

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF MST GOLF GROUP BERHAD (FORMERLY KNOWN AS M S T GOLF (ASIA) SDN BHD) ("MST GOLF" OR THE "COMPANY") DATED 28 JUNE 2023 ("ELECTRONIC PROSPECTUS")

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

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com ("**Website**").

Availability and Location of Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, RHB Investment Bank or the Issuing House. Alternatively, the applicant may obtain a paper/printed copy of the Electronic Prospectus, subject to availability, from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

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

Jurisdictional Disclaimer

The IPO and the distribution of the Electronic Prospectus are subject to Malaysian law. The Electronic Prospectus will not be distributed outside Malaysia. Bursa Securities, the Company, Directors, Promoters, Selling Shareholders, Principal Adviser, Sole Underwriter and Sole Placement Agent named in the Prospectus have not authorised anyone and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the IPO Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. The Electronic Prospectus may not be used for the purpose of and does not constitute an offer for the subscription or purchase of, or an invitation to subscribe for or purchase, the IPO Shares to any person outside Malaysia or in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. Prospective applicants who may be in possession of the Electronic Prospectus are required to take note, to inform themselves, and to observe such restrictions.

Close of Application

Applications for the IPO Shares offered under the Retail Offering will open at **10.00 a.m. on 28 June 2023** and will close at **5.00 p.m. on 7 July 2023**. In the event there is any change to the timetable, the Company will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers in Malaysia, and make an announcement on the Website.

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

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

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

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



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Loyalty Membership Programme

MST GOLF GROUP BERHAD 199301009307 (264044-M)

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MST GOLF®

MST GOLF GROUP BERHAD

(Registration No. 199301009307 (264044-M))
(formerly known as M S T Golf (Asia) Sdn Bhd)
(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

INITIAL PUBLIC OFFERING ("IPO") OF 228,000,000 ORDINARY SHARES IN MST GOLF GROUP BERHAD (FORMERLY KNOWN AS M S T GOLF (ASIA) SDN BHD) ("MST GOLF") ("SHARES") IN CONJUNCTION WITH THE LISTING AND QUOTATION OF THE ENTIRE ENLARGED ISSUED SHARES OF MST GOLF ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING:

(I) PUBLIC ISSUE OF 160,000,000 NEW ORDINARY SHARES ("ISSUE SHARES") IN THE FOLLOWING MANNER:

- 41,500,000 ISSUE SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 76,000,000 ISSUE SHARES MADE AVAILABLE FOR APPLICATION BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED INSTITUTIONAL AND SELECTED INVESTORS;
- 7,900,000 ISSUE SHARES MADE AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP; AND
- 34,600,000 ISSUE SHARES MADE AVAILABLE FOR APPLICATION BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY, MALAYSIA (FORMERLY KNOWN AS MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY, MALAYSIA) ("MITI");

AND

(II) OFFER FOR SALE OF UP TO 68,000,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED BUMIPUTERA INVESTORS APPROVED BY THE MITI;

AT AN IPO PRICE OF RM0.81 PER SHARE, PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS AS SET OUT IN THIS PROSPECTUS.

Principal Adviser, Sole Underwriter and Sole Placement Agent



RHB Investment Bank Berhad
(Registration No.: 197401002639 (19663-P))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

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

THE SECURITIES COMMISSION MALAYSIA ("SC") HAS APPROVED THE ISSUE, OFFER OR INVITATION FOR THE OFFERING UNDER SECTION 214(1) OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 (THE "APPROVAL"). THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC.

THE APPROVAL AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS OUR IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED, OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING THE RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 42.

LISTING SOUGHT: MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA



All defined terms used in this Prospectus are defined under "Presentation of Financial and Other Information", "Definitions" and "Glossary of Technical Terms" commencing on pages viii, xii and xx of this Prospectus, respectively.

RESPONSIBILITY STATEMENTS

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

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

STATEMENTS OF DISCLAIMER

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

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

You should rely on your own evaluation to assess the merits and risks of your investment in our Shares. If you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

OTHER STATEMENTS

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

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

Our Shares are classified as Shariah-compliant by the SAC. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the SAC. The new status is released in the updated list of Shariah-compliant securities, on the last Friday of May and November.

Investors should not take the agreement by the Sole Underwriter named in this Prospectus to underwrite our IPO Shares as an indication of the merits of our Shares being offered.

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

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

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

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not be deemed to accept any liability whether or not any enquiry or investigation is made in connection to it.

It will be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you had accepted our IPO in Malaysia and will be subject to the laws of Malaysia in connection to it.

However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

IT WILL BE YOUR SOLE RESPONSIBILITY TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS ON THE LAWS TO WHICH OUR IPO OR YOU ARE OR MIGHT BE SUBJECTED TO. NEITHER WE NOR OUR PROMOTERS, SELLING SHAREHOLDERS, DIRECTORS, PRINCIPAL ADVISER, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT NOR ANY OTHER ADVISERS IN RELATION TO OUR IPO WILL ACCEPT ANY RESPONSIBILITY OR LIABILITY IN THE EVENT THAT ANY APPLICATION MADE BY YOU SHALL BECOME ILLEGAL, UNENFORCEABLE, AVOIDABLE OR VOID IN ANY COUNTRY OR JURISDICTION.

ELECTRONIC PROSPECTUS/INTERNET SHARE APPLICATION

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

The internet is not a fully secure medium. Your Internet Share Application may be subject to risks of data transmission, computer security threats including viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions. These risks cannot be borne by the Internet Participating Financial Institutions. If you doubt the validity or integrity of the Electronic Prospectus, you should immediately request from us or the Issuing House, a paper/printed copy of this Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the paper/printed copy of this Prospectus, the contents of the paper/printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC will prevail.

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

- (i) we do not endorse and are not affiliated in any way to the Third-Party Internet Sites. Accordingly, we are not responsible for the availability of or the content or any data, file or other material provided on the Third-Party Internet Sites. You shall bear all risks associated with the access to or use of the Third-Party Internet Sites;

- (ii) we are not responsible for the quality of products or services in the Third-Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third-Party Internet Sites. We are also not responsible for any loss or damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third-Party Internet Sites or the use of or reliance on any data, information, file or other material provided by such parties; and
- (iii) any data, information, file or other material downloaded from the Third-Party Internet Sites is done at your own discretion and risk. We are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, file or other material.

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

- (i) the Internet Participating Financial Institution is only liable in respect of the integrity of the contents of the Electronic Prospectus, to the extent of the contents of the Electronic Prospectus on the web server of the Internet Participating Financial Institution which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institution is not responsible for the integrity of the contents of the Electronic Prospectus which has been obtained from the web server of the Internet Participating Financial Institution and subsequently communicated or disseminated in any manner to you or other parties;
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secure medium; and
- (iii) the Internet Participating Financial Institution is not liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in the Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institution, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or date:

Event	Time and/or date
Issuance of the Prospectus/Opening of application for our IPO Shares	10.00 a.m., 28 June 2023
Closing of application for our IPO Shares	5.00 p.m., 7 July 2023
Balloting of applications for our IPO Shares	11 July 2023
Allotment/Transfer of our IPO Shares to successful applicants	18 July 2023
Listing	20 July 2023

Late applications will not be accepted. In the event there is any change to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers in Malaysia, and make an announcement on Bursa Securities' website.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to "our Company" or "MST Golf" are to MST Golf Group Berhad (*formerly known as M S T Golf (Asia) Sdn Bhd*). All references to "MST Golf Group" or "our Group" are to our Company and our subsidiaries taken as a whole. All references to "we", "us", "our" and "ourselves" are to our Company and where the context otherwise requires, our Group. All references to "you" are to our prospective investors.

All references to "Government" are to the Government of Malaysia. All references to the "Selling Shareholders" are to Ng Yap Sio, Low Kok Poh, Ng Lian Chun, Dato' Ng Lian Heng, Ng Kong Hook and Ng Lian Lu. All references to the "Promoters" are to All Sportz, Ng Yap Sio, Low Kok Poh, Ng Lian Chun, Dato' Ng Lian Heng, Ng Kong Hook and Ng Lian Lu.

The words "approximately" used in this Prospectus is to indicate that the number is not an exact one, but that number is usually rounded off to the nearest thousandth or 2 decimal place. Any discrepancies in the tables between the amounts listed and the total amount in this Prospectus are due to rounding adjustments. Other abbreviations and acronyms used in this Prospectus are defined in the "Definitions" section and technical terms used in this Prospectus are defined in the "Glossary of Technical Terms" section. Words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and *vice versa*. References to persons shall, where applicable, include companies and corporations.

Any reference in this Prospectus to any provisions of the statutes, rules, regulations, enactments or rules of the stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of the stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of the stock exchange for the time being in force.

Any reference to a date and time shall be a reference to a date and time in Malaysia, unless otherwise stated.

All references to the LPD in this Prospectus are to 31 May 2023, being the latest practicable date prior to the registration of this Prospectus with the SC.

The information on our website or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on those information for the purposes of your decision whether or not to invest in our Shares. If there is any discrepancy between the contents of such website relating to our Group and the Prospectus, the information contained in this Prospectus shall prevail.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding the growth and performance of the industry in which we operate and our estimated market share. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us or is extracted from the IMR Report included in Section 8 of this Prospectus. We have appointed Vital Factor Consulting Sdn Bhd to provide an independent market research and industry review. In compiling its data for the review, Vital Factor Consulting Sdn Bhd relied on its research methodology, industry sources, published materials, its private databanks and direct contacts within the industry.

Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We cannot give any assurance that the projected figures will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION (CONT'D)

EBITDA and the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity that are not required by or presented in accordance with the IFRS and MFRS. Furthermore, EBITDA is not a measure of our financial performance or liquidity under the IFRS and MFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with the IFRS or MFRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, and hence, a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

We believe that EBITDA may facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), the age and booked depreciation and amortisation of assets (affecting relative depreciation and amortisation expenses). EBITDA has been presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-IFRS and non-MFRS financial measures when reporting their results. Finally, EBITDA is presented as a supplemental measure of our ability to service debt. Nevertheless, EBITDA has limitations as an analytical tool, and prospective investors should not consider it in isolation from or as a substitute for analysis of our financial condition or results of operations, as reported under the IFRS and MFRS. Due to these limitations, EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of our business.

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FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements, other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies and prospects are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements, or industry results expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our current view with respect to future events and do not guarantee future performance. Forward-looking statements can be identified by the use of forward-looking terminologies including the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions, and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) demand for our products and services and general industry environment;
- (ii) our strategies and competitive position;
- (iii) our financial performance and financing plan including earnings, cash flows and liquidity;
- (iv) potential growth opportunities; and
- (v) regulatory environment and the effects of future regulation.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) finance costs, interest rates, tax rates and foreign exchange rates;
- (ii) future regulatory or government policy changes affecting us or the markets in which we operate or may operate;
- (iii) delays, cost overruns, shortages in labour or problems with the execution of our expansion plans;
- (iv) competitive environment of the industry in which we operate;
- (v) the activities and financial health of our customers, suppliers and other business partners;
- (vi) reliance on certificates, licences, permits and approvals;
- (vii) general economic, business, social, political and investment environment in countries where we operate or may operate;
- (viii) continued availability of capital and financing;
- (ix) significant capital expenditure requirements;
- (x) cost and availability of adequate insurance coverage;
- (xi) fixed or contingent obligations and commitments;
- (xii) changes in accounting standards and policies; and
- (xiii) other factors beyond our control.

FORWARD-LOOKING STATEMENTS (CONT'D)

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 5 of this Prospectus on "Risk Factors" and Section 12.3 of this Prospectus on "Management's Discussion and Analysis of Financial Condition and Results of Operations". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the LPD.

In light of these uncertainties, the inclusion of such forward-looking statements should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved. Should we become aware of any subsequent material change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment/transfer of our IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6 on Supplementary and Replacement Prospectus) of the Prospectus Guidelines.

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DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

COMPANIES WITHIN OUR GROUP

MST Golf or Company	:	MST Golf Group Berhad (<i>formerly known as M S T Golf (Asia) Sdn Bhd</i>) (Registration No.: 199301009307 (264044-M))
MST Golf Group or Group	:	Collectively, MST Golf and its wholly-owned subsidiaries, namely MST Golf Malaysia, MST Golf Management, MST Golf Arena and MST Golf Singapore
MST Golf Malaysia	:	MST Golf Sdn Bhd (<i>formerly known as M S T Golf Sdn Bhd</i>) (Registration No.: 198901011987 (189294-P))
MST Golf Management	:	MST Golf Management Sdn Bhd (<i>formerly known as M S T Golf Management Sdn Bhd</i>) (Registration No.: 200101013452 (549209-A))
MST Golf Arena	:	MST Golf Arena Sdn Bhd (Registration No.: 199801015399 (471528-D))
MST Golf Singapore	:	MST Golf (Singapore) Pte Ltd (Registration No.: 200002124N)

COMPANIES NOT WITHIN OUR GROUP

All Sportz	:	All Sportz Sdn Bhd (Registration No.: 200901004247 (847180-P)), our Promoter and substantial shareholder
All Sportz Properties	:	All Sportz Properties Sdn Bhd (Registration No.: 200501022282 (704412-H)), which had ceased business operations and remained dormant since 1 August 2012
Frasers Group Asia	:	Frasers Group Asia Sdn Bhd (Registration No.: 201901040821 (1350151-U)), which has yet to commence business operations and remained dormant since its date of incorporation, 12 November 2019
Heritage Links Asia	:	Heritage Links Asia Sdn Bhd (<i>formerly known as Heritage Links MST Sdn Bhd</i>) (Registration No.: 201501030070 (1155393-V)), which had ceased business operations and remained dormant since 7 March 2018
My EGames	:	My EGames Sdn Bhd (<i>formerly known as My Golf Shop Sdn Bhd</i>) (Registration No.: 200001001156 (503761-W)), which had ceased business operations and remained dormant since 31 May 2013
My Sports International	:	My Sports International Company Limited (<i>formerly known as MST Golf International Co., Ltd</i>) (Registration No.: 0125544009146), which had ceased business operations and remained dormant since 2013
My Sports (Thailand)	:	My Sports (Thailand) Company Limited (<i>formerly known as MST Golf (Thailand) Co., Ltd</i>) (Registration No.: 0105544058392), which had ceased business operations and remained dormant since 2013
MySports Venture	:	MySports Venture Sdn Bhd (<i>formerly known as M S T Sports Sdn Bhd</i>) (Registration No.: 201001041239 (925167-H))
MySports Vietnam	:	Mysports Vietnam Sdn Bhd (<i>formerly known as M S T Golf Vietnam Sdn Bhd</i>) (Registration No.: 200501017993 (700106-W)), which had ceased business operations and remained dormant since 31 December 2019

DEFINITIONS (CONT'D)

- Sports Direct Malaysia : Sports Direct Malaysia Sdn Bhd (*formerly known as Sports Direct MST Sdn Bhd*) (Registration No.: 201001041238 (925166-M))
- Sports Direct Singapore : Sports Direct (Singapore) Pte Ltd (Registration No.: 202004542Z), which has yet to commence business operations and remained dormant since its date of incorporation, 7 February 2020

GENERAL

- Acquisitions : Collectively, the Acquisition of MST Golf Management and the Acquisition of MST Golf Singapore, details of which are set out in Section 6.1.2.4 of this Prospectus
- Acquisition of MST Golf Management : Acquisition by MST Golf of the remaining 30,000 ordinary shares, representing 30.00% equity interest in MST Golf Management from Paul Edward Gibbons for a total purchase consideration of RM277,201, fully satisfied via the issuance of 676,100 new MST Golf Shares at an issue price of RM0.41 per MST Golf Share, which was completed on 30 November 2022
- Acquisition of MST Golf Singapore : Acquisition by MST Golf of the remaining 312,000 ordinary shares, representing 24.00% equity interest in MST Golf Singapore from James Pang Yun Ming for a total purchase consideration of RM7,458,925, fully satisfied via the issuance of 18,192,500 new MST Golf Shares at an issue price of RM0.41 per MST Golf Share, which was completed on 30 November 2022
- Act : Companies Act, 2016
- ADA : Authorised Depository Agent
- Admission : Admission of our Shares to the Official List of the Main Market of Bursa Securities
- AGM : Annual general meeting
- Application : Application of our IPO Shares under the Retail Offering by way of Application Form, Electronic Share Application or Internet Share Application
- Application Form(s) : Application form(s) for the application of our IPO Shares under the Retail Offering accompanying this Prospectus
- ATM : Automated teller machine
- Auditors and Reporting Accountants : Grant Thornton Malaysia PLT (Registration No.: 201906003682 & LLP0022494-LCA)
- Authorised Financial Institution : Authorised financial institution participating in the Internet Share Application in respect of the payment for our IPO Shares
- BNM : Bank Negara Malaysia
- BO 1994 : Buildings Ordinance, 1994
- Board or Board of Directors : Board of Directors of our Company

DEFINITIONS (CONT'D)

Bumiputera	: In the context of:
	(i) individuals – Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia;
	(ii) companies – a company which fulfils, among others, the following criteria or such other criteria as may be imposed by the MITI:
	(a) registered under the Act as a private company;
	(b) its shareholders are 100.00% Bumiputera; and
	(c) its board of directors (including its staff) are at least 51.00% Bumiputera; and
	(iii) cooperatives – a cooperative whose shareholders or cooperative members are at least 95.00% Bumiputera or such other criteria as may be imposed by the MITI
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
CAGR	: Compound annual growth rate
Capitalisation	: Capitalisation of the amount owing by our Company to All Sportz of RM32,000,000 via the issuance of 32,000,000 new MST Golf Shares, which was completed on 21 October 2022
CCC or CF	: Certificate of completion and compliance or certificate of fitness for occupation or occupancy permit or such certificate by any other name or permit issued by the relevant authority in Malaysia under the relevant legislation applicable at the material time
CDS	: Central Depository System
CMCO	: Conditional MCO issued by the Government under the Prevention and Control of Infectious Disease Act, 1988 and the Police Act, 1967 as a preventive measure to curb the spread of COVID-19 in Malaysia
CMSA	: Capital Markets and Services Act, 2007
Constitution	: Constitution of our Company
COVID-19	: Coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019 and was declared as pandemic affecting many countries globally by the World Health Organisation in 2020. Subsequently in May 2023, the World Health Organisation has declared an end to this global health emergency
Depositor	: A holder of a Securities Account
Director(s)	: Director(s) of our Company
Distribution	: Distribution carried out by All Sportz by way of dividend-in-specie of approximately 33.33% of All Sportz's equity interest in MST Golf to the individual Promoters, details of which are set out in Section 6.1.2.3 of this Prospectus

DEFINITIONS (CONT'D)

Distribution Shares	: 214,000,000 MST Golf Shares distributed by All Sportz pursuant to the Distribution
EBITDA	: Earnings before interest, taxation, depreciation and amortisation
Electronic Prospectus	: Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium including, but not limited to compact disc read only memory (CD-ROMs)
Electronic Share Application	: Application for our IPO Shares under the Retail Offering through a Participating Financial Institution's ATM
Eligible Persons	: Collectively, our Independent Non-Executive Directors, employees of our Group and persons who have contributed to the success of our Group, who are eligible to participate in the Public Issue
EMCO	: Enhanced MCO issued by the Government under the Prevention and Control of Infectious Diseases Act, 1988 and the Police Act, 1967 as a preventive measure to curb the spread of COVID-19 in Malaysia
EPF	: Employees' Provident Fund Board
EPS	: Earnings per Share
Equity Guidelines	: Equity Guidelines issued by the SC
ERP	: Enterprise resource planning
Executive Directors	: Collectively, Low Kok Poh, Ng Yap Sio and Ng Lian Chun, the executive Directors of our Company
Federal Territory(ies)	: The territories of Kuala Lumpur, Putrajaya and Labuan governed directly by the Government
Financial Years Under Review	: Collectively, FYE 2019, FYE 2020, FYE 2021 and FYE 2022
FMCO	: Full MCO issued by the Government under the Prevention and Control of Infectious Diseases Act, 1988 and the Police Act, 1967 as a preventive measure to curb the spread of COVID-19 in Malaysia
FYE	: Financial year ended or where the context otherwise requires, financial year ending 31 December
GDP	: Gross domestic product
GFA	: Gross floor area
Government	: The Government of Malaysia
GP	: Gross profit
ICT	: Information and communications technology
IFRS	: International Financial Reporting Standards as issued by the International Accounting Standards Board
IMR Report	: Independent market research report on the Independent Assessment of the Golf Equipment Industry prepared by Vital Factor as set out in Section 8 of this Prospectus

DEFINITIONS (CONT'D)

Initial Public Offering or IPO	: Initial public offering, collectively, the Public Issue and the Offer for Sale
Institutional Offering	: Offering of up to 178,600,000 IPO Shares at the IPO Price, subject to the clawback and reallocation provisions, to identified institutional and selected investors as well as Bumiputera investors approved by the MITI
Internet Participating Financial Institution(s)	: Participating financial institution(s) for the Internet Share Application
Internet Share Application(s)	: Application(s) for our IPO Shares under the Retail Offering through an Internet Participating Financial Institution
IPO Price	: Issue/offer price of RM0.81 for each IPO Share
IPO Shares	: Collectively, the Issue Shares and the Offer Shares
IRB	: Inland Revenue Board of Malaysia
Issue Shares	: 160,000,000 new MST Golf Shares to be issued by our Company pursuant to the Public Issue
Issuing House	: Malaysian Issuing House Sdn Bhd (Registration No.: 199301003608 (258345-X))
IT	: Information technology
KLGCC	: Kuala Lumpur Golf & Country Club
Legal Advisers	: Cheang & Ariff, being the legal adviser to our Company as to Malaysian law and Infinitus Law Corporation, being the legal adviser to our Company as to Singaporean law
Listing	: Admission to the Official List and the listing and quotation of our entire enlarged issued share capital on the Main Market of Bursa Securities
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 31 May 2023, being the latest practicable date prior to the registration of this Prospectus with the SC
Malaysian Public	: Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
Market Day	: A day on which Bursa Securities is open for trading in securities, which may include a Surprise Holiday
MBSJ	: Majlis Bandaraya Subang Jaya
MCCG	: Malaysian Code on Corporate Governance issued by the SC
MCO	: Movement Control Order issued by the Government under the Prevention and Control of Infectious Disease Act, 1988 and the Police Act, 1967 as a preventive measure to curb the spread of COVID-19 in Malaysia effective from 18 March 2020

DEFINITIONS (CONT'D)

MFRS	: Malaysian Financial Reporting Standards issued by the International Accounting Standards Board
MIA	: Malaysian Institute of Accountants
MITI	: Ministry of Investment, Trade and Industry, Malaysia (<i>formerly known as Ministry of International Trade and Industry, Malaysia</i>)
MST Golf Management Share Sale Agreement	: Share sale agreement entered into between our Company and Paul Edward Gibbons dated 4 November 2022 (as supplemented by a supplemental letter dated 14 December 2022) for the Acquisition of MST Golf Management
MST Golf Plaza	: A property owned by MST Golf Malaysia located at No. 8, Jalan SS 13/5, Subang Jaya, 47500 Selangor housing our Group's head office, warehouse, MST Golf specialty store, and a Sports Direct retail outlet (rented to Sports Direct Malaysia)
MST Golf Shares or Shares	: Ordinary shares of our Company
MST Golf Singapore Share Sale Agreement	: Share sale agreement entered into between our Company and James Pang Yun Ming dated 4 November 2022 (as supplemented by a supplemental letter dated 14 December 2022) for the Acquisition of MST Golf Singapore
NA	: Net assets
NBV	: Net book value
NLC	: National Land Code, 1965
NRIC	: Malaysian National Registration Identity Card
NRP	: National recovery plan, a 4-phase exit strategy from the COVID-19 pandemic issued by the Government
Offer for Sale	: Offer for sale of up to 68,000,000 Offer Shares at the IPO Price by our Selling Shareholders
Offer Shares	: Up to 68,000,000 existing MST Golf Shares to be offered for sale by the Selling Shareholders pursuant to the Offer for Sale
Official List	: A list specifying all securities listed on Bursa Securities
Participating Financial Institution(s)	: Participating financial institution(s) for the Electronic Share Application(s)
PAT	: Profit after taxation
PATMI	: Profit after taxation and non-controlling interest
PBT	: Profit before taxation
PER	: Price-to-earnings ratio
PGM	: Professional Golf of Malaysia
Pink Application Form(s)	: Application form(s) for the application of our IPO Shares under the Public Issue by the Eligible Persons accompanying this Prospectus

DEFINITIONS (CONT'D)

Pink Form Allocations	: The allocation of 7,900,000 Issue Shares to the Eligible Persons pursuant to the Public Issue
Pre-IPO Reorganisation Exercise	: Collectively, the Capitalisation, the Subdivision of Shares, the Distribution of Shares and the Acquisitions, details of which are set out in Section 6.1.2 of this Prospectus
Promoters	: Collectively, All Sportz, Ng Yap Sio, Low Kok Poh, Ng Lian Chun, Dato' Ng Lian Heng, Ng Kong Hook and Ng Lian Lu
Prospectus	: This Prospectus dated 28 June 2023 issued by our Company
Prospectus Guidelines	: Prospectus Guidelines issued by the SC
Public Issue	: Public issue of 160,000,000 Issue Shares at the IPO Price by our Company
Record of Depositors	: A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
Retail Offering	: Offering of 49,400,000 Issue Shares at the IPO Price, subject to the clawback and reallocation provisions, to the Malaysian Public and Eligible Persons
RHB Investment Bank or Principal Adviser or Sole Underwriter or Sole Placement Agent	: RHB Investment Bank Berhad (Registration No.: 197401002639 (19663-P))
RMCO	: Recovery MCO issued by the Government under the Prevention and Control of Infectious Disease Act, 1988 and Police Act, 1967 as a preventive measure to curb the spread of COVID-19 in Malaysia
ROC	: Registrar of Companies
Rules of Bursa Depository	: The rules of Bursa Depository as issued under the SICDA
SAC	: Shariah Advisory Council of the SC
SC	: Securities Commission Malaysia
SDBA 1974	: Street Drainage and Building Act, 1974
Selling Shareholders	: Collectively, Ng Yap Sio, Low Kok Poh, Ng Lian Chun, Dato' Ng Lian Heng, Ng Kong Hook and Ng Lian Lu
Share Registrar	: Boardroom Share Registrars Sdn Bhd (Registration No.: 199601006647 (378993-D))
SICDA	: Securities Industry (Central Depositories) Act, 1991
SOCOSO	: Social Security Organisation, also known as PERKESO (Pertubuhan Keselamatan Sosial)
SOP	: Standard operating procedure(s)

DEFINITIONS (CONT'D)

Specified Shareholders	: Shareholders whose shares are subject to moratorium, namely All Sportz, Ng Yap Sio, Low Kok Poh, Ng Lian Chun, Dato' Ng Lian Heng, Ng Kong Hook, Ng Lian Lu, James Pang Yun Ming and Paul Edward Gibbons
sq. ft.	: Square feet
SST	: Sales tax and service tax
Subdivision of Shares	: Subdivision of 32,100,000 existing MST Golf Shares (after the completion of the Capitalisation) into 642,000,000 MST Golf Shares, which was completed on 21 October 2022
Subsidiaries	: Collectively, MST Golf Malaysia, MST Golf Management, MST Golf Arena and MST Golf Singapore
Surprise Holiday	: A day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
Tax Advisers	: Grant Thornton Taxation Sdn Bhd (Registration No.: 201501006389 (1131721-X))
TCPA 1976	: Town and Country Planning Act, 1976
TNB	: Tenaga Nasional Berhad (Registration No.: 199001009294 (200866-W))
UBBL 1984	: Uniform Building By-Laws, 1984
UK	: United Kingdom of Great Britain and Northern Ireland
Underwriting Agreement	: Underwriting agreement dated 7 June 2023 entered into between our Company, and the Sole Underwriter for the underwriting of 41,500,000 Issue Shares for the Malaysian Public under the Retail Offering
USA	: United States of America
Vital Factor or IMR	: Vital Factor Consulting Sdn Bhd (Registration No.: 199301012059 (266797-T)), the independent business and market research consultants

CURRENCY

EUR	: Euro
JPY	: Japanese Yen
RM and sen	: Ringgit Malaysia and sen, respectively
SGD	: Singapore Dollar
USD	: United States Dollar

GLOSSARY OF TECHNICAL TERMS


The following technical terms used in this Prospectus shall have the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

- Appointed distributor** : An entity that is given the right by a brand owner and/or principal to sell its specified products and brand(s) in specified territories/countries to the appointed distributor's customers for the purpose of resale as stipulated in an agreement
- Appointed retailer** : An entity that is given the right by a brand owner and/or principal to sell its specified products and/or brand/s in specified territories/countries directly to the appointed retailer's end-user customers as stipulated in an agreement
- Brand equity** : In the context of this Prospectus, it refers to the inherent value of a brand name arising from awareness of the brand, loyalty to the brand, image of the brand as well as the perceived quality of the products represented by the brand. A high brand equity would imply high recognition of the brand, repeat purchases from customers, positive image and association, and good product quality
- Club fitting** : A process to fit the golf club to the player's physique, swing profile and preferences by customising the specifications of the golf club such as clubhead, shaft and grip
- Clubhead** : Clubhead is a device attached to one end of a golf club and is designed to come into direct contact with the golf ball when hitting the golf ball



- Departmental counter** : In the context of this Prospectus, it refers to a designated retail space within a departmental store
- Direct distribution channel** : A marketing term to describe the sales of products and services directly to end-users, without going through an intermediary. In the context of this Prospectus, direct distribution channel mainly refers to the retail sales of products and services through physical retail outlets and online platform directly to end-users or corporate customers
- Driver** : A type of golf club designed to drive the ball through long distances down the fairway towards a hole in a green. It is the longest golf club in a set, typically ranging between 45 or 46 inches with a large clubhead and volume between 440 cubic centimetres and 460 cubic centimetres
- Driving range** : It refers to a designated area or facility equipped with distance markers for golf players to practice their golf shots, swings or drives while in a fixed allocated space
- Fairway wood** : A type of golf club designed to drive the ball through long distances. It has a smaller clubhead compared to a driver
- Golf** : A type of sports played on a large tract of land referred to as a golf course
- Golf accessory** : In the context of this Prospectus, it mainly refers to items and devices used by golf players when playing golf, but not including golf clubs, golf balls and golf apparel. Among others it includes golf footwear, gloves, tees, bags, trolley, GPS devices, umbrellas, towels and markers
- Golf apparel** : In the context of this Prospectus, it refers to men's, women's, junior's shirts, pants, shorts, innerwear, outerwear, headwear, arm gloves, casual shoes, socks, belts and eyewear used by players when playing golf

GLOSSARY OF TECHNICAL TERMS (CONT'D)

Golf club	:	The general term referring to the equipment used to hit the golf ball. It includes drivers, fairways, hybrids/utilities, irons, putters and wedges
Golf course	:	A large tract of land used for playing golf
Golf equipment	:	In the context of this Prospectus, it refers to golf clubs, golf balls and accessories and golf apparel
Golf simulation bay	:	A golf simulation bay refers to an area equipped with a simulator system comprising launch monitor, tracking devices, hitting screen, projector and computer that enables user to play and practice golf indoors in a simulated golf environment. A golf simulator bay is able to simulate playing of golf in selected golf courses programmed into the simulation computer
		
GPS	:	Global positioning system
Grip	:	In the context of this Prospectus, it refers to the top part of a golf club for players to hold on to the club
Hybrid club	:	A type of golf club that is a cross between a fairway wood and an iron. It is designed to replace long and medium range irons as well as some woods
Indirect distribution channel	:	A marketing term to describe the sales of products and services to intermediaries or resellers, who would subsequently resell the purchased products and services without transformation to other resellers or end-users. In the context of this Prospectus, these intermediaries are commonly trading companies, wholesalers or retailers
Indoor golf centre	:	In the context of this Prospectus, it is an indoor area equipped with facilities including golf simulation bays, simulation putting greens as well as dining areas serving food, and alcoholic and non-alcoholic beverages
Iron	:	A type of golf club used to propel the ball towards a hole in the putting green. It is mostly for hitting the ball for shorter distances compared to a driver. The iron features shorter shafts and smaller clubheads compared to the driver. The clubhead is flat with an angled face and is made from solid iron or steel. A complete set of irons includes 3, 4, 5, 6, 7, 8 and 9 irons
Pro shop	:	It refers to a physical golf retail outlet located within a golf and country club or driving range
Putter	:	A type of golf club designed to putt or "roll" the golf ball into a hole in the putting green
Range ball	:	It refers to golf ball used at driving range
Reach truck	:	A type of forklift designed to be used for storage and retrieval of goods in the warehouse
Shaft	:	In the context of this Prospectus, it refers to the part of a golf club between the grip and clubhead
SKU	:	Stock keeping unit which refers to a unique identifier for each distinct product that can be purchased

GLOSSARY OF TECHNICAL TERMS (CONT'D)

- Stock pickers : A type of forklift designed to take the forklift operator up to the rack to pick goods in the warehouse
- Wedge : A type of golf club that is designed for short shots near the green or for getting the golf ball out of sand bunkers or other hazards. The wedge is designed to achieve a high loft to get the golf ball towards the hole in the putting green

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Gender	Designation	Nationality	Address
Low Kok Poh	Male	Executive Chairman	Malaysian	No. 12, Jalan SS19/3C, Subang Jaya, 47500 Selangor
Ng Yap Sio	Male	Executive Director/ Group Chief Executive Officer	Malaysian	No. 5, Jalan RU 7/1, Petaling Jaya, 46050 Selangor
Ng Lian Chun	Male	Executive Director	Malaysian	No. 35, Jalan 7/149K, Sri Petaling, 57000 Kuala Lumpur
Poh Ying Loo	Male	Independent Non-Executive Director	Malaysian	No. 15, Jalan Jernai 8, Medan Idaman, Gombak, 53100 Kuala Lumpur
Datin Suryani Binti Ahmad Sarji	Female	Independent Non-Executive Director	Malaysian	No. 6, Jalan PJU 3/11, Tropicana Indah Resort Homes, Petaling Jaya, 47410 Selangor
Alice Lee Chia Yee	Female	Independent Non-Executive Director	Malaysian	No. 25, Jalan Bukit Desa 3, Taman Bukit Desa, 58100 Kuala Lumpur

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Poh Ying Loo	Chairperson	Independent Non-Executive Director
Datin Suryani Binti Ahmad Sarji	Member	Independent Non-Executive Director
Alice Lee Chia Yee	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Datin Suryani Binti Ahmad Sarji	Chairperson	Independent Non-Executive Director
Alice Lee Chia Yee	Member	Independent Non-Executive Director
Poh Ying Loo	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Alice Lee Chia Yee	Chairperson	Independent Non-Executive Director
Poh Ying Loo	Member	Independent Non-Executive Director
Datin Suryani Binti Ahmad Sarji	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY (CONT'D)

- COMPANY SECRETARIES** : Tai Yuen Ling
Professional qualification : Company Secretary
(LS0008513)
(CCM Practising Certificate 202008001075)
- No. 30, Jalan Sepah Puteri 5/7
PJU 5, Seri Utama
Kota Damansara, Petaling Jaya
47810 Selangor
- Tel. No. : +603-7890 4800
- Queck Wai Fong
Professional qualification : Chartered Secretary, Malaysian Institute of
Chartered Secretaries and Administrators
("MAICSA")
(MAICSA membership no. 7023051)
(CCM Practising Certificate 202208000287)
- No. 20, Jalan Wawasan 2/9
Pusat Bandar Puchong
Puchong
47100 Selangor
- Tel. No. : +603-7890 4929
- REGISTERED OFFICE** : 12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
Petaling Jaya
46200 Selangor
- Tel. No. : +603-7890 4800
- HEAD/MANAGEMENT OFFICE** : MST Golf Plaza
No. 8, Jalan SS 13/5
Subang Jaya
47500 Selangor
- Tel. No. : +603-5566 8666
Corporate website : www.mstgolfgroup.com
E-mail : investorrelations@mstgolfgroup.com
- SELLING SHAREHOLDERS** : **Ng Yap Sio**
No. 5, Jalan RU 7/1
Petaling Jaya
46050 Selangor
- Low Kok Poh**
No. 12, Jalan SS19/3C
Subang Jaya
47500 Selangor
- Ng Lian Chun**
No. 35, Jalan 7/149K
Sri Petaling
57000 Kuala Lumpur

1. CORPORATE DIRECTORY (CONT'D)

Dato' Ng Lian Heng

No. 228, Jalan Pekan
Sekinchan
45400 Selangor

Ng Kong Hook

PT 3098, Jalan Aman Jaya 1
Taman Aman Jaya
Sekinchan
45400 Selangor

Ng Lian Lu

No. 32 Jalan 3/14
Puncak Templer
Batu Caves
68100 Selangor

**PRINCIPAL ADVISER,
SOLE UNDERWRITER AND
SOLE PLACEMENT AGENT**

: **RHB Investment Bank Berhad**

Level 10, Tower One
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur

Tel. No. : +603-9287 3888

LEGAL ADVISERS

: *To our Company as to Malaysian law*

Cheang & Ariff

Loke Mansion
273A Jalan Medan Tuanku
50300 Kuala Lumpur

Tel. No. : +603-2691 0803

To our Company as to Singaporean law

Infinitus Law Corporation

77 Robinson Road
#16-00 Robinson 77
Singapore 068896

Tel. No. : +65-6221 2233 / +65-6323 6388

**AUDITORS AND
REPORTING
ACCOUNTANTS**

: **Grant Thornton Malaysia PLT**

Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

Tel. No. : +603-2692 4022

Partner-in-charge : Lian Tian Kwee

Licence No. : 02943/05/2025 J

Professional qualification :

- Chartered Accountant
- Malaysia Institute of Accountants (MIA Membership No. CA23224)
- Member of Malaysian Institute of Certified Public Accountants (MICPA Membership No. 4120)

1. CORPORATE DIRECTORY (CONT'D)

TAX ADVISERS : **Grant Thornton Taxation Sdn Bhd**
 Level 15, Sheraton Imperial Court
 Jalan Sultan Ismail
 50250 Kuala Lumpur

Tel. No. : +603-2692 4022
 Person-in-charge : Alan Chung Ch'ung Yit
 Professional qualification : • Chartered Accountant
 • Malaysia Institute of Accountants (MIA Membership No. 14957)
 • Fellow Member of Certified Public Accountant Australia (CPA Australia Membership No. 2030286)
 • Fellow Member of Chartered Tax Institute of Malaysia (CTIM Membership No. 3647)

INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS : **Vital Factor Consulting Sdn Bhd**
 V Square @ PJ City Centre (VSQ)
 Block 6, Level 6, Jalan Utara
 Petaling Jaya
 46200 Selangor

Tel. No. : +603-7931 3188
 Person-in-charge : Wooi Tan
 Professional qualification : • Master of Business Administration from the New South Wales Institute of Technology (now known as University of Technology Sydney), Australia
 • Bachelor of Science from the University of New South Wales, Australia
 • Fellow of the Australian Marketing Institute and Institute of Managers and Leaders, Australia (formerly known as the Australian Institute of Management)

Please refer to Section 8 of this Prospectus for the profile of the firm and person-in-charge

GOVERNANCE, RISK AND INTERNAL CONTROL CONSULTANT : **Sterling Business Alignment Consulting Sdn Bhd**
 Unit C3A02, Level 3A, Lobby 1, Block C
 Damansara Intan
 No. 1, Jalan SS20/27
 Petaling Jaya
 47400 Selangor

Tel. No. : +603-7662 8010

1. CORPORATE DIRECTORY (CONT'D)

SHARE REGISTRAR : **Boardroom Share Registrars Sdn Bhd**
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
Petaling Jaya
46200 Selangor

Tel. No. : +603-7890 4700

ISSUING HOUSE : **Malaysian Issuing House Sdn Bhd**
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
Petaling Jaya
46200 Selangor

Tel. No. : +603-7890 4700

LISTING SOUGHT : Main Market of Bursa Securities

SHARIAH STATUS : Approved by the SAC

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2. APPROVALS AND CONDITIONS

2.1 APPROVALS AND CONDITIONS

2.1.1 SC

The SC had, via its letter dated 10 January 2023, approved the relief sought by us from having to comply with a requirement under the Equity Guidelines. The details of the relief sought are set out below:

Reference	Details of relief granted	Condition imposed
Paragraph 2(a) of Appendix 4, Part IV of the Equity Guidelines	Relief from having to comply with the requirement in respect of placement of our IPO Shares to be offered under the private placement to: <ul style="list-style-type: none"> (i) RHB Asset Management Sdn Bhd; and (ii) RHB Islamic International Asset Management Berhad 	-

The SC had, via its letter dated 18 April 2023, approved our IPO and our Listing under Section 214(1) of the CMSA, subject to compliance with the following conditions:

No.	Details of condition imposed	Status of compliance
(i)	RHB Investment Bank and MST Golf to fully comply with the requirements of the SC's Equity Guidelines and Prospectus Guidelines pertaining to the implementation of our Listing.	To be complied

The SC had, via the same letter dated 18 April 2023, approved our resultant equity structure pursuant to our Listing under the Bumiputera equity requirement for public listed companies.

The effects of our Listing on the equity structure of our Company are set out below:

Category of shareholders	<----As at 1 December 2022---->		<-----After our Listing----->	
	No. of Shares	%	No. of Shares	%
Bumiputera				
Bumiputera investors to be approved by the MITI	-	-	⁽¹⁾ 102,600,000	12.5
Bumiputera public investors via balloting	-	-	⁽¹⁾ 20,750,000	2.5
Total Bumiputera	-	-	123,350,000	15.0
Non-Bumiputera	660,192,500	99.9	696,842,500	84.9
Total Malaysian	660,192,500	99.9	820,192,500	99.9
Foreigner	676,100	0.1	676,100	0.1
Total	660,868,600	100.0	820,868,600	100.0

2. APPROVALS AND CONDITIONS (CONT'D)

Note:

- (1) Assuming all the Shares allocated to the Bumiputera investors to be approved by the MITI under the Institutional Offering and Bumiputera public investors via balloting under the Retail Offering are fully subscribed.

2.1.2 MITI

The MITI had, via its letter dated 23 February 2023, stated that it has taken note of our Listing and has no objection to our Listing.

2.1.3 Bursa Securities

Bursa Securities had, via its letter dated 8 May 2023, approved our Admission and Listing, subject to compliance with the following conditions:

No.	Details of condition imposed	Status of compliance
(i)	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Practice Note 21 of the Listing Requirements. In this respect, MST Golf is advised to include the Stock Code, Stock Short Name and ISIN Code upon making the announcement on Timetable for IPO; and	To be complied
(ii)	Furnish Bursa Securities with a copy of the schedule of distribution showing compliance to the public security holding spread requirements based on the entire issued share capital of MST Golf on the first day of listing.	To be complied

2.1.4 SAC

The SAC had, via its letter dated 16 January 2023, classified our Shares as Shariah-compliant securities based on our audited consolidated financial statements for the FYE 2021.

In addition, the SAC had, via its letter dated 16 May 2023, classified our Shares as Shariah-compliant securities based on our latest audited consolidated financial statements for the FYE 2022.

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2. APPROVALS AND CONDITIONS (CONT'D)

2.2 MORATORIUM ON OUR SHARES

Pursuant to paragraphs 5.29(a) and 5.30, Part II of the Equity Guidelines, our Shares directly held by our Specified Shareholders at the date of our Listing are subject to moratorium for a period of 6 months from the date of our Listing as set out below:

Name of Specified Shareholders	<-----No. of Shares to be held under moratorium----->			
	<-----Direct----->		<-----Indirect----->	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
All Sportz	428,000,000	52.14	-	-
Ng Yap Sio	58,400,000	7.11	428,000,000 ⁽²⁾	52.14 ⁽²⁾
Low Kok Poh	29,200,000	3.56	428,000,000 ⁽²⁾	52.14 ⁽²⁾
Ng Lian Chun	17,520,000	2.13	-	-
Dato' Ng Lian Heng	17,520,000	2.13	-	-
Ng Kong Hook	11,680,000	1.42	-	-
Ng Lian Lu	11,680,000	1.42	-	-
James Pang Yun Ming	18,192,500	2.22	-	-
Paul Edward Gibbons	676,100	0.08	-	-
Total	592,868,600	72.22		

Notes:

- (1) Computed based on our enlarged number of issued Shares of 820,868,600 Shares after our IPO.
- (2) Deemed interested by virtue of his shareholdings in All Sportz pursuant to Section 8(4) of the Act.

The Specified Shareholders have fully accepted the moratorium. They have respectively provided their undertaking letters to the SC that they will not sell, transfer or assign any of their respective holdings in our Shares as at the date of our Listing for a period of 6 months from the date of our Listing.

The shareholders of All Sportz, namely, Ng Yap Sio, Low Kok Poh, Ng Lian Chun, Dato' Ng Lian Heng, Ng Kong Hook and Ng Lian Lu, have also provided their respective undertaking letters to the SC that they will not sell, transfer or assign their respective shareholdings in All Sportz as at the date of our Listing, for a period of 6 months from the date of our Listing.

The above moratorium restrictions are specifically endorsed on the share certificate representing our Shares held by the Specified Shareholders which are under moratorium to ensure that our Share Registrar does not register any transfer and sale that are not in compliance with the moratorium restrictions.

In compliance with the moratorium restrictions, Bursa Depository will, on our Share Registrar's instructions in the prescribed forms, ensure that the trading of these Shares is not permitted during the moratorium period.

3. PROSPECTUS SUMMARY

THIS PROSPECTUS SUMMARY ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE PROSPECTUS PRIOR TO DECIDING ON WHETHER TO INVEST IN OUR SHARES.

3.1 PRINCIPAL DETAILS OF OUR IPO

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

	No. of Shares	%
New Shares to be issued under the Public Issue	160,000,000	19.49
<u>Retail Offering</u>		
• Malaysian Public	41,500,000	5.06
• Eligible Persons	7,900,000	0.96
<u>Institutional Offering</u>		
• Private placement to identified institutional and selected investors	76,000,000	9.26
• Private placement to Bumiputera investors approved by the MITI	34,600,000	4.22
Existing Shares to be offered under the Offer for Sale	68,000,000	8.28
<u>Institutional Offering</u>		
• Private placement to Bumiputera investors approved by the MITI		
Enlarged number of issued Shares	820,868,600	100.00
IPO Price	RM0.81	
Market capitalisation upon the Listing	RM664,903,566	

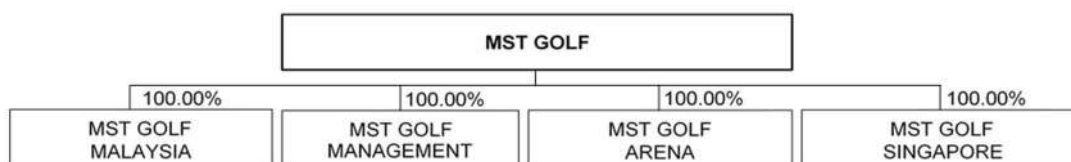
Please refer to Section 4 of this Prospectus for further details of our IPO.

The Shares directly held by our Specified Shareholders as at the date of our Listing amounting to an aggregate of 592,868,600 Shares (representing approximately 72.22% of our enlarged number of issued Shares after our IPO) are subject to moratorium for a period of 6 months from the date of our Listing.

Please refer to Section 2.2 of this Prospectus for further details of the moratorium on our Shares.

3.2 BUSINESS OVERVIEW

Our Company was incorporated in Malaysia under the Companies Act, 1965 on 13 May 1993 as a private limited company under the name of Adat Semarak Sdn Bhd and is deemed registered under the Act. On 31 December 1998, we changed our name to Planet Golf Sdn Bhd and subsequently on 2 May 2001, we further changed our name to M S T Golf (Asia) Sdn Bhd. On 4 November 2022, we changed our name to MST Golf Group Sdn Bhd. On 23 November 2022, we were converted into a public limited company and assumed our present name.

