	Audited					Unaudited
	1.1.2019 to 31.12.2019 RM	**1.1.2020 to 31.12.2020 RM**	**1.1.2021 to 31.12.2021 RM**	**1.1.2022 to 31.12.2022 RM**	**1.1.2023 to 30.4.2023 RM**	**1.1.2022 to 30.4.2022 RM**
Profit before tax	1,783,500	9,180,775	15,559,150	24,227,521	6,826,896	5,899,276
Income tax calculated at tax rate of 24%	428,040	2,203,386	3,734,196	5,814,605	1,638,455	1,415,826
Tax effects of expenses not deductible for tax purposes	249,326	682,625	441,115	356,628	214,680	125,153
Differential in tax rate for SME in Malaysia	(895)	-	-	-	-	-
Income not subject to tax	-	(35,504)	(87,555)	(2,142,876)	-	-
Deferred tax assets not recognised during the financial year/period	188,635	17,447	1,292	12,715	26,975	23,168
Real property gain tax	-	7,500	6,486	224,920	-	-
Utilisation of deferred tax assets previously not recognised	(22,482)	(178,017)	(122,833)	(33,061)	(19,083)	(9,391)
Under/(over) provision of income tax in prior financial year/period	142,332	153,123	(202,428)	(95,957)	-	(95,957)
Under/(over) provision of deferred tax in prior year/period	3,677	4,911	(167,625)	39,163	33,501	35,195
	988,633	2,855,471	3,602,648	4,176,137	1,894,528	1,493,994

The amount of temporary differences for which no deferred tax assets has been recognised in the financial statements are as follows stated gross:

	Audited					Unaudited
	1.1.2019 to 31.12.2019 RM	**1.1.2020 to 31.12.2020 RM**	**1.1.2021 to 31.12.2021 RM**	**1.1.2022 to 31.12.2022 RM**	**1.1.2023 to 30.4.2023 RM**	**1.1.2022 to 30.4.2022 RM**
Property, plant and equipment	(99,222)	(55,302)	(5,676)	(216,724)	15,071	(207,138)
Unutilised tax losses	283,089	298,763	327,990	354,480	132,065	108,522
Unabsorbed capital allowance	60,370	73,471	-	5,404	8,733	341,673
	244,237	316,932	322,314	143,160	155,869	243,057

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28. DIVIDENDS

	Audited					Unaudited
	1.1.2019 To 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	1.1.2022 to 30.4.2022 RM
In respect of financial year ended 31 December 2019						
RPS preferential dividend paid by Pajak Gadai E Assets						
- 8% per annum	18,560	-	-	-	-	-
ICPS preferential dividend paid by Pajak Gadai Delta						
- 8% per annum	-	13,332	-	-	-	-
- 10% per annum	-	183,333	-	-	-	-
In respect of financial year ended 31 December 2020						
ICPS preferential dividend paid by:						
Pajak Gadai Total						
- 8% per annum	-	431,000	-	-	-	-
Pajak Gadai EA						
- 7% per annum	-	3,468	-	-	-	-
- 8% per annum	-	18,560	-	-	-	-
Pajak Gadai Delta						
- 8% per annum	-	46,662	-	-	-	-
- 10% per annum	-	73,340	-	-	-	-
Interim single dividends for FYE 31 December 2020 and paid on 30 November 2020 by:						
Pajak Gadai Adventure						
- RM0.05 per shares	-	400,000	-	-	-	-
Pajak Gadai Angkasa						
- RM0.425 per shares	-	170,000	-	-	-	-
Cahaya Gold & Jewellery						
- RM19.20 per shares	-	1,920,000	-	-	-	-
Pajak Gadai Insan Tiara						
- RM0.90 per shares	-	1,800,000	-	-	-	-
Pajak Gadai SP						
- RM0.125 per shares	-	500,000	-	-	-	-
Pajak Gadai Terus Wangsa						
- RM0.0265 per shares	-	212,000	-	-	-	-
Pajak Gadai Total						
- RM10.156 per shares	-	1,248,000	-	-	-	-
	18,560	7,019,695	-	-	-	-

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28. DIVIDENDS (CONT'D)

Subsequent to the preferential dividend payments, all classes of Irredeemable Convertible Preference Shares ("ICPS") were converted to ordinary shares by the end of the financial year ended 31 December 2020.

29. STAFF COSTS

	Audited					Unaudited
	1.1.2019 to 31.12.2019 RM	**1.1.2020 to 31.12.2020 RM**	**1.1.2021 to 31.12.2021 RM**	**1.1.2022 to 31.12.2022 RM**	**1.1.2023 to 30.4.2023 RM**	**1.1.2022 to 30.4.2022 RM**
Short term employee benefits	2,691,550	2,122,134	3,300,854	5,465,418	1,636,495	1,022,348
Defined contribution plans	250,766	213,830	301,167	538,967	155,280	98,027
	2,942,316	2,335,964	3,602,021	6,004,385	1,791,775	1,120,375

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Group and certain members of senior management of the Group during the financial year/period as below:

(a) **Directors**

	Audited					Unaudited
	1.1.2019 to 31.12.2019 RM	**1.1.2020 to 31.12.2020 RM**	**1.1.2021 to 31.12.2021 RM**	**1.1.2022 to 31.12.2022 RM**	**1.1.2023 to 30.4.2023 RM**	**1.1.2022 to 30.4.2022 RM**
Directors' remunerations:						
- defined contributions plan	-	29,400	7,200	64,800	18,000	21,600
- salaries and other emoluments	-	240,000	90,000	546,000	284,000	182,000
- EIS and SOCSO contribution	-	-	461	3,005	1,055	923
	-	269,400	97,661	613,805	303,055	204,523

(b) **Other key management personnel**

	Audited					Unaudited
	1.1.2019 to 31.12.2019 RM	**1.1.2020 to 31.12.2020 RM**	**1.1.2021 to 31.12.2021 RM**	**1.1.2022 to 31.12.2022 RM**	**1.1.2023 to 30.4.2023 RM**	**1.1.2022 to 30.4.2022 RM**
Key management personnel compensation:						
- defined contributions plan	-	-	19,260	67,680	19,680	22,200
- salaries and other emoluments	-	-	228,321	576,540	169,286	192,000
- EIS and SOCSO contribution	-	-	923	3,467	1,159	1,077
	-	-	248,504	647,687	190,125	215,777

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30. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operations decisions; or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Entities in which directors have substantial financial interests;
(ii) A person(s) connected to a director; and
(iii) Key management personnel of the Group, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly and indirectly.

(b) Significant related party transactions

	Audited					Unaudited
	1.1.2019 to 31.12.2019 RM	**1.1.2020 to 31.12.2020 RM**	**1.1.2021 to 31.12.2021 RM**	**1.1.2022 to 31.12.2022 RM**	**1.1.2023 to 30.4.2023 RM**	**1.1.2022 to 30.4.2022 RM**
Rental income received from:						
Directors	78,000	83,150	24,000	23,000	4,000	8,000
Entities in which director has substantial interest	312,000	487,473	945,338	1,020,547	207,080	344,118
IT solution services received from:						
Entities in which director has substantial interest	-	-	342,150	654,030	-	452,640
Management fee received from:						
Entities in which director has substantial interest	-	-	117,263	342,787	-	167,975
Sales to:						
Entities in which director has substantial interest	2,416,272	175,071	16,561,539	-	-	-
Advance loan interest received from:						
Entities in which director has substantial interest	-	-	500,923	-	-	-
Purchase from:						
Entities in which director has substantial interest	19,175	925,202	3,440,823	239	-	62

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30. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions (cont'd)

	Audited					Unaudited
	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	1.1.2022 to 30.4.2022 RM
Rental expenses paid to:						
Entities in which director has substantial interest	84,000	120,400	393,471	537,740	176,950	196,800
Individuals connected to directors of the Company	72,000	72,000	-	-	-	-
Management fee paid to:						
Entities in which director has substantial interest	-	591,217	1,427,282	-	-	-
Disposal of investment properties to:						
Directors	-	4,603,000	-	-	-	-
Individuals connected to directors of the Company	-	930,000	-	6,800,000	-	-
Advance loan interest to:						
Entities in which director has substantial interest	118,453	145,395	1,026,676	558,636	-	43,913
Disposal of properties, plant and equipment to:						
Entities in which director has substantial interest	-	-	19,300	97,500	-	-
Individuals connected to directors of the Company	-	-	140,800	-	-	-
Disposal of unquoted shares to:						
Entities in which director has substantial interest	964,000	-	-	5,604,000	-	-
Services charges paid to:						
Entities in which director has substantial interest	134,816	29,387	-	-	-	-

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30. RELATED PARTY DISCLOSURES (CONT'D)

(c) Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors of the Group are considered as key management personnel.

The key management personnel compensation is paid to the directors of the Group as disclosed in Note 29 (a).

31. EARNINGS PER SHARE

	Audited					Unaudited
	1.1.2019 to 31.12.2019	**1.1.2020 to 31.12.2020**	**1.1.2021 to 31.12.2021**	**1.1.2022 to 31.12.2022**	**1.1.2023 to 30.4.2023**	**1.1.2022 to 30.4.2022**
Profit attributable to owners of the Group (RM)	776,307	5,555,609	11,956,502	20,051,384	4,932,368	4,405,282
Number of ordinary shares (weighted average)	847,302,499	847,302,499	847,302,499	847,302,499	847,302,499	847,302,499
Basis earnings per share (Sen)	0.09	0.66	1.41	2.37	0.58	0.52

The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basis earnings per share.

The weighted average number of ordinary shares is based on the total number of ordinary shares issued after the completion of the Acquisitions. subsidiaries and the bonus issue. For the purpose of calculating the earnings per share for financial year ended 31 December 2019 to 31 December 2022 and for the financial period ended 30 April 2023 and 30 April 2022, the same weighted average number ordinary shares have been used.

32. SEGMENT REPORTING

For management purposes, the Group is organised into business segments based on their products and services. The Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services, and serves different markets.

The Group's reportable segments under MFRS 8 are as follows:

Segments	**Product and services**
Pawnbroking services	Provision of pawnbroking services
Gold and luxury product retail and trading	Sales of jewellery and gold products
Others	Pawnbroking consultancy, IT solutions and management fees

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed upon.

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32. SEGMENT REPORTING (CONT'D)

31 December 2019 (Audited)	Pawnbroking services RM	Gold and luxury product retail and trading RM	Others RM	Eliminations RM	Total RM
Revenue					
Total external revenue	10,267,352	4,534,909	-	-	14,802,261
Inter-segment revenue	84,610	70,631	-	(155,241)	-
Total segment revenue	10,351,962	4,605,540	-	(155,241)	14,802,261
Segment results					
Operating results	2,562,900	346,443	(154,728)	-	2,754,615
Finance costs	(971,115)	-	-	-	(971,115)
Profit/(loss) before tax	1,591,785	346,443	(154,728)	-	1,783,500
Tax expense	(986,433)	(2,200)	-	-	(988,633)
Net profit/(loss) after tax	605,352	344,243	(154,728)	-	794,867
Assets and Liabilities					
Segment assets	98,912,454	34,837	21,503,139	-	120,450,430
Segment liabilities	42,559,376	4,668	10,173,271	-	52,737,315
Other segment information					
Depreciation	2,395,974	-	43,290	-	2,439,264
31 December 2020 (Audited)					
Revenue					
Total external revenue	14,311,684	9,878,384	235,814	-	24,425,882
Inter-segment revenue	590,727	-	-	(590,727)	-
Total segment revenue	14,902,411	9,878,384	235,814	(590,727)	24,425,882
Segment results					
Operating results	7,444,108	2,327,862	217,111	-	9,989,081
Finance costs	(808,306)	-	-	-	(808,306)
Profit before tax	6,635,802	2,327,862	217,111	-	9,180,775
Tax expense	(2,216,103)	(639,368)	-	-	(2,855,471)
Net profit after tax	4,419,699	1,688,494	217,111	-	6,325,304
Assets and Liabilities					
Segment assets	106,254,447	2,530,247	25,424,471	-	134,209,165
Segment liabilities	23,937,378	300,457	33,563,806	-	57,801,641
Other segment information					
Depreciation	2,370,223	20,581	43,290	-	2,434,094
Gain on disposal of investment properties	-	-	147,935	-	147,935

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32. SEGMENT REPORTING (CONT'D)

31 December 2021 (Audited)	Pawnbroking services RM	Gold and luxury product retail and trading RM	Others RM	Eliminations RM	Total RM
Revenue					
Total external revenue	19,170,242	40,736,664	996,346	-	60,903,252
Inter-segment revenue	21,760,994	-	503,767	(22,264,761)	-
Total segment revenue	40,931,236	40,736,664	1,500,113	(22,264,761)	60,903,252
Segment results					
Operating results	12,500,822	4,962,140	186,131	-	17,649,093
Finance costs	(1,963,850)	(125,783)	(310)	-	(2,089,943)
Profit before tax	10,536,972	4,836,357	185,821	-	15,559,150
Tax expense	(2,656,955)	(860,075)	(85,618)	-	(3,602,648)
Net profit after tax	7,880,017	3,976,282	100,203	-	11,956,502
Assets and Liabilities					
Segment assets	130,275,624	10,410,214	19,343,964	-	160,029,802
Segment liabilities	32,210,398	147,086	19,607,943	-	51,965,427
Other segment information					
Depreciation	2,343,784	31,107	28,030	-	2,402,921
Gain on disposal of right-of-use assets	54,988	-	-	-	54,988
Gain on disposal of property, plant and equipment	90,095	-	-	-	90,095
31 December 2022 (Audited)					
Revenue					
Total external revenue	22,579,826	37,744,481	6,848,346	-	67,172,653
Inter-segment revenue	17,543,175	-	4,519,108	(22,062,283)	-
Total segment revenue	40,123,001	37,744,481	11,367,454	(22,062,283)	67,172,653
Segment results					
Operating results	26,746,937	1,468,159	(1,092,943)	-	27,122,153
Fincance income	-	-	7,939	-	7,939
Finance costs	(1,989,112)	-	(913,459)	-	(2,902,571)
Profit/(loss) before tax	24,757,825	1,468,159	(1,998,463)	-	24,227,521
Tax expense	(3,690,316)	(227,228)	(258,593)	-	(4,176,137)
Net profit/(loss) after tax	21,067,509	1,240,931	(2,257,056)	-	20,051,384
Assets and Liabilities					
Segment assets	194,731,117	1,149,474	16,098,020	-	211,978,611
Segment liabilities	40,180,928	(258,543)	43,940,470	-	83,862,855
Other segment information					
Depreciation	2,301,194	49,202	114,911		2,465,307
Gain on disposal of investment property	-	-	5,834,335	-	5,834,335

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32. SEGMENT REPORTING (CONT'D)

	Pawnbroking services RM	Gold and luxury product retail and trading RM	Others RM	Eliminations RM	Total RM
31 December 2022 (Audited)					
Other segment information (cont'd)					
Gain on disposal of other invesments	-	-	3,107,836	-	3,107,836
Gain on disposal of property, and equipment	-	-	46,908	-	46,908
30 April 2023 (Audited)					
Revenue					
Total external revenue	10,907,803	25,043,513	4,800	-	35,956,116
Inter-segment revenue	18,083,050		1,338,614	(1,338,614)	-
Total segment revenue	28,990,853	25,043,513	1,343,414	(1,338,614)	35,956,116
Segment results					
Operating results	8,103,175	1,592,885	(1,620,350)	-	8,075,710
Finance income	-	-	96,061	-	96,061
Finance costs	(465,936)	-	(878,939)	-	(1,344,875)
Profit/(loss) before tax	7,637,239	1,592,885	(2,403,228)	-	6,826,896
Tax expense	(1,561,231)	(317,319)	(15,978)	-	(1,894,528)
Net profit/(loss) after tax	6,076,008	1,275,566	(2,419,206)	-	4,932,368
Assets and Liabilities					
Segment assets	191,087,913	2,407,698	8,523,132	-	202,018,743
Segment liabilities	44,423,790	158,100	24,388,726	-	68,970,616
Other segment information					
Depreciation	735,203	16,559	38,161	-	789,923
30April 2022 (Unaudited)					
Revenue					
Total external revenue	8,500,188	11,232,573	626,371	-	20,359,132
Inter-segment revenue	6,361,109	-	784,629	(7,145,738)	-
Total segment revenue	14,861,297	11,232,573	1,411,000	(7,145,738)	20,359,132
Segment results					
Operating results	6,167,851	668,225	(458,410)	-	6,377,666
Finance costs	(416,977)	-	(61,413)	-	(478,390)
Profit before tax	5,750,874	668,225	(519,823)	-	5,899,276
Tax expense	(1,223,157)	(108,682)	(162,155)	-	(1,493,994)
Net profit after tax	4,527,717	559,543	(681,978)	-	4,405,282
Assets and Liabilities					
Segment assets	139,036,567	7,060,077	24,267,311	-	170,363,955
Segment liabilities	42,426,586	126,050	15,341,659	-	57,894,295
Other segment information					
Depreciation	772,200	16,662	39,666	-	828,528

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33. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	Audited				
	31.12.2019 RM	**31.12.2020 RM**	**31.12.2021 RM**	**31.12.2022 RM**	**30.4.2023 RM**
Financial assets					
At amortised cost:					
Trade receivables	62,423,247	83,610,716	117,615,528	165,291,520	160,998,270
Other receivables	1,307,783	2,449,049	664,201	775,691	969,306
Amount due from related parties	14,077,968	9,890,973	-	-	-
Cash and bank balances	1,173,535	2,373,323	3,300,368	17,263,112	11,876,940
	78,982,533	98,324,061	121,580,097	183,330,323	173,844,516
Financial liabilities					
Trade payables	6,810	5,155	20,687	114,869	189,449
Other payables and accruals	5,784,240	851,676	2,017,196	2,320,315	2,209,824
Amount due to directors	1,324,857	12,373	-	-	-
Amount due to related parties	15,971,759	18,422,569	8,778,425	-	-
Borrowings	12,911,366	20,233,995	24,990,923	66,861,311	51,583,933
Lease liabilities	16,592,381	17,226,333	14,756,206	13,926,246	13,600,397
	52,591,413	56,752,101	50,563,437	83,222,741	67,583,603

34. FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest risk. The Group's overall financial risk management objective is to optimise value for its shareholders.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management.