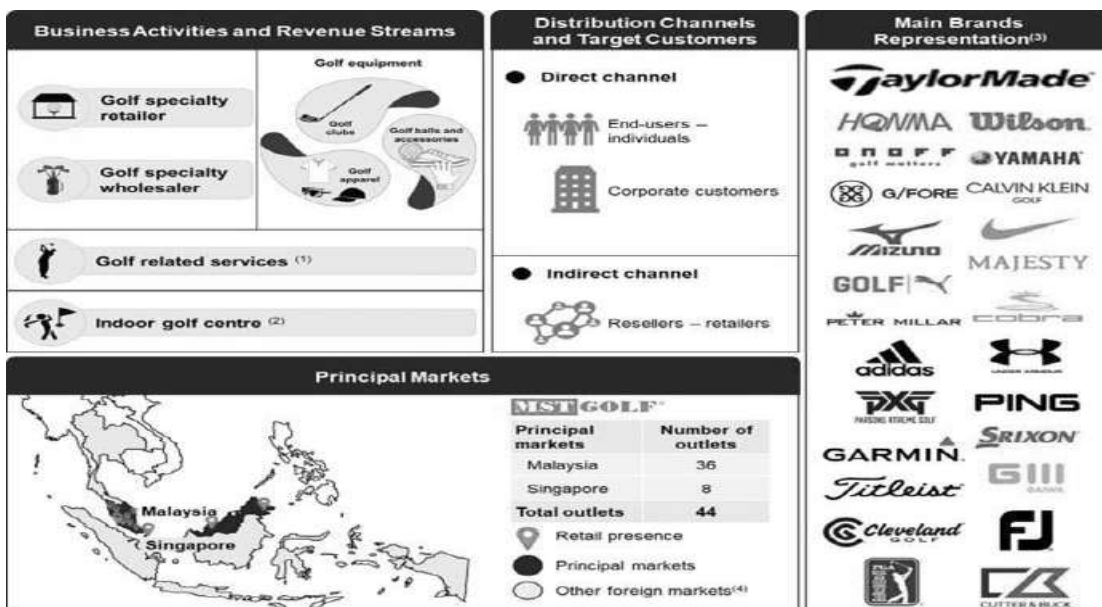


MST Golf is principally an investment holding company whilst our Subsidiaries are principally engaged in the specialty retail and wholesale of golf equipment comprising golf clubs, golf balls and accessories and golf apparel in Malaysia and Singapore. In addition, we also offer golf related services including golf coaching, rental of golf equipment mainly golf clubs and golf accessories at our pro shops at golf and country clubs and supply of range balls for use at the driving range that we operate, event management and planning for golf tournament-related events as well as operating indoor golf centres.

Please refer to Sections 6.1 and 6.3 of this Prospectus for further details of our Company and our Subsidiaries.

3. PROSPECTUS SUMMARY (CONT'D)

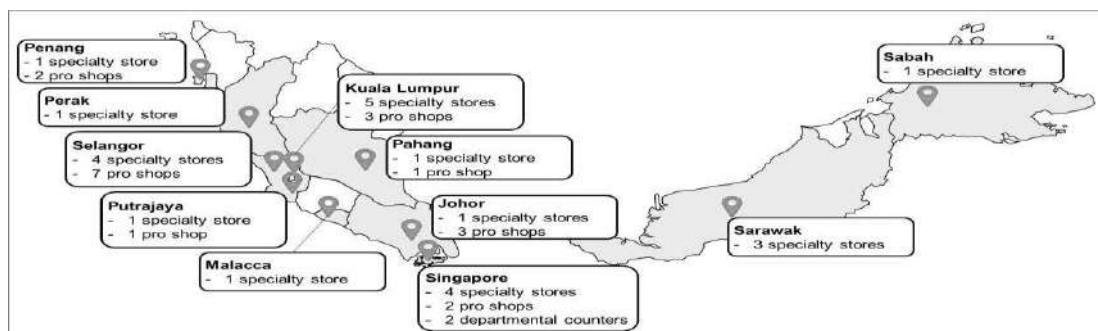
An overview of our Group's business model is set out below:



Notes:

- (1) Golf related services include golf coaching, rental of golf equipment mainly golf clubs and golf accessories at our pro shops at golf and country clubs and supply of range balls for use at the driving range that we operate, and event management and planning for golf tournament-related events.
- (2) In February 2022, we opened our first indoor golf centre comprising golf simulation bays, simulation putting greens as well as dining areas. Further, in August 2022, we opened our second indoor golf centre.
- (3) Refers to the top 25 brands based on revenue contribution for the FYE 2021 and FYE 2022.
- (4) Refers to sales to resellers in other foreign countries, mainly Indonesia which accounted for 4.60%, 3.89%, 12.29% and 10.33% of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively. The remaining foreign countries include Japan, South Korea, Thailand, Philippines, Myanmar, India, Hong Kong, Cambodia, Italy, Vietnam, USA, UK, Belgium, Brunei, Dubai, United Arab Emirates, Taiwan, China, Austria, Australia, France, Portugal, Switzerland, Spain, New Zealand, Canada, South Africa, Germany, Sri Lanka and Netherlands.

Our principal markets as well as our operational bases are in Malaysia and Singapore. As at the LPD, we operate a total of 44 retail outlets comprising 36 outlets in Malaysia across 8 states and 2 federal territories, and 8 outlets in Singapore. The locations and types of retail outlets are set out below:



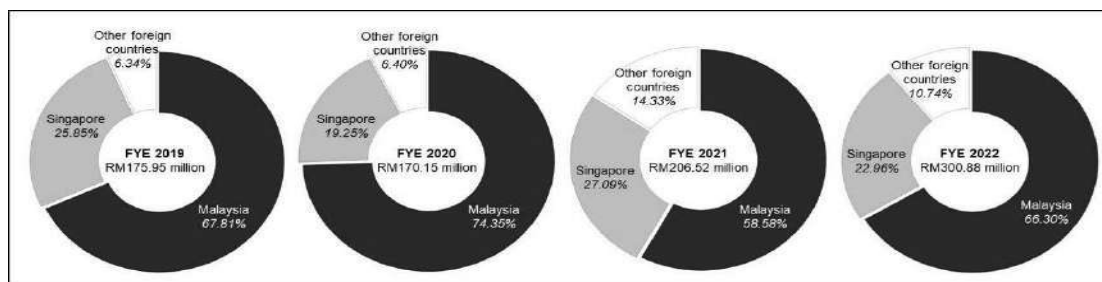
Notes:

- (1) Specialty stores are retail outlets located in standalone buildings, commercial buildings, shop lots and shopping malls.
- (2) Pro shops are retail outlets located within golf and country clubs and driving range.

3. PROSPECTUS SUMMARY (CONT'D)

(3) Departmental counters are retail spaces within departmental stores.

Our Group's revenue contribution by business activities for the Financial Years Under Review are set out below:



Please refer to Section 7.3 of this Prospectus for further details of the revenue contribution by business activities and products and services as well as our principal markets and distribution channels.

3.3 COMPETITIVE STRENGTHS

Our competitive strengths are summarised as follows:

- (i) **We are a golf specialty retailer providing a wide variety of golf equipment comprising golf clubs, golf balls and accessories and golf apparel, and notable brands which help sustain and grow our business**

We are a multi-brand specialised retailer of golf equipment where we sell approximately 12,000 SKU and approximately 97 brands of golf equipment at the LPD.

We carry a large range of notable brands of golf equipment comprising golf clubs, golf balls and accessories and golf apparel, including, among others, *adidas*, *Calvin Klein Golf*, *Cleveland GOLF*, *Cobra*, *Cutter & Buck*, *Footjoy*, *Garmin*, *G/FORE*, *GIII*, *Honma*, *Majesty*, *Mizuno*, *Nike Golf*, *ONOFF*, *Peter Millar*, *PGA Tour*, *PING*, *Puma Golf*, *PXG*, *Srixon*, *TaylorMade*, *Titleist*, *Under Armour*, *Wilson* and *Yamaha*.

- (ii) **We have a long operating track record with an established retail brand and wide market coverage through our retail outlets in Malaysia and Singapore to sustain and grow our business**

Our "MST GOLF" brand has been operating in Malaysia and Singapore since 1991 and 2000 respectively. Since then, we have expanded our retail of golf equipment to a total of 36 retail outlets in Malaysia and 8 retail outlets in Singapore as at the LPD. Additionally, our *ilovegolf* loyalty membership programme launched in 2005, has an established base of approximately 93,995 active members as at the LPD, providing us with a base of loyal customers. The sales generated from our *ilovegolf* members contributed approximately 57.34%, 73.20%, 72.12% and 75.68% of our total retail revenue for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

- (iii) **We have subsisting agreements to sell several global brands of golf equipment comprising golf clubs, golf balls and accessories and golf apparel in Malaysia and Singapore as well as other foreign countries, mainly Indonesia**

We have subsisting agreements for 19 brands out of the top 25 brands which allow us to sell golf equipment in Malaysia and/or Singapore and/or other countries, some agreements of which allow us to sell to other resellers including retailers.

We are the Appointed distributor for *Calvin Klein Golf*, *Cutter & Buck*, *G/FORE*, *GIII*, *Honma*, *Majesty*, *Mizuno*, *ONOFF*, *Peter Millar*, *PGA Tour*, *PXG*, *TaylorMade*, *Wilson* and *Yamaha*. In addition, we are the Appointed retailer for *adidas*, *Cobra*, *Nike Golf*, *Puma Golf* and *Under Armour*.

- (iv) **We are the market leader in the sales of golf equipment comprising golf clubs, golf balls and accessories and golf apparel in Malaysia.**

In 2022, our Group had a market share of 51.00% of golf equipment imported into Malaysia. In addition, our Group is the largest chain of golf specialty retailer with a total of 36 retail outlets in Malaysia (*Source: IMR Report*).

3. PROSPECTUS SUMMARY (CONT'D)

(v) We have experienced Executive Directors and key senior management to sustain and grow our business

We have an experienced management team headed by our Executive Directors, including Low Kok Poh (Executive Chairman) and Ng Yap Sio (Group Chief Executive Officer) who both respectively bring with them more than 31 years of experience in the golf equipment industry as well as Ng Lian Chun (Executive Director) who brings with him more than 43 years of experience in accounting and finance. They are supported by a team of experienced key senior management with 21 to 35 years of experience respectively in retailing, golf, accounting and finance.

Please refer to Section 7.4 of this Prospectus for further details of our competitive strengths.

3.4 BUSINESS STRATEGIES AND PLANS

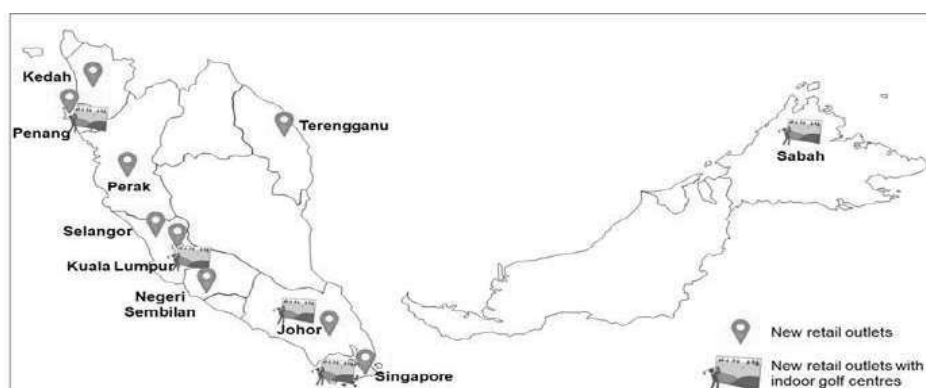
Our key business strategies and plans are to leverage our core competency in the operations of golf retail outlets and indoor golf centres to grow our business in our existing markets as well as expansion into new geographic markets. Our key business strategies and plans are summarised as follows:

(i) Expansion into our existing market in Malaysia and Singapore

(a) Setting up new golf retail outlets and retail outlets with indoor golf centres in Malaysia and Singapore

Part of our business strategy is to expand our market access and coverage in Malaysia and Singapore by setting up new retail outlets to grow our business and revenue. The objective is to provide better accessibility and convenience to mainly target new customers. In addition, we also plan to expand the number of indoor golf centres in Malaysia and Singapore to address a new target customer group of non-golfers as well as provide new experiences to golfers.

We plan to establish an additional 15 retail outlets including 10 retail outlets and 5 retail outlets with indoor golf centres between 2023 and 2025 in the states as depicted below:



The total cost of setting up the 15 retail outlets, which includes 10 retail outlets and 5 retail outlets with indoor golf centres is estimated at RM59.76 million and will be funded using the IPO proceeds.

(b) Upgrading and refurbishing selected existing retail outlets

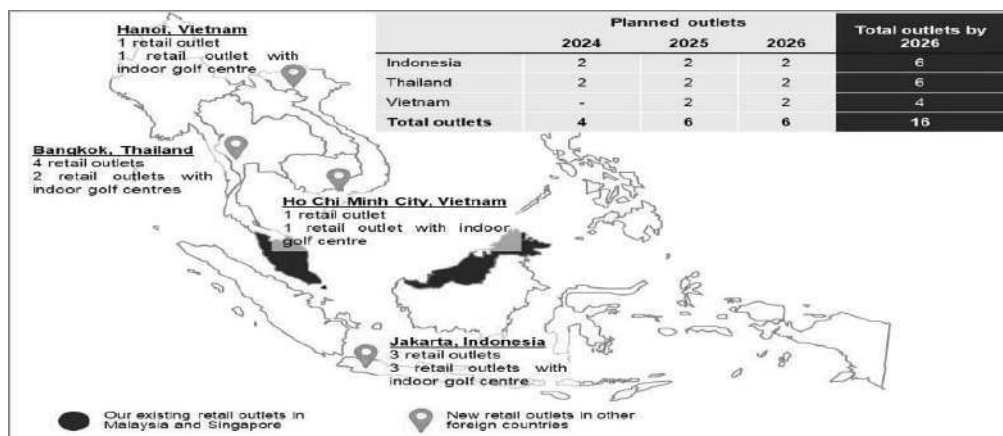
We also intend to upgrade and refurbish our existing golf retail outlets to improve the overall image of our brand and outlet, attract new customers and improve our revenue.

We plan to commence upgrading and refurbishing activities starting from the 3rd quarter of 2023 to 2025 in stages, which include renovation as well as replacement of furniture and fittings in 10 retail outlets in Malaysia as well as our head office and warehouse at Subang Jaya, Selangor. We intend to utilise RM3.00 million from the IPO proceeds to fund the upgrade and refurbishment activities.

3. PROSPECTUS SUMMARY (CONT'D)

(ii) Expansion into new geographical markets

We plan to grow our business geographically and to increase our market presence in foreign countries namely Indonesia, Thailand and Vietnam. The expansion into these new foreign countries to establish golf retail outlets and indoor golf centres will be through joint venture arrangements with local partners in the respective countries to tap into their resources and network. We plan to set up a total of 9 new retail outlets and 7 new retail outlets with indoor golf centres in the following foreign countries at the locations below progressively between 2024 and 2026:



The total cost of our geographical market expansion in setting up the new retail outlets and indoor golf centres as well as the setting up of a branch office in each geographical market is estimated at RM100.00 million. As such, we intend to utilise RM53.55 million of the IPO proceeds for this purpose while the remaining balance of RM46.45 million will be funded by the local partners in the respective countries.

(iii) Upgrading of digital technology facilities

We also plan to invest in upgrading our digital technology facilities including ERP and IT related systems to keep up with the Group's business expansion. The planned upgrade of our digital technology facilities will focus on areas including mobile and web portal applications for golf related services, expansion of ERP system in tandem with our business expansion, as well as enhancement of operational features incorporating new data analytics.

The total cost for the upgrade of our digital technology facilities including ERP and IT related systems is estimated to be approximately RM5.00 million, of which RM3.00 million will be funded through the IPO proceeds and the remaining RM2.00 million through internally generated funds.

Please refer to Section 7.19 of this Prospectus for further details of our business strategies and plans.

3.5 RISK FACTORS

An investment in our Shares involves a number of risks, many of which are beyond our control. You should carefully consider all of the information contained in this Prospectus, including all the risk factors, before deciding to invest in our Shares. The following is a summary of the key risks that we face in our business operations:

3.5.1 Risks relating to the business and operations of our Group

(i) Our agreements to distribute and/or sell third party products may not be renewed or could be terminated, and consequently affect our financial performance

We have subsisting agreements with brand owners as the Appointed distributor and Appointed retailer to sell golf equipment in Malaysia and/or Singapore and/or other countries for 19 out of our top 25 brands for FYE 2021 and FYE 2022. There is no assurance that we would be able to maintain our business relationships or renew our subsisting agreements with brand owners even if we meet the requirements and/or obligations as renewal is at the respective brand owners or their representatives' discretion.

3. PROSPECTUS SUMMARY (CONT'D)

In the event that we are unable to renew our agreements, it will affect our financial performance. For the Financial Years Under Review and up to the LPD, we did not encounter any withdrawal or termination of our distribution or sales agreements by brand owners or their representatives.

(ii) Our operations may be affected by changes in the conditions of the places where our outlets are located

As at the LPD, save for 2 of our retail outlets operated on our own premises, all of our retail outlets as well as indoor golf centres are operated on rented premises including shop lots, commercial buildings, shopping malls, departmental stores (on consignment basis) as well as golf and country clubs and a driving range. There is a risk that the shopping malls, departmental stores and golf and country clubs where we have retail presence may cease operation. As a result, we may be required to cease operation or to relocate our retail outlets. In the event of any unfavourable changes in the conditions of the places where our outlets are located, this may affect the results of our operations and financial performance. During the Financial Years Under Review and up to the LPD, none of the places where our outlets are located have ceased operations.

(iii) Our business is subject to the risk of foreign exchange fluctuations where we rely on the imports of golf equipment which exposes us to the risk of foreign exchange fluctuations as well as revenue transacted in foreign currencies arising from export sales and sales transacted for our Singapore operations

As a specialty golf retailer and wholesaler, the range of golf equipment which we carry are mainly imported goods. As such, our purchases of input materials and services are transacted in foreign currencies, mainly USD. Whilst all the sales transacted through our retail operations in Malaysia are in RM, the sales transacted through our retail operations in Singapore as well as exports of golf equipment to other foreign countries are mainly in SGD. Thus, any unfavourable and adverse changes in exchange rates between RM and foreign currencies such as USD and SGD would have a negative impact on our financial performance.

(iv) Our business operations are subject to risks of security breaches or malfunction of IT and network systems or unintended human errors or careless actions

Our business operations depend on our IT and network systems including our ERP system, online platform and the telecommunications infrastructure that connects our retail outlets, our head office in Malaysia, office in Singapore, our warehouses and devices. In this respect, we are exposed to the risk of security breaches, malfunction, unavailability of third party services and wilful or otherwise damage to our IT and network systems and infrastructure, properties or assets.

In June 2022, we encountered a ransomware attack that prevented us from accessing our server which housed our warehouse and inventory management systems. The recovery process was completed in mid-August of 2022. Our retail operations were not impacted and the retail point-of-sale terminals were operating as normal. In addition, our business operations and financial performance were not materially affected.

(v) We are exposed to negative publicity

As we are principally a specialty retailer of consumer products, we are susceptible to any negative publicity regarding the quality of our services, and golf equipment that we retail, as well as the food and beverage that we offer at our indoor golf centres, as well as negative publicity arising from any disruption to our business operations such as relocation of outlets due to failure to obtain or maintain the required approvals, licences and permits, or if we are fined or convicted for non-compliance with applicable licensing requirements. Any change resulting in the unfavourable perception of our customers or any adverse publicity towards our brand names will affect our brand equity, hamper customers' confidence in our products and quality of services resulting in a reduction of patronage to our retail outlets and therefore, possibly adversely affecting our business operations and financial performance. We have not encountered any negative publicity which affects our business operations.

3. PROSPECTUS SUMMARY (CONT'D)

(vi) We are subject to risks of legal, employment, consumer claims and other disputes arising from our business operations

As we are principally a specialty retailer of consumer products, we may be subject to consumer claims in the case of sale of substandard or defective products to such extent we are unable to resolve the defect with our supplier. We may also be subject to consumer claims arising from unsatisfactory quality of our services.

As a result of the abovementioned claims, we may also be exposed to the risk of revocation, suspension or non-renewal of our business licences by the authorities. As such, these claims may materially and adversely affect our reputation, business, future growth and expansion, and financial performance. For the Financial Years Under Review and up to the LPD, our Group has not been subject to such claims which resulted in a material adverse impact to our business operations and financial performance.

3.5.2 Risks relating to our industry

(i) Competition from the used and/or counterfeit golf equipment market

Our business is involved in the sales of new golf equipment comprising golf clubs, golf balls and accessories and golf apparel. We face risk of competition from the used and/or counterfeit golf equipment market mainly from used golf clubs and golf balls mainly due to their lower prices. In the event of any unfavourable economic conditions, decline in disposable income or changes in consumer behaviour, potential buyers may be encouraged to look for used and/or counterfeit golf equipment, which is priced lower than new golf equipment.

(ii) Consumer preferences and spending habits

Golf equipment is not deemed as an essential product and is generally a consumer product and recreational that are subject to consumers' discretionary purchases. In this respect, the purchases of golf equipment are subject to consumer behaviour, preferences, trends and style and spending habits which may be affected by economic conditions, changes in the level of disposable income, spending alternatives, as well as product substitutions and differentiation including branding, quality and pricing.

(iii) The demand for golf equipment is affected by golf participation levels pertaining to the number of golfers and how active they are

The demand for golf equipment as a consumer product is affected by the number of people taking up the sports and actively playing the sports. These are influenced by the ease and cost of accessing golfing facilities such as golf and country clubs and golf courses. In addition, relative to other sports, golf is relatively expensive from the perspective of equipment ownership to play the sports. All these impacts on the number of participants in golf related activities which affects the sustainability of operators and growth in the industry.

Please refer to Section 5 of this Prospectus for the full list of risk factors which should be considered before investing in our Shares.

3.6 DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, our Directors and key senior management are set out below:

No.	Name	Designation
(i)	Directors	
	Low Kok Poh	Executive Chairman
	Ng Yap Sio	Executive Director/Group Chief Executive Officer
	Ng Lian Chun	Executive Director
	Poh Ying Loo	Independent Non-Executive Director
	Datin Suryani Binti Ahmad Sarji	Independent Non-Executive Director
	Alice Lee Chia Yee	Independent Non-Executive Director

3. PROSPECTUS SUMMARY (CONT'D)

No.	Name	Designation
(ii)	Key senior management	
	Yong Wai Chien	Chief Operating Officer
	Heng Kok Wee	Chief Financial Officer
	Tan Chia Loon	Senior Manager - Marketing
	James Pang Yun Ming	Executive Director of MST Golf Singapore

Please refer to Sections 9.2 and 9.4 of this Prospectus for further details of our Directors and key senior management.

3.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The following tables set out the direct and indirect shareholding of our Promoters and substantial shareholders before and after our IPO:

Name	Nationality/ Country of incorporation	After the Pre-IPO Reorganisation Exercise but before our IPO				After our IPO			
		<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
		No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Promoters and substantial shareholders									
All Sportz	Malaysia	428,000,000	64.76	-	-	428,000,000	52.14	-	-
Ng Yap Sio	Malaysian	85,600,000	12.95	428,000,000 ⁽³⁾	64.76 ⁽³⁾	58,400,000	7.11	428,000,000 ⁽³⁾	52.14 ⁽³⁾
Low Kok Poh	Malaysian	42,800,000	6.48	428,000,000 ⁽³⁾	64.76 ⁽³⁾	29,200,000	3.56	428,000,000 ⁽³⁾	52.14 ⁽³⁾
Promoters									
Ng Lian Chun	Malaysian	25,680,000	3.89	-	-	17,520,000	2.13	-	-
Dato' Ng Lian Heng	Malaysian	25,680,000	3.89	-	-	17,520,000	2.13	-	-
Ng Kong Hook	Malaysian	17,120,000	2.59	-	-	11,680,000	1.42	-	-
Ng Lian Lu	Malaysian	17,120,000	2.59	-	-	11,680,000	1.42	-	-

Notes:

- (1) Computed based on our number of issued Shares of 660,868,600 Shares after the Pre-IPO Reorganisation Exercise but before our IPO.
- (2) Computed based on our enlarged number of issued Shares of 820,868,600 Shares after our IPO.
- (3) Deemed interested by virtue of his shareholdings in All Sportz pursuant to Section 8(4) of the Act.

Please refer to Section 9.1 of this Prospectus for further details of our Promoters and substantial shareholders.

3. PROSPECTUS SUMMARY (CONT'D)

3.8 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to RM129.60 million in the following manner:

Details	RM'000	%	Estimated timeframe for use of proceeds from the date of Listing
Expansion in Malaysia and Singapore	62,755	48.42	Within 36 months
Expansion into new geographical markets	53,550	41.32	Within 36 months
Upgrade of digital technology facilities	3,000	2.32	Within 36 months
Working capital requirements	3,259	2.51	Within 24 months
Estimated listing expense	7,036	5.43	Within 1 month
Total	129,600	100.00	

There is no minimum subscription to be raised from our IPO. The Offer for Sale will raise gross proceeds of RM55.08 million, which will accrue entirely to the Selling Shareholders.

Please refer to Section 4.6 of this Prospectus for further details of the use of proceeds arising from the Public Issue.

3.9 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The table below sets out the historical financial information based on the audited consolidated financial statements for the Financial Years Under Review:

	←-----Audited-----→			
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
Profit or loss				
Revenue	175,950	170,152	206,519	300,875
GP	70,726	69,457	84,031	129,195
PBT	13,488	18,304	26,259	38,840
PAT	10,216	13,689	20,092	29,115
Other selected financial information				
GP margin (%)	40.20	40.82	40.69	42.94
PBT margin (%)	7.67	10.76	12.72	12.91
PAT margin (%)	5.81	8.05	9.73	9.68
Current ratio (times)	1.07	1.28	1.26	1.54
Gearing ratio (times)	1.49	0.87	0.82	0.64
Same store sales growth (%)				
(i) Malaysia	(2.87)	4.93	(6.82)	34.81
(ii) Singapore	21.85	(30.36)	82.07	29.20
Total assets	129,786	148,542	177,788	259,085
NA	19,684	32,542	37,343	95,971
Total interest-bearing bank borrowings (including lease liabilities under hire purchase)	36,774	33,389	37,107	61,192

3. PROSPECTUS SUMMARY (CONT'D)

	<-----Audited----->			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Cash flows				
Net cash from operating activities	8,886	51,456	7,116	8,953
Net cash used in investing activities	(6,755)	(2,043)	(3,278)	(24,846)
Net cash used in financing activities	(7,562)	(9,034)	(7,949)	(4,565)

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

3.10 DIVIDEND POLICY

It is our Directors' policy to allow our shareholders to participate in the profits of our Group as well as leaving adequate reserves for the future growth of our Group. We target a payout ratio of 30% of our PAT attributable to owners of our Company for each financial year on a consolidated basis after taking into account our Group's working capital requirements, subject to any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our cash requirements or any plans approved by our Board.

Notwithstanding the above, our Group's ability to distribute dividends 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 and is subject to the discretion of our Board.

The dividends declared and paid by our Group for the Financial Years Under Review are set out below:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Dividends declared	-	-	13,500	12,500
Dividends paid	-	-	2,000	11,500
PAT	10,216	13,689	20,092	29,115
Dividend payout ratio	-	-	9.95%	39.50%

The dividends declared in FYE 2021 totalling RM13.50 million were paid in 2 tranches, i.e. RM2.00 million was paid in FYE 2021 and the remaining RM11.50 million was paid in FYE 2022.

Prior to our Listing, we declared an interim dividend amounting to RM12.50 million for the FYE 2022. The said dividend was paid in February 2023 and was funded via our internally generated funds.

Please refer to Section 12.7 of this Prospectus for further details of our dividend policy.

4. DETAILS OF OUR IPO

4.1 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or date:

Event	Time and/or date
Issuance of the Prospectus/Opening of application for our IPO Shares	10.00 a.m., 28 June 2023
Closing of application for our IPO Shares	5.00 p.m., 7 July 2023
Balloting of application for our IPO Shares	11 July 2023
Allotment/transfer of our IPO Shares to successful applicants	18 July 2023
Listing	20 July 2023

Late applications will not be accepted. In the event there is any change to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers in Malaysia, and make an announcement on Bursa Securities' website.

4.2 PARTICULARS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, our IPO Shares are expected to be allocated or transferred in the manner described below, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus.

Our IPO consists of the Public Issue and the Offer for Sale, totalling up to 228,000,000 IPO Shares, representing approximately 27.78% of our enlarged total number of 820,868,600 Shares after our IPO.

4.2.1 Public Issue

Our Public Issue involves the offering of 160,000,000 Issue Shares, representing approximately 19.49% of our enlarged number of issued Shares after our IPO, at the IPO Price and will be allocated in the following manner:

4.2.1.1 Malaysian Public via balloting

41,500,000 Issue Shares, representing approximately 5.06% of our enlarged number of issued Shares, will be made available for application by the Malaysian Public through a balloting process, of which 20,750,000 Issue Shares representing approximately 2.53% of our enlarged number of issued Shares are allocated to Bumiputera investors, which include individuals, companies, societies, co-operatives and/or institutions. Any Issue Shares not subscribed by the Bumiputera investors will be made available for application by other Malaysian Public.

4.2.1.2 Selected investors via private placement

76,000,000 Issue Shares, representing approximately 9.26% of our enlarged number of issued Shares, will be made available for application via private placement to identified institutional and selected investors.

4. DETAILS OF OUR IPO (CONT'D)

4.2.1.3 Eligible Persons via Pink Form Allocations

7,900,000 Issue Shares, representing approximately 0.96% of our enlarged number of issued Shares, will be reserved for application by the Eligible Persons in the following manner:

Eligible Persons	No. of Eligible Persons	Aggregate no. of Issue Shares allocated under Pink Form Allocations
Our Directors ⁽¹⁾	3	900,000
Eligible employees of our Group ⁽²⁾	Up to 600	5,000,000
Persons who have contributed to the success of our Group ⁽³⁾	Up to 120	2,000,000
Total	Up to 723	7,900,000

Notes:

- (1) The criteria of allocation to our eligible Directors are based on among others, their respective roles and responsibilities in our Group.

The number of Issue Shares under the Pink Form Allocations to be allocated to our eligible Directors is set out below:

Name	Designation	Aggregate no. of Issue Shares allocated under Pink Form Allocations
Poh Ying Loo	Independent Non-Executive Director	300,000
Datin Suryani Binti Ahmad Sarji	Independent Non-Executive Director	300,000
Alice Lee Chia Yee	Independent Non-Executive Director	300,000
Total		900,000

Our Executive Directors have opted not to participate in the Pink Form Allocations as they are also Promoters and shareholders of our Company. Please refer to Sections 9.1.1. and 9.2.3 of this Prospectus for further details of our Executive Directors' shareholdings in our Company before and after our IPO.

- (2) The criteria of allocation to our eligible employees (as approved by our Board) are based on among others, the following factors:
- (i) the employee must be a confirmed full time employee and on the payroll of our Group; and
 - (ii) the number of Issue Shares allocated to our eligible employees is based on their seniority, position, length of service, past performance and respective contribution made to our Group as well as other factors deemed relevant by our Board.

4. DETAILS OF OUR IPO (CONT'D)

The number of Issue Shares allocated under this category is inclusive of the allocation to our key senior management and persons connected to our Promoters, substantial shareholders and Executive Directors who are also employees of our Group.

The number of Issue Shares to be allocated to our key senior management under the Pink Form Allocations is set out below:

Name	Designation	Aggregate no. of Issue Shares allocated under Pink Form Allocations
Yong Wai Chien	Chief Operating Officer	300,000
Heng Kok Wee	Chief Financial Officer	200,000
Tan Chia Loon	Senior Manager – Marketing	200,000
Total		700,000

James Pang Yun Ming, one of our key senior management, has opted not to participate in the Pink Form Allocations as he is also a shareholder of our Company. Please refer to Section 9.4.3 of this Prospectus for further details of our key senior management's shareholdings in our Company before and after our IPO.

In addition, the number of Issue Shares to be allocated to the persons connected to our Promoters, substantial shareholders and Executive Directors who are also employees of our Group is set out below:

Name	Designation	Nature of relationship	Aggregate no. of Issue Shares allocated under Pink Form Allocations
Ten Siew Lin	Retail outlet manager	Spouse of Low Kok Poh, our Executive Chairman	21,000
Sean Ng De Zhen	Manager, Corporate Communications	Son of Ng Yap Sio, our Executive Director/Group Chief Executive Officer	14,000
Samuel Ng De Jing	Manager, Business Development	Son of Ng Yap Sio, our Executive Director/Group Chief Executive Officer	14,000
Rebecca Ng Sing Zi	Manager, Corporate Finance	Daughter of Ng Lian Chun, our Executive Director	14,000
Total			63,000

4. DETAILS OF OUR IPO (CONT'D)

- (3) The number of Pink Form Allocations to the persons who have contributed to the success of our Group comprising our business contacts, suppliers and customers, shall be based on their length of business relationship with our Group, and the level of their current and past contribution and support to our Group and as approved by our Board.

4.2.1.4 Bumiputera investors approved by the MITI via private placement

34,600,000 Issue Shares, representing approximately 4.22% of our enlarged number of issued Shares, will be allocated for application via private placement to identified Bumiputera investors approved by the MITI.

4.2.2 Offer for Sale

The Selling Shareholders will offer for sale up to 68,000,000 Offer Shares, representing approximately 8.28% of our enlarged number of issued Shares, at the IPO Price by way of private placement to identified Bumiputera investors approved by the MITI. The gross proceeds from the Offer for Sale will accrue entirely to the Selling Shareholders in their respective portions for their personal commitments.

Details of the breakdown on the Offer Shares under the Offer for Sale committed by each Selling Shareholder are set out in Section 4.3 of this Prospectus.

In summary, our IPO Shares will be allocated subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus in the following manner:

Category	<-----Public Issue----->		<-----Offer for Sale----->		<-----Total----->	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Retail Offering						
Malaysian Public via balloting:						
• Bumiputera	20,750,000	2.53	-	-	20,750,000	2.53
• Non-Bumiputera	20,750,000	2.53	-	-	20,750,000	2.53
Eligible Persons via Pink Form Allocations:						
• Our Directors	900,000	0.11	-	-	900,000	0.11
• Eligible employees of our Group	5,000,000	0.61	-	-	5,000,000	0.61
• Persons who have contributed to the success of our Group	2,000,000	0.24	-	-	2,000,000	0.24
Institutional Offering						
Selected investors via private placement:						
• Identified institutional and selected investors	76,000,000	9.26	-	-	76,000,000	9.26
• Bumiputera investors approved by the MITI	34,600,000	4.22	68,000,000	8.28	102,600,000	12.50
Total	160,000,000	19.49	68,000,000	8.28	228,000,000	27.78

Note:

- (1) Computed based on our enlarged number of issued Shares of 820,868,600 Shares after our IPO.

4. DETAILS OF OUR IPO (CONT'D)

The IPO Shares to be made available for application by the Malaysian Public have been fully underwritten, while the IPO Shares to be made available for application by our Eligible Persons, the identified institutional and selected investors and identified Bumiputera investors approved by the MITI are not underwritten. Irrevocable undertakings have been or will be obtained from our Eligible Persons, the identified institutional and selected investors and identified Bumiputera investors approved by the MITI.

Applicants who subscribe for the IPO Shares allocated under the Pink Form Allocations may also apply by way of balloting for the IPO Shares available under the Malaysian Public.

Our IPO is also subject to the public shareholding spread requirement under the Listing Requirements as set out in Section 4.2.7 of this Prospectus.

The number of IPO Shares will not increase via any over-allotment or "greenshoe" option.

4.2.3 Clawback and reallocation

The Retail Offering and Institutional Offering shall be subject to the following clawback and reallocation provisions:

- (i) if our IPO Shares allocated to identified Bumiputera investors approved by the MITI ("**MITI Tranche**") are not fully taken up by such identified Bumiputera investors, such IPO Shares will be made available for subscription by the identified Malaysian institutional investors under the Institutional Offering. After such reallocation, if the MITI Tranche is still not fully taken up by the identified Malaysian institutional investors under the Institutional Offering, and there is a corresponding over-subscription for our IPO Shares by identified Bumiputera investors under the Retail Offering, our IPO Shares will be clawed back from the remaining MITI Tranche and allocated to the Bumiputera investors under the Retail Offering;
- (ii) subject to item (i) above, if there is an under-subscription of our IPO Shares under the Institutional Offering and there is an over-subscription by the Malaysian Public under the Retail Offering, our IPO Shares not taken up may be clawed back from the Institutional Offering and reallocated to the Malaysian Public under the Retail Offering;
- (iii) if there is an under-subscription for our IPO Shares by the Malaysian Public under the Retail Offering and there is an over-subscription by the Institutional Offering, our IPO Shares not taken up may be clawed back from the Malaysian Public under the Retail Offering and reallocated to the Institutional Offering. However, if there is an under-subscription by the Malaysian Public under the Retail Offering but no over-subscription by the Institutional Offering, such remaining IPO Shares available to the Malaysian Public under the Retail Offering will be underwritten by the Sole Underwriter; and
- (iv) any IPO Shares not taken up by the respective Eligible Persons based on their pre-determined allocations shall be made available for application by the other Eligible Persons who have applied for excess IPO Shares in addition to their pre-determined allocation ("**Excess IPO Shares**"). Such Excess IPO Shares will be allocated to these other Eligible Persons on a fair and equitable basis in the following priority:
 - (a) firstly, allocation on a pro-rata basis to the Eligible Persons who have applied for Excess IPO Shares based on the number of Excess IPO Shares applied for; and
 - (b) secondly, to minimise odd lots.

4. DETAILS OF OUR IPO (CONT'D)

Any IPO Shares not fully taken up by Eligible Persons (after reallocation of the Excess IPO Shares to other Eligible Persons) will be made available for application by the Malaysian Public. Any IPO Shares allocated to the Malaysian Public under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be underwritten by the Sole Underwriter. The clawback and reallocation provisions will not apply in the event there is an over-subscription or under-subscription in all of the allocations of our IPO Shares at the closing date of our IPO.

Notwithstanding the above, in the event there is an under-subscription for our IPO Shares, the subscriptions received for our IPO Shares will first be applied towards subscribing in full the Issue Shares under the Public Issue. Thereafter, any additional subscription for our IPO Shares will be allocated from the Offer Shares offered by the Selling Shareholders under the Offer for Sale and any remaining Offer Shares not subscribed for after the aforementioned allocation will be retained by the Selling Shareholders. For the avoidance of doubt, the Public Issue will take priority over the Offer for Sale in the event of an undersubscription of our IPO Shares.

Our IPO Shares will be allocated in a fair and equitable manner and the basis of allocation for such IPO Shares shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants with a view of broadening our Company's shareholding base to meet the public shareholding spread requirements of Bursa Securities and to establish a liquid market for our Shares. As at the LPD, to the best of our knowledge and belief:

- (i) there are no substantial shareholders, Directors or key senior management who have indicated that they intend to subscribe for the IPO Shares, save for the IPO Shares made available for application under the Pink Form Allocations; and
- (ii) there is no person who intends to subscribe for more than 5.00% of our IPO Shares.

4.2.4 Classes of shares and ranking

As at the date of this Prospectus, we only have one class of shares, being ordinary shares.

Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares, subject to any applicable Rules of Bursa Depository.

Our Offer Shares rank equally in all respects with our other existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares, subject to any applicable Rules of Bursa Depository.

Subject to any special rights attaching to any Shares we may issue in the future, our shareholders shall, in proportion to the amount paid on our Shares held by them, be entitled to share the profits paid out by us in the form of dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At every general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy or by attorney or by other duly authorised representative. Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held or represented. A proxy may but need not be a member of our Company.

4. DETAILS OF OUR IPO (CONT'D)

4.2.5 Share capital

Upon completion of our IPO, our share capital will be as follows:

	No. of Shares	RM
Issued share capital after the Pre-IPO Reorganisation Exercise	660,868,600	39,836,126
New Shares to be issued under our Public Issue	160,000,000	126,107,433 ⁽¹⁾
Enlarged issued share capital upon Listing	820,868,600	165,943,559
Existing Shares to be offered under the Offer for Sale	68,000,000	55,080,000
IPO Price per IPO Share		0.81
Market capitalisation upon Listing (based on the IPO Price and enlarged number of issued Shares after our IPO)		664,903,566
Pro forma NA per Share (based on the pro forma consolidated statements of financial position as at 31 December 2022)		0.27 ⁽²⁾

Notes:

- (1) After deducting the estimated listing expenses of approximately RM3.49 million which is directly attributable to the issuance of our IPO Shares and offset against our share capital.
- (2) Computed based on the pro forma NA after our IPO and adjusting for the use of proceeds from our Public Issue and our enlarged number of issued Shares of 820,868,600 Shares after our IPO.

4.2.6 Minimum requirements

The basis of allocating the IPO Shares shall take into account the desirability of distributing the IPO Shares to a reasonable number of applicants with a view of broadening our shareholding base, to meet the public spread requirements of Bursa Securities as well as to establish a liquid and adequate market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Board.

4.2.7 Minimum subscription level

There is no minimum subscription level in terms of proceeds to be raised under our IPO. However, in order to comply with the public shareholding spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of IPO Shares will be the number of Shares required to be held by the public shareholders of our Company.

Under the Listing Requirements, we are required to have a minimum of 25.00% of our Shares held by at least 1,000 public shareholders, each holding not less than 100 Shares at the point of our Listing.

If the above requirement is not met, we may not be able to proceed with our Listing. Please refer to Section 5.3.4 of this Prospectus for further details in the event there is a delay in or cancellation of our Listing.

4.2.8 Price stabilisation mechanism

We will not be employing any price stabilisation mechanism (which is in accordance with the Capital Markets and Services (Price Stabilisation Mechanism) Regulations 2008) for our IPO.

4. DETAILS OF OUR IPO (CONT'D)

4.3 OFFER FOR SALE

The Selling Shareholders will offer up to 68,000,000 existing Shares for sale, representing up to approximately 8.28% of our enlarged number of issued Shares, at the IPO Price via private placement to identified Bumiputera investors approved by the MITI. The Offer Shares to be offered by the Selling Shareholders and their direct shareholdings in our Company before and after our IPO and their material relationship with our Group within the Financial Years Under Review and up to the LPD are set out below:

Name	Material relationship with our Group	Shareholdings after the Pre-IPO Reorganisation Exercise and as at the LPD		Shares to be offered pursuant to the Offer for Sale			Shareholdings immediately after our IPO	
		No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	% ⁽²⁾	No. of Shares	% ⁽²⁾
All Sportz	Promoter and substantial shareholder	428,000,000	64.76	-	-	-	428,000,000	52.14
Ng Yap Sio	Promoter, substantial shareholder and Executive Director/Group Chief Executive Officer	85,600,000	12.95	27,200,000	4.12	3.31	58,400,000	7.11
Low Kok Poh	Promoter, substantial shareholder and Executive Director/Executive Chairman	42,800,000	6.48	13,600,000	2.06	1.66	29,200,000	3.56
Ng Lian Chun	Promoter, shareholder and Executive Director	25,680,000	3.89	8,160,000	1.23	0.99	17,520,000	2.13
Dato' Ng Lian Heng	Promoter and shareholder	25,680,000	3.89	8,160,000	1.23	0.99	17,520,000	2.13
Ng Kong Hook	Promoter and shareholder	17,120,000	2.59	5,440,000	0.82	0.66	11,680,000	1.42
Ng Lian Lu	Promoter and shareholder	17,120,000	2.59	5,440,000	0.82	0.66	11,680,000	1.42
Total		642,000,000	97.15	68,000,000	10.28	8.27	574,000,000	69.91

4. DETAILS OF OUR IPO (CONT'D)

Notes:

- (1) Computed based on our number of issued Shares of 660,868,600 Shares after the Pre-IPO Reorganisation Exercise and as at the LPD.
- (2) Computed based on our enlarged number of issued Shares of 820,868,600 Shares after our IPO.

4.4 BASIS OF ARRIVING AT THE IPO PRICE

The IPO Price was determined and agreed upon between our Directors, Promoters and the Selling Shareholders in consultation with our Principal Adviser, Sole Underwriter and Sole Placement Agent after taking into consideration the following factors:

- (i) PER of approximately 27.00 times based on our Group's EPS of RM0.03 after taking into account our PATMI of RM26.65 million for the FYE 2022 and our enlarged number of issued Shares of 820,868,600 Shares upon Listing;
- (ii) our pro forma consolidated NA per Share of RM0.27 as at 31 December 2022, after adjusting for the use of proceeds from our Public Issue and based on our enlarged number of issued Shares of 820,868,600 Shares upon Listing;
- (iii) our operating history and financial performance as set out in Sections 7 and 12 of this Prospectus respectively;
- (iv) our competitive strengths as set out below:
 - (a) our Group is a golf specialty retailer providing a wide variety of golf equipment comprising golf clubs, golf balls and accessories and golf apparel, and notable brands which help sustain and grow our business;
 - (b) our Group has a long operating track record with an established retail brand and wide market coverage through our retail outlets in Malaysia and Singapore;
 - (c) our Group has subsisting agreements to sell several global brands of golf equipment comprising golf clubs, golf balls and accessories and golf apparel in Malaysia and Singapore as well as other foreign countries, mainly Indonesia;
 - (d) our Group has 2 operating trade models comprising retail and wholesale to provide our Group with the platform for business growth;
 - (e) our Group is the market leader in the sales of golf equipment comprising golf clubs, golf balls and accessories and golf apparel in Malaysia. In 2022, our Group had a market share of 51.00% of golf equipment imported into Malaysia. In addition, our Group is the largest chain of golf specialty retailer with a total of 36 retail outlets in Malaysia (*Source: IMR Report*); and
 - (f) our Group has experienced Executive Directors and key senior management to sustain and grow our business;
- (v) our strategies and future plans as set out below:
 - (a) expanding our market access and coverage in Malaysia and Singapore by:
 - (1) setting up new golf retail outlets to grow the business and revenue as our Group plans to establish additional retail outlets in Malaysia and Singapore;

4. DETAILS OF OUR IPO (CONT'D)

- (2) expanding the number of indoor golf centres in Malaysia and Singapore to address a new target customer group of non-golfers as well as provide new experiences to golfers; and
 - (3) upgrading and refurbishing our existing golf retail outlets to improve the overall image of our Group's brand and outlet, attract new customers and thereby improve our Group's revenue;
- (b) expanding into new geographical markets namely, Indonesia, Thailand and Vietnam as our Group plans to establish new golf retail outlets and indoor golf centres;
 - (c) investing in upgrading our Group's digital technology facilities including the ERP system and e-commerce applications to keep up with the Group's business expansion.

You should also note that the market price of our Shares upon our Listing is subject to the vagaries of market forces and other uncertainties. You should form your own views on the valuation of our IPO Shares before deciding to invest in our Shares. You are reminded to carefully consider the risk factors as set out in Section 5 of this Prospectus before deciding to invest in our Shares.

4.5 DILUTION

4.5.1 NA per Share

Dilution is the amount by which the IPO Price paid by the investors for our IPO Shares exceeds our pro forma consolidated NA per Share after our IPO. Our pro forma consolidated NA per Share as at 31 December 2022 after the Pre-IPO Reorganisation and before adjusting for our IPO was RM0.15 per Share, based on our number of issued Shares of 660,868,600 following the Pre-IPO Reorganisation.