(a) *Credit risk*

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises (primarily from trade and other receivables) and from its financing activities. The Group has a credit policy and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Trade receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from trade and other receivables is represented by their carrying amounts in the statements of financial position.

Credit risk concentration profile

The Group has no significant concentration of credit risk from its receivables. The Group minimises credit risk by requiring collateral and/or dealing with credit worthy counterparties.

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34. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) *Credit risk (cont'd)*

Credit risk concentration profile (cont'd)

The Group applies the simplified approach to providing for expected credit losses prescribed by MFRS 9, which permits the use of the life expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's trade receivables using a provision matrix are as follows:

			Trade receivables				
	Current RM	1 to 30 days past due RM	31 to 60 days past due RM	61 to 90 days past due RM	91 to 120 days past due RM	> 120 days past due RM	Total RM
(Audited)							
At 31 December 2019							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	58,798,866	2,456,145	1,168,236	-	-	-	62,423,247
Impairment losses	-	-	-	-	-	-	-
At 31 December 2020							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	80,029,665	2,838,570	742,481	-	-	-	83,610,716
Impairment losses	-	-	-	-	-	-	-
At 31 December 2021							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	109,985,734	5,469,792	2,160,002	-	-	-	117,615,528
Impairment losses	-	-	-	-	-	-	-
At 31 December 2022							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	149,004,718	11,692,428	4,594,374	-	-	-	165,291,520
Impairment losses	-	-	-	-	-	-	-
At 30 April 2023							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	146,915,363	9,492,043	4,420,544	101,020	69,300	-	160,998,270
Impairment losses	-	-	-	-	-	-	-

Other receivables and other financial assets

For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's maximum exposure to credit risk arising from other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

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34. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) *Credit risk (cont'd)*

Other receivables and other financial assets (cont'd)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between related entities are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3.8(a) for the Group's other accounting policies for impairment of financial assets.

(b) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effect of fluctuations in cash flows.

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34. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Liquidity risk (cont'd)*

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Carrying amount RM	Total contractual cash flows RM	On demand or within 1 year RM	1 - 5 year RM	> 5 years RM
(Audited)					
At 31 December 2019					
Trade payables	6,810	6,810	6,810	-	-
Other payables and accruals	5,784,240	5,784,240	5,784,240	-	-
Amount due to directors	1,324,857	1,324,857	1,324,857	-	-
Amount due to related parties	15,971,759	15,971,759	15,971,759	-	-
Borrowings	12,911,366	15,396,731	2,126,161	6,886,230	6,384,340
Lease liabilities	16,592,381	25,141,074	1,829,608	7,898,008	15,413,458
	52,591,413	63,625,471	27,043,435	14,784,238	21,797,798
At 31 December 2020					
Trade payables	5,155	5,155	5,155	-	-
Other payables and accruals	851,676	851,676	851,676	-	-
Amount due to directors	12,373	12,373	12,373	-	-
Amount due to related parties	18,422,569	18,422,569	9,997,756	8,424,813	-
Borrowings	20,233,995	24,133,744	4,656,457	5,893,302	13,583,985
Lease liabilities	17,226,333	25,506,716	2,055,893	8,594,502	14,856,321
	56,752,101	68,932,233	17,579,310	22,912,617	28,440,306
At 31 December 2021					
Trade payables	20,687	20,687	20,687	-	-
Other payables and accruals	2,017,196	2,017,196	2,017,196	-	-
Amount due to related parties	8,778,425	8,778,425	8,778,425	-	-
Borrowings	24,990,923	30,464,860	5,998,699	6,196,266	18,269,895
Lease liabilities	14,756,206	21,116,775	1,864,820	8,047,417	11,204,538
	50,563,437	62,397,943	18,679,827	14,243,683	29,474,433
At 31 December 2022					
Trade payables	114,868	114,868	114,868	-	-
Other payables and accruals	2,320,315	2,320,315	2,320,315	-	-
Borrowings	66,861,311	51,617,431	20,821,100	25,006,157	5,790,174
Lease liabilities	13,926,246	19,281,648	1,942,845	8,250,717	9,088,086
	83,222,740	73,334,362	25,199,128	33,256,874	14,878,260

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34. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Liquidity risk (cont'd)*

Maturity analysis (cont'd)

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations. (cont'd)

	Carrying amount RM	Total contractual cash flows RM	On demand or within 1 year RM	1 - 5 year RM	> 5 years RM
(Audited)					
At 30 April 2023					
Trade payables	189,449	189,449	189,449	-	-
Other payables and accruals	2,209,824	2,209,824	2,209,824	-	-
Borrowings	51,583,933	58,479,781	7,920,956	33,976,324	16,582,501
Lease liabilities	13,600,397	18,641,157	1,932,828	7,964,735	8,743,594
	67,583,603	79,520,211	12,253,057	41,941,059	25,326,095

(c) *Market risk*

Market risk is the risk that the fair value of future cash flow on the financial instruments that with fluctuate because of changes in market prices. The various components of market risk that the Group are expose to are discussed below:

(i) *Foreign exchange risk*

The objectives of the Group's currency risk management policies are to allow the Group to effectively manage the foreign exchange fluctuation against its functional currency that may arise from future commercial transactions and recognized assets and liabilities. The Group monitors the movement in foreign currency exchange rates closely to ensure their exposures are minimised.

As at 31 December 2019 to 31 December 2021, the Group has no significant exposure to foreign exchange rate would not cause any material effect to the Group's profit.

The currency exposure of financial liabilities of the Group that are not denominated in the functional currency are set out below:

	31.12.2022 RM	30.4.2023 RM
Denominated in USD		
Borrowings	22,075,000	22,292,500
Net exposure	22,075,000	22,292,500

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34. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) *Market risk (cont'd)*

(i) *Foreign exchange risk (cont'd)*

The sensitivity of the Group's profit after tax for the financial years/period and equity to a reasonably possible change in the USD exchange rate against the functional currencies of RM, with all other factors remaining constant and based on the composition of assets and liabilities at the reporting date are set out as below.

	Effect on profit after tax 31.12.2022 RM	Effect on profit after tax 30.4.2023 RM
USD/RM		
- Strengthened 10%	(1,677,700)	(1,694,230)
- Weakened 10%	1,677,700	1,694,230

The impact on profit after tax for the financial period are mainly as a result of foreign currency gain/losses on translating of USD denominated borrowings.

(ii) *Interest rate risk*

Interest rate risk is the risk of fluctuation in fair value of future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their borrowings floating interest rates.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial years/period.

(Audited)	**Carrying amount RM**	**Change in basis point**	**Effect on profit for the financial years/period RM**
31 December 2019			
Term loan	(12,506,762)	+ 25	(23,763)
		- 25	23,763
31 December 2020			
Term loan	(17,417,577)	+ 25	(33,093)
		- 25	33,093
31 December 2021			
Term loan	(21,095,068)	+ 25	(40,081)
		- 25	40,081
31 December 2022			
Term loan	(24,781,353)	+ 25	(47,085)
		- 25	47,085
Revolving loan	(20,000,000)	+ 25	(38,000)
		- 25	38,000

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34. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) *Market risk (cont'd)*

(ii) *Interest rate risk (cont'd)*

	Carrying amount RM	Change in basis point	Effect on profit for the financial years/period RM
(Audited)			
30 April 2023			
Term loan	(24,291,433)	+ 25	(461,537)
		- 25	461,537
Revolving loan	(5,000,000)	+ 25	(95,000)
		- 25	95,000

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value. The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to its shareholder, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years/period.

The Group monitors capital using a gearing ratio. The gearing ratio is calculated as net debts divided by equity attributable to the owners of the Group. The gearing ratio as at 31 December 2019, 31 December 2020, 31 December 2021 and 30 April 2023 are as follows:

	Audited				
	31.12.2019 RM	**31.12.2020 RM**	**31.12.2021 RM**	**31.12.2022 RM**	**30.4.2023 RM**
Amount due to related parties	-	8,835,395	8,778,425	-	-
Lease liabilities	92,439	84,350	-	-	-
Borrowings	12,911,366	20,233,995	24,990,923	66,861,311	51,583,933
	13,003,805	29,153,740	33,769,348	66,861,311	51,583,933
Total equity	67,713,115	76,407,524	108,064,375	128,115,756	133,048,124
Gearing ratio (times)	0.19	0.38	0.31	0.52	0.39

There were no changes in the Group's approach to capital management during the financial years/period under review.