The following table illustrates such dilution on a per Share basis:

		RM
IPO Price	(A)	0.81
Pro forma consolidated NA per Share as at 31 December 2022 after the Pre-IPO Reorganisation Exercise and before adjusting for our IPO	(B)	0.15
Pro forma consolidated NA per Share as at 31 December 2022, after the Pre-IPO Reorganisation Exercise, our Public Issue and after adjusting for the use of proceeds from our Public Issue	(C)	0.27
Increase in consolidated NA per Share to our existing shareholders	(C – B)	0.12
Dilution in pro forma consolidated NA per Share to new investors	(A – C)	0.54
Dilution in pro forma consolidated NA per Share to new investors as a percentage of the IPO Price	(A – C)/(A)	66.67%

4. DETAILS OF OUR IPO (CONT'D)

4.5.2 Effective cost per Share

Save as disclosed below, none of our Promoters, substantial shareholders, Directors, key senior management or persons connected to them as well as the Specified Shareholders had acquired, obtained the right to acquire and/or subscribe for our Shares in the Financial Years Under Review and up to the LPD:

Name	No. of Shares allotted/ transferred before our IPO	No. of Shares allotted/ transferred from our IPO	Total consideration RM	Effective cash cost per Share RM
Promoters, substantial shareholders and Directors				
Ng Yap Sio	85,600,000 ⁽¹⁾	-	4,280,000	0.05
Low Kok Poh	42,800,000 ⁽¹⁾	-	2,140,000	0.05
Promoter and Director				
Ng Lian Chun	25,680,000 ⁽¹⁾	-	1,284,000	0.05
Promoters				
All Sportz	642,000,000 ⁽²⁾	-	32,000,000	0.05
Dato' Ng Lian Heng	25,680,000 ⁽¹⁾	-	1,284,000	0.05
Ng Kong Hook	17,120,000 ⁽¹⁾	-	856,000	0.05
Ng Lian Lu	17,120,000 ⁽¹⁾	-	856,000	0.05
Specified Shareholders				
James Pang Yun Ming	18,192,500 ⁽³⁾	-	7,458,925	0.41
Paul Edward Gibbons	676,100 ⁽⁴⁾	-	277,201	0.41

Notes:

- (1) Transferred pursuant to the Distribution, further details of which are set out in Section 6.1.2.3 of this Prospectus.
- (2) Allotted pursuant to the Capitalisation and the Subdivision of Shares, further details of which are set out in Sections 6.1.2.1 and 6.1.2.2 of this Prospectus.
- (3) Allotted pursuant to the Acquisition of MST Golf Singapore, further details of which are set out in Section 6.1.2.4(i) of this Prospectus.
- (4) Allotted pursuant to the Acquisition of MST Golf Management, further details of which are set out in Section 6.1.2.4(ii) of this Prospectus.

4. DETAILS OF OUR IPO (CONT'D)

4.6 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to RM129,600,000 in the following manner:

Details	RM'000	%	Estimated timeframe for use of proceeds from the date of Listing
Expansion in Malaysia and Singapore	62,755	48.42	Within 36 months
Expansion into new geographical markets	53,550	41.32	Within 36 months
Upgrade of digital technology facilities	3,000	2.32	Within 36 months
Working capital requirements	3,259	2.51	Within 24 months
Estimated listing expenses	7,036	5.43	Within 1 month
Total	129,600	100.00	

Further details on the use of the gross proceeds from our Public Issue are set out below:

4.6.1 Expansion in Malaysia and Singapore

Our Group intends to utilise approximately RM62.76 million, representing approximately 48.42% of the gross proceeds to be raised from the Public Issue, to fund our Group's expansion in Malaysia and Singapore, and to upgrade and refurbish our Group's existing golf retail outlets in Malaysia as well as our head office and warehouse at Subang Jaya, Selangor. As at the LPD, our Malaysian business development team has 2 personnel led by our Group Chief Executive Officer, Ng Yap Sio whereas our Singapore business development team has 2 personnel led by our Executive Director of MST Golf Singapore, James Pang Yun Ming.

Our process in identifying new retail outlet locations takes into consideration the factors as set out below:

- (i) identifying the golfer catchment areas including new areas for potential growth opportunities and areas that are underserved by us;
- (ii) urban and major suburban locations with golf courses in the surrounding areas;
- (iii) premises including shopping malls, commercial buildings as well as golf and country clubs and driving ranges; and
- (iv) number of golf courses in the respective countries, where Malaysia has 243 golf courses and Singapore has 28 golf courses in 2020 (based on the latest available data) (*Source: IMR Report*), as the number of golf courses is potentially a driver of demand for golf equipment.

During the process of identifying the golfer catchment areas to secure desired locations, we commonly carry out a site visit and also approach the landlord to obtain information on space availability and rental for our financial feasibility study, as well as study the demographic data from our *ilovegolf* member base. Upon securing the desired location, the opening of retail outlets will involve a variety of planning and execution tasks including interior design works, preparation and submission of relevant permits, renovation and fit-out works, as well as preparation of the inventory.

4. DETAILS OF OUR IPO (CONT'D)

Our Group intends to utilise RM59.76 million out of RM62.76 million to set up an additional 10 retail outlets and 5 retail outlets with indoor golf centres by 2025. The details of the planned additional retail outlets are set out below:

	No. of retail outlets as at the LPD	<----Planned additional retail outlets---->			Total retail outlets by 2025
		2023	2024	2025	
Malaysia	36	4	4	5	49
Singapore	8	1	1	-	10
Total	44	5	5	5	59

The expansion in Malaysia and Singapore is part of our business strategy to expand our market access and coverage in Malaysia and Singapore by setting up new golf retail outlets to grow our business and revenue. Our objective is to provide better accessibility and convenience to mainly target new customers. In this respect, our business development team will look for new locations taking into consideration factors including demographics of catchment area such as high household income and population density, urban or suburban areas, distance from our existing retail outlets and rental rates.

Our planned indoor golf centres will be similar to our existing indoor golf centres which will have adjoining specialty retail outlets for the sale of our golf equipment. Some of the competitive advantages of our indoor golf centres include a range of golfing facilities such as golf simulation bays and simulation putting green as well as food and beverage facilities where we can also host corporate and social functions such as product launches, team building and birthday celebrations. Further, our indoor golf centre with direct access to our retail outlet serves as a one-stop centre for golf equipment and golf related services to new and existing golfers.

The total cost of setting up the 10 retail outlets and 5 retail outlets with indoor golf centres is estimated at approximately RM59.76 million, details of which is set out below:

Type of outlets and location	<-----Number of outlets----->				Total cost RM'000	Expected timing to commence operations
	2023	2024	2025	Total		
Retail outlets⁽¹⁾	4	3	3	10	28,660	
• Malaysia	3	3	3	9 ⁽²⁾	24,960	Q3 2023 to Q4 2025
• Singapore	1	-	-	1	3,700	Q4 2023
Retail outlet with indoor golf centre	1	2	2	5	31,095	
• Malaysia	1	1	2	4 ⁽³⁾	25,545	Q3 2023 to Q4 2025
• Singapore	-	1	-	1	5,550	Q4 2024
Total	5	5	5	15	59,755	

Notes:

- (1) The retail format for our new retail outlets will be mainly specialty stores which enables us to carry a wider range of products compared to our other retail formats, such as pro shops and departmental counters. However, this is subject to negotiation on securing desired locations.

4. DETAILS OF OUR IPO (CONT'D)

- (2) Includes the retail outlets at Seremban Gateway, Negeri Sembilan and Plaza Shah Alam, Selangor which we have entered into letters of offer with the respective landlords. Please refer to Section 7.7 of this Prospectus for further details of these retail outlets.
- (3) Includes the retail outlet at Gurney Paragon, Penang which we have entered into a tenancy agreement in March 2023 with the landlord. Please refer to Section 7.7 of this Prospectus for further details of this retail outlet.

Based on the above, our Group estimates the total cost of setting up the additional retail outlets and indoor golf centres, which includes among others, cost of renovation, fit-out-work and inventory to be approximately RM59.76 million, which will be fully funded using the IPO proceeds. Our Group anticipates that the total cost will be allocated in the proportions as set out below:

Details	%
Cost of renovation and fit-out-work	49.00
Inventory ⁽¹⁾	51.00
Total	100.00

Note:

- (1) This is mainly for golf clubs, golf balls and accessories as well as golf apparel. On average, each new retail outlet will house approximately 2,000 pieces of golf clubs, 6,500 pieces of golf balls and accessories and 3,500 pieces of golf apparel.

In the event the allocated proceeds are insufficient for this purpose, our Group will fund any shortfall via internally generated funds and/or bank borrowings.

The average staff costs required is estimated at RM0.55 million per year for an additional retail outlet and RM1.50 million per year for an additional retail outlet with indoor golf centre in Malaysia. For the outlets in Singapore, the average staff costs required is estimated at RM1.77 million per year for an additional retail outlet and RM3.60 million per year for an additional retail outlet with indoor golf centre. The staff costs for the additional outlets will be funded via internally generated funds.

In addition, our Group intends to utilise RM3.00 million out of RM62.76 million to upgrade and refurbish our existing retail outlets in Malaysia to improve the overall image of our brand and outlet, attract new customers and improve our revenue. We plan to commence upgrading and refurbishing activities in the 3rd quarter of 2023, which includes renovation as well as replacement of furniture and fittings in 10 retail outlets in Malaysia, which includes 3 retail outlets in Kuala Lumpur, 2 retail outlets in Selangor and 1 retail outlet each in Perak, Penang, Pahang, Johor and Sarawak, as well as our head office and warehouse at Subang Jaya, Selangor. The furniture and fittings include, among others, posters, signage, shelving and lighting.

The upgrading and refurbishing activities are to be carried out in stages with details set out below:

	<--No. of existing outlets to be upgraded and refurbished-->			Total cost RM'000
	2023	2024	2025	
Specialty stores	2	2	4	1,700
Pro shops	-	1	1	500
Head office	-	1	-	500
Warehouse	1	-	-	300
Total	3	4	5	3,000

4. DETAILS OF OUR IPO (CONT'D)

Our Group estimates the total cost to upgrade and refurbish our existing retail outlets to be approximately RM3.00 million. In the event the allocated proceeds are insufficient for this purpose, our Group will fund any shortfall via internally generated funds and/or bank borrowings.

Please refer to Section 7.19.1 of this Prospectus for further details of our plans to expand in Malaysia and Singapore as well as to upgrade and refurbish our Group's existing golf retail outlets.

4.6.2 Expansion into new geographical markets

Our Group intends to utilise RM53.55 million, representing approximately 41.32% of the gross proceeds to be raised from the Public Issue, to fund our Group's expansion into new geographical markets to establish golf retail outlets and retail outlets with indoor golf centres, namely in Indonesia, Thailand and Vietnam. Our Group plans to establish new retail outlets within the region through joint venture arrangements with the local partners in the respective countries. The rationale for expansion into new geographical markets via joint venture arrangements with local partners is to tap into their business track record, financial strengths, resources and their existing network within the retail industry in the respective geographical markets.

On 18 April 2023, we entered into a memorandum of understanding with PT Sinar Eka Selaras for a proposed joint venture to establish golf retail outlets and indoor golf centres in Indonesia. PT Sinar Eka Selaras is a subsidiary of PT Erajaya Swasembada Tbk which is a public company listed on the Indonesia Stock Exchange and is involved in the distribution and trading of telecommunication equipment, computer and other electronic devices. PT Erajaya Swasembada Tbk is also involved in the distribution and retailing of fashion products for brands such as *ASICS*, *Garmin* and *JD Sports*. As at the LPD, we have not identified our joint venture partners nor entered into any such joint venture arrangements for our expansion into Thailand and Vietnam.

In the event we are unable to identify suitable joint venture partners, we may delay the implementation of opening new outlets in the new geographical markets which may affect our future business operations and financial performance. Please refer to Section 5.1.5 of this Prospectus for further details on the risks associated with joint venture arrangements in foreign countries.

For Indonesia, our Group mainly sold golf equipment to resellers in Indonesia during the Financial Years Under Review. Through the personal experience of our Promoters, they had previously been involved in the supply of golf equipment to Thailand and Vietnam prior to 2013 and 2019 respectively. The Promoters' involvement in the supply of golf equipment to the respective countries were insignificant as they were the minority shareholder for the company (My Sports International) and they were not directly involved in the day-to-day operations in Thailand. For Vietnam, their involvement was also insignificant as they were not directly involved in the day-to-day operations and were only involved in the supply of golf equipment to the customers in Vietnam, which was previously undertaken through MySports Vietnam.

Part of our expansion strategy is to grow our business geographically and to increase our market presence in foreign countries namely Indonesia, Thailand and Vietnam. Our Group intends to pursue this expansion strategy in setting up new retail outlets by leveraging on our experience of expanding into our existing foreign retail operations in Singapore.

The basis for expanding into Indonesia, Thailand and Vietnam has taken into consideration the following key factors in assessing the opening of new retail outlets and indoor golf centres:

- (i) location focusing on the major cities (such as Jakarta in Indonesia, Bangkok in Thailand and Ho Chi Minh City in Vietnam) in areas that have golf course facilities;
- (ii) premises including shopping malls, departmental stores, commercial buildings and golf and country clubs; and

4. DETAILS OF OUR IPO (CONT'D)

(iii) industry observations such as the number of golf courses in the respective countries where Thailand has 317 golf courses in comparison to 243 golf courses in Malaysia in 2020 (based on the latest available data). In addition, Indonesia has 170 golf courses and Vietnam has 86 courses in 2020 (based on the latest available data). The number of golf courses is potentially a driver of demand for golf equipment. Golf is often perceived to be an expensive sport compared to other sports, partly due to its exclusive nature, cost of equipment, as well as fees for golf club membership or fees to play on public and private golf courses. As such, growth in the economies, population, household income and consumer sentiment index (CSI) are factors of demand for golf equipment. Growing economies will serve as the platform for sustainability and growth for the golf industry.

- In 2022, the real GDP of Indonesia's economy grew by 5.3%. In the 1st quarter of 2023, Indonesia's real GDP grew by 5.0% compared to the 1st quarter of 2022.
- In 2022, the real GDP of Thailand's economy grew by 2.6% and is projected to expand between 2.7% and 3.7% in 2023.
- In 2022, the real GDP of Vietnam's economy grew by 8.0%. In the 1st quarter of 2023, Vietnam's real GDP grew by 3.3% compared to the 1st quarter of 2022.

(Source: IMR Report)

In addition to the industry observations, we have also taken into consideration the growth of our wholesale of golf equipment to Indonesia, which increased by 283.69% to RM25.38 million in FYE 2021 (FYE 2020: RM6.61 million) and continued to grow by 22.53% to RM31.10 million in FYE 2022.

Generally, we will carry out financial feasibility studies targeting a payback period of approximately 1 year for each new retail outlet and approximately 2 years for each new retail outlet with an indoor golf centre that we open. For the purposes of our expansion into Indonesia, Thailand and Vietnam, we have carried out the financial feasibility studies targeting the said payback periods.

The basis of the payback period of 1 year for a new retail outlet takes into consideration the set-up costs for outlet renovation. As for a new retail outlet with an indoor golf centre, the basis of the payback period of 2 years takes into consideration the purchase and installation of golf simulators and kitchen equipment as well as outlet renovation. In this respect, our expansion plans into these foreign countries have taken into consideration the abovementioned financial feasibility studies.

As at the LPD, our Group has 44 retail outlets in Malaysia and Singapore. As part of our Group's key business strategies and plans, our Group intends to expand into new geographical markets by setting up a total of 9 retail outlets and 7 retail outlets with indoor golf centres.

The locations of our planned retail outlets are set out below:

Locations	<-----Planned retail outlets----->			Total outlets by 2026
	2024	2025	2026	
Indonesia	2	2	2	6
• Retail outlets	2	1	-	3
• Retail outlet with indoor golf centre	-	1	2	3
Thailand	2	2	2	6
• Retail outlets	2	1	1	4
• Retail outlet with indoor golf centre	-	1	1	2

4. DETAILS OF OUR IPO (CONT'D)

Locations	<-----Planned retail outlets----->			Total outlets by 2026
	2024	2025	2026	
Vietnam	-	2	2	4
• Retail outlets	-	2	-	2
• Retail outlet with indoor golf centre	-	-	2	2
Total	4	6	6	16

The total cost of our geographical market expansion in setting up new retail outlets and indoor golf centres as well as setting up a branch office in the geographical markets is estimated at RM100.00 million. As such, we intend to utilise RM53.55 million of the IPO proceeds for this purpose while the remaining balance of approximately RM46.45 million will be funded by the local partners in the respective countries. The details on the utilisation of the RM53.55 million from the IPO proceeds for the expansion into new geographical markets are set out below:

	IPO proceeds RM'000	Total no. of outlets	Expected timing to commence operation
Indonesia	19,930		
• Retail outlets	6,860	3	Q1 2024 to Q1 2025
• Retail outlet with indoor golf centre	12,570	3	Q3 2025 to Q3 2026
• Branch office	500	1	2023
Thailand	18,620		
• Retail outlets	9,180	4	Q2 2024 to Q3 2026
• Retail outlet with indoor golf centre	8,940	2	Q3 2025 to Q1 2026
• Branch office	500	1	2024
Vietnam	15,000		
• Retail outlets	5,550	2	Q1 2025 to Q3 2025
• Retail outlet with indoor golf centre	8,950	2	Q1 2026 to Q3 2026
• Branch office	500	1	2024
Total	53,550		

Please refer to Section 7.19.2 of this Prospectus for further details of our plans to expand into new geographical markets to establish retail outlets and indoor golf centres.

4.6.3 Upgrade of digital technology facilities

Our Group intends to utilise RM3.00 million, representing approximately 2.32% of the gross proceeds to be raised from the Public Issue, to upgrade our digital technology facilities including ERP and IT related systems. This includes the development of mobile and web portal applications, expansion of ERP systems such as retail point of sales and accounting system as well as integration of operations enhancement features such as data analytics to keep up with our Group's business expansion mainly to support our retail business expansion in Malaysia and Singapore as well as the new foreign countries including Indonesia, Thailand and Vietnam.

The upgrade of our digital technology facilities will focus on the following areas:

- (i) mobile and web portal applications with the incorporation of new applications for golf related services such as tee-time booking, golf coaching lessons, and corporate and wholesale sales, as well as online expansion in Singapore and the new foreign countries;
- (ii) expansion of ERP system including additional point-of-sales terminals and accounting system as part of our retail management system for our expansion in Malaysia and Singapore as well as the new foreign countries; and

4. DETAILS OF OUR IPO (CONT'D)

(iii) enhancement of operational features incorporating new data analytics.

Our Group estimates the total cost for this upgrade to be approximately RM5.00 million, of which RM3.00 million to be funded through the IPO proceeds and the remaining RM2.00 million through internally generated funds.

As at the LPD, we have embarked on identifying and shortlisting vendors for the upgrading of our digital technology facilities after our Listing.

We anticipate that this project will be carried out in stages over a period of 3 years from our Listing which is in line with our expansion plans in the existing and new geographical markets.

The IPO proceeds will be allocated in the proportions as set out below:

FYE	RM'000	%	Main areas
2023	840	28.00	Mainly for mobile and web applications
2024	1,050	35.00	Mainly for expansion of ERP system in line with our business expansion in Malaysia and Singapore as well as expansion into new geographical markets and enhancement of our operational features
2025	1,020	34.00	Mainly for expansion of ERP system in line with our business expansion in Malaysia and Singapore as well as expansion into new geographical markets and enhancement of our operational features
2026	90	3.00	Mainly for the enhancement of our operational features
Total	3,000	100.00	

Please refer to Section 7.19.3 of this Prospectus for further details on our plans to upgrade our digital technology facilities.

4.6.4 Working capital requirements

We anticipate the need for more inventory to support our existing and future growth. Pursuant thereto and in tandem with the anticipated growth in line with our business expansion, we have earmarked approximately RM3.26 million, representing approximately 2.51% of the gross proceeds to be raised from the Public Issue, for our working capital requirement purposes.

We plan to allocate approximately RM3.26 million to finance the inventory required for our existing retail outlets in Malaysia and Singapore.

The purchases of finished goods including golf clubs, golf balls and accessories, and golf apparel for the Financial Years Under Review are set out below:

	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
Purchases of finished goods	105,411	79,880	138,121	175,864
• <i>Golf clubs</i>	49,961	44,109	78,220	99,811
• <i>Golf balls and accessories</i>	33,306	25,005	41,486	44,724
• <i>Golf apparel</i>	22,144	10,766	18,415	31,329

4. DETAILS OF OUR IPO (CONT'D)

On average, each retail outlet houses approximately 1,600 pieces of golf clubs, 5,000 pieces of golf balls and accessories and 2,600 pieces of golf apparel.

4.6.5 Estimated listing expenses

The estimated fees and expenses for our IPO and Listing to be borne by us are estimated to be approximately RM7.04 million, comprising the following:

	RM'000
Professional fees ⁽¹⁾	3,275
Regulatory fees	539
Underwriting commission, placement fees and brokerage fees	2,800
Miscellaneous expenses and contingencies ⁽²⁾	422
Total	<u>7,036</u>

Notes:

- (1) Includes advisory fees for, among others, our Principal Adviser, Legal Advisers, Reporting Accountants, Tax Advisers, IMR, Governance, Risk and Internal Control Consultant, and Issuing House.
- (2) Includes any other incidental charges or related expenses in connection with our IPO, such as translation services, printing and advertising expenses, applicable service tax and IPO event expenses.

If the actual listing expenses are higher than anticipated, the deficit will be funded from proceeds allocated for working capital and vice versa.

Pending the eventual use of the gross proceeds from the Public Issue for the above intended purposes, the funds will be placed in short-term deposits with licensed financial institutions or short-term money market instruments.

Our Company will not receive any proceeds from the Offer for Sale. The total gross proceeds from the Offer for Sale of up to RM55.08 million will accrue entirely to the Selling Shareholders. The Selling Shareholders will bear their own expenses including placement fee in relation to the Offer for Sale which is estimated to be approximately RM1.10 million.

4.7 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.7.1 Brokerage fee

We will pay brokerage in respect of 41,500,000 Issue Shares under the Public Issue at the rate of 1.00% (exclusive of applicable tax) of the IPO Price in respect of all successful applications which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Sole Placement Agent is entitled to charge brokerage commission to successful Malaysian and institutional and selected investors. For the avoidance of doubt, such brokerage commission will be paid by successful applicants under the private placement and will not be borne by us or the Selling Shareholders.

4. DETAILS OF OUR IPO (CONT'D)

4.7.2 Underwriting commission

As stipulated in the Underwriting Agreement, the Sole Underwriter has agreed to underwrite 41,500,000 Issue Shares under the Public Issue for an underwriting commission of 2.00% (exclusive of applicable tax) of the IPO Price multiplied by the total number of Issue Shares underwritten under the IPO in accordance with the terms of the Underwriting Agreement.

4.7.3 Placement fee

The Selling Shareholders for the Offer Shares and us for the Issue Shares will pay the Sole Placement Agent a placement fee and selling commission of up to 2.00% (exclusive of applicable tax) and may pay a discretionary incentive fee of up to 0.75% (exclusive of applicable tax) of the IPO Price multiplied by the number of IPO Shares successfully placed out to the identified institutional and selected investors as well as identified Bumiputera investors approved by the MITI under the Institutional Offering.

4.8 DETAILS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with our Sole Underwriter to underwrite 41,500,000 IPO Shares ("**Underwritten Shares**"), subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus and upon the terms and conditions of the Underwriting Agreement.

- (i) the obligation of the Sole Underwriter to underwrite the Underwritten Shares is conditional on certain condition precedents being satisfied or fulfilled, which includes, among others:
 - (a) all necessary approvals remaining in full force and effect and all conditions to the approvals (except for any which can only be complied with after our IPO has been completed) have been complied with;
 - (b) the Sole Underwriter being satisfied that our Company will, following completion of our IPO, be admitted to the Official List and our enlarged issued share capital listed and quoted on the Main Market of Bursa Securities no later than 3 months from the date of the Underwriting Agreement, unless mutually agreed to in writing by the parties;
 - (c) the placement mandate not having been terminated or rescinded pursuant to the provisions thereof;
 - (d) there being no occurrence of any event which occurs after the date of the Underwriting Agreement and on or prior to the closing date (being the last date for acceptance, application for and payment of subscription monies in respect of the application for our IPO Shares in accordance with this Prospectus and Application Forms, which shall not be more than 3 months from the date of the Underwriting Agreement) ("**Closing Date**") which if it had occurred before the date of the Underwriting Agreement would have rendered any of the representations, warranties and undertakings in the Underwriting Agreement untrue or inaccurate;
 - (e) there not having occurred on or prior to the Closing Date any breach and/or failure to perform any of the undertakings by our Company contained in the Underwriting Agreement;
 - (f) there not being any investigation, directions or actions by any judicial, governmental or regulatory authority in relation to our Listing or in connection with our Group which is still subsisting or unresolved, to the satisfaction of the Sole Underwriter; and
 - (g) there having been, as at Closing Date, no registration or lodgement of any amendment, supplement or replacement to this Prospectus with the SC or the ROC without the prior written approval of the Sole Underwriter.

4. DETAILS OF OUR IPO (CONT'D)

- (ii) the Sole Underwriter may terminate the Underwriting Agreement and withdraw its underwriting commitment upon the occurrence of any of the following events:
- (a) there is any material breach by our Company of any of our representations, warranties or undertakings in the Underwriting Agreement or which is contained in any certificate, statement or notice under or in connection with the Underwriting Agreement; or
 - (b) there is material failure on the part of our Company to perform any of our obligations contained in the Underwriting Agreement and such failure is not rectified by our Company within 7 Market Days from our Company's receipt of the Sole Underwriter's written notice requesting rectification of such non-performance; or
 - (c) there is wilful withholding of information from the Sole Underwriter which is required to be disclosed pursuant to the Underwriting Agreement which, in the reasonable opinion of the Sole Underwriter, would have or can reasonably be expected to have, a Material Adverse Effect on the business or operations of our Group, the success of our IPO, or the distribution or sale of our IPO Shares; or
 - (d) there shall have occurred, or happened any Material Adverse Effect on the business or financial condition of our Group; or
 - (e) the Closing Date does not occur within 3 months from the date of the Underwriting Agreement, subject to the extension of Closing Date which is approved by the Sole Underwriter; or
 - (f) our Listing does not take place by 7 October 2023 or such other extended date as may be agreed in writing by the Sole Underwriter; or
 - (g) the occurrence of any *force majeure* event including, but not limited to any event or series of events beyond the reasonable control of the Sole Underwriter including (without limitation) acts of government, acts of God (including, without limitation, the occurrence of a tsunami and/or earthquakes), acts of terrorism, strikes, national disorder, declaration of a state of emergency, lock outs, fire, explosion, flooding, landslide, civil commotion, sabotage, acts of war, diseases or accidents which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance with its terms or which prevents the processing of applications and/or payments pursuant to our IPO or pursuant to the underwriting of the Underwritten Shares; or
 - (h) any material adverse change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or currency exchange rates or the occurrence of any combination of any of the foregoing which would materially prejudice our IPO; or
 - (i) any new law or change in law, regulation, directive, policy or ruling in any jurisdiction, interpretation or application by the court/authorities which has/likely to have Material Adverse Effect on our Group and/or materially prejudice the business or the operations of our Group, the success of our IPO or our listing on the Main Market of Bursa Securities or the conditions generally or which has or is likely to have the effect of making the Underwriting Agreement incapable of performance in accordance with its terms; or
 - (j) any imposition of moratorium, suspension or material restriction on trading of securities on Bursa Securities due to exceptional financial circumstances or otherwise; or

4. DETAILS OF OUR IPO (CONT'D)

- (k) any material adverse change in financial conditions to include stock market conditions and interest rates. For this purpose, a material adverse change in the stock market condition shall mean the FTSE Bursa Malaysia KLCI ("**Index**") has dropped 15.00% between the Index level on the date of the Underwriting Agreement and the Closing Date (both dates inclusive) at any point in time during the date of the Underwriting Agreement and the Closing Date; or
- (l) any government requisition or occurrence of any other nature which materially and adversely affect or will materially or adversely affect the business, operations and/or financial position or prospects of our Group or the success of our IPO; or
- (m) in the event that our Listing is withdrawn or not procured or procured but subject to conditions not acceptable to the Sole Underwriter; or
- (n) any of the resolutions or approvals in the Underwriting Agreement is revoked, suspended or ceased to have any effect whatsoever, or is varied or supplemented upon terms that would have or is reasonably likely to have a Material Adverse Effect; or
- (o) any commencement of legal proceedings or action against any member of our Group or any of our Directors, which in the opinion of the Sole Underwriter, would have or is reasonably likely to have a Material Adverse Effect or make it impracticable to market our IPO or to enforce contracts to allot and/or transfer our IPO Shares; or
- (p) any one of the Prospectus and the Application Forms (i) having terminated or rescinded in accordance with its terms; (ii) ceased to have any effects whatsoever, or (iii) varies or supplemented upon terms and such variation or supplementation would have or likely to have a Material Adverse Effect; or

which in the reasonable opinion of the Sole Underwriter, would have or can reasonably be expected to have, a Material Adverse Effect on, and/or materially prejudice the business or the operations of our Group, the success of our IPO, or our Listing or market conditions generally or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms.

For the avoidance of doubt, Material Adverse Effect shall mean any material adverse effect, whether individually or in the aggregate, and whether or not arising in the ordinary course of business, on any of the following:

- (a) the condition (financial or otherwise), contractual commitments, general affairs, management, business, assets, liquidity, liabilities, prospects, earnings, shareholders' equity, business undertakings, properties or results of operations of our Company and/or our Group;
- (b) the ability of our Company and/or Selling Shareholders to perform in any respect its obligations under or with respect to, or to consummate the transactions contemplated by the Prospectus, the placement mandate or the Underwriting Agreement;
- (c) the ability of our Company and/or our Group to conduct our businesses as described in this Prospectus; or
- (d) our IPO.

4. DETAILS OF OUR IPO (CONT'D)

4.9 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers or purchasers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in CDS accounts, either directly in their names or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective securities accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

Shares held in CDS accounts may not be withdrawn from the CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares are required to trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the 2nd Market Day following the transaction date, and payment for the securities is generally settled on the 2nd Market Day following the transaction date.

It is expected that our Shares will commence trading on Bursa Securities approximately 8 Market Days after the close of our IPO. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of book-entry transfer to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

5. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY OCCUR EITHER INDIVIDUALLY OR IN COMBINATION, AT THE SAME TIME OR AROUND THE SAME TIME) THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE. YOU SHOULD CAREFULLY CONSIDER THE RISKS AND INVESTMENT CONSIDERATIONS SET OUT BELOW ALONG WITH OTHER INFORMATION CONTAINED IN THIS PROSPECTUS BEFORE YOU MAKE YOUR INVESTMENT DECISION. IF YOU ARE IN ANY DOUBT AS TO THE INFORMATION CONTAINED IN THIS SECTION, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

5.1 RISKS RELATING TO THE BUSINESS AND OPERATIONS OF OUR GROUP

5.1.1 Our agreements to distribute and/or sell third party products are subject to risk that the agreements may not be renewed or could be terminated which may affect our financial performance

As at the LPD, we have subsisting agreements with brand owners as the Appointed distributor and Appointed retailer to sell golf equipment in Malaysia and/or Singapore and/or other countries for 19 out of our top 25 brands for FYE 2021 and FYE 2022. These brands include:

<-----Appointed distributor----->	<----Appointed retailer---->
<ul style="list-style-type: none"> • Calvin Klein Golf • Cutter & Buck • G/FORE • GIII • Honma • Majesty • Mizuno 	<ul style="list-style-type: none"> • ONOFF • Peter Millar • PGA Tour • PXG • TaylorMade • Wilson • Yamaha
	<ul style="list-style-type: none"> • Adidas • Cobra • Nike Golf • Puma Golf • Under Armour

Our distribution and/or retail rights for the abovementioned brands of products are secured through agreements entered into between our Group and the respective brand owners or their representatives for the sales and/or distribution of golf equipment in the countries and/or territories that are stipulated in the agreement. In this respect, we are obligated to meet certain commitments including, among others, minimum purchase requirements or annual sales targets, as well as comply with various conditions regarding our sales and distribution activities. In the event that we are unable to renew our agreement, it will affect our financial performance.

Furthermore, there is no assurance that these agreements will be renewed even if we meet the requirements and/or obligations as renewal is at the respective brand owners or their representatives' discretion. In the event our agreements are not renewed, we may not be able to retail or distribute the said products or we will need to source the said products from other Appointed distributors or resellers. If we source the said products from other Appointed distributors or resellers, we may not be able to secure terms that are comparable to those under our existing agreements which may adversely affect our business and financial performance. For the Financial Years Under Review and up to the LPD, we have not experienced any occurrence of our subsisting agreements with the brand owners not being renewed by the respective brand owners or their representatives, other than in cases where the lapse of the agreements is based on mutual agreement. As at the LPD, we sell 97 brands of golf equipment including golf clubs, golf balls and accessories and golf apparel.

Our revenue arising from the abovementioned 19 brands of golf equipment which we have subsisting agreements accounted for 59.56% (RM104.79 million), 60.78% (RM103.42 million), 71.86% (RM148.41 million) and 71.65% (RM215.58 million) of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively. As such, any disruptions or termination of the business relationships with the brand owners or their representatives, or any revocation of the rights for distribution/sales of the products may negatively affect our business operations and financial performance.

5. RISK FACTORS (CONT'D)

In addition, as an Appointed distributor and/or Appointed retailer, we are obligated to carry out the sales of goods in a specific market and/or territory that is stipulated in the agreement. If we fail to meet the obligations that are stipulated in the agreement, this may negatively impact our reputation, business operations and financial performance. During the Financial Years Under Review, we have exported golf equipment to customers outside of the territories defined in our agreements with the brand owners or their representatives. This was mainly arising from customers' sales orders that were previously placed with the sales team at our Singapore operations due to management oversight. These sales orders include one-off and recurring sales of various brands during the Financial Years Under Review. The revenue contribution from the said export sales collectively accounted for less than 5% during the Financial Years Under Review. There were no such sales orders placed with our Malaysia operations.

Pursuant to this, we have directed our Singapore sales personnel to cease all wholesale product sales outside of the regions covered by our agreements. In addition, we have also implemented measures to prevent re-occurrences of such sales in the future, such as requesting for management approval for any requests or sales made to clients outside of Singapore, and regularly briefing the Singapore sales team about such requests. Although we have informed our brand owners or their representatives of some of these past transactions and have been requested by them to discontinue such transactions, we may be exposed to potential liability and legal risks or any consequential events such as withdrawal of the rights for distribution or sales by the brand owners or their representatives.

We continue to maintain our business relationships with our brand owners and representatives and also continued to source the products from them up to the LPD. In the event of withdrawal or termination of agreements by the said brand owners and representatives, we will need to source the said products from other appointed distributors or resellers. If we source the said products from other appointed distributors or resellers, we may not be able to secure terms that are comparable to those under our existing agreements which may have an impact on our business operations and financial performance mainly our profitability.

There is no assurance that we would be able to maintain our business relationships if we are unable to fulfil our obligations or requirements as an Appointed distributor and/or Appointed retailer. For the Financial Years Under Review and up to the LPD, we did not encounter any withdrawal or termination of our distribution or sales agreements by brand owners or their representatives.

5.1.2 Our operations may be affected by changes in the conditions of the places where our outlets are located

The changes in conditions and factors affecting our Group's retail outlet operations include among others, ceasing of operations of the shopping malls, departmental stores, and golf and country clubs, changes in the tenancy mix and poor maintenance of the shopping malls and departmental stores which may lead to reduced patronage, and/or changes that may lead to unfavourable rental terms and conditions. In the event of any unfavourable changes in the conditions of the places where our outlets are located, this may affect the results of our business operations and financial performance.

As at the LPD, we have a total of 44 retail outlets in Malaysia and Singapore comprising 23 specialty stores, 19 pro shops and 2 departmental counters. In addition, we also have 2 indoor golf centres. Save for 2 of our retail outlets that we operate on our own premises, all of our other 42 retail outlets as well as 2 indoor golf centres are operated on rented premises including shop lots, commercial buildings, shopping malls, departmental stores (on consignment basis) as well as golf and country clubs and a driving range. Out of the 23 specialty stores, 16 outlets are located in shopping malls, 4 outlets are located in commercial buildings, 2 outlets are located in standalone shops and 1 outlet is located in a shop lot. In addition, our 2 indoor golf centres are located in shopping malls.

5. RISK FACTORS (CONT'D)

There is a risk that the shopping malls, departmental stores and golf and country clubs where we have retail presence may cease operation. As a result, we may be required to cease operation or to relocate our retail outlets which poses a risk that we may not find suitable alternative locations leading to loss of income. Furthermore, any compensation received may not be sufficient to cover our loss of income and this, in turn, may affect our earnings. During the Financial Years Under Review and up to the LPD, none of the places where our outlets are located have ceased operations. We may also be affected by changes in the tenancy mix and poor maintenance of the shopping malls, departmental stores and golf and country clubs which may lead to reduced patronage, therefore affecting our business.

As we rent most of our retail outlets and indoor golf centres, we are dependent on the respective landlords and we are subjected to rental terms and conditions, rental rates and tenancy periods imposed by the respective landlords. Upon expiry of the tenancy agreement, the landlords have the right to change the terms and conditions of the rental agreement including an increase in rental rates, requiring changes to the interior designs of the outlets or even decide not to renew the tenancy agreement. For the Financial Years Under Review, the revenue contribution per outlet of those operated from rented premises ranged from approximately 1% up to 13% of our total retail segment revenue.

With the exception of MST Golf – Suntec City and MST Golf – KLGCC Pro Shop with revenue contribution per outlet exceeding 10% of our total retail segment revenue during the Financial Years Under Review, the revenue contribution from all our other retail outlets at rented premises were immaterial as their respective revenue contributions were lower than 10% during the Financial Years Under Review.

The revenue contribution from MST Golf – Suntec City and MST Golf – KLGCC Pro Shop which operates from rented premises exceeds 10% of our total retail segment revenue during the Financial Years Under Review. In this respect, our Group is dependent on the landlords for the rented premises and we are exposed to the risks relating to non-renewal of the rental agreement, increases in rental rates, relocation of retail outlet within the same shopping mall, or the imposition of conditions which are unfavourable to us which in turn may have an adverse effect on our financial performance. As at the LPD, we have not encountered any adverse increase in rental rates or imposition of unfavourable conditions by the landlords of MST Golf – Suntec City and MST Golf – KLGCC Pro Shop since the commencement of the tenancy with the respective landlords.

5.1.3 **Our business is subject to the risk of foreign exchange fluctuations where we rely on the imports of golf equipment which exposes us to the risk of foreign exchange fluctuations or supply chain disruptions as well as revenue transacted in foreign currencies arising from export sales and sales transacted for our Singapore operations**

As a specialty golf retailer and wholesaler, we offer a wide range of golf clubs, golf balls and accessories, and golf apparel which are mainly imported goods. As a result of our reliance on imports of finished goods, we are exposed to the risk of foreign exchange fluctuations where 62.30%, 62.82%, 74.87% and 67.41% of our total purchases of input materials and services for FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively were transacted in foreign currencies, mainly USD. These imported goods are mainly for our retail and wholesale operations in Malaysia and Singapore where all the sales transacted through our retail operations in Malaysia are in RM, while the sales transacted through our retail operations in Singapore as well as exports of golf equipment to other foreign countries are mainly in SGD.

We regularly review the prices of our products which takes into consideration fluctuations in foreign exchange rates that may affect our purchase prices. We have experienced increase in costs arising from foreign exchange fluctuations. However, we commonly pass on to customers the increased purchase costs arising from any negative impact of foreign exchange rate movements. Nevertheless, there can be no assurance that we are able to pass all increases in costs to customers in a timely manner which may have an impact on our financial performance.

5. RISK FACTORS (CONT'D)

For the Financial Years Under Review, 32.11%, 25.42%, 41.15% and 33.61% of our revenue respectively were transacted in foreign currencies mainly SGD and USD. In addition, the functional currency translated in MST Golf Singapore's accounting system and financial statements are denominated in SGD. As such, any unfavourable and adverse changes in exchange rates between RM and foreign currencies such as SGD and USD would have a negative impact on our financial performance. The recent depreciation of RM against foreign currencies have resulted in the increase in product cost that we purchased. We continue to review the prices of our products due to the prevailing foreign exchange conditions including adjusting the selling prices to factor in the increase in product costs. In the event of sustained and significant depreciation of RM against foreign currencies where we are unable to pass on the increased product cost timely, this would have a negative impact on our financial performance.

For the FYE 2019 and FYE 2020, we had net gains on foreign currency exchange while we recorded a net loss in FYE 2021 and FYE 2022. Details of our foreign currency exchange gains and losses are set out below:

	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
Unrealised gain/(loss) on foreign exchange	101	224	(237)	312
Realised gain/(loss) on foreign exchange	270	112	(310)	(970)
Net gain/(loss) on foreign exchange	371	336	(547)	(658)

Please refer to Section 12.3.2(v) of this Prospectus for further details of the impact of foreign exchange.

In addition, any disruptions in supply chain of the golf equipment including golf clubs, golf balls and accessories, and golf apparel from imports such as disruptions in global supply chain arising from the COVID-19 pandemic may negatively affect our business operations. Please refer to Section 7.14.2 of this Prospectus for further details of the disruptions to supply chain. In the event of depletion of our inventory of imported golf equipment, it may affect our sales at retail outlets or for wholesale. Our reliance on imported golf equipment may expose us to the risks of sustained high shipping rates and other supply chain disruptions such as lockdown, closure of operations and port congestion of the country of origin of our suppliers.

5.1.4 We are dependent on a major supplier who is also a brand owner of golf equipment

For the Financial Years Under Review, we are dependent on Supplier A for our purchases which accounted for 20.15% (RM21.30 million), 23.61% (RM18.87 million), 33.72% (RM46.61 million) and 32.46% (RM57.15 million) of our total purchases of input materials and services for FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

Supplier A is a private company in the USA. We have been dealing with Supplier A's own brand of products for approximately 24 years since 1999 through the previous supplier before we were appointed as a distributor for the brand directly in 2018. We are the Appointed exclusive distributor of Supplier A's own brand of golf equipment comprising golf clubs, golf balls and accessories and golf apparel covering Malaysia and Singapore since 2018 and Indonesia since 2021. We have subsisting distributorship agreements with Supplier A which are valid till December 2023 and our dealings with Supplier A are based on these subsisting distributorship agreements. As at the LPD, there has not been any occurrence of breach by our Group or defaults claimed against our Group based on the terms and conditions of our subsisting distributorship agreements with Supplier A which may result in disruption or termination of our business relationship with Supplier A.

5. RISK FACTORS (CONT'D)

Supplier A's own brand is one of our top 25 brands with revenue contribution which ranges between approximately 16.26% and 29.19% for the Financial Years Under Review. In the event of any disruptions or termination of our business relationship with Supplier A, our business operations and financial performance may be adversely affected.

5.1.5 Our growth prospects may be limited if we are unable to effectively execute some of our business strategies and plans including risks associated with joint venture arrangements in foreign countries

Our business strategies and plans are focused on leveraging our key strengths and capitalising on our core competencies in retail operations of golf equipment in Malaysia and Singapore. Part of our strategy is to set up additional retail outlets and retail outlets with indoor golf centres in Malaysia and Singapore and expand into new geographical markets including Indonesia, Thailand and Vietnam to establish new golf retail outlets and indoor golf centres through joint venture arrangements with the respective local partners. Please refer to Section 7.19 of this Prospectus for further details of our business strategies and plans.

In this respect, we are subject to the risks associated with the joint venture arrangements for our expansion plans in foreign countries, among many others, including delays in finalisation of joint venture arrangements or cessation or termination of joint venture arrangements, or we may not be able or may need to delay implementation of this part of our business strategies and plans to open new outlets in new geographical markets, which may adversely affect our future business operations and financial performance.

The prospects and future growth of our business are dependent on our ability to implement and execute our strategies and plans effectively and promptly. There is a risk that we may not be able to achieve the timing and objectives of our business strategies and plans due to factors including, among others, if we are not able to secure desired locations for the outlets, or if we are not able to secure sufficient funding and/or bank borrowings in addition to the IPO proceeds, limitations in human resources or experience, regulatory changes, and delays due to reintroduction of COVID-19 pandemic containment measures or other epidemics or pandemics in the future.

We cannot provide any assurance that any of our business strategies and plans will be commercially successful or that we will be able to anticipate and mitigate the business and operational risks associated with our strategies and plans. In the event of any delays or failures in executing our business strategies or plans effectively, our future business growth or expected financial prospects or returns may be adversely affected.

5.1.6 Our business operations are subject to risks of security breaches or malfunction of IT and network systems or unintended human errors or careless actions

Our business operations depend on our IT and network systems including our ERP system, online platform and the telecommunications infrastructure that connects our retail outlets, our head office in Malaysia, office in Singapore, our warehouses and devices. Our ERP system is used for, among others, sales order processing, finance and accounting, inventory management, warehouse management, delivery system, retail outlet management and customer relationship management. Our online platform incorporating electronic payment facilitates online retail sales for our products. Our communications infrastructure includes our local area networks as well as third party wide area network and the internet.

In this respect, we are exposed to the risk of security breaches, malfunction, unavailability of third party services and wilful or otherwise damage to our IT and network systems and infrastructure, properties or assets. In addition, security breaches including, among others, eavesdropping, cyber-attacks, malicious codes, ransomware or other destructive or disruptive actions relating to our software, hardware, processing, communications and data, and our online platform may adversely affect our business operations and financial performance.

5. RISK FACTORS (CONT'D)

In the event of any occurrence of security breaches or malfunction of our IT and network systems, it may render our systems to be inoperable for some time or result in violation of applicable privacy laws, which could subject us to significant liabilities, losses or actions by regulators and legal suit, and could also harm our reputation and adversely affect our business operations and financial performance.

In June 2022, we encountered a ransomware attack that prevented us from accessing our server which housed our warehouse and inventory management systems. We immediately engaged third-party IT service providers to carry out the recovery process including applications reconfiguration and data restoration. The recovery process was completed in mid-August of 2022. The recovery process that took approximately 2 and a half months is not common for us as this was the first time that we encountered a ransomware attack.

Our retail operations were not impacted and the retail point-of-sale terminals were operating as normal. The cost incurred for services rendered by the third-party IT service providers was approximately RM31,000 to address the ransomware issue. In addition, our business operations and financial performance were not materially affected. Pursuant to the said incident, we have incorporated security measures including firewall protection and anti-virus features to prevent any similar ransomware attack in the future. We also have a data backup facility and disaster recovery site located at a third-party data centre in Kuala Lumpur, as well as a secondary disaster recovery site at a third-party data centre located in Cyberjaya, Selangor. In addition, we utilise third-party cloud services for data storage and connectivity between our head office and all our retail outlets in Malaysia and Singapore.

There can be no assurance that we are able to anticipate or implement adequate preventive measures against all security breaches, malfunction to our systems, human errors and/or careless actions, any of which would adversely impact our reputation, business operations and financial performance.

5.1.7 We are exposed to negative publicity

As we are principally a specialty retailer of consumer products, we are susceptible to any negative publicity regarding the quality of our services, and golf equipment that we retail, as well as the food and beverage that we offer at our indoor golf centres, as well as negative publicity arising from any disruption to our business operations such as relocation of outlets due to failure to obtain or maintain the required approvals, licences and permits, or if we are fined or convicted for non-compliance with applicable licensing requirements. Any change resulting in the unfavourable perception of our customers or any adverse publicity towards our brand names will affect our brand equity, hamper customers' confidence in our products and quality of services resulting in a reduction of patronage to our retail outlets and therefore, possibly adversely affecting our business operations and financial performance. During the Financial Years Under Review and up to the LPD, we have not encountered any negative publicity which affects our business operations.