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36. FAIR VALUE OF ASSETS AND LIABILITIES

The carrying amounts of cash and bank balances, short-term receivables, payables and borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The carrying amount long-term floating rate loans and borrowings approximate their fair value as the loans and borrowings will be re-priced to market interest rate on or near reporting date.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS

(a) *Covid-19 outbreak*

On 11 March 2020, the World Health Organisation declared the Coronavirus Disease ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the movement control order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The Covid-19 outbreak also resulted in travel restriction, lockdown, and other precautionary measures imposed in various countries. The emergence of the Covid-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group operates.

The Group has performed an assessment of the overall impact of the situation on the Group's operations, including the recoverability of the carrying amount of assets and measurements of assets and liabilities and concluded that there are no material adverse effects on the financial statements for financial year ended 31 December 2021.

The Group is unable to reasonably estimate the full extent of the financial impact that these events have on its financial position, results of operations or cash flows for the financial year ended 31 December 2021 due to the uncertainty of the future outcome of the current events. It is however certain that the worldwide measures against the spread of the coronavirus will have direct and indirect effects on its operations. The Group will continuously monitor the impact of Covid-19 on its operations and financial performance and will be taking appropriate and timely measures to minimise the impact of the outbreak on the Company's operations.

(b) On 15 May 2022, EMCC entered into a loan agreement with RISA Partners, Inc. in relation to borrowing of USD5 million to fund additional cash capital for its pawnbroking business.

(c) On 15 August 2022, Pajak Gadai E Assets Sdn. Bhd. entered into a Sales and Purchase Agreement to dispose off a freehold building for a total consideration of RM6,800,000;

On 15 September 2022, EMCC entered into a share sale agreement with Dato' Low Kok Chuan to dispose off the entire equity interest of CC Low Marketing Sdn. Bhd. for a total consideration of RM5,604,000; and

(d) On 15 September 2022, Atapttech Sdn. Bhd. entered into an assignment of intellectual property right agreement with CC Low Marketing Sdn. Bhd. to assign its intellectual property rights of a claim processing software to CC Low Marketing Sdn. Bhd. for a total consideration of RM97,500.

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38. ACQUISITION OF SUBSIDIARY

On 1 October 2021, EMCC acquired a wholly-owned subsidiary company, Atapttech Sdn. Bhd., a company incorporated in Malaysia with purchase consideration of RM825,073. The acquisition had the following financial impact to the Group as at the date of acquisition:

	1.10.2021 RM
Property, plant and equipment	401,182
Trade receivables	149,746
Other receivables, deposits and prepayments	16,921
Amount due from related parties	854,107
Cash and bank balances	18,178
Trade payables	(11,755)
Other payables	(101,772)
Current tax liabilities	(293,578)
Deferred tax liabilities	(29,686)
Fair value of the identifiable assets and liabilities acquired	1,003,343
Purchase consideration	(825,073)
Bargain purchase	178,270

	RM
Net cash outflow arising from acquisition of a subsidiary:	
Purchase consideration	825,073
Cash and cash equivalents of the subsidiary acquired	(18,178)
	806,895

39. CASH FLOWS INFORMATION

39.1 ***The cash received for the proceeds from disposal of investment properties is as follows:***

	Audited					Unaudited
	31.12.2019 RM	**31.12.2020 RM**	**31.12.2021 RM**	**31.12.2022 RM**	**30.4.2023 RM**	**30.04.2022 RM**
Sales proceeds from disposal of investment property	-	5,783,000	-	7,650,000	-	-
Less: Amount due to directors	-	(5,533,000)	-	-	-	-
Less: Real property gain tax	-	(7,500)	-	-	-	-
Less: Other receivables	-	(6,520)	-	-	-	-
	-	235,980	-	7,650,000	-	-

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39. CASH FLOWS INFORMATION (CONT'D)

39.2 *Reconciliation of liabilities arising from financing activities:*

	1 January 2019 RM	Cash flows RM	Non-cash: Other investment RM	Non-cash: Share capital RM	31 December 2019 RM
(Audited)					
Issuance of redeemable convertible preference shares	2,000,000	3,055,000	-	-	5,055,000
Borrowings	14,941,382	(2,434,620)	-	-	12,506,762
Lease liabilities	17,206,681	(614,300)	-	-	16,592,381
Amount due to directors	648,410	676,547	-	(100)	1,324,857
Amount due to related parties	15,914,961	56,798	-	-	15,971,759
Amount due from related parties	(30,160,574)	17,046,606	(964,000)	-	(14,077,968)
	20,550,860	17,786,031	(964,000)	(100)	37,372,791

	1 January 2020 RM	Cash flows RM	Non-cash: Right of use assets RM	Non-cash: Investment properties RM	Non-cash: Other receivables RM	Non-cash: Share capital RM	Non-cash: Other payables RM	Non-cash: Amount due to related companies RM	Non-cash: Rent concession RM	Non-cash: Amount due to directors RM	31 December 2020 RM
(Audited)											
Redeemable convertible preference shares	5,055,000	1,170,000	-	-	-	(6,225,000)	-	-	-	-	-
Redeemable preference shares	232,000	118,900	-	-	-	(350,900)	-	-	-	-	-
Invested equity	76,000,102	99,900		-	-	6,575,900	-	8,000,000	-		90,675,902
Borrowings	12,506,762	5,557,088	-	-	-	-	-	-	-	(646,273)	17,417,577
Lease liabilities	16,592,381	(537,947)	1,305,814	-	-	-	-	-	(133,915)	-	17,226,333
Amount due to directors	1,324,857	(1,176,712)	-	(5,533,000)	(269,045)	-	5,020,000	-	-	646,273	12,373
Amount due to related parties	15,971,759	10,450,810	-	-	-	-	-	(8,000,000)	-	-	18,422,569
Amount due from related parties	(14,077,968)	4,186,995	-	-	-	-	-	-	-	-	(9,890,973)
	113,604,893	19,869,034	1,305,814	(5,533,000)	(269,045)	-	5,020,000	-	(133,915)	-	133,863,781

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39. CASH FLOWS INFORMATION (CONT'D)

39.2 *Reconciliation of liabilities arising from financing activities: (cont'd)*

	1 January 2021 RM	Cash flows RM	Non-cash: Share capital RM	Non-cash: Acquisition of subsidiary RM	Non-cash: Rent concession RM	Non-cash: Gain on termination of lease RM	Non-cash: Lease liabilities RM	31 December 2021 RM
(Audited)								
Invested equity	90,675,902	-	(90,025,891)	(650,011)	-	-	-	-
Share capital	-	1	90,025,890	-	-	-	-	90,025,891
Borrowings	17,417,577	3,677,491	-	-	-	-	-	21,095,068
Lease liabilities	17,226,333	(696,684)	-	-	(120,629)	(1,582,096)	(70,718)	14,756,206
Advances from directors	12,373	(12,373)	-	-	-	-	-	-
Amount due to related parties	18,422,569	(212,156)	-	(9,502,706)	-	-	70,718	8,778,425
Amount due from related parties	(9,890,973)	18,446,560	-	(8,555,587)	-	-	-	-
	133,863,781	21,202,839	(1)	(18,708,304)	(120,629)	(1,582,096)	-	134,655,590

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NOTES TO THE FINANCIAL STATEMENTS

39. CASH FLOWS INFORMATION (CONT'D)

39.2 *Reconciliation of liabilities arising from financing activities: (cont'd)*

	1 January 2022 RM	Cash flows RM	← Non-cash Rent concession RM	Loss on foreign exchange/ Right-of-use assets → RM	31 December 2022 RM
(Audited)					
Borrowings	21,095,069	45,454,720	-	306,564	66,856,353
Lease liabilities	14,756,206	(830,827)	(76,255)	77,122	13,926,246
Amount due to related parties	8,778,425	(8,778,425)	-	-	-
	44,629,700	35,845,468	(76,255)	383,686	80,782,599

	1 January 2023 RM	Cash flows RM	← Non-cash Rent concession RM	Loss on foreign exchanges → RM	30 April 2023 RM
(Audited)					
Borrowings	66,856,353	(15,504,587)	-	232,167	51,583,933
Lease liabilities	13,926,246	(298,193)	(27,656)	-	13,600,397
	80,782,599	(15,802,780)	(27,656)	232,167	65,184,330

	1 January 2022 RM	Cash flows RM	← Non-cash Rent concession RM	Loss on foreign exchanges → RM	30 April 2022 RM
(Unaudited)					
Borrowings	21,095,069	5,025,092	-	-	26,120,161
Lease liabilities	14,756,206	(275,207)	(8,800)	-	14,472,199
Amount due to related parties	8,778,425	2,527,596	-	-	11,306,021
	44,629,700	7,277,481	(8,800)	-	51,898,381

CHENGCO
CHARTERED ACCOUNTANTS

CHENGCO PLT 201806002622 (LLP0017004-LCA) & AF0886
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The Board of Directors
Evergreen Max Cash Capital Berhad
Lot 11-10, Level 11, Wisma Trax
No 1, Jalan Lima Off, Jalan Chan Sow Lin
55200 Kuala Lumpur
Wilayah Persekutuan

Date: 2 August 2023

Dear Sirs,

EVERGREEN MAX CASH CAPITAL BERHAD ("EMCC" OR THE "COMPANY")
REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2023

We have completed our assurance engagement to report on the compilation of the Pro Forma Statements of Financial Position of EMCC and its subsidiaries, namely Pajak Gadai Insan Tiara Sdn. Bhd., Pajak Gadai Terus Wangsa Sdn. Bhd., Pajak Gadai Total Sdn. Bhd., Pajak Gadai SP Sdn. Bhd., Pajak Gadai Sungai Way Sdn. Bhd., Pajak Gadai Brickfields Sdn. Bhd., Pajak Gadai Global Wealth Sdn. Bhd., Pajak Gadai Adventure Sdn. Bhd., Pajak Gadai Nilai Sdn. Bhd., Pajak Gadai Sri Permaisuri Sdn. Bhd., Pajak Gadai Kenanga Sdn. Bhd., Pajak Gadai Angkasa Sdn. Bhd., Pajak Gadai Maju Sdn. Bhd., Pajak Gadai E Assets Sdn. Bhd., Pajak Gadai Delta Sdn. Bhd., Cahaya Gold & Jewellery Sdn. Bhd. and Atapttech Sdn. Bhd. (collectively referred to as the "Group").

The Pro Forma Statements of Financial Position consist of the Pro Forma Statements of Financial Position of EMCC as at 30 April 2023 together with the accompanying notes thereon, for which we have stamped for the purpose of identification. The applicable criteria on the basis of which the Directors of EMCC have compiled the Pro Forma Statements of Financial Position are described in Note 2 to the Pro Forma Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia ("Prospectus Guidelines") ("Applicable Criteria").

The Pro Forma Statements of Financial Position of EMCC has been compiled by the Directors of EMCC, for inclusion in the prospectus of EMCC ("Prospectus") in connection with the Initial Public Offering ("IPO") of EMCC and the listing of and quotation for the entire enlarged issued share capital of EMCC on the ACE Market of Bursa Malaysia Securities Berhad ("Listing").

The Pro Forma Statements of Financial Position as at 30 April 2023 have been compiled by the Directors of EMCC, for illustrative purposes only, to illustrate the impact of the Listing on the financial position of the Group had the Listing been effected on 30 April 2023. As part of this process, information about EMCC's Statements of financial position has been extracted by the Directors of EMCC from EMCC's audited Statements of financial position as at 30 April 2023, on which was reported by us to the members of EMCC without any modification.

Directors' Responsibility for the Pro Forma Statements of Financial Position

The Directors of EMCC are responsible for compiling the Pro Forma Statements of Financial Position based on the Applicable Criteria.

EVERGREEN MAX CASH CAPITAL BERHAD ("EMCC" OR THE "COMPANY")
Reporting Accountants' Report on the compilation of
Pro Forma Statements of Financial Position
as at 30 April 2023 Included in a Prospectus (cont'd)

Our independence and Quality Control

We have complied with the independence and other ethical requirement of the By-Laws (on Professional Ethics, Conduct and Practice) issued by the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants and the International Ethics Standards Board for Accountants' International Codes of Ethics for Professional Accountants (including International Independence Standards), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1), Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion on whether the Pro Forma Statements of Financial Position of EMCC has been compiled, in all material respects, by the Directors of EMCC based on the Applicable Criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors of EMCC have compiled, in all material respects, the Pro Forma Statements of Financial Position of EMCC based on the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or re-issuing any reports or opinions on any historical financial information used in compiling the Pro Forma Statements of Financial Position of EMCC, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Statements of Financial Position of EMCC.

The purpose of the Pro Forma Statements of Financial Position included in the Prospectus is solely to illustrate the impact of significant events or transactions on the unadjusted financial information of the Group as if the events had occurred or the transaction had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

EVERGREEN MAX CASH CAPITAL BERHAD ("EMCC" OR THE "COMPANY")
Reporting Accountants' Report on the compilation of
Pro Forma Statements of Financial Position
as at 30 April 2023 Included in a Prospectus (cont'd)

Reporting Accountants' Responsibilities (cont'd)

A reasonable assurance engagement to report on whether the Pro Forma Statements of Financial Position of EMCC has been compiled, in all material respects, based on the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors of EMCC in the compilation of the Pro Forma Statements of Financial Position of the EMCC provide a reasonable basis for presenting the significant effects directly attributable to Listing Scheme as described in Note 1.2 of this Pro Forma Statements of Financial Position of EMCC, and to obtain sufficient appropriate evidence about whether:

(a) The Pro Forma Statements of Financial Position of EMCC has been properly prepared on the basis and assumptions set out in the accompanying notes to the Pro Forma Statements of Financial Position of EMCC, based on the Accountants' Report of EMCC for the financial period ended ("FPE") 30 April 2023, and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited financial statements for the FPE 30 April 2023;

(b) The related pro forma adjustments reflect the appropriate effects of the Applicable Criteria; and

(c) The Pro Forma Statements of Financial Position of EMCC reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Statements of Financial Position of financial position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Statements of Financial Position of EMCC.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our opinion

In our opinion, the Pro Forma Statements of Financial Position of EMCC has been properly prepared on the basis and assumptions set out in the accompanying notes to the Pro Forma Statements of Financial Position, based on the Accountants' Report of EMCC for the FPE 30 April 2023, and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited financial statements for the FPE 30 April 2023.

EVERGREEN MAX CASH CAPITAL BERHAD ("EMCC" OR THE "COMPANY")
Reporting Accountants' Report on the compilation of
Pro Forma Statements of Financial Position
as at 30 April 2023 Included in a Prospectus (cont'd)

Other Matters

This report has been prepared for inclusion in the Prospectus in connection with the Listing. Save for the foregoing, this report should not be used, circulated, quoted or otherwise referred to in any document or used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

CHENGCO PLT
201806002622
(LLP0017004-LCA) & AF0886
Chartered Accountants

TAN WAE LENG
02850/05/2024 J
Chartered Accountant

Kuala Lumpur,
Date: 2 August 2023

EVERGREEN MAX CASH CAPITAL BERHAD AND ITS SUBSIDIARIES
[Company No.: 202101028602 (1428902-D)]
(Incorporated in Malaysia)

CHENGCO PLT, Chartered Accountants
201806002622
(LLP0017064-LCA) & AF0886
For Identification Purpose Only

PRO FORMA STATEMENTSOF FINANCIAL POSITION

1. Introduction

The pro forma Statements of financial position of Evergreen Max Cash Capital Berhad ("EMCC" or the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") has been compiled by the Directors of EMCC, for illustrative purposes only, for inclusion in the prospectus of EMCC in connection with the Initial Public Offering ("IPO") of EMCC and the listing of and quotation for the entire enlarged issued share capital of EMCC on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing").

1.2 Listing Scheme

1.2.1 Pre-IPO Re-organisation

Prior to the Listing, the Group has undertaken Pre-IPO re-organisation comprising the following:

(a) Acquisitions

On 1 October 2021, EMCC had entered into a share purchase agreement with Trax Capital Sdn. Bhd. to acquire the following companies for a total purchase consideration of RM90,025,890 to be satisfied via the issuance of 529,564,061 new ordinary shares in EMCC ("Shares"):

(a) Atapttech;
(b) Cahaya Gold;
(c) CC Low;
(d) PG Adventure;
(e) PG Angkasa;
(f) PG Brickfields;
(g) PG Delta;
(h) PG E Assets;
(i) PG Insan Tiara;
(j) PG Kenanga;
(k) PG Maju;
(l) PG Nilai;
(m) PG SP;
(n) PG Sungai Way;
(o) PG Terus Wangsa; and
(p) PG Total

The said acquisition exercise was completed on 22 December 2021.

(b) Bonus Issue

On 15 June 2022, EMCC had completed a bonus issue of 317,738,437 new shares ("Bonus Shares") on the basis of 3 Bonus Shares for every 5 existing shares.

(c) Disposals

On 15 September 2022, EMCC had entered into a share purchase agreement with Dato' Low Kok Chuan for the disposal of 931,049 ordinary shares in CC Low Marketing Sdn. Bhd. ("CC Low") ("Share Purchase Agreement"), representing the entire equity interest in CC Low, for a cash consideration of RM5,604,000.

EVERGREEN MAX CASH CAPITAL BERHAD AND ITS SUBSIDIARIES
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PRO FORMA STATEMENTSOF FINANCIAL POSITION

1.2 Listing Scheme (cont'd)

In conjunction with the above, the Group had also entered into the following, which are inter-conditional upon one another as well as the Share Purchase Agreement:

(a) A sale and purchase agreement dated 15 August 2022 between Pajak Gadai E Assets Sdn. Bhd. ("PG E Assets") and CC Low for the disposal of an investment property to CC Low for a cash consideration of RM6,800,000; and

(b) An assignment agreement dated 15 September 2022 between Atapttech Sdn. Bhd. ("Atapttech") and CC Low for the assignment of Atapttech's intellectual property rights in the motor insurance claims processing software used by CC Low to CC Low for a cash consideration of RM97,500.