5.1.8 We are exposed to the risk of theft, robbery or pilferage from our golf retail outlets, indoor golf centres as well as from our warehouse

We are primarily a specialty golf retailer where a considerable portion of our transactions are based on cash payment. In addition, our golf equipment comprises many high value items in particular, golf clubs where we may be subjected to pilferage and theft. As such, there is a risk of theft, robbery and/or pilferage of our cash and products which may materially affect our financial performance.

We also run the risk of theft, robbery or pilferage from our warehouse which contain a significantly higher volume of golf equipment compared to any one of our retail outlets.

5. RISK FACTORS (CONT'D)

While we have insurance to cover for theft, robbery and pilferage from all our retail outlets including specialty stores, pro shops and departmental counters, indoor golf centres as well as warehouse, there is no assurance that our insurance coverage will be sufficient to compensate us for the loss which may affect our financial performance. In the event that we make multiple insurance claims, it may increase our insurance premium which will affect our financial performance. During the Financial Years Under Review and up to the LPD, we have not encountered any theft, robbery or pilferage from our golf retail outlets, indoor golf centres as well as from our warehouse.

5.1.9 Our business operations are dependent on our Executive Directors and key senior management

Our business operations are dependent on the experience, knowledge and skills of our Executive Directors as well as key senior management for our specialty retail and wholesale golf equipment business. Our Executive Directors include Low Kok Poh (Executive Chairman) who is responsible for managing our Group's public relations and business development via establishing business and marketing networking, and maintaining our Group's business relationships with the brands, customers and suppliers, Ng Yap Sio (Executive Director/Group Chief Executive Officer) who is responsible for the overall performance, management, business strategies and growth of our Group, and Ng Lian Chun (Executive Director) who is responsible for corporate affairs and development of our Group.

Our Executive Directors are supported by our key senior management team including Yong Wai Chien (Chief Operating Officer), Heng Kok Wee (Chief Financial Officer), Tan Chia Loon (Senior Manager - Marketing), and James Pang Yun Ming (Executive Director of MST Golf Singapore). The loss of services from any of our Executive Directors or key senior management without any suitable and timely replacement may adversely affect our business operations and financial performance. Please refer to Sections 9.1.2, 9.2.2 and 9.4.4 of this Prospectus for the profiles of our Executive Directors and key senior management.

5.1.10 We may face risks of non-compliance with land laws, rules and regulations for our owned properties and our tenanted properties

In the course of our business operations, we are required to ensure that the properties owned or rented by our Group for our business operations comply with the NLC, TCPA 1976, SDBA 1974, UBBL 1984, BO 1994 and the relevant by-laws issued pursuant thereto which regulate among others, the occupation of buildings and uniformity of local government matters relating to street, drainage and buildings. Please refer to Section 7.25.1(v) of this Prospectus for a description of the relevant land laws, rules and regulations relating to the properties which we own, rent and occupy.

Tenanted properties

In respect to our tenanted properties, we are not in a position to ascertain if our landlords have complied with all applicable land laws, regulations and rules. As such, we are susceptible to the risks of fines and penalties of any non-compliance of applicable land laws, regulations and rules to such extent it affects us as occupiers of the tenanted properties.

Save for 2 of our retail outlets, all of our retail outlets as well as indoor golf centres are operated on rented premises. As at the LPD, all of our Group's rented properties have been issued with the required CF or CCC and the Singapore equivalent Certificate of Statutory Completion, save for 1 rented property in Malaysia as a copy of the CF or CCC has not been made available to us by the landlord of the property. Please refer to Section 7.23.3 of this Prospectus for further details of the status of compliance of our rented properties with the CF or CCC requirements.

5. RISK FACTORS (CONT'D)

Although our Group has not experienced any penalties or enforcement action from the relevant authorities for occupying the abovementioned rented property without a CF or CCC, there is no assurance that we will not be subject to any enforcement action in the future. Therefore, there can be no assurance that we will not be subject to any penalties or fines as an occupier of such properties or spaces. Even if the fines and penalties for any breach of laws in respect of the properties are incurred and paid for by our landlords, we may be required to indemnify the landlords against such fines and penalties to the extent such breach is caused by us as tenants in accordance with the tenancy agreements that we entered into in respect of such properties. These fines, penalties and any indemnification may materially and adversely affect our business, financial condition and results of operations.

For non-compliances, though we may request our landlords, in our capacity as tenants, to procure the CF or CCC, or rectify any non-compliance of the category of land use and/or express condition or approved use of land on which the tenanted properties are located, we are unable to guarantee that we will succeed in doing so or that the non-compliances may be rectified in a timely manner. As such, if there is any disruption to the operations and business of the affected retail outlets, indoor golf centres or golf academy, or in the event we need to relocate the affected retail outlet, indoor golf centre or golf academy, our business operations, sales and financial performance may be materially and adversely affected.

Owned properties

In relation to the properties which we own, as the property owner, similarly we are required to maintain and upkeep compliance of our properties and our use of properties with the NLC, TCPA 1976, SDBA 1974, UBBL 1984 and the applicable by-laws. As at the LPD, MST Golf Malaysia is carrying out an ongoing regularisation exercise for MST Golf Plaza (a property owned by MST Golf Malaysia which houses our head office, warehouse, and retail outlets) to comply with the applicable land laws, building regulations and by-laws. The ongoing regularisation exercise involves applications to MBSJ for among others, a planning permission to allow for use of a warehouse space as retail space, which is now rented out to Sports Direct Malaysia. Subsequent to the LPD, MST Golf Malaysia has on 7 June 2023 received the planning permission from MBSJ, which is effective from 23 February 2023 to 31 December 2025. MST Golf Malaysia is required to renew the planning permission 3 months prior to the expiry date. The approval allows the Sports Direct retail outlet area to be used for purposes of showroom and retail space for sports equipment. In addition to the planning permission application, a building plan application was also submitted to MBSJ as part of the ongoing regularisation exercise and is still in the midst of processing as at the LPD. The estimated timeframe for issuance of the building plan approval is July 2023, subject to the approval being granted by MBSJ. Please refer to Section 7.23.1 of this Prospectus for further details of the status of compliance of our MST Golf Plaza with the land laws, rules and regulations.

As at the LPD, the estimated costs for the regularisation exercise anticipated to be incurred is approximately RM0.30 million. If we are unable to renew the planning permission approval obtained (valid from 23 February 2023 to 31 December 2025), we would not be able to continue to rent out the space as retail space and this would result in a loss of rental income for our Group.

For the Financial Years Under Review and up to the LPD, the rental amounts are set out below:

Details	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	1 January 2023 up to the LPD RM'000
Rental received from the rented area	648	429	464	648	270
	(6.34% of our Group's PAT for the FYE 2019)	(3.13% of our Group's PAT for the FYE 2020)	(2.31% of our Group's PAT for the FYE 2021)	(2.23% of our Group's PAT for the FYE 2022)	

5. RISK FACTORS (CONT'D)

We do not expect the abovementioned non-compliance to materially and adversely affect our Group's business operations and financial condition as:

- (i) the contribution from the rental of the Sports Direct retail outlet to Sports Direct Malaysia to our Group's PAT for the Financial Years Under Review is minimal;
- (ii) our Group has taken remedial actions by obtaining the planning permission and submitting the updated building plan of MST Golf Plaza to the relevant authorities to rectify the non-compliances; and
- (iii) save for a compound of RM5,000 due to the contravention of section 70(11) of the SDBA 1974 arising from alterations made to the building without the prior written permission of MBSJ and the aggregate additional application fees of RM28,281 for the building plan and planning permission application imposed by MBSJ, which has been fully paid as at the LPD, our Group has not been subject to any penalties or enforcement action from the relevant authorities in relation to non-compliances arising from the use of the land and premises as retail outlets located at MST Golf Plaza. Please refer to sub-paragraph (iii) of Note (1) of Section 7.23.1 of this Prospectus for further details of the compound and additional application fees imposed by MBSJ.

Notwithstanding the above, we are unable to assure you that we will not be subject to any enforcement action in the future and if there is any such enforcement action, that we will not experience any adverse impact on our financial condition or business operations.

In the event that MST Golf Malaysia is subject to enforcement notices, penalties or enforcement actions, the potential maximum monetary penalties applicable for the non-compliance in relation to MST Golf Plaza would be not less than RM500 and in the case of continuing breach, a further fine of not less than RM100 each day during which the non-compliance continues pursuant to the NLC, not exceeding RM500,000 and subject to additional daily fines which may extend to RM5,000 for each day during which the offence continues after the first conviction for the offence pursuant to the SDBA 1974, not exceeding RM25,000 and additional daily fines not exceeding RM500 for continuing offences after conviction pursuant to the TCPA 1976.

Please refer to Section 7.25.1(v) of this Prospectus for a description of the relevant land laws, rules and regulations relating to the properties which we own, rent and occupy; Section 7.23.3 of this Prospectus for further details of the status of compliance of our rented properties with the CF or CCC requirements; and Section 7.23.1 of this Prospectus for further details of the status of compliance of our MST Golf Plaza with the land laws, rules and regulations.

5.1.11 We are subject to risks of legal, employment, consumer claims and other disputes arising from our business operations

We are subject to risks of legal, employment, consumer claims, public liability claims and other disputes arising from our business operations. As we are principally a specialty retailer of consumer products, we may be subject to consumer claims in the case of sale of substandard or defective products to such extent we are unable to resolve the defect with our supplier such as in instances where the defect is unable to be resolved via repairs or replacement or one-to-one exchange products are not able to be secured for the consumer. We may also be subject to consumer claims arising from unsatisfactory quality of our services. We also offer food and beverages at our indoor golf centres. As such, we are subject to risks of food contamination and deterioration, which are inherent risks to food and beverage outlet operators.

Litigation or dispute resolution processes arising from these claims may be costly and time consuming. Due to the vagaries of litigation and dispute resolution proceedings, we are also unable to guarantee that the outcome of any such dispute resolution will be in our favour. If the outcome of dispute resolution is against us, we cannot assure you that we will have sufficient funds or be in a position to make sufficient provisions for such liabilities. We are also unable to assure you that our insurance coverage taken up would be adequate to mitigate any adverse impact to our financial condition arising from such liabilities.

5. RISK FACTORS (CONT'D)

As a result of the abovementioned claims, we may also be exposed to the risk of revocation, suspension or non-renewal of our business licences by the authorities. As such, these claims may materially and adversely affect our reputation, business, future growth and expansion, and financial performance.

Hence, any legal, employment, consumer, public liability claims and other disputes arising from our business operations may have a material adverse effect on our business, financial performance and results of operations. For the Financial Years Under Review and up to the LPD, our Group has not been subject to such claims which resulted in a material adverse effect on our business operations and financial performance.

5.1.12 Our business is subject to inventory risks associated with obsolescence or inventory accumulation arising from the minimum purchase requirements from our suppliers

We are subject to inventory risks associated with obsolescence in relation to changes in consumer preference in product designs, specifications and/or colour, or inventory accumulation arising from the minimum purchase requirements from our suppliers. In general, we maintain a certain level of inventory as part of our inventory management to ensure stock availability at our warehouse to replenish stocks at our retail outlets as well as for wholesale purposes. For pre-seasonal procurement of golf equipment, the brand owners commonly launch new products twice a year and we commonly place orders 6 to 10 months ahead. In addition, there is a minimum order quantity required when we place orders with brand owners. During the Financial Years Under Review, our average inventory turnover period ranged between 182 days and 203 days.

As at 31 December 2022, our total inventories were RM113.57 million, mainly comprising golf clubs (54.73%, RM62.16 million), golf balls and accessories (27.93%, RM31.72 million), golf apparel (17.17%, RM19.50 million) of our total inventory.

As the value of our inventory is high, we are exposed to the risks of write-down or higher holding costs of inventory if our stocks remain unsold for an extended period of time. This could adversely affect our financial performance and working capital arising from write-down and higher inventory holding costs. For the Financial Years Under Review, the allowance for slow moving inventories (also known as inventory written down) accounted for 0.33% (RM0.21 million), 0.19% (RM0.09 million), 0.37% (RM0.27 million) and 1.25% (RM1.42 million) of our total inventories for FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively. Further, there was no inventory written off for the Financial Years Under Review.

As at the LPD, we have subsisting agreements for 19 out of the top 25 brands for the FYE 2021 and FYE 2022 and we have a minimum purchase value per brand ranging from approximately RM0.20 million to RM50.00 million per year for 12 brands, and a minimum purchase quantity of 200 pieces of golf accessories and 120 pieces of golf apparel per year for 1 brand. The remaining 6 brands do not have any minimum purchase requirements. Generally, the minimum purchase requirement is a commercial term in the agreement where the purchase value is discussed from time-to-time in consultation with the brand owners or their representatives. Depending on the commercial terms entered into, we may be entitled to additional rebate or discounts if the minimum purchase requirement is met. In the event we do not meet the minimum purchase requirement and fail to agree with the brand owners or their representatives on the lower purchase value, we are subject to the risk that the brand owners may revoke the rights for distribution such as withdrawing the exclusive nature of the distributorship or terminate the agreement. As at the LPD, we have not encountered any dispute with our suppliers on the minimum purchase requirements stipulated in the agreements. Please refer to Section 5.1.1 of this Prospectus for further details of the risks of non-renewal or termination that our agreements.

Although we have recorded a positive operating cash flow for the Financial Years Under Review, there can be no assurance that stock obsolescence and accumulation would not adversely affect our financial performance in the future.

5. RISK FACTORS (CONT'D)

5.1.13 There is no assurance that our insurance coverage would be adequate

We maintain general insurance policies where practicable, covering both our assets and employees in line with general business practices as well as public liabilities, with policy specifications and insured limits which we believe are reasonable. As at the LPD, our Group's material insurance coverage are set out below:

Material insurance coverage	Aggregate coverage amount RM'000
Fire and fire consequential loss	220,467
Public liability	47,524
Contractors' all risks and workmen's compensation	25,345
Burglary	6,470
Product liability	2,000
Directors and officers liability	2,000
Money insurance	2,931
Motor vehicles	976
Others ⁽¹⁾	1,082

Note:

- (1) Including all risks, equipment all risks, plate glass insurance and fidelity guarantee insurance.

However, if the amount of such claims exceeds the coverage of general insurance policies which we have taken up, we may be liable for shortfalls in the amounts claimed. In such events, our financial position will be adversely and materially affected. For the Financial Years Under Review and up to the LPD, there has not been any claim which has exceeded the coverage of our general insurance policies.

Although we have taken the necessary steps to ensure that our assets are adequately insured, there can be no assurance that our insurance coverage would be adequate to compensate for the replacement costs of the assets or any consequential losses arising thereof.

5.1.14 Our business operations and financial performance may be affected by a prolonged or resurgence of COVID-19 pandemic or emergence of other epidemics or pandemics

We face risks of any prolonged epidemics or pandemics that affect our retail, wholesale, golf related services and indoor golf centre operations. These risks may include temporary closure of our business operations and drop in the patronage of our retail outlets, inability to operate at full capacity for our golf related services and indoor golf centre operations, and delays in receiving shipments as well as delivering goods. All these may negatively affect our business and financial performance.

Malaysia operations

The outbreak of COVID-19 had affected our business operations. Between March 2020 and 2021, there were several MCO measures implemented including full and partial lockdown containment measures and restrictions imposed. Generally, our business was impacted due to the containment measures where we temporary closed all our operational facilities including our office and warehouse, as well as our retail outlets for 47 days during the MCO period between 18 March 2020 and 3 May 2020, as well as during the various MCO periods in FYE 2020 and FYE 2021. Our business operations including retail and wholesale operations in Malaysia were either suspended or were operating below full capacity. The interruptions in business operations adversely affected our business operations and financial performance in Malaysia where our revenue from our Malaysia operations declined by 33.43% in the 2nd quarter of FYE 2020, where revenue declined from RM25.69 million in the 1st quarter of FYE 2020 to RM17.10 million in the 2nd quarter of FYE 2020 during the MCO period in FYE 2020. In FYE 2021, our revenue declined by 4.14% from RM127.39 million in FYE 2020 to RM122.11 million in FYE 2021. Please refer to Section 7.14.3 of this Prospectus for further details of the impact of COVID-19 on our financial performance.

5. RISK FACTORS (CONT'D)

Singapore operations

The Singapore government implemented the Circuit Breaker Measures from 7 April 2020 to 1 June 2020 where only "essential services" were allowed to operate. Subsequently, the country embarked on a 3-phased approach to gradually resume economic activities commencing 2 June 2020. During the circuit breaker period, we were required to temporarily close all our operational facilities including our office and warehouse, as well as our retail outlets. Subsequently, we resumed operations and reopened our retail outlets on 19 June 2020 under phase 2 of the reopening where retail businesses were allowed to resume operations. The interruptions in business operations adversely affected our business operations and financial performance in Singapore where our revenue from our Singapore operations declined by 80.92% in the 2nd quarter of FYE 2020, where revenue declined from RM11.29 million in the 1st quarter of FYE 2020 to RM2.16 million in the 2nd quarter of FYE 2020 during the circuit breaker period. Please refer to Section 7.14.3 of this Prospectus for further details of the impact of COVID-19 on our financial performance.

5.2 RISKS RELATING TO OUR INDUSTRY

5.2.1 Competition from the used and/or counterfeit golf equipment market

Our business is involved in the sales of new golf equipment comprising golf clubs, golf balls and accessories and golf apparel. We face risk of competition from the used and/or counterfeit golf equipment market mainly from used golf clubs and golf balls mainly due to their lower prices. In the event of any unfavourable economic conditions, decline in disposable income or changes in consumer behaviour, potential buyers may be encouraged to look for used and/or counterfeit golf equipment, which is priced lower than new golf equipment. In this respect, competition from used and/or counterfeit golf equipment may affect demand for new golf equipment which in turn would affect operators including retailers and wholesalers of new golf equipment.

5.2.2 Consumer preferences and spending habits

Golf equipment is not deemed as an essential product and is generally a consumer product and recreational that are subject to consumers' discretionary purchases. In this respect, the purchases of golf equipment are subject to consumer behaviour, preferences, trends and style and spending habits which may be affected by economic conditions, changes in the level of disposable income, spending alternatives, as well as product substitutions and differentiation including branding, quality and pricing. As such, our business operations and financial performance may be affected by the unpredictable nature of consumer spending, depending on, among others, our ability to meet customers' preferences and tastes, and understand customers' spending behaviour. In the event of any unfavourable or uncertain economic conditions such as adverse foreign exchange rates for the RM that may result in increases in the prices of golf equipment that are mainly imported and denominated in USD, inflation and unemployment rate, this may affect consumer spending habits where consumers may reduce or postpone purchases which will affect the performance of the golf equipment industry. This could in turn affect the business operations and financial performance of operators within the industry including retailers and wholesalers of golf equipment.

As a specialty golf retailer and wholesaler, our revenue is generated mainly from the sales of golf clubs and golf balls and accessories which accounted for 73.18% (RM128.76 million), 78.27% (RM133.17 million), 79.48% (RM164.14 million) and 75.54% (RM227.29 million) of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively. Meanwhile, the sales of golf apparel accounted for 21.77% (RM38.30 million), 17.70% (RM30.13 million), 17.91% (RM36.99 million) and 20.41% (RM61.40 million) of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

5. RISK FACTORS (CONT'D)

In addition, we experience higher sales during our promotion events such as mid-year sales, year-end stock clearance sales, annual golf festival "Golfest" and member rewards week. Thus, if consumers make more purchases during our promotional period and subsequently reduce their purchases during non-promotional periods, this could have an impact on our financial performance.

We are a multi-brand specialist retailer of golf equipment where we sell approximately 12,000 SKU and approximately 97 brands of golf equipment with different price points. If consumers choose brands and products with lower margins, this might cannibalise our higher margin brands and products, which could have an impact on our financial performance including the sustainability of our profit level.

As such, our business operations and financial performance may be affected by the unpredictable and changing nature of consumer spending which is dependent on, among others, our ability to meet consumer preferences and tastes, and social and economic factors.

5.2.3 The demand for golf equipment is affected by golf participation levels pertaining to the number of golfers and how active they are

The demand for golf equipment as a consumer product is affected by the number of people taking up the sports and actively playing the sports. These are influenced by the ease and cost of accessing golfing facilities such as golf and country clubs and golf courses. In addition, relative to other sports, golf is relatively expensive from the perspective of equipment ownership to play the sports. All these impacts on the number of participants in golf related activities which affects the sustainability of operators and growth in the industry.

5.2.4 We are subject to economic, social, political and regulatory risks in the countries that we operate including Malaysia and Singapore, as well as other foreign countries we intend to set up retail operations

Any adverse changes in the political, social, economic and regulatory conditions in Malaysia and Singapore and other foreign countries we may set up operations could have a negative impact on our business operations and financial performance. We are also susceptible to the risk of local epidemics or pandemics where we may face business interruptions including, among others, temporary suspension of our retail and wholesale activities. Please refer to Section 7.14 of this Prospectus for further details of the impact of the COVID-19 pandemic to our Group.

Changes in the political, social, economic, fiscal and regulatory conditions could arise from, among others, changes in political leadership, risks of war or civil unrest, changes in import tariffs and related duties, and conditions governing licensing, registrations and permits to conduct business. Similarly, any local, regional or global economic downturn would also affect overall business conditions, consumer confidence, as well as investments, which would subsequently affect the demand for our golf equipment. As such, there can be no assurance that any adverse political, social, economic, fiscal and regulatory developments or outbreak of diseases which are beyond our control, will not materially affect our business operations and financial performance.

5. RISK FACTORS (CONT'D)

5.3 RISKS RELATING TO INVESTING IN OUR SHARES

5.3.1 There has been no prior market for our Shares

Prior to the IPO, there has been no public market for our Shares. Hence, there is no assurance that upon Listing, an active market for our Shares will develop, or, if developed, that such market can be sustained. The IPO Price was determined after taking into consideration various factors including but not limited to our business strategies and our financial and operating history.

There can be no assurance that the IPO Price will correspond to the price at which our Shares will trade on the Main Market of Bursa Securities upon our Listing and the market price of our Shares will not decline below the IPO Price.

5.3.2 Our Share price and trading volume may be volatile

The performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiment is also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our listed Shares.

In addition, the market price of our Shares may be highly volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

- (i) variations in our results and operations;
- (ii) success or failure in our management team in implementing business and growth strategies;
- (iii) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (iv) changes in conditions affecting the industry, the prevailing local and global economic conditions or stock market sentiments or other events or factors;
- (v) additions or departures of key senior management;
- (vi) fluctuations in stock market prices and volumes; or
- (vii) involvement in litigation.

5.3.3 Our Promoters will be able to exert significant influence over our Company as they will continue to hold majority of our Shares after the IPO

As disclosed in Section 9.1.1 of this Prospectus, our Promoters, both directly and indirectly will collectively hold in aggregate 69.91% of our enlarged number of issued Shares upon Listing. As a result, they will be able to, in the foreseeable future, effectively control the business direction and management of our Group as well as having voting control over our Group and as such, will likely influence the outcome of certain matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law and/or by the relevant guidelines or regulations.

For instance, if our Promoters vote in favour of ordinary resolutions which require a simple majority approval, their vote will result in the ordinary resolutions being passed. If our Promoters vote in favour of special resolutions which require a majority of at least 75% shareholders' approval, they will be able to influence the passing and approval of these resolutions at a general meeting. Conversely, if our Promoters vote against such resolutions, such resolutions would not be able to be passed.

5. RISK FACTORS (CONT'D)

5.3.4 There may be a potential delay in or cancellation of our Listing

The occurrence of any one or more of the following events, which is not exhaustive, may cause a delay in or cancellation of our Listing:

- (i) our Sole Underwriter exercising their rights pursuant to the Underwriting Agreement to discharge themselves from its obligations thereunder;
- (ii) the revocation of approvals from the relevant authorities for our Listing and/or Admission for whatever reason; or
- (iii) we are unable to meet the public shareholding spread requirement of the Listing Requirements, i.e. at least 25.00% of our enlarged number of issued Shares for which listing is sought must be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each at the point of our Listing.

Where prior to the issuance and allotment of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and our Company and the Selling Shareholders, shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which the Company and Selling Shareholders shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- (ii) our Listing is aborted, investors will not receive any of our IPO Shares, all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

Where subsequent to the issuance and allotment and transfer of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue or transfer of our IPO Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, the Company and Selling Shareholders shall be liable to return such monies with interest at the rate of 10.00% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by either:
 - (a) the sanction of our shareholders by special resolution in a general meeting, consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or
 - (b) the sanction of our shareholders by special resolution in a general meeting supported by a solvency statement from our directors.

6. INFORMATION ON OUR GROUP

6.1 OUR COMPANY

6.1.1 History and background

Our Company was incorporated in Malaysia under the Companies Act, 1965 on 13 May 1993 as a private limited company under the name of Adat Semarak Sdn Bhd and is deemed registered under the Act. On 31 December 1998, we changed our name to Planet Golf Sdn Bhd and subsequently on 2 May 2001, we further changed our name to M S T Golf (Asia) Sdn Bhd. On 4 November 2022, we changed our name to MST Golf Group Sdn Bhd. On 23 November 2022, we were converted into a public limited company and assumed our present name.

Our Company is principally an investment holding company.

Please refer to Section 6.3 of this Prospectus for further details of the principal activities of our Subsidiaries.

6.1.2 Pre-IPO Reorganisation Exercise

In conjunction with, and as an integral part of our Listing, our Company has undertaken the Pre-IPO Reorganisation Exercise prior to our IPO and Listing, details of which are set out below:

6.1.2.1 Capitalisation of amount owing to All Sportz

As at 30 June 2022, our Company had an outstanding amount of RM40,327,091 owing to our holding company, All Sportz. On 21 October 2022, our Company had implemented the capitalisation of RM32,000,000 of the outstanding amount via the issuance of 32,000,000 new Shares and the remaining balance of RM8,327,091 was settled in cash on 22 December 2022.

The Capitalisation was completed on 21 October 2022 and the issued share capital of our Company increased from RM100,000 comprising 100,000 Shares to RM32,100,000 comprising 32,100,000 Shares.

The shareholdings of All Sportz in our Company before and after the Capitalisation is set out below:

	<-----Before Capitalisation----->				<-----After Capitalisation----->			
	<-----Direct----->		<----Indirect----->		<-----Direct----->		<----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
All Sportz	100,000	100.00	-	-	32,100,000	100.00	-	-

6.1.2.2 Subdivision of Shares

Our Company had on, 21 October 2022, after the Capitalisation, implemented a subdivision of shares of every 1 existing Share into 20 subdivided Shares.

The Subdivision of Shares was completed on 21 October 2022 and the issued share capital of our Company was RM32,100,000 comprising 642,000,000 Shares.

The shareholdings of All Sportz in our Company before and after the Subdivision of Shares is set out below:

	<----Before Subdivision of Shares----->				<-----After Subdivision of Shares----->			
	<-----Direct----->		<----Indirect----->		<-----Direct----->		<--Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
All Sportz	32,100,000	100.00	-	-	642,000,000	100.00	-	-

6. INFORMATION ON OUR GROUP (CONT'D)

6.1.2.3 Distribution of our Company's shares by way of dividend-in-specie to shareholders of All Sportz

All Sportz had on, 15 November 2022, after the Subdivision of Shares, implemented the distribution of 214,000,000 Shares by way of dividend-in-specie to shareholders of All Sportz. The Distribution represents approximately 33.33% of the total Shares held by All Sportz in our Company.

The shareholders of All Sportz and their respective shareholdings in our Company after the Distribution is set out below:

	<-----Before Distribution----->				<-----After Distribution----->			
	<-----Direct----->		<--Indirect-->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
All Sportz	642,000,000	100.00	-	-	428,000,000	66.67	-	-
Ng Yap Sio	-	-	-	-	85,600,000	13.33	428,000,000 ⁽²⁾	66.67
Low Kok	-	-	-	-	42,800,000	6.67	428,000,000 ⁽²⁾	66.67
Poh								
Ng Lian Chun	-	-	-	-	25,680,000	4.00	-	-
Dato' Ng Lian Heng	-	-	-	-	25,680,000	4.00	-	-
Ng Kong Hook	-	-	-	-	17,120,000	2.67	-	-
Ng Lian Lu	-	-	-	-	17,120,000	2.67	-	-
Total	642,000,000	100.00			642,000,000	100.00		

Notes:

- (1) Computed based on our number of issued Shares of 642,000,000 Shares after the Subdivision of Shares.
- (2) Deemed interested by virtue of his shareholdings in All Sportz pursuant to Section 8(4) of the Act.

6.1.2.4 Acquisitions

Our Company had entered into the MST Golf Singapore Share Sale Agreement and the MST Golf Management Share Sale Agreement for the Acquisition of MST Golf Singapore and Acquisition of MST Golf Management. The details of the Acquisitions are set out below:

(i) Acquisition of MST Golf Singapore

Our Company had on 4 November 2022, entered into the MST Golf Singapore Share Sale Agreement with James Pang Yun Ming (as supplemented by a supplemental letter dated 14 December 2022) for the acquisition of 312,000 ordinary shares in MST Golf Singapore, representing the remaining 24.00% equity interest in MST Golf Singapore for a total purchase consideration of RM7,458,925, fully satisfied via the issuance of 18,192,500 new Shares at an issue price of RM0.41 per Share.

The purchase consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the audited NA of MST Golf Singapore as at 31 December 2021 of RM31,078,773. The Acquisition of MST Golf Singapore was completed on 30 November 2022.

6. INFORMATION ON OUR GROUP (CONT'D)

The effects of the Acquisition of MST Golf Singapore on the shareholdings in our Company are set out below:

Shareholders	<---Prior to the Acquisition of MST Golf Singapore--->		<----After the Acquisition of MST Golf Singapore--->	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾
All Sportz	428,000,000	66.67	428,000,000	64.83
Ng Yap Sio	85,600,000	13.33	85,600,000	12.97
Low Kok Poh	42,800,000	6.67	42,800,000	6.48
Ng Lian Chun	25,680,000	4.00	25,680,000	3.89
Dato' Ng Lian Heng	25,680,000	4.00	25,680,000	3.89
Ng Kong Hook	17,120,000	2.67	17,120,000	2.59
Ng Lian Lu	17,120,000	2.67	17,120,000	2.59
James Pang Yun Ming	-	-	18,192,500	2.76
Total	642,000,000	100.00	660,192,500	100.00

Notes:

- (1) Computed based on our total number of issued Shares of 642,000,000 Shares after the Subdivision of Shares.
- (2) Computed based on our total number of issued Shares of 660,192,500 Shares after the Acquisition of MST Golf Singapore.

(ii) Acquisition of MST Golf Management

Our Company had, on 4 November 2022, entered into the MST Golf Management Share Sale Agreement with Paul Edward Gibbons (as supplemented by a supplemental letter dated 14 December 2022) for the acquisition of 30,000 ordinary shares in MST Golf Management, representing the remaining 30.00% equity interest in MST Golf Management for a total purchase consideration of RM277,201, fully satisfied via the issuance of 676,100 new Shares at an issue price of RM0.41 per Share.

The purchase consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the audited NA of MST Golf Management as at 31 December 2021 of approximately RM923,957. The Acquisition of MST Golf Management was completed on 30 November 2022.

The effects of the Acquisition of MST Golf Management on the shareholdings in our Company are set out below:

Shareholders	<-----Prior to the Acquisition of MST Golf Management----->		<----After the Acquisition of MST Golf Management----->	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾
All Sportz	428,000,000	64.83	428,000,000	64.76
Ng Yap Sio	85,600,000	12.97	85,600,000	12.95
Low Kok Poh	42,800,000	6.48	42,800,000	6.48
Ng Lian Chun	25,680,000	3.89	25,680,000	3.89
Dato' Ng Lian Heng	25,680,000	3.89	25,680,000	3.89
Ng Kong Hook	17,120,000	2.59	17,120,000	2.59
Ng Lian Lu	17,120,000	2.59	17,120,000	2.59
James Pang Yun Ming	18,192,500	2.76	18,192,500	2.75
Paul Edward Gibbons	-	-	676,100	0.10
Total	660,192,500	100.00	660,868,600	100.00

6. INFORMATION ON OUR GROUP (CONT'D)

Notes:

- (1) Computed based on our total number of issued Shares of 660,192,500 Shares after the Acquisition of MST Golf Singapore.
- (2) Computed based on our total number of issued Shares of 660,868,600 Shares after the Acquisition of MST Golf Management.

Upon completion of the Pre-IPO Reorganisation Exercise, the issued share capital of our Company increased from RM32,100,000 comprising 642,000,000 Shares to RM39,836,126 comprising 660,868,600 Shares.

6.1.3 Share capital

As at the LPD, our issued share capital is RM39,836,126 comprising 660,868,600 MST Golf Shares.

Our Company does not have any treasury shares as at the LPD.

The changes in the issued share capital of our Company for the Financial Years Under Review and up to the LPD are set out below:

Date of allotment	No. of Shares allotted	Consideration	Cumulative no. of Shares	Cumulative issued share capital RM
21 October 2022	32,000,000 ⁽¹⁾	Otherwise than cash	32,100,000	32,100,000
21 October 2022	609,900,000 ⁽²⁾	-	642,000,000	32,100,000
30 November 2022	18,868,600 ⁽³⁾	Otherwise than cash	660,868,600	39,836,126

Notes:

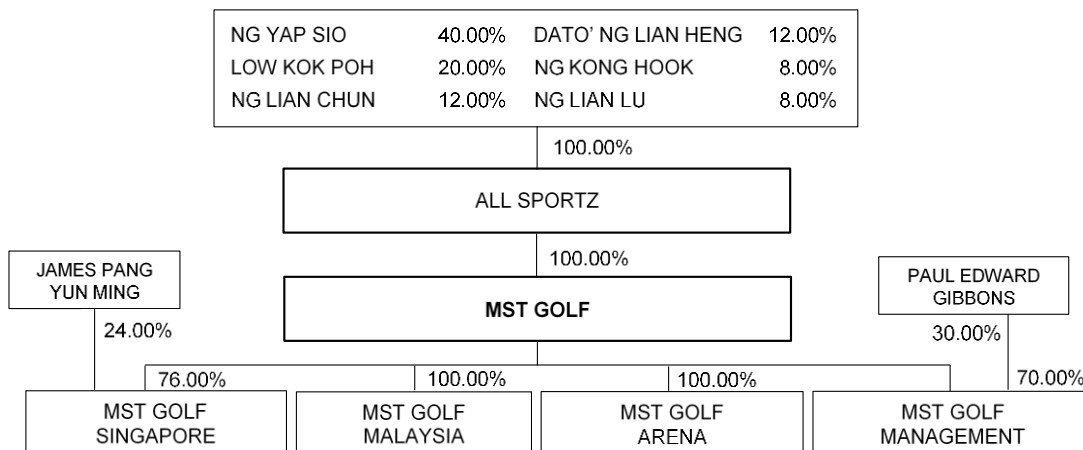
- (1) Issued pursuant to the Capitalisation.
- (2) Issued pursuant to the Subdivision of Shares.
- (3) Issued pursuant to the Acquisition of MST Golf Singapore and Acquisition of MST Golf Management.

6.2 OUR GROUP STRUCTURE

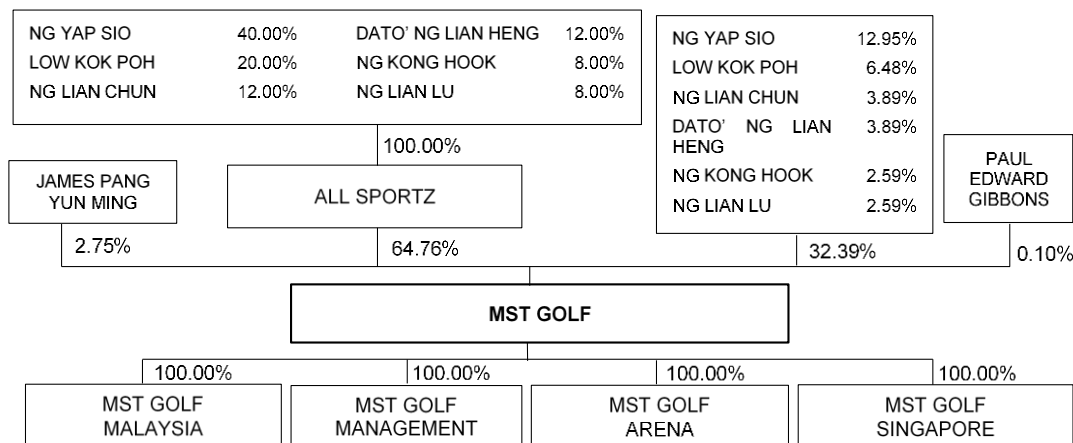
Our corporate group structure before and after the Pre-IPO Reorganisation Exercise and after our IPO is set out in the following page.

6. INFORMATION ON OUR GROUP (CONT'D)

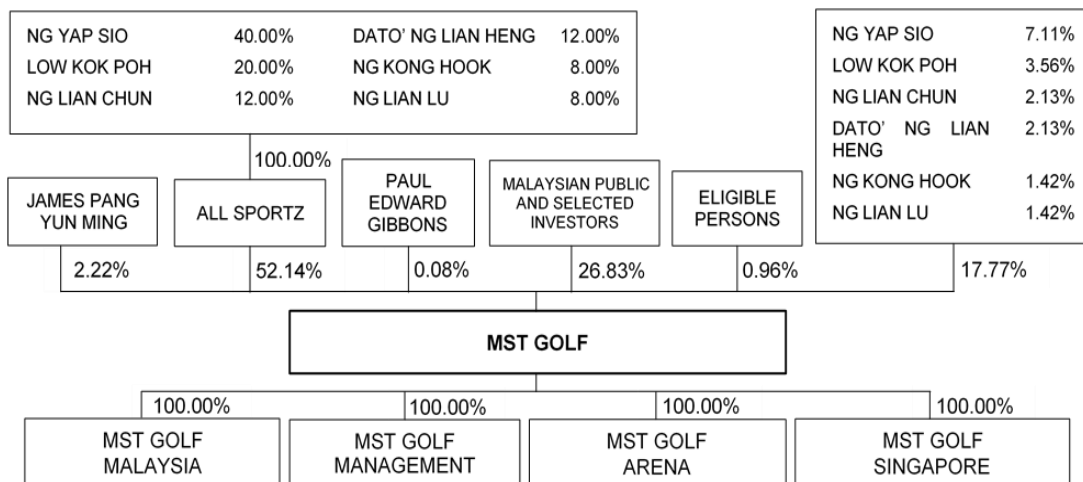
6.2.1 Before our Pre-IPO Reorganisation Exercise



6.2.2 After our Pre-IPO Reorganisation Exercise but prior to the IPO



6.2.3 After our IPO



6. INFORMATION ON OUR GROUP (CONT'D)

6.3 OUR SUBSIDIARIES

Our Subsidiaries as at the LPD are set out below:

Name and registration no.	Date and country of incorporation	Issued share capital	Our effective equity interest %	Principal activities
MST Golf Malaysia (Registration No.: 198901011987 (189294-P))	13 November 1989 (Malaysia)	RM4,000,000	100.00	Specialty retailer and wholesaler of golf equipment comprising golf clubs, golf balls and accessories and golf apparel
MST Golf Management (Registration No.: 200101013452 (549209-A))	1 June 2001 (Malaysia)	RM1,000,000	100.00	Provision of golf related services
MST Golf Arena (Registration No.: 199801015399 (471528-D))	6 November 1998 (Malaysia)	RM2,000,000	100.00	Operation of indoor golf centres
MST Golf Singapore (Registration No.: 200002124N)	14 March 2000 (Singapore)	SGD1,300,000	100.00	Specialty retailer and wholesaler of golf equipment comprising golf clubs, golf balls and accessories and golf apparel

As at the LPD, our Company does not have any joint ventures or associated companies. Please refer to Sections 6.3.1 to 6.3.4 of this Prospectus for further details of our Subsidiaries.

6.3.1 Information on MST Golf Malaysia

MST Golf Malaysia was incorporated on 13 November 1989 in Malaysia under the Companies Act, 1965 as a private limited company under the name of Masinthal Marketing Sdn Bhd and is deemed registered under the Act. On 27 April 1992, it changed its name to M S T Golf Sdn Bhd. On 17 August 2022, it further changed and assumed its present name of MST Golf Sdn Bhd.

MST Golf Malaysia is principally involved in the business of specialty retailer and wholesaler of golf equipment comprising golf clubs, golf balls and accessories and golf apparel. The principal place of business of MST Golf Malaysia is in Malaysia. The directors of MST Golf Malaysia as at the LPD are Ng Yap Sio, Low Kok Poh and Ng Lian Chun.

As at the LPD, the issued share capital of MST Golf Malaysia is RM4,000,000 comprising 4,000,000 ordinary shares. There has been no change in the issued share capital of MST Golf Malaysia for the Financial Years Under Review and up to the LPD.

MST Golf Malaysia is our wholly-owned subsidiary. As at the LPD, MST Golf Malaysia does not have any subsidiaries, joint ventures or associated companies.

6. INFORMATION ON OUR GROUP (CONT'D)

6.3.2 Information on MST Golf Management

MST Golf Management was incorporated on 1 June 2001 in Malaysia under the Companies Act, 1965 as a private limited company under the name of M S T Golf Management Sdn Bhd and is deemed registered under the Act. On 25 August 2022, it changed and assumed its present name of MST Golf Management Sdn Bhd.

MST Golf Management is principally involved in the provision of golf related services. The principal place of business of MST Golf Management is in Malaysia. The directors of MST Golf Management as at the LPD are Ng Yap Sio and Low Kok Poh.

As at the LPD, the issued share capital of MST Golf Management is RM1,000,000 comprising 1,000,000 ordinary shares. The changes in the issued share capital of MST Golf Management for the Financial Years Under Review and up to the LPD is set out below:

Date of allotment	No. of shares allotted	Consideration	Cumulative no. of shares	Cumulative issued share capital RM
30 November 2022	900,000	Cash	1,000,000	1,000,000

MST Golf Management is our wholly-owned subsidiary. As at the LPD, MST Golf Management does not have any subsidiaries, joint ventures or associated companies.

6.3.3 Information on MST Golf Arena

MST Golf Arena was incorporated on 6 November 1998 in Malaysia under the Companies Act, 1965 as a private limited company under the name of PGA Tour Shop Sdn Bhd and is deemed registered under the Act. On 24 October 2005, it changed its name to PT Lifestyle Sdn Bhd. On 11 August 2009, it changed its name to M S T Golf Vacation Sdn Bhd and further changed its name to M S T Golf Vacations Sdn Bhd on 1 September 2009 and MST Golf Xperience Sdn Bhd on 28 July 2021. On 24 August 2021, it changed and assumed its present name of MST Golf Arena Sdn Bhd.

MST Golf Arena is principally involved in the operation of indoor golf centres. The principal place of business of MST Golf Arena is in Malaysia. The directors of MST Golf Arena as at the LPD are Ng Yap Sio and Low Kok Poh.

As at the LPD, the issued share capital of MST Golf Arena is RM2,000,000 comprising 2,000,000 ordinary shares. The changes in the issued share capital of MST Golf Arena for the Financial Years Under Review and up to the LPD is set out below:

Date of allotment	No. of shares allotted	Consideration	Cumulative no. of shares	Cumulative issued share capital RM
1 June 2021	50,000	Cash	250,000	250,000
2 November 2022	1,750,000	Cash	2,000,000	2,000,000

MST Golf Arena is our wholly-owned subsidiary. As at the LPD, MST Golf Arena does not have any subsidiaries, joint ventures or associated companies.

6. INFORMATION ON OUR GROUP (CONT'D)

6.3.4 Information on MST Golf Singapore

MST Golf Singapore was incorporated on 14 March 2000 in Singapore under the Companies Act, 1967 of Singapore as a private company limited by shares under its present name.

MST Golf Singapore is principally involved in the business of specialty retailer and wholesaler of golf equipment comprising golf clubs, golf balls and accessories and golf apparel. The principal place of business of MST Golf Singapore is in Singapore. The directors of MST Golf Singapore as at the LPD are Ng Yap Sio, Low Kok Poh, Dato' Loh Ah Joo and James Pang Yun Ming. Dato' Loh Ah Joo contributes his experience in the golf equipment industry to the company.

As at the LPD, the issued share capital of MST Golf Singapore is SGD1,300,000 comprising 1,300,000 ordinary shares. There is no change in the issued share capital of MST Golf Singapore for the Financial Years Under Review and up to the LPD.

MST Golf Singapore is our wholly-owned subsidiary. As at the LPD, MST Golf Singapore does not have any subsidiaries, joint ventures or associated companies.

As at the LPD:

- (i) neither our Company nor our Subsidiaries have any outstanding warrants, options, convertible securities or uncalled capital;
- (ii) none of our Shares and share capital in our Subsidiaries were issued and allotted at a discount or have any special terms or any instalment payment terms. Our issued Shares and the issued shares of our Subsidiaries are fully paid-up; and
- (iii) neither our Company nor our Subsidiaries are involved in any bankruptcy, receivership or similar proceedings.

6.4 PUBLIC TAKE-OVERS

During the last financial year 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 Company in respect of other companies' securities.

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6. INFORMATION ON OUR GROUP (CONT'D)

6.5 MATERIAL INVESTMENTS AND DIVESTITURES

Save as disclosed below and the Acquisitions as disclosed in Section 6.1.2.4 above, our Group does not have any other material investments and divestitures for the Financial Years Under Review and up to the LPD:

Description	Transaction value				1 January 2023 up to the LPD RM'000
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	
Acquisition by our Company of 325,000 ordinary shares in MST Golf Singapore, representing 25.00% equity interest in MST Golf Singapore ⁽¹⁾	3,634	-	-	-	-
Disposal by our Company of 500,000 ordinary shares in My EGames, representing 100.00% equity interest in My EGames to All Sportz ⁽²⁾	-	-	1,000	-	-
			(2.68% of our Group's NA for the FYE 2021)		
Total	3,634	-	1,000	-	-

Notes:

- (1) Our Company had on 16 May 2018 entered into a share sale agreement with Dato' Loh Ah Joo, a director and was a substantial shareholder of MST Golf Singapore, for the acquisition of 325,000 ordinary shares in MST Golf Singapore, representing 25.00% equity interest in MST Golf Singapore, for a total purchase consideration of SGD1,202,750 (equivalent to approximately RM3,634,109) which was fully satisfied via cash and was funded via internally generated funds. The purchase consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the audited NA of MST Golf Singapore. The acquisition was completed on 22 January 2019.
- (2) Please refer to Section 10.1.1 of this Prospectus for further details of the disposal of My EGames.

7. BUSINESS OVERVIEW

7.1 HISTORY AND MILESTONES

Our Company was incorporated under the Companies Act, 1965 in Malaysia on 13 May 1993 as a private limited company under the name of Adat Semarak Sdn Bhd and is deemed registered under the Act. On 31 December 1998, we changed our name to Planet Golf Sdn Bhd and subsequently to M S T Golf (Asia) Sdn Bhd on 2 May 2001. We later changed our name to MST Golf Group Sdn Bhd on 4 November 2022 and converted to a public limited company under the name MST Golf Group Berhad on 23 November 2022 as an investment holding company.

The history of our business can be traced back to 1989 when our subsidiary, MST Golf Malaysia was incorporated under the initial name of Masinthal Marketing Sdn Bhd before it changed its name to M S T Golf Sdn Bhd in 1992. It assumed its present name of MST Golf Sdn Bhd in 2022. MST Golf Malaysia was incorporated by our Promoter and Executive Chairman, Low Kok Poh and our Promoter, Dato' Ng Lian Heng, each of whom held a 50.00% equity interest in the company. Subsequently, in 1991, MST Golf Malaysia increased its share capital and our Promoter and Executive Director/Group Chief Executive Officer, Ng Yap Sio together with our Promoter and Executive Director, Ng Lian Chun, our Promoter, Ng Lian Lu, our Promoter, Ng Kong Hook and the late Ng Yock Kim became shareholders of MST Golf Malaysia with 14.00%, 14.00%, 14.00%, 14.00% and 10.00% equity interest respectively. Low Kok Poh and Dato' Ng Lian Heng held the remaining equity interest of 20.00% and 14.00% respectively.

In 2014, MST Golf Malaysia had undertaken a restructuring exercise involving the transfer of the individual shareholders' equity interest to our Company. As at the LPD, MST Golf Malaysia is our wholly-owned subsidiary. Please refer to Section 6.2 of this Prospectus for further details of our Group's structure.

The key events and milestones in the history and development of our business are set out below:

Year	Key events and milestones
1989 to 1994	<ul style="list-style-type: none"> In 1989, MST Golf Malaysia commenced operations in general trading and we started trading used golf clubs in 1990 from our rented premises in Subang Jaya. In March 1991, we opened our first golf retail outlet in Taman Tun Dr Ismail, Kuala Lumpur selling used golf clubs which was also our head office and warehouse. In 1994, we ventured into the operation of a third party driving range mainly for the supply of range balls and to upkeep and maintain the driving range facilities in Sri Damansara, Selangor.
1996 to 2000	<ul style="list-style-type: none"> In 1996, we moved our head office and warehouse to Kepong, Kuala Lumpur. In 1998, we expanded our retail presence to East Malaysia by opening our first retail outlet in Kota Kinabalu, Sabah. In 1999, we opened our retail outlet at UOA Kuala Lumpur which was our biggest outlet in Malaysia then with a GFA of 7,140 sq. ft. In 1999, we secured the distributorship of notable brands, namely DAIWA (now known as <i>ONOFF</i> and <i>GIII</i>) brands of golf equipment in Malaysia. In 2000, we opened our first pro shop at Bukit Jalil Golf & Country Resort, Kuala Lumpur with a GFA of 1,600 sq. ft.

7. BUSINESS OVERVIEW (CONT'D)

Year	Key events and milestones
2001 to 2005	<ul style="list-style-type: none"> <li data-bbox="470 268 1407 358">• We expanded our geographical market coverage when we incorporated MST Golf Singapore in 2000 and opened our first retail outlet in Far East Shopping Centre, Singapore. <li data-bbox="470 392 1407 459">• In 2001, we incorporated our subsidiary, MST Golf Management and started providing golf coaching. <li data-bbox="470 492 1407 582">• In 2002, through MST Golf Management, we started to provide event management and planning services mainly for golf tournament-related events. <li data-bbox="470 616 1407 705">• In 2005, we commenced sales to corporate customers which involved product customisation such as printing or engraving corporate logos or names onto the golf equipment mainly for corporate events. <li data-bbox="470 739 1407 828">• In 2005, we launched our <i>ilovegolf</i> loyalty membership programme where our members can enjoy benefits and privileges. Please refer to Section 7.15 of this Prospectus for further details of our loyalty membership programme. <li data-bbox="470 862 1407 1075">• In the same year in 2005, we expanded our value-added services to provide customised club fitting when we opened our first golf tech shop specialising in customised club fitting services in Taman Tun Dr Ismail. In 2012, the club fitting services were transferred and carried out by MST Golf Malaysia. Customised club fitting services is mainly to fit the golf club to the player's physique, swing profile and preferences by customising the specifications such as clubhead, shaft and grip. <li data-bbox="470 1108 1407 1176">• In 2005, we expanded our retail presence to Sarawak by opening our first retail outlet in Kuching, Sarawak.
2006 to 2010	<ul style="list-style-type: none"> <li data-bbox="470 1198 1407 1321">• In 2007, we opened a pro shop at the KLGCC with a GFA of 4,421 sq. ft. Subsequently in 2015, we moved to our current location, which is a bigger space within the KLGCC with a GFA of 10,198 sq. ft., our largest pro shop as at the LPD. <li data-bbox="470 1355 1407 1444">• In 2007, we organised our first golf festival namely "GolFest" at the KLGCC, including product demonstrations of various brands of golf clubs, as well as exclusive promotions and offers. <li data-bbox="470 1478 1407 1635">• In 2008, we were the official golf equipment supplier for the Maybank Malaysian Open 2008. Subsequently, we were appointed as sponsors for professional golf tournaments including CIMB Classic, Sime Darby Ladies Professional Golf Association (LPGA), EurAsia Cup, Maybank Championship and SMBC Singapore Open. <li data-bbox="470 1668 1407 2029">• In 2009, we opened a golf academy through our subsidiary, MST Golf Management at the KLGCC. Over the years, we were engaged to facilitate various programmes including: <ul style="list-style-type: none"> <li data-bbox="518 1780 1407 1870">○ the National Junior Training Programme by The Malaysian Golf Association and KLGCC, a 1-year training programme for 12 golfers under age of 14; <li data-bbox="518 1881 1407 1971">○ the LPGA Player Development Programme by Yayasan Sime Darby, a 10-week training programme for women golfers to prepare them for Sime Darby LPGA; <li data-bbox="518 1982 1407 2029">○ the PGM Peak Performance Development Programme by PGM, a 24-week training programme for male golfers;

7. BUSINESS OVERVIEW (CONT'D)

Year	Key events and milestones
	<ul style="list-style-type: none"> ○ the Rising Star Juniors Programme by Yayasan Sime Darby and KLGCC, a 3-phase training programme for youths from disadvantaged backgrounds; and ○ the KLGCC Peak Performance Junior Programme by KLGCC, a training programme for golfers under age of 14.
2010 to 2015	<ul style="list-style-type: none"> ● In 2010, we moved our head office from Kepong, Kuala Lumpur to MST Golf Plaza in Subang Jaya, Selangor, which has an attached specialty store with a GFA of 11,023 sq. ft. as well as a warehouse.
2011 to 2015	<ul style="list-style-type: none"> ● Between 2011 and 2015, we secured several agreements with notable brand owners for us to sell their brands of golf equipment including <i>Yamaha</i>, <i>Under Armour</i> and <i>Cutter & Buck</i>. ● In 2015, we entered into a tripartite agreement with PGM and UMW Corporation Sdn Bhd for the PGM-UMW Road to Olympics 2016 programme where we carried out the training programme to qualify golfers for the 2016 Olympic Games held in Brazil. Through this programme, 4 golfers were qualified to compete in the 2016 Olympics.
2016 to 2020	<ul style="list-style-type: none"> ● Between 2016 and 2019, we continued to expand our portfolio of notable brands by securing agreements with the brand owners for us to sell their brands of golf equipment including <i>Honma</i>, <i>PXG</i>, <i>TaylorMade</i>, <i>Calvin Klein Golf</i>, <i>Peter Millar</i> and <i>G/Fore</i>. ● In 2017, we launched our online platform, https://mstgolf.com as part of our strategy to extend our sales reach. ● In the same year of 2017, we opened a retail outlet in Singapore located at Suntec City Mall which was our biggest retail outlet in Singapore then with a GFA of 4,892 sq. ft. which was subsequently expanded to 7,025 sq. ft. in 2020.
2021 and up to the LPD	<ul style="list-style-type: none"> ● In 2022, through MST Golf Arena, we ventured into the operation of an indoor golf centre located at The Gardens Mall, Kuala Lumpur. The indoor golf centre has a GFA of approximately 27,140 sq. ft. which houses 20 golf simulation bays, a simulation putting green as well as dining areas. ● In 2022, we also obtained the licence of "THE GOLF LAB" brand from Canada to offer golf coaching lessons under its licenced training programme and customised club fitting services. The golf coaching lessons under "THE GOLF LAB" is performed based on a fixed training programme using various technologies to capture data and analyse golf swings while the golf coaching lessons under the golf academy is dependent on the golf instructors' prescribed lessons. ● In 2022, we launched the MST Golf Super App which allows our customers to browse and shop for our products, view their membership details as well as make bookings for our indoor golf centres. ● In January 2023, we opened a retail outlet at The Starhill, Kuala Lumpur and this outlet operated under the "MST GOLF PREMIUM" brand which is aimed to focus on the premium range of golf equipment. "MST GOLF PREMIUM" focuses on selected golf equipment including golf clubs, golf balls and accessories and golf apparel which are mainly priced above the average price range of golf equipment that we retail.

7. BUSINESS OVERVIEW (CONT'D)

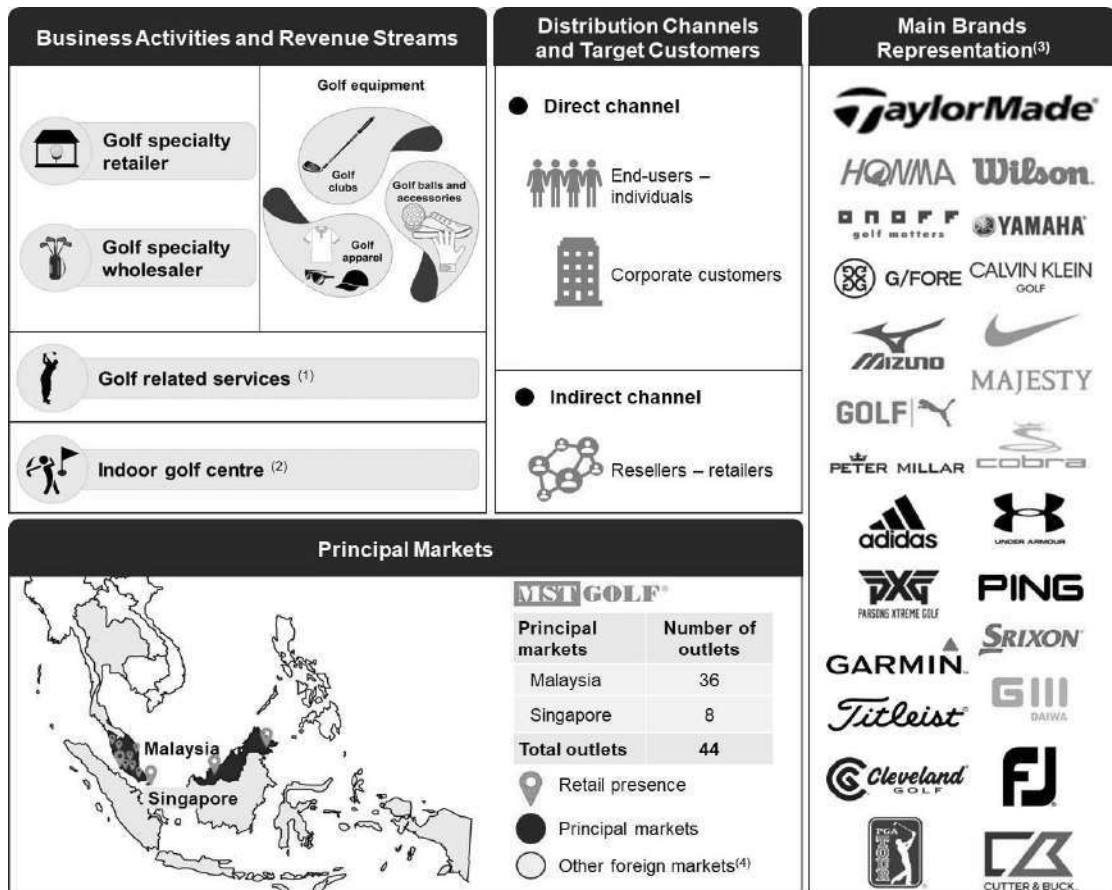
7.2 AWARDS AND RECOGNITIONS

For the Financial Years Under Review and up to the LPD we obtained the following awards:

Year	Key awards	Awarding party
2019	Best Pro Shop in Asia Pacific – First Runner Up	Asia Pacific Golf Group
2019	Best Golf Academy in Asia Pacific – First Runner Up	Asia Pacific Golf Group
2019	SE Asia Distributor Award	TaylorMade
2020	Putra Brand Awards – Bronze	Association of Accredited Advertising Agents Malaysia
2022	Best Golf Retailer in Asia Pacific	Asia Pacific Golf Group
2022	Sin Chew Business Excellence Awards 2022 in Retail Excellence Awards category	Sin Chew Media Corporation Berhad
2022	Putra Brand Awards – Silver	Association of Accredited Advertising Agents Malaysia

7.3 OVERVIEW OF OUR BUSINESS

7.3.1 Our business model



7. BUSINESS OVERVIEW (CONT'D)

Notes:

- (1) Golf related services include golf coaching, rental of golf equipment mainly golf clubs and golf accessories at our pro shops at golf and country clubs and supply of range balls for use at the driving range that we operate, and event management and planning for golf tournament-related events.
- (2) In February 2022, we opened our first indoor golf centre comprising golf simulation bays, simulation putting greens as well as dining areas. Further, in August 2022, we opened our second indoor golf centre.
- (3) Refers to the top 25 brands based on revenue contribution for the FYE 2021 and FYE 2022.
- (4) Refers to sales to resellers in other foreign countries, mainly Indonesia which accounted for 4.60%, 3.89% 12.29% and 10.33% of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively. The remaining foreign countries include Japan, South Korea, Thailand, Philippines, Myanmar, India, Hong Kong, Cambodia, Italy, Vietnam, USA, UK, Belgium, Brunei, Dubai, United Arab Emirates, Taiwan, China, Austria, Australia, France, Portugal, Switzerland, Spain, New Zealand, Canada, South Africa, Germany, Sri Lanka and Netherlands.

7.3.2 Business activities and revenue streams

We are a specialty retailer and wholesaler of golf equipment comprising golf clubs, golf balls and accessories and golf apparel in Malaysia and Singapore. We are a multi-brand operator covering approximately 97 brands of golf equipment as at the LPD. For the FYE 2021 and FYE 2022, the top 25 brands accounted for 87.96% and 87.48% of our total revenue of RM206.52 million and RM300.88 million respectively, which include, among others, *adidas, Calvin Klein Golf, Cleveland GOLF, Cobra, Cutter & Buck, Footjoy, Garmin, G/FORE, GIII, Honma, Majesty, Mizuno, Nike Golf, ONOFF, Peter Millar, PGA Tour, PING, Puma Golf, PXG, Srixon, TaylorMade, Titleist, Under Armour, Wilson and Yamaha.*

7.3.2.1 Retailer

As at the LPD, we have a total of 44 retail outlets in Malaysia and Singapore comprising 23 specialty stores, 19 pro shops and 2 departmental counters. In Malaysia, we operate 30 retail outlets under the "MST GOLF" brand and 6 retail outlets under the "MST GOLF" and "MST ATHLEISURE WEAR" (for golf apparel) brands. In Singapore, we operate 5 retail outlets under the "MST GOLF" brand and 3 retail outlets under the "MST GOLF" and "MST ATHLEISURE WEAR" (for golf apparel) brands. The retail outlets under the "MST GOLF" brand comprise the retail of all golf equipment including golf clubs, golf balls and accessories and golf apparel, while the "MST ATHLEISURE WEAR" brand focuses on the retail sales of golf apparel. For retail outlets with long frontage, we will have both "MST GOLF" and "MST ATHLEISURE WEAR" brands.

The details of our retail outlets as at the LPD are set out below:

Type of retail format	<-----Malaysia----->		<---Singapore--->		<-----Total----->	
	No. of outlets	Total GFA sq. ft.	No. of outlets	Total GFA sq. ft.	No. of outlets	Total GFA sq. ft.
Specialty stores ⁽¹⁾	19	145,566	4	32,567	23	178,133
Pro shops ⁽²⁾	17	33,699	2	1,729	19	35,428
Departmental counters ⁽³⁾	-	-	2	2,434	2	2,434
Total	36	179,265	8	36,730	44	215,995

7. BUSINESS OVERVIEW (CONT'D)

Notes:

- (1) Specialty stores are retail outlets located in standalone buildings, commercial buildings, shop lots and shopping malls. The GFA of our specialty stores in Malaysia range from approximately 2,600 sq. ft. up to 15,000 sq. ft., while for Singapore they range from approximately 700 sq. ft. up to 16,000 sq. ft.
- (2) Pro shops are retail outlets located within golf and country clubs and driving range. The GFA of our pro shops in Malaysia range from approximately 630 sq. ft. up to 2,100 sq. ft. (with the exception of the pro shops at the KLGCC and Pelangi Golf Driving Range, Johor Bahru with a GFA of 10,198 sq. ft. and 4,445 sq. ft. respectively), while for Singapore they range from approximately 760 sq. ft. up to 1,000 sq. ft.
- (3) Departmental counters are retail spaces within departmental stores. The GFA of our 2 departmental counters are approximately 1,000 sq. ft. and 1,500 sq. ft. respectively.

In addition, we have an online platform to provide customers convenient access to shop online for a wide range of golf equipment including golf clubs, golf balls and accessories and golf apparel, and have the goods delivered to their doorsteps.

We have our *ilovegolf* loyalty membership programme to build customer loyalty where our members are entitled to various benefits including cash voucher redemption from their reward points earned from purchases made, special rates for golfing at certain golf and country club during a specific promotional period, exclusive preview of new product launches and exclusive promotions for members for purchases at our retail outlets. Our *ilovegolf* loyalty programme has an established base of approximately 93,995 active members as at the LPD.

We also offer value-added services including the provision of customised club fitting services and repair of golf clubs services. These value-added services are available at 6 of our "MST GOLF" retail outlets located in Kuala Lumpur, Selangor and Johor, as well as 2 of our "MST GOLF" retail outlets in Singapore, which are equipped with repair equipment and tools and taking into consideration the space availability of the retail outlet.

Our total retail business accounted for 86.02% (RM151.35 million), 85.72% (RM145.86 million), 79.24% (RM163.65 million) and 80.20% (RM241.31 million) of our total revenue for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

7.3.2.2 Wholesaler

We are also a wholesaler of golf equipment comprising golf clubs, golf balls and accessories and golf apparel to retailers operating in Malaysia and Singapore, as well as selling to other foreign countries, mainly Indonesia.

Our wholesale business accounted for 8.93% (RM15.72 million), 10.25% (RM17.43 million), 18.15% (RM37.48 million) and 15.75% (RM47.37 million) of our total revenue for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

7.3.2.3 Golf related services

We offer golf related services including providing golf coaching at our golf academy to general public located at the KLGCC, rental of golf equipment mainly golf clubs and golf accessories at our pro shops at the golf and country clubs and supply of range balls for use at driving range that we operate, as well as event management and planning mainly for golf tournament-related events. In addition, we provide golf coaching lessons to the members of The Royal Selangor Golf Club in Kuala Lumpur and we also offer golf coaching lessons under the licenced training programme by "THE GOLF LAB" in our retail outlets located at The Gardens Mall in Kuala Lumpur, Tropicana Gardens Mall in Selangor and City Square in Singapore.

Revenue from golf related services accounted for 5.05% (RM8.88 million), 4.03% (RM6.86 million), 2.61% (RM5.39 million) and 2.78% (RM8.36 million) of our total revenue for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

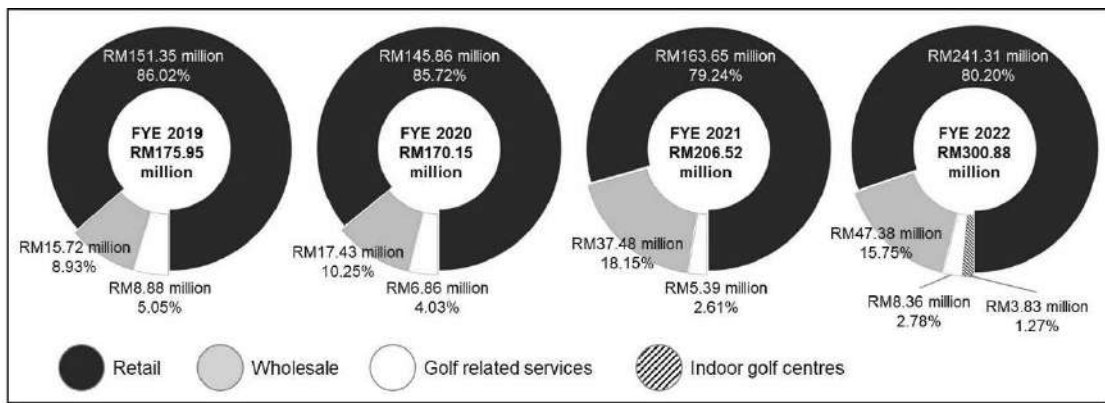
7. BUSINESS OVERVIEW (CONT'D)

7.3.2.4 Indoor golf centre

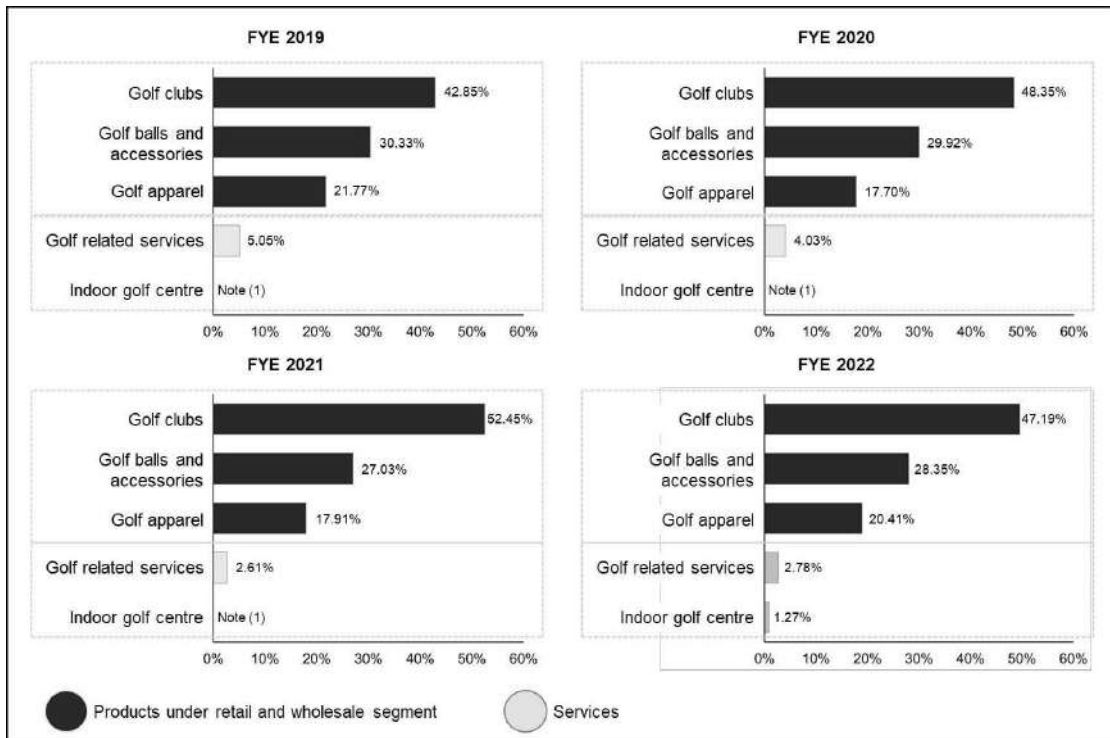
In February 2022, we opened our first indoor golf centre under the "MST GOLF ARENA" brand located at The Gardens Mall in Kuala Lumpur with a GFA of approximately 27,140 sq. ft. which houses 20 golf simulation bays, a simulation putting green as well as dining areas serving food, and alcoholic and non-alcoholic beverages. As at the LPD, we have another indoor golf centre under the "MST GOLF ARENA" brand located at Tropicana Gardens Mall in Selangor with a GFA of approximately 25,732 sq. ft., which houses 18 simulation bays, a putting green and dining areas serving food, and alcoholic and non-alcoholic beverages. The revenue from operation of indoor golf centre accounted for 1.27% (RM3.83 million) of our total revenue for FYE 2022.

7.3.2.5 Revenue contribution by business activities

Our revenue contributions by business activities for the Financial Years Under Review are set out below:



Our revenue breakdown by products and services for the Financial Years Under Review is set out below:



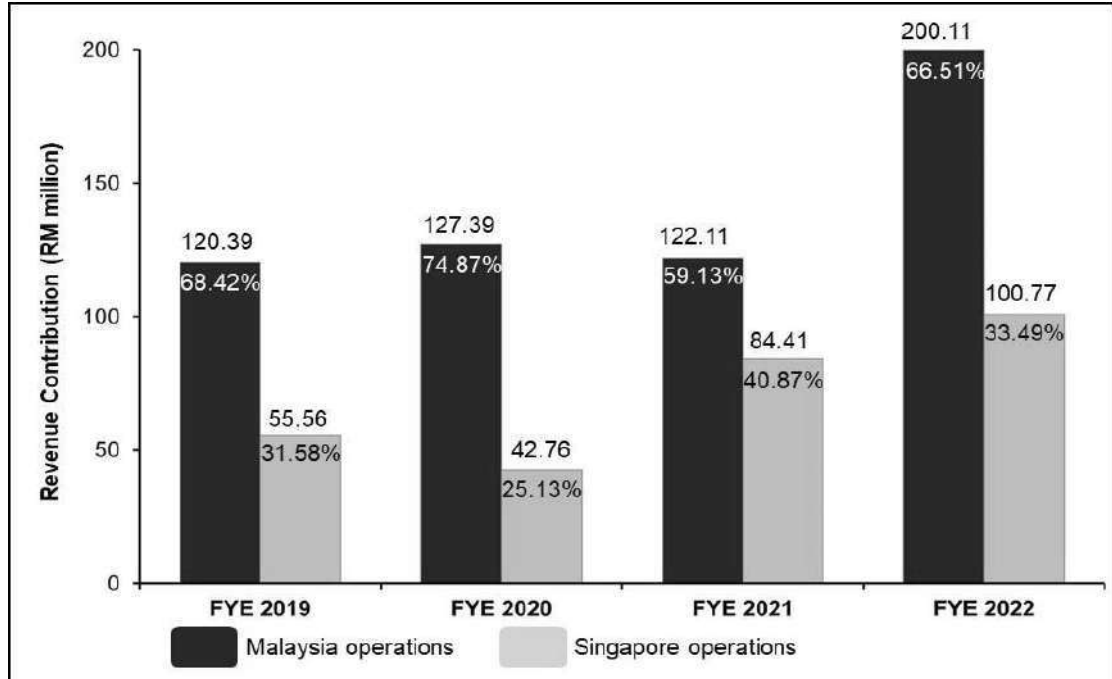
7. BUSINESS OVERVIEW (CONT'D)

Note:

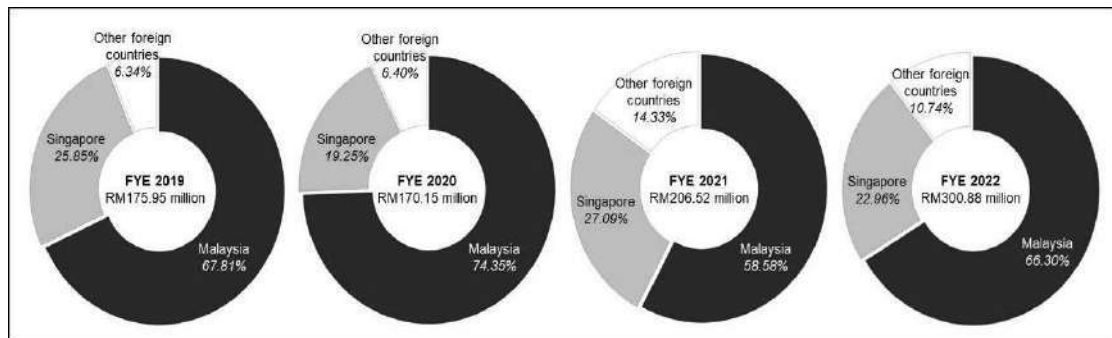
- (1) In February 2022, we opened our first indoor golf centre comprising golf simulation bays, simulation putting greens as well as dining areas. Further, in August 2022, we opened our second indoor golf centre.

7.3.3 Principal markets

Our principal markets as well as our operational bases are in Malaysia and Singapore. Our revenue by the geographical location of our business operations for the Financial Years Under Review is set out below:



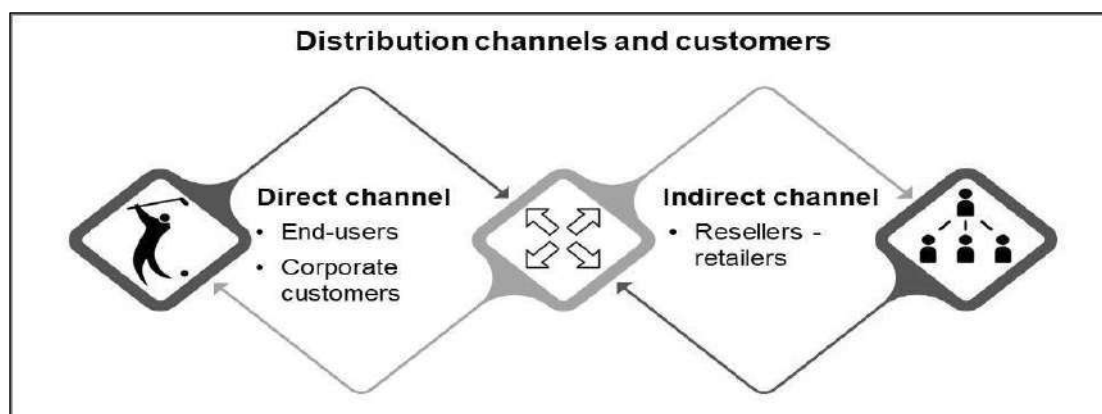
Our operational bases are in Malaysia and Singapore and we also sell our products to resellers in other foreign countries, mainly Indonesia during the Financial Years Under Review. Our revenue breakdown by sales made to various countries for the Financial Years Under Review is set out below:



7. BUSINESS OVERVIEW (CONT'D)

7.3.4 Distribution channels and target customers

We utilise both direct and indirect distribution channels as follows:



We mainly adopt a direct distribution channel strategy where we sell products to customers who are users of our products including end-users who are individuals and corporate customers. Our direct distribution channel sales are mainly made through our retail outlets in Malaysia and Singapore, and online platform. Our customers for the golf related services and indoor golf centres are mainly end-users who are individuals that procure the golf related services including golf coaching, rental of golf equipment mainly golf clubs and golf accessories at our pro shops at golf and country clubs and supply of range balls for use at the driving range that we operate. In addition, our Group also serves corporate customers for event management and planning mainly for golf tournament-related events. Our direct distribution channel represented 91.07%, 89.75%, 81.85% and 84.25% of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

Our indirect distribution channel is where we carry out wholesale of our products to resellers who are retailers in Malaysia, Singapore as well as other foreign countries, mainly Indonesia. The strategy of using indirect distribution channel will enable us to gain access to a wider market, especially in foreign countries. Our indirect distribution channel represented 8.93%, 10.25%, 18.15% and 15.75% of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

The revenue contribution by distribution channels and types of customers for the Financial Years Under Review is set out below:

	<--FYE 2019-->		<----FYE 2020---->		<---FYE 2021--->		<---FYE 2022--->	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Direct distribution	160,234	91.07	152,715	89.75	169,043	81.85	253,501	84.25
• End-users ⁽¹⁾	146,184	83.08	145,745	85.65	159,984	77.46	240,822	80.04
• Corporate customers ⁽²⁾	14,050	7.99	6,970	4.10	9,059	4.39	12,679	4.21
Indirect distribution	15,716	8.93	17,437	10.25	37,476	18.15	47,374	15.75
• Resellers - retailers	15,716	8.93	17,437	10.25	37,476	18.15	47,374	15.75
Total revenue	175,950	100.00	170,152	100.00	206,519	100.00	300,875	100.00

7. BUSINESS OVERVIEW (CONT'D)

Notes:

- (1) Includes retail customers as well as individuals who are enrolled in our golf coaching and rental of golf equipment mainly golf clubs and golf accessories at our pro shops at golf and country clubs and supply of range balls for use at driving range that we operate, as well as customers for indoor golf centres who are individuals.
- (2) Includes sales of golf equipment as well as the organisation of golf-related events such as golf tournaments.

7.4 OUR COMPETITIVE STRENGTHS

7.4.1 We are a golf specialty retailer providing a wide variety of golf equipment comprising golf clubs, golf balls and accessories and golf apparel, and notable brands which will help sustain and grow our business

We are a multi-brand specialised retailer of golf equipment where we sell approximately 12,000 SKU and approximately 97 brands of golf equipment as at the LPD. Our retail sales accounted for 86.02% (RM151.35 million), 85.72% (RM145.86 million), 79.24% (RM163.65 million) and 80.20% (RM241.31 million) of our total revenue for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

One of our key strengths is that we carry a large range of notable brands of golf equipment including, among others, *adidas*, *Calvin Klein Golf*, *Cleveland GOLF*, *Cobra*, *Cutter & Buck*, *Footjoy*, *Garmin*, *G/FORE*, *GIII*, *Honma*, *Majesty*, *Mizuno*, *Nike Golf*, *ONOFF*, *Peter Millar*, *PGA Tour*, *PING*, *Puma Golf*, *PXG*, *Srixon*, *TaylorMade*, *Titleist*, *Under Armour*, *Wilson* and *Yamaha*. For the FYE 2021 and FYE 2022, the revenue from these top 25 notable brands accounted for 87.96% and 87.48% of our total revenue of RM206.52 million and RM300.88 million respectively.

Golf equipment was our main revenue contributor through retail and wholesale sales which represented 94.95% (RM167.07 million), 95.97% (RM163.29 million), 97.39% (RM201.13 million) and 95.95% (RM288.68 million) of our total revenue for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively, which recorded a CAGR of 20.00% between FYE 2019 and FYE 2022.

The main benefit of carrying an extensive range of golf equipment and notable brands is to provide a one-stop golf equipment retail environment to suit the needs of different target groups of consumers. Our wide range of notable branded golf equipment appeals to a wide cross section of golf players including new, amateur, experienced and professional golfers who have their respective preferred brands and/or price point of golf equipment. In addition, we provide repair and customisation services of golf clubs in 6 of our retail outlets located in Kuala Lumpur, Selangor and Johor, as well as 2 of our retail outlets in Singapore, and golf coaching at our golf academy at the KLGCC. All these are aimed at creating customer loyalty and at the same time creating brand awareness to attract new customers to sustain and grow our business.

Our wide range of products and notable brands will encourage retail sales and facilitating customer loyalty by being their retail outlet of choice to sustain our business and at the same time grow our business with new customers.

7. BUSINESS OVERVIEW (CONT'D)

7.4.2 We have a long operating track record with an established retail brand and wide market coverage through our retail outlets in Malaysia and Singapore to sustain and grow our business

Our "MST GOLF" brand has been operating in Malaysia and Singapore since we established our first golf retail outlet in Malaysia and Singapore in 1991 and 2000 respectively. Since then, we have expanded our retail of golf equipment to a total of 36 retail outlets in Malaysia and 8 retail outlets in Singapore as at the LPD. In Malaysia, we have retail outlets in 8 states and 2 federal territories covering the west coast of Peninsular Malaysia, Sarawak and Sabah in East Malaysia. Our wide retail presence enables us to address a relatively large potential market size in Malaysia and Singapore to sustain and grow our business.

Our presence as a chain of golf retail outlets has enabled us to increase our profile and market awareness of our "MST GOLF" brand in Malaysia and Singapore. Our established brand name and market presence provide us with a distinct competitive advantage, especially in the consumer market, to assist in creating brand awareness and loyalty, which are key to business sustainability and growth.

In addition, we have our *ilovegolf* loyalty membership programme launched in 2005 as part of our marketing to promote our products and services, as well as to build customer loyalty where our members are entitled to various benefits including cash voucher redemption from their reward points earned from purchases made, special rates for golfing at certain golf and country club during a specific promotional period, exclusive preview of new product launches and exclusive promotions for members for purchases at our retail outlets. Our *ilovegolf* loyalty programme has an established base of approximately 93,995 active members as at the LPD, which provides us with a base of loyal customers. The sales generated from our *ilovegolf* members contributed approximately 57.34%, 73.20%, 72.12% and 75.68% of our total retail revenue for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively. Our established track record as a specialty retailer of golf equipment will continue to serve as a platform for our business growth and sustainability.

7.4.3 We have subsisting agreements to sell several global brands of golf equipment comprising golf clubs, golf balls and accessories and golf apparel in Malaysia and Singapore as well as other foreign countries, mainly Indonesia

We are a multi-brand operator covering approximately 97 brands of golf equipment as at the LPD. For the FYE 2021 and FYE 2022, the top 25 brands accounted for 87.96% (RM181.66 million) and 87.48% (RM263.22 million) of our total revenue respectively, which include, among others, *adidas*, *Calvin Klein Golf*, *Cleveland GOLF*, *Cobra*, *Cutter & Buck*, *Footjoy*, *Garmin*, *G/FORE*, *GIII*, *Honma*, *Majesty*, *Mizuno*, *Nike Golf*, *ONOFF*, *Peter Millar*, *PGA Tour*, *PING*, *Puma Golf*, *PXG*, *Srixon*, *TaylorMade*, *Titleist*, *Under Armour*, *Wilson* and *Yamaha*.

Out of the top 25 brands, we have subsisting agreements for 19 brands which allow us to sell golf equipment in Malaysia and/or Singapore and/or other countries. These 19 brands accounted for 59.56% (RM104.79 million), 60.78% (RM103.42 million), 71.86% (RM148.41 million) and 71.65% (RM215.58 million) of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively. This enables us to offer a wide range of brand and product choices to meet the needs of different target customers.

7. BUSINESS OVERVIEW (CONT'D)

These brands and a summary of the key information is set out below:

Brands	<-----Exclusivity----->		Product category	Renewable	Territory	Validity period
	Exclusive	Non-exclusive				
Appointed distributor						
<i>Calvin Klein Golf</i>	✓		Golf balls and accessories and golf apparel	✓	Malaysia and Singapore	14 Nov 2022 - 31 Dec 2025
<i>Cutter & Buck</i>	✓		Golf balls and accessories and golf apparel	✓	Malaysia, Singapore, Thailand and Vietnam	1 Oct 2020 – 31 Dec 2024
<i>G/FORE</i>		✓	Golf balls and accessories and golf apparel	✓	Malaysia, Singapore and Indonesia	1 Apr 2019 – 1 Apr 2025
<i>GIII</i>	✓ ⁽³⁾	✓ ⁽³⁾	Golf clubs, golf balls and accessories	✓	Malaysia, Singapore, Indonesia, Thailand, Vietnam and Myanmar	1 Jan 2022 – 31 Dec 2024
<i>Honma</i>	✓		Golf clubs, golf balls and accessories	✓	Malaysia	1 Apr 2023 – 31 Mar 2025
<i>Majesty</i>	✓		Golf clubs, golf balls and accessories	✓	Malaysia, Singapore and Indonesia	1 Dec 2018 – 31 Dec 2023
<i>Mizuno</i>	✓ ⁽⁴⁾	✓ ⁽⁴⁾	Golf clubs, golf balls and accessories	(2)	Malaysia and Singapore	1 Jan 2022 – 31 Dec 2024
<i>ONOFF</i>	✓ ⁽³⁾	✓ ⁽³⁾	Golf clubs, golf balls and accessories	✓	Malaysia, Singapore, Indonesia, Thailand, Vietnam and Myanmar	1 Jan 2022 – 31 Dec 2024

7. BUSINESS OVERVIEW (CONT'D)

Brands	<-----Exclusivity----->		Product category	Renewable	Territory	Validity period
	Exclusive	Non-exclusive				
<i>Peter Millar</i>		✓	Golf balls and accessories and golf apparel	✓	Malaysia, Singapore and Indonesia	1 Apr 2019 – 1 Apr 2025
<i>PGA Tour</i>	✓ ⁽⁵⁾	✓ ⁽⁵⁾	Golf balls and accessories and golf apparel	⁽²⁾	Malaysia and Singapore	8 Mar 2012 – 31 Dec 2023
<i>PXG</i>		✓	Golf equipment	⁽¹⁾	Malaysia and Singapore	Commenced 16 Jul 2022 ⁽¹⁾
<i>TaylorMade</i>	✓		Golf equipment	✓	Malaysia, Singapore and Indonesia	1 Oct 2018 – 31 Dec 2023
<i>Wilson</i>	✓ ⁽⁶⁾	✓ ⁽⁶⁾	Golf clubs, golf balls and accessories	⁽²⁾	Malaysia and Singapore	1 Jan 2023 – 31 Dec 2025
<i>Yamaha</i>	✓		Golf clubs, golf balls and accessories	⁽¹⁾	Malaysia, Singapore, Indonesia and Vietnam	Commenced 1 Apr 2011 ⁽¹⁾
Appointed retailer						
<i>adidas</i>		✓	Golf balls and accessories and golf apparel	⁽²⁾	Malaysia Singapore	1 Jan 2023 – 31 Dec 2023 1 Jan 2023 – 31 Dec 2023
<i>Cobra</i>		✓	Golf clubs, golf balls and accessories	⁽²⁾	Malaysia and Singapore	1 Jan 2023 – 31 Dec 2023
<i>Nike Golf</i>		✓	Golf balls and accessories and golf apparel	✓	Malaysia and Singapore	1 Jun 2023 – 31 May 2026

7. BUSINESS OVERVIEW (CONT'D)

Brands	<-----Exclusivity----->		Product category	Renewable	Territory	Validity period
	Exclusive	Non-exclusive				
<i>Puma Golf</i>		✓	Golf balls and accessories and golf apparel	(2)	Malaysia	1 Jan 2023 – 31 Dec 2024
					Singapore	1 Jan 2023 – 31 Dec 2023
<i>Under Armour</i>		✓	Golf balls and accessories and golf apparel	✓	Malaysia	1 Jan 2022 – 31 Dec 2024

Notes:

- (1) There is no express expiry date stated in the agreement.
- (2) There is no express renewal clause stated in the agreement.
- (3) We are the Appointed exclusive distributor in Malaysia, Singapore, Indonesia and Myanmar and are the Appointed non-exclusive distributor in Thailand and Vietnam.
- (4) We are the Appointed exclusive distributor in Malaysia and are the Appointed non-exclusive distributor in Singapore.
- (5) We have been granted the exclusive right and licence to use the "PGA TOUR" name and logo when used in a private label programme and the non-exclusive right and licence to use the tournament collection name and logo.
- (6) We have been granted the exclusive right to sell and distribute all "Wilson" branded products covering golf sports which the brand principal determines as appropriate for sale and distribution with the exception of golf apparels, and the non-exclusive right to sell and distribute golf apparels.

7. BUSINESS OVERVIEW (CONT'D)

In addition, we have agreements with some of these global brands which allow us to sell golf equipment to other resellers including retailers, which enlarges our addressable market size to provide us with business sustainability and growth. For the remaining 6 of the top 25 brands without agreements namely *Cleveland GOLF*, *Footjoy*, *Garmin*, *PING*, *Srixon* and *Titleist*, we commonly purchase the golf equipment from the brand owners or local suppliers based on confirmed purchase orders as and when required, and we ensure payments are made based on the credit term granted by these suppliers to ensure continuity in our business relationship with them.

As at the LPD, our Group's business or profitability is not materially dependent on the above 19 subsisting agreements or arrangement with the brand owners and/or their representatives. Save for FYE 2022, notwithstanding the increasing trend in revenue contribution from these 19 brands for FYE 2019 to FYE 2021, our Group is not materially dependent on any one of these 19 brands in view of the following:

- (i) as we are a multi-brand operator covering approximately 97 brands of golf equipment, we are able to shift our retail and/or wholesale focus to other brands if our Group loses our distributorship with any one of the 19 brand owners or their representatives;
- (ii) in the event of non-renewal, withdrawal or termination of agreements by any of these 19 brand owners and/or their representatives, we will source the said products from other appointed distributors or resellers of the said brand of products. However, if we source the said brand of products from other appointed distributors or resellers, we may not be able to secure terms that are comparable to those under our existing agreements which may have an impact on our business operations and financial performance mainly our profitability; and
- (iii) we have a market share of 51.00% of the import of golf equipment into Malaysia and are the largest chain of golf specialty retailer with a total of 36 retail outlets in Malaysia in FYE 2022 (*Source: IMR Report*). As such, given our Group's position in the market, brand owners or their representatives would be more inclined to work with our Group to distribute/resell their products.

In view of the above, the loss of any one of these 19 brands is not expected to have any adverse material impact on our Group's business operations and financial performance.

In 2021, we enlarged our addressable market in foreign countries when we secured the distributorship of Supplier A's brand of golf equipment in Indonesia. This was demonstrated in the increase in our revenue for the sales of golf equipment to retailers in Indonesia, which increased from RM8.09 million in FYE 2019 to RM31.10 million in FYE 2022.

7.4.4 We have 2 operating trade models comprising retail and wholesale to provide us with the platform for business growth

We have 2 key pillars of revenue streams, namely retail and wholesale. Our retail operations allow us to engage directly with our customers through our network of golf retail outlets, while our wholesale operations enlarge our market coverage through third party resellers.

For the Financial Years Under Review, our retail segment contributed 86.02%, 85.72%, 79.24% and 80.20%, while our wholesale segment contributed 8.93%, 10.25%, 18.15% and 15.75% of our total revenue for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

As at the LPD, our retail operations are supported by our chain of 36 retail outlets located in the urban areas in Malaysia, and 8 retail outlets in Singapore. For the FYE 2019, FYE 2020, FYE 2021 and FYE 2022, we have 63, 65, 90 and 89 wholesale customers respectively who are mainly resellers located in Malaysia, Singapore as well as other countries mainly Indonesia.

7. BUSINESS OVERVIEW (CONT'D)

As at the LPD, our wholesale customers mainly include resellers in Malaysia, Singapore and Indonesia. There are an estimated 243, 28 and 170 golf courses in Malaysia, Singapore and Indonesia in 2020 (based on the latest available data) (*Source: IMR Report*). Out of all these golf courses, we have 17 and 2 pro shops in Malaysia and Singapore respectively, and none in Indonesia as at the LPD. In this respect, our wholesale operations enable us to address potential customers that are not well served by us to contribute to our business sustainability and growth.

Our 2 key pillars of retail and wholesale operations provide us with a wide market coverage to reach out to target customers to sustain and grow our business in Malaysia and Singapore.

7.4.5 We are the market leader in the sales of golf equipment comprising golf clubs, golf balls and accessories and golf apparel in Malaysia

In 2022, we had a market share of 51.00% of golf equipment imported into Malaysia. In addition, the Group is the largest chain of golf specialty retailer with a total of 36 retail outlets in Malaysia (*Source: IMR Report*). Our market leadership demonstrates our ability to provide golf equipment to appeal to a large customer base to help sustain and grow our business.

Our market leadership position in Malaysia will also provide us with the platform to grow our other areas of business including our indoor golf centre, golf academy and organisation of corporate and international golf tournaments and events.

7.4.6 We have experienced Executive Directors and key senior management to sustain and grow our business

We have an experienced management team headed by our Executive Directors, including Low Kok Poh (Executive Chairman) who is responsible for managing our Group's public relations and business development via establishing business and marketing networking, and maintaining our Group's business relationships with the brands, customers and suppliers and Ng Yap Sio (Group Chief Executive Officer) who is responsible for the overall performance, management, business strategies and growth of our Group. Each of them brings more than 31 years of experience in the golf equipment industry. They are supported by Ng Lian Chun (Executive Director) who is responsible for corporate affairs and brings with him more than 43 years of experience in accounting and finance.

Our Executive Directors are supported by our key senior management team including:

- Yong Wai Chien, our Chief Operating Officer, brings with her 29 years of experience in relation to the golf retail business;
- Heng Kok Wee, our Chief Financial Officer, brings with him 21 years of experience in accounting and finance related matters;
- Tan Chia Loon, our Senior Manager - Marketing, brings with him 22 years of experience in relation to golf; and
- James Pang Yun Ming, our Executive Director of MST Golf Singapore, brings with him 35 years of experience in relation to golf.