(Collectively, the "Disposals")
The total Disposals consideration of RM12,501,500 is to be set-off against the amount owing by the Group to CC Low, which amounted to RM11,690,998 as at 1 December 2022. The Disposals were completed on 19 December 2022.

1.2.2 Public Issue

The Listing involves a public issue of 267,600,000 new Shares at the IPO price of RM0.24 per Share.

In conjunction with the Listing, EMCC would seek the listing of and quotation for its entire enlarged issued share capital comprising 1,114,902,499 Shares on the ACE Market of Bursa Securities.

The gross proceeds from the Public Issue are expected to be utilised use in the following manner:

Details of utilisation	RM'000	%	Time frame for utilisation from the date of listing
Expansion of pawnshops [(1)]	20,000	31.1	Within 24 months
Cash capital for the pawnbroking business	30,000	46.7	Within 24 months
Repayment of bank borrowings	4,000	6.2	Within 1 month
Working capital	5,624	8.8	Within 12 months
Estimated listing expenses [(2)]	4,600	7.2	Within 1 months
Gross proceeds	**64,224**	**100.00**	

Notes:
[(1)] EMCC is still in the midst to identifying the suitable locations to open its new pawnshop as well as utilise the amount earmarked for expansion of pawnshop and the acquisition/investment opportunities to embark on.

[(2)] The estimated listing expenses of RM2,011,720 arising from the issuance of new Shares pursuant to the Listing are to be off set against the share capital whilst the remaining estimated listing expenses of RM1,544,777 will be expensed off to profit or loss, of which, RM1,043,503 has already been expensed off in the FPE 30 April 2023. The remaining balances represent one-off expenditure in conjunction with the IPO.

2. BASIS OF PREPARATION OF THE PRO FORMA STATEMENTSOF FINANCIAL POSITION

2.1 The Pro Forma Statements of Financial Position have been prepared to illustrate the financial position of EMCC as at 30 April 2023, adjusted for the Public Issue and the use of proceeds from the Public Issue as described in Notes 1.2.2.

2.2 The Pro Forma Statements of Financial Position of EMCC have been prepared based on the audited financial statements of EMCC for the FPE 30 April 2023.

2.3 The audited financial statements of EMCC for the FPE 30 April 2023 were reported by the auditors to its members without any modifications.

2.4 The Pro Forma Statements of Financial Position of EMCC have been prepared for illustrative purposes only and, such information may not, because of its nature, give a true picture of the actual financial position and the results of the Group and does not purport to predict the future financial position and results of the Group.

2.5 The Pro Forma Statements of Financial Position of EMCC have been properly prepared on the basis and assumptions set out in the accompanying notes to the pro forma Statements of financial position of EMCC, based on the Accountants' Report of EMCC for the FPE 30 April 2023, which have been prepared in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards.

2.6 The Pro Forma Statements of Financial Position of EMCC have been prepared in a manner consistent with both the format of the audited financial statements and accounting policies adopted by the Group in the preparation of its audited financial statements for the FPE 30 April 2023.

The Pro Forma Statements of Financial Position of EMCC is combined using merger method as all the combining entities are under common control of the same party before and after the Acquisitions. When the merger method is used, the difference between the cost of investment recorded by EMCC and the share capital of the subsidiaries are accounted for as merger reserve in the pro forma consolidated statements of financial position.

The Group is regarded as a continuing entity resulting from re-organisation exercise because the same management of all the entities within the Group, which took part in the reorganisation exercise, was under common control before and immediately after the reorganisation exercise. The Group has applied the merger method of accounting on a retrospective basis presented in the financial statements.

3. PRO FORMA STATEMENTS OF FINANCIAL POSITION OF EMCC

The Pro Forma Statements of Financial Position of EMCC as set out below, for which the Directors of EMCC are solely responsible, have been prepared for illustrative purposes only, to show the effects of the transactions as mentioned in 1.2.2, on the assumption that these transactions were completed on 30 April 2023, and should be read in conjunction with the notes accompanying thereto.

EVERGREEN MAX CASH CAPITAL BERHAD AND ITS SUBSIDIARIES
[Company No.: 202101028602 (1428902-D)]
(Incorporated in Malaysia)

CHENGCO PLT, Chartered Accountants
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(LLP0017064-LCA) & AF0886
For Identification Purpose Only

3. PRO FORMA STATEMENTSOF FINANCIAL POSITION OF EMCC

	Note	Statements of financial position as at 30 April 2023	Pro Forma I After Public Issue	Pro Forma II After Pro Forma I and the use of proceeds
		RM	RM	RM
ASSETS				
Non-current assets				
Property, plant and equipment	4.1	2,924,059	2,924,059	4,424,059
Right-of-use assets		10,503,982	10,503,982	10,503,982
Investment properties		13,000,307	13,000,307	13,000,307
		26,428,348	26,428,348	27,928,348
Current assets				
Inventories		359,907	359,907	359,907
Trade receivables		160,998,270	160,998,270	160,998,270
Other receivables, deposits and prepayments		2,355,278	2,355,278	2,355,278
Cash and bank balances	4.2	11,876,940	76,100,940	67,044,443
		175,590,395	239,814,395	230,757,898
TOTAL ASSETS		202,018,743	266,242,743	258,686,246
EQUITY AND LIABILITIES				
EQUITY				
Share capital	4.4	90,025,891	154,249,891	152,238,171
Retained earnings	4.4	22,671,876	22,671,876	21,127,099
Merger reserves	4.4	20,350,360	20,350,360	20,350,360
		133,048,127	197,272,127	193,715,630
Non-current liabilities				
Borrowings	4.3	45,106,575	45,106,575	41,106,575
Lease liabilities		12,590,450	12,590,450	12,590,450
Deferred tax liabilities		170,773	170,773	170,773
		57,867,798	57,867,798	53,867,798
Current liabilities				
Trade payables		189,449	189,449	189,449
Other payables and accruals		2,209,824	2,209,824	2,209,824
Borrowings	4.3	6,477,358	6,477,358	6,477,358
Lease liabilities		1,009,947	1,009,947	1,009,947
Current tax liabilities		1,216,240	1,216,240	1,216,240
		11,102,818	11,102,818	11,102,818
TOTAL LIABILITIES		68,970,616	68,970,616	64,970,616
TOTAL EQUITY AND LIABILITIES		202,018,743	266,242,743	258,686,246
Number of Shares in issue		847,302,499	1,114,902,499	1,114,902,499

Net Assets ("NA") (RM)		133,048,127	197,272,127	193,715,630
NA per ordinary share (RM)		0.16	0.18	0.17

EVERGREEN MAX CASH CAPITAL BERHAD AND ITS SUBSIDIARIES
[Registration No.: 202101028602 (1428902-D)]
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4. NOTES TO PRO FORMA STATEMENTSOF FINANCIAL POSITION

4.1 Property, plant and equipment

The movement of property, plant and equipment are as follows:

	RM
At 30 April 2023 / As per Pro Forma I	2,924,059
Pursuant to the utilisation of proceeds from the Public Issue	
- Renovation costs for the setting up of new "Pajaking" pawnshops	1,500,000
Pro Forma II	4,424,059

4.2 Cash and bank balances

The movement of cash and bank balances are as follows:

	RM	RM
At 30 April 2023		11,876,940
Pursuant to the Public Issue		64,224,000
Pro Forma I		76,100,940
Pursuant to the utilisation of proceeds from the Public Issue:		
- Renovation costs for the setting up of new "Pajaking" pawnshops	(1,500,000)	
- Repayment of bank borrowings	(4,000,000)	
- Balance listing expenses to be paid	(3,556,497)	(9,056,497)
Pro Forma II		67,044,443

4.3 Bank borrowings

The movement of Bank borrowings are as follows:

	RM
At 30 April 2023/ As per Pro Forma I	51,583,933
Pursuant to the utilisation of proceeds:	
- Repayment of bank borrowings	(4,000,000)
Pro Forma II	47,583,933

4.4 Share capital/Merger reserves/Retained earnings

The movements in share capital and reserves are as follows:

	Share capital RM	Merger reserves RM	Retained earnings RM
At 30 April 2023	90,025,891	20,350,360	22,671,876
Pursuant to the Public Issue	64,224,000	-	-
Pro Forma I	154,249,891	20,350,360	22,671,876
Pursuant to the utilisation of proceeds:			
- Estimated listing expenses	(2,011,720)	-	(1,544,777)
Pro Forma II	152,238,171	20,350,360	21,127,099

EVERGREEN MAX CASH CAPITAL BERHAD AND ITS SUBSIDIARIES
[Registration No.: 202101028602 (1428902-D)]
(Incorporated in Malaysia)

5. Approve by the Board of Directors

The Pro Forma Statements of Financial Position of EMCC is approved by the Board of Directors of Evergreen Max Cash Capital Berhad in accordance with Directors' resolution dated 2 August 2023.

………………………………………	………………………………………
Dato' Low Kok Chuan	**Datin Tea Guat Ngo**
Director	**Director**

15. STATUTORY AND OTHER INFORMATION

15.1 Share Capital

(i) None of the share capital of our Company or our subsidiaries are under any option or agreed conditionally or unconditionally to be put under any option as at the date of this Prospectus.