We believe our experienced management team will help to sustain and grow our business. Please refer to Section 9 of this Prospectus for the profile of our Executive Directors and key senior management.

7. BUSINESS OVERVIEW (CONT'D)

7.5 MODE OF OPERATIONS

7.5.1 Retail operations

Our mode of operation for our retailing activities is mainly based on cash, credit card, debit card and e-wallet. For credit cards, debit cards and e-wallet, we will receive the money from the issuing credit card or debit card company or e-wallet operator between 1 to 3 days following the transaction date.

We have an exchange policy of one-to-one exchange for golf equipment including golf clubs, golf balls and accessories and golf apparel purchased through our retail outlets including our specialty stores, pro shops and departmental stores in Malaysia and Singapore within 14 days from the date of purchase subject to the terms and conditions stipulated in the receipt.

For online purchase, we have a return policy for golf equipment including golf clubs, golf balls and accessories and golf apparel purchased via our online platform within 30 days from the receiving date subject to the terms and condition.

For sales to corporate customers, typically we will collect a deposit upon confirmation of purchase orders which is usually 30% to 50% of the purchase order, and the remaining payment is to be made upon delivery, with credit terms between 30 to 60 days. We commonly do not have a return or exchange policy for the corporate sales of customised products.

Generally, we provide product warranty against manufacturers' defects for golf clubs and certain golf accessories such as golf bags and golf shoes as well as golf apparel where we have back-to-back warranty arrangements with the brand owners or suppliers. For golf balls and other golf accessories such as tees and markers, we do not provide product warranty.

7.5.2 Wholesale operations

Our mode of operation for wholesale trade is that our customers will place purchase orders, which we will fulfil within a week. We would normally invoice our wholesale customers upon delivery with cash terms or credit terms of up to 60 days. We do not have a return or exchange policy for our wholesale trade.

Generally, we provide product warranty against manufacturers' defects for golf clubs and certain golf accessories such as golf bags and golf shoes as well as golf apparel, and we have back-to-back warranty arrangements with the brand owners or suppliers. For golf balls and other accessories, we do not provide product warranty.

7.5.3 Golf related services

Our golf related services include golf coaching where customers pay per lesson or purchase a voucher for golf lessons which has a validity period of 6 months. There is no refund policy for customers who do not use the voucher within the validity period. These are paid for in cash, credit card, debit card and e-wallet. For credit cards, debit cards and e-wallet, we will receive the money from the issuing credit card or debit card company or e-wallet operator between 1 to 3 days following the transaction date.

We also rent golf equipment such as golf clubs at our pro shops for customers to use at golf and country clubs and supply range balls for use at driving range we operate. These are paid for in cash, credit card, debit card or e-wallet. For credit cards, debit cards and e-wallet, we will receive the money from the issuing credit card or debit card company or e-wallet operator between 1 to 3 days following the transaction date. We do not have a refund policy for the rental of golf equipment for use at golf and country clubs and a supply of range balls for use at the driving range.

Our mode of operation for event management and planning is that our customers will place purchase orders which sets out the scope of work and delivery dates. Invoices will be issued to our customers based on the services rendered and generally with credit terms between 30 to 60 days.

7. BUSINESS OVERVIEW (CONT'D)

7.5.4 Indoor golf centre

We operate indoor golf centres mainly based on cash, credit card, debit card and e-wallet. For credit cards, debit cards and e-wallet, we will receive the money from the issuing credit card or debit card company or e-wallet operator between 1 to 3 days following the transaction date.

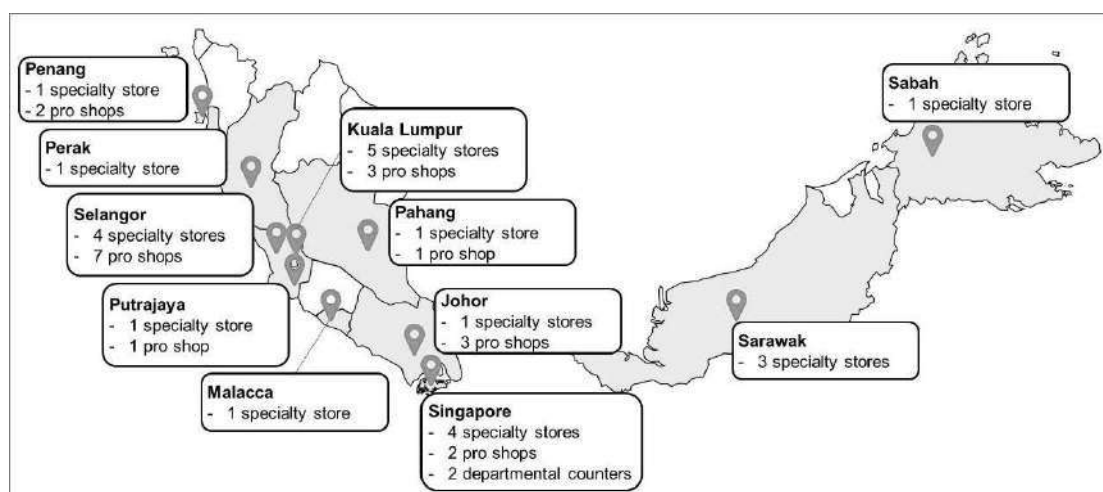
7.6 PRINCIPAL BUSINESS ACTIVITIES, PRODUCTS AND SERVICES

7.6.1 Retail

Revenue from our retail segment accounted for 86.02% (RM151.35 million), 85.72% (RM145.86 million), 79.24% (RM163.65 million) and 80.20% (RM241.31 million) of our total revenue for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

As a specialty golf retailer, we specialise in retailing golf equipment comprising golf clubs, golf balls and accessories and golf apparel. Our retail operations are supported by a chain of retail outlets located in Malaysia and Singapore, as well as an online platform. In addition, we provide value-added services to our retail customers including the provision of customised club fitting and repair of golf clubs services at our retail outlets.

As at the LPD, we operate a total of 44 retail outlets comprising 36 outlets in Malaysia across 8 states and 2 federal territories, and 8 outlets in Singapore. The locations and types of retail outlets are set out below:



7.6.1.1 Our retail outlets

We operate the following 3 retail outlet formats listed in descending order of size of GFA:

- specialty stores;
- pro shops; and
- departmental counters.

(i) Specialty stores

As at the LPD, we have 23 specialty stores operating under the "MST GOLF" brand located in standalone buildings, commercial buildings, shop lots and shopping malls. Of the total 23 specialty stores, we have 19 specialty stores in Malaysia with GFA ranging from approximately 2,600 sq. ft. up to 15,000 sq. ft. and 4 specialty stores in Singapore with GFA ranging from approximately 700 sq. ft. up to 16,000 sq. ft.

7. BUSINESS OVERVIEW (CONT'D)

Our specialty stores are dedicated mainly to golf equipment comprising golf clubs, golf balls and accessories and golf apparel. In addition to retailing golf equipment, some of our specialty stores also provide customised club fitting and repair of golf clubs services. Typically, our specialty stores carry a wider range of products compared to our other retail formats.

Our standalone specialty stores in Malaysia



Top: Our specialty store and head office at our owned MST Golf Plaza in Subang Jaya, Selangor; Bottom: Our specialty store at PJ Federal Highway in Selangor on third party owned property

Our specialty stores in shopping malls in Malaysia



Left: Our specialty store at The Gardens Mall in Kuala Lumpur; Right: Our specialty store at IOI City Mall in Putrajaya

7. BUSINESS OVERVIEW (CONT'D)

Our specialty stores in commercial building and shoplot in Malaysia



* The above are third party owned properties.

Top left: Our specialty store at Wisma UOA 2, Kuala Lumpur; Bottom left: Our specialty store at Plaza Shell, Sabah; Right: Our specialty store at Ipoh, Perak

(ii) Pro shops

Pro shops refer to golf retail outlets located within golf and country clubs mainly targeting club members and their guests, as well as driving range. As at the LPD, we have 17 pro shops with GFA ranging from approximately 630 sq. ft. up to 2,100 sq. ft in Malaysia (with the exception of the pro shops located at the KLGCC and Pelangi Golf Driving Range, Johor Bahru with GFA of 10,198 sq. ft. and 4,445 sq. ft. respectively), and 2 pro shops with GFA ranging from approximately 760 sq. ft. up to 1,000 sq. ft. in Singapore.

Our pro shops retail golf equipment including golf clubs, golf balls and accessories and golf apparel. We also provide rental of golf equipment mainly golf clubs and golf accessories such as golf shoes, bags and trolleys.

Our pro shops in Malaysia



Left: Our pro shop at Templer Park Country Club, Selangor; Right: Our pro shop at the KLGCC, Kuala Lumpur.

7. BUSINESS OVERVIEW (CONT'D)

(iii) Departmental counters

Departmental counters refer to retail spaces within departmental stores with dedicated space for us to retail our golf equipment comprising golf clubs, golf balls and accessories and golf apparel. We have our retail sales personnel at the departmental counters to promote, offer assistance and sell our products. We currently operate 2 departmental counters in Singapore with GFA of approximately 1,000 sq. ft. and 1,500 sq. ft. respectively.

Departmental counters provide convenience to customers as they can shop for golf equipment as well as other consumer items. Additionally, departmental counters also benefit from impulse buying where customers may originally have no intention to visit a golf retail outlet. We also benefit from brand awareness among shoppers of the departmental stores.

Our departmental counters in Singapore



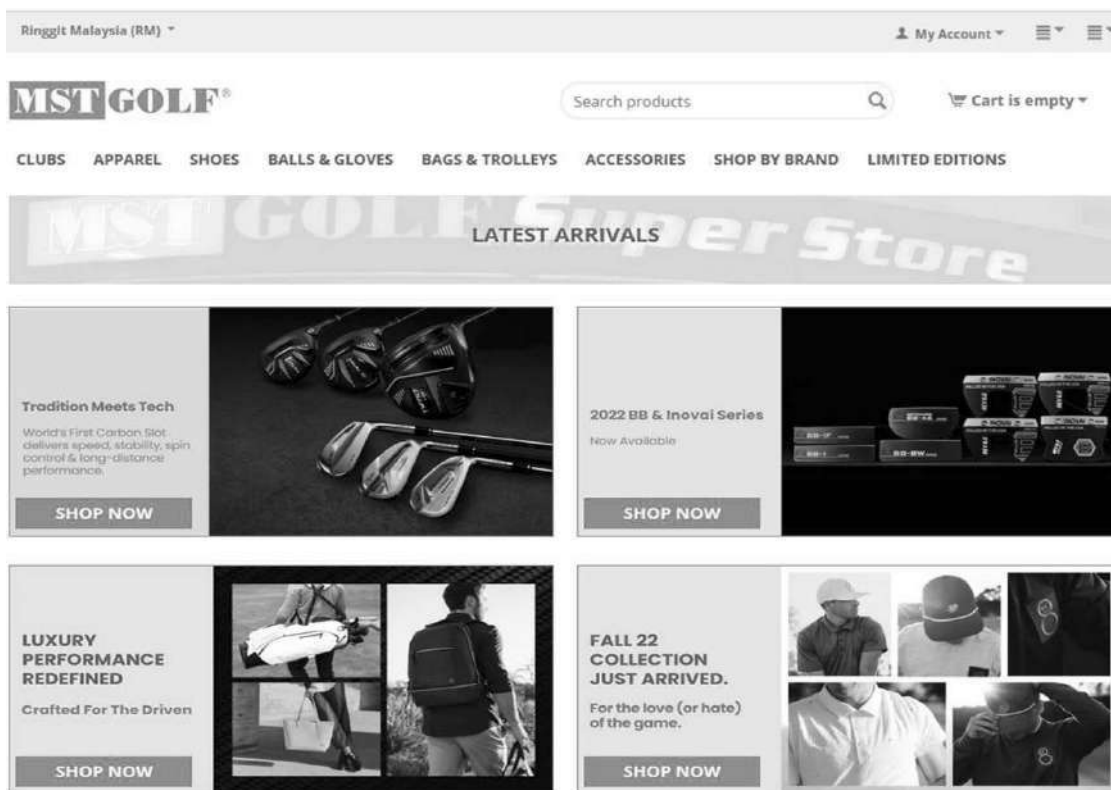
Top: Our departmental counter at Takashimaya Singapore; Bottom: Our departmental counter at ISETAN Singapore

7.6.1.2 Our online platform

In 2017, we launched our online platform, <https://mstgolf.com> to extend our reach to a wider group of customers mainly in Malaysia. Our online platform mainly provides our customers convenient access to shop online for our wide range of golf equipment including golf clubs, golf balls and accessories and golf apparel, and have the goods delivered to their doorsteps. All goods are delivered from our warehouse located at MST Golf Plaza in Subang Jaya, Selangor and the delivery of goods is fulfilled using third-party delivery service providers.

7. BUSINESS OVERVIEW (CONT'D)

Screenshot of our online platform



Our online platform provides shopping convenience 24 hours a day, 7 days a week in the comfort of homes or anywhere with an internet connection. It expands our market coverage to states and places in Malaysia where we do not have physical outlets. At the same time, our online presence serves as one of our marketing efforts to create awareness, carry out regular promotions and introduce new and limited editions of golf equipment.

7.6.1.3 Provision of customised club fitting and repair services

As part of our value-added services to our retail customers, we provide customised club fitting and repair of golf clubs services. Customised club fitting service is mainly to fit the golf club to the player's physique, swing profile and preferences by customising the specifications such as clubhead, shaft and grip. Our repair of golf club services includes shaft replacement, regripping, adjustment of golf clubs, extension and shortening of shaft.

As at the LPD, we have 13 fitters based in 6 of our retail outlets located in Kuala Lumpur, Selangor and Johor, as well as 2 fitters in 2 of our retail outlets in Singapore to provide club fitting services for our customers. As at the LPD, we have club fitting facility that operates under "THE GOLF LAB" in the retail outlets at The Gardens Mall in Kuala Lumpur, Tropicana Gardens Mall in Selangor and City Square in Singapore.

Our value-added services are our efforts to provide comprehensive products and services to our customers to create brand loyalty and brand image of a one-stop centre for golf equipment and services.

7. BUSINESS OVERVIEW (CONT'D)

7.6.1.4 Corporate sales

We also make sales to corporate customers where they purchase our products mainly golf balls and accessories, as well as golf clubs and golf apparel for corporate golf tournaments. Based on our customers' orders, we provide product customisation such as printing or embroidery corporate logos or names onto the golf equipment. The customised logo merchandise is commonly for corporate tournament use.

Customised golf equipment



7.6.2 Wholesale

Revenue from our wholesale segment accounted for 8.93% (RM15.72 million), 10.25% (RM17.43 million), 18.15% (RM37.48 million) and 15.75% (RM47.37 million) of our total revenue for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

Under our wholesale segment, we distribute golf equipment including golf clubs, golf balls and accessories and golf apparel to resellers in Malaysia, Singapore and other foreign countries mainly Indonesia. These resellers will subsequently resell the products in their original form through their existing network, mainly comprising retail outlets.

As at the LPD, we have subsisting distribution agreements that allow us to sell wholesale for 14 out of our top 25 brands for FYE 2021 and FYE 2022. These brands include, among others, *Calvin Klein Golf, Cutter & Buck, G/FORE, GIII, Honma, Majesty, Mizuno, ONOFF, Peter Millar, PGA Tour, PXXG, TaylorMade, Wilson and Yamaha.*

Our wholesale business enables us to extend our market coverage through the sales and retailing network of our customers who are mainly retailers.

7.6.3 Golf related services

Revenue from golf related services accounted for 5.05% (RM8.88 million), 4.03% (RM6.86 million), 2.61% (RM5.39 million) and 2.78% (RM8.36 million) of our total revenue for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

7. BUSINESS OVERVIEW (CONT'D)

7.6.3.1 Golf coaching

We provide golf coaching including individual and group lessons for all ages and skill levels. The lessons are carried out at our golf academy located at the KLGCC for the general public and we also provide golf coaching lessons to the members of The Royal Selangor Golf Club in Kuala Lumpur. In addition, we also provide golf lessons under the licenced training programme by "THE GOLF LAB" in the retail outlets at The Gardens Mall in Kuala Lumpur, Tropicana Gardens Mall in Selangor and City Square in Singapore. The licence of "THE GOLF LAB" brand was obtained from Mucklow Golf Inc, Canada which allows us to carry out the licenced training programme. This licenced training programme is a private training programme and is not governed by any authorities.

As at the LPD, we have 21 instructors of which 10 are our employees and 11 are contract instructors. All the instructors are based in Malaysia, save for 1 instructor who is based in Singapore. 19 instructors are professional golfers who are members of the professional golfers' associations in Malaysia, South Africa, UK, China, Canada or Australia. 4 instructors are "THE GOLF LAB" certified instructors.

Golf coaching – individual lessons



** The above are third party owned properties.*

7.6.3.2 Golf event management and planning services

We provide golf event management and planning services mainly for corporate golf tournaments. We provide end-to-end services from planning, coordinating with external vendors, selecting and booking venues, event design and set-up as well as running golf tournaments. We often make corporate sales of our products when carrying our golf event management and planning.

7. BUSINESS OVERVIEW (CONT'D)

From the FYE 2022 and up to the LPD, we were engaged as event management organiser for corporate golf tournament events as set out below:

Year	Event name	Country
2022	MercedesTrophy 2022	Malaysia
	Standard Chartered Golf Tournament	Malaysia
	PDRM FC Golf Challenge	Malaysia
	MST Golf Honma ilovegolf Tournament	Malaysia
	Make-A-Wish Charity Golf Tournament	Malaysia
	UA Golf Day	Malaysia
	CIMB Golf Invitational	Malaysia
	Taylormade ilovegolf Tournament	Malaysia
	Omega Trophy	Malaysia
	adidas Golf Day	Malaysia
	HSBC Road to Champions	Malaysia
	Alliance Bank Golf Tournament	Malaysia
	Coca-Cola Charity Golf Day	Malaysia
	MST Golf Srixon ilovegolf Tournament	Malaysia
	Time Roll To The Holes 3.0	Thailand
APGCE Golf Tournament	Malaysia	
2023	Toyota Tour	Malaysia
	Mercedes Trophy 2023	Malaysia
	Make-A-Wish Charity Golf Tournament	Malaysia

7.6.3.3 Others

We also provide rental services of golf equipment mainly golf clubs and golf accessories such as shoes and trolleys, as well as a supply of range balls for use at the driving range we operate. The supply of range balls is to facilitate practising on the driving range, while the rental of golf clubs, shoes and trolleys is for tourists or guests that do not have their golf equipment with them. Our rental services are provided by our pro shops at the golf and country clubs while the supply of range balls is at the driving range that we operate.

As at the LPD, we are operating 1 third party driving range mainly for the supply of range balls and upkeep and maintenance of the driving range facilities at the Bukit Jelutong Golf Centre in Shah Alam, Selangor.

The driving range we operate in Shah Alam, Selangor*



* The above are third party owned properties.

7. BUSINESS OVERVIEW (CONT'D)

7.6.4 Operation of indoor golf centres

In February 2022, we commenced the operation of our flagship indoor golf centre under the "MST GOLF ARENA" brand located at The Gardens Mall in Kuala Lumpur. Our indoor golf centre is equipped with facilities comprising golf simulation bays, simulation putting greens as well as dining areas serving food, and alcoholic and non-alcoholic beverages.

With our golf simulation bays, we can simulate plays on world renown as well as prestigious golf courses such as, among others, Congressional Country Club in Maryland, USA, Blue Monster Course at Trump National Doral in Florida, USA, Pebble Beach Golf Links in California, USA, St Andrews Link in Scotland, UK and Wentworth Country Club (West Course) in Surrey, UK.

Our MST Golf Arena is targeted at new, casual, amateur as well as experienced and professional golfers to practice their swings and putting where club and ball data are captured, and play golf and other digital games individually or as a group. We serve individuals, families, groups as well as corporations. In addition to the facilities provided, we can host corporate events and social functions such as product launches, team building and birthday celebrations.

Our venture into the provision of indoor golf centres is to provide technology-based golfing at MST GOLF ARENA combined with in-store retail shopping at MST GOLF in the same location. Some of the benefits include the following:

- (i) tap on the opportunity for a new and potentially viable revenue stream as evidenced in some foreign countries such as USA, UK, Canada and Australia that have introduced such facilities;
- (ii) enlarge our addressable market by extending our services to golfers as well as non-golfers;
- (iii) promote sales of golf equipment from our retail outlets with direct access from our indoor golf centre; and
- (iv) encourage more people to take up golf to increase the potential customer base of golfers.

As at the LPD, we have 2 indoor golf centres in Kuala Lumpur and Selangor, and both are located within shopping malls. The details of the main facilities in our indoor golf centres are set out below:

MST Golf Arena	At The Gardens Mall	At Tropicana Gardens Mall	Total
Commencement date	February 2022	August 2022	-
GFA (sq. ft.)	27,140	25,732	52,872
Number of golf simulation bays	20	18	38
Other facilities	Simulation putting greens and dining areas	Simulation putting greens and dining areas	-

7. BUSINESS OVERVIEW (CONT'D)

Our indoor golf centre at The Gardens Mall in Kuala Lumpur



Our indoor golf centre at Tropicana Gardens Mall in Selangor



7. BUSINESS OVERVIEW (CONT'D)

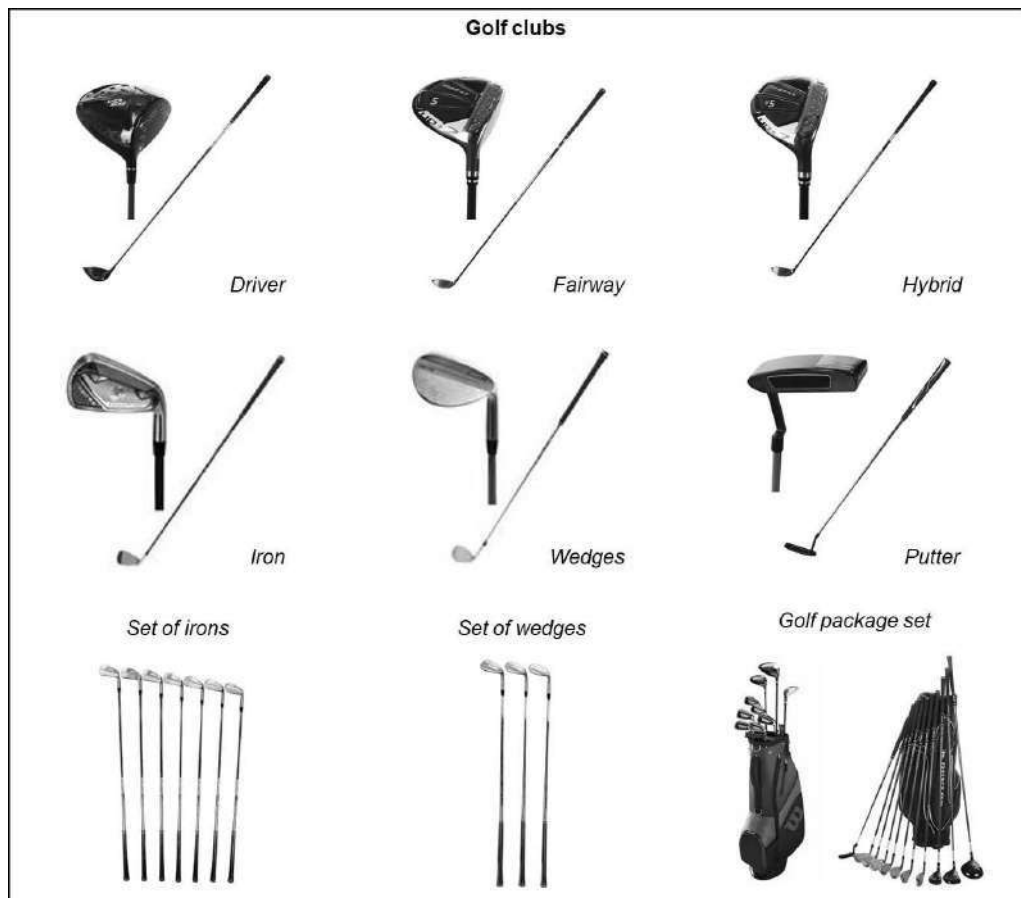
7.6.5 Our products

We are a multi-brand retailer and wholesaler of golf equipment where we sell approximately 97 brands of golf equipment. We market ourselves as a one-stop golf specialty retailer as we offer a wide range of golf equipment and brands to suit the needs of different customers with different preferences and price points.

Our range of golf equipment is generally categorised as follows:

(i) Golf clubs

We sell all types of golf clubs such as drivers, fairway, hybrids/utilities, irons, wedges and putters. They are sold individually as well as in half or full sets comprising at least a driver, some irons, a wedge and a putter.



7. BUSINESS OVERVIEW (CONT'D)

(ii) Golf balls and accessories

We also sell a comprehensive range of golf balls and accessories comprising, among others, golf footwear, gloves, tees, bags, trolleys, GPS, umbrellas, towels and markers.



(iii) Golf apparel

We sell a wide range of golf apparel including men's, women's and junior's shirts, pants, shorts, innerwear, outerwear, headwear, arm gloves, casual shoe, socks, belts and eyewear.



(iv) Third party brand licensed products

We also sell certain golf accessories such as bags and golf apparel under license. For these products, we carry out the design in-house and outsource the manufacturing to external manufacturers. As at the LPD, we engage with 52 manufacturers for the manufacture of these third party brand licensed products. We have agreements for the sales of these third party licensed products including distribution of the products designed and manufactured by the brand owner, as well as the sales of products we design under the said licensed brand name. As at the LPD, these brands include Cutter & Buck and PGA Tour and the products sold include golf accessories such as bags and golf apparel.

7. BUSINESS OVERVIEW (CONT'D)

For the Financial Years Under Review, the sales of third party brand licensed products amounted to 4.99% (RM8.78 million), 3.46% (RM5.88 million), 2.43% (RM5.01 million) and 2.74% (RM8.25 million) of our total revenue for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

As at the LPD, some of the main products and brands that we carry are set out below:

Product category	Main products	Main brands
Golf clubs	Drivers, fairway, hybrids/utilities, irons, wedges, putters and golf package sets	<i>Cleveland GOLF, Cobra, GIII, Honma, Majesty, Mizuno, ONOFF, PING, PXG, Srixon, TaylorMade, Titleist, Wilson and Yamaha</i>
Golf balls and accessories	Golf balls, footwear, gloves, tees, bags, trolleys, GPS, umbrellas, towels and markers	<i>adidas, Cobra, Cutter & Buck, FootJoy, Garmin, G/FORE, Honma, Mizuno, Nike Golf, ONOFF, PGA Tour, PING, Puma Golf, PXG, Srixon, TaylorMade, Titleist, Under Armour, Wilson and Yamaha</i>
Golf apparel	Shirts, pants, shorts, innerwear, outerwear, headwear, arm gloves, casual shoes, socks, belts and eyewear	<i>adidas, Calvin Klein Golf, Cutter & Buck, FootJoy, G/FORE, Nike Golf, Peter Millar, PGA Tour, PING, Puma Golf, PXG, TaylorMade, Titleist, Under Armour</i>

7.7 OPERATIONAL FACILITIES AND RETAIL OUTLETS

The details our head office and operational facilities as well as retail outlets in Malaysia and Singapore are set out below:

(i) As at the LPD, our Group's head office and operational facilities are set out below:

Company	Main function	Location	Built-up area sq. ft.
MST Malaysia	Golf Head office and warehouse	MST Golf Plaza, 8, Jalan SS 13/5, Subang Jaya, 47500 Selangor	66,045
MST Singapore	Golf Office and warehouse	Blk 8, Kaki Bukit Avenue 1, #03-01/02, #03-03/04, #04-01/02/03, Singapore 417941	36,425

(ii) As at the LPD, we operate a total of 44 retail outlets under the "MST GOLF" brand, out of which 36 outlets are in Malaysia and the remaining 8 outlets are in Singapore. The details of these retail outlets are set out below:

Malaysia

Outlets	Location	GFA sq. ft.
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Specialty stores

MST Golf - PJ Federal Highway ⁽¹⁾	No. 11, Jalan 219, Section 51A, Petaling Jaya, 46100 Selangor	15,149
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7. BUSINESS OVERVIEW (CONT'D)

Outlets	Location	GFA sq. ft.
MST Golf - The Gardens Mall ⁽¹⁾⁽²⁾⁽³⁾	S-214, Second Floor, The Gardens, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	11,783
MST Golf - Subang Jaya	MST Golf Plaza, 8, Jalan SS13/5, Subang Jaya, 47500 Selangor	11,023
MST Golf - Tropicana Gardens ⁽¹⁾⁽²⁾⁽³⁾	Lot G-01A, 02 & 03, Tropicana Gardens Mall, No. 2A, Persiaran Surian, Tropicana Indah, Petaling Jaya, 47810 Selangor	11,000
MST Golf - Intermark Mall ⁽³⁾	Lot No. 1.01, Level 1, Intermark Mall, 348 Jalan Tun Razak, 50400 Kuala Lumpur	10,927
MST Golf - IOI City Mall ⁽³⁾	LG-28, Lower Ground Floor, IOI City Mall, Lebuhr IRC, IOI Resort City, 62502 Putrajaya	10,890
MST Golf - Avenue K ⁽¹⁾⁽²⁾⁽³⁾	M-1 Level Mezzanine, Avenue K, 156, Jalan Ampang, 50450 Kuala Lumpur	10,024
MST Golf - UOA	M-7 & M-8, Mezzanine Floor, Wisma UOA 2, No.21, Jalan Pinang, 50450 Kuala Lumpur	7,140
MST Golf - The Starhill ⁽²⁾⁽³⁾⁽⁴⁾	UG06 – UG10, Upper Ground Floor, Starhill Gallery, 181, Jalan Bukit Bintang, 55100 Kuala Lumpur	5,758
MST Golf - Kelana Parkview	Unit OTTG-1, Ground Floor, Kelana Jaya Parkview Office Tower, Jalan SS 6/2, Petaling Jaya, 47301 Selangor	4,110
MST Golf - Mid Valley Southkey ⁽¹⁾⁽³⁾	Lot F043 & 043A, The Mall, Mid Valley Southkey No 1, Persiaran Southkey 1, Johor Bahru, 80150 Johor	12,583
MST Golf - Hatten Square Melaka ⁽²⁾⁽³⁾	Lot No G-001, G-001A, G-002, G-003, Ground Floor Hatten Square, Jalan Merdeka, Bandar Hilir, 75000 Melaka	2,638
MST Golf - Udini ⁽³⁾	B2-1-03, B2-01-04, B2-01-05 & B2-01-06, Udini Square, Lebuhr Tunku Kudin 3, 11700 Gelugor, Penang	4,580
MST Golf - Ipoh	No. 155 E, Jalan Raja Dr Nazrin Shah, Ipoh, 30250 Perak	2,608
MST Golf - Menara Zenith	Lot G1, Ground Floor, Menara Zenith, Jalan Putra Square 6, Kuantan, 25200 Pahang	3,555
MST Golf - Riverside Mall ⁽³⁾	Shops FF101, FF102 & FF103, Jalan Tunku Abdul Rahman, Kuching, 93100 Sarawak	5,348

7. BUSINESS OVERVIEW (CONT'D)

Outlets	Location	GFA sq. ft.
MST Golf - Viva City ⁽²⁾	Lot 1-001,002,003, Level 1, Vivacity Megamall, Jalan Wan Alwi, Kuching, 93350 Sarawak	5,246
MST Golf - Permaisuri Imperial Mall ⁽³⁾	Shops SF6, SF7, SF8, 2nd Floor, Permaisuri Imperial City Mall, 98000 Miri, Sarawak	4,279
MST Golf - Plaza Shell	Lot L.09 (b) & Lot 1.10 1st Floor, Plaza Shell, 29, Jalan Tunku Abdul Rahman, Pusat Bandar Kota Kinabalu, Kota Kinabalu, 88000 Sabah	6,925
Pro shops		
MST Golf – KLGCC Pro Shop ⁽¹⁾	Kuala Lumpur Golf & Country Club 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur	10,198
MST Golf - Tropicana Pro Shop	Tropicana Golf & Country Resort (Golf Wing) Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor	2,100
MST Golf - Kelab Seri Selangor Pro Shop	Kelab Seri Selangor, Persiaran Damansara Indah Tropicana, Petaling Jaya, 47810 Selangor	2,100
MST Golf - Bukit Jelutong Pro Shop	Bukit Jelutong Golf Range, Persiaran Tebar Layar, Seksyen U8, Bukit Jelutong, Shah Alam, 40150 Selangor	2,093
MST Golf - Bukit Jalil Pro Shop	Bukit Jalil Golf & Country Resort Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur	1,600
MST Golf - KGNS Pro Shop	Kelab Golf Negara Subang Jalan SS 7/2, SS 7, Petaling Jaya, 47301 Selangor	1,617
MST Golf – Impian Pro Shop	Impian Golf & Country Club, Jalan Impian Gemilang, Saujana Impian, Kajang, 43000 Selangor	692
MST Golf - Royal Selangor Pro Shop	The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur	1,419
MST Golf - Glenmarie Pro Shop	Glenmarie Golf and Country Club, Pro Shop No 3, Jalan Usahawan U1/8, Shah Alam, 40150 Selangor	1,041
MST Golf - Templer Park Pro Shop	Templer Park Country Club, KM 21, Jalan Rawang, Rawang, 48000 Selangor	767
MST Golf - Palm Garden Pro Shop	Palm Garden Golf Club, IOI Resort City, 62502 Putrajaya	773
MST Golf - Palm Resort Pro Shop	Palm Resort Golf & Country Club, Jalan Persiaran Golf, Off Jalan Jumbo, Senai, 81250 Johor	1,177

7. BUSINESS OVERVIEW (CONT'D)

Outlets	Location	GFA sq. ft.
MST Golf - Ponderosa Pro Shop	Ponderosa Golf & Country Club Pro Shop No.3, Jalan Ponderosa 1, Taman Ponderosa, Johor Bahru, 81100 Johor	638
MST Golf – Pelangi Pro Shop	Pelangi Golf Driving Range - Pro Shop, Jalan Serampang, Tmn Pelangi Johor Bahru, 80400 Johor	4,445
MST Golf - Penang Golf Club Pro Shop	Penang Golf Club No. 2, Jalan Bukit Jambul, Bayan Lepas, 11900 Penang	920
MST Golf - Penang Golf Resort Pro Shop	Penang Golf Resort No.1687, Jalan Bertam, Kepala Batas, 13200 Penang	1,177
MST Golf - Mahkota GCC Pro Shop	Mahkota Golf & Country Club, KM13, Jalan Sungai Lembeng, Bandar Indera Mahkota, Kuantan, 25200 Pahang	942
Singapore		
Outlet	Location	GFA sq. ft.
Specialty stores		
MST Golf - City Square ⁽¹⁾⁽²⁾⁽³⁾	180 Kitchener Road, Unit No. #03-18/19/20, City Square Mall, 208539 Singapore	16,081
MST Golf – Scotts Square ⁽²⁾⁽³⁾	#03-08/09, #03-10, #03-11/12/13, #03-14/15, Scotts Square, 6, Scotts Road, Singapore 228209	8,774
MST Golf - Suntec City ⁽¹⁾⁽²⁾⁽³⁾	Tower 3, #01-474/475/477/478/479/480, Suntec City Mall, Temasek Boulevard, 038983 Singapore	7,025
MST Golf – Far East Shopping Centre	545, Orchard Road, #02-10, Far East Shopping Centre, 238882 Singapore	687
Pro shops		
MST Golf – Marina Bay GC Pro Shop	Marina Bay Golf Course, 80, Rhu Cross, Lot A, #01-03, 437437 Singapore	965
MST Golf – Orchid Country Club Pro Shop	Orchid Country Club, 1 Orchid Club Rd, #01-01 Driving Range, 769162 Singapore	764
Departmental counters		
ISETAN Singapore ⁽³⁾	ISETAN Scotts, Golf Department Level 3, 350 Orchard Road, 238868 Singapore	1,497
Takashimaya Singapore ⁽³⁾	Takashimaya, Golf Department Level 4, 391 Orchard Road, 238873 Singapore	937

7. BUSINESS OVERVIEW (CONT'D)

Notes:

- (1) These retail outlets provide customised club fitting services.
- (2) These retail outlets also operate under "MST ATHLEISURE WEAR" (for golf apparel) brand.
- (3) Refers to retail outlets in shopping malls which generally have higher foot traffic compared to retail outlets in standalone buildings, commercial buildings and shop lots. In addition, shopping malls are commonly situated in prime locations.
- (4) This outlet is operated under the "MST GOLF PREMIUM" brand which is aimed to focus on the premium range of golf equipment. "MST GOLF PREMIUM" focuses on selected golf equipment including golf clubs, golf balls and accessories and golf apparel which are mainly priced above the average price range of golf equipment that we retail.

In addition, we operate 2 indoor golf centres in Malaysia, details of which are set below:

Indoor golf centre	Location	GFA sq. ft.
MST Golf Arena – The Gardens Mall	S-214, Second Floor, The Gardens, Mid Valley City, Lingkar Syed Putra, 59200 Kuala Lumpur	27,140
MST Golf Arena – Tropicana Gardens Mall	Lot G01A, Tropicana Gardens Mall, Tropicana Indah, Selangor	25,732

As at the LPD, we have also entered into letter of offers and/or tenancy agreements to open the following retail outlets and indoor golf centre in Malaysia:

Location	Types of retail format	GFA sq. ft.	Expected opening date
Malaysia operations			
Gurney Paragon Mall, Penang ⁽¹⁾	Specialty store and indoor golf centre	19,777	Q3 2023
Seremban Gateway, Negeri Sembilan ⁽²⁾	Specialty store	3,642	Q3 2023
Plaza Shah Alam, Selangor ⁽³⁾	Specialty store	Approximately 5,000	Q3 2023

Notes:

- (1) In December 2022, we entered into a letter of offer for a retail space at the Gurney Paragon Mall, Penang. We plan to open "MST GOLF" specialty store and "MST GOLF ARENA" indoor golf centre by the 3rd quarter of 2023. The total GFA is approximately 19,777 sq. ft. and the indoor golf centre will house 9 golf simulation bays, simulation putting green as well as dining areas serving food, and alcoholic and non-alcoholic beverages. In March 2023, we have entered into a tenancy agreement for the rental of this retail outlet. The setting up of the retail outlet and indoor golf centre at the Gurney Paragon Mall will be funded through the IPO proceeds. Please refer to Section 7.19 of this Prospectus for further details of our expansion plans.

7. BUSINESS OVERVIEW (CONT'D)

- (2) In April 2023, we entered into a letter of offer for a retail outlet at Seremban Gateway, Negeri Sembilan. We plan to open "MST GOLF" specialty store by the 3rd quarter of 2023. We are in the midst of finalising the terms of the tenancy agreement for the rental of this retail outlet.
- (3) In May 2023, we entered into a letter of offer for a retail outlet at Plaza Shah Alam, Selangor. We plan to open "MST GOLF" specialty store by the 3rd quarter of 2023. We are in the midst of finalising the terms of the tenancy agreement for the rental of this retail outlet.

For the Financial Years Under Review, the net change in the number of our retail outlets is set out below:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022
No. of retail outlets at the beginning of the year	36	35	36	37
• Specialty stores	16	18	18	17
• Pro shops	16	15	16	18
• Departmental stores	4	2	2	2
No. of new retail outlets opened during the year ⁽¹⁾	2	1	2	9
• Specialty stores	2	-	-	7
• Pro shops	-	1	2	2
• Departmental stores	-	-	-	-
No. of retail outlets closed during the year ⁽²⁾	3	-(3)	1	3
• Specialty stores	-	-	1	2
• Pro shops	1	-	-	1
• Departmental stores	2	-	-	-
No. of retail outlets at the end of the year	35	36	37	43
• Specialty stores	18	18	17	22
• Pro shops	15	16	18	19
• Departmental stores	2	2	2	2

Notes:

- (1) Generally, the new retail outlets take approximately 6 months to achieve the sales target and the average monthly retail sales was approximately RM0.80 million per specialty store and RM0.20 million per pro shop. In general, a new retail outlet would experience higher growth in the first 6 months to reach its maturity, and subsequently, growth will moderate and stabilise.
- (2) The closures of these retail outlets were either due to relocation of the retail outlet to a better location, loss-making or non-renewal of the tenancy agreement as the landlord had plans to renovate. Please refer to Section 5.1.2 of this Prospectus for further details on the risk relating to the changes in the conditions of the places where our outlets are located.
- (3) There was no closure of retail outlets in FYE 2020.

7. BUSINESS OVERVIEW (CONT'D)

For the Financial Years Under Review, some of the key operational data is set out below:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Average revenue per day per outlet (RM per day per outlet) ⁽¹⁾	10,442	12,346	13,988	14,582
• <i>Existing outlets</i>	10,803	12,573	14,745	15,273
• <i>New outlets</i> ⁽²⁾	15,463	4,394	6,352	14,675
• <i>Closed outlets</i>	3,126	-	2,747	6,469
Average number of transactions per day per outlet ⁽³⁾	27	30	29	27
Average value of each transaction (RM per transaction) ⁽⁴⁾	384	416	503	548
Average monthly sales per departmental store (RM per month per outlet) ⁽⁵⁾	174,728	255,870	468,587	532,972

Notes:

- (1) Based on the aggregated retail outlet's revenue per day divided by the number of retail outlets operating during the financial year. The retail outlet's revenue per day is based on the revenue generated by each retail outlet divided by the number of operating days for each retail outlet during the financial year.
- (2) The fluctuations in the average revenue per day per outlet for new retail outlets were mainly due to the different retail formats of the new outlets opened in each financial year. The average revenue generated from the new retail outlets was lower in FYE 2020 and FYE 2021 as we only opened 1 pro shop in FYE 2020 and 2 pro shops in FYE 2021. Meanwhile, the average revenue generated from the new retail outlets was higher in FYE 2019 and FYE 2022 as we opened 2 specialty stores in FYE 2019 and 7 specialty stores together with 2 pro shops in FYE 2022.
- (3) Based on the aggregated retail outlet's number of transactions per day divided by the number of retail outlets operating during the financial year. The retail outlet's number of transactions per day is based on number of transactions at each retail outlet divided by the number of operating days for each retail outlet during the financial year.
- (4) Based on the revenue generated by our retail outlets during the financial year divided by the number of transactions at our retail outlets during the financial year.
- (5) Based on the aggregated departmental store's revenue per month divided by the number of departmental stores operating during the financial year. The departmental store's revenue per month is based on the revenue generated by each departmental store divided by the number of operating months for each departmental store during the financial year. For FYE 2019, the average monthly sales per departmental store included the average monthly sales of 2 existing departmental stores as well as 2 other departmental stores which operated for approximately 3 to 4 months before they closed in FYE 2019. For FYE 2020 up to FYE 2022, the average monthly sales per departmental store refers to the average monthly sales for the existing 2 departmental stores.

7. BUSINESS OVERVIEW (CONT'D)

7.8 MACHINERY AND EQUIPMENT

As at 31 December 2022, the key machinery and equipment for our operations are set out below:

Key machinery and equipment	Function	Quantity	Audited net carrying amount as at 31 December 2022 RM'000	Average useful lifespan	Average age
Indoor golf centre					
• Golf simulation equipment	Comprising hardware and software including launch monitor to provide ball and club data for coaching and fitting based on the movement of a golf swing, as well as simulates ball flight while playing on a simulated driving range or golf course	38	2,446	7 years	Less than 1 year
• Simulation putting green	Comprising hardware and software to provide simulation of aim and start line with ball tracking capability, and is mainly used for training purpose to improve on putting	2	81	5 years	Less than 1 year
• Kitchen equipment and cooking related facilities	For food services operations at the indoor golf centre	(1)	1,561	5 years	Less than 1 year
• POS terminal and related equipment	Records sales transaction information, payment amounts, methods of payments, generates sales reports and other information such as those for our loyalty membership programme	7	82	5 years	Less than 1 year

7. BUSINESS OVERVIEW (CONT'D)

Key machinery and equipment	Function	Quantity	Audited net carrying amount as at 31 December 2022 RM'000	Average useful lifespan	Average age
Golf academy and customised club fitting related equipment					
• Golf simulation equipment and sensor system	Comprising hardware and software to collect data on how the golfer uses the ground to generate power for its swing	38	1,107	5 to 7 years	3 years
• Simulation putting green	Comprising hardware and software to provide simulation of aim and start line with ball tracking capability, and is mainly used for training purpose to improve on putting	3	28	5 years	3 years
• Club making and repair equipment and tools	Comprising tools and equipment used for customised club making and repair services	15	24	5 years	1 year
Warehouse related equipment	Including reach truck and stock pickers, handheld scanners, as well as transportation vehicles for our warehouse operations	(2)	455	7 to 10 years	8 years
Retail operation					
• POS terminal and related equipment	Records sales transaction information, payment amounts, methods of payments, generates sales reports and other information such as those for our loyalty membership programme	46	136	5 years	4 years
• IT systems	Comprising our server systems and related equipment	9	270	7 years	8 years ⁽³⁾

7. BUSINESS OVERVIEW (CONT'D)

Notes:

- (1) Comprising the kitchen equipment and cooking related facilities including kitchen fittings and appliances such as chiller, freezer, water purification system and coffee machines for the food services operations at the indoor golf centre located at The Gardens Mall, Kuala Lumpur and Tropicana Gardens Mall, Selangor.
- (2) Comprising 18 reach trucks/stock pickers, 57 units of handheld scanners as well as 8 transportation vehicles.
- (3) Out of the 9 units of IT systems, 2 of the systems which have exceeded its average useful lifespan are still usable.

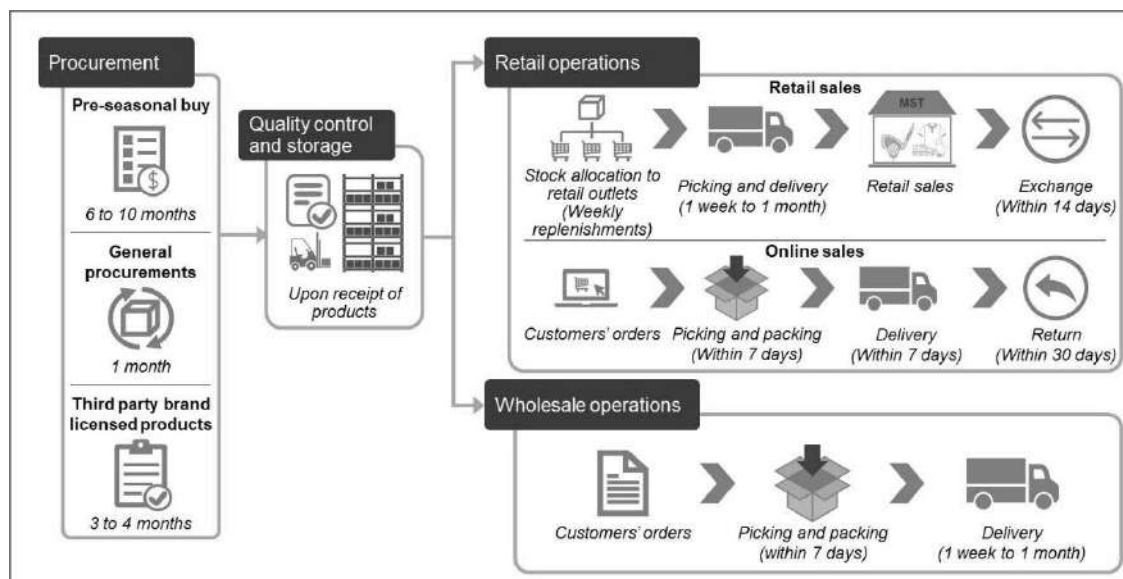
Based on our accounting policy, the estimated useful lifespan of our machinery and equipment is 5 to 10 years. Our policy is to use our machinery and equipment for at least the duration of their estimated useful lifespan and thereafter, we would consider the ongoing repair and maintenance cost relative to the costs and benefits of purchasing new machinery and equipment.

7.9 PRODUCTION CAPACITY AND UTILISATION

As a specialty retailer and wholesaler of mainly golf equipment, the measurements of capacity and utilisation do not apply to our business operations.

7.10 PROCESS FLOW

The process flow for our business operations are depicted in the diagram below:



7.10.1 Procurement

Our operations begin with the procurement of products. We place orders directly with the brand owners overseas or their respective local distributors.

As a specialty retailer of golf equipment, procurement is one of the key processes to secure the brands and products in the quantity and at the time that we require for our operations. This is mainly predicated on the globalised operations of many of the brand owners where in some situations, the brand owners will need to optimise their product allocation across their global distributors, retailers or purchasers.

7. BUSINESS OVERVIEW (CONT'D)

Generally, we have 3 different procurement process as follows:

(i) Procurement of pre-seasonal buy for golf equipment that we have agreements with brand owners

For golf clubs and golf balls, the brand owners commonly launch new products between January and March each year. Each new collection will have a trade show for the brand owners' distributors and retailers to reveal the pre-season buy which commonly takes place 6 months ahead of the product launch season. Our team will select the type and determine the quantity of products we require from the pre-season buy and we will have approximately 1 month to place our orders from the reveal of the pre-season buy. In addition, during the confirmation in placing our orders, we take into considerations the minimum order quantity as these are directly from the factory.

Golf apparel and accessories such as footwear are fashion items and the brand owners commonly launch 2 new collections per year, namely spring/summer and fall/winter collection based on the northern hemisphere seasons starting from January to June and July to December respectively. Each new collection will be introduced to the brand owners' distributors and/or retailers during a trade show or product presentation normally 10 months ahead of respective seasons. After the trade show, our team will select the type and determine the quantity of products we require and we will have approximately 1 month to place our purchase orders.

(ii) General procurements (open-to-buy)

The open-to-buy procurement mainly refers to the procurement of those golf equipment without agreement with brand owners. This includes golf clubs, golf balls and accessories and golf apparel, which are based on the purchase order issued where the brand owners or suppliers have stocks for us to place our purchase orders as and when we require them. We usually place our orders on a monthly basis based on our forecast weekly sales against the actual sales monitored by our procurement team.

(iii) Third party brand licensed products

As for certain golf accessories such as bags and golf apparel under license, we will carry out the design of the products and subsequently obtain approval from the brand owner. This commonly takes approximately 1 month before the design is confirmed and sent for production. Upon approval, we will then outsource the manufacturing to external manufacturers where the production takes approximately 2 to 3 months.

7.10.2 Quality control and storage

Upon the receipt of products at our warehouse, we will conduct a quantity check on the products to ensure that the quantity received is equivalent to the amount that was raised in the purchase order as well as invoices issued by suppliers. We will also conduct quality checks on all the incoming products to ensure that the products received are in good condition and have not been damaged. All products will be attached with a tag containing the product barcode as well as the price tag before they are stored at our warehouse according to product category and location.

7. BUSINESS OVERVIEW (CONT'D)

(i) Retail operations

Retail outlet

Stock allocation to retail outlets

Stocks will be allocated based on various metrics including sales performance, product mix, size of retail outlets as well as inventory level at each retail outlet as part of our procurement process by procurement team. In addition, we have weekly stock replenishment based on actual sales monitored and managed by inventory management team. Each retail outlet manager may also request and place orders for product replenishments as need basis.

Picking and delivery to retail outlets

The picking list are generated by the inventory management system and our warehouse team will pick, pack and load the required products for delivery to the respective retail outlets. Deliveries to our retail outlets are undertaken by our in-house trucks as well as third-party logistics providers for deliveries to our retail outlets outside of Selangor, Kuala Lumpur and Putrajaya.

Retail sales

Upon the receipt of products at the retail outlet, the retail team will perform a quantity check to ensure that the products received are complete and accurate. The products will then be displayed in the store for sale to end-customers.

Our retail sales are mainly based on cash, credit card, debit card and e-wallet. We have in place the following operational procedures and controls on cash management to reduce the risk of cash pilferage, theft and robbery:

- (a) all our confirmed sales are computer generated with the payment amount stated on the official receipts. This is to ensure that all customers' payments are captured by our computer systems, which are linked to our head office;
- (b) we maintain point-of-sales for each of our retail outlets through a centralised server system which allows us to access most of our retail outlet's sales data in real-time and synchronising to server in head office in real-time basis or daily basis;
- (c) all cash collected at the retail outlets is deposited into designated banks by the respective branch manager mainly on a daily basis or when the cash level meets the minimum threshold set by the management. Bank-in slips and summaries of bank-in slips are then sent to our head office. These are then verified against the sales summary report generated by the computerised retail system; and
- (d) all daily cash sales are reconciled to the amount stated in our daily collection report on a daily basis.

Please refer to Section 5.1.8 of this Prospectus for further details of the risks relating to cash pilferage.

Exchanges

For exchange of golf equipment purchased through our retail outlets, customers have to return to the retail outlets where the golf equipment was purchased within 14 days from the date of purchase. For products which are manufacturers' defects, we will then liaise with the brand owners or suppliers for claims.

7. BUSINESS OVERVIEW (CONT'D)

Online sales

For orders placed through our online platform, our warehouse team will pick and pack the products accordingly and prepare them for shipping. The products will then be delivered to our customers from our warehouse using a third-party logistics provider where the delivery charges are borne by the customers. We provide deliveries domestically as well as to foreign countries.

Returns

For return of golf equipment purchased via our online platform, customers have to submit a return request on our online platform within 30 days from the date of receipt of the golf equipment, and subsequently return the golf equipment via courier to us. Upon receiving the golf equipment, our team will inspect and evaluate to ensure that the returned products meet the terms and condition of our return policy. The refund credit will then be issued to the customers in the form of gift certificate. For products which are manufacturers' defects, we will then liaise with the brand owners or suppliers for claims.

(ii) Wholesale operations**Customers' orders, picking and packing**

Upon receiving the purchase orders from our customers, sales orders, delivery orders, invoices and picking lists are generated and printed. Our warehouse team will then pick the products according to the orders and packed them ready for delivery.

Delivery to customers

Deliveries to our customers are undertaken by our in-house logistics team as well as third-party logistics providers for deliveries to our retail outlets outside of Selangor, Kuala Lumpur and Putrajaya. Upon receiving the goods, our customers are required to sign the invoice and delivery order as proof of delivery. We do not have a return or exchange policy for our wholesale trade.

Generally, we provide product warranty against manufacturers' defects products for golf clubs and certain golf accessories such as golf bags and golf shoes, as well as golf apparel, and we have back-to-back warranty arrangements with the brand owners or suppliers. For golf balls and other accessories, we do not provide product warranty. For products which are manufacturers' defects, we will then liaise with the brand owners or suppliers for claims.

7.11 RESEARCH AND DEVELOPMENT

We do not carry out any research and development activity as it is not relevant to our business, and as such, we have not recognised any research and development expenditure during the Financial Years Under Review.

7. BUSINESS OVERVIEW (CONT'D)

7.12 TECHNOLOGIES USED

7.12.1 Retail and wholesale operations

Our business is focused on the retail and wholesale of our golf equipment and as such, we mainly utilise technologies in the form of computing application systems to streamline our retail operations.

ERP system which integrates our retail management system, inventory management system and warehouse management system. This allows our head office to retrieve sales data from each retail outlets to provide data analytics and insights for business planning and management as well as to monitor the inventory levels at our warehouse and retail outlets to facilitate our procurement of products. These include the following:

- (i) **retail management system** at our retail outlets including the point of sale system which records sales transaction information, payment amounts, methods of payments, generates sales reports and other information such as those for our loyalty membership programme. The retail management system at each of our retail outlets is linked to our head office where it can generate sale performance reports for each store, by country, state, other segmentation as well as on a combined basis;
- (ii) **inventory management system** to monitor the inventory levels and restock our warehouse and retail outlets, facilitate product code creation, costing, procurement, corporate and wholesale order processing and invoicing as well as product information;
- (iii) **warehouse management system** to manage the supply chain operations from our warehouse to the retail outlets, incorporating in-house logistics and third-party logistics providers, schedule of delivery and relevant documentation; and
- (iv) **accounting and finance system** to provide financial functionality and analysis reports for the ledger, account payables and receivables, and fixed asset data management.

In addition, we also have an e-commerce platform to host our online store with a third-party payment gateway to allow our customers to make payments for their online purchases and our MST Golf Super App which allows our customers to browse and shop for our products, view their membership details as well as make bookings for our indoor golf centres.

7.12.2 Indoor golf centres, golf academy and customised club fitting services

We use various technologies mainly for our golf academy, customised club fitting services and indoor golf centres. These are third-party technologies comprising hardware and software. We do not own any of these technologies but are users of these technologies which are commonly on an annual subscription basis. There is minimal interruption risk to our operations as we continue to pay subscription annually for the use of these technologies.

- **Foresight Sports** is a launch monitor system which provides ball and club data for coaching and fitting. It also simulates ball flight on a virtual driving range or golf course projected on the screen. This golf simulation technology allows a player to go through the whole 18-hole golf course. In addition, our golf simulation includes some renowned and prestigious golf courses such as the Congressional Country Club in Maryland, USA, Blue Monster Course at Trump National Doral in Florida, USA, Pebble Beach Golf Links in California, USA, St Andrews Link in Scotland, UK and Wentworth Country Club (West Course) in Surrey, UK. We use Foresight Sports system in our golf simulation bays located within our indoor golf centres, golf academy as well as customised club fitting services.

7. BUSINESS OVERVIEW (CONT'D)

Foresight Sports system



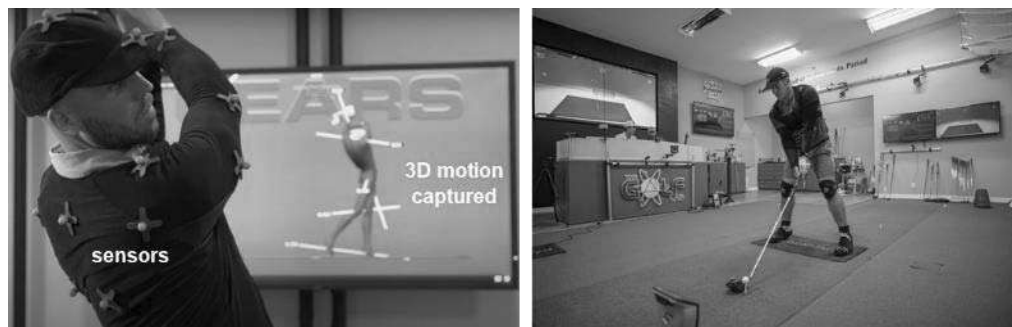
- Swing Catalyst** system comprises software and a 3-dimensional ("3D") motion plate. The 3D motion plate is a pressure plate to measure ground reaction forces to collect data on how the golfer uses the ground to generate power for its swing. The swing catalyst system provides data on 3 types of forces, namely vertical, horizontal and torque. The high-speed cameras are integrated with Swing Catalyst system for swing assessment and the swing action can be replayed in slow motion. We use the Swing Catalyst system in our golf academy and customised club fitting services.

Swing Catalyst system



- GEARS Golf** system is a 3D motion capture system to provide golf club motion and body tracking to measure and analyse every nuance of a swing. It tracks body and club movement, analyses the biomechanics of the golf swing, and the droop and deflection of the club shaft. We use the GEARS Golf system in our golf academy and customised club fitting services.

GEARS Golf system



7. BUSINESS OVERVIEW (CONT'D)

- **K-coach/K-motion** system is a 3D motion capture system used to analyse the sequence and movement of a golf swing to provide feedback for training purposes. We use the K-coach/K-motion system in our golf academy.

K-coach/K-motion system



- **Quintic** is a launch monitor for putting to provide ball and putter head data for coaching and club fitting. It uses high speed cameras to track ball movement off the putter face. We use the Quintic system for our golf academy and customised club fitting services.

Quintic system



7. BUSINESS OVERVIEW (CONT'D)

- **PuttView** is a putting simulation system to provide simulation of aim and the proposed optimum travel line with ball tracking capability. It is mainly used for training purposes to improve on putting. We use the PuttView system for our golf academy as well as in our indoor golf centres.

PuttView system



7.13 SEASONALITY

Overall, our business does not experience seasonality in sales from our retail and wholesale operations.

However, we do experience orchestrated higher sales during our promotions events which occur 2 or 3 times a year including our mid-year and year-end stock clearance sales, launch of new golf clubs in the beginning of the year, as well as annual our golf festival "Golfest" held at the KLGCC in the 1st quarter of the year. We may also experience an increase in sales during our *ilovegolf* member rewards week which is usually held twice/three times a year. Member rewards week involves exclusive promotions such as additional discounts or extra reward points for selected products during selected events.

Please refer to Section 7.15 of this Prospectus for further details on our sales and promotions and Section 5.2.2 of this Prospectus for further details of the risks arising from promotional events and its impact on our financial performance.

7.14 MATERIAL INTERRUPTIONS IN OUR BUSINESS

The World Health Organisation declared COVID-19 a pandemic on 11 March 2020. As a result, we experienced some temporary interruptions to our business operations due to the MCO imposed by the Government and Circuit Breaker Measures by the Singapore government to contain the COVID-19 pandemic.

Apart from the impact of the COVID-19 pandemic, we have not experienced any material interruptions in our business during the Financial Years Under Review.

7.14.1 COVID-19 conditions in Malaysia and Singapore

(i) Malaysia

Commencing on 18 March 2020, the Government implemented several measures to contain the spread of COVID-19 in the country. These measures include restrictions on the movement of people within Malaysia and internationally, and restrictions on business, economic and social activities.

7. BUSINESS OVERVIEW (CONT'D)

The first phase of the MCO was implemented from 18 March 2020 to 3 May 2020 which saw the closure of all businesses except for those classified as "essential services" during that period, or those that have received written approval from the MITI. Subsequently, as the number of daily and active COVID-19 cases came down, the Government relaxed the country's restrictions and allowed the nation's economy to reopen in a controlled manner. From 18 March 2020 up to June 2021, the MCO went through various phases throughout the country including CMCO, RMCO and FMCO where restrictions were either relaxed and/or tightened for certain states, districts and/or location based on the number of daily and active COVID-19 cases in the respective areas. On 15 June 2021, the Government announced the NRP, a phased exit strategy from the COVID-19 crisis consisting of 4 phases where the restrictions gradually eased in each phase.

During the first MCO period which took effect nationwide from 18 March 2020 to 3 May 2020, our business was affected where we were required to temporarily close all our operational facilities including our head office and warehouse, as well as our retail outlets throughout the first MCO period, as our business was not deemed as "essential services".

Following the implementation of CMCO on 4 May 2020, we resumed operations of our head office and warehouse and reopened all our retail outlets in Malaysia. We continued to operate during the RMCO period in accordance with the specified guidelines and SOP including the specified workforce capacity.

Subsequently, following the reimposition of MCO in several states in January 2021 (including the Selangor, Penang, Melaka, Johor, Sabah and the federal territories) and May 2021 (including Selangor, Kuala Lumpur, Penang, Johor and Sarawak), the FMCO nationwide in June 2021, and EMCO in Kuala Lumpur and Selangor in July 2021, we temporarily closed our retail outlets in the abovementioned states and federal territories where required and reopened when we obtained approval letters from the MITI or upon the easing of restrictions.

(ii) Singapore

The Singapore government implemented the Circuit Breaker Measures from 7 April 2020 to 1 June 2020 where only "essential services" were allowed to operate. Subsequently, the country embarked on a 3-phased approach to gradually resume economic activities commencing 2 June 2020.

During the circuit breaker period from 7 April 2020 to 1 June 2020, we were required to temporarily close all our operational facilities including our office and warehouse, as well as our retail outlets. Subsequently, we resumed operations and reopened our retail outlets on 19 June 2020 under phase 2 of the reopening where retail businesses were allowed to resume operations.

7.14.2 Impact on sales, delivery and receipt of supplies

Our business operations in Malaysia and Singapore experienced interruptions in our supply chain due to the disruptions in the global supply chain arising from the COVID-19 pandemic which caused lockdown and closures of the factory in the country of origin of the imported products and logistic disruptions due to border closure.

7. BUSINESS OVERVIEW (CONT'D)

For the FYE 2020, following the business closure during the containment measures in Malaysia and Singapore, we engaged with our suppliers who are the brand owners to review and manage our confirmed purchase orders of golf equipment comprising golf clubs, golf balls and accessories and golf apparel as well as to coordinate the delivery schedules, which resulted in the following scenarios:

- (i) cancellation of purchase orders with suppliers due to the uncertainties and closure of business due to COVID-19 pandemic conditions where the cancellation of orders amounted to RM6.74 million during FYE 2020. There were no penalties imposed by our suppliers for the said cancellations; and
- (ii) deferment of delivery of confirmed purchase orders to a later date. The total deferred purchase orders were RM5.97 million. As at the LPD, the deferred purchase orders have been fulfilled.

For the FYE 2021, despite the various containment measures implemented in Malaysia and Singapore, there were no material disruptions to our supply chain as we continued to receive the goods based on our confirmed purchase orders.

Pursuant to the above scenarios, this was also reflected in our total purchases which decreased from RM105.69 million in FYE 2019 to RM79.93 million in FYE 2020 and subsequently increased to RM138.24 million in FYE 2021.

7.14.3 Impact on our financial performance

For the FYE 2020, as a result of the temporary closures of our retail outlets in Malaysia and Singapore for 47 days and 73 days respectively, our financial performance was impacted and this was reflected in the 2nd quarter of FYE 2020 as summarised below:

	←-----FYE 2020----->			
	Quarter 1 (Jan 2020 – Mar 2020) RM'000	Quarter 2 (Apr 2020 – Jun 2020) RM'000	Quarter 3 (Jul 2020 – Sept 2020) RM'000	Quarter 4 (Oct 2020 – Dec 2020) RM'000
Revenue				
Malaysia operations	25,690	17,102	42,316	42,284
Singapore operations	11,292	2,155	13,599	15,714
Total revenue	36,982	19,257	55,915	57,998
Quarter-on-quarter change (%)	-	(47.93)	190.38	3.73

For the FYE 2021, with the temporary closures of our retail outlets in various states in Malaysia during the MCO, FMCO and EMCO periods, the financial performance of our Malaysia's operations was impacted as summarised below:

	←-----FYE 2021----->			
	Quarter 1 (Jan 2021 – Mar 2021) RM'000	Quarter 2 (Apr 2021 – Jun 2021) RM'000	Quarter 3 (Jul 2021 – Sept 2021) RM'000	Quarter 4 (Oct 2021 – Dec 2021) RM'000
Revenue				
Malaysia operations	31,950	19,441	20,449	50,271
Singapore operations	21,278	19,460	21,826	21,844
Total revenue	53,228	38,901	42,275	72,115
Quarter-on-quarter change (%)	(8.22)	(26.92)	8.67	70.58

7. BUSINESS OVERVIEW (CONT'D)

Since March 2020 and up to the LPD, we have incurred costs amounting to approximately RM0.14 million for COVID-19 related expenses such as purchase of face masks, temperature scanners and sanitisers, sanitisation of our premises and to conduct COVID-19 swab tests for our employees.

We received wage subsidy allowance of RM2.04 million, RM2.90 million and RM1.19 million in FYE 2020, FYE 2021 and FYE 2022 respectively due to the COVID-19 pandemic. This includes the Jobs Support Scheme by the Singapore government and the Wage Subsidy Programme by the Government.

Since the imposition of the MCO in March 2020 and up to the LPD, we have not breached any laws and regulations in relation to the COVID-19 restrictions and SOPs which may lead to penalties by the relevant authorities.

7.15 SALES AND MARKETING ACTIVITIES

We adopt the following marketing strategies to sustain and grow our business:

(i) Established brand for our retail outlets

We have an established brand for our golf retail outlets under "MST GOLF" coupled with the presence of our network of 36 retail outlets in Malaysia and 8 retail outlets in Singapore as at the LPD which enhances our market visibility and awareness. In addition to our retail outlets, our customers are also able to shop at our online platform, <https://mstgolf.com>.

We will continue to build our retail brand equity in Malaysia and Singapore through our retail outlets including specialty stores, pro shops and departmental counters where we have direct engagement with customers.

(ii) One-stop retail environment for golf equipment

We provide a one-stop retail environment for golf equipment to our customers where we carry an extensive range of products and brands of golf equipment to meet the comprehensive needs of customers. As at the LPD, we have approximately 97 brands of golf equipment including golf clubs, golf balls and accessories and golf apparel. In addition, we offer value-added services to our customers including the provision of customised club fitting and repair services, and golf coaching.

We will continue to expand our portfolio of brands, products and services to provide choice and convenience to serve as a one-stop centre for golf equipment and related services to new and existing golfers. Among others, we have launched our indoor golf centre, "MST GOLF ARENA", with direct access from our retail outlet, to make golf playing and learning more accessible as well as to provide activities suitable for individuals, families and groups covering golfers and the general public.

(iii) Loyalty membership programme

We focus on building customer loyalty through, among others, the introduction of our loyalty membership programme namely *ilovegolf* where our customers will earn a reward point for every RM1/SGD1 spent at our "MST GOLF" retail outlets, online platform and "MST GOLF ARENA" indoor golf centres, where they are entitled to various benefits under this programme.

7. BUSINESS OVERVIEW (CONT'D)

The reward points earned are entitled for cash voucher redemption which can be used to purchase our products and services at our outlets. In addition to the reward points for purchases made, the benefits and privileges under our *ilovegolf* programme include special rates for golfing at certain golf and country club during a specific promotional period, exclusive previews of our new product launches, members-only tournaments, exclusive promotions such as additional discounts or extra reward points during selected events, in-store exclusive privileges such as additional discounts on selected brands.

As at the LPD, we have approximately 93,995 active members under our *ilovegolf* programme. Our sales generated from *ilovegolf* members contributed approximately 57.34%, 73.20%, 72.12% and 75.68% of our total retail revenue for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

Our business is mainly focused on the retail of golf equipment where the vast majority are end-consumers. Our customers purchase our goods from our retail outlets and online platform. As such, we mainly carry out the following marketing activities to enhance our brand equity as well as to enhance sales of our products and services:

- (i) We conduct sales and promotions at our retail outlets and online platform including the following key sales and promotions:

Type of sales or promotions	Description
Stock clearance sales	Clearance sales held twice a year typically in July and November/December generally between 2 to 4 weeks at our retail outlets
<i>ilovegolf</i> members rewards week	Exclusive promotions for our <i>ilovegolf</i> members held twice/three times a year for a week at our retail outlets where members are able to purchase golf equipment at a discounted price or extra reward points
Golf festival "GolFest"	Annual golf festival held at the KLGCC and our indoor golf centres in the 1st quarter of the year generally for 4 days including product demonstrations of all brands of golf clubs, as well as exclusive promotions and offers during the festival
Warehouse sales	Warehouse sales held twice/three times a year generally for 2 weeks at Shah Alam Convention Center or MST Golf Plaza
Nationwide sales	Exclusive promotions including discounts for selected products or brands and offers at all retail outlets such as New Year Sales, Brand Promos and Japan Golf Fair
Localised sales	Exclusive promotions at specific retail outlets including storewide discount, additional reward points or clearance stocks
Online promotion	We have various promotions on our online platform including online exclusive discounts, pre-order promotions, exclusive discounts for selected products and brands, as well as sales during 11.11 and PayDay Sales

- (ii) We utilise digital marketing and advertising including social media platforms such as Facebook and Instagram, as well as our online platform, <https://mstgolf.com>, to promote new store launches, product launches, targeted retail promotions as well as our indoor golf centres and golf related services. We also use our social media platforms to engage with our customers and to receive customer feedback.

7. BUSINESS OVERVIEW (CONT'D)

- (iii) Our online platform, <https://mstgolf.com> served as one of our key marketing activities for our Group where our customers can browse our wide range of golf equipment online including golf clubs, golf balls and accessories and golf apparel. In addition, our online platform also provides information on new product introductions as well as our ongoing promotions.
- (iv) We promote our brands, products and services advertise through print media such as newspapers and magazines, buntings, in-store signages, golf courses and driving ranges.
- (v) Our marketing activities also include sending short message service (SMS), emails and newsletters on our range of products and services, promotions, activities and golf-related news and information to our *ilovegolf* members as well as our online registered members.
- (vi) As part of our brand awareness and promotional activities, we conduct events for the launch or preview of new products, product demonstrations, club fitting sessions, contests and tournaments as well as sponsoring events.
- (vii) We also produce content including information, pictures and videos on selected brands and their products, golfing tips and suggestions, product launches and product training material. The content produced is used as part of our marketing activities to create a brand experience at our retail outlet showcasing the product information, our social media platforms as well as for our digital media website at <https://golfmatters.com>. In addition, for new product launches, we also have promotional offers including introductory price, members discount or gift with purchase.

During the Financial Years Under Review, our expenses on advertising and promotional activities accounted for 3.17% (RM5.57 million), 2.36% (RM4.01 million), 2.75% (RM5.68 million) and 2.31% (RM6.95 million) of our total revenue for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

7.16 TYPES, SOURCES AND AVAILABILITY OF INPUT MATERIALS AND SERVICES

The following are the major types of input materials and services that we purchase for our retail and wholesale operations for the Financial Years Under Review:

	<---FYE 2019--->		<---FYE 2020--->		<---FYE 2021--->		<---FYE 2022--->	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Finished goods	105,411	99.74	79,880	99.93	138,121	99.92	175,864	99.90
Golf clubs ⁽¹⁾	49,961	47.27	44,109	55.18	78,220	56.59	99,811	56.70
Golf balls and accessories ⁽²⁾	33,306	31.52	25,005	31.28	41,486	30.01	44,724	25.41
Golf apparel ⁽³⁾	22,144	20.95	10,766	13.47	18,415	13.32	31,329	17.79
Services⁽⁴⁾	274	0.26	50	0.07	117	0.08	179	0.10
Total purchases	105,685	100.00	79,930	100.00	138,238	100.00	176,043	100.00

Notes:

- (1) Including individual golf clubs and golf package sets with multiple clubs, as well as components such as head, shaft and grip for customised club fittings and repair services.
- (2) Including golf footwear, gloves, tees, bags, trolleys, GPS, umbrellas, towels and markers.

7. BUSINESS OVERVIEW (CONT'D)

- (3) Including shirts, pants, shorts, innerwear, outerwear, headwear, arm gloves, casual shoes, socks, belts and eyewear.
- (4) Including embroidery and printing services, as well as ingredients for food and beverage services at indoor golf centre for FYE 2022.

Purchases by geographical operations

	<---FYE 2019--->		<---FYE 2020--->		<---FYE 2021--->		<---FYE 2022--->	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia operations	73,433	69.48	55,894	69.93	80,560	58.28	109,417	62.15
• Golf clubs ⁽¹⁾	30,904	29.24	27,681	34.63	39,035	28.24	52,272	29.69
• Golf balls and accessories ⁽²⁾	25,655	24.28	19,323	24.18	29,315	21.21	32,248	18.32
• Golf apparel ⁽³⁾	16,648	15.75	8,862	11.09	12,118	8.77	24,776	14.07
• Services ⁽⁴⁾	226	0.21	28	0.03	92	0.06	121	0.07
Singapore operations	32,252	30.52	24,036	30.07	57,678	41.72	66,626	37.85
• Golf clubs ⁽¹⁾	19,057	18.03	16,428	20.55	39,185	28.35	47,539	27.01
• Golf balls and accessories ⁽²⁾	7,651	7.24	5,682	7.11	12,171	8.80	12,476	7.09
• Golf apparel ⁽³⁾	5,496	5.20	1,904	2.38	6,297	4.55	6,553	3.72
• Services ⁽⁴⁾	48	0.05	22	0.03	25	0.02	58	0.03
Total purchases	105,685	100.00	79,930	100.00	138,238	100.00	176,043	100.00

Notes:

- (1) Including individual golf clubs and golf package sets with multiple clubs, as well as components such as head, shaft and grip for customised club fittings and repair services.
- (2) Including golf footwear, gloves, tees, bags, trolleys, GPS, umbrellas, towels and markers.
- (3) Including shirts, pants, shorts, innerwear, outerwear, headwear, arm gloves, casual shoes, socks, belts and eyewear.
- (4) Including embroidery and printing services, as well as ingredients for food and beverage services at indoor golf centre for FYE 2022.

As a retailer and wholesaler of golf equipment, our purchases of input materials are mainly finished goods. For the Financial Years Under Review, our purchases of golf clubs represented the largest proportion of our purchases having accounted for 47.27%, 55.18%, 56.59% and 56.70% of our total purchases of input materials and services for FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively. This is followed by golf balls and accessories including golf footwear, gloves, equipment bags, trolleys, as well as other golf accessories. which accounted for 31.52%, 31.28%, 30.01% and 25.41% of our total purchases of input materials and services for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022. Meanwhile, purchases of golf apparel accounted for 20.95%, 13.47%, 13.32% and 17.79% of our total purchases of input materials and services for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022.

7. BUSINESS OVERVIEW (CONT'D)

The breakdown of purchases of finished goods and services by local suppliers in Malaysia and Singapore, as well as suppliers from other foreign countries is set out below:

	<---FYE 2019--->		<---FYE 2020--->		<---FYE 2021--->		<---FYE 2022--->	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia's suppliers	40,090	37.94	29,946	37.47	36,096	26.12	51,505	29.26
Singapore's suppliers	16,598	15.70	11,481	14.36	21,306	15.41	19,661	11.17
Foreign suppliers ⁽¹⁾	48,997	46.36	38,503	48.17	80,836	58.47	104,877	59.57
Total purchases	105,685	100.00	79,930	100.00	138,238	100.00	176,043	100.00

Note:

(1) Refers to foreign suppliers outside of Malaysia and Singapore.

During the Financial Years Under Review, 62.30%, 62.82%, 74.87% and 67.41% of our total purchases of input materials and services for FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively were transacted in foreign currencies, mainly USD. Please refer to Sections 5.1.3 and 12.3.2(v) of this Prospectus for further details of the risk and impact of foreign exchange fluctuations.

The breakdown of purchases by country of origin of our suppliers is set out below:

	<---FYE 2019--->		<---FYE 2020--->		<---FYE 2021--->		<---FYE 2022--->	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Golf clubs⁽¹⁾	49,961	47.27	44,109	55.18	78,220	56.59	99,811	56.70
• USA	18,735	17.73	18,988	23.75	38,235	27.66	49,725	28.25
• Japan	11,111	10.51	7,119	8.91	14,177	10.26	17,611	10.00
• Malaysia	12,453	11.78	11,472	14.35	12,468	9.02	17,215	9.78
• Singapore	4,951	4.68	4,701	5.88	9,144	6.61	10,290	5.85
• Hong Kong	2,517	2.38	1,758	2.20	4,087	2.96	4,733	2.69
• Others ⁽⁵⁾	194	0.19	71	0.09	109	0.08	237	0.13
Golf balls and accessories⁽²⁾	33,306	31.52	25,005	31.29	41,486	30.01	44,724	25.41
• Malaysia	15,741	14.90	13,408	16.78	14,938	10.81	19,639	11.16
• Singapore	6,219	5.89	4,579	5.73	6,113	4.42	4,938	2.81
• USA	5,486	5.19	3,458	4.33	12,956	9.37	10,066	5.72
• UK	892	0.84	599	0.75	2,268	1.64	4,776	2.71
• Japan	2,439	2.31	1,289	1.61	2,659	1.92	2,541	1.44
• Others ⁽⁶⁾	2,529	2.39	1,672	2.09	2,552	1.85	2,764	1.57
Golf apparel⁽³⁾	22,144	20.95	10,766	13.47	18,415	13.32	31,329	17.79
• Malaysia	11,703	11.07	5,052	6.32	8,608	6.23	14,576	8.28
• Singapore	5,361	5.07	2,174	2.72	6,024	4.36	4,407	2.50
• UK	269	0.25	1,057	1.32	1,288	0.93	4,728	2.69
• USA	1,053	1.00	378	0.47	911	0.66	2,493	1.42
• Ireland	1,094	1.03	866	1.09	621	0.45	1,631	0.93
• Others ⁽⁷⁾	2,664	2.53	1,239	1.55	964	0.69	3,494	1.97

7. BUSINESS OVERVIEW (CONT'D)

	<---FYE 2019--->		<---FYE 2020--->		<---FYE 2021--->		<---FYE 2022--->	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Services⁽⁴⁾	274	0.26	50	0.06	117	0.08	179	0.10
• Malaysia	193	0.19	14	0.02	82	0.06	75	0.04
• Others ⁽⁸⁾	81	0.07	36	0.04	35	0.02	104	0.06
Total purchases	105,685	100.00	79,930	100.00	138,238	100.00	176,043	100.00

Notes:

- (1) Including individual golf clubs and golf package sets with multiple clubs, as well as components such as head, shaft and grip for customised club fittings and repair services.
- (2) Including golf footwear, gloves, tees, bags, trolleys, GPS, umbrellas, towels and markers.
- (3) Including shirts, pants, shorts, innerwear, outerwear, headwear, arm gloves, casual shoes, socks, belts and eyewear.
- (4) Including embroidery and printing services, as well as ingredients for food and beverage services at the indoor golf centres for FYE 2022.
- (5) Including Taiwan, Ireland, Switzerland and China.
- (6) Including Taiwan, Hong Kong, South Korea, China, the Netherlands, Thailand, France and Australia.
- (7) Including South Korea, Japan, China, Indonesia, Vietnam, Taiwan, Ethiopia, Bangladesh, Thailand, Hong Kong, India and Myanmar.
- (8) Including Singapore, UK, USA, China, Hong Kong, Ireland, Taiwan, Switzerland and Myanmar.

7.17 MAJOR CUSTOMERS

Our business is segmented into 2 operating trade models namely retail and wholesale trade. Our customers for the retail segment comprise mainly end-users including individuals who purchased our products at our retail outlets and online platform as well as corporate customers.

Our customers for the golf related services and indoor golf centres are mainly end-users who are individuals that procure the golf related services including golf coaching, rental of golf equipment comprising golf clubs and golf accessories at our pro shops at the golf and country clubs and supply of range balls for use at the driving range that we operate. In addition, we also serve corporate customers for event management and planning mainly for golf tournament-related events.

Our customers for the wholesale segment are mainly retailers in Malaysia, Singapore and other foreign countries mainly Indonesia.

We do not have any major customers as none of our customers contributed more than 5.00% to our total revenue for the Financial Years Under Review. As such, we are not dependent on any of our customer.

7. BUSINESS OVERVIEW (CONT'D)

7.18 MAJOR SUPPLIERS

Our top 5 major suppliers and their contribution to our purchases for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 are set out below:

FYE 2019

Supplier name	Country of origin of supplier	Main brands	Main input goods ⁽¹⁾	Length of relationship*	RM'000	%
Supplier A # ⁽²⁾	USA ⁽²⁾	(2)	Golf equipment	1	21,296	20.15
Supplier B ⁽³⁾	USA ⁽³⁾	(3)	Golf equipment	7	13,960	13.21
Supplier C # ⁽⁴⁾	USA ⁽⁴⁾	(4)	Golf apparel	5	8,391	7.94
adidas Group # ⁽⁵⁾	Germany ⁽⁵⁾	<i>adidas</i>	Golf apparel	21	4,945	4.68
Yamaha Corporation # ⁽⁶⁾	Japan ⁽⁶⁾	<i>Yamaha</i>	Golf equipment	8	4,731	4.48
Sub-total					53,323	50.45
Total purchases					105,685	

FYE 2020

Supplier name	Country of origin of supplier	Main brands	Main input goods ⁽¹⁾	Length of relationship*	RM'000	%
Supplier A # ⁽²⁾	USA ⁽²⁾	(2)	Golf equipment	2	18,870	23.61
Supplier B ⁽³⁾	USA ⁽³⁾	(3)	Golf equipment	8	9,947	12.44
Winston's Sdn Bhd ⁽⁷⁾	USA ⁽⁷⁾	<i>PING</i>	Golf equipment	20	4,344	5.43
Dunlop Srixon Sports Asia Sdn Bhd ⁽⁸⁾	Japan ⁽⁸⁾	<i>Dunlop and Srixon</i>	Golf clubs and accessories	6	4,333	5.42
Supplier D # ⁽⁹⁾	USA ⁽⁹⁾	(9)	Golf equipment	3	3,496	4.37
Sub-total					40,990	51.28
Total purchases					79,930	

7. BUSINESS OVERVIEW (CONT'D)**FYE 2021**

Supplier name	Country of origin of supplier	Main brands	Main input goods⁽¹⁾	Length of relationship*	RM'000	%
Supplier A # ⁽²⁾	USA ⁽²⁾	(2)	Golf equipment	3	46,609	33.72
Supplier B ⁽³⁾	USA ⁽³⁾	(3)	Golf equipment	9	13,051	9.44
Yamaha Corporation # ⁽⁶⁾	Japan ⁽⁶⁾	<i>Yamaha</i>	Golf equipment	10	7,325	5.30
Mizuno Singapore Pte Ltd # ⁽¹⁰⁾	Japan ⁽¹⁰⁾	<i>Mizuno</i>	Golf equipment	5	6,719	4.86
PUMA Group # ⁽¹¹⁾	Germany ⁽¹¹⁾	<i>PUMA and Cobra</i>	Golf equipment	10	6,214	4.50
Sub-total					79,918	57.81
Total purchases					138,238	

FYE 2022

Supplier name	Country of origin of supplier	Main brands	Main input goods⁽¹⁾	Length of relationship*	RM'000	%
Supplier A # ⁽²⁾	USA ⁽²⁾	(2)	Golf equipment	4	57,149	32.46
Supplier B ⁽³⁾	USA ⁽³⁾	(3)	Golf equipment	10	14,446	8.21
Mizuno Singapore Pte Ltd # ⁽¹⁰⁾	Japan ⁽¹⁰⁾	<i>Mizuno</i>	Golf equipment	6	9,009	5.12
Peter Millar UK Ltd # ⁽¹²⁾	UK ⁽¹²⁾	<i>Peter Millar and G/FORE</i>	Golf balls and accessories and golf apparel	3	8,333	4.73
Yamaha Corporation # ⁽⁶⁾	Japan ⁽⁶⁾	<i>Yamaha</i>	Golf equipment	11	7,699	4.37
Sub-total					96,636	54.89
Total purchases					176,043	

7. BUSINESS OVERVIEW (CONT'D)

Notes:

- # We have subsisting agreements with the respective brand owner's companies as at the LPD.
- * Length of relationship is as at the respective financial year end.
- (1) Golf equipment comprises golf clubs, golf balls and accessories and golf apparel.
 - (2) Supplier A is a private company in the USA and is a manufacturer of golf equipment in the USA. Supplier A supplies its own brand of golf equipment to us. We have sought consent from Supplier A for disclosure of the information required in the Prospectus but such consent has not been granted.
 - (3) Supplier B comprises 2 companies in Malaysia and Singapore who are subsidiaries of a company listed on the New York Stock Exchange and is involved in the design, development, manufacture and distribution of golf equipment. Supplier B supplies 2 brands of golf equipment to us. We have sought consent from Supplier B for disclosure of the information required in the Prospectus but such consent has not been granted.
 - (4) Supplier C comprises 2 companies in Malaysia and Singapore who are subsidiaries of a company listed on the New York Stock Exchange involved in the development, marketing and distribution of apparel, footwear and accessories. Supplier C supplies 1 brand of golf apparel to us. We have sought consent from Supplier C for disclosure of the information required in the Prospectus but such consent has not been granted.
 - (5) Including adidas (Malaysia) Sdn Bhd and adidas Singapore Pte Ltd who are subsidiaries of adidas AG, a company listed on the Frankfurt Stock Exchange and is involved in the design, distribution, and marketing of athletic and sports lifestyle products.
 - (6) Yamaha Corporation from Japan is a company listed on the Tokyo Stock Exchange and is involved in the manufacture and sale of musical instruments, audio equipment, and other products including golf products.
 - (7) Winston's Sdn Bhd is a private company in Malaysia and is involved in the wholesale and marketing of golf related sports equipment. Winston's Sdn Bhd mainly supplies *PING* brand of golf equipment from the USA to us.
 - (8) Dunlop Srixon Sports Asia Sdn Bhd is a subsidiary of Sumitomo Rubber Industries Ltd from Japan, a company listed on the Tokyo Stock Exchange and is involved in the manufacture of tires for passenger cars, trucks, buses and motorcycles, manufacture of sports goods including golf clubs, golf balls and other golf-related goods, tennis related goods, and provision of services related to golf tournaments, golf and tennis schools and fitness clubs, and manufacture of industrial and other rubber products.
 - (9) Supplier D is a private company in the USA and is a manufacturer of golf equipment. Supplier D supplies its own brand of golf equipment to us. We have sought consent from Supplier D for disclosure of the information required in the Prospectus but such consent has not been granted.
 - (10) Mizuno Singapore Pte Ltd is a subsidiary of Mizuno Corporation from Japan, a company listed on the Tokyo Stock Exchange and is involved in the manufacture and sale of sporting goods such as baseball products, sportswear, sports shoes and golf products.
 - (11) Including PUMA Sports Goods Sdn Bhd and PUMA Sports SEA Trading Pte Ltd who are subsidiaries of PUMA SE, a company listed on the Frankfurt Stock Exchange and is involved in the design, development, marketing and sale of footwear, apparel and accessories.

7. BUSINESS OVERVIEW (CONT'D)

- (12) Peter Millar UK Ltd is a subsidiary of Compagnie Financière Richemont SA from UK, a company listed on the SIX Swiss Exchange and is involved in the wholesale and retail sales of casual apparel and sportswear.

The decline in value of purchases from the major suppliers of RM12.33 million or 23.13% in the FYE 2020 compared to FYE 2019 was mainly due to the impact of the COVID-19 pandemic. This is also consistent with the decrease in revenue by RM5.80 million or 3.30% from RM175.95 million in FYE 2019 to RM170.15 million in FYE 2020. Please refer to Section 7.14.2 of this Prospectus for further details of the impact of the COVID-19 pandemic.

We are dependent on Supplier A as they represented more than 20.00% of our total purchases of input materials and services for the Financial Years Under Review. Supplier A is our supplier of golf equipment including Supplier A's own brand of golf clubs, golf balls and accessories and golf apparel.

We have been working closely with Supplier A for approximately 24 years since 1999 through the previous supplier before we were appointed as a distributor for the brand directly in 2018. This indicates a stable and long-term relationship with the supplier and brand owner.

We are the Appointed exclusive distributor of Supplier A's own brand of golf equipment covering Malaysia and Singapore since 2018 and Indonesia since 2021. Our subsisting distributorship agreements are valid with the tenures ending in December 2023 and are renewable subject to mutual agreement prior to its expiry. Supplier A may terminate the subsisting distributorship agreements with us if among others, the following event(s) occur:

- (i) if we commit a breach and fail to remedy such breach upon notice, or if such breach is incapable of being remedied;
- (ii) if we fail to achieve the minimum purchase requirements; and/or
- (iii) if there is a change of ownership or control of more than 50% shareholdings in our contracting subsidiaries.

Please refer to Section 5.1.4 of this Prospectus for further details of the risk relating to our dependency on Supplier A.

Between FYE 2019 and FYE 2022, our purchases of Supplier A's products recorded a CAGR of 38.96%, albeit the decline in purchases declined by 11.39% in FYE 2020 compared to FYE 2019 due to the impact of the COVID-19 pandemic. Our increase in purchases of Supplier A's products will help cement our business relationship for mutual benefits.

We are not dependent on the remaining major suppliers as they either contributed less than 10.00% of our total purchases of input materials and services or their contribution to our purchases are on a declining trend during the Financial Years Under Review.

During the Financial Years Under Review, we had a total of 164, 127, 131 and 129 suppliers for FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively. Our selection criteria for suppliers mainly focuses on notable and common brands of golf equipment. Since commencement of our business operations and up to the LPD, we have not experienced any difficulty procuring the materials or had any disputes with our suppliers. As at the LPD, our Group has not entered into any long term agreements with our suppliers.

Further, notwithstanding our subsisting distributorship agreements with Supplier A, as at the LPD, our Group's business or profitability is not materially dependent on any contracts with our suppliers.

7. BUSINESS OVERVIEW (CONT'D)

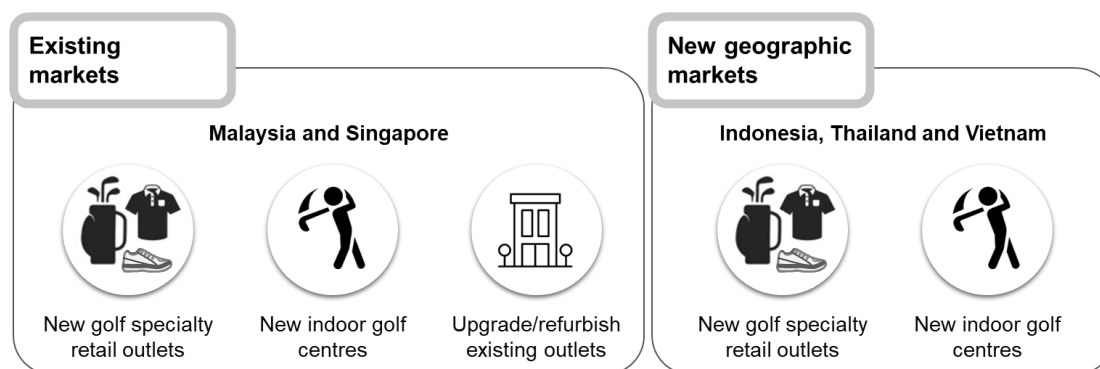
Our Group's dependency on Supplier A's products is mitigated as we have many other brands that we will be able to supply to our customers in the event the distributorship agreement between Supplier A and our Group is not renewed. In addition, the risk of termination of the distributorship agreement between Supplier A and our Group is relatively low in view that we are currently the largest chain of golf specialty retailer in Malaysia (*Source: IMR Report*) and that our Group and Supplier A have established a long standing business relationship of approximately 24 years since 1999. As such, Supplier A would be more inclined to work with us to distribute their brand of products.

7.19 OUR BUSINESS STRATEGIES AND PLANS

Moving forward, we will continue to operate our existing business comprising retail and wholesale of golf equipment, as well as provision of golf related services and operation of indoor golf centres.

Our key business strategies and plans are to leverage our core competency in the operations of golf retail outlets and indoor golf centres to grow our business in our existing markets as well as expansion into new geographic markets. A summary of our expansion plans is set out below:

Our key business strategies and plans



In addition, we plan to invest in upgrading our digital technology facilities including ERP and IT related systems.

7.19.1 Expansion into our existing market in Malaysia and Singapore

We plan to expand our market access and coverage in Malaysia and Singapore by:

- (i) setting up new golf retail outlets to grow our business and revenue as we plan to establish additional retail outlets in Malaysia and Singapore;
- (ii) expand the number of indoor golf centres in Malaysia and Singapore to address a new target customer group of non-golfers as well as provide new experiences to golfers; and
- (iii) upgrade and refurbish our existing golf retail outlets to improve the overall image of our brand and outlet, attract new customers and thereby improve our revenue.

Our process in identifying new retail outlet locations take into consideration the factors as set out below:

- (i) identifying the golfer catchment areas including new areas for potential growth opportunities and areas that are underserved by us;
- (ii) urban and major suburban locations with golf courses in surrounding areas;

7. BUSINESS OVERVIEW (CONT'D)

- (iii) premises including shopping malls, commercial buildings as well as golf and country clubs and driving ranges; and
- (iv) number of golf courses in the respective countries in 2020 (based on the latest available data), as set out below:

	Malaysia	Singapore
No. of golf courses	243	28

(Source: IMR Report)

During the process of identifying the golfer catchment areas to secure desired locations, we commonly carry out a site visit and also approach the landlord to obtain information on space availability and rental for our financial feasibility study, as well as study the demographic data from our *ilovegolf* member base. Upon securing the desired location, the opening of retail outlets will involve a variety of planning and execution tasks including interior design works, preparation and submission of relevant permits, renovation and fit-out works, as well as preparation of the inventory.

The consideration factors to open new retail outlets with indoor golf centre will be focused on shopping malls in major urban centres with surrounding dense populations. Part of our business strategy is to expand the number of indoor golf centres in Malaysia and Singapore to address a new target customer group of non-golfers as well as provide new experiences to golfers. Our indoor golf centres provide activities suitable for individuals, families and groups covering golfers and the general public.

We will carry out financial feasibility studies targeting a payback period of approximately 1 year for each new retail outlet and approximately 2 years for each new retail outlet with indoor golf centre that we open. In addition, each retail outlet or indoor golf centre should achieve a GP margin similar to our GP margin for our retail segment during the Financial Years Under Review of between 41.44% and 46.74%. Additionally, our indoor golf centre operations achieved a GP margin of 69.05% for the FYE 2022 where we commenced our first indoor golf centre in February 2022. The longer target payback period of 2 years for each new retail outlet with indoor golf centre as compared to 1 year for each new retail outlet is mainly due to the higher capital expenditure to set-up a retail outlet with indoor golf centre including the purchase and installation of golf simulators and kitchen equipment.

7.19.1.1 Setting-up new golf retail outlets and retail outlets with indoor golf centres in Malaysia and Singapore

As at the LPD, we operate a total of 44 golf retail outlets. Out of these 44 outlets, 36 outlets are in Malaysia while the remaining 8 outlets are in Singapore. In Malaysia, we operate 30 retail outlets under the "MST GOLF" brand and 6 retail outlets under the "MST GOLF" and "MST ATHLEISURE WEAR" (for golf apparel) brands. In Singapore, we operate 5 retail outlets under the "MST GOLF" brand and 3 retail outlets under the "MST GOLF" and "MST ATHLEISURE WEAR" (for golf apparel) brands.

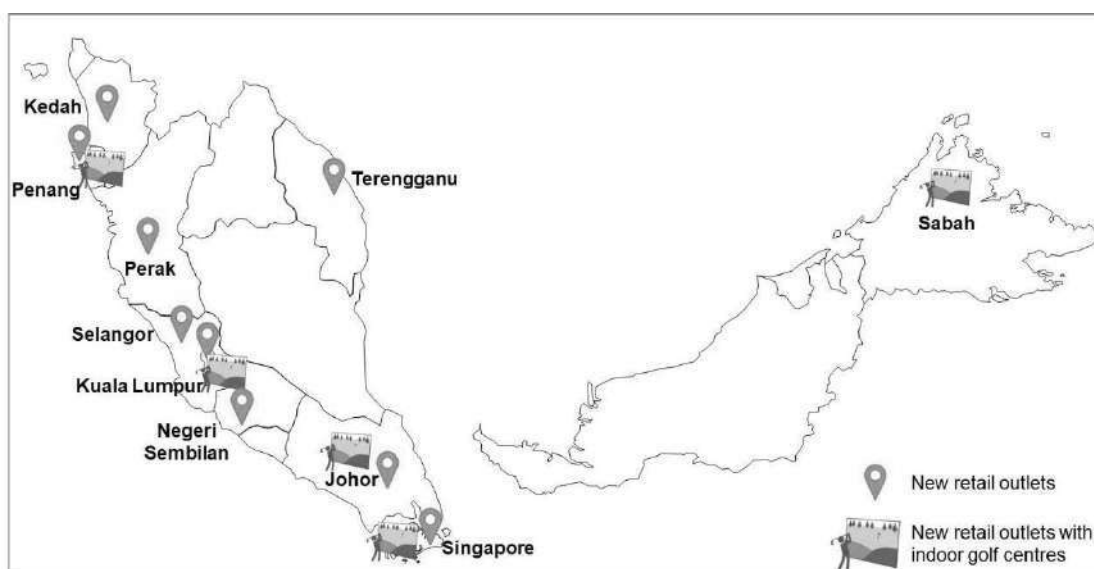
Part of our business strategy is to expand our market access and coverage in Malaysia and Singapore by setting up new retail outlets to grow our business and revenue. The objective is to provide better accessibility and convenience to mainly target new customers.

In addition, we also plan to expand the number of indoor golf centres in Malaysia and Singapore to address a new target customer group of non-golfers as well as provide new experiences to golfers. Our indoor golf centres provide activities suitable for individuals, families and groups covering golfers and the general public of all age groups. We envisage our indoor golf centres will also drive our revenue for retailing golf equipment. As a support to our retailing of golf equipment, our existing indoor golf centres have adjoining retail outlets.

7. BUSINESS OVERVIEW (CONT'D)

As at the LPD, we operate 2 indoor golf centres with adjoining retail outlets including 1 located at The Gardens Mall in Kuala Lumpur and the other located at Tropicana Gardens Mall in Selangor under "MST GOLF ARENA" brand. The 2 indoor golf centres collectively have a GFA of 52,872 sq. ft. with a total of 38 golf simulator bays. Our planned indoor golf centres will be similar to our existing indoor golf centres where we will include golf simulator bays, simulation putting greens and golf coaching. At the same time, they will have adjoining retail outlets for the sales of our golf equipment.

We plan to establish an additional 15 retail outlets including 10 retail outlets and 5 retail outlets with indoor golf centres as depicted below:



The total cost of setting up the 15 retail outlets, which includes 10 retail outlets and 5 retail outlets with indoor golf centres is estimated at RM59.76 million and will be funded through IPO proceeds, detail of which is set out below:

Type of outlets and location	←-----Number of outlets-----→				Total cost RM'000	Expected timing to commence operations
	2023	2024	2025	Total		
Retail outlets⁽¹⁾	4	3	3	10	28,660	
• Malaysia	3	3	3	9 ⁽²⁾	24,960	Q3 2023 to Q4 2025
• Singapore	1	-	-	1	3,700	Q4 2023
Retail outlet with indoor golf centre	1	2	2	5	31,095	
• Malaysia	1	1	2	4 ⁽³⁾	25,545	Q3 2023 to Q4 2025
• Singapore	-	1	-	1	5,550	Q4 2024
Total	5	5	5	15	59,755	

Notes:

- (1) The retail format for our new retail outlets will be mainly specialty stores which enables us to carry a wider range of products compared to our other retail formats, such as pro shops and departmental counters. However, this is subject to negotiation on securing desired locations.

7. BUSINESS OVERVIEW (CONT'D)

- (2) Includes the retail outlets at Seremban Gateway, Negeri Sembilan and Plaza Shah Alam, Selangor which we have entered into letters of offer with the respective landlords. Please refer to Section 7.7 of this Prospectus for further details of these retail outlets.
- (3) Includes the retail outlet at Gurney Paragon Mall, Penang which we have entered into a tenancy agreement in March 2023 with the landlord. Please refer to Section 7.7 of this Prospectus for further details of this retail outlet.

Please refer to Section 4.6.1 of this Prospectus for further details of the utilisation of the IPO proceeds.

7.19.1.2 Upgrade and refurbish selected existing retail outlets

We also intend to upgrade and refurbish our existing golf retail outlets to improve the overall image of our brand and outlet, attract new customers and improve our revenue.

We plan to commence upgrading and refurbishing activities in the 3rd quarter of 2023, which includes renovation as well as replacement of furniture and fittings in 10 retail outlets in Malaysia as well as our head office and warehouse at Subang Jaya, Selangor. The upgrading and refurbishing activities are to be carried out in stages with details set out below:

	<--No. of existing outlets to be upgraded and refurbished-->			Total cost RM'000
	2023	2024	2025	
Malaysia				
Specialty stores	2	2	4	1,700
Pro shops	-	1	1	500
Head office	-	1	-	500
Warehouse	1	-	-	300
Total	3	4	5	3,000

We intend to utilise RM3.00 million from the IPO proceeds to fund the upgrade and refurbishment activities. Please refer to Section 4.6.1 of this Prospectus for further details of the utilisation of the IPO proceeds.

7.19.2 Expansion into new geographical markets

Part of our expansion strategy is to grow our business geographically and to increase our market presence in foreign countries namely Indonesia, Thailand and Vietnam. We intend to pursue this expansion strategy by leveraging on our strength and experience with our existing foreign operations in Singapore.

The expansion into these new foreign countries to establish golf retail outlets and indoor golf centres will be through joint venture arrangements with local partners in the respective countries to tap into their business track record, financial strengths, resources and their existing network within the retail industry in the respective geographical markets. The new retail outlets and indoor golf centres will be operating under "MST GOLF" and "MST GOLF ARENA" brands respectively.

7. BUSINESS OVERVIEW (CONT'D)

On 18 April 2023, we entered into a memorandum of understanding with PT Sinar Eka Selaras for a proposed joint venture to establish golf retail outlets and indoor golf centres in Indonesia. PT Sinar Eka Selaras is a subsidiary of PT Erajaya Swasembada Tbk which is a public company listed on the Indonesia Stock Exchange and is involved in the distribution and trading of telecommunication equipment, computer and other electronic devices. PT Erajaya Swasembada Tbk is also involved in the distribution and retailing of fashion products for brands such as *ASICS*, *Garmin* and *JD Sports*. As at the LPD, we have not identified our joint venture partners nor entered into any such joint venture arrangements for our expansion into Thailand and Vietnam.

The key factors that we will consider in assessing the opening of new retail outlets and indoor golf centres includes the following:

- (i) location focusing on the major cities (such as Jakarta in Indonesia, Bangkok in Thailand and Ho Chi Minh City in Vietnam) in areas that have golf course facilities;
- (ii) premises including shopping malls, departmental stores, commercial buildings and golf and country clubs; and
- (iii) industry observations such as the number of golf courses in the respective countries in 2020 (based on the latest available data), as set out below, that may potentially promote the demand for golf equipment:

	Indonesia	Thailand	Vietnam
No. of golf courses	170	317	86

The number of golf courses is potentially a driver of demand for golf equipment. Golf is often perceived to be an expensive sport compared to other sports, partly due to its exclusive nature, cost of equipment, as well as fees for golf club membership or fees to play on public and private golf courses. As such, growth in the economies, population, household income and consumer sentiment index (CSI) are factors of demand for golf equipment. Growing economies will serve as the platform for sustainability and growth for the golf industry.

- In 2022, the real GDP of Indonesia's economy grew by 5.3%. In the 1st quarter of 2023, Indonesia's real GDP grew by 5.0% compared to the 1st quarter of 2022.
- In 2022, the real GDP of Thailand's economy grew by 2.6% and is projected to expand between 2.7% and 3.7% in 2023.
- In 2022, the real GDP of Vietnam's economy grew by 8.0%. In the 1st quarter of 2023, Vietnam's real GDP grew by 3.3% compared to the 1st quarter of 2022.

(Source: IMR Report)

In addition to industry observations, we also take into consideration the growth of our wholesales of golf equipment to Indonesia, which increased by 283.69% to RM25.38 million in FYE 2021 (FYE 2020: RM6.61 million) and continued to grow by 22.53% to RM31.10 million in FYE 2022.

Generally, we will carry out financial feasibility studies targeting a payback period of approximately 1 year for each new retail outlet and approximately 2 years for each new retail outlet with indoor golf centre that we open. For the purposes of our expansion into Indonesia, Thailand and Vietnam, we have carried out the financial feasibility studies targeting the said payback periods.

7. BUSINESS OVERVIEW (CONT'D)

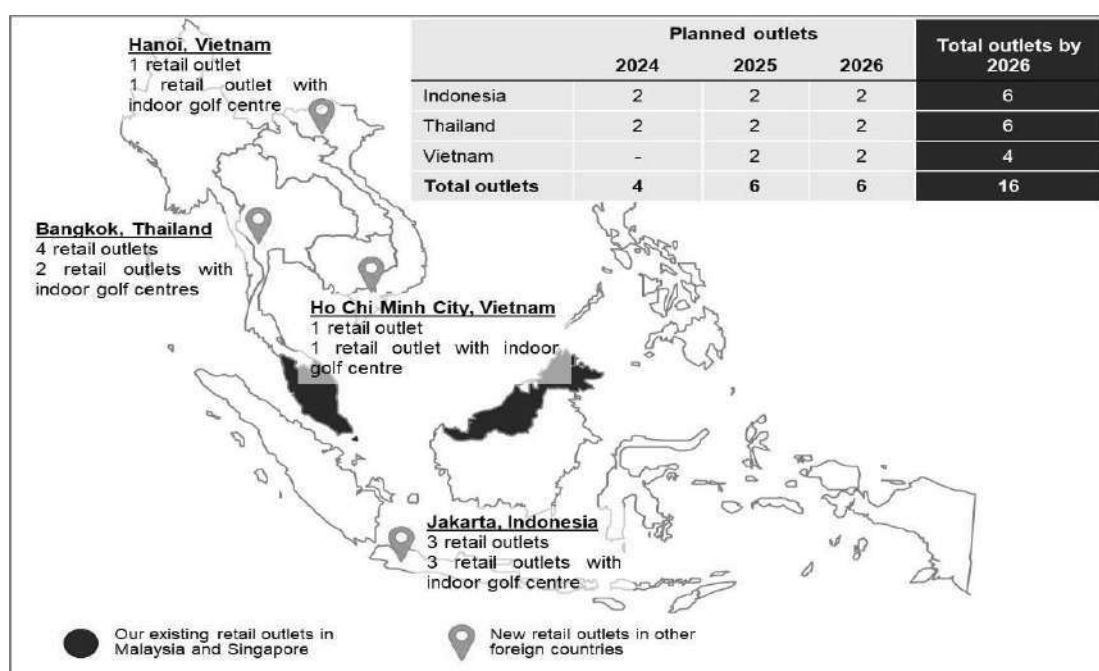
The basis of the payback period of 1 year for a new retail outlet takes into consideration the set-up costs for outlet renovation. As for a new retail outlet with an indoor golf centre, the basis of the payback period of 2 years takes into consideration the purchase and installation of golf simulators and kitchen equipment as well as outlet renovation. In this respect, our expansion plans into these foreign countries have taken into consideration the abovementioned financial feasibility studies.

For FYE 2019, FYE 2020, FYE 2021 and FYE 2022, we also sold our golf equipment to resellers in other foreign countries, which accounted for 6.34% (RM11.15 million), 6.40% (RM10.90 million), 14.33% (RM29.59 million) and 10.74% (RM32.33 million) of our total revenue. The golf equipment sold comprises golf clubs, golf balls and accessories and golf apparel and we mainly sold our products to resellers within the South East Asia region, mainly Indonesia.

We plan to set up a total of 9 new retail outlets and 7 new retail outlets with indoor golf centres in the following foreign countries:

- (i) a total of 9 retail outlets comprising 3 retail outlets in Indonesia, 4 retail outlets in Thailand and 2 retail outlets in Vietnam by 2026. These retail outlets will be opened progressively starting from 2024 up to 2026; and
- (ii) a total of 7 retail outlets with indoor golf centres comprising 3 in Indonesia, 2 in Thailand and 2 in Vietnam which will be set up progressively between 2025 and 2026.

The locations of our planned retail outlets and retail outlets with indoor golf centres are depicted below:



The details of the estimated milestones for the implementation of our plans are set out below:

Timeframe

Milestone

Indonesia

4th quarter of 2023

- Setting up a joint venture company in Indonesia
- Setting up an operation office in Jakarta, Indonesia
- Hiring of 190 retail sales and 22 administrative staff in Jakarta

7. BUSINESS OVERVIEW (CONT'D)**Timeframe****Milestone**

- Between 1st quarter of 2024 and 3rd quarter of 2026
- Setting up retail outlets and indoor golf centres in Jakarta including renovation works with an average floor space of 12,000 sq. ft. for 1 retail outlet and 15,000 sq. ft. for 1 indoor golf centre
 - We intend to commence operations progressively between 2024 and 2026 as set out below:

Type of outlets	No. of retail outlets and expected timing to commence operations in Indonesia			
	2024	2025	2026	Total
Retail outlets	2	1	-	3
Retail outlet with indoor golf centre	-	1	2	3
Total	2	2	2	6

Thailand

- 1st quarter of 2024
- Setting up a joint venture company in Bangkok
 - Setting up an operation office in Bangkok
 - Hiring of 157 retail sales and 22 administrative staff in Bangkok

- Between 2nd quarter of 2024 and 3rd quarter of 2026
- Setting up retail outlets and indoor golf centres in Bangkok including renovation works with an average floor space of 12,000 sq. ft. for 1 retail outlet and 16,000 sq. ft. 1 one indoor golf centre
 - We intend to commence operations progressively between 2024 and 2026 as set out below:

Type of outlets	No. of retail outlets and expected timing to commence operations in Thailand			
	2024	2025	2026	Total
Retail outlets	2	1	1	4
Retail outlet with indoor golf centre	-	1	1	2
Total	2	2	2	6

Vietnam

- 4th quarter of 2024
- Setting up a joint venture company in Ho Chi Minh City, Vietnam
 - Setting up an operation office in Ho Chi Minh City, Vietnam
 - Hiring a total of 134 retail sales staff including 72 and 62 retail sales staff for Ho Chi Minh City and Hanoi respectively. Hiring of 22 administrative staff

7. BUSINESS OVERVIEW (CONT'D)

Timeframe	Milestone
Between 1st quarter of 2025 and 3rd quarter of 2026	<ul style="list-style-type: none"> Setting up retail outlets and an indoor golf centre each in Ho Chi Minh City and Hanoi including renovation works with an average floor space of 13,000 sq. ft. for 1 retail outlet and 16,000 sq. ft. for 1 indoor golf centre We intend to commence the operations progressively between 2025 and 2026 as set out below:

Type of outlets	No. of retail outlets and expected timing to commence operations in Vietnam			Total
	2024	2025	2026	
Retail outlets	-	2	-	2
• Ho Chi Minh City	-	1	-	1
• Hanoi	-	1	-	1
Retail outlet with indoor golf centre	-	-	2	2
• Ho Chi Minh City	-	-	1	1
• Hanoi	-	-	1	1
Total	-	2	2	4

The total cost of our geographical market expansion in setting up the new retail outlets and indoor golf centres as well as the setting up of a branch office in each geographical market is estimated at RM100.00 million. As such, we intend to utilise RM53.55 million of the IPO proceeds for this purpose while the remaining balance will be funded by the local partners in the respective countries.

The details on the utilisation of the RM53.55 million from the IPO proceeds for the expansion into new geographical markets are set out below:

	IPO proceeds RM'000	Total no. of outlets	Expected timing to commence operation
Indonesia	19,930		
• Retail outlets	6,860	3	Q1 2024 to Q1 2025
• Retail outlet with indoor golf centre	12,570	3	Q3 2025 to Q3 2026
• Branch office	500	1	2023
Thailand	18,620		
• Retail outlets	9,180	4	Q2 2024 to Q3 2026
• Retail outlet with indoor golf centre	8,940	2	Q3 2025 to Q1 2026
• Branch office	500	1	2024
Vietnam	15,000		
• Retail outlets	5,550	2	Q1 2025 to Q3 2025
• Retail outlet with indoor golf centre	8,950	2	Q1 2026 to Q3 2026
• Branch office	500	1	2024
Total	53,550		

7. BUSINESS OVERVIEW (CONT'D)

Please refer to Section 4.6.2 of this Prospectus for further details of the utilisation of the IPO proceeds.

7.19.3 Upgrading of digital technology facilities

Part of our plans is to invest in upgrading our digital technology facilities including ERP and IT related systems. This includes the development of mobile and web portal applications, expansion of ERP systems such as retail point of sales and accounting systems as well as integration of operations enhancement features such as data analytics.

We plan to upgrade our digital technology facilities in keeping up with our business expansion mainly to support our retail business expansion in Malaysia and Singapore as well as the new foreign countries including Indonesia, Thailand and Vietnam. The upgrade of our digital technology facilities will focus on the following areas:

- (i) mobile and web portal applications with the incorporation of new applications for golf related services such as tee-time booking, golf coaching lessons, and corporate and wholesale sales, as well as online expansion in Singapore and the new foreign countries;
- (ii) expansion of ERP system including additional point-of-sales terminals and accounting system as part of our retail management system for our expansion in Malaysia and Singapore as well as the new foreign countries;
- (iii) enhancement of operational features incorporating new data analytics including, among others:
 - (a) analyses of sales performance metrics and time-series stock level trends for each retail outlet to optimise stock levels and allocation of products especially during launch of new models of popular brands;
 - (b) optimising our timing and quantity purchases for each brand and their respective products for better cashflow management and minimising stock-out situations; and
 - (c) matching buyer profile, retail outlet location and positioning and purchasing patterns to help develop marketing and promotions programmes.

The total cost for the upgrade of our digital technology facilities including ERP and IT related systems is estimated to be approximately RM5.00 million, of which RM3.00 million will be funded through the IPO proceeds and the remaining RM2.00 million through internally generated funds.

Please refer to Section 4.6.3 of this Prospectus for further details of the utilisation of the IPO proceeds.

7. BUSINESS OVERVIEW (CONT'D)

7.20 EMPLOYEES

As at the LPD, our Group has a total workforce of 624 employees which consist of 569 permanent employees, 50 contractual workers and 5 part time workers. 531 of our employees are based in Malaysia and 93 of our employees are based in Singapore.

None of our employees belongs to any trade unions. During the Financial Years Under Review, there has been no major labour disputes involving our employees. A summary of our Group's total workforce by job functions as at the LPD is set out below:

Malaysia

Categories	-----No. of employees as at the LPD----->					Part time employees ⁽³⁾	Total no. of employees
	<-----Permanent employees----->		<-----Contract employees----->				
	Locals	Foreigners ⁽²⁾	Locals	Foreigners ⁽²⁾			
Management ⁽¹⁾	20	-	-	2	-	22	
Administration	41	-	1	-	-	42	
Operations	79	-	4	1	-	84	
Warehouse	32	-	4	-	-	36	
Outlets employees	317	1	3	22	4	347	
Total no. of employees	489	1	12	25	4	531	

Notes:

- (1) Includes our 3 Executive Directors, 3 key senior management and 16 heads of department.
- (2) Our foreign employees include 11 expatriates, 1 food and beverage team leader and 14 foreign workers with valid work permits with validity periods of between 11 months to 24 months or with permanent residence status.

As at the LPD, our 14 foreign workers in Malaysia employed under MST Golf Arena in March 2023 are housed at hostels operated by third party accommodation providers.

7. BUSINESS OVERVIEW (CONT'D)

Under the Employees Minimum Standards of Housing and Amenities Act 1990 ("**EMSHA 1990**") and the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020 issued under the EMSHA 1990, we are required to ensure that the accommodation provided to our foreign workers are with certificate(s) of accommodation issued by the Department of Labour Peninsular Malaysia ("**Certificate of Accommodation**"). Pursuant to EMSHA 1990, we may be subject to a fine not exceeding RM50,000 with respect to each employees' accommodation without a certificate of accommodation.

As at the LPD, the accommodation provided to our 14 foreign workers have been issued with valid Certificate(s) of Accommodation.

(3) Comprises part time workers engaged occasionally based on number of work hours and hourly rates wages.

Our Group has been in compliance with the Malaysian Minimum Wages Order 2022 since 1 May 2022, being the date of which the Minimum Wages Order came into operation.

Singapore

Categories	-----No. of employees as at the LPD----->					Part time employees ⁽³⁾	Total no. of employees
	<-----Permanent employees----->		<-----Contract employees----->				
	Locals	Foreigners ⁽²⁾	Locals	Foreigners			
Management ⁽¹⁾	4	1	1	-	-	6	
Administration	1	5	-	-	-	6	
Operations	6	2	-	-	-	8	
Warehouse	7	6	2	-	-	15	
Outlets employees	29	18	10	-	1	58	
Total no. of employees	47	32	13	-	1	93	

Notes:

- (1) Includes our 2 directors in MST Golf Singapore (1 of which is a key senior management) and 4 heads of department.
- (2) Our foreign employees hold valid work passes with validity periods of between 10 months and 36 months.
- (3) Comprises part time workers engaged occasionally based on number of work hours and hourly rates wages.

7. BUSINESS OVERVIEW (CONT'D)

7.21 MAJOR APPROVALS, LICENCES AND PERMITS OBTAINED

7.21.1 Approvals, major licences and permits obtained in respect of our business operations in Malaysia

As at the LPD, the details of the major approvals, licences and permits obtained by our Group for our operations in Malaysia together with the major conditions imposed and details of new applications for such approvals, licences, and permits are set out below:

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
<u>Specialty stores</u>							
1.	MST Golf Malaysia	Trade, business and industries licence for the premises at No. 11, Jalan 219, Section 51A, Petaling Jaya, 46100 Selangor Description: (i) Sports equipment shop (ii) Luminous horizontal signboard (3 units)	L2540000640292	Majlis Bandaraya Petaling Jaya	1 January 2023 to 31 December 2023	Nil.	N/A
2.	MST Golf Malaysia	Business licence for the premises at S-214 Second Floor, The Gardens Mall, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur Description: (i) Sale of health and fitness equipment (ii) Warehouse/storage of golf equipment (iii) Signboard	DBKL.JPPP/02913 /01/2022/PR01	Dewan Bandaraya Kuala Lumpur	9 December 2022 to 8 December 2023	(a) Annual renewal of the licence shall be 60 days before the date of expiry without notification from Datuk Bandar Kuala Lumpur ("Datuk Bandar KL").	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
						(b) The employees at the premise shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits. ⁽¹⁾	
3.	MST Golf Malaysia	Business licence for the premises at No. 8, Jalan SS 13/5, SS 13, Subang Jaya, 47500 Selangor Description: (i) Horizontal signboard (2 units) (ii) Showroom (iii) Office	20220700248	Majlis Bandaraya Subang Jaya	Issuance date: 31 May 2023 Valid until 7 July 2024	Licence must be renewed within 3 months before the expiry date except for temporary licences.	Complied
4.	MST Golf Malaysia	Business licence for the premises at No. 8, Jalan SS 13/5, Subang Jaya, 47500 Selangor Description: (i) Warehouse (Storage) (ii) Horizontal signboard (3 units) (iii) Showroom (iv) Sports equipment shop	2120100800102	Majlis Bandaraya Subang Jaya	Issuance date: 27 September 2022 Valid until 5 October 2023	Licence must be renewed within 3 months before the expiry date.	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
5.	MST Golf Malaysia	Trade, business and industries licence for the premises at Lot G-01A, 02 & 03, Tropicana Gardens Mall, No. 2A, Persiaran Surian, Tropicana Indah, Petaling Jaya, 47810 Selangor Description: (i) Sports equipment shop (ii) Luminous horizontal signboard (4 units)	L2540000641117	Majlis Bandaraya Petaling Jaya	1 January 2023 to 31 December 2023	Nil.	N/A
6.	MST Golf Malaysia	Business licence for the premises at Lot no. 1-01, Level 1, Intermark Mall, 348 Jalan Tun Razak, 50400 Kuala Lumpur Description: (i) Sale of sportswear and sports equipment (ii) Signboard	DBKL.JPPP/01494 /01/2017/KM01	Dewan Bandaraya Kuala Lumpur	3 February 2023 to 2 February 2024	(a) Annual renewal of the licence shall be 60 days before the date of expiry without notification from Datuk Bandar KL. (b) The number of foreign workers employed at the premise must not exceed the number of Malaysian workers or 50% of the total number of employees. Foreign workers must also be issued a valid work permit.	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
7.	MST Golf Malaysia	Business licence for the premises at Lot no. 1-01, Level 1, Intermark Mall, 348 Jalan Tun Razak, 50400 Kuala Lumpur Description: Warehouse/storage for golf equipment	DBKL.JPPP/00366 /12/2022/KM01	Dewan Bandaraya Kuala Lumpur	6 December 2022 to 5 December 2023	(c) The employees at the premise shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits. ⁽¹⁾ (d) MST Golf Malaysia shall not carry out activities which are not stated in the licence. (a) Annual renewal of the licence shall be 60 days before the date of expiry without notification from Datuk Bandar KL. (b) The employees at the premise shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits. ⁽¹⁾	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
8.	MST Golf Malaysia	Composite licence for the premises at Lot no. LG-28, LG Floor, IOI City Mall, Lebuhr IRC, IOI Resort City, 62502 Putrajaya Description: (i) Sale of sports/exercise equipment (ii) Luminous signboard (1 unit)	331201026897	Majlis Perbandaran Sepang	Issuance date: 23 November 2022 Valid until 31 December 2023	Renewal of the licence shall be latest by 31 December annually. Majlis Perbandaran Sepang has the right to take enforcement actions in the event of failure to renew the business licence.	Complied
9.	MST Golf Malaysia	Business licence for the premises at M-1, Level Mezzanine, Avenue K, 156, Jalan Ampang, 50450 Kuala Lumpur Description: (i) Sale of health, fitness sports and golf equipment (ii) Warehouse/storage of golf equipment (iii) Signboard	DBKL.JPPP/00095 /10/2022/KM01	Dewan Bandaraya Kuala Lumpur	18 January 2023 to 17 January 2024	(a) Annual renewal of the licence shall be 60 days before the date of expiry without notification from DBKL. (b) The employees at the premise shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits. ⁽¹⁾	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
10.	MST Golf Malaysia	Business licence for the premises at M-1, Level Mezzanine, Avenue K, 156, Jalan Ampang 50450 Kuala Lumpur Description: (i) Supply and sale of materials/ equipment for repair and fitting of golf clubs (ii) Signboard	DBKL.JPPP/01365 /07/2022/KM01	Dewan Bandaraya Kuala Lumpur	19 July 2022 (a) to 18 July 2023 ⁽¹⁾	(a) Annual renewal of the licence shall be 60 days before the date of expiry without notification from Datuk Bandar KL. (b) The employees at the premise shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits. ⁽¹⁾	Complied
11.	MST Golf Malaysia	Business licence for the premises at M-7 & M-8, Mezzanine Floor, Wisma UOA 2, No. 21, Jalan Pinang, 50450 Kuala Lumpur Description: (i) Sale of health and fitness sports equipment, sale of golf equipment and accessories (ii) Warehouse/storage of golf equipment (2 units) (iii) Signboard (2 units)	DBKL.JPPP/01877 /02/2023/KM01	Dewan Bandaraya Kuala Lumpur	23 February (a) 2023 to 22 February 2024	(a) Annual renewal of the licence shall be 60 days before the date of expiry without notification from Datuk Bandar KL. (b) The employees at the premise shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits. ⁽¹⁾	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
12.	MST Golf Malaysia	Trade, business and industries licence for the premises at Unit OTTG-1 Ground Floor, Kelana Parkview Office Tower Jalan SS 6/2, Petaling Jaya, 47301 Selangor Description: (i) Sale of golf equipment (ii) Horizontal signboard (2 units) (iii) Vertical signboard (3 units)	L160000061371	Majlis Bandaraya Petaling Jaya	7 December 2022 to 31 December 2023	Nil.	N/A
13.	MST Golf Malaysia	Business and signboard licence for the premises at Lot F043 & 043A Mid Valley Southkey Mall, 1 Jalan Persiaran Southkey 1, Johor Bahru, 80150 Johor Description: (i) Sale of golf equipment (ii) Signboard (2 units)	MJJB/U/2019/55/L1/B0132/4 Advertisement serial no.: JB/I/2019/04/1070 82- JB/I/2019/04/1070 83	Majlis Bandaraya Johor Bahru	Issuance date: 29 November 2022 Valid until 31 December 2023	Nil.	N/A
14.	MST Golf Malaysia	Temporary business and signboard licence for the premises at G-001, G-001A, G-002, G-003, Ground Floor, Hatten Square, Jalan Merdeka, 75000 Melaka ⁽²⁾ Description: (i) Sale of apparels/shoes and sports equipment (4 units) (ii) Luminous signboard (3 units)	L6.20908	Majlis Bandaraya Melaka Bersejarah	Issuance date: 31 January 2023 Valid until 25 March 2024	Use of plastic and polystyrene is not allowed unless biodegradable.	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
15.	MST Golf Malaysia	Business premise licence for the premises at B2-1-03, B2-01-04, B2-01-05 & B2-01-06 Udini Square, Lebu Tunku Kudin 3, Gelugor, 11700 Penang Description: (i) Retail sale (ii) Horizontal luminous signboard	KOM00002289 Advertisement permit no.: PA011682/2021	Majlis Bandaraya Pulau Pinang	12 December 2022 to 31 December 2023	Nil.	N/A
16.	MST Golf Malaysia	Business premise/signboard licence for the premises at 155E, Jalan Raja Dr Nazrin Shah, Ipoh, 30250 Perak Description: (i) Golf equipment shop business (ii) Signboard (8 units)	G9/D/2/115/19	Majlis Bandaraya Ipoh	13 August 2022 to 12 August 2023	Nil.	N/A
17.	MST Golf Malaysia	Business licence for the premises at Lot no. G1, Ground Floor, Menara Zenith, Jalan Putra Square 6, Kuantan, 25200 Pahang Description: (i) Sports equipment shop (ii) Wall signboard (9 units) (iii) Horizontal luminous signboard	L0120164985	Majlis Bandaraya Kuantan	1 January 2023 to 31 December 2023	Nil.	N/A
18.	MST Golf Malaysia	Business licence for the premises at Riverside Kuching, FF101, FF102 & FF103, Jalan Tunku Abdul Rahman, Kuching, 93100 Sarawak Description: Retail and wholesale of golf equipment	1182877	Kerajaan Negeri Sarawak	25 May 2023 to 31 July 2024	Nil.	N/A

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
19.	MST Golf Malaysia	Business licence for the premises at Lot 1-001, 002, 003, Level 1, Vivacity Megamall, Jalan Wan Alwi, Kuching, 93350 Sarawak Description: Retail and wholesale of golf equipment	1153546	Kerajaan Negeri Sarawak	4 October 2022 to 3 October 2023	Nil.	N/A
20.	MST Golf Malaysia	Business licence for the premises at SF6, SF7, SF8, 2nd Floor, Permaisuri Imperial City Mall, Miri, 98000 Sarawak Description: Sale of golf equipment	A1007222	Kerajaan Negeri Sarawak	23 March 2023 to 10 May 2024	Nil.	N/A
21.	MST Golf Malaysia	Business licence for the premises at Unit L1.09(B) & L1.10, 1st Floor, Plaza Shell, 29, Jalan Tunku Abdul Rahman, Kota Kinabalu, 88000 Sabah Description: Sale of golf equipment, apparel and accessories	714358	Mayor Bandaraya Kota Kinabalu	Issuance date: 3 November 2022 Valid until 31 December 2023	Nil.	N/A

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
22.	MST Golf Malaysia	Business licence for the premises at UG06 – UG10, Upper Ground Floor, Starhill Gallery, 181, Jalan Bukit Bintang, 55100 Kuala Lumpur Description: (i) Sale of sports/exercise equipment (ii) Warehouse/store (iii) Signboard	DBKL.JPPP/01311 /12/2022/KM01	Dewan Bandaraya Kuala Lumpur	16 December 2022 to 15 December 2023	a) Annual renewal of the licence shall be 60 days before the date of expiry without notification from Datuk Bandar KL. b) The number of foreign workers employed at the premise must not exceed the number of Malaysian workers or 50% of the total number of employees. Foreign workers must also be issued a valid work permit. ⁽¹⁾	Complied
<u>Pro shops</u>							
23.	MST Golf Malaysia	Business licence for the premises at Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur Description: Sale of health, fitness and sports equipment	DBKL.JPPP/01574 /07/2006/PR01	Dewan Bandaraya Kuala Lumpur	24 November 2022 to 23 November 2023	(a) Annual renewal of the licence shall be 60 days before the date of expiry without notification from Datuk Bandar KL.	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
24.	MST Golf Malaysia	Business licence for the premises at Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur Description: (i) Supply and sale of materials/ equipment (non-food) (ii) Repair of golf sticks and installation of accessories	DBKL.JPPP/00735 /07/2022/KM01	Dewan Bandaraya Kuala Lumpur	9 July 2022 to 8 July 2023 ⁽¹⁾	(b) The employees at the premise shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits. ⁽¹⁾ (a) Annual renewal of the licence shall be 60 days before the date of expiry without notification from Datuk Bandar KL. (b) The employees at the premise shall consist of at least 50% Malaysian workers, and remaining 50% foreign workers must be issued with valid work permits. ⁽¹⁾	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
25.	MST Golf Malaysia	Business licence for the premises at Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur Description: Signboard	DBKL.JPPP/01447 /01/2016/IK01	Dewan Bandaraya Kuala Lumpur	3 August 2022 to 2 August 2023 ⁽¹¹⁾	(a) Annual renewal of the licence shall be 60 days before the date of expiry without notification from Datuk Bandar KL. (b) The employees at the premise shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits. ⁽¹⁾	Complied
26.	MST Golf Malaysia	Business licence for the premises at Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur Description: Warehouse/storage for golf equipment	DBKL.JPPP/00349 /12/2022/KM01	Dewan Bandaraya Kuala Lumpur	6 December 2022 to 5 December 2023	(a) Annual renewal of the licence shall be 60 days before the date of expiry without notification from Datuk Bandar KL. (b) The employees at the premise shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits. ⁽¹⁾	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
27.	MST Golf Malaysia	Trade, business and industries licence for the premises at Tropicana Golf & Country Resort (Golf Wing), Jalan Kelab Tropicana, Tropicana Golf, 47410 Petaling Jaya, Selangor Description: (i) Sale of golf equipment (ii) Vertical non-luminous signboards (3 units)	L150000213485	Majlis Bandaraya Petaling Jaya	1 January 2023 to 31 December 2023	Nil.	N/A
28.	MST Golf Malaysia	Trade, business and industries licence for the premises at Kelab Seri Selangor, Persiaran Damansara Indah, Off Persiaran Tropicana, Petaling Jaya, 47810 Selangor Description: (i) Retail activities of sports equipment (ii) Horizontal luminous signboard	EL2540000639800	Majlis Bandaraya Petaling Jaya	1 January 2023 to 31 December 2023	Nil.	N/A
29.	MST Golf Malaysia	Business licence for the premises at Bukit Jelutong Golf Centre, Persiaran B, Bukit Jelutong, Seksyen U8, Shah Alam, 40150 Selangor Description: (i) Sports equipment (sales/services) (ii) Sports equipment (wholesale/storage) (iii) Golf training centre (sales/services) ⁽³⁾ (iv) Non-luminous signboard	MBSA/LSP/LS/600 -4/1/1308-18	Majlis Bandaraya Shah Alam	Issuance date: 6 December 2022 Valid until 14 January 2024	Nil.	N/A

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
30.	MST Golf Malaysia	Business licence for the premises at Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur Description: (i) Sale of apparels and sports equipment (ii) Signboard (2 units)	DBKL.JPPP/00631 /12/2018/KM01	Dewan Bandaraya Kuala Lumpur	19 May 2023 to 18 May 2024	(a) Annual renewal of the licence shall be 60 days before the date of expiry without notification from Datuk Bandar KL. (b) The employees at the premise shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits. ⁽¹⁾	Complied
31.	MST Golf Malaysia	Business licence for the premises at Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur Description: Warehouse/storage for golf equipment.	DBKL.JPPP/00359 /12/2022/KM01	Dewan Bandaraya Kuala Lumpur	6 December 2022 to 5 December 2023	(a) Annual renewal of the licence shall be 60 days before the date of expiry without notification from Datuk Bandar KL. (b) The employees at the premise shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits. ⁽¹⁾	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
32.	MST Golf Malaysia	Trade, business and industries licence for the premises at Kelab Golf Negara Subang, Jalan SS 7/2, SS 7, Petaling Jaya, 47301 Selangor	L2540000645687	Majlis Bandaraya Petaling Jaya	1 November Nil. 2022 to 31 December 2023		N/A
		Description: (i) Sports equipment shop (ii) Horizontal luminous signboard (2 units)					
33.	MST Golf Malaysia	Business licence for the premises at The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur	DBKL.JPPP/01979 /08/2017/KM01	Dewan Bandaraya Kuala Lumpur	7 December (a) 2022 to 6 December 2023	Annual renewal of the licence shall be 60 days before the date of expiry without notification from Datuk Bandar KL. (b) The number of foreign workers employed at the premise must not exceed the number of Malaysian workers or 50% of the total number of employees. Foreign workers must also be issued a valid work permit. ⁽¹⁾ (c) MST Golf Malaysia shall not carry out activities which are not stated in the licence.	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
34.	MST Golf Malaysia	Business licence for the premises at The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur Description: Warehouse/storage for golf equipment	DBKL.JPPP/00521 /12/2022/KM01	Dewan Bandaraya Kuala Lumpur	8 December 2022 to 7 December 2023	(a) Annual renewal of the licence shall be 60 days before the date of expiry without notification from Datuk Bandar KL. (b) The number of foreign workers employed at the premise must not exceed the number of Malaysian workers or 50% of the total number of employees. Foreign workers must also be issued a valid work permit. ⁽¹⁾	Complied
35.	MST Golf Malaysia	Business licence for the premises at The Royal Selangor Golf Club – Academy, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur Description: Golf training centre ⁽⁴⁾	DBKL.JPPP/02517 /09/2022/KM01	Dewan Bandaraya Kuala Lumpur	1 October 2022 to 30 September 2023	(a) Annual renewal of the licence shall be 60 days before the date of expiry without notification from Datuk Bandar KL.	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
36.	MST Golf Malaysia	Business licence for the premises at Glenmarie Golf & Country Club, No. 3, Jalan Usahawan U1/8, Shah Alam, 40150 Selangor Description: (i) Recreational activities (ii) Luminous signboard (2 units) (iii) Non-luminous signboard	Licence No.: MBSA/P/LS/4.4/M/ 1451-2001 Advertisement approval No.: MBSA/P/LS/1.6/M U19/710	Majlis Bandaraya Shah Alam	Issuance date: 22 November 2022 Valid until 31 December 2023	(b) The employees at the premise shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits. ⁽¹⁾ Nil.	N/A
37.	MST Golf Malaysia	Business licence for the premises at Templer Park Country Club, KM21 Jalan Rawang, Rawang, 48000 Selangor Description: (i) Sports equipment (sales and services) (ii) Non-luminous signboard (iii) Luminous signboard	MPS 2/6-3329(R)	Majlis Perbandaran Selayang	Issuance date: 3 November 2022 Valid until 31 December 2023	Licence issued by the Selayang Municipal Council will expire on 31 December annually and will need to be renewed before or on the aforementioned date. The charge for late renewals will be 10% of the licence fee.	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
38.	MST Golf Malaysia	Composite licence for the premises at Palm Garden Golf Club, IOI Resort City, 62502 Putrajaya Description: (i) Sale of sports/exercise equipment (ii) Non-luminous signboard	MPSPG6/BBB/03/2012 (S)	Majlis Perbandaran Sepang	Issuance date: 23 November 2022 Valid until 31 December 2023	Renewal of the licence shall be latest by 31 December annually. Majlis Perbandaran Sepang has the right to take enforcement actions in the event of failure to renew the business licence.	Complied
39.	MST Golf Malaysia	Risky business premise licence for the premises at Jalan Persiaran Golf Off Jalan Jumbo, Senai, 81250 Johor ⁽⁵⁾ Description: Licence to sell sports/gym equipment	MPKu B018124	Majlis Perbandaran Kulai	1 January 2023 to 31 December 2023	Nil.	N/A
40.	MST Golf Malaysia	Business and signboard licence for the premises at Ponderosa Golf & Country Club Pro Shop, 3, Jalan Ponderosa, Taman Ponderosa, Johor Bahru, 81100 Johor Description: (i) Golf equipment shop (ii) Signboard	L2014LI01443	Majlis Bandaraya Johor Bahru	Issuance date: 6 December 2022 Valid until 31 December 2023	Nil.	N/A

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
41.	MST Golf Malaysia	Business and signboard licence for the premises at Pelangi Golf Driving Range Pro Shop, PTD 228765, Lot 1.03, Level 1, Jalan Serampang Taman Pelangi, Johor Bahru, 80400 Johor ⁽⁶⁾	L2022LI05834 Advertisement serial no.: JB//2022/10/1035 49	Majlis Bandaraya Johor Bahru	31 October 2022 to 31 December 2023	Nil.	N/A
		Description: (i) Golf equipment shop (ii) Signboard					
42.	MST Golf Malaysia	Business premise licence for the premises at 2, Penang Golf Club, Jalan Bukit Jambul, Bayan Lepas, 11900 Penang	KOM00001347 Advertisement permit no.: PA008100/2021	Majlis Bandaraya Pulau Pinang	12 December 2022 to 31 December 2023	Nil.	N/A
		Description: (i) Retail sale of sports equipment (ii) Horizontal non-luminous signboard					
43.	MST Golf Malaysia	Business licence for the premises at 1687 Jalan Bertam, Kepala Batas, 13200 Penang	PRI/01/20221103/ 4014	Majlis Bandaraya Seberang Perai	Issuance date: 3 November 2022	Nil.	N/A
		Description: Golf equipment			Valid until 31 December 2023		

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
44.	MST Golf Malaysia	Business licence for the premises at Mahkota Golf & Country Club, KM 13, C4, Bandar Indera Mahkota, Kuantan, 25200 Pahang Description: (i) Sports equipment shop (ii) Horizontal luminous signboard (iii) Wall signboard (6 units)	L0120173554	Majlis Bandaraya Kuantan	1 January 2023 to 31 December 2023	Nil.	N/A
45.	MST Golf Malaysia	Business licence for the premises at Impian Golf & Country Club, 14th Miles, Jalan Cheras, Kajang, 43000 Selangor Description: Sale and purchase of golf equipment	MPKJ/CL/OL/01/1 61/2022#	Majlis Perbandaran Kajang	8 November 2022 to 7 November 2023	Nil	Nil
<u>Golf academy</u>							
46.	MST Golf Management	Business licence for the premises at Driving Range – Golf Academy, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur Description: Training academy ⁽⁴⁾	DBKL.JPPP/00308 /05/2017/PR01	Dewan Bandaraya Kuala Lumpur	10 August 2022 to 9 August 2023 ⁽¹¹⁾	(a) Annual renewal of the licence shall be 60 days before the date of expiry without notification from DBKL. (b) The employees at the premise shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits. ⁽⁷⁾	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Description of approval/licence/ permit	Licence no./ reference no.	Approving authority	Issuance date/validity period	Major conditions	Status of compliance
<u>Indoor golf centre</u>							
47.	MST Golf Arena	Business licence for the premises at S-214, Second Floor, The Gardens Mall, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur Description: (i) Restaurant (ii) Food storage (iii) Signboard	DBKL.JPPP/00811 /06/2022/KM01	Dewan Bandaraya Kuala Lumpur	11 June 2022 to 10 June 2023 ⁽⁸⁾	(a) Annual renewal of the licence shall be 60 days before the date of expiry without notification from DBKL. (b) The employees at the premise shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits. ⁽⁹⁾	Complied
48.	Low Kok Poh (on behalf of MST Golf Arena)	Registration of Food Premises for the premises at MST Golf Arena, S-214, Second Floor, The Gardens Mall, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur Category of business: P3 – Premise where food is prepared, processed, stored and served for sale (restaurant)	FSSM072200638-0	Ministry of Health of Malaysia (Food Safety and Quality Programme)	7 July 2022 to 7 July 2025	The certificate for Registration of Food Premises cannot be transferred.	Complied