(ii) Save for the Pink Form Allocation as disclosed in Section 4.1.1(ii) of this Prospectus,

(a) no person including the Directors, employees or business associates of our Group have been or are entitled to be given or have exercised any options to subscribe for any shares of our Company or our subsidiaries; and

(b) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.

(iii) Save as disclosed in Sections 4.1.1 and 5 of this Prospectus, no shares, debentures, warrants, options, convertible securities or uncalled capital of our Company or our subsidiaries have been or are proposed to be issued as fully or partly paid-up, in cash or otherwise than in cash, within the 2 years preceding the date of this Prospectus.

(iv) As at the date of this Prospectus, our Group does not have any outstanding convertible debt securities, options, warrants or uncalled capital.

(v) Save as disclosed in Section 15.3 of this Prospectus, there is no limitation on the right to own our Shares, including any limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares imposed by law or by our Constitution.

15.2 Extracts of Our Constitution

The following provisions are extracted from our Constitution and are qualified in its entirety by the provisions of our Constitution and by applicable law. Terms defined in our Constitution shall have the same meaning when used here unless they are otherwise defined herein or the context otherwise requires.

(i) Remuneration, voting and borrowing powers of directors

Directors' remuneration

Clause 119 - Directors' remuneration

The fees and any benefits payable to the Directors shall be such fixed sum as shall from time to time be subject to shareholder approval at a general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office PROVIDED ALWAYS that:-

(a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;

(b) salaries payable to executive Directors may not include a commission on or percentage of turnover;

(c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and

(d) any fee paid to an Alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Clause 120 – Reimbursement of expenses

(a) The Directors shall be entitled to be reimbursed for all travelling or such other reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.

(b) If by arrangement with the Directors, any Director shall perform or render any special duties or service's outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.

Clause 156 - Remuneration of chief executive, managing Director or executive Director

The remuneration of the managing Director or equivalent shall subject to the terms of any agreement entered into in any particular case may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement.

Voting and borrowing powers of our Directors

Clause 96 - Chairman's casting vote

In the case of an equality of votes on a show of hands, the Chairman of the meeting at which the show of hands takes place, shall not be entitled to a second or casting vote but not when a poll is demanded.

Clause 125 - Director's borrowing powers

To the extent that the Act, Listing Requirements and this Constitution allow, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any related third party PROVIDED ALWAYS that nothing contained in this Constitution shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

(a) The Directors shall cause a proper register to be kept in accordance with Section 60 of the Act of all mortgage and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified or otherwise.

(b) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability. The Directors shall (a) record or cause to be recorded in minutes of the board of directors; and (b) disclose or cause to be disclosed in the directors' report referred to in Section 253, the particulars of any indemnity given to, or insurance effected for, any officer or auditor of the Company.

Clauses 138 and 139 - Votes by majority and Chairman to have casting vote

(a) A meeting of the Directors, for the time being, at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretion by or under this Constitution vested in or exercisable by the Directors generally. Subject to this Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes.

(b) In case of equality of votes the Chairman shall have a second / casting vote except where only two (2) Directors are competent to vote on the question at issue, or at the quorum present at the meeting.

Clause 143 – Disclosure of interest

Subject to the Listing Requirements, every Director shall comply with the provisions of Sections 219 and 221 of the Act in connection with the disclosure of his shareholding and interest in any contract or proposed contract with the Company and in connection with the disclosure of the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of the Company.

Clause 145 – Restriction on voting

A Director, notwithstanding his interest may be counted in the quorum present at any meeting but shall not participate in any discussion and voting in any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of rights of the Company, (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the terms of any such appointment as hereinafter mentioned are considered or whereat any decision is taken upon any contract or arrangement in which he is in any way interested PROVIDED ALWAYS that he has complied with Section 221 and all other relevant provisions of the Act, the Listing Requirement and of this Constitution.

Clause 146 – Power to vote

A Director may vote in respect of:

(a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or

(b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.

(ii) Changes to share capital

Clause 64 – Power to increase capital

The Company may from time to time, whether all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company may direct in the resolution authorising such increase.

Clause 65 – Offer of new shares

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause.

Clause 68 – Alterations of capital

The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:-

(a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or

(b) subdivide its shares or any of the shares, whatever is in the subdivision, the proportions between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

Clause 69 - Power to reduce capital

The Company may from time to time by special resolution and subject to other applicable requirements:-

(a) cancel shares which, at the date of the passing of the resolution in that regard, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled or in such other manner allowed by law; or

(b) reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained.

(iii) Transfer of securities

Clause 48 – Transfer of securities

The transfer of any listed securities or class of listed securities of the Company shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of listed securities.

Clause 49 – No restriction on the transfer of fully paid securities

The instrument of transfer of a share shall be signed by or on behalf of the transferor and transferee provided that subject to compliance with the Central Depositories Act and the Rules, an instrument of transfer in respect of which the transferee is Depository shall be effective although not signed by or on behalf of the Depository if it has been certified by an authorised depository agent pursuant to Section 18 of the Central Depositories Act.

Clause 50 – Refusal to register

The Depository may refuse to register any transfer of listed securities that does not comply with the Depositories Act and the Rules of the Depository. Subject to the provisions of the Act, the Depositaries Act and the Rules of the Depository, no listed securities in any circumstances be transferred or transmitted to any infant, bankrupt or person of unsound mind or any partnership or unincorporated association or body.

(iv) Rights, preferences and restrictions attached to each class of shares relating to voting, dividend, liquidation and any special rights

Clause 10 – Allotment of shares

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the Act, the Listing Requirements, the Central Depositories Act and to the conditions, restrictions and limitations expressed in this Constitution, the Directors may allot shares or grant rights to subscribe for or otherwise dispose of the unissued shares in the Company to such persons, at such time and on such terms and conditions, with such preferred or deferred or other special rights, as they think proper, PROVIDED ALWAYS THAT:-

(a) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the Members in general meeting;

(b) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution;

(c) every issue of shares or options to employees and/or Directors shall be approved by the Members in general meeting and:-

    (aa) such approval shall specifically detail the number of shares of options to be issued to such employees and/or Directors; and

    (bb) a Director not holding office in an executive capacity may so participate in an issue of shares pursuant to a public offer or a public issue;

(d) the amount payable on application on each share offered to the public or offered under a prospectus that is registered under the Capital Markets and Services Act 2007 shall not be less than five (5) per centum of the offer price of the share.

(e) the Company must ensure that all new issues of Securities for which listing is sought are made by way of crediting the Securities Accounts of the allottees with such Securities save and except where it is specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event it shall so similarly be exempted from compliance with this requirement. For this purpose, the Company must notify the Depository of the names of the allotted and all such particulars required by the Depositor, to enable the Depository to make the appropriate entries in the Securities Accounts of such allottees;

(f) the Company must allot and issue Securities, despatch notices of allotment to the allottees and make an application for the quotation of such securities within such periods as may be prescribed by the Exchange.

Clause 11 – Preference shares

Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed provided that:-

(a) the holders of preference shares shall have the same rights as the holders of ordinary shares in relation to receiving notices, reports and audited financial statements and attending general meetings of the Company but shall only have the right to vote at any meeting convened for the purpose of reducing the Company's share capital, or on a proposal to wind up the Company, or sanctioning the disposal of the whole of the Company's property, business and undertaking or where the proposition to be submitted to the meeting directly affects the rights and privileges attached to the share, or when the dividend or part of the dividend on such shares is in arrears for more than 6 months and during the winding up of the Company;

(b) the holder of a preference share shall be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up; and

(c) the Company shall not, without the consent of the existing preference shareholders at a class meeting or pursuant to Clause 22 hereof, issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith.

Clause 24 – Variation of class rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of seventy-five (75%) per centum of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply but so that the necessary quorum shall be two (2) persons at least holding or represented by proxy one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. On a poll, the holders of the shares shall have one (1) vote for every share of the class held by them respectively. To every such special resolution, the provisions of Section 292 of the Act shall, with such adaptations as are necessary, apply.

Clause 25 – Ranking of class rights

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regard to participation in the profits or assets of the Company in some or in all respects pari passu therewith, the Company purchasing its own shares and the Company redeeming redeemable preference shares.

15.3 Deposited Securities and Rights of Depositors

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance, Inc. and such Shares may not be traded on Bursa Securities.

Dealing in shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares will be deemed to be a shareholder of our Company and will be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, arising from, such Shares.

15.4 Exchange Controls

We have not established any other place of business outside of Malaysia and is not subject to governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and remittance of profits by or to our Group.

15.5 Public Take-Overs

During the last financial year and up to the LPD, there were no:

(i) public take-over offers by third parties in respect of our Shares; and

(ii) public take-over offers by our Group in respect of other companies' shares.

15.6 Material Contracts

Save as disclosed below, we have not entered into any contracts which are material (not being contracts entered into in the ordinary course of business) within the period covered by the historical financial information as disclosed in this Prospectus up to the date of this Prospectus:

(i) share purchase agreement dated 1 October 2021 entered into between our Company and Trax Capital in relation to the acquisitions of the following companies from Trax Capital for a total purchase consideration of RM90,025,890, which was satisfied via the issuance of 529,564,061 new Shares at an issue price of RM0.17 per Share:

(a) Atapttech;
(b) Cahaya Gold;
(c) CC Low;
(d) PG Adventure;
(e) PG Angkasa;
(f) PG Brickfields;
(g) PG Delta;
(h) PG E Assets;
(i) PG Insan Tiara;
(j) PG Kenanga;
(k) PG Maju;
(l) PG Nilai(1);
(m) PG SP;
(n) PG Sungai Way;
(o) PG Terus Wangsa; and
(p) PG Total.

The share purchase agreement was completed on 22 December 2021. Please refer to Section 5.4.1 of this Prospects for further details;

(ii) sale and purchase agreement dated 28 February 2022 entered into between PG Delta (as vendor) and Amirul Riezwan Bin Azlan (as purchaser) in respect of the purchase of one unit of 3-storey shophouse erected on all that leasehold land held under individual title HMP 4004, Lot 61947, Tempat Kampung Mak Lagam, Mukim Banggul, Daerah Kemaman, Negeri Terengganu Darul Iman measuring approximately 147 sqm and bearing postal address as No. 28, Jalan Putra A/2, Taman Bandar Putra, Kampung Mak Lagam, 24000 Kemaman, Terengganu for a cash consideration of RM850,000. This sale and purchase agreement was completed on 1 December 2022;

(iii) sale and purchase agreement dated 15 August 2022 entered into between PG E Assets and CC Low in relation to the disposal by PG E Assets of a piece of freehold land held under Geran 57095, Lot 21076, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur (together with a 4-storey factory erected thereon) measuring approximately 1,243 square metres in area, to CC Low for a cash consideration of RM6,800,000. This sale and purchase agreement was completed on 19 December 2022. Please refer to Section 5.4.4 of this Prospects for further details;

(iv) share purchase agreement dated 15 September 2022 entered into between our Company and Dato' Low in relation to the disposal by our Company of 931,049 ordinary shares in CC Low, representing the entire equity interest in CC Low, to Dato' Low for a cash consideration of RM5,604,000. This share purchase agreement was completed on 19 December 2022. Please refer to Section 5.4.4 of this Prospects for further details;

(v) assignment agreement dated 15 September 2022 entered into between Atapttech and CC Low in relation to the assignment by Atapttech of its intellectual property rights in a motor insurance claims processing software that was used by CC Low to CC Low for a cash consideration of RM97,500. This assignment agreement was completed on 19 December 2022. Please refer to Section 5.4.4 of this Prospects for further details; and

(vi) the Underwriting Agreement.

15.7 Material Litigation

As at the LPD, we are not engaged in any governmental, legal, claims or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings, whether as plaintiff or defendant or as a third party which may have or have had, material or significant effects on our financial position or profitability, in the 12 months immediately preceding the date of this Prospectus.

15.8 Consents

(i) Our Principal Adviser, Sponsor, Underwriter and Placement Agent, Solicitors, Share Registrar and Issuing House, and Company Secretaries have given and have not subsequently withdrawn their written consents before the date of the issue of this Prospectus with the inclusion of their names and all references thereto in the form, manner and context in which they are included in this Prospectus.

(ii) Our Auditors and Reporting Accountants have given and have not subsequently withdrawn their written consents before the date of the issue of this Prospectus with the inclusion of their names and all references thereto, the Accountants' Report and the Reporting Accountants' Assurance Report on the Compilation of Pro Forma Statements of Financial Position as at 30 April 2023 in the form, manner and context in which they are included in this Prospectus.

(iii) Our IMR has given and has not subsequently withdrawn its written consent before the date of the issue of this Prospectus with the inclusion of its name and all references thereto and the IMR Report in the form, manner and context in which they are included in this Prospectus.

15.9 Documents Available for Inspection

Copies of the following documents may be inspected at our registered office during office hours for a period of 6 months from the date of this Prospectus:

(i) our Constitution;

(ii) our material contracts referred to in Section 15.6 of this Prospectus;

(iii) the IMR Report as included in Section 7 of this Prospectus;

(iv) the Accountants' Report as included in Section 13 of this Prospectus;

(v) the audited financial statements of our Company for the financial period from 3 September 2021 (date of incorporation) to 31 December 2022 and FPE 2023;

(vi) the audited financial statements of our subsidiaries for the FYE 2019, FYE 2020, FYE 2021, FYE 2022 and FPE 2023;

(vii) the Reporting Accountants' Assurance Report on the Compilation of Pro Forma Statements of Financial Position as at 30 April 2023 as included in Section 14 of this Prospectus; and

(viii) the letters of consent referred to in Section 15.8 of this Prospectus.

15.10 Responsibility Statements

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

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

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT OUR ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 Opening and Closing of Application Period

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 29 AUGUST 2023

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 12 SEPTEMBER 2023

Applications for our IPO Shares will open and close at the times and dates stated above.

In the event there is any change to the dates or time stated above, we will advertise the notice of the change in a widely circulated daily English and Bahasa Malaysia newspapers in Malaysia. The dates for the ballot of the applications for our IPO Shares, the allotment of our IPO Shares and our Listing would then be extended accordingly.

Late Applications will not be accepted.

16.2 Methods of Applications

Applications must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that your Application will succeed.

16.2.1 Application for our IPO Shares by the Malaysian Public and the Eligible Persons

No.	Type of Application and category of investors	Application method
(i)	Applications by Malaysian Public:	
	(a) Individuals	**White** Application Form or Electronic Share Application or Internet Share Application
	(b) Non-Individuals	**White** Application Form only
(ii)	Applications by Eligible Persons	**Pink** Application Form only

16.2.2 Application by selected investors via placement

No.	Type of Application	Application method
(i)	Applications by selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.
(ii)	Applications by Bumiputera investors approved by MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions.

Selected investors and Bumiputera investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

16.3 Eligibility

16.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the authorised depository agents ("**ADA**") set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

16.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfil all of the following:

(i) You must be one of the following:

(a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or

(b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(ii) You must not be a director or employee of our Issuing House or an immediate family member of a director or employee of our Issuing House; and

(iii) You must submit Applications by using only one of the following methods:

(a) White Application Form;

(b) Electronic Share Application; or

(c) Internet Share Application.

16.3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocations as well as detailed procedures on how to subscribe to the allocated IPO Shares. The Eligible Persons must follow the notes and instructions on the said documents and where relevant, in this Prospectus.

16.4 Procedures for Application by Way of Application Forms

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.24 for each IPO Share.

Payment must be made out in favour of "**TIIH SHARE ISSUE ACCOUNT NO. 746**" and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

(i) despatched by **ORDINARY POST** in the official envelopes provided to the following address:

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

(ii) **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan,

so as to arrive not later than 5.00 p.m. on 12 September 2023 or by such other time and date specified in any change to the date or time for closing.

We, together with our Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to our Issuing House.

16.5 Procedures for Application by Way of Electronic Share Applications

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

16.6 Procedures for Application by Way of Internet Share Applications

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad and Public Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

16.7 Authority of Our Board and Our Issuing House

Our Issuing House, on the authority of our Board reserves the right to:

(i) reject Applications which:

   (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

   (b) are illegible, incomplete or inaccurate; or

   (c) are accompanied by an improperly drawn up, or improper form of, remittance; or

(ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of our Issuing House at anytime within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 Over/Under Subscription

In the event of over-subscription, our Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of our IPO Shares and the balloting results in connection therewith will be furnished by our Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on our Issuing House's website https://tiih.online within 1 Market Day after the balloting event.

Pursuant to the Listing Requirements, we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation as set out in Sections 4.1.1 (i) and 4.1.1 (ii) of this Prospectus, any of the abovementioned IPO Shares not applied for will then be made available to selected investors and/or subscribed by our Underwriter based on the terms of the Underwriting Agreement.

16.9 Unsuccessful/Partially Successful Applicants

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

16.9.1 For applications by way of Application Forms

(i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purpose of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

(ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by our Issuing House as per items (i) and (ii) above (as the case may be).

(iv) Our Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

16.9.2 For applications by way of Electronic Share Application and Internet Share Application

(i) Our Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from our Issuing House.

(ii) You may check your account on the 5th Market Day from the balloting date.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by our Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Internet Participating Financial Institutions will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions or Internet Participating Financial Institutions will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from our Issuing House.

16.10 Successful Applicants

If you are successful in your application:

(i) Our IPO Shares allotted to you will be credited into your CDS account.

(ii) A notice of allotment will be despatched to you at your last address maintained with Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. As such, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

(iv) In accordance with Section 29 of the SICDA, all dealings in our IPO Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16.11 Enquiries

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. +603 2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

The results of the allocation of our IPO Shares derived from successful balloting will be made available to the public at the Issuing House's website at https://tiih.online, within 1 Market Day after the balloting date.

You may also check the status of your Application by calling your respective ADA during office hours at the telephone number as set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities.