

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

8.1 Promoters and substantial shareholders

8.1.1 Shareholdings in our Company

The table below sets out the direct and indirect shareholdings of our Promoters and substantial shareholders in our Company before and after the IPO and Shares Transfer:-

Name	Nationality/ Place of incorporation	Before the IPO and Shares Transfer			After the IPO and Shares Transfer				
		Direct		Indirect	Direct		Indirect		
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%		
Promoters and substantial shareholders									
Tan Cherng Thong	Malaysian	169,702,104	57.95	(3)2,417,932	0.83	7,120,036	1.78	(3)220,000,000	55.00
Lee Li Yee	Malaysian	-	-	(3)2,417,932	0.83	-	-	(3)220,000,000	55.00
Promoters									
Hong Boon Huon	Malaysian	37,281,684	12.73	-	-	4,281,684	1.07	-	-
Eng Chee Seng	Malaysian	24,854,456	8.49	-	-	2,854,456	0.71	-	-
Substantial shareholders									
GHSB ⁽⁴⁾	Malaysia	-	-	-	-	220,000,000	55.00	-	-
TCT International ⁽⁴⁾	Malaysia	2,417,932	0.83	-	-	-	-	(5)220,000,000	55.00

Notes:-

- (1) Based on our issued share capital comprising 292,820,000 Shares after the Pre-IPO Restructuring and Transactions but before the IPO and Shares Transfer.
- (2) Based on our enlarged issued share capital comprising 400,000,000 Shares after the IPO and Shares Transfer.
- (3) Deemed interested by virtue of his/her shareholdings in TCT International pursuant to Section 8(4) of the Act.
- (4) Please refer to **Section 8.1.3** of this Prospectus for further details of GHSB and TCT International.
- (5) Deemed interested by virtue of its shareholdings in GHSB pursuant to Section 8(4) of the Act.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Our Promoters and substantial shareholders do not have different voting rights from any other shareholders of our Group.

Save for our Promoters and substantial shareholders, we are not aware of any other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company. As at the LPD, there is no arrangement between our Company, our Promoters and our substantial shareholders, with any third party of which may result in a change in control of our Company.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

8.1.2 Changes in our Promoters' and substantial shareholders' shareholdings since incorporation

Save as disclosed below, there are no other changes in the direct and indirect shareholdings of our Promoters and substantial shareholders in our Company since incorporation and after the IPO and Shares Transfer:-

Name	Nationality/ Place of incorporation	As at 3 June 2022 (Date of incorporation)				After the Acquisitions			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Promoters and substantial shareholders									
Tan Cherng Thong	Malaysian	100	100.00	-	-	9,710,176	72.95	(4)109,906	0.83
Lee Li Yee	Malaysian	-	-	-	-	-	-	(4)109,906	0.83
Promoters									
Hong Boon Huon	Malaysian	-	-	-	-	1,694,622	12.73	-	-
Eng Chee Seng	Malaysian	-	-	-	-	1,129,748	8.49	-	-
Substantial shareholders									
GHSB ⁽³⁾	Malaysia	-	-	-	-	-	-	-	-
TCT International ⁽³⁾	Malaysia	-	-	-	-	109,906	0.83	-	-

Notes:-

- (1) Based on our issued share capital comprising 100 Shares as at the date of incorporation.
- (2) Based on our issued share capital comprising 13,309,944 Shares after the Acquisitions but before the Subscription of Shares.
- (3) Please refer to **Section 8.1.3** of this Prospectus for further details of GHSB and TCT International.
- (4) Deemed interested by virtue of his/her shareholdings in TCT International pursuant to Section 8(4) of the Act.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Name	Nationality/ Place of incorporation	After the Subscription of Shares		After the Entry of Pre-IPO Investors	
		Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	(1)%
Promoters and substantial shareholders					
Tan Cherng Thong	Malaysian	9,710,232	72.95	(3)109,906	0.83
Lee Li Yee	Malaysian	-	-	(3)109,906	0.83
Promoters					
Hong Boon Huon	Malaysian	1,694,622	12.73	-	-
Eng Chee Seng	Malaysian	1,129,748	8.49	-	-
Substantial shareholders					
GHSB ⁽²⁾	Malaysia	-	-	-	-
TCT International ⁽²⁾	Malaysia	109,906	0.83	109,906	0.83

Notes:-

- (1) Based on our issued share capital comprising 13,310,000 Shares after the Subscription of Shares.
- (2) Please refer to **Section 8.1.3** of this Prospectus for further details of GHSB and TCT International.
- (3) Deemed interested by virtue of his/her shareholdings in TCT International pursuant to Section 8(4) of the Act.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Name	Nationality/ Place of incorporation	After the Share Split / As at the LPD		After the IPO and Shares Transfer					
		Direct		Indirect					
		No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%		
<u>Promoters and substantial shareholders</u>									
Tan Cherng Thong	Malaysian	169,702,104	57.95	(4)2,417,932	0.83	7,120,036	1.78	(4)220,000,000	55.00
Lee Li Yee	Malaysian	-	-	(4)2,417,932	0.83	-	-	(4)220,000,000	55.00
<u>Promoters</u>									
Hong Boon Huon	Malaysian	37,281,684	12.73	-	-	4,281,684	1.07	-	-
Eng Chee Seng	Malaysian	24,854,456	8.49	-	-	2,854,456	0.71	-	-
<u>Substantial shareholders</u>									
GHSB ⁽³⁾	Malaysia	-	-	-	-	220,000,000	55.00	-	-
TCT International ⁽³⁾	Malaysia	2,417,932	0.83	-	-	-	-	(5)220,000,000	55.00

Notes:-

- (1) Based on our issued share capital comprising 292,820,000 Shares after the Pre-IPO Restructuring and Transactions but before the IPO and Shares Transfer.
- (2) Based on our enlarged issued share capital comprising 400,000,000 Shares after the IPO and Shares Transfer.
- (3) Please refer to **Section 8.1.3** of this Prospectus for further details of GHSB and TCT International.
- (4) Deemed interested by virtue of his/her shareholdings in TCT International pursuant to Section 8(4) of the Act.
- (5) Deemed interested by virtue of its shareholdings in GHSB pursuant to Section 8(4) of the Act.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

8.1.3 Profiles of our Promoters and substantial shareholders

The profiles of our Promoters and substantial shareholders are as follows:-

Tan Cherng Thong

Promoter, substantial shareholder and Executive Director / CEO

Tan Cherng Thong, a Malaysian, aged 44, is our Promoter, substantial shareholder and Executive Director / CEO. He was appointed to our Board on 3 June 2022 to oversee the business growth, strategic planning and direction, as well as the business development and overall operations of our Group.

He is an industry veteran in the provision of public transportation IT solutions with more than 20 years of working experience, primarily specialising in the conceptualisation, design and provision of an omni channel ticketing system, operational IT based solutions, AFC and seamless integration of front-end and back-end IT systems as well as managing bus terminals' operations.

He pursued a degree in Business Administration (majoring in Marketing with Multimedia) at Multimedia University Malaysia in May 2000. During his tertiary studies, Tan Cherng Thong, together with Lee Li Yee and another partner, had conceptualised and successfully designed an online ticketing solutions platform ("**Online Ticketing System**") with the aim to address the prevalent inefficiencies of physical bus ticketing systems (in particular, the duplication of physical bus tickets and the ticket purchasing congestions faced by passengers). His Online Ticketing System was designed as a one-stop online ticketing platform, allowing passengers to easily purchase bus tickets over the internet without any hassle and additional cost through an online system whilst eliminating overbooking and ticket touting.

Due to his innovative thinking, technical IT skills and entrepreneurship, he was awarded the Silver Award of the HSBC Young IT Entrepreneur Awards organised by HSBC Bank Malaysia Berhad in March 2003. Having achieved such recognition for his entrepreneurial acumen, he decided to discontinue his studies in April 2003 with the aim to focus on the expansion of his Online Ticketing System business venture. He subsequently set up E-Transact with several business partners to market his Online Ticketing System in September 2003 and perform IT system maintenance services for bus operators. As the CEO and major shareholder of E-Transact, he was responsible for overseeing the business operations, spearheading the marketing efforts to promote his Online Ticketing System and undertake further D&D studies to upgrade and enhance his Online Ticketing System. While he was managing E-Transact, he also set up TCT International in August 2004 with his business partner, with the intention to provide IT solutions.

He subsequently disposed his entire equity interest in E-Transact to a third party in March 2009 and relinquished his position as the CEO and Director in March 2009. Tan Cherng Thong subsequently took a short sabbatical from his entrepreneur career following the disposal of his entire equity interest in E-Transact. In October 2009, he resumed his entrepreneurial path through TCT International (which was dormant since its incorporation in August 2004) to undertake the development of CTS. He assumed his position as CEO of TCT International and embark on the business development and business expansion of TCT International footprint in the public transportation IT solutions provider sector. He was mainly responsible to oversee the software architecture and development of TOS as well as spearheading the sales and marketing efforts to secure new projects for the company. Under his stewardship, TCT International was involved in the implementation of CTS for TBS, resulting in TBS being the first express bus terminal in Malaysia to operate on a CTS.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

In addition to his business venture under TCT International, he subsequently undertook a business advisory role and assumed project management functions in NSS (a company owned by, amongst others, Mohd Aidy Hisyam Bin Abdullah, the then employee of TCT International) between May 2013 to April 2014. His advisory role includes, amongst others, providing business advisory and project management services on an ad hoc basis. Having seen the potential of NSS' business to provide IT hardware solutions catering to small and medium businesses and bus terminals' operations, Tan Cherng Thong subsequently joined NSS as a CEO in May 2014 and became a director and major shareholder of NSS in August 2015. The details of his shareholdings in NSS up to the Pre-IPO Restructuring and Transactions are set out in **Section 5.5(i)** of this Prospectus. Since his appointment as the Director and CEO of NSS, NSS has grown and successfully expanded its footprint in the enterprise IT services provider for the public transportation sector. After having controlling interest in NSS in December 2020, he proceeded to streamline and consolidate his businesses in TCT International into NSS in December 2021, and ceased the business in TCT International, with the aim to promote and market NSS as the key public transportation IT solutions provider.

Under his leadership and guidance as well as the support provided by the partners in NSS, NSS was awarded with numerous awards over the years as set out in **Section 6.1.2** of this Prospectus. His leadership and business acumen were also recognised by The Star, through the Grand Winner of the Elite Entrepreneur of the Year for Star Outstanding Business Award (SOBA) 2022 and winner of the Par Excellence Achievement Award for Male Entrepreneur of the Year – 2022 for the category of sales turnover of up to RM25.00 million. There is no conflict of interests or potential conflict of interests between his directorship in our Company and the other directorships that he currently holds.

Lee Li Yee

Promoter, substantial shareholder and Executive Director / Finance Director

Lee Li Yee, a Malaysian, aged 45, is our Promoter, substantial shareholder and Executive Director / Finance Director. She was appointed to our Board on 7 December 2022. She has more than 20 years of working experience in the field of finance and has been a member of the Malaysian Institute of Accountants since July 2008. As our Finance Director, she is responsible for overseeing our human resources activities, accounting and financial management related functions including financial reporting, financial planning, treasury, tax related matters and maintenance of internal controls.

She obtained a Bachelor of Accountancy Degree from Universiti Putra Malaysia in April 2004. While she was pursuing her accountancy degree, she won the Silver Award of the HSBC Young IT Entrepreneur Awards organised by HSBC Bank Malaysia Berhad in March 2003 in view of her participation with Tan Cherng Thong and another partner on the Online Ticketing System business venture.

She began her career as an Internal Audit Executive with W T K Holdings Berhad (a diversified group with presence across timber, tapes and plantation industries) in April 2004. She was mainly responsible to conduct the group's internal control assessments, conduct risk-based audit assignment and implement the group's risk management framework using the Committee of Sponsoring Organisations (COSO) Framework.

She left as an Internal Audit Executive in W T K Holdings Berhad in April 2005 and joined Hitachi Electronic Products (M) Sdn Bhd, a manufacturer of optical data storage drives, as a Finance Executive in May 2005. She was mainly tasked to monitor the daily cash flow position, daily treasury operation transactions, foreign exchange exposure as well as assist to prepare budget and forecast reports. She left as a Finance Executive in Hitachi Electronic Products (M) Sdn Bhd in March 2007.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

While she was employed in Hitachi Electronic Products (M) Sdn Bhd, she was appointed as a Director of E-Transact in June 2005. She subsequently undertook the position of a Finance Manager in the company in April 2007 where she oversaw accounts, finance and human resources functions.

She emerged as a major shareholder of E-Transact in December 2007 and subsequently disposed her entire equity interest in E-Transact to a third party and relinquished her position as a Director in March 2009. She later joined TCT International as Finance Manager in the same month. She was mainly tasked to manage the accounts, finance and human resources department of TCT International as well as preparing the financial planning and budgeting reports. She was subsequently appointed as a Director of TCT International in April 2011 and emerged as a major shareholder of TCT International since May 2012. She resigned as a Finance Manager of TCT International in December 2013.

Whilst carrying out her duties as a Director of TCT International, she had also subsequently joined NSS in January 2014 as the Financial Controller. She was responsible to oversee all accounts and finance related functions. In carrying out her duties in both companies, Lee Li Yee was supported by a team of qualified accounting personnel in each company. She was subsequently promoted to Chief Financial Officer in NSS in January 2021 and was redesignated as Finance Director in December 2022. Our Finance Director is supported by a team of 10 personnel to oversee the accounts and finance functions of our Group. There is no conflict of interests or potential conflict of interests between her directorship in our Company and the other directorships that she currently holds.

Hong Boon Huon
Promoter and CTO

Hong Boon Huon, a Malaysian, aged 45, is our Promoter and CTO. He has more than 20 years of experience in the field of IT. As our CTO, he oversees the software development, D&D, project management, project coordination, IT consultation and system support and maintenance.

He graduated with a Bachelor of Science majoring in computing degree from Oxford Brookes University in association with Nilai College, Malaysia in March 2001. He was certified as a Microsoft Certified Professional, Microsoft Certified Application Developer for Microsoft.Net and Microsoft Certified Solution Developer for Microsoft.Net in May, September and October 2003, respectively.

Upon his graduation, he began his career as a software programmer in March 2001 with Online One Sdn Bhd (the then subsidiary of Online One Corporation Berhad (presently known as Green Ocean Corporation Berhad, a public company listed on Bursa Securities)). He was subsequently transferred to another subsidiary within the group, Online One Software (MSC) Sdn Bhd as a Systems Engineer in June 2003. He was promoted to Assistant IT Manager in March 2006 and was tasked to specialise in projects management and oversee IT assignments that require high level technical specification as well as undertake R&D on emerging software and trends.

He left as an Assistant IT Manager in Online One Software (MSC) Sdn Bhd in June 2007 to pursue his entrepreneur path to venture into IT related businesses. He subsequently set-up eCoop Solution Sdn Bhd in August 2007 to carry out software designing, programming and consultancy services as well as conducting IT training programs.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Whilst carrying out his duties as a Director of eCoop Solution Sdn Bhd, he subsequently also joined NSS as an IT Manager in February 2013 and was tasked to support the company's daily operations and enhance its technological capabilities. He left as an IT Manager in NSS in April 2013.

After he left NSS, he continued his business venture under eCoop Solution Sdn Bhd. He resigned from eCoop Solution Sdn Bhd in June 2014 and undertook programming assignments as a freelance software programmer under his personal capacity from June 2014 to September 2015. He then joined TCT International in October 2015 as an IT Manager, responsible for the development of customised software and integration of IT hardware for bus and terminal systems solutions.

He later relinquished his position as a Director of eCoop Solution Sdn Bhd and disposed his entire equity interest in eCoop Solution Sdn Bhd in February 2016. He subsequently acquired 10% equity interest in NSS in December 2017 with the aim to establish a strategic partnership with NSS to provide software programming expertise. The details on his shareholdings in NSS up to the Pre-IPO Restructuring and Transactions are set out in **Section 5.5(i)** of this Prospectus.

He subsequently left as an IT Manager in TCT International in June 2018 to focus on Margan (a company that he set up in April 2018) as an IT solutions provider, specialising in IT consultancy and project management. As the CEO, he was responsible to manage and oversee the IT projects as well as undertake D&D on project development and software enhancement.

He left Margan in December 2020 as the CEO. He relinquished his position as a Director of Margan and disposed his entire equity interest in Margan in December 2022. He re-joined our Group in January 2021 as our CTO.

Eng Chee Seng

Promoter and Chief Business Development Officer

Eng Chee Seng, a Malaysian, aged 44, is our Promoter and Chief Business Development Officer. He has more than 20 years of experience in the field of business development and project management. As our Chief Business Development Officer, he is responsible to strategise our business development and marketing plans as well as oversee our customer relationship management.

He graduated with a Bachelor of Arts majoring in Business Administration degree from the University of Hertfordshire, United Kingdom in January 2003.

He began his career in January 2003 as medical representative with JDH Pharmaceutical Sdn Bhd, and was responsible to market pharmaceutical products to hospitals, clinics and pharmacies. He left JDH Pharmaceutical Sdn Bhd in January 2005 as medical representative and joined Ascot Sports Sdn Bhd, a company involved in sports betting operation as a Project Manager in February 2005. He was tasked to manage projects and coordinate on sports betting development projects.

He left Ascot Sports Sdn Bhd as a Project Manager in June 2008, and pursued his entrepreneurship path to venture into preschool education business with his spouse. He subsequently ceased his involvement in the preschool education business in March 2014.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

He joined NSS in April 2014 as Business Development Manager. He subsequently acquired 5% equity interest in NSS in December 2017. The details on his shareholdings in NSS up to the Pre-IPO Restructuring and Transactions are set out in **Section 5.5(i)** of this Prospectus. He was subsequently promoted to Business Development Director in NSS in May 2018 and Chief Business Development Officer in January 2021.

GHSB

Substantial shareholder

GHSB was incorporated on 7 June 2022 in Malaysia under the Act as a private limited company under its present name. The principal activity of GHSB is investment holding with the aim to solely house and hold the Promoters' (namely Tan Cherng Thong, Hong Boon Huon and Eng Chee Seng) and TCT International's GOHUB Shares pursuant to the Shares Transfer.

The issued share capital of GHSB is RM100 comprising 100 ordinary shares as at the LPD.

The director and shareholders of GHSB with their respective shareholdings as at the LPD are as follows:-

Director and shareholders	Nationality/ Place of incorporation	Shareholdings as at the LPD			
		Direct		Indirect	
		No. of shares	%	No. of shares	%
<u>Director and shareholder</u> Tan Cherng Thong	Malaysian	-	-	⁽¹⁾ 100	100.00
<u>Shareholders</u> TCT International	Malaysia	100	100.00	-	-
Lee Li Yee	Malaysian	-	-	⁽¹⁾ 100	100.00

Note:-

(1) Deemed interested by virtue of his/her shareholdings in TCT International pursuant to Section 8(4) of the Act.

During the Prescription Period, our Promoters, namely, Tan Cherng Thong, Hong Boon Huon and Eng Chee Seng, and our shareholder, namely TCT International will transfer their shareholdings amounting to 220,000,000 Shares to GHSB for a purchase consideration of RM77.00 million, with the intention to consolidate and hold their 55% equity interests in GOHUB. Please refer to **Section 3.3.3** of this Prospectus for further details of the Shares Transfer.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

The shareholders' shareholdings structure of GHSB before and after the Shares Transfer are as follows:-

Shareholders	Before the Shares Transfer				After the Shares Transfer			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
TCT International	100	100.00	-	-	7,500	75.00	-	-
Tan Cherng Thong	-	-	⁽¹⁾ 100	100.00	-	-	⁽¹⁾ 7,500	75.00
Lee Li Yee	-	-	⁽¹⁾ 100	100.00	-	-	⁽¹⁾ 7,500	75.00
Hong Boon Huon	-	-	-	-	1,500	15.00	-	-
Eng Chee Seng	-	-	-	-	1,000	10.00	-	-
Total	100	100.00			10,000	100.00		

Note:-

(1) Deemed interested by virtue of his/her shareholdings in TCT International pursuant to Section 8(4) of the Act.

TCT International

Substantial shareholder

TCT International was incorporated on 11 August 2004 in Malaysia under the Companies Act 1965 and deemed registered under the Act as a private limited company under its present name.

TCT International was initially incorporated to provide IT solutions and related services. However, TCT International was dormant since its incorporation in August 2004 until October 2009. TCT International subsequently commenced the D&D of TOS in November 2009 with the aim to be a public transportation IT solutions provider. TCT International had ceased its business operations in December 2021 following the streamlining and consolidation of Tan Cherng Thong's IT businesses in TCT International into NSS in December 2021.

As at the LPD, TCT International currently acts as an investment holding company to house the investments of its shareholders, Tan Cherng Thong and Lee Li Yee, in particular, 2,417,932 Shares, investment properties and quoted shares. Further details of the history of TCT International are set out in **Section 6.1** of this Prospectus.

The issued share capital of TCT International is RM300,000 comprising 300,000 ordinary shares as at the LPD.

The directors and shareholders of TCT International with their respective shareholdings as at the LPD are as follows:-

Directors and shareholders	Nationality	As at the LPD			
		Direct		Indirect	
		No. of shares	%	No. of shares	%
Tan Cherng Thong	Malaysian	⁽¹⁾ 200,000	66.67	-	-
Lee Li Yee	Malaysian	⁽¹⁾ 100,000	33.33	-	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Note:-

(1) *The shareholders and their respective shareholdings in TCT International will remain the same after the IPO and Shares Transfer.*

8.1.4 Payments made to our Promoters and substantial shareholders

Save for the dividends to be paid or proposed to be paid, if any, to our Promoters and substantial shareholders and the aggregate remuneration and benefits paid or proposed to be paid to our Promoters and/or substantial shareholders for services rendered to our Group in all capacities for the FYE 2023 and FYE 2024 as set out in **Section 8.5** of this Prospectus, there are no other amount or benefits paid or intended to be paid or given to our Promoters and/or substantial shareholders within the 2 years preceding the date of this Prospectus.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

8.2 Directors

8.2.1 Shareholdings in our Company

The table below sets out the direct and indirect shareholdings of each of our Directors in our Company as at the LPD, before and after our IPO and Shares Transfer, assuming our Directors will subscribe for their respective entitlements in full under the Pink Form Allocations as set out in **Section 3.3.1(ii)** of this Prospectus:-

Director	Designation	Nationality	Before the IPO and Shares Transfer / As at the LPD		After the IPO and Shares Transfer			
			Direct	Indirect	Direct	Indirect		
			No. of Shares (1)%	No. of Shares (1)%	No. of Shares (2)%	No. of Shares (2)%		
Zulkifly Bin Zakaria	Independent Non-Executive Chairman	Malaysian	-	-	500,000	-	0.13	-
Tan Cherng Thong	Executive Director / CEO	Malaysian	169,702,104	(3)2,417,932	7,120,036	(3)220,000,000	1.78	55.00
Lee Li Yee	Executive Director / Finance Director	Malaysian	-	(3)2,417,932	-	(3)220,000,000	0.83	55.00
Lee Yew Weng	Independent Non-Executive Director	Malaysian	-	-	300,000	-	0.08	-
Alwizah Ahmad Kamal	Independent Non-Executive Director	Malaysian	-	-	300,000	-	0.08	-
Poh Zuan Yin	Independent Non-Executive Director	Malaysian	-	-	300,000	-	0.08	-

Notes:-

- (1) Based on our issued share capital comprising 292,820,000 Shares after the Pre-IPO Restructuring and Transactions but before the IPO and Shares Transfer.
- (2) Based on our enlarged issued share capital comprising 400,000,000 Shares after the IPO and Shares Transfer.
- (3) Deemed interested by virtue of his/her shareholdings in TCT International pursuant to Section 8(4) of the Act. Please refer to **Section 8.3.1** of this Prospectus for further details of TCT International.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Notwithstanding the Pink Form Allocations reserved for our Directors and to the extent known to our Company, none of our Directors have the intention to apply and subscribe for IPO Shares under the public balloting portion as set out in **Section 3.3.1(i)** of this Prospectus.

None of our Directors represents any corporate shareholder on our Board.

8.2.2 Profile of our Directors

The profile of our Directors are as follows:-

Zulkifly Bin Zakaria

Independent Non-Executive Chairman

Zulkifly Bin Zakaria, a Malaysian, aged 70, is our Independent Non-Executive Chairman. He was appointed to our Board on 24 August 2023.

He graduated in October 1976 from Universiti Teknologi MARA with a Diploma in Banking Studies and subsequently obtained his Master of Business Administration in November 1998 from the University of Wales in Cardiff, United Kingdom. Zulkifly Bin Zakaria began his career in the banking and finance industry in 1976 with European Asian Bank, Kuala Lumpur (presently known as Deutsche Bank AG) as a trainee where he was mainly involved in the local banking operations. In the same year, he was seconded to Germany for a 3-year training at the bank's head office and branches. In 1979, he returned to Malaysia and was appointed as the Head of Customer Service, Internal Audit and Import-Export where he was responsible in managing the overall operations of the bank's customer service, internal audit and the import-export department. He left European Asian Bank in 1982.

In 1983, he joined Bank Islam Malaysia Berhad as a Manager and was mainly responsible for overseeing the trade finance division and operations of the credit department. He left Bank Islam Malaysia Berhad as a Manager in 1991. In the same year, he joined ABN-AMRO Bank N.V. (Kuala Lumpur Branch) as a Division Manager for the Malaysian operations. He was mainly responsible for overseeing the credit processing, customer service and the overall operations of the Kuala Lumpur and Penang branches. He left ABN-AMRO Bank N.V. in December 1993 and joined UMW Holdings Berhad as its Group Financial Controller in the same month where he was responsible for managing and overseeing the group's finance and accounting matters.

In 2002, he was subsequently appointed as the Executive Director of the oil and gas division of UMW Corporation Sdn Bhd, spearheading its newly formed oil and gas division. He was actively involved in the upstream sector through 5 main activities (i.e. manufacture of oil and country tubular goods and line pipes, oil and gas exploration operations, fabrication, provision of oilfield services and supply of oilfield products). In December 2007, he was appointed as a Director of UMW Oil & Gas Berhad where he was mainly responsible for overseeing the overall operations of the oil and gas division within the group. In March 2009, he was promoted to the position of President of UMW Oil & Gas Berhad. He retired from UMW Holdings Berhad by relinquishing his position as the Director in April 2011.

In April 2012, he was appointed as a director of Lagardere Travel Retail Malaysia Sdn Bhd who operates retail concessionaires at airports in Malaysia where he provides input and advice on the business operations of the company. In April 2018, he was appointed as a director of Gradz Engineering Services Sdn Bhd, a Petronas licensed vendor and authorised agent for Kaeser Kompressoren SE, Germany and acquired the entire equity interest in Gradz Engineering Services Sdn Bhd in May 2018. Since then, he has been the Managing Director in charge of the operations of the company.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

He is currently the Independent Non-Executive Chairman of Sunview Group Berhad (a company listed on Bursa Securities), the Independent Non-Executive Director of Federal International Holdings Berhad (a company listed on Bursa Securities) and the independent director of Mooreast Holdings Ltd (a company listed on the Singapore Exchange). He is also the Vice President of Malaysia-China Friendship Association to promote culture and education between Malaysia and China since December 2021.

He also sat on the board of the Perak Islamic Council's economic arm, Perbadanan Kemajuan Ekonomi Islam Negeri Perak and its subsidiary companies from May 2018 to March 2024.

Further details of his directorships in companies as at the LPD are set out in **Section 8.2.3(i)** of this Prospectus. There is no conflict of interests or potential conflict of interests between his directorship in our Company and the other directorships that he currently holds.

Tan Cherng Thong

Promoter, substantial shareholder and Executive Director / CEO

Please refer to **Section 8.1.3** of this Prospectus for his profile.

Lee Li Yee

Promoter, substantial shareholder and Executive Director / Finance Director

Please refer to **Section 8.1.3** of this Prospectus for her profile.

Lee Yew Weng

Independent Non-Executive Director

Lee Yew Weng, a Malaysian, aged 47, is our Independent Non-Executive Director. He was appointed to our Board on 24 August 2023.

Lee Yew Weng obtained his Bachelor of Commerce in April 1999 from the University of Adelaide, Australia. He is a Chartered Accountant and has been a member of Certified Practising Accountant Australia since July 2003 and a member of the Malaysian Institute of Accountants since July 2014.

He began his career with K K Chow & Partners in March 1999 as an Audit / Tax Assistant, where he was involved in performing statutory audit. He left K K Chow & Partners as an Audit / Tax Assistant in January 2000 and joined Horwath Mok & Poon (now known as Crowe Malaysia) in February 2000 as an Audit Assistant, where he was involved in performing statutory audit. He was promoted to Audit Senior Assistant in October 2000. Subsequently, he left Crowe Horwath Malaysia as an Audit Senior Assistant in December 2000 and joined KPMG Malaysia as an Audit Assistant in January 2001 where he performed statutory audit for private and public companies listed on Bursa Securities. He was promoted to Audit Semi Senior in July 2001.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

In May 2002, he left KPMG Malaysia as Audit Semi Senior and ventured into the corporate sector where he joined Jotech Holdings Berhad (now known as Jotech Holdings Sdn Bhd) as their Group Accountant in the same month where he was responsible to oversee and manage the group's accounting and financial functions. He resigned as a Group Accountant from Jotech Holdings Berhad in April 2003. He later joined as an Executive of the Corporate Finance and Advisory Department in AmMerchant Bank Berhad (now known as AmInvestment Bank Berhad) in May 2003, where he was involved in various corporate exercises, including corporate restructuring, reverse takeovers, mergers and acquisitions, fund raising and initial public offering. During his tenure in the Corporate Finance and Advisory Department, he held various roles, such as Senior Executive, Assistant Manager, Manager and Associate Director. He was later transferred to the Investment Banking Department of AmInvestment Bank Berhad as an Associate Director in July 2008. He was redesignated as Associate Director, Corporate & Institutional Banking Department in October 2009. He subsequently resigned as Associate Director, Corporate & Institutional Banking Department in June 2010 and undertook a sabbatical from July 2010 to April 2011.

He later co-founded Stein Future Group Sdn Bhd (now known as Swift Capital Group Sdn Bhd) in May 2011 to provide financial consultancy services and served as the Executive Director from May 2011 to August 2017. He also co-founded Yewnited Partners Sdn Bhd in January 2017 to provide business management consultancy services, and served as the Director since January 2017.

While he was acting as a director of Yewnited Partners Sdn Bhd, he later joined Canfield Corporate Finance Company Limited, an approved Corporate Finance Adviser in Hong Kong, licensed by the Securities and Futures Commission of Hong Kong from June 2019 to February 2020 as a Responsible Officer, where he was involved in marketing and structuring transactions for clients undertaking cross-border corporate exercises. He subsequently left Canfield Corporate Finance Company Limited in February 2020 as a Responsible Officer and undertook a sabbatical from March 2020 to August 2020.

He joined Sorrento Capital Limited, an approved Corporate Finance Adviser in Hong Kong, licensed by the Securities and Futures Commission of Hong Kong in September 2020 as a Licensed Representative (where he has similar responsibilities as his role in Canfield Corporate Finance Company Limited), a position he holds to-date. He subsequently resigned as the director of Yewnited Partners Sdn Bhd in September 2022.

He is currently the Non-Independent Non-Executive Director of Sunzen Biotech Berhad and Independent Non-Executive Director of DS Sigma Holdings Berhad and Hiap Huat Holdings Berhad, all of which are listed on Bursa Securities. Further details of his directorships in companies as at the LPD are set out in **Section 8.2.3(iv)** of this Prospectus. There is no conflict of interests or potential conflict of interests between his directorship in our Company and the other directorships that he currently holds.

Alwizah Al-Yafii Binti Ahmad Kamal
Independent Non-Executive Director

Alwizah Al-Yafii Binti Ahmad Kamal, a Malaysian, aged 50, is our Independent Non-Executive Director. She was appointed to our Board on 24 August 2023.

She graduated with Bachelor of Law LLB (Honours) from University of Bristol, United Kingdom in June 1997 and completed post-graduate studies at the Institute of Chartered Secretaries & Administrators at Kensington School of Business, London, United Kingdom in February 1999. In October 2000, she was admitted as an Advocate & Solicitor of the High Court of Malaya. She was an Associate Member of the MAICSA in July 2007 and was subsequently elected to the Fellowship in January 2016. She is also a licenced secretary under the Companies Commission of Malaysia since March 2020.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

She began her pupillage at Zaid Ibrahim & Co. (now known as ZICO Law) in 1998 and thereafter commenced her practice in the said firm as a Legal Associate in the capital markets and banking departments in August 2000. During her tenure, she was involved in various corporate exercises, including mergers and acquisitions, legal due-diligence exercises, securitisation transactions and corporate finance.

She left as a Legal Associate in Zaid Ibrahim & Co. and joined Zul Rafique & Partners as a Legal Associate in 2003. During her tenure, she represented local and international financial institutions in restructuring exercises involving public listed companies. She also provided legal advisory services on compliance with capital markets regulations and related activities.

She left as a Legal Associate in Zul Rafique & Partners and joined Intellectual Property Services Sdn Bhd (now known as ZICO Corporate Services Sdn Bhd) in 2006 as a Manager, and was promoted to Executive Director in 2010. During her tenure, she provided legal and corporate secretarial services which included assisting in the setting up of companies and foundations, and ensuring compliance with the Act and circulars issued by the Companies Commission of Malaysia.

While she was employed in Intellectual Property Services Sdn Bhd, she set up AKAL Corporate Advisors Sdn Bhd with her family in April 2010 with the intention to render advisory services on corporate secretarial, human resource and accounting matters. She was the Director of AKAL Corporate Advisors Sdn Bhd from April 2010 to April 2011. In April 2013, she left Intellectual Property Services Sdn Bhd and relinquished her position as the Director. She resumed her entrepreneurial path through AKAL Corporate Advisors Sdn Bhd (which was dormant since its incorporation in April 2010) and was reappointed as a Director of AKAL Corporate Advisors Sdn Bhd in October 2013. Since then, she provides advisory services on corporate secretarial, human resource and accounting matters to private limited companies, public companies, financial institutions and foundations. She subsequently founded AKAL Advisors PLT in May 2014 to facilitate the provision of accounting and payroll services, and related training courses and seminars.

She is currently the Independent Non-Executive Chairperson of Minox International Group Berhad and Independent Non-Executive Director of Cnergengz Berhad and Infoline Tec Group Berhad, all of which are listed on Bursa Securities. Further, she is also a member of the Board of Trustees of Tun Suffian Foundation Incorporated, a not-for-profit organisation which awards Tun Suffian Scholarships to Malaysian students pursuing degrees and post graduate studies since January 2014. Further details of her directorships in companies as at the LPD are set out in **Section 8.2.3(v)** of this Prospectus. There is no conflict of interest or potential conflict of interests between her directorship in our Company and the other directorships that she currently holds.

Poh Zuan Yin

Independent Non-Executive Director

Poh Zuan Yin, a Malaysian, aged 34, is our Independent Non-Executive Director. She was appointed to our Board on 24 August 2023.

She graduated with a Bachelor of Laws degree from the University of Leeds, United Kingdom in June 2012 and obtained the Certificate in Legal Practice in September 2013. She was admitted as an Advocate & Solicitor of the High Court of Malaya in September 2014.

She began her pupillage at Rahmat Lim & Partners, an associated law firm of Allen & Gledhill LLP in Singapore in October 2013 and thereafter commenced her practice in the said firm as a Legal Associate specialising in corporate, commercial law and real estate in September 2014.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

She subsequently left Rahmat Lim & Partners in May 2016 and joined Trowers & Hamblins International Limited (Kuala Lumpur Regional Office), a qualified foreign law firm licensed by the Malaysia Bar Council as a lawyer in June 2016. During her tenure, she was involved in mergers and acquisitions, general commercial contracts, and corporate advisory work. She left Trowers & Hamblins International Limited (Kuala Lumpur Regional Office) as a lawyer in September 2018 to join Gan, Lee & Tan as a Partner in the Corporate and Commercial department in the same month. She provided legal advisory services on corporate and commercial matters. She left Gan, Lee & Tan in September 2020 to set up Lee & Poh Partnership with another partner in October 2020. Currently, she serves as the Managing Partner in Lee & Poh Partnership, specialising in corporate and commercial law.

She is an Independent Non-Executive Director of LYC Healthcare Berhad, a company listed on Bursa Securities. Further details of her directorships in companies as at the LPD are set out in **Section 8.2.3(vi)** of this Prospectus. There is no conflict of interests or potential conflict of interests between her directorship in our Company and the other directorships that she currently holds.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

8.2.3 Involvements of our Directors in other businesses and corporations outside our Group

Save as disclosed below, none of our Directors has any directorships or principal business activities performed outside our Group for the past 5 years prior to the LPD:-

(i) Zulkifly Bin Zakaria

Company	Principal business activities	Nature of relationship	Date of appointment as director	Date of cessation as director
<u>Present involvements:-</u> Federal International Holdings Berhad ⁽¹⁾	Investment holding of non-listed shares of its subsidiaries principally involved in renovation and interior fitout works, manufacturing and export of furniture, trading of furniture, home furnishing, home appliances and building materials, and contractor for building and construction works	<ul style="list-style-type: none"> Independent Non-Executive Director 	9 November 2022	-
Mooreast Holdings Ltd ⁽²⁾	Investment holding of non-listed shares of its subsidiaries principally involved in the provision of mooring systems and related services, building of ships and other ocean-going vessels, engineering design and consultancy services in energy management and clean energy systems, trading of marine related equipment and accessories and provision of mooring solutions for the Floating Renewable Energy Industry	<ul style="list-style-type: none"> Independent Director 	28 October 2021	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal business activities	Nature of relationship	Date of appointment as director	Date of cessation as director
Sunview Group Berhad ⁽¹⁾	Investment holding of non-listed shares of its subsidiaries principally involved in engineering, procurement, construction and commissioning of solar photovoltaics facilities, solar photovoltaics construction and installation services, solar power generation and supply as well as associated services and products	<ul style="list-style-type: none"> Independent Non-Executive Chairman 	27 December 2021	-
Gradz Engineering Services Sdn Bhd	Equipment supply and engineering services	<ul style="list-style-type: none"> Director Shareholder (Direct interest: 100.00%) 	25 April 2018	-
Lagardere Travel Retail Malaysia Sdn Bhd	To operate retail concessionaires at airports	<ul style="list-style-type: none"> Director Shareholder (Direct interest: 30.00%) 	2 April 2012	-
Nautilus Oilfield Services Sdn Bhd	Provision of onshore and offshore drilling and exploration solution	<ul style="list-style-type: none"> Director Shareholder (Direct interest: 99.99%) 	28 December 2012	-
VP Energy Pte Ltd	Dormant ⁽³⁾ (Previous principal activities: Wholesale trade of variety of goods without a dominant product)	<ul style="list-style-type: none"> Director Shareholder (Direct interest: 25.00%) 	3 May 2016	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal business activities	Nature of relationship	Date of appointment as director	Date of cessation as director
<p>Past involvements:- Hiap Huat Holdings Berhad⁽¹⁾</p>	<p>Investment holding of non-listed shares of its subsidiaries principally involved in manufacturing, recycling and refining all kinds of petroleum based products, industrial paints, oils, solvent chemical products and other related products and to provide all kinds of transportation services; distribution of paints, hardware and products and leasing of machineries and equipment; physical refining, processing, pre-treatment, recovery, reuse and trading of waste and residues and by-products generated from oil palm and other oils and fats industry; and provision of laboratory services including providing the products and services which involve in numerous research projects, provision of scientific or clinical advice, diagnostic testing services, dealing in all substance, apparatus and related services</p>	<ul style="list-style-type: none"> Independent Non-Executive Chairman / Senior Independent Non-Executive Director 	10 October 2011	29 May 2023
Ar-Ridzuan Nephrocare Dialysis Sdn Bhd	Dialysis centres	<ul style="list-style-type: none"> Director and Chairman 	14 July 2023	31 March 2024
IDC Jadi Sdn Bhd	Development, planting and operation management of palm oil plantation	<ul style="list-style-type: none"> Director 	1 June 2019	8 February 2021
Kumpulan Perubatan Ar-Ridzuan Sdn Bhd	Private hospital and medical services	<ul style="list-style-type: none"> Director 	8 February 2021	31 March 2024
Mahir Fikir Sdn Bhd	General trading (Dissolved on 22 October 2021)	<ul style="list-style-type: none"> Director Shareholder (Direct interest: 50.00%) 	20 October 2004	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal business activities	Nature of relationship	Date of appointment as director	Date of cessation as director
Malaysia-China Business Council	Non-governmental organisation promoting investments and trade between China and Malaysia	<ul style="list-style-type: none"> Director 	5 April 2012	18 June 2020
Mutiara Ledang Sdn Bhd	Land development and estate management of oil palm plantation	<ul style="list-style-type: none"> Director 	14 August 2018	31 March 2024
Perbadanan Ekonomi Islam Perak Sdn Bhd (formerly known as PKEINPK Sdn Bhd)	Development and agriculture related activities for the purpose of Islamic economic and social development	<ul style="list-style-type: none"> Director 	17 May 2018	31 December 2020
Perbadanan Ekonomi Islam Perak Sdn Bhd (formerly known as PKEINPK Sdn Bhd)	Development and agriculture related activities for the purpose of Islamic economic and social development	<ul style="list-style-type: none"> Director 	16 January 2021	31 March 2024

Notes:-

- (1) A public company listed on Bursa Securities.
- (2) A public company incorporated and domiciled in Singapore and listed on the Catalist Board of Singapore Exchange Securities Trading Limited.
- (3) There is no immediate plan for this company currently.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

(ii) Tan Cherng Thong

Company	Principal business activities	Nature of relationship	Date of appointment as director / partner	Date of cessation as director / partner
<u>Present involvements:-</u> Bogiwogi Sdn Bhd	Dormant ⁽¹⁾ (Previous principal activities: Provision of computer consultancy, wholesale of computer hardware, software and peripherals, business and other applications)	<ul style="list-style-type: none"> • Director • Shareholder (Direct interest: 50.00%) 	6 August 2020	-
GHSB	Investment holding company with the aim to solely house and hold the 'Promoters' (namely Tan Cherng Thong, Hong Boon Huon and Eng Chee Seng) and TCT International's GOHUB Shares pursuant to the Shares Transfer	<ul style="list-style-type: none"> • Director • Shareholder (Indirect interest: 100.00%⁽²⁾) 	7 June 2022	-
Lizz Angel PLT	Investment holding of non-listed shares principally involved in the food and beverage industry	<ul style="list-style-type: none"> • Partner 	9 November 2023	-
TCT International	Investment holding of GOHUB Shares, investment properties and quoted shares on Bursa Securities (Previous principal activities: Provision of IT, internet, telecommunication and related services)	<ul style="list-style-type: none"> • Director • Shareholder (Direct interest: 66.67%) 	11 August 2004	-
Visa Apps Sdn Bhd	Dormant ⁽¹⁾ (Previous principal activities: To carry on the business of outsourcing visa facilitation services)	<ul style="list-style-type: none"> • Director • Shareholder (Direct interest: 100.00%) 	16 December 2021	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal business activities	Nature of relationship	Date of appointment as director / partner	Date of cessation as director / partner
<p><u>Past involvements:-</u> Catchup Communications Sdn Bhd</p>	<p>To carry on the business of insurance agents and takaful agents; to provide other management consultancy activities including general, project, human resources consultancy, and to act as administration, management consultants in the management, company, person or undertakings theretofore and to act as manager of such company (Previous principal activities: Provision of IT, internet, telecommunication, multimedia technology, system integration services, business solution consultancy, professional services, maintenance services and e-commerce and related services)</p>	<ul style="list-style-type: none"> • Director⁽³⁾ 	14 February 2013	1 December 2021
<p>KK Travel and Tour Sdn Bhd (Formerly known as KK Transit Sdn Bhd)</p>	<p>Establish, organise, manage, run, own, operate the bus services in all its branches, provision of bus services to the public; activities of agencies, primarily engaged in selling travel, tour, transportation and accommodation services to the general public and commercial clients; and arranging and assembling tours that are sold through travel agencies or directly by tour operators and includes the activities of tourist guides</p>	<ul style="list-style-type: none"> • Director⁽⁴⁾ 	28 December 2020	28 October 2022
<p>NSS IT Online Services Sdn Bhd</p>	<p>Wholesale of computer hardware, software and peripherals, business and other applications and computer consultancy</p>	<ul style="list-style-type: none"> • Director⁽⁵⁾ 	4 December 2020	3 June 2022
<p>Real Apps Sdn Bhd</p>	<p>Business of other application, computer consultancy, wholesale of computer hardware, software and peripherals</p>	<ul style="list-style-type: none"> • Director⁽⁶⁾ 	18 January 2017	15 December 2021

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal business activities	Nature of relationship	Date of appointment as director / partner	Date of cessation as director / partner
Real Apps International Sdn Bhd	IT service activities; business and other applications; wholesale of computer hardware, software and peripherals	<ul style="list-style-type: none"> Director 	23 October 2018	15 December 2021

Notes:-

- (1) *There is no immediate plan for this company currently.*
- (2) *Deemed interested by virtue of his shareholdings in TCT International pursuant to Section 8(4) of the Act.*
- (3) *He disposed his 80% direct interest in Catchup Communications Sdn Bhd to her sister-in-law, Lee Lai See on 13 January 2022.*
- (4) *He disposed his 51% direct interest in KK Travel and Tour Sdn Bhd to a third party on 29 November 2022.*
- (5) *He disposed his 51% direct interest in NSS IT Online Services Sdn Bhd to a third party on 23 June 2022.*
- (6) *He disposed his 55% direct interest in Real Apps Sdn Bhd to our subsidiary, TCT Apps on 4 July 2017. TCT Apps disposed its 55% direct shareholdings in Real Apps Sdn Bhd to a third party on 17 January 2022.*

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

(iii) Lee Li Yee

Company	Principal business activities	Nature of relationship	Date of appointment as director/partner / Business start date	Date of cessation as director/partner / Business expiry date
<u>Present involvements:-</u> GHSB	Investment holding company with the aim to solely house and hold the Promoters' (namely Tan Cherng Thong, Hong Boon Huon and Eng Chee Seng) and TCT International's GOHUB Shares pursuant to the Shares Transfer	<ul style="list-style-type: none"> Shareholder (Indirect interest: 100.00%⁽¹⁾) 	-	-
Lizz Angel PLT	Investment holding of non-listed shares principally involved in the food and beverage industry	<ul style="list-style-type: none"> Partner 	9 November 2023	-
TCT International	Investment holding of GOHUB Shares, investment properties and quoted shares on Bursa Securities (Previous principal activities: Provision of IT, internet, telecommunication and related services)	<ul style="list-style-type: none"> Director Shareholder (Direct interest: 33.33%) 	25 April 2011	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal business activities	Nature of relationship	Date of appointment as director/partner / Business start date	Date of cessation as director/partner / Business expiry date
<p><u>Past involvements:-</u> Catchup Communications Sdn Bhd</p>	<p>To carry on the business of insurance agents and takaful agents; to provide other management consultancy activities including general, project, human resources consultancy, and to act as administration, management consultants in the management, company, person or undertakings therefore and to act as manager of such company (Previous principal activities: Provision of IT, internet, telecommunication, multimedia technology, system integration services, business solution consultancy, professional services, maintenance services and e-commerce and related services)</p>	<ul style="list-style-type: none"> • Director⁽²⁾ 	<p>30 May 2018</p>	<p>1 December 2021</p>
<p>Excellent Asia Solutions Sdn Bhd</p>	<p>To carry on the business of insurance agents and takaful agents; to provide other management consultancy activities including general project, human resources consultancy, and to act as administration, management consultants in the management, company, person or undertakings therefore and to act as manager of such company (Previous principal activities: Provision of all kinds of professional cleaning services)</p>	<ul style="list-style-type: none"> • Director⁽³⁾ 	<p>30 January 2017</p>	<p>31 December 2020</p>
<p>Maidspower Solutions⁽⁴⁾</p>	<p>Cleaning services</p>	<ul style="list-style-type: none"> • Sole proprietor 	<p>28 November 2013</p>	<p>27 November 2020</p>

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Notes:-

- (1) *Deemed interested by virtue of her shareholdings in TCT Internationals pursuant to Section 8(4) of the Act.*
- (2) *She disposed her 20% direct interest in Catchup Communications Sdn Bhd to her sister, Lee Lai See on 17 January 2022.*
- (3) *She disposed her 50% direct interest in Excellent Asia Solutions Sdn Bhd to a third party on 31 December 2020.*
- (4) *This business was registered on 26 July 2011 and expired on 25 July 2012. This business has been re-registered on 28 November 2013 using the same business name as business registration certificate that is expired for more than one year may not be renewed by the Companies Commission of Malaysia. Maidspower Solutions ceased operations in January 2019.*

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

(iv) Lee Yew Weng

Company	Principal business activities	Nature of relationship	Date of appointment as director	Date of cessation as director
<p><u>Present involvements:-</u> DS Sigma Holdings Berhad⁽¹⁾</p>	<p>Investment holding of non-listed shares of its subsidiaries principally involved in manufacturing of corrugated paper packaging products including cartons, protective packaging and paper pallets as well as supply of non-paper based protective packaging products such as plastic, foam and rubber products</p>	<ul style="list-style-type: none"> Independent Non-Executive Director 	16 February 2022	-
<p>Hiap Huat Holdings Berhad⁽¹⁾</p>	<p>Investment holding of non-listed shares of its subsidiaries principally involved in manufacturing, recycling and refining all kinds of petroleum based products, industrial paints, oils, solvent chemical products and other related products and to provide all kinds of transportation services; distribution of paints, hardware and products and leasing of machineries and equipment; physical refining, processing, pre-treatment, recovery, reuse and trading of waste and residues and by-products generated from oil palm and other oils and fats industry; and provision of laboratory services including providing the products and services which involve in numerous research projects, provision of scientific or clinical advice, diagnostic testing services, dealing in all substance, apparatus and related services</p>	<ul style="list-style-type: none"> Independent Non-Executive Director 	24 February 2021	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal business activities	Nature of relationship	Date of appointment as director	Date of cessation as director
Sunzen Berhad ⁽¹⁾	<p>Biotechnology research and development, manufacturing and marketing of animal feed supplement products and investment holding of non-listed shares of its subsidiaries principally involved in biotechnology research and development, manufacture, import, export, marketing and trading of veterinary machines, pharmaceutical, chemical products, animal health products and equipment, beauty & cosmetic products, laboratory services, crude palm oil and derivative products, commercialisation of in-feed anti-bacterial products and supplements for animal health products; retail, wholesale, distribution and trading of lifestyle drinks, health and herbal drink, health supplements, functional foods, bird nests and skin care products; licensed money lending activities; and wholesaling and trading of animal health products</p>	<ul style="list-style-type: none"> Non-Independent Non-Executive Director 	1 August 2020	-
Capbright Sdn Bhd	<p>Venture capital management corporation registered with the SC on 22 February 2024. As at the LPD, Capbright Sdn Bhd does not have any investment mandate as the company is currently in the process of formalising its investment strategies and criteria</p>	<ul style="list-style-type: none"> Non-Independent Non-Executive Director Shareholder (Direct interest: 24.00%) 	3 October 2023	-
IDM Padu Sdn Bhd ⁽²⁾	<p>Ceased operation (Previous principal activities: Schedule waste management, oil & gas, petrochemicals, laboratory services and information technology)</p>	<ul style="list-style-type: none"> Director Shareholder (Direct interest: 49.00%) 	10 October 2017	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal business activities	Nature of relationship	Date of appointment as director	Date of cessation as director
<u>Past involvements:-</u> Sinaran Advance Group Berhad ⁽¹⁾	Investment holding of non-listed shares of its subsidiaries principally involved in construction and related activities, wholesale of pharmaceutical and medical goods, design, manufacture and distribution of sports footwear, sports apparel and accessories and property investment holding	<ul style="list-style-type: none"> Independent Non-Executive Director 	11 September 2020	5 July 2021
Finsource Sdn Bhd	Provision of financial advisory services	<ul style="list-style-type: none"> Shareholder (Direct interest: 20.00%)⁽³⁾ 	-	-
K-Star Sports Limited ⁽⁴⁾	Investment holding of non-listed shares of its subsidiary principally involved in design, manufacture and distribution of sports footwear, sports apparel and accessories	<ul style="list-style-type: none"> Independent Non-Executive Director 	24 March 2014	5 July 2021
Madani Builder Sdn Bhd (formerly known as Sunzen International Sdn Bhd) ⁽⁵⁾	Retail, wholesale, distribution and trading of lifestyle drinks, health and herbal drinks, health supplements, functional foods, bird nests and skin care products	<ul style="list-style-type: none"> Director 	8 February 2021	3 November 2023
The Yanwo Sdn Bhd ⁽⁶⁾	Manufacturing, trading, marketing, e-commerce, sales of food and beverage nutrition	<ul style="list-style-type: none"> Director 	8 September 2021	26 January 2022
Yewnited Logistics Sdn Bhd	Business of land transportation, logistics and its related services and activities (Dissolved on 22 June 2023)	<ul style="list-style-type: none"> Director Shareholder (Direct interest: 50.00%) 	15 March 2017	5 February 2021
Yewnited Partners Sdn Bhd	Business management consultancy services	<ul style="list-style-type: none"> Director Shareholder (Direct interest: 33.33%)⁽⁷⁾ 	24 January 2017	22 September 2022

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Notes:-

- (1) A public company listed on Bursa Securities.
- (2) In the process of winding up.
- (3) He disposed his entire shareholdings to a third party on 2 June 2022.
- (4) A public company incorporated in Singapore (registered in Malaysia as a foreign company on 16 September 2009) and listed on Bursa Securities. On 28 May 2021, K-Star Sports Limited has completed the transfer listing to Sinaran Advance Group Berhad.
- (5) A subsidiary of Sunzen Biotech Berhad (a public company listed on Bursa Securities).
- (6) An indirect subsidiary of Sunzen Biotech Berhad (a public company listed on Bursa Securities).
- (7) He disposed his entire shareholdings to a third party on 14 July 2023.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

(v) Alwizah Al-Yafii Binti Ahmad Kamal

Company	Principal business activities	Nature of relationship	Date of appointment as director / partner	Date of cessation as director / partner
<u>Present involvements:-</u> Energenz Berhad ⁽¹⁾	Investment holding of non-listed shares of its subsidiary principally involved in the provision of integrated solutions for surface-mount technology manufacturing line, sales of related surface-mount technology machines, equipment, spare parts and consumable, and the provision of related repair maintenance and other support services	<ul style="list-style-type: none"> • Independent Non-Executive Director • Shareholder (Direct interest: <0.1%) 	23 September 2021	-
Infoline Tec Group Berhad ⁽¹⁾	Investment holding of non-listed shares of its subsidiaries principally involved in the provision of IT infrastructure and cybersecurity solutions, trading of ancillary hardware and related services	<ul style="list-style-type: none"> • Independent Non-Executive Director • Shareholder (Direct interest: <0.1%) 	1 November 2021	-
Minox International Group Berhad ⁽¹⁾	Investment holding of non-listed shares of its subsidiaries principally involved in the distribution of stainless-steel sanitary valves, tubes and fittings, installation components and equipment, rubber hoses under the MINOX brand and other related products	<ul style="list-style-type: none"> • Independent Non-Executive Chairperson 	1 November 2022	-
AKAL Corporate Advisors Sdn Bhd	Advisors and consultants and to render secretarial, management, commercial, financial, treasury and other related services	<ul style="list-style-type: none"> • Director • Shareholder (Direct interest: 60.00%) 	1 October 2013	-
AKAL Advisors PLT	Business management consultancy services, accounting, bookkeeping and auditing activities consultancy, and tax consultancy	<ul style="list-style-type: none"> • Partner 	22 May 2014	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal business activities	Nature of relationship	Date of appointment as director / partner	Date of cessation as director / partner
Nuri Corporation Sdn Bhd	Dormant ⁽²⁾ (Previous principal activity: Investment holding company)	• Shareholder (Direct interest: 1.36%)	-	-
Spicy Siam Sdn Bhd	Restaurants	• Director • Shareholder (Direct interest: 49.00%)	9 November 2023	-
<u>Past involvements:-</u> Revenue Group Berhad ⁽¹⁾	Investment holding of non-listed shares of its subsidiaries principally involved in the provision of cashless payment solutions	• Independent Non-Executive Director	1 June 2022	14 March 2023
Sarawak Berhad ⁽¹⁾	Investment holding of non-listed shares of its subsidiaries principally involved in manufacture and sale of power cables and wires, manufacturing, fabrication, galvanising and sale of steel structures, designing, financing construction of independent and mini hydro power plant, manufacture and sale of telecommunication and power cables, power lines construction, inspection and maintenance services and provision of chartered or non-scheduled helicopter services, contractors and infrastructure development, provision of management and consultancy services	• Independent Non-Executive Director	31 May 2023	6 December 2023 ⁽³⁾
Artisan Shack Sdn Bhd	Business and service related to multimedia, internet and other form of IT, and general trading investment (Dissolved on 27 June 2019)	• Shareholder (Direct interest: 90.00%)	-	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal business activities	Nature of relationship	Date of appointment as director / partner	Date of cessation as director / partner
ETC Technology Malaysia Sdn Bhd	Repair and maintenance of industrial machinery and equipment	• Director	20 January 2017	31 October 2022
SRL Advisory Sdn Bhd	Legal activities and other management consultancy activities (Dissolved on 26 April 2021)	• Director • Shareholder (Direct interest: 33.33%)	16 November 2017	-

Notes:-

- (1) A public company listed on Bursa Securities.
- (2) There is no immediate plan for this company as at this juncture.
- (3) Resigned due to other ongoing commitments.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

(vi) Poh Zuan Yin

Company	Principal business activities	Nature of relationship	Date of appointment as director / partner	Date of cessation as director / partner
<p><u>Present involvements:-</u> LYC Healthcare Berhad⁽¹⁾</p>	<p>Investment holding of non-listed shares of its subsidiaries principally involved in the provision of IT solutions, IT outsourcing services and business management consultant services; performing research and development and the provision of e-manufacturing solutions and IT outsourcing services; provision of healthcare related services, confinement care services, child daycare services, medical and surgical advisory services, specialised medical services (including day surgical centres) and clinics and other general medical services (western); provision of cosmetics, personal care, wellness related products and services and medical aesthetic treatment; manufacturing food and health supplements; dental and medical related institutions for consultation and treatment; provision of infrastructure for hosting, data processing services and related activities, data processing activities and research and development on information communication technology; manufacture, wholesale and retail sales of nutraceuticals, pharmaceutical and healthcare related products; dealing in raw and finished consumable and non-consumable food ingredients; and retail sale of any kind of product over the internet, organisation, promotions and/or management of event, export and import of other food products</p>	<ul style="list-style-type: none"> Independent Non-Executive Director 	<p>29 May 2023</p>	<p>-</p>

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal business activities	Nature of relationship	Date of appointment as director / partner	Date of cessation as director / partner
Apollo Venture PLT	Investment holding of shares	• Partner	27 June 2022	-
Lee & Poh Partnership	Law firm	• Partner	1 October 2020	-
MISHU Sdn Bhd	Provision of company secretarial services and other related services, business management consultancy services and other related consulting services, and other business support services, to act as holding company of non-listed shares of its subsidiaries principally involved in the provision of corporate advisory, tax and accounting services, human resources related services, and providing infrastructure for hosting data processing services and related activities, computer programming activities (with intention to develop its own web application to support and enhance its company secretarial services), business and other applications	• Shareholder (Direct interest: 19.00%)	-	-
Morganfield Capital PLT	Investment holding in equity crowdfunding	• Partner	18 December 2020	-
Smart Angel Venture PLT	Investment holding in equity crowdfunding	• Partner	9 December 2021	-
<u>Past involvement:-</u> Sierra Marketing PLT	Business management consultancy services, business brokerage activities and advertising	• Partner	3 August 2020	2 September 2020

Note:-

(1) A public company listed on Bursa Securities.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

The involvements of our Directors as disclosed above exclude shares in public listed companies held by our Directors as minority shareholders (less than 5.00% of the total number of issued shares of a public listed company) in which they do not hold any directorship in these public listed companies, and the shares held are only for trading and personal investment purposes.

The involvements of our Executive Directors mentioned above in other principal business activities outside of our Group will not affect their commitment and responsibilities to our Group in their respective roles as our Directors as their involvement in the abovementioned companies are minimal as these companies are either investment holding of shares or dormant. Hence, our Board is of the view that this would not affect their contribution and performance in our Group.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

8.3 Board practice

8.3.1 Directorship

Our Board acknowledges and takes cognisance of the Malaysian Code on Corporate Governance which contains best practices and guidance for listed companies to improve upon or to enhance their corporate governance as it forms an integral part of their business operations and culture.

Our Board believes that our current Board composition provides an appropriate balance in terms of skills, knowledge and experience to promote the interest of all shareholders and to govern our Group effectively. Our Company has adopted the recommendations under the Malaysian Code on Corporate Governance that at least half of the Board comprises Independent Non-Executive Directors, our chairman of the Board should not be a member of our Audit and Risk Management Committee, Nomination Committee or Remuneration Committee, and to have at least 30% women directors on our Board.

In accordance with our Constitution, our Directors shall have the power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Director, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with our Constitution which is 9 directors.

Any person appointed as Director, either to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Our Board has adopted the following responsibilities for effective discharge of its functions:-

- (i) to provide leadership and oversee the overall conduct of our Group's businesses to ensure that our businesses are being properly managed;
- (ii) to review and adopt strategic plans for our Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
- (iii) to review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard our Group's reputation and our employees and assets and to ensure compliance with applicable laws and regulations;
- (iv) to ensure that our Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the Malaysian Code on Corporate Governance;
- (v) to review and approve our annual business plans, financial statements and annual reports;
- (vi) to monitor the relationship between our Group and our management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for our Group; and

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

- (vii) to appoint our Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees and to review the reports prepared by our Board committees and deliberate on the recommendations thereon.

As at the LPD, the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in office are as follows:-

Name	Date of appointment as Director	Date of expiration of the current term of office ⁽¹⁾	Approximate no. of years in office
Zulkifly Bin Zakaria	24 August 2023	Subject to retirement at AGM in year 2024	< 1 year
Tan Cherng Thong	3 June 2022	Subject to retirement at AGM in year 2024	> 1 year
Lee Li Yee	7 December 2022	Subject to retirement at AGM in year 2025	> 1 year
Lee Yew Weng	24 August 2023	Subject to retirement at AGM in year 2025	< 1 year
Alwizah Al-Yafii Binti Ahmad Kamal	24 August 2023	Subject to retirement at AGM in year 2026	< 1 year
Poh Zuan Yin	24 August 2023	Subject to retirement at AGM in year 2026	< 1 year

Note:-

- (1) Pursuant to our Constitution, an election of the Directors shall take place each year at the AGM of our Company where 1/3 of the Directors for the time being or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election provided always that all Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

In addition, the Directors to retire in each year shall be those who have been the longest in office since their appointment or last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

8.3.2 Audit and Risk Management Committee

Our Audit and Risk Management Committee was established by our Board on 24 August 2023. The composition of our Audit and Risk Management Committee is set out below:-

Name	Designation	Directorship
Lee Yew Weng	Chairperson	Independent Non-Executive Director
Alwizah Al-Yafii Binti Ahmad Kamal	Member	Independent Non-Executive Director
Poh Zuan Yin	Member	Independent Non-Executive Director

The terms of reference of our Audit and Risk Management Committee, amongst others, include the following:-

- (i) to ensure openness, integrity and accountability in our Group's activities so as to safeguard the rights and interests of our shareholders;

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

- (ii) to review and approve our quarterly and annual financial statements for recommendation to our Board, focusing in particular on any changes in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, going concern assumption and compliance with accounting standards and other regulatory or legal requirements;
- (iii) to provide assistance to our Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices;
- (iv) to improve our Group's business efficiency, the quality of accounting and audit functions so as to strengthen the public's confidence in our reported results;
- (v) to oversee and recommend to our Board the risk management framework and policies of our Group;
- (vi) to advise our Board on setting appropriate policies on internal control and seek assurance that our systems are adequate and functioning effectively to address the risks;
- (vii) to maintain a direct line of communication between our Board and the external and internal auditors;
- (viii) to enhance the independence of our external and internal auditors;
- (ix) to evaluate the quality of the audits performed by our external and internal auditors;
- (x) to assess the suitability, objectivity and independence of our external auditors, including obtaining written assurance from external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;
- (xi) to create a climate of discipline and control, this will reduce the opportunity for fraud;
- (xii) to monitor and review matters relating to related party transactions entered into by our Group and any conflict of interests situations that may arise within our Group;
- (xiii) to recommend to our Board the nomination and re-appointment of the external auditors, considering their independence, the adequacy of experience, audit fee and any issue regarding resignation or dismissal;
- (xiv) to determine our level of risk tolerance and actively identify, assess and monitor key business risks to safeguard our shareholders' investments and our assets;
- (xv) to ensure that our Board conducts an annual review and periodic testing of our internal control and risk management;
- (xvi) to perform the oversight function over the administration of whistleblowing policy that is approved and adopted by the Board and to protect the values of transparency, integrity, impartiality and accountability where the Group conducts its business and affairs; and

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

- (xvii) to obtain advice from independent parties and other professionals, where necessary, in discharging their duties.

8.3.3 Remuneration Committee

Our Remuneration Committee was established by our Board on 24 August 2023. The composition of our Remuneration Committee is set out below:-

Name	Designation	Directorship
Poh Zuan Yin	Chairperson	Independent Non-Executive Director
Alwizah Al-Yafii Binti Ahmad Kamal	Member	Independent Non-Executive Director
Lee Yew Weng	Member	Independent Non-Executive Director

The terms of reference of our Remuneration Committee, amongst others, include the following:-

- (i) to assist our Board in determining the remuneration of our executive directors and key senior management. In fulfilling this responsibility, our Remuneration Committee is to ensure that our Executive Directors and our key senior management:-
 - (a) are fairly rewarded for their individual contributions to overall performance;
 - (b) that the compensation is reasonable in light of our objectives; and
 - (c) that the compensation is similar to other companies.
- (ii) to review and recommend on an annual basis, the performance of our Directors and our key senior management, and recommend to our Board specific adjustments in remuneration and/or reward payments to be passed at a general meeting;
- (iii) to establish our Executive Directors' goals, objectives and key performance indicators;
- (iv) to review our Executive Directors' performance against the goals, objectives and key performance indicators set; and
- (v) to ensure that the remuneration packages and benefits for Independent Non-Executive Directors do not conflict with their obligations to bring objective and independent judgement to our Board.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

8.3.4 Nomination Committee

Our Nomination Committee was established by our Board on 24 August 2023. The composition of our Nomination Committee is set out below:-

Name	Designation	Directorship
Alwizah Al-Yafii Binti Ahmad Kamal	Chairperson	Independent Non-Executive Director
Lee Yew Weng	Member	Independent Non-Executive Director
Poh Zuan Yin	Member	Independent Non-Executive Director

The terms of reference of our Nomination Committee, amongst others, include the following:-

- (i) to identify, assess and recommend to our Board, candidates for our board directorships, having regard to their expertise, experience and other core competencies, potential conflict of interest, contribution and integrity which the Directors should bring to the Board to meet the needs of our Company, strengthen Board leadership and oversight of sustainability issues;
- (ii) to recommend to our Board, a mixture of suitable, qualified and experienced candidates as Directors to fill the seats on our Board committees, taking into consideration the optimum and effective size of the Board and the candidates:-
 - (a) character, competency, knowledge and experience;
 - (b) professionalism;
 - (c) integrity and credibility;
 - (d) fit and properness;
 - (e) time commitment, particularly number of other directorships; and
 - (f) in the case of the candidates for the position of Independent Non-Executive Directors, the Nomination Committee would also evaluate the candidates' ability to discharge such responsibilities or functions as expected from the Independent Non-Executive Directors;
- (iii) to assess and evaluate, on an annual basis, or as required, the desirability of the overall composition of our Board and the balance amongst Executive, Non-Executive and Independent Directors;
- (iv) to evaluate the effectiveness of our Board and Board committees as a whole (including its size and composition) and contributions of each individual Director including a review of the performance of our Board in addressing our Company's material sustainability risks and opportunities. All assessments and evaluations carried out by our Nomination Committee in the discharge of all its functions would be properly documented;
- (v) to determine the independence of each Director annually and ensure that the independent Directors can bring independence and objective judgement to board deliberations;
- (vi) to review on an annual basis, the required mix of skills, experience, gender diversity and other qualities, including core competencies which Non-Executive and Executive Directors should have;

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

- (vii) to assess on an annual basis, the effectiveness of our Board and the Committees of our Board as a whole and each individual Director of the Board including a review of the performance of our Board in addressing the Company's material sustainability risks and opportunities;
- (viii) to review on an annual basis, the terms of office and performance of our Audit and Risk Management Committee and each of its members to determine whether our Audit and Risk Management Committee and its members have carried out their duties in accordance with the terms of reference of our Audit and Risk Management Committee;
- (ix) to review and ensure an appropriate framework and plan for our Board succession;
- (x) to recommend Director(s) who are retiring (by casual vacancy and/or by rotation) for re-election at our AGM; and
- (xi) to ensure that our Directors receive appropriate induction programs and undergo continuous training in order to broaden their perspectives and to keep abreast with developments in the marketplace, changes in new statutory and regulatory requirements and understand the sustainability issues relevant to our Company and its business, including climate-related risks and opportunities.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

8.4 Key senior management

8.4.1 Shareholdings in our Company

The table below sets out the direct and indirect shareholdings of each of our key senior management in our Company before and after our IPO and Shares Transfer, assuming our key senior management subscribe for their respective entitlements under the Pink Form Allocations in full as set out in **Section 3.3.1(ii)** of this Prospectus:-

Name	Designation	Nationality	Before the IPO and Shares Transfer / As at the LPD		After the IPO and Shares Transfer					
			Direct		Direct		Indirect			
			No. of Shares	(¹)%	No. of Shares	(²)%	No. of Shares	(²)%		
Tan Chermg Thong	Executive Director / CEO	Malaysian	169,702,104	57.95	(³)2,417,932	0.83	7,120,036	1.78	(³)220,000,000	55.00
Lee Li Yee	Executive Director / Finance Director	Malaysian	-	-	(³)2,417,932	0.83	-	-	(³)220,000,000	55.00
Hong Boon Huon	CTO	Malaysian	37,281,684	12.73	-	-	4,281,684	1.07	-	-
Eng Chee Seng	Chief Business Development Officer	Malaysian	24,854,456	8.49	-	-	2,854,456	0.71	-	-
Mohd Hisyam Bin Abdullah	Head of Operation (Terminal)	Malaysian	-	-	-	-	300,000	0.08	-	-
Noor Rashid Bin Omar	Head of Operation (BOS)	Malaysian	-	-	-	-	300,000	0.08	-	-
Sing Chee Yeong	Senior Manager – IT Development Department	Malaysian	-	-	-	-	300,000	0.08	-	-
Chew Boon Keat	Chief Financial Officer	Malaysian	-	-	-	-	300,000	0.08	-	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Notes:-

- (1) *Based on our issued share capital comprising 292,820,000 Shares after the Pre-IPO Restructuring and Transactions but before the IPO and Shares Transfer.*
- (2) *Based on our enlarged issued share capital comprising 400,000,000 Shares after the IPO and Shares Transfer.*
- (3) *Deemed interested by virtue of his/her shareholdings in TCT International, pursuant to Section 8(4) of the Act. Please refer to **Section 8.1.3** of this Prospectus for further details of TCT International.*

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

8.4.2 Profiles of our key senior management

The profiles of our key senior management are as follows:-

Tan Cherng Thong

Promoter, substantial shareholder and Executive Director / CEO

Please refer to **Section 8.1.3** of this Prospectus for his profile.

Lee Li Yee

Promoter, substantial shareholder and Executive Director / Finance Director

Please refer to **Section 8.1.3** of this Prospectus for her profile.

Hong Boon Huon

Promoter and CTO

Please refer to **Section 8.1.3** of this Prospectus for his profile.

Eng Chee Seng

Promoter and Chief Business Development Officer

Please refer to **Section 8.1.3** of this Prospectus for his profile.

Mohd Aidy Hisyam Bin Abdullah

Head of Operation (Terminal)

Mohd Aidy Hisyam Bin Abdullah, a Malaysian, aged 39, is our Head of Operation (Terminal). He has approximately 16 years of working experience in the operations of bus terminals and maintaining IT infrastructure systems. He is responsible for overseeing the day-to-day operations of the Specified Bus Terminals and the maintenance of the IT infrastructure systems for the company's business operations.

Upon graduating from high school, S.M.K Chemomoi, Bentong, Pahang in November 2002, he began his career as a Counter Operation Officer with Bandar Express Services Sdn Bhd, an express bus operating company, in December 2002. He was mainly responsible for serving the customers and perform ticket purchase transactions.

He left Bandar Express Services Sdn Bhd as a Counter Operation Officer in June 2003 to pursue his diploma studies in System and Networking at Kolej Poly-Tech MARA. However, he discontinued his diploma studies in August 2008.

In April 2008, he joined Energetic Point Sdn Bhd, an online bus ticketing service provider, to undergo practical training. Upon completion of the training in August 2008, he worked as a System Support Officer. He was mainly tasked to provide IT hardware and software support, and maintenance. He was subsequently transferred to E-Transact (a subsidiary of Energetic Point Sdn Bhd) as a System Support Executive in November 2010. He was mainly responsible for managing a team of IT personnel providing hardware and software support and maintenance to bus operators.

He subsequently left as a System Support Executive in E-Transact in May 2011 and joined TCT International as an Assistant Operation Manager in the same month. He was mainly tasked to monitor the IT system for bus terminals and provide IT support to bus operators as well as conduct IT related training to bus terminal staff.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

While being employed at TCT International, he subsequently pursued to venture into business of provision of IT hardware to small and medium size businesses through NSS, where he was appointed as a Director and Chief Operation Officer of NSS in May 2013 and acquired 50% equity interest in NSS in September 2013. He was responsible to oversee all aspects of terminal operations, including managing the flow of buses and passengers at the bus terminal, as well as liaising with the relevant authorities to ensure operational compliance with the relevant governing rules and regulations relating to land public transport. He later left as an Assistant Operation Manager in TCT International in December 2013 to focus on his business venture in NSS.

He was subsequently designated from Chief Operation Officer to Head of Operation (Terminal) in NSS in January 2021.

Noor Rashid Bin Omar
Head of Operation (BOS)

Noor Rashid Bin Omar, a Malaysian, aged 46, is our Head of Operation (BOS). He has approximately 18 years of working experience in IT project management for bus operations. He is responsible for overseeing the maintenance and technical support for the IT systems for stage bus operations of our Group.

He completed his diploma study in Computer Science at Entrepreneurs Development Institute, Malaysia in October 1998. He subsequently obtained the Malaysian Skills Certificate Level 3 on Computer Systems Technician from Majlis Latihan Vokasional Kebangsaan (now known as Jabatan Pembangunan Kemahiran) in December 2003.

He set up Rims Computer System with other business partners to supply computer equipment and computer software from May 1999 to May 2002. He became a Computer Science tutor in the Institute Technology Mutiara in 2002. He later left as a Computer Science tutor in Institute Technology Mutiara in 2005 and joined E-Transact, as Technical Supervisor in October 2005. He was mainly tasked with the installation and configuration of hardware and software components, as well as IT support.

He subsequently left as a Technical Supervisor in E-Transact in March 2009. He joined TCT International in May 2009 and acquired 20% equity interest in TCT International in the same month. He undertook the role of the Technical Manager and was mainly tasked to oversee the IT software and maintenance of CTS.

He left TCT International as a Technical Manager in October 2011 to pursue his entrepreneur path by subsequently setting up NSS with his brother in October 2011 with the aim to act as an IT hardware provider to small and medium businesses. He was appointed as a director of NSS in October 2011 and tasked to market IT hardware to businesses. He subsequently disposed his entire equity interest to Mohd Aidy Hisyam Bin Abdullah and relinquished his position as the director of NSS in September 2013 due to financial reason.

He re-joined NSS as Operation Manager in September 2013. He was mainly responsible for overseeing the maintenance and technical support for the IT systems for stage bus operations. He later disposed his entire equity interest in TCT International to Tan Cherng Thong and relinquished his position as a director in TCT International in March 2014. He later acquired 10% equity interest in NSS in August 2015. The details on his shareholdings in NSS up to the Pre-IPO Restructuring and Transactions are set out in **Section 5.5(i)** of this Prospectus.

He was subsequently redesignated as the Head of Operation (BOS) of NSS in January 2021.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Sing Chee Yeong

Senior Manager – IT Development Department

Sing Chee Yeong, a Malaysian, aged 51, is our Senior Manager in the IT Development Department. He has more than 20 years of experience in the field of IT enterprise solution, specialising in web application development and database structure. As our Senior Manager in the IT Development Department, he is responsible for overseeing the planning, execution and delivery of IT projects as well as supporting our CTO in managing a team of IT professionals under the IT Development Department.

He graduated with a Bachelor of Science degree majoring in Physics from Universiti Malaya in August 1998. He later obtained his Master of Science degree majoring in information technology from Universiti Putra Malaysia in February 2000. He is recognised as an Oracle9i Database Administrator Certified Associate and Oracle9i Database Administrator Certified Professional by the Oracle Certification Program in September 2003 and July 2004 respectively.

He began his career in December 1999 as a System Support Executive with Super Link Solutions Sdn Bhd, a software provider. He was tasked to provide IT support on hardware and software, as well as performing customisation of software to meet customers' specific technical IT requirements.

He subsequently resigned from Super Link Solutions Sdn Bhd as a System Support Executive in May 2000 and joined ISC Technology Sdn Bhd (now known as Patimas Dot Com Sdn Bhd), a software solution provider as Technical Specialist in the same month. He was responsible for website development and designing database structure in SQL server.

He left ISC Technology Sdn Bhd as a Technical Specialist in November 2001 and joined a software development company, Online One Software (MSC) Sdn Bhd (a subsidiary of Online One Corporation Berhad (presently known as Green Ocean Corporation Berhad, a public company listed on Bursa Securities)) as Analyst Programmer in December 2001. He was responsible for web application development and integration of software systems. He was promoted to Senior Manager in April 2008 and left the company as a Senior Manager in the same month.

In June 2008, he joined Greenwave Technology Sdn Bhd, an IT solutions company focusing on IT enterprise solution development as a Senior Manager. He was responsible for web application development and designing database structure. He later left Greenwave Technology Sdn Bhd as a Senior Manager in March 2016, and subsequently acquired 5% equity interest in NSS and joined the company as Senior Manager of IT Development Department in the same month. The details on his shareholdings in NSS up to the Pre-IPO Restructuring and Transactions are set out in **Section 5.5(i)** of this Prospectus.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Chew Boon Keat

Chief Financial Officer

Chew Boon Keat, a Malaysian, aged 33, is our Chief Financial Officer. He has approximately 9 years of experience in the field of auditing. As our Chief Financial Officer, he is responsible for overseeing the budgeting forecasting, preparation of financial reports and monitoring receivables and payables of our Group.

He graduated with a Bachelor of Accounting (Honours) degree from Universiti Tunku Abdul Rahman, Malaysia in March 2015. He is a Member of the Association of Chartered Certified Accountants and the Malaysian Institute of Accountants since February 2020 and February 2022 respectively.

He began his career in December 2014 as Audit Associate in Crowe Malaysia PLT, an international accounting firm which serves mid-to-large privately-owned and public listed companies involved in a wide range of industries including oil and gas, manufacturing, construction, property developer, information technology, trading, services and retail. He was responsible for managing full aspects of statutory audit engagements.

In October 2021, he was promoted to Senior Manager to lead and supervise a group of audit associates and seniors. He was mainly involved in the budgeting process to prepare forecast billings and collections on a regular basis, recurring statutory audits and handling ad hoc special assignments including review of forecasts and projections, financial due diligence and preparation of pro forma and accountants' report in connection with mergers and acquisitions, initial public offerings and corporate restructuring.

In July 2023, he left Crowe Malaysia PLT as a Senior Manager and joined our Group as Head of Finance in the same month. He was subsequently promoted to Chief Financial Officer of our Group in April 2024.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

8.5 Remuneration of Directors and key senior management

8.5.1 Directors

The aggregate remuneration and material benefits-in-kind (which includes contingent or deferred remuneration) paid or proposed to be paid to our Directors on a yearly basis for services rendered in all capacities to our Group for the FYE 2023 and FYE 2024 are as follows:-

(i) FYE 2023 (paid)

Name	Fixed and non-deferred remuneration			Variable and non-deferred remuneration			Total (RM'000)
	Director's fee (RM'000)	Salary (RM'000)	Contributions to EPF and SOCSO (RM'000)	Bonus (RM'000)	Benefit-in-kind (RM'000)		
<u>Executive Directors</u>							
Tan Cherng Thong	-	480	59	-	24		563
Lee Li Yee	-	202	26	8	12		248
<u>Non-Executive Directors</u>							
Zulkifly Bin Zakaria	-	-	-	-	-		-
Lee Yew Weng	-	-	-	-	-		-
Alwizah Al-Yaffi Binti Ahmad Kamal	-	-	-	-	-		-
Poh Zuan Yin	-	-	-	-	-		-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

(ii) FYE 2024 (Proposed)

Name	Fixed and non-deferred remuneration			Variable and non-deferred remuneration		Total		
	Director's fee (RM'000)	Salary (RM'000)	Contributions to EPF and SOCSO (RM'000)	Bonus (RM'000)	Benefit-in-kind (RM'000)	Paid as at the LPD (RM'000)	Expected to be paid (RM'000)	Total (RM'000)
<u>Executive Directors</u>								
Tan Cherng Thong	-	480	61	20	15	207	369	576
Lee Li Yee	-	204	28	17	1	96	154	250
<u>Non-Executive Directors</u>								
Zulkifly Bin Zakaria	66	-	-	-	-	18	48	66
Lee Yew Weng	55	-	-	-	-	15	40	55
Alwizah Al-Yaffi Binti Ahmad Kamal	44	-	-	-	-	12	32	44
Poh Zuan Yin	44	-	-	-	-	12	32	44

The remuneration of our Directors, which includes salaries, Directors' fees, bonus and such other allowances as well as other benefits-in-kind, must be considered and recommended by our Remuneration Committee and subsequently approved by our Board. Our Directors' fees must be further approved/endorsed by our shareholders at a general meeting.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

8.5.2 Key senior management

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our key senior management for services rendered in all capacities to our Group are set out as follows:-

Key senior management	Remuneration band	
	FYE 2023 (RM'000)	FYE 2024 (proposed) (RM'000)
Hong Boon Huon	400 – 450	400 – 450
Eng Chee Seng	250 – 300	250 – 300
Mohd Aidy Hisyam Bin Abdullah	100 – 150	100 – 150
Noor Rashid Bin Omar	100 – 150	100 – 150
Sing Chee Yeong	200 – 250	250 – 300
Chew Boon Keat	50 – 100	200 – 250

The remuneration of our key senior management, which includes salaries, bonuses and allowances and other benefits (such as parking and mobile allowances), must be considered and recommended by our Remuneration Committee and subsequently approved by our Board.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

8.6 Involvement of our key senior management in other businesses and corporations outside our Group

Save as disclosed below, none of our key senior management has any directorships or principal business activities performed outside our Group for the past 5 years prior to the LPD:-

(i) Hong Boon Huon

Company	Principal business activities	Nature of relationship	Date of appointment as director	Date of cessation as director
<u>Present involvement:-</u> -	-	-	-	-
<u>Past involvement:-</u> Margan	To carry on the business as investment holding companies; to provide business management consultancy activities and carry on the business as consultants in the management, organisation and supervision of all kinds of project, or undertakings thereof; to provide other management consultancy activities and to act as administration, management consultants in the management, company, person or undertakings therefore and to act as manager of such company	• Director ⁽¹⁾	25 April 2018	6 December 2022

Note:-

(1) He disposed his 70% direct interest in Margan to a third party on 31 December 2022.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

(ii) Eng Chee Seng

Company	Principal business activities	Nature of relationship	Date of appointment as director	Date of cessation as director
<u>Present involvement:-</u> Black Ink Sdn Bhd	Operating cafeterias and other food services	<ul style="list-style-type: none"> Shareholder (Direct interest: 20.00%) 	-	-
<u>Past involvements:-</u> Angels' Avenue Sdn Bhd	Pre-primary education (Private) / Kindergarten (Dissolved on 16 October 2020)	<ul style="list-style-type: none"> Director Shareholder (Direct interest: 70.00%) 	21 May 2007	-
Central Segamat Auto Sdn Bhd	Retailing motor vehicle spare parts	<ul style="list-style-type: none"> Director 	12 January 2009	18 May 2022
Nyrak Sdn Bhd	Information communication technology (ICT) consultation and solution development, building construction and renovation and trading of agriculture products	<ul style="list-style-type: none"> Director⁽¹⁾ 	7 August 2019	28 October 2022
Real Apps Sdn Bhd	Business of other application, computer consultancy, wholesale of computer hardware, software and peripherals	<ul style="list-style-type: none"> Director⁽²⁾ 	18 January 2017	15 December 2021

Notes:-

(1) He disposed his 100% direct interest in Nyrak Sdn Bhd to a third party on 3 November 2022.

(2) He disposed his 45% direct interest in Real Apps Sdn Bhd to third parties on 4 July 2017.

The involvements of our key senior management, namely Eng Chee Seng in other principal business activities outside of our Group will not affect his commitment and responsibilities to our Group in his roles as one of our key senior management given that the day-to-day management and operations of the business is managed by the other shareholders and supported by an independent management team.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

8.7 Declaration from our Promoters, Directors and key senior management

As at the LPD, none of our Promoters, Directors and key senior management is or has been involved in any of the following events (whether in or outside Malaysia):-

- (i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or member of key senior management;
- (ii) such person was disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) in the last 10 years, such person was charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) in the last 10 years, any judgment was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (v) in the last 10 years, such person was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;
- (vi) such person was the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;
- (vii) in the last 10 years, such person has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (viii) any unsatisfied judgment against such person.

8.8 Family relationships and/or associates

Save as disclosed below, there is no other family relationship and/or association between any of our Promoters, substantial shareholders, Directors, key senior management and Specified Shareholders as at the LPD:-

- (i) Tan Cherng Thong, our Promoter, substantial shareholder and Executive Director / CEO, is the spouse of Lee Li Yee. He is the director and shareholder of both TCT International and GHSB (indirect shareholding via TCT International);
- (ii) Lee Li Yee, our Promoter, substantial shareholder and Executive Director / Finance Director, is the spouse of Tan Cherng Thong. She is the director and shareholder of TCT International and shareholder of GHSB (indirect shareholding via TCT International);
- (iii) Kam Shee Na, our Specified Shareholder and General Manager (Business Development), is stepsister of Tan Cherng Thong and stepsister-in-law of Lee Li Yee; and
- (iv) Au Yong Chee Keong, our Specified Shareholder and Supply Chain & Operation Manager, is brother-in-law of Tan Cherng Thong and Lee Li Yee.

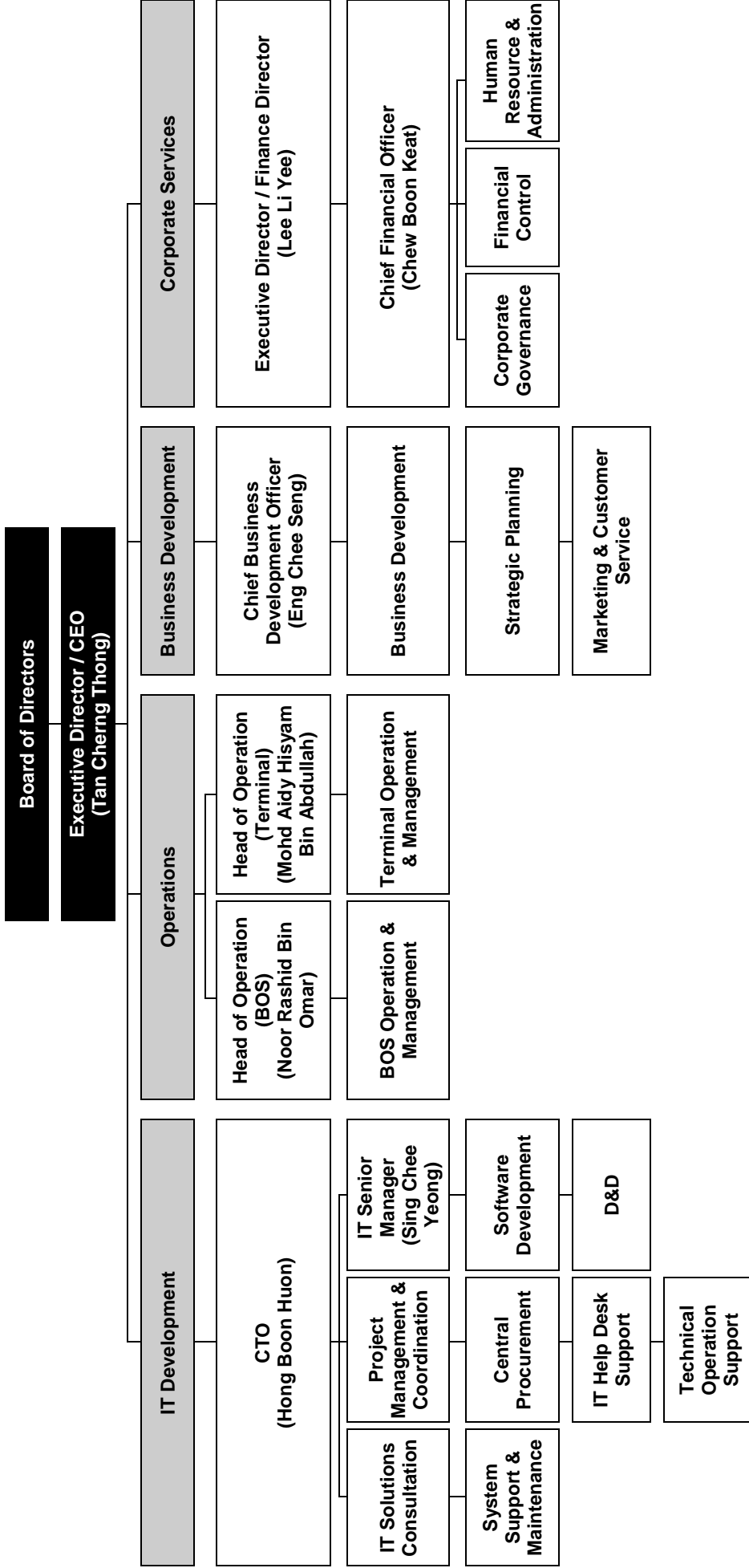
8.9 Service agreements

None of our Directors and key senior management has any existing or proposed service agreement with our Group as at the LPD.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

8.10 Management reporting structure

The management reporting structure of our Group is as follows:-



9. RELATED PARTY TRANSACTIONS

9.1 Related party transactions

Save as disclosed below, there are no other existing and/or proposed related party transactions to be entered into by our Group which involves the interest, direct or indirect, of our Directors, substantial shareholders and/or persons connected with them for the financial years under review as well as the subsequent period up to the LPD:-

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	From 1 January 2024 up to the LPD (RM'000)
1.	NSS and TCT International	<ul style="list-style-type: none"> Tan Cherng Thong, our Promoter, substantial shareholder and Executive Director / CEO, is a director and substantial shareholder (66.67%) of TCT International Lee Li Yee, our Promoter, substantial shareholder and Executive Director / Finance Director, is a director and substantial shareholder (33.33%) of TCT International 	<p>Maintenance charges and advisory fees charged to NSS by TCT International⁽¹⁾</p> <p>Rental of 6 units of parking lots from TCT International to NSS used to park NSS' company cars⁽¹⁾</p>	535 (Represents 5.44% of our Group's cost of sales for the FYE 2020)	-	-	-	-
				11 (Represents 0.23% of our Group's NA for the FYE 2020)	2 (Represents 0.03% of our Group's NA for the FYE 2021)	-	-	-

9. RELATED PARTY TRANSACTIONS (cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	From 1 January 2024 up to the LPD	
								(RM'000)	(RM'000)
2.	NSS and Catchup Communications Sdn Bhd ("Catchup Communications")	<ul style="list-style-type: none"> Tan Cheng Thong, our Promoter, substantial shareholder and Executive Director / CEO, was a director and substantial shareholder (80.00%) of Catchup Communications as at the transaction date. Tan Cheng Thong resigned as a director of Catchup Communications on 1 December 2021 and he subsequently disposed his entire equity interest in Catchup Communications to his sister-in-law in January 2022 Lee Li Yee, our Promoter, substantial shareholder and Executive Director / Finance Director, was a director and substantial shareholder (20.00%) of Catchup Communications as at the transaction date. Lee Li Yee resigned as a director of Catchup Communications on 1 December 2021 and she subsequently disposed her entire equity interest in Catchup Communications to her sister in January 2022 	Software development fee charged to NSS by Catchup Communications for certain software modules required for NSS' operations/projects ⁽¹⁾	324 (Represents 3.30% of our Group's cost of sales for the FYE 2020)	-	-	-	-	-

9. RELATED PARTY TRANSACTIONS (cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	From 1 January 2024 up to the LPD	
								(RM'000)	(RM'000)
3.	NSS and Margan	Hong Boon Huon, our Promoter and CTO, was a director and substantial shareholder (70.00% direct and 30.00% indirect by virtue of his spouse's shareholding) of Margan as at the transaction date. Hong Boon Huon resigned as a director of Margan on 6 December 2022 and he and his spouse subsequently disposed their entire equity interest in Margan to a third party in December 2022	Technical advisory and support services to NSS on an ad hoc basis ⁽²⁾	180 (Represents 1.83% of our Group's cost of sales for the FYE 2020)	-	-	-	-	-
4.	NSS and Nyrak Sdn Bhd ("Nyrak")	Eng Chee Seng, our Promoter and Chief Business Development Officer, was a director and sole shareholder of Nyrak as at the transaction date. Eng Chee Seng resigned as a director of Nyrak on 28 October 2022 and subsequently disposed his entire equity interest in Nyrak to a third party in November 2022	Promotion of Terminal Melaka Sentral's online platform ⁽¹⁾ – where Nyrak undertook promotional activities such as setting-up banners and bunting as well as distribution of brochures	161 (Represents 1.64% of our Group's cost of sales for the FYE 2020)	12 (Represents 0.10% of our Group's cost of sales for the FYE 2021)	-	-	-	-
5.	NSS and Tan Chering Thong	Tan Chering Thong is our Promoter, substantial shareholder and Executive Director / CEO	Disposal of 1 unit of motor vehicle from NSS to Tan Chering Thong	350 (Represents 7.35% of our Group's NA for the FYE 2020)	-	-	-	-	-

9. RELATED PARTY TRANSACTIONS (cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	From 1 January 2024 up to the LPD	
								(RM'000)	(RM'000)
6.	NSS and Lee Lai See	Lee Lai See is the sister of Lee Li Yee, our Promoter, substantial shareholder and Executive Director / Finance Director. She is the sister-in-law of Tan Cherng Thong, our Promoter, substantial shareholder and Executive Director / CEO	Disposal of 1 unit of motor vehicle from NSS to Lee Lai See	65 (Represents 1.37% of our Group's NA for the FYE 2020)	-	-	-	-	-
7.	NSS, TCT Apps and Deco KW Lee Enterprise (" Deco KW Lee ")	The owner of Deco KW Lee is the father of Lee Li Yee, our Promoter, substantial shareholder and Executive Director / Finance Director. He is the father-in-law of Tan Cherng Thong, our Promoter, substantial shareholder and Executive Director / CEO	Renovation works and custom-made furniture undertaken by Deco KW Lee to NSS and TCT Apps ⁽¹⁾	36 (Represents 0.76% of our Group's NA for the FYE 2020)	-	-	-	-	-
8.	NSS and Seng Feng Furniture Trading (" Seng Feng Furniture ")	The owner of Seng Feng Furniture is the brother of Lee Li Yee, our Promoter, substantial shareholder and Executive Director / Finance Director. He is the brother-in-law of Tan Cherng Thong, our Promoter, substantial shareholder and Executive Director / CEO	Upkeep of office equipment and purchase of office furniture for Terminal Melaka Sentral's office from Seng Feng Furniture ⁽¹⁾	4 (Represents 0.08% of our Group's NA for the FYE 2020)	-	-	-	-	-
9.	TCT Apps and Bogiwogi Sdn Bhd (" Bogiwogi ")	Tan Cherng Thong, our Promoter, substantial shareholder and Executive Director / CEO, is a director and substantial shareholder (50.00%) of Bogiwogi	Mobile application development service exclusively for Bogiwogi ⁽³⁾	-	200 (Represents 1.70% of our Group's cost of sales for the FYE 2021)	-	-	-	-

9. RELATED PARTY TRANSACTIONS (cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	From 1 January 2024 up to the LPD	
								(RM'000)	(RM'000)
10.	TCT Apps and TCT International	<ul style="list-style-type: none"> Tan Cherng Thong, our Promoter, substantial shareholder and Executive Director / CEO, is a director and substantial shareholder (66.67%) of TCT International Lee Li Yee, our Promoter, substantial shareholder and Executive Director / Finance Director, is a director and substantial shareholder (33.33%) of TCT International 	Rental of office space located at 08-G-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan from TCT International, used as TCT Apps' office ⁽⁴⁾	-	-	60 (Represents 0.56% of our Group's NA for the FYE 2022)	60 (Represents 0.34% of our Group's NA for the FYE 2023)	25	

Notes:-

- (1) These transactions have ceased as at the LPD and no such transactions will be undertaken with the related parties moving forward.
- (2) Technical advisory and support services by Margan to NSS were effectively terminated following Hong Boon Huon's full-time employment with NSS in January 2021.
- (3) Bogiwogi previously developed a registration and COVID-19 contact tracing mobile application for a mall in the Philippines. The mobile application is no longer in use and Bogiwogi is a dormant company as at the LPD.
- (4) TCT Apps has entered into a tenancy agreement with TCT International on 1 January 2022 for the rental of our office space at the rental rate of RM5,000 per month. The tenancy is for a period of 2 years commencing from 1 January 2022 and expiring on 31 December 2023. The tenancy was renewed on 1 January 2024 for a period of 2 years commencing from 1 January 2024 and expiring on 31 December 2025 ("Tenure") with an option to renew for a further term of 1 year at the then prevailing market rental rate to be mutually agreed upon between the parties. Termination of the tenancy shall be 3 months' written notice by either party (after completion of the Tenure) or 3 months' written notice by either party with rent compensation for the remaining unexpired 3-month period (prior to completion of the Tenure).

The transactions set out in items 1, 2, 4, 7 and 8 in the table above were not carried out on an arm's length basis (which are not on normal commercial terms) as the parties negotiated the transactions without taking into consideration, the comparable transactions and prevailing market rates. Notwithstanding thereof, it is pertinent to note that such transactions have ceased as at the LPD and our Group will not undertake any such similar transactions with the related parties moving forward.

9. RELATED PARTY TRANSACTIONS (cont'd)

In addition, save as above, our Board (saved for Tan Cherng Thong and Lee Li Yee, being the interested directors) is of the opinion that all the other transactions set out in **Section 9.1** above were carried out on an arm's length basis on normal commercial terms which are not more favourable to the related parties and comparable to those generally available to the public and to the detriment to our minority shareholders, after taking into consideration, the following:-

- (i) technical advisory and support services fees charged by Margan was comparable to the prevailing market rates to hire personnel with similar qualifications, technical skillsets and IT experience;
- (ii) disposal of motor vehicles from NSS to Tan Cherng Thong and Lee Lai See were within prevailing market rates of similar sale of motor vehicles;
- (iii) mobile application development service fees charged to Bogiwogi was based on comparable fees charged by our Group on ad hoc basis to our customers for similar services provided; and
- (iv) rental expense paid to TCT International is based on the prevailing market rental rates of similar properties within the vicinity of the current premise.

Our Directors confirmed that there are no material related party transactions that we had entered into with related parties but not yet effected up to the LPD.

Upon Listing, in the event that our Group enters into any material related party transactions in accordance with the Listing Requirements, we will seek our shareholders' approval accordingly. However, if such related party transactions are deemed as recurrent related party transactions, we may then seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time our Group wishes to enter into such recurrent related party transactions during the validity period of the mandate.

In the event that there are any proposed related party transactions that require the prior approval of our shareholders, our Directors, substantial shareholders and/or persons connected with them, which have any interest, direct or indirect, in the transaction, will hence abstain from voting in respect of their direct and/or indirect shareholdings, if any. Such interested Directors and/or substantial shareholders will also undertake to ensure that the person(s) connected with them will abstain from voting on the resolution approving the proposed related party transaction at a general meeting of our Company.

In addition, our Audit and Risk Management Committee will, amongst others, review the terms of the related party transactions (if any) moving forward and report to our Board for further action to safeguard the interest of our Group and our minority shareholders, as well as to mitigate any potential conflict of interest situation. Further details on our monitoring and oversight practices in relation to related party transactions and conflicts of interest are set out in **Section 9.4** of this Prospectus.

9. RELATED PARTY TRANSACTIONS (cont'd)

9.2 Related party transactions that are unusual in their nature or conditions

Our Directors have confirmed that there are no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party for the financial years under review as well as the subsequent period up to the LPD.

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9. RELATED PARTY TRANSACTIONS (cont'd)

9.3 Outstanding loans and/or financial assistance (including guarantees of any kind) made to or for the benefit of related parties or from related parties to our Group

9.3.1 Outstanding loans and/or financial assistance

Save as disclosed below, our Board has confirmed that there are no outstanding loans and/or financial assistance that has been provided by our Group to or for the benefits of any related parties or from related parties to us for the financial years under review as well as the subsequent period up to the LPD:-

Loan and/or financial assistance	Interested related party and nature of relationship	Nature of transaction and purpose	Outstanding amount			
			As at 31 December			As at the LPD
			2020 (RM'000)	2021 (RM'000)	2022 (RM'000)	2023 (RM'000)
NSS - Amount owing by related party	TCT International <ul style="list-style-type: none"> Tan Chering Thong, our Promoter, substantial shareholder, Executive Director / CEO, is a director and substantial shareholder (66.67%) of TCT International Lee Li Yee, our Promoter, substantial shareholder, Executive Director / Finance Director, is a director and substantial shareholder (33.33%) of TCT International 	Advance from NSS to TCT International as working capital	193	-	-	-
NSS - Amount owing by related party	Absolute Ten Sdn Bhd ("Absolute Ten") <ul style="list-style-type: none"> Kam Shee Na is a director and substantial shareholder (50.00%) of Absolute Ten Kam Shee Na is the stepsister of Tan Chering Thong (our Promoter, substantial shareholder, Executive Director / CEO) and the stepsister-in-law of Lee Li Yee (our Promoter, substantial shareholder, Executive Director / Finance Director) 	Advance from NSS to Absolute Ten as working capital	127	-	-	-

9. RELATED PARTY TRANSACTIONS (cont'd)

Loan and/or financial assistance	Interested related party and nature of relationship	Nature of transaction and purpose	Outstanding amount					As at the LPD (RM'000)
			As at 31 December				2023 (RM'000)	
			2020 (RM'000)	2021 (RM'000)	2022 (RM'000)	2023 (RM'000)		
TCT Apps - Amount owing to related party	<p>TCT International</p> <ul style="list-style-type: none"> Tan Cherng Thong, our Promoter, substantial shareholder and Executive Director / CEO, is a director and substantial shareholder (66.67%) of TCT International Lee Li Yee, our Promoter, substantial shareholder, Executive Director / Finance Director, is a director and substantial shareholder (33.33%) of TCT International 	Advance from TCT International to TCT Apps as working capital	-	(20)	-	-	-	
TCT Apps - Amount owing by related party	<p>Bogiwogi</p> <ul style="list-style-type: none"> Tan Cherng Thong, our Promoter, substantial shareholder and Executive Director / CEO, is a director and substantial shareholder (50.00%) of Bogiwogi 	Payment on behalf of Bogiwogi in respect of administrative expenses incurred by Bogiwogi	13	15	-	-	-	
TCT Apps - Amount owing by subsidiary	<p>Real Apps Sdn Bhd ("Real Apps")</p> <ul style="list-style-type: none"> Real Apps was the subsidiary of TCT Apps On 17 January 2022, TCT Apps disposed 55.00% direct interest in Real Apps to a third party 	Payment on behalf of Real Apps in respect of administrative expenses incurred by Real Apps	59	72	-	-	-	

As at the LPD, all the above advances / payments on behalf of the related parties (all of which were not carried out on an arm's length basis as such advances were interest-free, unsecured and repayable on demand) have been repaid in full and we undertake that our Group will no longer provides such advances / financial assistance to any related parties moving forward.

9. RELATED PARTY TRANSACTIONS (cont'd)

9.3.2 Guarantees

Saved as disclosed below, our Board has confirmed that there are no guarantees of any kind that have been provided by our Group to or for the benefits of any related parties or from related parties to us, for the financial years under review as well as the subsequent period up to the LPD:-

No.	Interested related party and nature of relationship	Nature of transaction and purpose	Outstanding amount					As at the LPD (RM'000)
			As at 31 December					
			2020 (RM'000)	2021 (RM'000)	2022 (RM'000)	2023 (RM'000)		
1.	<p>NSS and TCT International</p> <ul style="list-style-type: none"> Tan Cherrng Thong, our Promoter, substantial shareholder, Executive Director / CEO, is a director and substantial shareholder (66.67%) of TCT International Lee Li Yee, our Promoter, substantial shareholder, Executive Director / Finance Director, is a director and substantial shareholder (33.33%) of TCT International 	NSS is the corporate guarantor for financing facilities accorded to TCT International in respect of the borrowings obtained by TCT International to purchase 08-G-01, Corporate Park, Star Central, Lingkar Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan	1,585	1,541	1,490	1,445	-	
2.	<p>NSS, Mohd Aidy Hisyam Bin Abdullah and Tan Cherrng Thong who are directors of NSS</p>	<p>Mohd Aidy Hisyam Bin Abdullah and Tan Cherrng Thong had given joint and several guarantees in favour of Maybank Islamic Berhad for Commodity Murabahah Term Financing-i and Cash Line-i Facility of RM1.60 million granted to NSS</p> <p>Mohd Aidy Hisyam Bin Abdullah and Tan Cherrng Thong had given joint and several guarantees in favour of Maybank Islamic Berhad for Commodity Murabahah Term Financing-i Facility of RM1.30 million granted to NSS</p>	1,163	1,099	1,037	980	960	
			1,290	1,240	1,193	1,153	1,139	

9. RELATED PARTY TRANSACTIONS (cont'd)

No.	Interested related party and nature of relationship	Nature of transaction and purpose	Outstanding amount					As at the LPD (RM'000)
			As at 31 December					
			2020 (RM'000)	2021 (RM'000)	2022 (RM'000)	2023 (RM'000)		
		Mohd Aidy Hisyam Bin Abdullah and Tan Chering Thong had given joint and several guarantees in favour of Malaysian Banking Berhad for Term Loan Facility of RM0.65 million granted to NSS	455	361	260	151	112	
		Mohd Aidy Hisyam Bin Abdullah and Tan Chering Thong had given joint and several guarantees in favour of CIMB Islamic Bank Berhad for Term Financing-i Facility of RM0.50 million granted to NSS	430	365	327	259	234	
		Mohd Aidy Hisyam Bin Abdullah and Tan Chering Thong had given joint and several guarantees in favour of Standard Chartered Bank Malaysia Berhad for Term Loan Facility of RM1.41 million granted to NSS	1,458	1,442	1,299	1,112	-	
		Mohd Aidy Hisyam Bin Abdullah and Tan Chering Thong had given joint and several guarantees in favour of CIMB Bank Berhad for SME Quick Biz - BizJamin Term Loan Facility of RM0.50 million granted to NSS	-	481	395	305	272	
		Mohd Aidy Hisyam Bin Abdullah and Tan Chering Thong had given joint and several guarantees in favour of Public Bank Berhad for Fixed Loan / BNM SRF (BizJamin) Facility of RM0.50 million granted to NSS	508	460	381	280	245	
		Mohd Aidy Hisyam Bin Abdullah and Tan Chering Thong had given joint and several guarantees in favour of PMB Tijari Berhad for Revolving Murabahah Tawarruq Facility of RM5.00 million granted to NSS	3,487	3,619	2,532	1,265	842	

9. RELATED PARTY TRANSACTIONS (cont'd)

No.	Interested related party and nature of relationship	Nature of transaction and purpose	Outstanding amount					As at the LPD (RM'000)
			As at 31 December		2023			
			2020 (RM'000)	2021 (RM'000)	2022 (RM'000)	2023 (RM'000)		
		Mohd Aidy Hisyam Bin Abdullah and Tan Chering Thong had given joint and several guarantees in favour of OCBC Bank Berhad for Business Term Loan Facility of RM0.30 million granted to NSS	290	237	141	-	-	
		Mohd Aidy Hisyam Bin Abdullah and Tan Chering Thong had given joint and several guarantees in favour of Maybank Islamic Berhad for Commodity Murabahah Term Financing-i Facility of RM0.50 million granted to NSS	506	439	342	241	206	
		Mohd Aidy Hisyam Bin Abdullah and Tan Chering Thong had given joint and several guarantees in favour of Maybank Islamic Berhad for Commodity Murabahah Term Financing-i Facility of RM3.00 million granted to NSS	-	2,434	2,730	2,470	2,381	
		Mohd Aidy Hisyam Bin Abdullah and Tan Chering Thong had given joint and several guarantees in favour of Great Eastern General Insurance (Malaysia) Berhad for Alor Setar Performance Bond with total amount of RM0.20 million granted to NSS	200	-	-	-	-	
3.	NSS and Mohd Aidy Hisyam Bin Abdullah who is a director of NSS	Mohd Aidy Hisyam Bin Abdullah had given personal guarantee in favour of CIMB Bank Berhad for hire purchase facilities with a total amount of RM0.26 million granted to NSS	112	90	59	-	-	
		Mohd Aidy Hisyam Bin Abdullah had given personal guarantee in favour of Hong Leong Bank Berhad for hire purchase facilities with a total amount of RM0.12 million granted to NSS	70	64	51	-	-	

9. RELATED PARTY TRANSACTIONS (cont'd)

No.	Interested related party and nature of relationship	Nature of transaction and purpose	Outstanding amount					As at the LPD (RM'000)
			As at 31 December					
			2020 (RM'000)	2021 (RM'000)	2022 (RM'000)	2023 (RM'000)		
		Mohd Aidy Hisyam Bin Abdullah had given personal guarantee in favour of CIMB Islamic Bank Berhad for hire purchase facilities with a total amount of RM0.26 million granted to NSS	247	-	-	-	-	-
		Mohd Aidy Hisyam Bin Abdullah had given personal guarantee in favour of Mercedes-Benz Services Malaysia Sdn Bhd for hire purchase facilities with a total amount of RM0.35 million granted to NSS	-	300	235	166	-	-
4.	NSS and Tan Cherg Thong who is a director of NSS	Tan Cherg Thong had given personal guarantee in favour of Hong Leong Bank Berhad for hire purchase facilities with a total amount of RM0.20 million granted to NSS	52	21	-	-	-	-
		Tan Cherg Thong had given personal guarantee in favour of Public Bank Berhad for hire purchase facilities with a total amount of RM0.25 million granted to NSS	167	149	135	-	-	-
		Tan Cherg Thong had given personal guarantee in favour of Hong Leong Islamic Bank Berhad for hire purchase facilities with a total amount of RM0.06 million granted to NSS	58	55	48	-	-	-
		Tan Cherg Thong had given personal guarantee in favour of Mercedes-Benz Services Malaysia Sdn Bhd for hire purchase facilities with a total amount of RM0.32 million granted to NSS	310	256	199	144	118	

9. RELATED PARTY TRANSACTIONS (cont'd)

No.	Interested related party and nature of relationship	Nature of transaction and purpose	Outstanding amount					As at the LPD (RM'000)
			As at 31 December			2023 (RM'000)	As at the LPD (RM'000)	
			2020 (RM'000)	2021 (RM'000)	2022 (RM'000)			
5.	NSS, TCT International and Lee Li Yee who is a director and substantial shareholder (33.3%) of TCT International	Lee Li Yee had given personal guarantee in favour of Hong Leong Bank Berhad for hire purchase facilities with a total amount of RM0.28 million granted to TCT International. NSS is the beneficial owner of the said vehicle	90	66	(3)	-	-	
6.	NSS, Mohd Aidy Hisyam Bin Abdullah and Tan Cherng Thong who are directors of NSS and Lee Li Yee who is the Finance Director of NSS	Mohd Aidy Hisyam Bin Abdullah, Tan Cherng Thong and Lee Li Yee had given joint and several guarantees in favour of Great Eastern General Insurance (Malaysia) Berhad for KTMB Performance Bond with total amount of RM1.45 million granted to NSS	-	-	1,449	-	-	

In addition to the above, Tan Cherng Thong, our Promoter, substantial shareholder, Executive Director / CEO, had also given personal guarantees in favour of the landlords for renting the following premises:-

- (i) Maju TMAS (landlord) and NSS (tenant) for Unit L4-14, Fourth Floor, Terminal Bersepadu Selatan, Bandar Tasik Selatan, 57100 Kuala Lumpur;
- (ii) Maju TMAS (landlord) and NSS (tenant) for Unit L4-7A&B, Fourth Floor, Terminal Bersepadu Selatan, Bandar Tasik Selatan, 57100 Kuala Lumpur; and
- (iii) NPO Management Sdn Bhd (landlord) and NSS (tenant) for Waiting Area, Terminal A, Klang Sentral, Persiaran Klang Sentral 1/KU5, Klang Sentral, 42200 Klang, Selangor Darul Ehsan.

Please refer to **Section 6.17.2** of this Prospectus for further details of the properties rented by our Group.

9. RELATED PARTY TRANSACTIONS (cont'd)

In respect of the abovementioned personal guarantees provided to our Group, our Group intends to replace these with the corporate guarantees to be provided by GOHUB. Save for Standard Chartered Bank Malaysia Berhad, we have obtained all the relevant consent from the landlords and financial institutions for the waiver and/or discharge of the abovementioned personal guarantees by substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the landlords and/or financial institutions. As at the LPD, we have fully settled all the outstanding amounts for the facilities granted by Standard Chartered Bank Malaysia Berhad.

Moving forward, we have put in place internal controls and compliance procedures in relation to financial assistance to be provided to related parties. As such, we will not provide any financial assistance to the related parties of our Group unless such financial assistances are permitted under applicable laws, rules and regulations (including the Listing Requirements) and brought to our Audit and Risk Management Committee and our Board for deliberation and approval.

9.4 Monitoring and oversight of related party transactions and conflicts of interest

9.4.1 Audit and Risk Management Committee review

Our Audit and Risk Management Committee will review the related party transactions and conflicts of interest situations that may arise within our Company or Group, including any transaction, procedures or course of conduct that raises questions of management integrity. Amongst others, the related parties and parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberations in the transactions. All reviews by our Audit and Risk Management Committee are reported to our Board for their further action. Where necessary, our Board will make the appropriate disclosure in our annual report with regard to any related party transactions (recurrent or one-off) entered into by us.

9.4.2 Our policy on related party transactions and conflicts of interest

Related party transactions by their very nature, involve conflicts of interest between our Group and the related parties with whom our Group has entered into such transactions. It is the policy of our Group that all related party transactions in the course of business are carried out on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third parties and these terms are not detrimental to the other shareholders of our Company who are not interested in the transaction.

In addition, we plan to adopt a comprehensive corporate governance framework that meets best practice principles to mitigate any potential conflict of interest situations and intend for the framework to be guided by the Listing Requirements and the Malaysian Code of Corporate Governance upon our Listing.

10. CONFLICT OF INTEREST

10.1 Interest in businesses which carry on similar trade as our Group or businesses of our customers or suppliers

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

10.2 Declaration by advisers for our IPO**(i) Principal Adviser, Sponsor, Underwriter and Placement Agent**

UOBKH has given its confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent for our IPO.

(ii) Legal adviser

Cheang & Ariff has given its confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the legal adviser for our IPO.

(iii) Auditors and reporting accountants

Baker Tilly Monteiro Heng PLT has given its confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the auditors and reporting accountants for our IPO.

(iv) IMR

Protégé has given its confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the IMR for our IPO.

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11. FINANCIAL INFORMATION

The historical financial information presented below should be read in conjunction with the management's discussion and analysis of financial condition and results of operations as set out in **Section 11.3** of this Prospectus and the Accountants' Report, together with its related notes and assumptions as set out in **Section 12** of this Prospectus. There has been no audit qualification on our audited financial statements for the financial years under review.

11.1 Historical combined financial statements**Historical combined statements of comprehensive income**

The following table sets out a summary of the audited combined statements of comprehensive income for the financial years under review:-

	Audited			
	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	18,973	20,314	26,549	43,946
Cost of sales	(9,826)	(11,767)	(9,315)	(21,483)
GP	9,147	8,547	17,234	22,463
Other income	588	769	646	162
Selling expenses	(1,104)	(887)	(1,294)	(1,883)
Administrative expenses	(2,659)	(2,932)	(3,960)	(6,685)
Other operating expenses	(1,962)	(2,282)	(3,527)	(2,868)
Operating profit	4,010	3,215	9,099	11,189
Finance income	137	86	49	24
Finance costs	(1,185)	(1,326)	(1,145)	(1,185)
PBT	2,962	1,975	8,003	10,028
Income tax (expense)/credit	(703)	426	(1,946)	(2,942)
PAT	2,259	2,401	6,057	7,086
PAT attributable to:-				
- Owners of our Group	2,265	2,405	6,057	7,086
- Non-controlling interest	(6)	(4)	-	-
	2,259	2,401	6,057	7,086
EBITDA (RM'000) ⁽¹⁾	6,031	5,741	11,966	14,379
GP margin (%) ⁽²⁾	48.21	42.07	64.91	51.12
EBITDA margin (%) ⁽³⁾	31.79	28.26	45.07	32.72
PBT margin (%) ⁽⁴⁾	15.61	9.72	30.14	22.82
PAT margin (%) ⁽⁵⁾	11.91	11.82	22.81	16.12
Effective tax rate (%)	23.73	-	24.32	29.34
No. of shares in issue after our IPO ('000)	400,000	400,000	400,000	400,000
Basic and diluted EPS (sen) ⁽⁶⁾	0.57	0.60	1.51	1.77

11. FINANCIAL INFORMATION (cont'd)**Notes:-**

(1) The table below sets out the reconciliation of our PBT to EBITDA:-

	Audited			
	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
PBT	2,962	1,975	8,003	10,028
<i>Adjusted for:-</i>				
<i>Finance costs</i>	1,185	1,326	1,145	1,185
<i>Depreciation</i>	1,886	2,242	2,505	2,853
<i>Amortisation</i>	135	284	362	337
<i>Finance income</i>	(137)	(86)	(49)	(24)
EBITDA	6,031	5,741	11,966	14,379

(2) GP margin is computed based on the GP over revenue of our Group.

(3) EBITDA margin is computed based on the EBITDA over revenue of our Group.

(4) PBT margin is computed based on the PBT over revenue of our Group.

(5) PAT margin is computed based on the PAT over revenue of our Group.

(6) Basic and diluted EPS is computed based on PAT attributable to the owners of our Group divided by the number of issued Shares of 400,000,000 after our IPO. There are no dilutive instruments as at the end of the respective financial years.

Historical combined statements of financial position

The following table sets out a summary of the audited combined statements of financial position for the financial years under review:-

	Audited			
	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
ASSETS				
Non-current assets				
Property, plant and equipment ⁽¹⁾	5,225	5,140	4,869	5,097
Right-of-use assets	5,608	4,604	5,921	7,770
Intangible assets ⁽²⁾	881	1,653	1,291	1,846
Deferred tax assets	-	432	173	250
Other investment	165	165	-	-
Total non-current assets	11,879	11,994	12,254	14,963
Current assets				
Inventories	642	649	203	881
Trade and other receivables ⁽³⁾	8,966	11,876	10,012	20,804
Contract assets	2,788	3,796	3,412	2,702
Current tax assets	10	-	-	-
Cash and short-term deposits	1,829	2,509	9,105	6,498
Total current assets	14,235	18,830	22,732	30,885
TOTAL ASSETS	26,114	30,824	34,986	45,848

11. FINANCIAL INFORMATION (cont'd)

	Audited			
	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
EQUITY AND LIABILITIES				
Equity attributable to owners of our Group				
Invested equity/share capital	(4)2,000	(4)2,000	(5)13,310	(5)13,310
Reorganisation reserve	-	-	(6)(11,310)	(6)(11,310)
Retained earnings	2,761	5,154	8,711	15,797
	4,761	7,154	10,711	17,797
Non-controlling interest	(8)	-	-	-
Total equity	4,753	7,154	10,711	17,797
Non-current liabilities				
Loans and borrowings	9,547	10,546	11,210	12,346
Deferred tax liabilities	320	289	176	138
Total non-current liabilities	9,867	10,835	11,386	12,484
Current liabilities				
Loans and borrowings	6,169	6,507	5,421	4,116
Trade and other payables ⁽⁷⁾	3,503	4,670	6,090	9,823
Contract liabilities	1,531	1,531	968	996
Current tax liabilities	291	127	410	632
Total current liabilities	11,494	12,835	12,889	15,567
Total liabilities	21,361	23,670	24,275	28,051
TOTAL EQUITY AND LIABILITIES	26,114	30,824	34,986	45,848

Notes:-

- (1) The breakdown of IT infrastructure owned by our Group (comprising computer and software, furniture and fittings, office equipment, renovation and tools and equipment) under the Zero Capex model, which formed part of our property, plant and equipment, is set out below:-

	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Computer and software	68	45	8	7
Furniture and fittings	63	43	23	17
Office equipment	17	15	10	4
Renovation	48	101	96	66
Tools and equipment	1,704	1,431	1,144	1,140
Total	1,900	1,635	1,281	1,234

- (2) Relates to the development costs recognised by our Group when the software developed by our Group is expected to generate future economic benefits in accordance to the recognition criteria set out in the MFRS 138 Intangible Assets.
- (3) The breakdown of trade and non-trade receivables during the financial years under review are set out as follows:-

	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Trade receivables	6,660	9,514	6,642	14,364
Non-trade receivables	2,306	2,362	3,370	6,440

11. FINANCIAL INFORMATION (cont'd)

The overall increase in non-trade receivables during the financial years under review was mainly attributable to the following:-

- (i) increase in the amount to be transferred by the licensed merchants to our Group arising from the increased transaction amounts received relating to our CTS for our rail and bus segments ("**Settlement Amount**"). This was due to the increase in rail ridership and high utilisation rate of TOS facility at our Existing Specified Bus Terminals; and
 - (ii) increase in deposits paid to our suppliers in respect of the rental of payment terminal devices.
- (4) For the purposes of combined statements of financial position, the invested equity as at the end of the respective FYE 2020 and FYE 2021 represents the aggregate share capital of the combined entities constituting our Group prior to the Acquisitions given that our current Group structure was only formed on 22 December 2022.
- (5) Share capital represents the nominal value of the Shares issued by GOHUB.
- (6) Due to the completion of the Acquisitions (which were part of the Pre-IPO Restructuring and Transactions) on 21 December 2022 and 22 December 2022, respectively.
- (7) The breakdown of trade and non-trade payables during the financial years under review are set out as follows:-

	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Trade payables	1,156	1,363	1,514	1,652
Non-trade payables	2,347	3,307	4,576	8,171

The overall increase in non-trade payables during the financial years under review was mainly attributable to the increase in the amount to be transferred by our Group to our customers following the receipt of the increased Settlement Amount (arising from the increased transaction amounts received relating to our CTS for our rail and bus segments).

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11. FINANCIAL INFORMATION (cont'd)

11.2 Reporting Accountants' report on the pro forma consolidated statements of financial position



15 May 2024

The Board of Directors
Go Hub Capital Berhad
08-G-01, 08-01-01, 08-02-01 & 08-05-01
Corporate Park, Star Central
Lingkar Cyber Point Timur, Cyber 12
63000 Cyberjaya
Selangor

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA)
Chartered Accountants (AF 0117)
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur, Malaysia

T : +603 2297 1000
F : +603 2282 9980

info@bakertilly.my
www.bakertilly.my

Dear Sirs,

GO HUB CAPITAL BERHAD

REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 INCLUDED IN A PROSPECTUS

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statements of financial position of Go Hub Capital Berhad ("GOHUB" or the "Company") and its subsidiaries, namely NSS IT Solution Sdn. Bhd., NSS IT Philippines Sdn. Bhd. and TCT Apps Solution Sdn. Bhd. (collectively referred to as the "Group") for which the directors of GOHUB are solely responsible. The pro forma consolidated statements of financial position consist of the pro forma consolidated statements of financial position as at 31 December 2023 together with the accompanying notes thereon, as set out in the accompanying statements, for which we have stamped for the purpose of identification. The applicable criteria on the basis of which the directors of GOHUB have compiled the pro forma consolidated statements of financial position are as described in Note 2 to the pro forma consolidated statements of financial position and in accordance with the Chapter 9 of the requirements of the *Prospectus Guidelines – Equity* issued by the Securities Commission Malaysia ("Prospectus Guidelines"), where applicable ("Applicable Criteria").

The pro forma consolidated statements of financial position of the Group has been compiled by the directors of GOHUB, for illustrative purposes only, for inclusion in the prospectus of GOHUB ("Prospectus") in connection with the listing of and quotation for the entire enlarged issued share capital of GOHUB comprising 400,000,000 ordinary shares in GOHUB on the ACE Market of Bursa Malaysia Securities Berhad ("Listing"), after making certain assumptions and such adjustments to show the effects on the pro forma consolidated statements of financial position of the Group as at 31 December 2023 adjusted for the Public Issue as described in Note 1.2 and utilisation of proceeds set out in Note 3.2.2.

11. FINANCIAL INFORMATION (cont'd)**GO HUB CAPITAL BERHAD AND ITS SUBSIDIARIES**

Reporting Accountants' Report on the Compilation of the Pro Forma Consolidated Statements of Financial Position as at 31 December 2023 Included in a Prospectus

As part of this process, information about the Group's pro forma consolidated statements of financial position has been extracted by the directors of GOHUB from the audited consolidated financial statements of the Group for the Financial Year Ended ("FYE") 31 December 2023, on which a reporting accountants' report dated 15 May 2024 has been issued.

The audited consolidated financial statements of the Group for the FYE 31 December 2023 were reported by us to the members without any modifications.

Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The directors of GOHUB are responsible for compiling the pro forma consolidated statements of financial position based on the Applicable Criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the *By-Laws (on Professional Ethics, Conduct and Practice)* issued by the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies *International Standard on Quality Control 1 (ISQC 1), Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, by the directors of GOHUB based on the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the directors of GOHUB have compiled, in all material respects, the pro forma consolidated statements of financial position based on the Applicable Criteria.

11. FINANCIAL INFORMATION (cont'd)**GO HUB CAPITAL BERHAD AND ITS SUBSIDIARIES**

Reporting Accountants' Report on the Compilation of the Pro Forma Consolidated Statements of Financial Position as at 31 December 2023 Included in a Prospectus

Reporting Accountants' Responsibilities (Continued)

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of the pro forma consolidated statements of financial position included in the Prospectus is solely to illustrate the impact of significant events or transactions on the unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, based on the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the directors of GOHUB in the compilation of the pro forma consolidated statements of financial position of the Group provide a reasonable basis for presenting the significant effects directly attributable to Listing Scheme as described in Note 1.2 to the pro forma consolidated statements of financial position, and to obtain sufficient appropriate evidence about whether:

- (a) The pro forma consolidated statements of financial position of the Group has been properly prepared on the basis and assumptions set out in the accompanying notes to the pro forma consolidated statements of financial position, based on the audited consolidated financial statements of the Group for the FYE 31 December 2023, and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited financial statements for the FYE 31 December 2023; and
- (b) Each material adjustment made to the information used in the preparation of the pro forma consolidated statements of financial position of the Group is appropriate for the purpose of preparing the pro forma consolidated statements of financial position.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma consolidated statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

11. FINANCIAL INFORMATION (cont'd)



GO HUB CAPITAL BERHAD AND ITS SUBSIDIARIES
Reporting Accountants' Report on the Compilation of the
Pro Forma Consolidated Statements of Financial Position
as at 31 December 2023 Included in a Prospectus

Opinion

In our opinion:

- (a) the pro forma consolidated statements of financial position of the Group has been properly prepared on the basis and assumptions set out in the accompanying notes to the pro forma consolidated statements of financial position, based on the audited financial statements of the Group for the FYE 31 December 2023 and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its financial statements for the FYE 31 December 2023; and
- (b) each material adjustment made to the information used in the preparation of the pro forma consolidated statements of financial position of the Group is appropriate for the purpose of preparing the pro forma consolidated statements of financial position.

Other matter

This report has been prepared for inclusion in the Prospectus of GOHUB in connection with the Listing. As such, this report should not be used, circulated, quoted or otherwise referred to in any document or used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Baker Tilly Monteiro Heng".

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

A handwritten signature in black ink, appearing to read "Paul Tan Hong".

Paul Tan Hong
No. 03459/11/2025 J
Chartered Accountant

11. FINANCIAL INFORMATION (cont'd)**GO HUB CAPITAL BERHAD AND ITS SUBSIDIARIES****PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****1. INTRODUCTION**

The pro forma consolidated statements of financial position of Go Hub Capital Berhad (“GOHUB” or the “Company”) and its subsidiaries, namely NSS IT Solution Sdn. Bhd. (“NSS”), NSS IT Philippines Sdn. Bhd. and TCT Apps Solution Sdn. Bhd. (“TCT Apps”) (hereinafter collectively referred to as the “Group”) has been compiled by the directors of GOHUB, for illustrative purposes only, for inclusion in the prospectus of GOHUB in connection with the listing of and quotation for the entire enlarged issued share capital of GOHUB comprising 400,000,000 ordinary shares in GOHUB (“GOHUB Share(s)” or “Share(s)”) on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing”).

1.1 In conjunction with the admission of GOHUB to the Official List of Bursa Securities and Listing, GOHUB had undertaken the following transactions:

1.2 Listing Scheme**1.2.1 Public Issue**

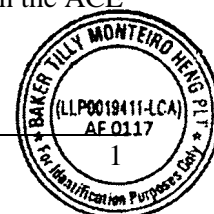
A total of 107,180,000 Shares (“IPO Share(s)”), representing approximately 26.80% of the enlarged issued share capital of GOHUB after the IPO are offered at RM0.35 per IPO Share (“IPO Price”), will be allocated in the following manner:

- (i) 20,000,000 IPO Shares, representing 5.00% of the enlarged issued share capital of GOHUB, will be made available for application by the Malaysian public through a balloting process, of which 10,000,000 IPO Shares, representing 2.50% of the enlarged issued share capital of the Company, are set aside for Bumiputera investors. Any IPO Shares not subscribed for by such Bumiputera investors will be made available for application by other Malaysian public;
- (ii) 12,000,000 IPO Shares, representing 3.00% of the enlarged issued share capital of GOHUB, will be reserved and set aside for application by the eligible Directors and employees of the Group as well as persons who have contributed to the success of the Group; and
- (iii) 75,180,000 IPO Shares, representing approximately 18.80% of the enlarged issued share capital will be allotted by way of private placement to identified institutional and/or selected investors.

(Collectively hereinafter referred to as “Public Issue”).

1.2.2 Listing

Upon completion of the Public Issue, the entire enlarged issued share capital of GOHUB of approximately RM140.00 million comprising 400,000,000 Shares will be listed on the ACE Market of Bursa Securities.



11. FINANCIAL INFORMATION (cont'd)

GO HUB CAPITAL BERHAD AND ITS SUBSIDIARIES

2. BASIS OF PREPARATION OF THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

- 2.1 The pro forma consolidated statements of financial position have been prepared to illustrate the pro forma consolidated financial position of the Group as at 31 December 2023, adjusted for the Public Issue and utilisation of proceeds as described in Notes 1.2 and 3.2.2 respectively.
- 2.2 The pro forma consolidated statements of financial position have been prepared based on the audited consolidated financial statements of the Group for the financial year ended (“FYE”) 31 December 2023.
- 2.3 The audited consolidated financial statements of the Group for the FYE 31 December 2023 were reported by the auditors to the members without any modifications.
- 2.4 The pro forma consolidated statements of financial position of the Group have been prepared for illustrative purposes only and, such information may not, because of its nature, give a true picture of the actual financial position and the results of the Group and does not purport to predict the future financial position and results of the Group.
- 2.5 The pro forma consolidated statements of financial position of the Group have been properly prepared on the basis set out in the accompanying notes to the pro forma consolidated statements of financial position based on the audited consolidated financial statements of the Group for the FYE 31 December 2023, which have been prepared in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards.

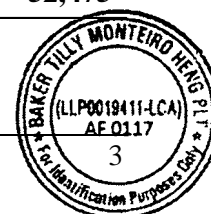


11. FINANCIAL INFORMATION (cont'd)**GO HUB CAPITAL BERHAD AND ITS SUBSIDIARIES****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP**

- 3.1 The pro forma consolidated statements of financial position of the Group as set out below, for which the directors of GOHUB are solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited consolidated statement of financial position of the Group as at 31 December 2023, had the Public Issue as described in Note 1.2 and utilisation of proceeds as described in Note 3.2.2 been effected on that date, and should be read in conjunction with the notes accompanying thereto.

	Audited Consolidated Statements of Financial Position as at 31 December 2023 RM'000	Pro Forma I After the Public Issue RM'000	Pro Forma II After Pro Forma I and the utilisation of proceeds RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	5,097	5,097	17,999
Right-of-use assets	7,770	7,770	7,770
Intangible assets	1,846	1,846	1,846
Deferred tax assets	250	250	250
Total non-current assets	14,963	14,963	27,865
Current assets			
Inventories	881	881	881
Trade and other receivables	20,804	20,804	20,408
Contract assets	2,702	2,702	2,702
Cash and short-term deposits	6,498	44,011	33,857
Total current assets	30,885	68,398	57,848
TOTAL ASSETS	45,848	83,361	85,713
EQUITY AND LIABILITIES			
Equity attributable to owners of the Group			
Share capital	13,310	50,823	49,751
Reorganisation reserve	(11,310)	(11,310)	(11,310)
Retained earnings	15,797	15,797	14,034
TOTAL EQUITY	17,797	55,310	52,475

Pro Forma Consolidated Statements of Financial Position



11. FINANCIAL INFORMATION (cont'd)**GO HUB CAPITAL BERHAD AND ITS SUBSIDIARIES****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.1 (Continued)

	Audited Consolidated Statements of Financial Position as at 31 December 2023 RM'000	Pro Forma I After the Public Issue RM'000	Pro Forma II After Pro Forma I and the utilisation of proceeds RM'000
Non-current liabilities			
Loans and borrowings	12,346	12,346	18,779
Deferred tax liabilities	138	138	138
Total non-current liabilities	12,484	12,484	18,917
Current liabilities			
Loans and borrowings	4,116	4,116	2,870
Trade and other payables	9,823	9,823	9,823
Contract liabilities	996	996	996
Current tax liabilities	632	632	632
Total current liabilities	15,567	15,567	14,321
TOTAL LIABILITIES	28,051	28,051	33,238
TOTAL EQUITY AND LIABILITIES	45,848	83,361	85,713
Number of ordinary shares assumed to be in issue ('000)	292,820	400,000	400,000
NA [^] (RM'000)	17,797	55,310	52,475
NA per ordinary share (RM)	0.06	0.14	0.13
[^] attributable to owners of the Group			



11. FINANCIAL INFORMATION (cont'd)**GO HUB CAPITAL BERHAD AND ITS SUBSIDIARIES****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 Notes to the pro forma consolidated statements of financial position are as follows:

3.2.1 The pro forma consolidated statements of financial position of the Group, for which the directors of GOHUB are solely responsible, have been prepared for illustrative purposes only, to show the effects on the consolidated audited statements of financial position of the Group as at 31 December 2023, had the Public Issue as described in Note 1.2 and utilisation of proceeds as described in Note 3.2.2 been effected on that date, and should be read in conjunction with the notes accompanying thereto.

3.2.2 The proceeds from the Public Issue would be used in the following manner:

Details of use	RM'000	%	Estimated timeframe for use upon Listing
Not reflected in pro forma consolidated statements of financial position			
Business expansion ⁽¹⁾			
• Expansion of our workforce ⁽¹⁾	10,100	26.92	Within 24 months
• Capital expenditure on equipment and tools ⁽¹⁾	6,500	17.33	Within 36 months
• Design and development ⁽¹⁾	1,900	5.06	Within 36 months
• Set-up of new integrated centre ⁽¹⁾	1,500	4.00	Within 12 months
• Business development and marketing ⁽¹⁾	1,000	2.67	Within 24 months
	21,000	55.98	
Working capital	4,798	12.80	Within 12 months
Reflected in pro forma consolidated statements of financial position			
Business expansion			
• Acquisition of Star Central Office Tower ⁽²⁾	3,715	9.90	Within 6 months
Repayment of bank borrowings	4,000	10.66	Within 6 months
Estimated listing expenses	4,000	10.66	Within 1 month
Gross proceeds	37,513	100.00	

(1) As at the latest practicable date, the Group has yet to enter into any contractual binding agreement, issue any offer letters to employees for the business expansion or issue and/or accept any purchase order in relation to the business expansion. Premised thereof, accordingly, the utilisation of proceeds earmarked for the business expansion of RM21.00 million are hence not reflected in the pro forma consolidated statements of financial position.



11. FINANCIAL INFORMATION (cont'd)**GO HUB CAPITAL BERHAD AND ITS SUBSIDIARIES****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 (Continued)

3.2.2 (Continued)

- (2) *As at the latest practicable date, the Group through NSS had entered into sale and purchase agreements with Joyful Star Sdn. Bhd. on 19 April 2024 to acquire an entire block of 8 storey semi-detached corporate office located at Corporate Park, Star Central @ Cyberjaya bearing postal address of 11-G-01, 11-01-01, 11-02-01, 11-03-01, 11-04-01, 11-05-01, 11-06-01 and 11-07-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor, for a total purchase consideration of approximately RM12.90 million (“Purchase Consideration”). The Purchase Consideration will be part funded through the utilisation of proceeds earmarked for the Acquisition of Star Central Office Tower of RM3.72 million and the balance of RM9.18 million is assumed to be financed by bank borrowing to be obtained (both of which are reflected in the pro forma consolidated statements of financial position).*

3.2.3 The pro forma consolidated statements of financial position should be read in conjunction with the notes below:

(a) **Pro Forma I**

Pro Forma I incorporate the effects of the Public Issue as described in Note 1.2 on the audited consolidated statements of financial position of the Group as at 31 December 2023.

The Public Issue will have the following impact on the audited consolidated statements of financial position of the Group as at 31 December 2023:

	Increase	
	Effects on Total Assets RM'000	Effects on Total Equity RM'000
Cash and short-term deposits	37,513	-
Share capital	-	37,513
	37,513	37,513



11. FINANCIAL INFORMATION (cont'd)**GO HUB CAPITAL BERHAD AND ITS SUBSIDIARIES****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 (Continued)

3.2.3 (Continued)

(b) Pro Forma II

Pro Forma II incorporates the cumulative effects of Pro Forma I and the utilisation of proceeds from the Public Issue of RM37.51 million. The utilisation of proceeds from the Public Issue of RM37.51 million will be used in the manner as described in Note 3.2.2.

The proceeds arising from the Public Issue earmarked for the Group's working capital purposes of RM4.80 million will be included in the Cash and Short-Term Deposits Account.

The proceeds arising from the Public Issue is earmarked for the part payment for the Acquisition of Star Central Office Tower. The Purchase Consideration for the Acquisition of Star Central Office Tower is RM12.90 million, of which RM3.72 million is funded by Public Issue proceeds and the balance of the Purchase Consideration of RM9.18 million will be financed by bank borrowing.

The proceeds arising from the Public Issue earmarked for repayment of bank borrowings of RM4.00 million will be reflected in Loans and Borrowings Account under current and non-current liabilities.

As at 31 December 2023, out of the RM4.00 million for listing expenses, RM0.40 million has been incurred and recognised as prepayment. The RM0.40 million is recognised as prepayment as this is direct attributable expenses relating to the new issuance of Shares which will be capitalised as Share Capital Account upon Listing.

Out of the remaining estimated listing expense to be incurred of RM2.43 million, RM1.76 million will be charged to Retained Earnings Account and RM0.67 million is recognised in Share Capital Account as this is directly attributable expenses relating to the new issuance of Shares. Together with the amount previously recorded as prepayment of RM0.40 million, a total of RM1.07 million will be capitalised under Share Capital Account.



11. FINANCIAL INFORMATION (cont'd)

GO HUB CAPITAL BERHAD AND ITS SUBSIDIARIES

3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.3 (Continued)

(b) Pro Forma II (Continued)

The utilisation of proceeds will have the following impact on the pro forma consolidated statements of financial position of the Group as at 31 December 2023:

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Effects on Total Equity RM'000
Property, plant and equipment	12,902	-
Cash and short-term deposits	(10,154)	-
Trade and other receivables	(396)	-
Share capital	-	(1,072)
Retained earnings	-	(1,763)
Loans and borrowings		
- Current	-	(1,246)
- Non-current	-	6,433
	2,352	2,352

3.2.4 Movements in share capital and reserves are as follows:

	Share capital RM'000	Reorganisation reserve RM'000	Retained earnings RM'000
Audited consolidated statements of financial position of the Group as at 31 December 2023	13,310	(11,310)	15,797
Arising from the Public Issue	37,513	-	-
Per Pro Forma I	50,823	(11,310)	15,797
Arising from the defrayment of estimated listing expenses in relation to the Listing	(1,072)	-	(1,763)
Per Pro Forma II	49,751	(11,310)	14,034

Pro Forma Consolidated Statements of Financial Position



11. FINANCIAL INFORMATION (cont'd)

GO HUB CAPITAL BERHAD AND ITS SUBSIDIARIES

3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.5 Movements in cash and short-term deposits are as follows:

	RM'000
Audited consolidated statements of financial position of the Group as at 31 December 2023	6,498
Arising from the Public Issue	37,513
Per Pro Forma I	44,011
Arising from the utilisation of proceeds in relation to the Listing	
- Repayment of bank borrowings	(4,000)
- Acquisition of Star Central Office Tower	(3,715)
- Estimated listing expenses	(2,439)
Per Pro Forma II	33,857

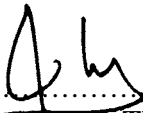


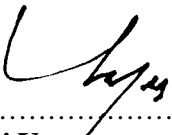
11. FINANCIAL INFORMATION (cont'd)

GO HUB CAPITAL BERHAD AND ITS SUBSIDIARIES

APPROVAL BY BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Go Hub Capital Berhad in accordance with a resolution dated **15 MAY 2024**


.....
Tan Cherng Thong
Director


.....
Lee Li Yee
Director



11. FINANCIAL INFORMATION (cont'd)

11.3 Management’s discussion and analysis of financial condition and results of operations

The following management’s discussion and analysis of our financial condition and results of operations for the financial years under review should be read in conjunction with the accompanying notes, assumptions and bases included in the Accountants’ Report set out in **Section 12** of this Prospectus. There are no accounting policies which are peculiar to our Group in regards to the nature of the business or the industry which our Group is involved in.

This discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and our financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set out under risk factors in **Section 4** of this Prospectus.

11.3.1 Overview of our operations

We are principally involved in the provision of enterprise IT services, focusing on providing transportation IT solutions (including customised software development systems and integration of hardware and software systems) with an established track record in the bus and rail segments. Our offerings also extend to include maintenance and support services as well as terminal management services for the IT solutions that we deliver to our customers.

Our Group’s business model is summarised in the diagram below:-

	Transportation IT solutions	Other IT solutions		
Primary solutions	<ul style="list-style-type: none"> TOS (comprising TMS and CTS) BOS AFC Maintenance and support services as well as terminal management services 	GoPartner (an integrated cloud-based inventory and reservation management system)	GoHub.com.my (an online marketplace catering for ticketing needs)	Customised IT solutions
Principal segments that our Group serves	<u>Rail segment</u> <ul style="list-style-type: none"> Rail operator 	Enterprises that require inventory and reservation management systems such as:- <ul style="list-style-type: none"> Bus operators Campsite operators Homestay operators Sports centres operators 	<ul style="list-style-type: none"> Online marketplace customers of GoHub.com.my Merchants such as customers of GoPartner 	Various industries that primarily require reservations, booking and management solutions
	<u>Bus segment</u> <ul style="list-style-type: none"> Bus terminal operators Stage and express bus operators 			
	Others*			
Business engagements	<ul style="list-style-type: none"> Zero Capex Outright Purchase 	Transaction fees	Outright Purchase	
Geographical markets	<ul style="list-style-type: none"> Principally in Malaysia Overseas sales – the Philippines (less than 2% of our total revenue for the financial years under review) 			

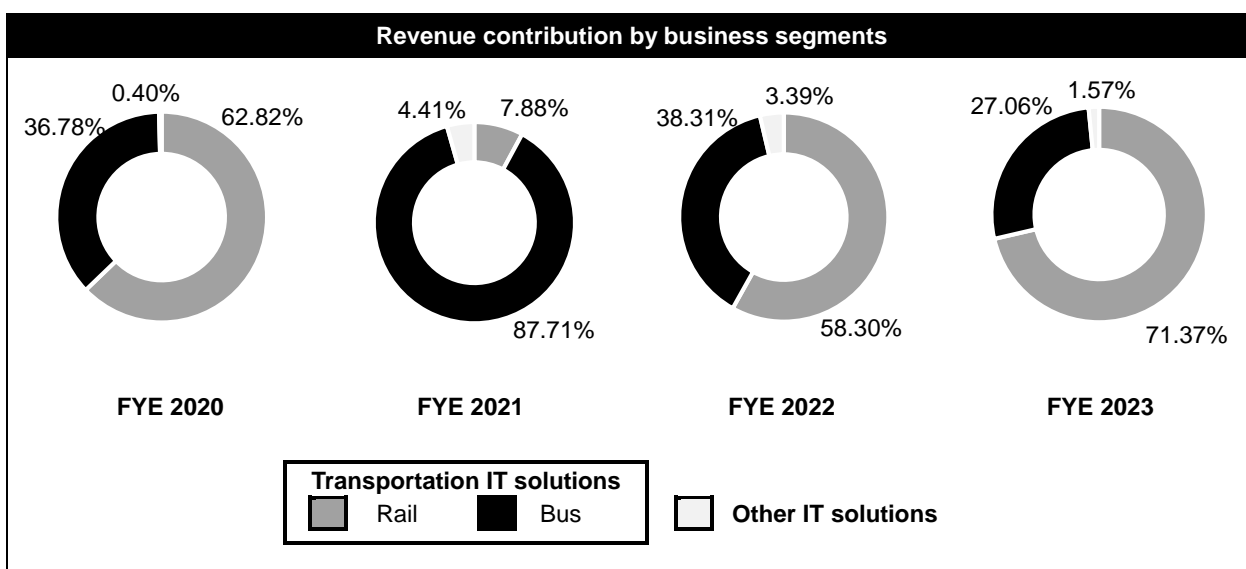
11. FINANCIAL INFORMATION (cont'd)

Note:-

* Refers to other segments within the transportation sector (apart from bus and rail segments) as our solutions are adaptable and can be applied to other segments within the transportation sector (which includes sea segment (i.e. ferry terminals, a segment which our Group is presently venturing into as disclosed in **Section 6.24.1** of this Prospectus)).

We provide our enterprise IT services predominantly in Peninsular Malaysia with local sales accounting for more than 98% for the financial years under review. Our overseas sales solely relate to our TOS for Parañaque Integrated Terminal Exchange, located in Manila, the Philippines (which caters for the bus segment) and such sales accounted for less than 2% in the financial years under review.

Our customers primarily operate in the public transportation sector, in particular, the rail and bus segments, comprising rail operator, bus terminal operators as well as stage and express bus operators. A snapshot of our revenue segments in the financial years under review is set out below:-



We intend to grow our business by leveraging on our competitive strengths set out in **Section 6.3** of this Prospectus and through the following future plans and business strategies:-

- (i) leveraging on our market presence and established track record to expand our Group's footprint in the bus and rail segments to locations where we currently do not have any presence in;
- (ii) widening our Group's transportation IT solutions to include ferry segment; and
- (iii) strengthening our operational capabilities, which includes expansion of our workforce, the Acquisition of Star Central Office Tower, setting up D&D department and enhancing our customer maintenance and support services.

Further details on our future plans and business strategies are set out in **Section 6.24** of this Prospectus.

11. FINANCIAL INFORMATION (cont'd)

11.3.2 Components of financial performance

(i) Revenue

We recorded revenue of approximately RM18.97 million, RM20.31 million, RM26.55 million and RM43.95 million for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023 respectively.

We recognise our revenue based on the following revenue recognition methods:-

- at a point in time when the performance obligation is satisfied, i.e. when control has transferred to our customers which typically occurs when the software and/or hardware are installed at our customers' sites, risk of loss has been transferred to our customers and we have a present right to payment for the solutions (which may be hardware and/or software); and/or
- over time when the services (in respect of hardware and/or software) are rendered, and for contracts, based on the services provided in accordance with the project milestones set out in the contracts.

Our orders are typically secured by way of contracts and/or purchase orders, where:-

Contracts	<ul style="list-style-type: none"> • Typically, a formal contract will be prepared and signed by both parties for large-scale projects in respect of:- <ul style="list-style-type: none"> (a) customisation and installation of our solutions; (b) maintenance and support services; and (c) terminal management services. • The duration of the projects is typically more than 1 year. • The scope of the projects typically entails multitude of services and higher level of technical complexity.
Purchase orders	<ul style="list-style-type: none"> • Typically, purchase orders will be issued by our customers for maintenance and support services or hardware component replacement projects. • The duration of the projects is typically up to 1 year only. • The work request is typically for a specific service (as opposed to multitude of services).

Our revenue from the transportation IT Solutions are derived from the following solutions:-

- (i) customisation and integration of our IT solutions (i.e. TMS, CTS and/or AFC) with the customers' system infrastructure and installation of our solutions at the customers' site ("**Set-Up**");
- (ii) provide maintenance and support services to our customers in respect of our solutions (post solutions Set-Up) ("**Maintenance**"). Such support services are critical to our customers (being the public transportation service providers) as

11. FINANCIAL INFORMATION (cont'd)

- (iii) terminal management services (upon request of our customers), where we are required to undertake the function of system operator to manage and operate our solutions (i.e. TMS and/or CTS) at bus terminals on behalf of our customers as well as perform ancillary terminal management services at bus terminals, which includes, amongst others, managing terminal counters, scheduling and coordinating arrival and departure of buses, maintenance and repair of IT systems as well as managing the operational safety and security at the terminal bays ("**System Operator**"); and
- (iv) leasing of our BOS to stage bus operators for real time tracking and ticketing solutions;

where our customers have the option to undertake the following business engagements (i.e. payment model):-

Outright Purchase of our solutions	Zero Capex option on our solutions
Payments are based on project milestones set out in our purchase orders and/or contracts, with the billing for the last project milestone to be issued upon completion of the project.	Our Group will charge our customers and end-users on a pay-per-use basis, which includes a percentage of ticket sales and terminal facility charges. In this regard, our customers are not required to make any upfront payments for the installation of the solutions (involving hardware and/or software) or maintenance of the installed solutions.

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11. FINANCIAL INFORMATION (cont'd)

Our sources of revenue based on our transportation IT solutions are set out in the table below ("Sources of Revenue Table"):-

Solutions	TMS	CTS	BOS	AFC
Type of customers	Express bus terminal operators and/or bus operators	Express bus terminal operators and/or bus operators Rail operator	Stage bus operators	Rail operator
Solutions component	Hardware and software	Hardware and software Hardware	Hardware and software	Hardware and software
Business engagement	Zero Capex Outright Purchase	Zero Capex Outright Purchase	Zero Capex	Outright Purchase
Project type ⁽¹⁾	System operator Set-Up Maintenance	System operator Set-Up Maintenance	Leasing	Set-Up and maintenance
Sources of revenue	Revenue sharing charges ^{*(2)} One-off [^] Monthly fixed maintenance charges [*]	Revenue sharing Charges ^{*(2)} One-off [^] Monthly fixed maintenance charges [*] Revenue sharing charges ^{*(2)}	Monthly fixed subscription fees [*]	One-off [^] Monthly fixed maintenance charges [*]

11. FINANCIAL INFORMATION (cont'd)

Notes:-

- * Recurring revenue.
- ^ Non-recurring revenue.
- (1) The descriptions of the project types are set out in **Section 11.3.2(i)** of this Prospectus.
- (2) The revenue sharing charges encompasses the following:-

Type of charges	Descriptions
Bus segment	
Bus operators* Fixed fee charges on a pay-per-use basis	A fixed fee will be charged to bus operators in respect of pick-up/entry into the Specified Bus Terminals and parking at bus bays.
Percentage of ticket sales	A predetermined percentage of the ticket sales will be charged to bus operators.
Express bus passengers* Fixed fee charges to passengers (on top of the ticket sale)	A fixed fee will be charged to the passengers at the Specified Bus Terminals in respect of boarding passes issuance and/or facility services provided at the boarding area.
Rail segment	
Rail Operator Fixed fee on ticket sales	A fixed fee will be charged to rail operator based on the daily number of ticket sales (regardless of destination).

Note:-

- * Such fees are charged by our Group based on the grading of the bus terminals as stipulated in the APAD guidelines.

11. FINANCIAL INFORMATION (cont'd)

We also derive revenue from the following solutions:-

- (i) GoPartner, an integrated cloud-based inventory and reservation management system;
- (ii) GoHub.com.my, an online marketplace catering for ticketing needs; and
- (iii) customised IT solutions (which are non-transportation IT based) to our customers.

Our sources of revenue based on other IT solutions are as follows:-

Solutions	GoPartner	GoHub.com.my	Customised IT solutions on ad hoc basis
Type of customers	B2B, Merchant partners	B2C	Various industries that primarily require reservations, booking and management solutions
Business engagement	Transaction fee	Transaction fee	Outright Purchase
Sources of revenue	(i) percentage-fee based model involving charging a percentage of transaction value; and/or (ii) fixed fee model involves charging a predetermined amount for each transaction, regardless of the transaction value.	(i) percentage-fee based model involving charging a percentage of transaction value; and/or (ii) fixed fee model involves charging a predetermined amount for each transaction, regardless of the transaction value.	One-off

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11. FINANCIAL INFORMATION (cont'd)

The segmental analysis of our revenue for the financial years under review is set out in the following tables:-

(a) Revenue by business segments

Our revenue by business segments is illustrated in the table below:-

	FYE 2020		FYE 2021		FYE 2022		FYE 2023	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Transportation IT solutions								
- Rail	11,920	62.82	1,601	7.88	15,477	58.30	31,366	71.37
• TOS ⁽¹⁾	11,920	62.82	1,601	7.88	7,829	29.49	10,002	22.76
• AFC	-	-	-	-	7,648	28.81	21,364	48.61
- Bus	6,978	36.78	17,817	87.71	10,171	38.31	11,891	27.06
• TOS	4,847	25.55	14,512	71.44	⁽²⁾ 6,863	25.85	8,651	19.69
• BOS	2,131	11.23	3,305	16.27	3,308	12.46	3,240	7.37
	18,898	99.60	19,418	95.59	25,648	96.61	43,257	98.43
Others	75	0.40	896	4.41	901	3.39	689	1.57
Total revenue	18,973	100.00	20,314	100.00	26,549	100.00	43,946	100.00

Notes:-

(1) Relates to only CTS.

(2) The TOS for our bus segment had also decreased from RM14.51 million in the FYE 2021 to RM6.86 million in the FYE 2022. This was mainly attributable to the completion of the customisation and installation works by our Group in the FYE 2022 in respect of the integrated bus terminal project in Gombak and no new projects secured for the customisation and installation of TOS for our bus segment in the FYE 2022.

Our revenue for the financial years under review was mainly derived from our transportation IT solutions segment, which accounted for more than 95% of our total revenue for the financial years under review.

Our TOS for both our rail and bus segments was the largest revenue contributor to our Group for the FYE 2020, FYE 2021 and FYE 2022, which accounted for 88.37%, 79.32% and 55.34%, respectively of our total revenue. Our TOS was the second largest revenue contributor accounting for 42.45% of our revenue for the FYE 2023. The decrease in revenue contribution from our TOS (in terms of percentage) in the FYE 2022 and FYE 2023 was primarily due to the following:-

- (i) decrease in contribution from TOS in the bus segment due to the absence of new contracts for the customisation and installation of TOS for the bus segment following the completion of the customisation and installation works for the integrated bus terminal project in Gombak in the FYE 2021; and
- (ii) substantial contribution of revenue generated from AFC, our new revenue stream in the FYE 2022 and FYE 2023 where:-
 - our Group secured the AFC contract in the third quarter of 2022 and commenced customisation and installation works in the fourth quarter of 2022 and recognised revenue of RM7.65 million in the FYE 2022; and

11. FINANCIAL INFORMATION (cont'd)

- we subsequently recognised the following revenue relating to AFC in the FYE 2023 (where AFC was the largest revenue contributor to our Group accounting for 48.61% of our total revenue), where:-
 - (a) RM17.85 million in the FYE 2023 following the completion of the customisation and installation of the AFC at the identified rail stations;
 - (b) RM1.28 million for the maintenance and support services for the AFC; and
 - (c) an additional RM1.29 million recognised in respect of a variation order for the delivery and installation of additional hardware to be completed by 31 May 2024 to ease traffic congestion at the relevant stations.

Notwithstanding the decrease in revenue contribution in our TOS (in terms of percentage) to 42.45% in the FYE 2023, it is pertinent to note that our Group recorded an increase in revenue from TOS from RM14.69 million recorded in the FYE 2022 to RM18.65 million recorded in the FYE 2023. This was mainly due to the growth in ridership of ETS, Intercity and Shuttle Tebrau (collectively referred to as the “**Rail Routes**”) services in the FYE 2023.

Our BOS for the bus segment was the second largest revenue contributor to our transportation IT solutions segment and accounted for 11.23% and 16.27% to our total revenue for the FYE 2020 and FYE 2021 respectively. Our BOS segment accounted for 12.46% and 7.37% to our total revenue for the FYE 2022 and FYE 2023 respectively.

The decrease in revenue from transportation IT solutions for the rail segment from RM11.92 million in the FYE 2020 to RM1.60 million in the FYE 2021 was mainly due to the completion of the installation of CTS for a rail operator in the FYE 2020 and the absence on new projects for the rail segment in the FYE 2021.

(b) Revenue by geographical location

Our revenue by geographical location is illustrated in the table below:-

	FYE 2020		FYE 2021		FYE 2022		FYE 2023	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Malaysia	18,953	99.89	19,979	98.35	26,519	99.89	43,824	99.72
Overseas	20	0.11	335	1.65	30	0.11	122	0.28
Total revenue	18,973	100.00	20,314	100.00	26,549	100.00	43,946	100.00

Our revenue for the financial years under review was mainly derived from Malaysia (being the primary market in which our Group operates), which accounted for more than 98% of our total revenue for the financial years under review.

Our overseas revenue solely relates to our TOS for Parañaque Integrated Terminal Exchange, the Philippines (which caters for the bus segment) and such sales accounted for only 0.11%, 1.65%, 0.11% and 0.28% for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023, respectively.

11. FINANCIAL INFORMATION (cont'd)**(c) Recurring and non-recurring revenue segments**

Our recurring and non-recurring revenue segments are illustrated in the table below:-

	FYE 2020		FYE 2021		FYE 2022		FYE 2023	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Recurring ⁽¹⁾	5,741	30.26	7,141	35.15	17,380	65.46	21,691	49.36
Non-recurring ⁽²⁾	13,232	69.74	13,173	64.85	9,169	34.54	22,255	50.64
Total revenue	18,973	100.00	20,314	100.00	26,549	100.00	43,946	100.00

Notes:-

- (1) Primarily relates to BOS, maintenance and support services in relation to TOS and AFC as well as terminal management services. Please refer to the Sources of Revenue Table as set out in **Section 11.3.2(i)** of this Prospectus for further details.
- (2) Primarily relates to new customisation and installation projects in relation to TOS and AFC, customisation of other IT solutions on an ad-hoc basis. Please refer to the Sources of Revenue Table as set out in **Section 11.3.2(i)** of this Prospectus for further details.

The growth in our recurring revenue segment for the financial years under review was mainly due to the following factors:-

- the increase in ridership of the Rail Routes services in the financial years under review as the Rail Routes' ticket issuances had increased from approximately 0.50 million tickets sold in the FYE 2020 (where our Group had only commenced our CTS maintenance services in August 2020) to more than 16 million tickets sold in the FYE 2023 following the gradual recovery from the COVID-19 pandemic and the transition to endemic phase;
- the overall increase in ridership at the bus terminals where we operate as system operators at the Existing Specified Bus Terminals and undertake terminal management services from the FYE 2020 to the FYE 2023, evidenced by the overall increase in the number of total ticket issuances from the FYE 2020 to the FYE 2023:-

	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Terminal passengers ('000)	*427	^153	647	815

Notes:-

- * High number of passengers in first quarter of the FYE 2020 (prior to the movement control order (which involves travel restrictions) imposed by the Malaysian Government to curb the outbreak of COVID-19 pandemic).
- ^ The decrease in the number of passengers was primarily due to the movement control order (which involves travel restrictions) imposed by the Malaysian Government to curb the outbreak of COVID-19 pandemic.
- the overall increase in revenue from our BOS from RM2.13 million in the FYE 2020 to RM3.24 million in the FYE 2023 despite the fluctuating trend in the number of stage buses adopting our solutions as set out below:-

	FYE 2020	FYE 2021	FYE 2022	FYE 2023
No. of stage buses	383	754	*649	*448

11. FINANCIAL INFORMATION (cont'd)**Note:-**

- * *The decrease in the number of stage buses from the FYE 2021 to the FYE 2023 were due to, amongst others, the stage bus operators switching to a new vendor for the BOS, and the stage bus operators having ceased to operate the stage buses due to lack of bus drivers and bus operators failing to renew their permits with APAD.*

It is pertinent to note that the BOS adopted in the FYE 2020 to the FYE 2022 relates to BOS with limited features and with the absence of payment terminal devices equipped with the “cashless” key feature. Our Group had only begun to introduce new BOS solution which is equipped with payment terminal devices with the “cashless” key feature in the FYE 2023. This new solution complements the existing BOS infrastructure adopted by the stage buses. The installation and adoption of the additional new solution to 127 stage buses in the FYE 2023 had, to a certain extent, mitigated the decline in the adoption of BOS by stage bus operators in the FYE 2023, resulting in our Group being able to record revenue of RM3.24 million in the FYE 2023 (which is relatively consistent with the revenue recorded from BOS in the FYE 2022 of RM3.31 million).

We recorded a lower non-recurring revenue of RM9.17 million in the FYE 2022 as compared to the revenue of RM13.17 million recorded in the FYE 2021. The decline in non-recurring income was mainly due to absence of new contracts for the customisation and installation of TOS for the bus segment, which was to a certain extent mitigated by the revenue recognised from our customisation and installation of AFC in the fourth quarter of 2022.

We recorded higher non-recurring revenue of RM22.26 million in the FYE 2023 as compared to the revenue of RM9.17 million recorded in the FYE 2022. The increase in revenue was primarily due to the recognition of revenue for the completion of the customisation and installation of the AFC at the identified rail stations.

(d) Commentary on past performance**FYE 2020 to FYE 2021**

Our revenue increased by 7.06% or RM1.34 million to RM20.31 million in the FYE 2021 (FYE 2020: RM18.97 million), primarily attributed to the following:-

- increase in revenue from our BOS, which mainly due to higher subscription fees amounting to RM3.31 million in the FYE 2021 (FYE 2020: RM2.13 million) following the increase in stage buses adopting our solutions from 383 buses as at 1 January 2020 to 754 buses as at 31 December 2021; and
- increase in revenue from our CTS (comprising new projects and existing maintenance contracts) for the bus segment to RM13.67 million in the FYE 2021 (FYE 2020: RM2.88 million). The increase in our CTS for bus segment in the FYE 2021 was mainly due to the revenue recognised for the completion of the customisation and installation works for the integrated bus terminal project in Gombak in accordance to the project milestones set out in the CTS contract;

which was to a certain extent, mitigated by the decrease in revenue from our CTS for the rail segment to RM1.60 million in the FYE 2021 (FYE 2020: RM11.92 million) following the completion of the installation of our CTS for a rail operator in the FYE 2020.

11. FINANCIAL INFORMATION (cont'd)**FYE 2021 to FYE 2022**

Our revenue increased by 30.72% or RM6.24 million to RM26.55 million in the FYE 2022 (FYE 2021: RM20.31 million), primarily attributed to the following:-

- increase in revenue from our CTS for rail segment from RM1.60 million in the FYE 2021 to RM7.83 million in the FYE 2022 due to the increase in ridership of the Rail Routes services (where our Group charges for maintenance and support services are in the form of revenue sharing) in the FYE 2022 as Rail Routes' ticket issuances had increased by 398.54% from 2.06 million in the FYE 2021 to 10.27 million in the FYE 2022;
- new contract secured with a rail operator in respect of our AFC, whereby we have recognised revenue of RM7.65 million in the FYE 2022; and
- increase in ridership at the Existing Specified Bus Terminals where we operate as system operators (where the charges for terminal management services are in the form of revenue sharing and fixed fee basis), evidenced by the increase in the number of total ticket issuances from 0.15 million in the FYE 2021 to 0.65 million in the FYE 2022;

which was to a certain extent, mitigated by the decrease in revenue from our bus segment, in particular, our TOS, due to the absence of new contracts for the customisation and installation of TOS for the bus segment following the completion of the customisation and installation works for the integrated bus terminal project in Gombak.

FYE 2022 to FYE 2023

Our revenue increased by 65.54% or RM17.40 million to RM43.95 million in the FYE 2023 (FYE 2022: RM26.55 million), primarily attributed to the following:-

- increase in revenue from our CTS for rail segment to RM10.00 million in the FYE 2023 (FYE 2022: RM7.83 million). This was mainly due to the increase in ridership of the Rail Routes services which led to the increase in Rail Routes ticket issuances from approximately 10.27 million tickets sold in the FYE 2022 to 16.69 million tickets sold in the FYE 2023 (where our Group charges maintenance and support services in the form of revenue sharing);
- new contract secured with a rail operator in respect of our AFC in third quarter of 2022, whereby we have recognised revenue of RM17.85 million in the FYE 2023 following the completion of the customisation and installation of the AFC at the identified rail stations and the revenue of RM1.28 million for the maintenance and support services for the AFC as well as an additional RM1.29 million of revenue recognised in respect of a variation order for the delivery and installation of additional hardware to be completed by 31 May 2024 to ease traffic congestion at the relevant stations; and
- increase in utilisation rate of the TOS facility at our Existing Specified Bus Terminals where we operate as system operators (where the charges for terminal management services are in the form of revenue sharing and fixed fee basis), evidenced by the increase in the number of total ticket issuances from 0.65 million in the FYE 2022 to 0.82 million in the FYE 2023.

11. FINANCIAL INFORMATION (cont'd)**(ii) Cost of sales, GP and GP margin**

The table below sets out our cost of sales, GP and GP margin by business segments for the financial years under review:-

	FYE 2020		FYE 2021		FYE 2022		FYE 2023	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Purchases of hardware ⁽¹⁾	5,816	59.19	7,953	67.59	1,496	16.06	11,135	51.84
Staff costs ⁽²⁾	1,849	18.82	1,891	16.07	3,457	37.11	4,037	18.79
Subscriptions ⁽³⁾	516	5.25	883	7.50	1,118	12.00	2,153	10.02
Project cost ⁽⁴⁾	1,162	11.83	435	3.70	502	5.39	383	1.78
Amortisation ⁽⁵⁾	135	1.37	284	2.41	362	3.89	337	1.57
Merchant fees ⁽⁶⁾	39	0.40	174	1.48	1,345	14.44	1,899	8.84
Terminal operation charges ⁽⁷⁾	166	1.69	93	0.79	648	6.96	1,216	5.66
Others ⁽⁸⁾	143	1.45	54	0.46	387	4.15	323	1.50
Total cost of sales	9,826	100.00	11,767	100.00	9,315	100.00	21,483	100.00

Notes:-

- (1) Comprises amongst others, ACGs, TVMs, barrier gates, handheld devices, POS machines and payment terminal devices.

The increase in purchases of hardware from RM5.82 million in the FYE 2020 to RM7.95 million in the FYE 2021 was primarily due to the purchase of a higher number of hardware (which includes ACGs, TVMs, barrier gates, handheld devices and POS machines) in the FYE 2021 for the TOS at the integrated bus terminal project in Gombak.

The subsequent decrease in the purchases of hardware to RM1.50 million in the FYE 2022 was primarily due to the lower number of hardware purchased during the financial year. This was mainly attributable to the project requirements of the AFC project (where fewer hardware components are required during the initial phase of the project) and the absence of new installation and customisation projects following the completion of the customisation and installation works for the integrated bus terminal project in Gombak.

The subsequent increase in purchases of hardware from RM1.50 million in the FYE 2022 to RM11.14 million in the FYE 2023 was primarily due to the purchase of a higher number of hardware (which includes, amongst others, ACGs, POS machines and payment terminal devices) in the FYE 2023 for the AFC project.

- (2) Comprise salaries and allowances for our IT software engineers, project consultants and technicians who are directly involved in the provision of IT solutions as well as our terminal management services staffs.

The increase in staff costs from RM1.89 million in the FYE 2021 to RM3.46 million in the FYE 2022 was mainly due to:-

- (i) the increase in the workforce of our Group from 74 personnel in the FYE 2021 to 93 personnel in the FYE 2022; and
- (ii) the revision in the overall remuneration package of the workforce in the FYE 2022. Our Group had previously temporary suspended the overall increment in salaries and payment of bonuses in the FYE 2020 and the FYE 2021 as part of our cash management and conservation strategy in view of the uncertainties due to the COVID-19 pandemic.

The increase in staff costs from RM3.46 million in the FYE 2022 to RM4.04 million in the FYE 2023 was mainly due to the increase in the workforce of our Group from 93 personnel in the FYE 2022 to 116 personnel in the FYE 2023, in particular, our Existing Specified Bus Terminals staff and technicians.

11. FINANCIAL INFORMATION (cont'd)

- (3) Comprise monthly cloud hosting and data plan subscriptions for terminals and buses.

The increase in subscriptions from RM0.52 million in the FYE 2020 to RM0.88 million in the FYE 2021 was primarily due to the increase in number of stage buses adopting our BOS, which resulted in the increase in data plan consumption (as the subscription charges are based on usage). The subsequent increase in subscriptions to RM1.12 million in the FYE 2022 was primarily due to the installation of the AFC (which incorporates cloud hosting of the solution in the subscription package of our Group with the service provider). The subsequent increase in subscriptions from RM1.12 million in the FYE 2022 to RM2.15 million in the FYE 2023 was primarily due to the increase in data plan subscription for the identified rail stations with AFC.

- (4) Comprises the software development costs and consultant fees incurred for technical advisory and support services.

The decrease in project cost from RM1.16 million in the FYE 2020 to RM0.44 million in the FYE 2021 was primarily due to the discontinuation of external technical advisory services following the appointment of our CTO, who subsequently assumed and undertake such functions. The project cost incurred of RM0.50 million in the FYE 2022 was relatively consistent with project cost incurred in the previous financial year (FYE 2021: RM0.44 million). The decrease in project cost from RM0.50 million in the FYE 2022 to RM0.38 million in the FYE 2023 was primarily due to the absence of new projects requiring customisation of solutions.

- (5) Comprise amortisation of intangible assets which mainly relates to the capitalisation of the software development cost for the Rail Routes under Zero Capex model.

- (6) Comprise processing fees/handling charges from merchant for e-payment transactions.

The overall increase in merchant fees from RM0.04 million in the FYE 2020 to RM1.35 million in the FYE 2022 was mainly due to increase in rail ridership and the purchase of rail tickets following the upliftment of the movement control order (which involves travel restrictions) by the Malaysian Government as Malaysia enters the endemic phase in April 2021. The increase in merchant fees from RM1.35 million in the FYE 2022 to RM1.90 million in the FYE 2023 was mainly due to the increase in the sale of rail tickets in tandem with the increase in rail ridership in the FYE 2023.

- (7) Comprise insurance premium and cash management solutions for the Existing Specified Bus Terminals.

- (8) Comprise freight and transportation charges for hardware installation and custom duties for oversea purchases.

	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	18,973	20,314	26,549	43,946
Cost of sales	(9,826)	(11,767)	(9,315)	(21,483)
GP	9,147	8,547	17,234	22,463
GP margin (%)	48.21	42.07	64.91	51.12

	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Rail Segment	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	11,920	1,601	15,477	31,366
Cost of sales	(7,659)	(1,327)	(5,637)	(17,052)
GP	4,261	274	9,840	14,314
GP margin (%)	35.75	17.11	63.58	45.64

	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Bus Segment	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	6,978	17,817	10,171	11,891
Cost of sales	(2,101)	(10,424)	(3,341)	(3,814)
GP	4,877	7,393	6,830	8,077
GP margin (%)	69.89	41.49	67.15	67.93

11. FINANCIAL INFORMATION (cont'd)

Recurring	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	5,741	7,141	17,380	21,691
Cost of sales	(1,983)	(2,938)	(4,796)	(7,485)
GP	3,758	4,203	12,584	14,206
GP margin (%)	65.46	58.86	72.41	65.49

Non-recurring	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	13,232	13,173	9,169	22,255
Cost of sales	(7,843)	(8,829)	(4,519)	(13,998)
GP	5,389	4,344	4,650	8,257
GP margin (%)	40.73	32.98	50.71	37.10

Commentary on cost of sales, GP and GP margin**FYE 2020 to FYE 2021**

Our overall GP decreased by 6.56% to RM8.55 million in the FYE 2021 (FYE 2020: RM9.15 million), which was mainly due to the decrease in GP of our rail segment (mainly attributable to completion of the installation of CTS contract in the FYE 2020 and the low ridership arising from the travel restrictions imposed to curb the COVID-19 pandemic). The decrease in GP of our rail segment from RM4.26 million to RM0.27 million was to a certain extent mitigated by the increase in GP of our bus segment from RM4.88 million in the FYE 2020 to RM7.39 million in the FYE 2021.

Our overall GP margin decreased to 42.07% in the FYE 2021 (FYE 2020: 48.21%), which was mainly attributed to the following:-

- lower GP margin for our bus segment of 41.49% in the FYE 2021 (FYE 2020: 69.89%⁽¹⁾). This was due to:-
 - (a) our Group undertaking the TOS project in respect of an integrated bus terminal in Gombak where the project requires lesser customisation and has a lower level of technical complexity given that the existing modules available are suited to be installed at site. For information purposes, the aforesaid TOS project was secured by our Group in December 2020 and commenced development and customisation works in January 2021; and
 - (b) the low utilisation rate of the TOS facility at our Existing Specified Bus Terminals as:-
 - (aa) low utilisation rate will translate to lower revenue for our Group as our revenue sharing charges are based on pay-per-use basis and a percentage of tickets sales; whilst
 - (bb) our costs to operate the Existing Specified Bus Terminals remained fairly fixed (regardless of the utilisation rate) as evidenced by the operating costs of the Existing Specified Bus Terminals incurred were RM1.10 million in the FYE 2020 and RM1.28 million in the FYE 2021; and

11. FINANCIAL INFORMATION (cont'd)

- lower GP margin for our rail segment of 17.11% in the FYE 2021 (FYE 2020: 35.75%) due to the completion of the CTS contract for a rail operator and the travelling restrictions imposed by the Malaysian government in its efforts to curb the spread of the COVID-19 virus, which had resulted in a decline in the Rail Routes' ridership. The decline in the Rail Routes' ridership will result in lower revenue for our Group as the revenue sharing charges are based on number of ticket sales, whilst our Group continue to incur fixed operating costs (such as staff and subscriptions costs).

Our GP margin for recurring income segment had decreased to 58.86% in the FYE 2021 (FYE 2020: 65.46%). This was primarily due to the low utilisation rate of TOS facility at our Existing Specified Bus Terminals (which is measured by the number of pick-up/entry of buses and ticket sales at the terminals) whilst incurring fixed operating costs in providing system operator services and terminal management services. Our GP margin for non-recurring income segment had also decreased to 32.98% in the FYE 2021 (FYE 2020: 40.73%), mainly due to our Group undertaking the TOS project in respect of an integrated bus terminal in Gombak (which has a lower project margin due to the project requiring lesser customisation and has a lower level of technical complexity given that the existing modules available are suited to be installed at site).

Note:-

(1) *The higher GP margin for the bus segment in the FYE 2020 (as compared to the GP margin achieved in the FYE 2021) was mainly attributable to:-*

- the higher utilisation rate of TOS facility at Terminal Melaka Sentral in the FYE 2020 (prior to the COVID-19 pandemic). For information purposes, the other 2 Existing Specified Bus Terminals had only commenced operations in the FYE 2021 during the COVID-19 pandemic and the low utilisation of the TOS facility of the Existing Specified Bus Terminal further affected the GP margin for the bus segment in the FYE 2021; and*
- absence of new projects for the bus segment in the FYE 2020 with GP margins for new projects are typically lower than maintenance-based projects as hardware costs are incorporated as part of the cost of sales for the new projects.*

Further, it should be noted that the GP margins for the bus segment for the FYE 2020 and the FYE 2022 are relatively consistent (although the GP margin for FYE 2022 takes into account the GP margins for the other 2 Existing Specified Bus Terminals). The GP margins for Specified Bus Terminals will differ from each other due to the terms of the maintenance contracts (which takes into consideration, the tenure of the contact and the level of investment for the hardware as well as the scale and size of the TOS operations).

FYE 2021 to FYE 2022

Our overall GP increased by 101.52% to RM17.23 million in the FYE 2022 (FYE 2021: RM8.55 million), which was mainly due to the increase in GP of our rail segment from RM0.27 million in the FYE 2021 to RM9.84 million in the FYE 2022. This was mainly attributable to the increase in ridership of the Rail Routes and the customisation and installation of the AFC (which commands a higher margin due to advanced customisation required and has a higher level of technical complexity of the project). The increase in the Rail Routes' ridership will result in higher revenue for our Group as the revenue sharing charges are based on number of ticket sales, whilst our Group continue to incur fixed operating costs (such as staff and subscriptions costs).

The increased in GP of our rail segment was to a certain extent offset by the decrease in GP of our bus segment of RM7.39 million in the FYE 2021 to RM6.83 million in the FYE 2022.

11. FINANCIAL INFORMATION (cont'd)

Our overall GP margin increased to 64.91% in the FYE 2022 (FYE 2021: 42.07%), which was mainly attributed to the following:-

- higher GP margins for our bus segment of 67.15% in the FYE 2022 (FYE 2021: 41.49%). This was mainly due to high utilisation rate of the TOS facility at the Existing Specified Bus Terminals as:-
 - (a) high utilisation rate will translate to higher revenue for our Group as our revenue sharing charges are based on pay-per-use basis and a percentage of tickets sales; whilst
 - (b) our costs to operate the Existing Specified Bus Terminals remained fairly fixed (regardless of the utilisation rate) as evidenced by the operating costs of the Existing Specified Bus Terminals incurred of RM1.28 million in the FYE 2021 and RM1.53 million in the FYE 2022.
- higher GP margin for our rail segment of 63.58% in the FYE 2022 (FYE 2021: 17.11%) due to the customisation and installation of the AFC and the increased Rail Routes' ridership.

Our GP margin for recurring income segment had increased to 72.41% in the FYE 2022 (FYE 2021: 58.86%). This was mainly due to the increase in both Rail Routes' ridership and high utilisation rate of TOS facility at the Existing Specified Bus Terminals (which is measured by the number of pick-up/entry of buses and ticket sales at the terminals) whilst incurring fixed operating costs in providing system operator services and terminal management services. Our GP margin for non-recurring income segment had also increased to 50.71% in the FYE 2022 (FYE 2021: 32.98%), driven mainly by the higher project margin in respect of the customisation and installation of the AFC. Our project margins will vary depending on the respective project specification, technical complexity and the business engagements (i.e. Outright Purchase or Zero Capex). It should hence be noted that projects which requires advanced customisation and has a higher level of technical complexity, such as AFC, will typically command a higher project margin as compared to projects which require less customisation and lower level of technical complexity (such as BOS or TOS installation for bus terminals as such solutions are existing modules available to be installed at site).

FYE 2022 to FYE 2023

Our overall GP increased by 30.35% to RM22.46 million in the FYE 2023 (FYE 2022: RM17.23 million), which was mainly due to the increase in GP of our rail segment from RM9.84 million in the FYE 2022 to RM14.31 million in the FYE 2023 and the increase in GP of our bus segment from RM6.83 million in the FYE 2022 to RM8.08 million in the FYE 2023.

Our overall GP margin decreased to 51.12% in the FYE 2023 (FYE 2022: 64.91%), which was mainly attributed to the lower GP margin of our rail segment of 45.64% in the FYE 2023 (FYE 2022: 63.58%) as our Group undertook the final stages of the customisation and installation of the AFC project (which commands a lower margin given that the final stage involves hardware installation which are based on Outright Purchases).

Our GP margin for recurring income segment had decreased to 65.49% in the FYE 2023 (FYE 2022: 72.41%). This was mainly due to the increase in staff costs in providing system operator services (following the introduction of Minimum Wages Order 2022 to increase Malaysia's national minimum wage to RM1,500 per month, which came into effect on 1 January 2023), and the increase in the workforce of our Group from 93 personnel in the FYE 2022 to 116 personnel in the FYE 2023, in particular, our Existing Specified Bus Terminals staff and technicians.

11. FINANCIAL INFORMATION (cont'd)

Our GP margin for non-recurring income segment had also decreased to 37.10% in the FYE 2023 (FYE 2022: 50.71%), driven mainly by the lower project margin in respect of the completion of installation of hardware for the AFC project.

(iii) Other income

The following table sets out our other income during the financial years under review:-

	FYE 2020		FYE 2021		FYE 2022		FYE 2023	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Gain on lease modification ⁽¹⁾	-	-	-	-	234	36.22	-	-
Government grant ⁽²⁾	-	-	-	-	-	-	100	61.73
Wages subsidy ⁽³⁾	418	71.09	397	51.63	23	3.56	-	-
COVID-19 related rent concession income ⁽⁴⁾	164	27.89	343	44.60	-	-	-	-
Miscellaneous ⁽⁵⁾	6	1.02	29	3.77	389	60.22	62	38.27
Total other income	588	100.00	769	100.00	646	100.00	162	100.00

Notes:-

- (1) Gain on lease modification relates to the financial impact arising from the change in contractual obligations/terms of the revised lease agreement, resulting in favourable financial outcome to our Group as compared to the initial terms of the lease agreement.
- (2) The government grant awarded by MDEC to our Group for GoHub.com.my web platform under the "Malaysia Digital Catalyst" in October 2023.
- (3) The wages subsidy received by our Group during the financial years under review relates to the monthly financial assistance from the Malaysian Government under the following programmes:-
- (i) Penjana Kerjaya 1.0 and Penjana Kerjaya 2.0 under the economic recovery plan (PENJANA) implemented by SOCSO;
 - (ii) Program Subsidi Upah (PSU) 1.0, PSU 2.0, PSU 3.0 and PSU 4.0; and
 - (iii) Human Resources Development Fund (HRDF) training claimable allowance.
- (4) Our COVID-19 related rent concession income relates to the rental reduction granted by our lessors to provide financial relief in response to the economic challenges posed by the COVID-19 pandemic. We obtained rental reduction mainly for our TBS office and Terminal Melaka Sentral for the FYE 2020 and FYE 2021.
- (5) Primarily comprising the receipt of the compensation from a terminal operator in Sepang, Selangor Darul Ehsan in respect of the early termination of CTS contract ("**Terminated CTS Contract**"), gain on disposal of motor vehicles, net unrealised and realised foreign exchange gain and rental income relating to rental of terminal booths and facilities.

Commentary on other income**FYE 2020 to FYE 2021**

Our other income increased by RM0.18 million or 30.51% from RM0.59 million in the FYE 2020 to RM0.77 million in the FYE 2021, mainly due to the higher COVID-19 related rent concession income recorded in the FYE 2021 of RM0.34 million (FYE 2020: RM0.16 million).

11. FINANCIAL INFORMATION (cont'd)**FYE 2021 to FYE 2022**

Our other income decreased by RM0.12 million or 15.58% from RM0.77 million in the FYE 2021 to RM0.65 million in the FYE 2022, mainly due to the discontinuation of the wages subsidy by the Malaysian Government in March 2022 and the absence of rental concession in the FYE 2022 from our lessors (which was previously granted to our Group in the FYE 2021), and these rental rates have reverted to the initial rates as per the terms of the respective lease agreements. Such decrease was, to a certain extent offset by the receipt of compensation of RM0.25 million from a terminal operator in respect of the Terminated CTS Contract (which has solutions and services tenure of 5 years from 1 January 2021 to 31 December 2025).

FYE 2022 to FYE 2023

Our other income decreased by RM0.49 million or 75.38% from RM0.65 million in the FYE 2022 to RM0.16 million in the FYE 2023, mainly due the following:-

- the absence of rental concession from our lessors (which was previously granted to our Group in the FYE 2022), and such rental rates have reverted to the initial rates as per the terms of the respective lease agreements in the FYE 2023; and
- absence of one-off compensation of RM0.25 million in the FYE 2022 from a terminal operator in respect of the early termination of CTS contract.

(iv) Selling expenses

The following table sets out our selling expenses during the financial years under review:-

	FYE 2020		FYE 2021		FYE 2022		FYE 2023	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Staff costs ⁽¹⁾	409	37.05	404	45.55	582	44.98	984	52.26
Travelling and accommodation ⁽²⁾	390	35.32	285	32.13	421	32.53	657	34.89
Others ⁽³⁾	305	27.63	198	22.32	291	22.49	242	12.85
Total selling expenses	1,104	100.00	887	100.00	1,294	100.00	1,883	100.00

Notes:-

- (1) Comprise staff salaries of our business development personnel and wages, bonuses, employees' contributions and other employees' benefits.
- (2) Comprise travelling expenses incurred by our business development personnel to market our IT solutions as well as accommodation expenses.
- (3) Comprise mainly upkeep of motor vehicles, donations and entertainment expenses.

Commentary on selling expenses**FYE 2020 to FYE 2021**

We recorded a lower selling expenses of RM0.89 million in the FYE 2021 (FYE 2020: RM1.10 million), representing a decrease of RM0.21 million or 19.09%. This was mainly due to lower travelling and accommodation expenses of RM0.29 million incurred in the FYE 2021 (FYE 2020: RM0.39 million) as our business development personnel conducted most of the meetings online with our customers in view of the travelling restrictions arising from the COVID-19 pandemic.

11. FINANCIAL INFORMATION (cont'd)**FYE 2021 to FYE 2022**

We recorded a higher selling expenses of RM1.29 million in the FYE 2022 (FYE 2021: RM0.89 million), representing an increase of RM0.40 million or 44.94%, mainly due to the following:-

- increased in staff costs by 45.00% to RM0.58 million in the FYE 2022 (FYE 2021: RM0.40 million) as a result of the increased staff headcount in our business development team from 5 personnel to 8 personnel in the FYE 2022 to cater for our business expansion; and
- increased in travelling and accommodation expenses by 44.83% to RM0.42 million in the FYE 2022 (FYE 2021: RM0.29 million) as our business development personnel had carried out higher number of physical site visits and meetings in the FYE 2022 to market our solutions and undertake preliminary customer on boarding functions (which includes laying out the key project requirements and parameters) with one of our major customers.

FYE 2022 to FYE 2023

We recorded a higher selling expenses of RM1.88 million in the FYE 2023 (FYE 2022: RM1.29 million), representing an increase of RM0.59 million or 45.74%, mainly due to the following:-

- increase in staff costs by 68.97% to RM0.98 million in the FYE 2023 (FYE 2022: RM0.58 million) as a result of the payment of bonuses and upward revision in our staff salaries in the FYE 2023 in view of improving business operating environment of our Group; and
- increase in travelling and accommodation expenses by 57.14% to RM0.66 million in the FYE 2023 (FYE 2022: RM0.42 million) as our business development personnel had carried out higher number of physical site visits and meetings in the FYE 2023 to market our solutions and undertake preliminary customer on-boarding functions (which includes laying out the key project requirements and parameters) with one of our major customers.

(v) Administrative expenses

The following table sets out our administrative expenses during the financial years under review:-

	FYE 2020		FYE 2021		FYE 2022		FYE 2023	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Employees' benefits costs ⁽¹⁾	1,875	70.52	2,242	76.47	3,114	78.64	4,278	63.99
General office and upkeep expenses ⁽²⁾	334	12.56	239	8.15	328	8.28	427	6.39
Office rental ⁽³⁾	⁽⁴⁾ 103	3.87	⁽⁵⁾ -	-	2	0.05	27	0.40
Professional fees ⁽⁶⁾	69	2.59	143	4.88	221	5.58	1,552	23.22
Others ⁽⁷⁾	278	10.46	308	10.50	295	7.45	401	6.00
Total administrative expenses	2,659	100.00	2,932	100.00	3,960	100.00	6,685	100.00

Notes:-

- (1) Comprise mainly Directors' remuneration, operational and administrative staff salaries, wages, bonuses, employees' contributions and other employees' benefits.
- (2) Comprise mainly utilities, repair and maintenance, telephone and fax charges.
- (3) Rental of premises, which includes offices.

11. FINANCIAL INFORMATION (cont'd)

- (4) *The rental expenses incurred in the FYE 2020 relates to short term rental of offices for a tenancy period of less than 1 year with the purpose of conducting training to KTMB's staff in respect of CTS. Our Group has elected to apply the exemption of the MFRS 16 to not recognise short-term leases as right-of-use and lease liabilities. In respect thereof, any lease agreement with rental period of less than 1 year will hence be recognised as rental expenses (as opposed to right-of-use) in accordance with MFRS 16.*
- (5) *Our Group did not recognise any rental expenses in the FYE 2021 due to:-*
- (i) *the recognition of the rental of offices (as set out in **Section 6.17.2** of this Prospectus) as right-of-use in accordance with MFRS 16; and*
- (ii) *our Group did not have any lease agreement with tenancy period of less than 1 year during the financial year.*
- (6) *Comprise mainly fees payable to our auditors, solicitors and secretarial agents.*
- (7) *Comprise mainly medical fees, insurance, printing and stationeries and travelling expenses.*

Commentary on administrative expenses**FYE 2020 to FYE 2021**

We recorded a higher administrative expense of RM2.93 million in the FYE 2021 (FYE 2020: RM2.66 million), representing an increase of RM0.27 million or 10.15%. This was mainly due to the higher employees' benefits costs of RM2.24 million recorded during the FYE 2021 (FYE 2020: RM1.88 million), resulting from the expansion of staff headcount (where our operational and administrative staff headcount increased from 34 in the FYE 2020 to 39 in the FYE 2021), including the recruitment of 2 senior personnel (both managerial levels), to cater for our business expansion plan.

FYE 2021 to FYE 2022

We recorded a higher administrative expense of RM3.96 million in the FYE 2022 (FYE 2021: RM2.93 million), representing an increase of RM1.03 million or 35.15%. This was mainly due to the following:-

- higher employees' benefits costs of RM3.11 million recorded in the FYE 2022 (FYE 2021: RM2.24 million) as we continue to increase our operational and administrative staff headcount from 39 in the FYE 2021 to 42 in the FYE 2022 as well as the revision in the overall remuneration package of our employees in the FYE 2022. Our Group had previously temporary suspended the overall increment in salaries and payment of bonuses in the FYE 2020 and the FYE 2021 as part of our cash management and conservation strategy in view of the uncertainties due to the COVID-19 pandemic); and
- the overall increase in general office and upkeep expenses recorded in the FYE 2022.

FYE 2022 to FYE 2023

We recorded a higher administrative expense of RM6.69 million in the FYE 2023 (FYE 2022: RM3.96 million), representing an increase of RM2.73 million or 68.94%. This was mainly due to the following:-

- higher employees' benefits costs of RM4.28 million recorded in the FYE 2023 (FYE 2022: RM3.11 million) which was mainly due to the payment of bonuses and upward revision in our staff salaries in the FYE 2023 in view of improving business operating environment of our Group; and
- higher professional fees of RM1.55 million incurred in the FYE 2023 (FYE 2022: RM0.22 million), mainly arising from our IPO expenses incurred during the FYE 2023 of RM1.17 million.

11. FINANCIAL INFORMATION (cont'd)**(vi) Other operating expenses**

The following table sets out our other operating expenses during the financial years under review:-

	FYE 2020		FYE 2021		FYE 2022		FYE 2023	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Depreciation ⁽¹⁾	1,886	96.13	2,242	98.25	2,505	71.03	2,853	99.48
Impairment losses on trade receivables	-	-	-	-	441	12.50	-	-
Bad debts written off	-	-	-	-	546	15.48	-	-
Others ⁽²⁾	76	3.87	40	1.75	35	0.99	15	0.52
Total other operating expenses	1,962	100.00	2,282	100.00	3,527	100.00	2,868	100.00

Notes:-

- (1) Comprise depreciation on property, plant and equipment and right-of-use assets. This includes the equipment and right-of-use assets in respect of our Zero Capex model.
- (2) Comprise mainly loss on disposal of motor vehicles and property, plant and equipment written off.

Commentary on other operating expenses**FYE 2020 to FYE 2021**

We recorded a higher other operating expenses of RM2.28 million in the FYE 2021 (FYE 2020: RM1.96 million), representing an increase of 16.33% or RM0.32 million. This was primarily attributed to the increase in depreciation expenses of RM2.24 million in the FYE 2021 (FYE 2020: RM1.89 million), in particular, higher depreciation of property, plant and equipment expenses of RM0.89 million recorded in the FYE 2021 (FYE 2020: RM0.68 million) following the purchase of additional IT equipment for BOS operations (such as IT tools, handheld devices and thermal printers) during the financial year.

FYE 2021 to FYE 2022

We recorded higher other operating expense of RM3.53 million in the FYE 2022 (FYE 2021: RM2.28 million), representing an increase of 54.82% or RM1.25 million. This was primarily attributed to the following:-

- impairment losses on trade receivables of RM0.44 million recorded in the FYE 2022, after taking into consideration, amongst others, our Group's credit assessment on the recoverability of the outstanding trade receivables of RM4.45 million owed by 2 major customers, as well as the expected credit loss calculation on the said trade receivables; and
- bad debts written off of RM0.55 million in the FYE 2022, after our credit assessment on an existing customer, Setara Jaya Sdn Bhd who was placed under winding up proceedings and with no reasonable expectation on the full recovery of the outstanding debt.

11. FINANCIAL INFORMATION (cont'd)**FYE 2022 to FYE 2023**

We recorded a lower other operating expenses of RM2.87 million in the FYE 2023 (FYE 2022: RM3.53 million), representing a decrease of 18.70% or RM0.66 million. The lower other operating expenses recorded in the FYE 2023 was mainly due to the absence of impairment losses on trade receivables and bad debts written off during the FYE 2023. This was due to the implementation of the stringent credit control practices of our Group, which was evidenced by the average trade receivables turnover period of 90 days in the FYE 2023 (which is within the normal credit period).

(vii) Finance costs – net off finance income

Our finance costs - net off finance income for the financial years under review is set out below:-

	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Finance income				
Interest income from:-				
- short-term deposits	-	-	15	23
- interest from outstanding trade receivables ⁽¹⁾	137	86	34	1
	137	86	49	24
Finance costs				
Interest expense on:-				
- term loans	337	368	510	480
- lease liabilities	422	374	465	611
- bankers' acceptance	-	-	-	2
- bank overdrafts	49	34	12	5
- bank guarantee fee	47	54	64	87
- revolving credits	330	496	94	-
	1,185	1,326	1,145	1,185
Finance costs – net off finance income	(1,048)	(1,240)	(1,096)	(1,161)

Note:-

(1) Our Group typically charges interest on the outstanding trade receivables (exceeding credit period of 30 days) with the intention to compel our customers for our BOS to promptly settle the outstanding receivables. Our policy on the charging interest on the outstanding trade receivables is dependent on, amongst others, terms and conditions of the purchase orders/contracts, the credit and financial standing of our customers and the length of our relationship with the customers.

Our finance costs - net off finance income for the financial years under review is relatively consistent as it ranges between RM1.05 million to RM1.24 million.

(viii) PBT and PBT margin

Our PBT and PBT margin for the financial years under review are set out below:-

	Audited			
	FYE 2020	FYE 2021	FYE 2022	FYE 2023
PBT (RM'000)	2,962	1,975	8,003	10,028
PBT margin (%)	15.61	9.72	30.14	22.82

11. FINANCIAL INFORMATION (cont'd)**FYE 2020 to FYE 2021**

We recorded a lower PBT of RM1.98 million in the FYE 2021 (FYE 2020: RM2.96 million), representing a decrease of 33.11% or RM0.98 million. This was mainly contributed by the decline in our GP and increase in other operating expenses as explained in **Sections 11.3.2(ii)** and **11.3.2(vi)** of this Prospectus. As a result, our PBT margin decreased from 15.61% to 9.72%, which resulted from:-

- the lower GP margin recorded in the FYE 2021 as compared to the previous financial year due to the factors explained in **Section 11.3.2(ii)** of this Prospectus; whilst
- our other expenses (comprising selling, administrative and other operating expenses) incurred in the FYE 2021 of RM6.10 million remained relatively consistent with the previous financial year (FYE 2020: RM5.73 million).

FYE 2021 to FYE 2022

We recorded a higher PBT of RM8.00 million in the FYE 2022 (FYE 2021: RM1.98 million), representing an increase of 304.04% or RM6.02 million. This was mainly contributed by our revenue and GP growth as explained in **Sections 11.3.2(i)** and **11.3.2(ii)** of this Prospectus. As a result, our PBT margin increased from 9.72% to 30.14%, which resulted from the improved GP margin recorded in the FYE 2022 as compared to the previous financial year due to the factors set out in **Section 11.3.2(ii)** of this Prospectus, in particular, the increase in rail ridership and higher utilisation rate of TOS facility at the Existing Specified Bus Terminals (both income of which are revenue sharing in nature). The increase in PBT margin was also to a certain extent mitigated by the increase in other operating expenses of RM8.78 million incurred in the FYE 2022 (FYE 2021: RM6.10 million).

FYE 2022 to FYE 2023

We recorded a higher PBT of RM10.03 million in the FYE 2023 (FYE 2022: RM8.00 million), representing an increase of 25.38% or RM2.03 million. This was mainly contributed by the growth of our revenue and GP in the FYE 2023. Meanwhile, our PBT margin decreased from 30.14% in the FYE 2022 to 22.82% in the FYE 2023. This was mainly due to the decrease in our GP margin and the one-off listing expenses of RM1.17 million incurred in the FYE 2023.

(ix) Income tax expense/(credit)

The effective tax rate and statutory tax rate for the financial years under review are as follows:-

	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Income tax at Malaysian statutory income tax rate	711	474	1,921	2,407
Small Medium Enterprise ("SME") tax savings	(35)	-	-	-
Adjustments:-				
- Income not subject to tax	(97)	(92)	(142)	(1)
- Non-deductible expenses	617	605	235	220
- Deferred tax not recognised on tax losses and temporary differences	6	-	1	-
- Utilisation of previously unrecognised tax losses and capital allowance	(25)	(117)	-	-

11. FINANCIAL INFORMATION (cont'd)

	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
- Adjustments in respect of current income tax of prior year	1	-	(9)	279
- Adjustment in respect of deferred tax of prior year	6	(1)	(60)	37
- Tax exempted ⁽¹⁾	(481)	(1,295)	-	-
Income tax expense/(credit)	703	(426)	1,946	2,942
PBT	2,962	1,975	8,003	10,028
Statutory tax rate (%) ⁽²⁾	17.00/24.00	17.00/24.00	17.00/24.00	24.00
Effective tax rate (%) ⁽³⁾	23.73	-	24.32	29.34

Notes:-

- (1) Our subsidiary, NSS, was granted the Pioneer Status by the Ministry of Investment, Trade and Industry for services under the Promotion Investment Act, 1986, resulting of which that statutory income of NSS is exempted from tax from 3 April 2017 to 30 June 2021.
- (2) Income tax rate applicable for SME incorporated in Malaysia with paid up capital of RM2.50 million or below and annual sales that less than RM50.00 million is subject to statutory tax rate of 17.00% on first chargeable income up to RM600,000 for the year of assessment 2020, 2021 and 2022.
- For chargeable income in excess of RM600,000 for the year of assessment of 2020, 2021 and 2022, the statutory tax rate of 24.00% is still applicable. For information purposes, our Group will no longer be qualified for the above-mentioned SME tax rate on the year of assessment 2023 onwards. The anticipated yearly tax savings arising from the SME tax savings is less than RM0.10 million. Our management is hence of the view that the absence of such tax savings would not materially impact our PAT moving forward.
- (3) Calculated based on the income tax expenses over our total PBT for the respective FYE 2020, FYE 2021 and FYE 2022.

Our effective tax rate during the financial years under review is generally close to the statutory tax rate save for the effective tax rate in the FYE 2021 due to income tax exemptions during the financial year and utilisation of previously unrecognised tax losses and capital allowances. The higher effective tax rate of 29.34% in the FYE 2023 was mainly due to under provision of income tax in respect of the FYE 2022 of RM0.28 million, which was recognised in the FYE 2023.

(x) PAT and PAT margin

Our PAT and PAT margin for the financial years under review are set out below:-

	Audited			
	FYE 2020	FYE 2021	FYE 2022	FYE 2023
PAT (RM'000)	2,259	2,401	6,057	7,086
PAT margin (%)	11.91	11.82	22.81	16.12

FYE 2020 to FYE 2021

We recorded a higher PAT of RM2.40 million in the FYE 2021 (FYE 2020: RM2.26 million), representing an increase of 6.19% or RM0.14 million. The increase in PAT is in line with the growth of our revenue for the FYE 2021. Meanwhile, our PAT margin decreased to 11.82% in the FYE 2021 (FYE 2020: 11.91%) in line with the decrease in our GP margin and PBT margin and was to a certain extent, mitigated by the utilisation of previously unrecognised tax losses of RM0.49 million.

11. FINANCIAL INFORMATION (cont'd)**FYE 2021 to FYE 2022**

We recorded a higher PAT of RM6.06 million in the FYE 2022 (FYE 2021: RM2.40 million), representing an increase of 152.50% or RM3.66 million. The increase in PAT is in line with the growth in our revenue, GP and PBT for the FYE 2022, mainly driven by the growth in our rail segment. Our PAT margin increased to 22.81% in the FYE 2022 (FYE 2021: 11.82%) in line with the increase in our GP margin and PBT margin.

FYE 2022 to FYE 2023

We recorded a higher PAT of RM7.09 million in the FYE 2023 (FYE 2022: RM6.06 million), representing an increase of 17.00% or RM1.03 million. The increase in PAT is in line with the increase in our GP and PBT in the FYE 2023. Our PAT margin decreased to 16.12% in the FYE 2023 (FYE 2022: 22.81%), in line with the decrease in our PBT margin.

11.3.3 Significant factors affecting our financial position and results of operations

Our Group's financial condition and financial performance may be affected by the following key factors:-

(i) Dependency on securing projects and purchase orders

We are dependent on our ability to secure and retain contracts for the provision of enterprise IT services particularly from our existing and new customers in the public transportation sector to sustain our continuous growth. Our business model is predominantly contract-based, with contracts varying in length and scope depending on the nature of the project and customer requirements. As such the duration of the projects undertaken would typically range between 1 year to 5 years (with the option to extend), depending on the requirements of our customers' operational needs.

The potential loss of customers, particularly major ones, or risk of facing difficulties in securing new customers or additional projects from existing customers in a timely manner, could adversely impact our business and financial performance.

The composition of our Group's top 5 customers changes from year-to-year, depending on the type of services and projects undertaken, as well as the length of engagement with our customers.

Please refer to **Section 4.1.3** of this Prospectus for further details of our dependency on securing projects and purchase orders.

(ii) Demand and supply conditions

Our revenue and profitability are primarily dependent on the demand and supply conditions of the public transportation IT solutions provider sector, in particular, the demand conditions arising from the need and necessity for transportation service providers and operators to embrace and migrate to enterprise IT services, automating and efficiently managing its operational process flow (in particular, optimisation of its resource allocation and utilisation as well as ticketing and traffic management) and enhanced customer travelling experiences. This has led to an increase in the need and demand for our solutions and the competitive environment for the supply of IT solutions providers in the sector.

11. FINANCIAL INFORMATION (cont'd)

Our financial performance was affected by the travel restrictions imposed by the Malaysian Government during the FYE 2020 and FYE 2021 to curb the spread of COVID-19 pandemic. This was evidenced by the decline in Rail Routes' ridership and demand for both bus and rail services during the MCO period and the subsequent increase in ridership in the FYE 2022 following the gradual recovery from the COVID-19 pandemic related travel restrictions and the transition to endemic phase.

Please refer to **Section 7** of this Prospectus for further details on the demand and supply conditions.

(iii) Dependency on our Executive Directors, key senior management and qualified technicians

Our success depends, to a large extent, on our ability to attract and retain senior management, software engineers, project consultants and technicians with the right technical expertise, professional integrity and commitment that is aligned with our business core values. Hence, our ability to operate and compete could be adversely affected if we are unable to attract, train, motivate and retain qualified individuals. This in turn could negatively impact our business and financial results.

We are also dependent on our terminal management services workforce for the Existing Specified Bus Terminals. As at the LPD, our Group has a total workforce of 184 employees, of which 138 are software engineers, project consultants, technicians and our terminal management services workforce.

For the financial years under review and up to the LPD, we have not experienced any material turnover in our senior management and our IT development department (comprising of key divisions, namely IT solutions consultation, project management and software development) that has materially impacted our business. As part of our strategy to retain our employees, we have put in place competitive remuneration packages and attractive incentives to reward and motivate our performing personnel and to retain their services in our Group. We also believe that effective succession planning such as ensuring effective transfer of knowledge and smooth transitions involving key positions, is vital to the long-term success of our business.

Please refer to **Sections 4.1.7** and **4.1.8** of this Prospectus for further details on our dependency on our Executive Directors, key senior management and technicians.

11.3.4 Order book

As at the LPD, our total secured orders are approximately RM72.75 million, the details of which are as follows:-

	RM'000
Total secured orders as at the LPD	72,751
Billed orders as at the LPD	37,347
Unbilled orders as at the LPD	35,404

11. FINANCIAL INFORMATION (cont'd)

With regard to the unbilled orders as at the LPD totaling approximately RM35.40 million, we expect approximately RM9.29 million to be billed (of which RM7.59 million to be recognised) in the FYE 2024 and the balance of RM26.11 million to be billed and recognised in the subsequent financial years as set out below:-

Financial years	Orders to be billed and revenue to be recognised (RM'million)
FYE 2025	7.96
FYE 2026	7.43
FYE 2027	10.72
Total	26.11

It is pertinent to note that the above order book excludes the revenue contribution to be derived from our revenue sharing charges from our CTS maintenance solutions for the Rail Routes services (which is dependent on ridership) and our terminal management services at the Existing Specified Bus Terminals (which is dependent on utilisation rate). As at the LPD, we are serving 9 maintenance contracts in respect of CTS for the Rail Routes, AFC, Existing Specified Bus Terminals and maintenance for TBS, a bus terminal located in Pahang, Sabah and Parañaque Integrated Terminal Exchange in Manila, the Philippines.

11.3.5 Significant changes

There are no significant changes that have occurred, which may have a material effect on our financial position and results subsequent to the FYE 2023 up to the LPD.

11.3.6 Impact of foreign exchange rate

Our financial performance for the financial years under review was not materially affected by the fluctuations in foreign exchange rates as we predominantly provide our services in Malaysia.

11.3.7 Impact of interest rates

Our financial performance for the financial years under review was not materially affected by fluctuations in interest rates.

11.3.8 Impact of government, economic, fiscal or monetary policies

There were no government, economic, fiscal or monetary policies or factors which have significant effect on our business operations for the financial years under review, save for the impact of COVID-19 as disclosed in **Section 6.4** of this Prospectus.

11. FINANCIAL INFORMATION (cont'd)**11.4 Liquidity and capital resources****11.4.1 Working capital**

Our working capital is funded through a combination of cash generated from our operating activities and borrowings from financial institutions as well as our cash and cash equivalents. Our principal sources of liquidity as at 31 December 2023 are set out below:-

	RM'000
Cash and short-term deposits (including short term deposits not pledged for credit facilities)	3,440
Net cash flows from operating activities	4,467
Term loans	6,951
Lease liabilities (excluding lease liabilities recognised under MFRS 16)	310
Bankers' acceptance	87
Revolving credits	1,265

As at the LPD, our Group recorded cash and bank balances of approximately RM4.86 million and unutilised banking facilities of approximately RM6.73 million.

Based on the above and after taking into consideration the cash and cash equivalents, the expected profits to be generated from our operations, the amount that is available under our existing banking facilities, our expected future cash flows from operations as well as proceeds expected to be raised from the Public Issue, our Board is of the opinion that we will have sufficient working capital to meet our present and foreseeable requirements for at least a period of 12 months from the date of this Prospectus.

11.4.2 Cash flow

The table below sets out the summary of our combined statements of cash flows for the financial years under review and should be read in conjunction with the Accountants' Report as set out in **Section 12** of this Prospectus:-

	Audited			
	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net cash (used in)/from operating activities	(2,137)	2,106	13,943	4,467
Net cash from/(used in) investing activities	221	(2,210)	(463)	(3,389)
Net cash from/(used in) financing activities	2,202	515	(6,643)	(5,328)
Net increase/(decrease) in cash and cash equivalents	286	411	6,837	(4,250)
Cash and cash equivalents at beginning of the financial year	156	442	853	7,690
Cash and cash equivalents at end of the financial year	442	853	7,690	3,440
Cash and cash equivalents comprise the following:-				
Short-term deposits	606	1,314	1,415	3,058
Less: Pledged deposits	(606)	(1,314)	(1,415)	(3,058)
	-	-	-	-
Cash and bank balances	1,223	1,195	7,690	3,440
Bank overdrafts	(781)	(342)	-	-
	442	853	7,690	3,440

11. FINANCIAL INFORMATION (cont'd)

There are no legal, financial or economic restrictions on the ability of our subsidiaries to transfer/receive funds to/from our Company, subject to availability of distributable reserves and compliance with financial covenants, in the form of cash dividends, loans or advances.

Commentary on cash flow**FYE 2020****Net cash used in operating activities**

We recorded net cash used in operating activities of RM2.14 million for the FYE 2020 where cash receipts from our customers were offset by cash payments made to our suppliers, employees as well as income tax payments.

Cash receipts from our customers amounting to RM10.83 million, which was offset by our total cash payments amounting to RM12.97 million, which mainly comprise the following key items:-

- payment of RM7.34 million to our suppliers, for the purchases of IT related hardware of RM5.41 million, mainly for the rail segment; and
- payment of staff costs of RM4.13 million, which includes staff salaries, incentive, employees' EPF and SOCSO contributions, Directors' remuneration and bonus payments.

As a result of higher total cash payments of RM12.97 million, compared to cash receipts from customers amounting to RM10.83 million, we recorded negative cash from operating activities of RM2.14 million in the FYE 2020, attributed to the following:-

- slow in collection of trade receivables of RM2.23 million due to the business impact of COVID-19 pandemic;
- prompt payment of trade payables of RM4.94 million within the credit period; and
- increase in contract assets of RM2.79 million.

Net cash from investing activities

We recorded net cash from investing activities of RM0.22 million for the FYE 2020, which primarily attributable to the following:-

- cash payment of RM1.28 million to purchase property, plant and equipment (in particular, IT tools and equipment for the bus segment) and incurred development cost of RM0.92 million in respect of the intangible assets (i.e. the software developed by our Group, which primarily relates to customisation of the CTS for a rail operator during the financial year);
- withdrawal of deposits (which was previously pledged for performance bond purposes in respect of our contract with a rail operator) amounting to RM2.01 million following the revision of the terms and our obligations set out in the CTS contract with the rail operator; and
- proceeds from disposal of right-of-use assets (i.e. motor vehicles) of RM0.35 million.

11. FINANCIAL INFORMATION (cont'd)**Net cash from financing activities**

We recorded net cash from financing activities of RM2.20 million, mainly attributable to the following:-

- net drawdown of term loans of RM2.71 million (which was used to finance our working capital requirements and sustain our Group's operations during the COVID-19 pandemic period) and revolving credits of RM1.34 million (which was used to finance the purchases of IT related hardware);
- net repayment of lease liabilities of RM1.39 million in respect of the rental payment for the Terminal Melaka Sentral (which we manage as part of our terminal management services), rental payment for TBS office and the scheduled repayments for motor vehicles as set out in the hire purchase arrangements; and
- interest payment of RM1.09 million, relating mainly to term loans, lease liabilities, revolving credits and bank overdrafts.

FYE 2021**Net cash from operating activities**

We recorded net cash from operating activities of RM2.11 million where cash receipts from our customers were offset by cash payments made to our suppliers and employees, as well as income tax payments.

Cash receipts from our customers amounting to RM16.84 million, which was offset by our total cash payments amounting to RM14.73 million, which mainly comprise the following key items:-

- payment of RM9.22 million to our suppliers, for the purchases of IT related hardware of RM7.75 million, mainly for the bus segment; and
- payment of our staff costs of RM4.54 million, which includes staff salaries, incentive, employees' EPF and SOCSO contributions, Directors' remuneration and bonus payments.

Net cash used in investing activities

We recorded net cash used in investing activities of RM2.21 million for the FYE 2021, which primarily attributable to the following:-

- cash payment of RM0.81 million to purchase property, plant and equipment (in particular, tools and equipment for bus segment and motor vehicles) and incurred development cost of RM1.06 million in respect of the intangible assets (i.e. the software developed by our Group, which primarily relates to enhancement features of the CTS required by the rail operator throughout the financial year); and
- placement of pledged deposits amounting to RM0.71 million for performance bond purposes in respect of our contract with a rail operator.

11. FINANCIAL INFORMATION (cont'd)**Net cash from financing activities**

We recorded net cash from financing activities of RM0.51 million in the FYE 2021. The cash was primarily used for the following:-

- net drawdown of term loans of RM2.46 million, which was used to purchase IT related hardware and software equipment and solutions relating to bus segment;
- interest payment of RM1.24 million, relating mainly to term loans, lease liabilities, revolving credits and bank overdrafts; and
- net repayment of lease liabilities of RM1.21 million in respect of the rental payment for Terminal Melaka Sentral and Terminal Klang Sentral (which we manage as part of our management services), rental payment for the TBS office and the scheduled repayments for motor vehicles as set out in the hire purchase arrangements.

FYE 2022**Net cash from operating activities**

We recorded net cash from operating activities of RM13.94 million where cash receipts from our customers were offset by cash payments made to our suppliers and employees, as well as income tax payments.

Cash receipts from our customers amounting to RM29.67 million, which was offset by our total cash payments amounting to RM15.73 million, which mainly comprise the following key items:-

- payment of RM5.50 million to our suppliers which was primarily for the purchases of IT related hardware of RM1.35 million, mainly for the rail segment;
- payment of our staff costs of RM7.11 million, which includes staff salaries, incentive, employees' EPF and SOCSO contributions, Directors' remuneration and bonus payments; and
- payment of income tax amounting to RM1.52 million.

Net cash used in investing activities

We recorded net cash used in investing activities of RM0.46 million for the FYE 2022, which primarily attributable to the following:-

- cash payment of RM0.55 million to purchase property, plant and equipment (in particular, IT tools and equipment for bus segment);
- placement of pledged deposits amounting to RM0.10 million; and
- proceeds from the disposal of subsidiary amounting to RM0.17 million as the said subsidiary has ceased its business operations in software application development.

Net cash used in financing activities

We recorded net cash used in financing activities of RM6.64 million in the FYE 2022. The cash was primarily used for the following:-

- net repayment of term loans of RM0.45 million, which was used for working capital;

11. FINANCIAL INFORMATION (cont'd)

- repayment of lease liabilities amounting to RM1.34 million in respect of the rental payment for the Existing Specified Bus Terminals (which we manage as part of our management services), rental payment for TBS office and the scheduled repayments for motor vehicles as set out in the hire purchase arrangements;
- net repayment of revolving credits amounting to RM1.09 million, which was used to purchase IT related hardware for TOS for our secured projects;
- interest payment of RM1.07 million, relating mainly to term loans, lease liabilities, revolving credits and bank overdrafts; and
- payment of first single-tier interim dividend of RM2.50 million in respect of the FYE 2022.

FYE 2023

Net cash from operating activities

We recorded net cash from operating activities of RM4.47 million for the FYE 2023 where cash receipts from our customers were offset by cash payments made to our suppliers, employees as well as income tax payments.

Cash receipts from our customers amounting to RM39.10 million, which was offset by our total cash payments amounting to RM34.63 million, which mainly comprise the following key items:-

- payment of RM17.11 million to our suppliers, which was primarily for the purchases of hardware of RM11.00 million, mainly for the rail segment;
- payment of staff costs of RM9.22 million, which includes staff salaries, incentive, employees' EPF and SOCSO contributions, Directors' remuneration and bonus payments; and
- payment of income tax amounting to RM2.84 million.

For information purposes, we recorded a lower net cash from operating activities of RM4.47 million for the FYE 2023 (FYE 2022: RM13.94 million). This was primarily due to:-

- increase in trade receivables from RM6.64 million as at 31 December 2022 to RM14.36 million as at 31 December 2023, mainly due to the billing relating to the completion of the customisation and installation of AFC in the fourth quarter of 2022; and
- increase in staff costs in the FYE 2023 arising from the introduction of Minimum Wages Order 2022 (resulting in the increase in the minimum wage to RM1,500 per month, which came into effect on 1 January 2023), and the increase in the workforce of our Group from 93 personnel in the FYE 2022 to 116 personnel in the FYE 2023, in particular, our Existing Specified Bus Terminals staff and technicians.

Net cash used in investing activities

We recorded net cash used in investing activities of RM3.39 million in the FYE 2023, which primarily attributable to the following:-

- cash payment of RM1.17 million to purchase property, plant and equipment (in particular, IT tools and equipment for our bus segment) and incurred development cost of RM0.89 million in respect of the intangible assets (i.e. the software developed by our Group, which primarily relates to the enhancement of BOS to include "cashless" feature); and

11. FINANCIAL INFORMATION (cont'd)

- proceeds from the disposal of property, plant and equipment (i.e. motor vehicles) of RM0.26 million.

Net cash used in financing activities

We recorded net cash used in financing activities of RM5.33 million in the FYE 2023, mainly attributable to the following:-

- net repayment of term loans of RM1.15 million, which was used for working capital;
- net repayment of revolving credits of RM1.27 million, which was used to purchase IT related hardware for our secured projects relating to TOS;
- net repayment of lease liabilities of RM1.90 million in respect of the rental payment for the terminals (which we manage as part of our management services) and the scheduled repayments for motor vehicles as set out in the hire purchase arrangements; and
- interest payment of RM1.09 million, relating mainly to term loans and lease liabilities.

11.4.3 Capitalisation and indebtedness

The table below summarises our capitalisation and indebtedness of our Group as at the LPD, and after taking into account the Public Issue as well as the utilisation of proceeds as set out in **Section 3.6** of this Prospectus. The pro forma financial information below does not represent our Group's actual capitalisation and indebtedness as at the LPD and is provided for illustration purposes only.

	As at 30 April 2024 (RM'000)	Pro forma I After the Public Issue (RM'000)	Pro forma II After pro forma I and utilisation of proceeds (RM'000)
Capitalisation			
Share capital	13,310	50,823	⁽¹⁾ 49,751
Total capitalisation	13,310	50,823	49,751
Indebtedness			
Current			
<u>Secured and guaranteed</u>			
Term loans	104	104	1
Lease liabilities (under hire purchase agreement)	82	82	82
<u>Unsecured and guaranteed</u>			
Term loans	787	787	287
Bankers' acceptance	215	215	215
Revolving credits	843	843	1
<u>Unsecured and unguaranteed</u>			
Lease liabilities	1,541	1,541	1,541
	3,572	3,572	2,127
Non-current			
<u>Secured and guaranteed</u>			
Term loans	1,996	1,996	⁽²⁾ 9,187
Lease liabilities (under hire purchase agreement)	36	36	36

11. FINANCIAL INFORMATION (cont'd)

	As at 30 April 2024 (RM'000)	Pro forma I After the Public Issue (RM'000)	Pro forma II After pro forma I and utilisation of proceeds (RM'000)
<u>Unsecured and guaranteed</u>			
Term loans	2,664	2,664	2,105
<u>Unsecured and unguaranteed</u>			
Lease liabilities	5,800	5,800	5,800
	10,496	10,496	17,128
Total indebtedness	14,068	14,068	19,255
Total capitalisation and indebtedness	27,378	64,891	69,006
Gearing ratio (times)	1.06	0.28	0.39

Notes:-

- (1) Out of the total estimated listing expenses of RM4.00 million, a total of RM1.07 million is assumed to be directly attributable to the Public Issue and will be debited against share capital, whilst the remaining RM2.93 million will be charged to the profit or loss.
- (2) Our Group has entered into sale and purchase agreements dated 19 April 2024 with Joyful Star Sdn Bhd in relation to the Acquisition of Star Central Office Tower for a total purchase consideration of approximately RM12.90 million. Further details of the Acquisition of Star Central Office Tower are set out in **Section 3.6.1(iii)** of this Prospectus. The Acquisition of Star Central Office Tower will be part financed by the utilisation of proceeds from the Public Issue of RM3.72 million and the balance of RM9.18 million is assumed to be financed by bank borrowing.

11.4.4 Borrowings

As at 31 December 2023, our Group's total outstanding bank borrowings was RM8.61 million, all of which were interest-bearing with interest ranging from 3.50% to ⁽¹⁾18.00% per annum, and denominated in RM. Details of our bank borrowings are set out below:-

Type of facility	Purpose	Tenure	Effective interest rate per annum (%)	Less than 1 year (RM'000)	Between 1 to 5 years (RM'000)	More than 5 years (RM'000)	Outstanding amount as at 31 December 2023 (RM'000)
Term loans	To finance working capital and the purchase of office buildings for our Group	3 years to 25 years	3.50 – 12.25	1,063	3,320	2,568	6,951
Lease liabilities	To finance the purchase of motor vehicles for our Group	5 years	3.65 – 7.22	152	158	-	310
Bankers' acceptance	To finance the importation and local purchases of goods	3 months	3.84	87	-	-	87

11. FINANCIAL INFORMATION (cont'd)

Type of facility	Purpose	Tenure	Effective interest rate per annum (%)	Less than 1 year (RM'000)	Between 1 to 5 years (RM'000)	More than 5 years (RM'000)	Outstanding amount as at 31 December 2023 (RM'000)
Revolving credits	To finance the purchase of IT related hardware	Up to 1 year	(1)-	1,265	-	-	1,265
Total							8,613

Note:-

- (1) PMB Tjari Berhad has granted an interest-free arrangement to GOHUB from 20 May 2022 until 31 December 2024 on the basis that interest rate for the revolving credit loan is 1.5% per month from 3 July 2020 to 19 May 2022.

We have not defaulted on payments on either interest and/or principal sums in respect of any borrowings throughout the financial years under review and up to the LPD. Our Group is not in breach of any terms and conditions or covenants associated with the credit arrangements or bank loans, which could materially affect our financial position or business operations or the investment by holders of our securities.

11.4.5 Historical capital expenditure

The following sets out our capital expenditure incurred over the financial years under review:-

	Audited							
	FYE 2020		FYE 2021		FYE 2022		FYE 2023	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Computer and software	143	4.82	58	2.56	85	15.54	214	9.72
Furniture and fittings	31	1.05	3	0.13	37	6.76	45	2.04
Office equipment	14	0.47	16	0.71	16	2.93	55	2.50
Motor vehicles	4	0.13	370	16.30	-	-	-	-
Renovation	80	2.70	53	2.33	65	11.88	156	7.09
Tools and equipment	1,007	33.94	306	13.48	344	62.89	695	31.58
Right-of-use assets	768	25.88	408	17.97	-	-	144	6.54
Intangible assets	920	31.01	1,056	46.52	-	-	(1)892	40.53
Total capital expenditure	2,967	100.00	2,270	100.00	547	100.00	2,201	100.00

Note:-

- (1) The increase in intangible assets was mainly due to software development relating to enhancement of BOS (to include "cashless" feature).

Our capital expenditure mostly relates to purchases of computer and software, furniture and fittings for general upkeep and maintenance of our offices as well as tools and equipment for operating activities. The addition of right-of-use assets were for our staff use and intangible assets in respect of the development of TOS software solutions.

11.4.6 Material capital commitments

Save as disclosed in **Section 3.6.1(iii)** of this Prospectus, there are no other material capital commitments incurred or to be incurred by us that have not been provided for which, upon becoming enforceable, may have a material impact on our financial results or financial position as at the LPD.

11. FINANCIAL INFORMATION (cont'd)**11.4.7 Material litigation or claims**

As at the LPD, neither our Company nor our subsidiaries is engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability, in the 12 months immediately preceding the date of this Prospectus.

11.4.8 Contingent liabilities

As at the LPD, there are no material contingent liabilities which upon becoming enforceable may have a material impact on the financial position of our Group.

11.4.9 Key financial ratios

	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Trade receivables turnover period (days) ⁽¹⁾	109	145	114	90
Trade payables turnover period (days) ⁽²⁾	36	39	56	27
Inventory turnover period (days) ⁽³⁾	18	20	17	9
Current ratio (times) ⁽⁴⁾	1.24	1.47	1.76	1.98
Gearing ratio (times) ⁽⁵⁾	2.41	1.89	1.06	0.48

Notes:-

- (1) Computed based on the average closing balance of trade receivables divided by revenue for the respective financial year multiplied by number of days in the respective financial year. Average closing balance was derived based on the sum of the closing balance of the previous financial year and closing balance of the financial year divided by 2.
- (2) Computed based on the average closing balance of trade payables divided by cost of sales for the respective financial year multiplied by number of days in the respective financial year. Average closing balance was derived based on the sum of the closing balance of the previous financial year and closing balance of the financial year divided by 2.
- (3) Computed based on the average closing balance of inventory divided by cost of sales for the respective financial year multiplied by number of days in the respective financial year. Average closing balance was derived based on the sum of the closing balance of the previous financial year and closing balance of the financial year divided by 2.
- (4) Computed based on current assets over current liabilities.
- (5) Computed based on total borrowings (excluding lease liabilities recognised under MFRS 16) over total shareholders' equity.

(i) Trade receivables turnover period

Our trade receivables are based on the amount billed to our customers. As such, our trade receivables turnover period is based on the total gross billing to our customers.

A summary of our trade receivables for the financial years under review is set out as follows:-

	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Opening trade receivables	4,611	6,660	9,514	7,083
Closing trade receivables	6,660	9,514	7,083	14,676
Average trade receivables	5,636	8,087	8,299	10,880
Revenue	18,973	20,314	26,549	43,946
Trade receivables turnover period (days)⁽¹⁾	109	145	114	90

11. FINANCIAL INFORMATION (cont'd)**Note:-**

- (1) *Computed based on the average closing balance of trade receivables divided by revenue for the respective financial year multiplied by number of days in the respective financial year.*

The normal credit period granted to our customers ranges from 30 to 90 days. Other credit terms to customers are assessed and approved by our management on a case-by-case basis, taking into consideration factors such as our relationship with the customer, the financial position and payment history as well as the creditworthiness of our customers.

We recorded an average trade receivables turnover period of 109 days, 145 days and 114 days in the FYE 2020, FYE 2021 and FYE 2022 respectively, all of which has exceeded the credit period, and 90 days in the FYE 2023 (which is within the credit period). Our average trade receivables turnover period increased from 109 days for the FYE 2020 to 145 days for the FYE 2021, mainly due to slow collection of our trade receivables from our customers attributable to:-

- the challenging business operating environment in the FYE 2020 and FYE 2021 arising from the COVID-19 pandemic, which substantially limited travel and our customers' ability to provide mobility services. The demanding business landscape posed significant obstacles for a majority of our customers in meeting their payment obligations; and
- the temporary suspension of the integrated terminal hub project in Gombak ("**Terminal Hub Project**") (in view of the COVID-19 pandemic and the rising construction costs) and the subsequent deferment in the operational launch of the terminal (which was previously targeted to launch in first quarter of 2021). The direct consequences of such suspension resulted in the major customer freezing its payments temporarily in respect of our outstanding billings of RM3.96 million as at 31 December 2022.

Our average trade receivables turnover period subsequently decreased from 145 days for the FYE 2021 to 114 days for the FYE 2022. This was mainly due to the return of travel activities and stringent credit control practices adopted by our management which resulted in the improvement of collections. Such credit control practices include weekly discussions with our operations team on the collection of trade receivables and frequent follow-up and reminders to our customers on the outstanding payments as well as undertaking stringent measures such as suspending ongoing project work, suspend the usage of the system or declining new orders from customers until all outstanding payments are satisfactorily settled. As a result of our stringent credit control practices, our average trade receivables turnover period had further decreased from 114 days for the FYE 2022 to 90 days for the FYE 2023.

Our Group is confident that the above implemented credit control practices are deemed adequate and comprehensive for our Group to ensure the timely collectability of our trade receivables within the normal credit period. Our management perceives that the suspension of the Terminal Hub Project was an isolated and one-off incident, which is not a regular occurrence. Hence, by excluding the outstanding trade receivable associated with the said project, it is pertinent to note that the average trade receivables turnover period of our Group for the FYE 2022 and FYE 2023 are 60 days and 65 days respectively, both of which fall within the normal credit period.

11. FINANCIAL INFORMATION (cont'd)

Our Group will assess the collectability of trade receivables on an individual and collective customer basis and impairment will be made for customers where recoverability is uncertain, based on our past dealings, current and forward-looking economic conditions. Further, for any trade receivables which have exceeded the credit period, we will follow up with our customers on the outstanding receivables, and where appropriate, provide for specific impairment on those trade receivables where recoverability is uncertain based on our dealings with these customers.

We have not recorded bad debts for the FYE 2020, FYE 2021 and FYE 2023. We subsequently wrote off RM0.55 million in the FYE 2022 after our credit assessment on an existing customer, Setara Jaya Sdn Bhd who was placed under winding up proceedings and with no reasonable expectation on the full recovery of the outstanding debt.

Ageing analysis of our trade receivables as at 31 December 2023

As at 31 December 2023, the trade receivables of our Group amounting to RM14.68 million can be analysed as follows:-

	Within credit period	Exceed credit period				Total
		1-30 days	31-60 days	61-90 days	>90 days	
Trade receivables (RM'000)	9,486	1,134	300	937	2,819	14,676
Percentage of total trade receivables (%)	64.64	7.73	2.04	6.38	19.21	100.00
Subsequent collections as at the LPD (RM'000)	7,773	884	33	135	1,359	10,184
Outstanding trade receivables after subsequent collections (RM'000)	1,713	250	267	802	1,460	4,492

As at 31 December 2023, our total trade receivables stood at RM14.68 million, of which RM5.19 million or 35.36% exceeded the normal credit term period.

This was mainly due to delay in payments from:-

- 3 of our customers of RM3.58 million (which are operating in the bus segment) and of which a significant amount of RM2.05 million relates to the Terminal Hub Project (of which we have subsequently collected RM1.10 million as at the LPD) and RM0.96 million relates to our customer operating a bus terminal located in Sabah; and
- rail operator of RM1.03 million in respect of CTS maintenance services as we are required to undertake additional rectification on certain hardware at the relevant identified stations. We have subsequently performed the additional rectification and had fully collected the said outstanding sum as at the LPD.

As at the LPD, RM10.18 million of the total trade receivables outstanding as at 31 December 2023 have been collected, and we have undertaken the following credit control measures on the uncollected trade receivables of RM1.25 million which exceeded the credit period:-

- we have entered into repayment arrangement with a major customer in respect of the Terminal Hub Project in view of the slow collection of our trade receivable since FYE 2020. Under such repayment arrangement, we expected to collect the remaining RM0.95 million by July 2024; and

11. FINANCIAL INFORMATION (cont'd)

- We have also entered into repayment arrangements with other customers in respect of the outstanding trade receivables of RM0.30 million, whereby we expect to collect the remaining RM0.30 million by end December 2024.

We will also continue to strictly follow-up on the collection of the balance of uncollected trade receivables (exceeding the credit period) of RM1.53 million (a significant portion of RM0.96 million relates to the TOS for the bus terminal located in Sabah).

In addition, it is pertinent to note that we have recorded impairment losses of RM0.44 million of the outstanding trade receivables as at 31 December 2022. Nevertheless, we will closely monitor the recoverability of the above-mentioned outstanding trade receivables on a regular basis and take proactive actions, including constantly following up with our customers on the outstanding debts and performing credit assessments on our customers before undertaking any future projects.

(ii) Trade payables turnover period

Our trade payables represent the outstanding amounts payable by us to our suppliers. The normal credit terms granted by our suppliers typically ranges from 30 days to 90 days.

A summary of our trade payables for the financial years under review is set out as follows:-

	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Opening trade payables	798	1,156	1,363	1,514
Closing trade payables	1,156	1,363	1,514	1,652
Average trade payables	977	1,260	1,439	1,583
Cost of sales	9,826	11,767	9,315	21,483
Trade payables turnover period (days)⁽¹⁾	36	39	56	27

Note:-

- (1) Computed based on the average closing balance of trade payables divided by cost of sales for the respective financial years multiplied by number of days in the respective financial years.

Our average trade payables turnover period has increased from 36 days for the FYE 2020 to 39 days for the FYE 2021, 56 days for the FYE 2022 and subsequently decreased to 27 days for the FYE 2023, all of which are within the credit period. The increase in our average trade payables turnover period from the FYE 2020 to FYE 2022 was mainly due to the following:-

- payment to certain suppliers shall only be fully settled upon the completion of the projects in order to ensure that our suppliers will undertake the necessary rectification works, if required; and
- our new credit control practices adopted by our management, whereby, other than third party off-the-shelf products, payments are only made to our suppliers closer to the end of the credit period with the aim to better manage our cash flows.

As at the LPD, there is no dispute in respect of trade payables and no legal action initiated by our suppliers to demand for payment.

11. FINANCIAL INFORMATION (cont'd)**Ageing analysis of our trade payables as at 31 December 2023**

As at 31 December 2023, our total trade payables amounting to RM1.65 million which can be analysed as follows:-

	Within credit period	Exceed credit period				Total
		1-30 days	31-60 days	61-90 days	>90 days	
Trade payables (RM'000)	1,277	261	-	24	90	1,652
Percentage of total trade payables (%)	77.30	15.80	-	1.45	5.45	100.00
Subsequent payments as at the LPD (RM'000)	1,277	261	-	24	90	1,652
Outstanding trade payables as at the LPD (RM'000)	-	-	-	-	-	-

As at 31 December 2023, our total trade payables stood at RM1.65 million, of which RM0.38 million or 22.70% exceeded the normal credit term period and such trade payables are mainly payables of RM0.09 million to 1 of our major supplier. We delayed our payment to this major supplier following the payment arrangements agreed between both parties to extend the credit period of the payables from 90 days to 120 days, after taking into consideration, amongst others, the delay in the Terminal Hub Project and pending our verification and certification of the works performed by the suppliers ("**Certification and Verification Works**").

The total outstanding trade payables of RM1.65 million as at 31 December 2023 has been paid as at the LPD.

(iii) Inventory turnover period

Our inventories primarily comprise computer equipment and accessories. The inventories are typically purchased based on the requirements of our customers and projects, whereby such purchases are made closer to the delivery and installation stage. Given such practices, we generally maintain a minimal level of inventories which we deem sufficient for our projects and to cater for our maintenance and technical support operations.

A summary of our inventory for the financial years under review is set out as follows:-

	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Opening inventory	347	642	649	203
Closing inventory	642	649	203	881
Average inventory	495	646	426	542
Cost of sales	9,826	11,767	9,315	21,483
Average inventory turnover period (days)⁽¹⁾	18	20	17	(2)9

Notes:-

- (1) Computed based on the average closing balance of inventory divided by cost of sales for the respective financial years multiplied by number of days in the respective financial year.
- (2) Lower average inventory turnover period (days) was due to our Group's faster usage and deployment of inventories with the aim to facilitate the completion of the customisation and installation of the AFC at the identified rail stations.

11. FINANCIAL INFORMATION (cont'd)

We recorded inventory turnover period between 9 days to 20 days for the financial years under review as our Group purchases inventories based on specific requirements of our project. Given the nature of our procurement approach, we do not have any policies on inventory ageing and obsolescence.

(iv) Current ratio

Our current assets mainly comprise our inventories, trade and other receivables, contract assets, short-term deposits and cash and bank balances. Meanwhile, our current liabilities mainly comprise trade and other payables, contract liabilities, loans and borrowings and current tax liabilities.

A summary of our current ratio for the financial years under review is set out as follows:-

	Audited			
	As at 31 December			
	2020	2021	2022	2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Current assets	14,235	18,830	22,732	30,885
Current liabilities	11,494	12,835	12,889	15,567
Current ratio (times)⁽¹⁾	1.24	1.47	1.76	1.98

Note:-

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

Our Group has recorded an improving current ratio during the financial years under review. From a current ratio of 1.24 times as at 31 December 2020, our Group's current ratio increased to 1.47 times, 1.76 times and 1.98 times as at 31 December 2021, 31 December 2022 and 31 December 2023 respectively.

The recent improvement in current ratio was mainly due to the increase in our current assets, in particular:-

- (a) cash and short-term deposits totalling from RM1.83 million as at 31 December 2020 and RM2.51 million as at 31 December 2021 to RM9.11 million as at 31 December 2022 (representing an increase of 262.95%); and
- (b) trade and other receivables totalling from RM8.97 million as at 31 December 2020, RM11.88 million as at 31 December 2021 and RM10.01 million as at 31 December 2022 to RM20.80 million as at 31 December 2023 (representing an increase of 131.88%),

whilst current liabilities position is relatively consistent with the previous financial years.

11. FINANCIAL INFORMATION (cont'd)**(v) Gearing ratio**

A summary of our gearing ratio for the financial years under review is set out as follows:-

	Audited*			
	As at 31 December			
	2020	2021	2022	2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Total borrowings ⁽¹⁾	11,472	⁽³⁾ 13,520	11,361	8,613
Shareholders' equity	4,761	7,154	10,711	17,797
Gearing ratio (times)⁽²⁾	2.41	1.89	1.06	0.48

Notes:-

* The gearing ratio is derived based on the audited financial statements for the respective financial years.

(1) Excluding lease liabilities recognised under MFRS 16.

(2) Computed based on our total borrowings over total shareholders' equity.

(3) Despite the increase in our total borrowings (in particular, our term loans), our gearing ratio decreased from 2.41 times as at 31 December 2020 to 1.89 times as at 31 December 2021 due to the increase in our shareholders' equity from RM4.76 million as at 31 December 2020 to RM7.15 million as at 31 December 2021, representing an increase of RM2.39 million or 50.21%.

Our gearing ratio subsequently decrease to 1.06 times as at 31 December 2022 and 0.48 times as at 31 December 2023 due to the decrease in our total borrowings (in particular, our terms loans, revolving credits and bank overdrafts) and the increase in our shareholders' equity to RM17.80 million as at 31 December 2023. Further, it should be noted that the higher gearing ratios recorded as at 31 December 2020 and 31 December 2021 (as compared to the gearing ratio recorded as at 31 December 2022) was primarily due to the increased shareholders' equity following the completion of the Acquisitions in the FYE 2022.

11.4.10 Type of financial instruments used

We do not utilise any financial instrument for hedging purposes during the financial years under review. Our loans and borrowings from financial institutions consists of the following:-

- term loans used for the purchase of our offices and working capital;
- lease liabilities for financing the purchase of motor vehicles and lease obligations for our offices and the Existing Specified Bus Terminals;
- revolving credits and bankers' acceptance for working capital; and
- bank overdrafts facilities for daily operations.

We are not materially exposed to foreign currency risk as the transactions entered into by our Group are predominantly in RM given our operating activities are based in Malaysia.

11. FINANCIAL INFORMATION (cont'd)

11.4.11 Treasury policies and objectives

We have been financing our operations with a combination of internal and external sources of funds. Our internal funds comprise of cash generated from operating activities, while our external funds mainly comprise of credit and loan facilities from financial institutions. Our funding policy is to obtain the most suitable type of financing and favourable cost of funding whereas, our treasury policy is to maintain sufficient working capital to finance our operations, coupled with adequate credit facilities to meet estimated commitments arising from our operational expenditure and financial liabilities.

The decision to either utilise banking facilities or internally generated funds for our operations depends on factors such as our cash reserves, expected cash inflows or receipts from customers, future working capital requirements, future capital expenditure and the prevailing interest rates of the banking facilities.

11.5 Trend information

As at the LPD, our Board confirms that there are no:-

- (i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, positions and operations, other than those disclosed in this **Section 11**, and **Sections 4** and **6** of this Prospectus;
- (ii) material capital commitments other than as disclosed in **Section 3.6.1(iii)** of this Prospectus;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save as disclosed in this **Section 11**, and **Section 4** of this Prospectus;
- (iv) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our total revenue and/or profits save for those that have been disclosed in this **Section 11**, and **Section 4** of this Prospectus;
- (v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our historical financial statements not indicative of the future financial performance and position, other than those disclosed in this **Section 11**, and **Section 4** of this Prospectus; and
- (vi) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our liquidity and capital resources, other than those disclosed in this **Section 11**, and **Section 4** of this Prospectus.

11. FINANCIAL INFORMATION (cont'd)**11.6 Dividend policy**

The dividends declared and paid by us during the financial years under review are set out as follows:-

	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Dividend declared and paid in respect of each FYE (RM'000)	-	-	2,500	-
Dividend payout ⁽¹⁾ (%)	-	-	41.27	-

Note:-

(1) Calculated based on the dividend declared divided by our Group's PAT.

Our Board does not intend to declare any further dividends prior to our Listing. Our ability to pay dividends to our shareholders is dependent upon a number of factors, including our level of cash and retained earnings, gearing, results of our operations, anticipated capital expenditure requirement, financial conditions and any other factors considered relevant by our Board. Actual dividend proposed and declared may vary depending on our financial performance and cash flow and may be waived if the payment of dividends would adversely affect our cash flow and operations.

At this juncture, our Board has not adopted a formal dividend payout policy. Any dividend declared will be subject to the recommendation of our Board, taking into consideration our Group's capital structure and ensuring sufficient funds for future growth. Any final dividends declared will be subject to the approval of our shareholders at our AGM.

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12. ACCOUNTANTS' REPORT



Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA)
Chartered Accountants (AF 0117)
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur, Malaysia

T : +603 2297 1000
F : +603 2282 9980

info@bakertilly.my
www.bakertilly.my

15 May 2024

The Board of Directors
Go Hub Capital Berhad
08-G-01, 08-01-01, 08-02-01 & 08-05-01
Corporate Park, Star Central
Lingkaran Cyber Point Timur, Cyber 12
63000 Cyberjaya
Selangor

Dear Sirs/Madam,

Reporting Accountants' opinion on the Combined Financial Statements contained in the Accountants' Report of Go Hub Capital Berhad ("GOHUB" or the "Company")

Opinion

We have audited the accompanying combined financial statements of the Company and its combining entities as defined in Note 2 to the combined financial statements (collectively referred to as the "Group"), which comprise of the combined statements of financial position as at 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023 of the Group, the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for the financial years ended 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023, and notes to the combined financial statements, including material accounting policy information, as set out on pages 7 to 80.

In our opinion, the accompanying combined financial statements contained in the Accountants' Report of the Company give a true and fair view of the financial position of the Group as at 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023, and of its financial performance and its cash flows for the financial years then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
(Incorporated in Malaysia)

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Responsibilities of the Directors for the Combined Financial Statements

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

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

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements

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

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
(Incorporated in Malaysia)

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements (continued)

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

- identify and assess the risks of material misstatement of the combined financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Reporting Accountants' report to the related disclosures in the combined financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Reporting Accountants' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the combined financial statements of the Group, including the disclosures, and whether the combined financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

12. ACCOUNTANTS' REPORT (cont'd)



GO HUB CAPITAL BERHAD
(Incorporated in Malaysia)

Other Matter

This report is made solely to the board of directors of the Company and has been prepared to comply with the Prospectus Guidelines – Equity issued by the Securities Commission Malaysia and for inclusion in the Prospectus of the Company in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon any other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read "Baker Tilly Monteiro Heng".

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

A handwritten signature in black ink, appearing to read "Paul Tan Hong".

Paul Tan Hong
No. 03459/11/2025 J
Chartered Accountant

Kuala Lumpur

Date: **15 MAY 2024**

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

STATEMENT BY DIRECTORS

We, **TAN CHERNG THONG** and **LEE LI YEE**, being two of the directors of GO HUB CAPITAL BERHAD do hereby state that in the opinion of the directors, the accompanying combined financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023 and of its financial performance and its cash flows for the financial years then ended.

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



.....
TAN CHERNG THONG
Director



.....
LEE LI YEE
Director

Kuala Lumpur

Date: **15** MAY 2024

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

STATUTORY DECLARATION

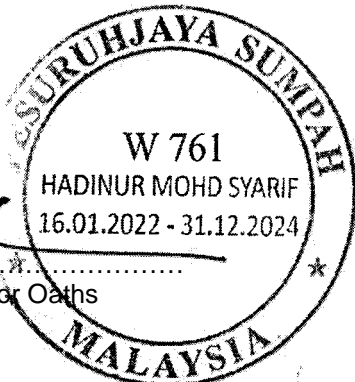
I, **CHEW BOON KEAT**, being the officer primarily responsible for the financial management of GO HUB CAPITAL BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying combined financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.


.....

CHEW BOON KEAT
(MIA Membership No: 49538)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on
15 MAY 2024

Before me,


.....
Commissioner for Oaths

CHAMBERS TWENTY - FIVE
NO 25, JALAN TUNKU, BUKIT TUNKU
50480 KUALA LUMPUR

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

COMBINED STATEMENTS OF FINANCIAL POSITION

	Note	← As at 31 December →			
		2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	5,225	5,140	4,869	5,097
Right-of-use assets	6	5,608	4,604	5,921	7,770
Intangible assets	7	881	1,653	1,291	1,846
Deferred tax assets	8	-	432	173	250
Other investment	9	165	165	-	-
Total non-current assets		11,879	11,994	12,254	14,963
Current assets					
Inventories	10	642	649	203	881
Trade and other receivables	11	8,966	11,876	10,012	20,804
Contract assets	12	2,788	3,796	3,412	2,702
Current tax assets		10	-	-	-
Cash and short-term deposits	13	1,829	2,509	9,105	6,498
Total current assets		14,235	18,830	22,732	30,885
TOTAL ASSETS		26,114	30,824	34,986	45,848
EQUITY AND LIABILITIES					
Equity attributable to owners of the Group					
Invested equity/share capital	14	2,000	2,000	13,310	13,310
Reorganisation reserve	15	-	-	(11,310)	(11,310)
Retained earnings		2,761	5,154	8,711	15,797
		4,761	7,154	10,711	17,797
Non-controlling interest		(8)	-	-	-
TOTAL EQUITY		4,753	7,154	10,711	17,797

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

		←	As at 31 December			→
	Note	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	
Non-current liabilities						
Loans and borrowings	16	9,547	10,546	11,210	12,346	
Deferred tax liabilities	8	320	289	176	138	
Total non-current liabilities		9,867	10,835	11,386	12,484	
Current liabilities						
Loans and borrowings	16	6,169	6,507	5,421	4,116	
Trade and other payables	17	3,503	4,670	6,090	9,823	
Contract liabilities	12	1,531	1,531	968	996	
Current tax liabilities		291	127	410	632	
Total current liabilities		11,494	12,835	12,889	15,567	
TOTAL LIABILITIES		21,361	23,670	24,275	28,051	
TOTAL EQUITY AND LIABILITIES		26,114	30,824	34,986	45,848	

The accompanying notes form an integral part of these combined financial statements.

12. ACCOUNTANTS' REPORT (cont'd)
GO HUB CAPITAL BERHAD

Accountants' Report

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	Note	← FYE 31 December →			
		2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Revenue	18	18,973	20,314	26,549	43,946
Cost of sales		(9,826)	(11,767)	(9,315)	(21,483)
Gross profit		9,147	8,547	17,234	22,463
Other income	19	588	769	646	162
Selling expenses		(1,104)	(887)	(1,294)	(1,883)
Administrative expenses		(2,659)	(2,932)	(3,960)	(6,685)
Other operating expenses		(1,962)	(2,282)	(3,527)	(2,868)
Operating profit		4,010	3,215	9,099	11,189
Finance income	20	137	86	49	24
Finance costs	21	(1,185)	(1,326)	(1,145)	(1,185)
Profit before tax	22	2,962	1,975	8,003	10,028
Income tax (expense)/credit	24	(703)	426	(1,946)	(2,942)
Profit for the financial year, representing total comprehensive income for the financial year		2,259	2,401	6,057	7,086
Profit attributable to:					
Owners of the Group		2,265	2,405	6,057	7,086
Non-controlling interest		(6)	(4)	-	-
		2,259	2,401	6,057	7,086
Total comprehensive income attributable to:					
Owners of the Group		2,265	2,405	6,057	7,086
Non-controlling interest		(6)	(4)	-	-
		2,259	2,401	6,057	7,086
Earnings per share (RM)					
- Basic and diluted	25	0.01	0.01	0.02	0.02

The accompanying notes form an integral part of these combined financial statements.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

COMBINED STATEMENTS OF CHANGES IN EQUITY

	←	Attributable to owners of the Group				→	
	Share capital RM'000	Invested equity RM'000	Retained earnings RM'000	Reorganisation reserve RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020		-	1,250	496	-	(2)	1,744
Total comprehensive income for the financial year							
Profit for the financial year, representing total comprehensive income for the financial year		-	-	2,265	-	(6)	2,259
Transaction with owners							
Combining entity issuance of ordinary shares	14	-	750	-	750	-	750
At 31 December 2020		-	2,000	2,761	-	(8)	4,753
Total comprehensive income for the financial year							
Profit for the financial year, representing total comprehensive income for the financial year		-	-	2,405	-	(4)	2,401
Transaction with owners							
Changes in ownership interests in a subsidiary	1(c)	-	-	(12)	-	12	(*)
At 31 December 2021		-	2,000	5,154	-	-	7,154

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	← Share capital RM'000	Attributable to owners of the Group			Total equity RM'000
		Invested equity RM'000	Retained earnings RM'000	Reorganisation reserve RM'000	Non-controlling interest RM'000
Note	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	-	2,000	5,154	-	7,154
Total comprehensive income for the financial year					
Profit for the financial year, representing total comprehensive income for the financial year	-	-	6,057	-	6,057
Transactions with owners					
14 Share issued upon incorporation	*	-	-	-	*
14 Share issued for acquisition of subsidiaries	13,310	-	-	(13,310)	-
15 Reorganisation reserve	-	(2,000)	-	2,000	-
26 Dividends paid on shares	-	-	(2,500)	-	(2,500)
Total transactions with owners	13,310	(2,000)	(2,500)	(11,310)	(2,500)
At 31 December 2022	13,310	-	8,711	(11,310)	10,711

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	← Share capital		Attributable to owners of the Group				→ Total equity	
	RM'000	RM'000	Invested equity RM'000	Retained earnings RM'000	Reorganisation reserve RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 January 2023	13,310	-	-	8,711	(11,310)	10,711	-	10,711
Total comprehensive income for the financial year								
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	7,086	-	7,086	-	7,086
Transaction with owners								
Issuance of ordinary shares	*	-	-	-	-	*	-	*
At 31 December 2023	13,310	-	-	15,797	(11,310)	17,797	-	17,797

* Less than RM1,000

The accompanying notes form an integral part of these combined financial statements.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

COMBINED STATEMENTS OF CASH FLOWS

	← FYE 31 December →			
	2020	2021	2022	2023
Note	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before tax	2,962	1,975	8,003	10,028
Adjustments for:				
Depreciation of:				
- Property, plant and equipment	679	891	962	1,036
- Right-of-use assets	1,207	1,351	1,543	1,817
Property, plant and equipment written off	-	-	16	*
Loss/(Gain) on disposal of property, plant and equipment	11	-	(3)	10
Loss on disposal of right-of use assets	58	35	-	3
Gain on lease modification	-	-	(234)	-
COVID-19 related rent concession income	(164)	(343)	-	-
Amortisation of intangibles assets	135	284	362	337
Impairment loss on trade receivables	-	-	441	-
Bad debts written off	-	-	546	-
Finance costs	1,185	1,326	1,145	1,185
Finance income	(137)	(86)	(49)	(24)
Net unrealised foreign exchange loss/(gain)	3	(19)	(10)	(4)
Operating profit before changes in working capital	5,939	5,414	12,722	14,388
<u>Changes in working capital:</u>				
Inventories	397	(7)	463	(678)
Trade and other receivables	(2,293)	(3,183)	800	(10,788)
Contract assets	(2,788)	(1,008)	384	710
Trade and other payables	(4,937)	1,083	1,696	3,733
Contract liabilities	1,531	-	(563)	28
Net cash (used in)/generated from operations	(2,151)	2,299	15,502	7,393
Income tax paid	(27)	(191)	(1,517)	(2,835)
Interest received	137	86	34	1
Interest paid	(96)	(88)	(76)	(92)
Net cash (used in)/from operating activities	(2,137)	2,106	13,943	4,467

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

		← FYE 31 December →			
		2020	2021	2022	2023
	Note	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(1,279)	(806)	(547)	(1,165)
Proceeds from disposal of property, plant and equipment		65	-	5	255
Proceeds from disposal of right-of-use assets		350	360	-	33
Purchase of intangible assets	7	(920)	(1,056)	-	(892)
Acquisition of additional shares in combining entity		-	(*)	-	-
Proceeds from disposal of other investment		-	-	165	-
Changes in pledged deposits		2,005	(708)	(101)	(1,643)
Interest received		-	-	15	23
Net cash from/(used in) investing activities		221	(2,210)	(463)	(3,389)
Cash flows from financing activities (a)					
Proceeds from issuance of ordinary shares		-	-	*	*
Proceeds from issuance of ordinary shares of combining entity		750	-	-	-
Drawdown of term loans		3,046	3,291	1,027	-
Repayment of term loans		(340)	(832)	(1,481)	(1,153)
Payment of lease liabilities		(1,394)	(1,214)	(1,344)	(1,902)
Drawdown of revolving credits		2,756	562	98	-
Repayment of revolving credits		(1,415)	(430)	(1,185)	(1,267)
Drawdown from bankers' acceptance		-	-	-	87
Net changes in amount owing (by)/to related parties		(83)	311	67	-
Net changes in amount owing (by)/to directors		(29)	65	(256)	-
Interest paid		(1,089)	(1,238)	(1,069)	(1,093)
Dividend paid		-	-	(2,500)	-
Net cash from/(used in) financing activities		2,202	515	(6,643)	(5,328)
Net increase/(decrease) in cash and cash equivalents		286	411	6,837	(4,250)
Cash and cash equivalents at the beginning of the financial year		156	442	853	7,690
Cash and cash equivalents at the end of the financial year	13	442	853	7,690	3,440

* Less than RM1,000

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

(a) Reconciliation of changes in liabilities arising from financing activities are as follows:

	1.1.2020	Cash flows	Non-cash	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Term loans	3,393	2,706	-	6,099
Lease liabilities	1,174	(1,394)	5,569	5,349
Revolving credits	2,146	1,341	-	3,487
Amounts owing to/(by) related parties	(295)	(83)	-	(378)
Amount owing to directors	220	(29)	-	191
	6,638	2,541	5,569	14,748
	1.1.2021	Cash flows	Non-cash	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Term loans	6,099	2,459	-	8,558
Lease liabilities	5,349	(1,214)	399	4,534
Revolving credits	3,487	132	-	3,619
Amounts owing to/(by) related parties	(378)	311	-	(67)
Amount owing to directors	191	65	-	256
	14,748	1,753	399	16,900
	1.1.2022	Cash flows	Non-cash	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Term loans	8,558	(454)	-	8,104
Lease liabilities	4,534	(1,344)	2,805	5,995
Revolving credits	3,619	(1,087)	-	2,532
Amounts owing to/(by) related parties	(67)	67	-	-
Amount owing to directors	256	(256)	-	-
	16,900	(3,074)	2,805	16,631

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

- (a) Reconciliation of changes in liabilities arising from financing activities are as follows:
-
- (continued)

	1.1.2023	Cash flows	Non-cash	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Term loans	8,104	(1,153)	-	6,951
Lease liabilities	5,995	(1,902)	4,066	8,159
Bankers' acceptance	-	87	-	87
Revolving credits	2,532	(1,267)	-	1,265
	<u>16,631</u>	<u>(4,235)</u>	<u>4,066</u>	<u>16,462</u>

- (b) Total cash outflow for leases as a lessee:

During the financial year, the Group had total cash outflows for leases of RM2.54 million (2022: RM1.82 million, 2021: RM1.61 million and 2020: RM2.00 million).

The accompanying notes form an integral part of these combined financial statements.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS**1. GENERAL INFORMATION**

Go Hub Capital Berhad ("GOHUB" or the "Company") was incorporated on 3 June 2022 as a private limited company and is domiciled in Malaysia. The Company was converted to a public limited company and assumed its present name on 15 September 2023. The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan. The principal place of business of the Company is located at 08-G-01, 08-01-01, 08-02-01 & 08-05-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The details of the combining entities for the purposes of the listing on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") are as follows:

Combining entity	Principal place of business/ country of incorporation	Principal activities
NSS IT Solution Sdn. Bhd. ("NSS")	Malaysia	Provision of information technology ("IT") solutions and related services
TCT Apps Solution Sdn. Bhd. ("TCT Apps")	Malaysia	Provide of software publishing for business and other applications and related services
NSS IT Philippines Sdn. Bhd. ("NSSPH")	Malaysia	Provision of IT solutions and related services

There have been no significant changes in nature of these activities during the financial years under review.

The combined financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 15 May 2024.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**1. GENERAL INFORMATION (CONTINUED)****(a) Acquisition of NSS**

On 8 December 2022, GOHUB had entered into an internal reorganisation agreement with the shareholders of NSS to acquire the entire issued share capital of NSS comprising 1,000,000 ordinary shares for a purchase consideration of RM13,152,836. The acquisition of NSS was fully satisfied through the issuance of 13,152,836 new ordinary shares in GOHUB ("GOHUB Share(s)" or "Share(s)") at RM1.00 each. The acquisition of NSS was completed on 21 December 2022.

(b) Acquisition of TCT Apps

On 8 December 2022, GOHUB had entered into an internal reorganisation agreement with the shareholders of TCT Apps to acquire the entire issued share capital of TCT Apps comprising 1,000,000 ordinary shares for a purchase consideration of RM157,008. The acquisition of TCT Apps was fully satisfied through the issuance of 157,008 new Shares at RM1.00 each. The acquisition of TCT Apps was completed on 22 December 2022.

(c) Increase in equity interests by NSS**(i) Acquisition of additional interest in NSSPH****FYE 31 December 2021**

On 23 November 2021, NSS acquired an additional 20 ordinary shares representing 20% equity interest in NSSPH for a total cash consideration of RM20. NSS effective ownership in NSSPH increased from 80% to 100% as a result of the additional shares purchased.

Effect of the increase in NSS ownership interest is as follows:

	2021
	RM'000
Fair value of consideration transferred	*
Increase in share of net liabilities	12
	<hr/>
Charged directly to equity	12
	<hr/>

* *Less than RM1,000*

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

(d) Non-controlling interest in combining entity

The financial information of the Group's combining entity that has material non-controlling interest is as follows:

Equity interest held by non-controlling interest:

Name of company	Ownership interest			
	2020 (%)	2021 (%)	2022 (%)	2023 (%)
NSSPH	20	-	-	-

Carrying amount of material non-controlling interest:

Name of company	As at 31 December			
	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
NSSPH	(8)	-	-	-

Profit or loss allocated to material non-controlling interest:

Name of company	FYE 31 December			
	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
NSSPH	(6)	(4)	-	-

(e) Summarised financial information of material non-controlling interest

The non-controlling interest of the Group's combining entity is not material individually or in aggregate to the financial position, financial performance and cash flows of the Group. Therefore, the summarised financial information of the Group's combining entity that has non-controlling interest is not presented.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**2. BASIS OF PREPARATION**

The combined financial statements of GOHUB consist of the financial statements of the following entities under common control which is accounted using merger method of accounting (collectively hereinafter referred to as the "Group") for each of the financial years.

Combining entity	FYE 31 December			
	2020	2021	2022	2023
GOHUB	+	+	√, ^	√, ^
NSS	√, \$	√, ^	√, ^	√, ^
NSSPH	√, \$	√, ^	√, ^	√, ^
TCT Apps	√, \$	√, ^	√, ^	√, ^

- + *No financial statements were available for GOHUB as the Company was incorporated on 3 June 2022.*
- √ *The combined financial statements of the Group include the financial statements of these combining entities prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") and the International Financial Reporting Standards ("IFRSs") for the respective financial year/period.*
- \$ *The combined financial statements of the Group for the FYE 31 December 2020 have been prepared based on the audited financial statements which were re-audited by Baker Tilly Monteiro Heng PLT for the purpose of inclusion into the combined financial statements of the Group. The audited financial statements which were lodged with Companies Commission of Malaysia were audited by a firm of chartered accountants other than Baker Tilly Monteiro Heng PLT.*
- ^ *The combined financial statements of the Group for the respective financial year/period have been prepared based on the audited financial statements which were audited by Baker Tilly Monteiro Heng PLT.*

The audited financial statements of all the combining entities within the Group for the relevant years reported above were not subject to any modifications.

The combined financial statements of the Group for the relevant periods were prepared in a manner as if the entities under common control were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period or the dates of incorporation of the entities within the Group, if later.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory ("commonly controlled entities"). Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the commonly controlled entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**2. BASIS OF PREPARATION (CONTINUED)**

The financial information presented in the combined financial statements may not correspond to those in the combined financial statements of the Group had the relevant transactions to legally constitute a group been incorporated in the combined financial statements for the respective financial years. Such financial information in the combined financial statements does not purport to predict the financial position, results and the cash flows of the entities under common control for those financial years.

The combined financial statements are prepared under the historical cost convention except otherwise indicated in the summary of significant accounting policies.

The accounting policies applied by the Group are consistently applied for all the financial years presented in these combined financial statements.

2.1 Statement of compliance

The combined financial statements of the Group have been prepared in accordance with MFRSs and IFRSs.

2.2 Changes in accounting policies

The Group has adopted Amendments to MFRS 101 *Presentation of Financial Statements* which is effective for annual periods beginning on or after 1 January 2023 and has adopted Amendment to MFRS 16 *Leases* which is effective for annual periods beginning on or after 5 June 2020 or/and 6 April 2021.

Amendments to MFRS 101 *Presentation of Financial Statements*

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its combined financial statements.

Accordingly, the Group disclosed its material accounting policy information in these combined financial statements. However, the amendments did not result in changes to the accounting policies of the Group.

Amendment to MFRS 16 *Leases*

The Group has adopted the amendments to MFRS 16 that exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the Coronavirus Disease ("COVID-19") pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19 related rent concessions that reduce lease payments due on or before 30 June 2021.

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the combined financial statements of the Group and did not result in significant changes to the Group's existing accounting policies.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**2. BASIS OF PREPARATION (CONTINUED)****2.3 Amendments to MFRSs that have been issued, but yet to be effective**

- (a) The Group has not adopted the following amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>Amendments to MFRSs</u>		
MFRS 7	Financial Instruments: Disclosures	1 January 2024
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

- (b) The Group plans to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendments to MFRSs that may be applicable to the Group are summarised below:

Amendments to MFRS 16 Leases

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

The amendments add subsequent measurement requirements for the right-of-use assets and lease liability arising from a sale and leaseback transaction by clarifying that a seller-lessee in a sale and leaseback transaction shall apply paragraphs 29 to 35 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 to the lease liability arising from the leaseback. The amendments will not change the accounting for leases other than those arising from a sale and leaseback transaction.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**2. BASIS OF PREPARATION (CONTINUED)****2.3 Amendments to MFRSs that have been issued, but yet to be effective (continued)**

- (b) The Group plans to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendments to MFRSs that may be applicable to the Group are summarised below: (continued)

Amendments to MFRS 101 Presentation of Financial Statements (continued)

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the combined financial statements.

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 107 and MFRS 7 respond to investors' concerns that some supplier finance arrangements – also referred to as supply chain finance, trade payables finance or reverse factoring arrangements – used by entities are not sufficiently visible, hindering investors' analysis.

The disclosure requirements require entities to disclose information that would enable users of financial statements to assess how supplier finance arrangements affect an entity's operations; including the effects supplier finance arrangements have on an entity's liability, cash flows and exposures to liquidity risk. The new disclosure requirements would also inform users of financial statements on how an entity might be affected if the arrangements were no longer available to it.

Amendments to MFRS 121 The Effect of Changes in Foreign Exchange Rates

Amendments to MFRS 121 respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies.

Applying the Amendments, entities will be applying a consistent approach in determining if a currency can be exchanged into another currency. These amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact on the entities' financial performance, financial position and cash flows as a result of a currency being not exchangeable into another currency.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 Amendments to MFRSs that have been issued, but yet to be effective (continued)

- (c) The initial application of the above amendments to MFRSs are not expected to have any material impact on the prior and current periods of the combined financial statements.

2.4 Functional and presentation currency

The combined financial statements of the Group are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The combined financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been round to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The combined financial statements of the Group have been prepared on the historical cost basis.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the combined financial statements of the Group.

3.1 Basis of combination

(a) Subsidiaries and business combination

The Group applies the acquisition method of accounting except for those business combinations which were accounted for using the merger method of accounting.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Under the merger method of accounting, the results of subsidiaries are presented as if the business combination had been affected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to reorganisation reserve or merger deficit.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)****3.2 Financial instruments****Financial assets - subsequent measurement and gains and losses**Debt instruments at amortised cost

The Group subsequently measures these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurement and gains and losses

The Group classifies the financial liabilities at amortised cost. The Group subsequently measures the financial liabilities at amortised cost under the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.3 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Buildings	50
Computer and software	4
Furniture and fittings	5
Office equipment	5
Motor vehicles	10
Renovation	5
Tools and equipment	5

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.4 Leases

(a) Lessee accounting

The Group presents right-of-use assets and lease liabilities as separate lines in the combined statements of financial position.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(b) Lessor accounting

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term.

3.5 Intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The amortisation methods used and the estimated useful lives are as follows:

	Method	Useful lives (years)
Development costs	Straight-line	5 to 7

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.6 Revenue and other income

Financing components

The Group has applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) Sale of goods

Revenue from sales of goods is recognised at a point in time when control of the goods is transferred to the customer, generally on the delivery of goods.

(b) Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered because the customer receives and uses the benefits simultaneously.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of combined financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's combined financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's combined financial statements within the next financial year are disclosed as follows:

(a) Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history and existing market conditions as well as forward looking estimate at the end of each reporting period.

The assessment of the correlation between historical observed default rates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's financial assets and contract assets are disclosed in Note 27(b)(i).

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Buildings RM'000	Computer and software RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Tools and equipment RM'000	Total RM'000
Cost									
At 1 January 2020		2,825	777	219	130	92	445	2,108	6,596
Additions		-	143	31	14	4	80	1,007	1,279
Reclassification		-	(17)	-	-	-	-	(757)	(774)
Disposal		-	-	-	-	(78)	-	-	(78)
At 31 December 2020		2,825	903	250	144	18	525	2,358	7,023
Accumulated depreciation									
At 1 January 2020		116	543	67	37	6	115	318	1,202
Depreciation charge for the financial year	22	56	95	41	27	3	103	354	679
Reclassification		-	(3)	-	-	-	-	(78)	(81)
Disposal		-	-	-	-	(2)	-	-	(2)
At 31 December 2020		172	635	108	64	7	218	594	1,798
Carrying amount									
At 1 January 2020		2,709	234	152	93	86	330	1,790	5,394
At 31 December 2020		2,653	268	142	80	11	307	1,764	5,225

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Buidings RM'000	Computer and software RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Tools and equipment RM'000	Total RM'000
Cost									
At 1 January 2021		2,825	903	250	144	18	525	2,358	7,023
Additions		-	58	3	16	370	53	306	806
At 31 December 2021		2,825	961	253	160	388	578	2,664	7,829
Accumulated depreciation									
At 1 January 2021		172	635	108	64	7	218	594	1,798
Depreciation charge for the financial year	22	56	115	49	30	27	110	504	891
At 31 December 2021		228	750	157	94	34	328	1,098	2,689
Carrying amount									
At 1 January 2021		2,653	268	142	80	11	307	1,764	5,225
At 31 December 2021		2,597	211	96	66	354	250	1,566	5,140

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Buildings RM'000	Computer and software RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Tools and equipment RM'000	Total RM'000
Cost									
At 1 January 2022		2,825	961	253	160	388	578	2,664	7,829
Additions		-	85	37	16	-	65	344	547
Reclassification		-	-	-	-	606	-	(31)	575
Disposals		-	-	-	-	-	-	(3)	(3)
Written off		-	-	-	(2)	-	(33)	(13)	(48)
At 31 December 2022		2,825	1,046	290	174	994	610	2,961	8,900
Accumulated depreciation									
At 1 January 2022		228	750	157	94	34	328	1,098	2,689
Depreciation charge for the financial year	22	56	124	45	28	39	104	566	962
Reclassification		-	-	-	-	427	-	(14)	413
Disposals		-	-	-	-	-	-	(1)	(1)
Written off		-	-	-	(2)	-	(19)	(11)	(32)
At 31 December 2022		284	874	202	120	500	413	1,638	4,031
Carrying amount									
At 1 January 2022		2,597	211	96	66	354	250	1,566	5,140
At 31 December 2022		2,541	172	88	54	494	197	1,323	4,869

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Buildings RM'000	Computer and software RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Tools and equipment RM'000	Total RM'000
Cost									
At 1 January 2023		2,825	1,046	290	174	994	610	2,961	8,900
Additions		-	214	45	55	-	156	695	1,165
Reclassification		-	-	-	-	805	-	-	805
Disposals		-	-	-	-	(330)	-	-	(330)
Written off		-	-	-	-	-	-	(*)	(*)
At 31 December 2023		2,825	1,260	335	229	1,469	766	3,656	10,540
Accumulated depreciation									
At 1 January 2023		284	874	202	120	500	413	1,638	4,031
Depreciation charge for the financial year	22	58	110	48	31	68	103	618	1,036
Reclassification		-	-	-	-	441	-	-	441
Disposals		-	-	-	-	(65)	-	-	(65)
Written off		-	-	-	-	-	-	(*)	(*)
At 31 December 2023		342	984	250	151	944	516	2,256	5,443
Carrying amount									
At 1 January 2023		2,541	172	88	54	494	197	1,323	4,869
At 31 December 2023		2,483	276	85	78	525	250	1,400	5,097

* Less than RM1,000

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)****(a) Asset pledged as security**

Buildings has been pledged as security to secure loans and borrowings of the Group as disclosed in Note 16(a).

(b) Assets held in trust

Motor vehicle with a carrying amount of RMNil (2022: RM0.27 million, 2021: RM0.31 million and 2020: RMNil) has been registered under the name of a director of the Group and held in trust for the Group.

Motor vehicle with a carrying amount of RMNil (2022: RM0.09 million, 2021: RM0.12 million and 2020: RM0.15 million) has been registered under the name of a corporate shareholder of the Group and held in trust for the Group.

6. RIGHT-OF-USE ASSETS

Information about the leases for which the Group is lessee is presented below:

	Note	Buildings RM'000	Motor vehicles RM'000	Total RM'000
Cost				
At 1 January 2020		185	1,842	2,027
Additions		4,965	768	5,733
Disposals		-	(463)	(463)
At 31 December 2020		5,150	2,147	7,297
Additions		334	408	742
Disposals		-	(422)	(422)
At 31 December 2021		5,484	2,133	7,617
Additions		462	-	462
Adjustment due to lease modification		605	-	605
Derecognition [^]		(37)	-	(37)
Reclassification		-	(606)	(606)
At 31 December 2022		6,514	1,527	8,041
Additions		3,926	144	4,070
Disposals		-	(110)	(110)
Derecognition [^]		(317)	-	(317)
Reclassification		-	(805)	(805)
At 31 December 2023		10,123	756	10,879

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**6. RIGHT-OF-USE ASSETS (CONTINUED)**

Information about the leases for which the Group is lessee is presented below: (continued)

	Note	Buildings RM'000	Motor vehicles RM'000	Total RM'000
Accumulated depreciation				
At 1 January 2020		36	501	537
Depreciation charge for the financial year	22	1,030	177	1,207
Disposals		-	(55)	(55)
At 31 December 2020		1,066	623	1,689
Depreciation charge for the financial year	22	1,137	214	1,351
Disposals		-	(27)	(27)
At 31 December 2021		2,203	810	3,013
Depreciation charge for the financial year	22	1,332	211	1,543
Adjustment due to lease modification		(1,986)	-	(1,986)
Derecognition [^]		(23)	-	(23)
Reclassification		-	(427)	(427)
At 31 December 2022		1,526	594	2,120
Depreciation charge for the financial year	22	1,662	155	1,817
Disposals		-	(74)	(74)
Derecognition [^]		(313)	-	(313)
Reclassification		-	(441)	(441)
At 31 December 2023		2,875	234	3,109
Carrying amount				
At 31 December 2020		4,084	1,524	5,608
At 31 December 2021		3,281	1,323	4,604
At 31 December 2022		4,988	933	5,921
At 31 December 2023		7,248	522	7,770

[^] Derecognition of the right-of-use assets during the financial year was a result of termination of certain leases.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**6. RIGHT-OF-USE ASSETS (CONTINUED)**

The Group leases buildings for its office and operation. The leases for buildings have lease terms of 2 to 15 (2022: 2 to 15, 2021 and 2020: 2 to 5) years.

One of the building has initial lease terms of two (2) years and option to renew the lease building for another one (1) year. The Group has included the potential future cash flows for exercising the extension option in the lease liabilities.

The Group also leases certain motor vehicles with lease term of 5 (2022, 2021 and 2020: 3 to 9) years and has the option to purchase the assets at the end of the contract term.

7. INTANGIBLE ASSETS

	Note	Development costs RM'000
Cost		
At 1 January 2020		100
Additions		
- developed internally		920
At 31 December 2020		1,020
Additions		
- developed internally		1,056
At 31 December 2021		2,076
Additions		
- developed internally		-
At 31 December 2022		2,076
Additions		
- developed internally		892
At 31 December 2023		2,968
Accumulated amortisation		
At 1 January 2020		4
Amortisation charge for the financial year	22	135
At 31 December 2020		139
Amortisation charge for the financial year	22	284
At 31 December 2021		423
Amortisation charge for the financial year	22	362
At 31 December 2022		785
Amortisation charge for the financial year	22	337
At 31 December 2023		1,122

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

7. INTANGIBLE ASSETS (CONTINUED)

	Note	Development costs RM'000
Carrying amount		
At 31 December 2020		881
At 31 December 2021		1,653
At 31 December 2022		1,291
At 31 December 2023		1,846

(a) Amortisation

The amortisation of development costs of the Group amounting to RM0.34 million (2022: RM0.36 million, 2021: RM0.28 million and 2020: RM0.13 million) is included in cost of sales.

(b) Development costs

Development costs principally comprise internally generated expenditure on major projects where it is reasonably anticipated that the costs will be recovered through future commercial activities.

8. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax relates to the following:

	As at 1 January 2020 RM'000	Recognised in profit or loss RM'000 (Note 24)	As at 31 December 2020 RM'000
Deferred tax liabilities:			
Property, plant and equipment	(205)	(115)	(320)
	(205)	(115)	(320)
Deferred tax assets:			
Tax losses	62	(62)	-
Unabsorbed capital allowance	226	(226)	-
	288	(288)	-
	83	(403)	(320)

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

8. DEFERRED TAX ASSETS/(LIABILITIES)(CONTINUED)

Deferred tax relates to the following: (continued)

	As at 1 January 2021 RM'000	Recognised in profit or loss RM'000 (Note 24)	As at 31 December 2021 RM'000
Deferred tax liabilities:			
Unrealised foreign exchange gain	-	(5)	(5)
Property, plant and equipment	(320)	36	(284)
	<u>(320)</u>	<u>31</u>	<u>(289)</u>
Deferred tax assets:			
Tax losses	-	284	284
Unabsorbed capital allowance	-	148	148
	<u>-</u>	<u>432</u>	<u>432</u>
	<u>(320)</u>	<u>463</u>	<u>143</u>
	As at 1 January 2022 RM'000	Recognised in profit or loss RM'000 (Note 24)	As at 31 December 2022 RM'000
Deferred tax liabilities:			
Unrealised foreign exchange gain	(5)	2	(3)
Property, plant and equipment	(284)	111	(173)
	<u>(289)</u>	<u>113</u>	<u>(176)</u>
Deferred tax assets:			
Tax losses	284	(284)	-
Unabsorbed capital allowance	148	(148)	-
Impairment loss on trade receivables	-	106	106
Lease liabilities	-	67	67
	<u>432</u>	<u>(259)</u>	<u>173</u>
	<u>143</u>	<u>(146)</u>	<u>(3)</u>

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

8. DEFERRED TAX ASSETS/(LIABILITIES)(CONTINUED)

Deferred tax relates to the following: (continued)

	As at 1 January 2023 RM'000	Recognised in profit or loss RM'000 (Note 24)	As at 31 December 2023 RM'000
Deferred tax liabilities:			
Unrealised foreign exchange gain	(3)	3	-
Property, plant and equipment	(173)	35	(138)
	<u>(176)</u>	<u>38</u>	<u>(138)</u>
Deferred tax assets:			
Impairment loss on trade receivables	106	-	106
Lease liabilities	67	77	144
	<u>173</u>	<u>77</u>	<u>250</u>
	<u>(3)</u>	<u>115</u>	<u>112</u>

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	← 2020 RM'000	As at 31 December		→ 2023 RM'000
	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Right-of-use assets	-	-	4	-
Unrealised foreign exchange loss	3	-	-	-
Unused tax losses	483	-	-	-
Unabsorbed capital allowance	2	-	-	-
	<u>488</u>	<u>-</u>	<u>4</u>	<u>-</u>
Potential deferred tax benefit at 24%	<u>117</u>	<u>-</u>	<u>1</u>	<u>-</u>

The availability of unused tax losses for offsetting against future taxable profits in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**8. DEFERRED TAX ASSETS/(LIABILITIES)(CONTINUED)**

The unused tax losses are available for offset against future taxable profits of the Group up to the following years:

	←	As at 31 December		→
	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000
2029	461	-	-	-
2030	22	-	-	-
	483	-	-	-

9. OTHER INVESTMENT

	←	As at 31 December		→
	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000
At cost:				
Unquoted shares	165	165	-	-

Other investment in unquoted ordinary shares for the financial years ended 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023 represents investment in the below subsidiary at cost.

For the purposes of the proposed listing of the Company on the ACE Market of Bursa Securities, the financial position, financial performance and cash flows of the below company had been carved out from the combined financial statements for the financial years ended 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023 as the company is not part of the listing group.

Details of Real Apps is as follows:

Name of company	Principal place of business/ country of incorporation	Equity interest				Principal activities
		2020	2021	2022	2023	
		%	%	%	%	
Real Apps Sdn. Bhd.* ("Real Apps")	Malaysia	55	55	-	-	Business of other application, computer consultancy, wholesale of computer hardware, software and peripherals

* Audited by auditor other than Baker Tilly Monteiro Heng PLT

On 17 January 2022, TCT Apps disposed its entire equity interest in Real Apps comprising 165,000 ordinary shares for a total consideration of RM165,000, and as a result thereof, Real Apps had ceased to be a subsidiary of TCT Apps on even date.

12. ACCOUNTANTS' REPORT (cont'd)
GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
10. INVENTORIES

	←	As at 31 December		→
	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000
At lower of cost and net realisable value				
Computer equipment and accessories	642	649	203	881

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM11.35 million (2022: RM1.86 million, 2021: RM8.11 million and 2020: RM5.95 million).

11. TRADE AND OTHER RECEIVABLES

		←	As at 31 December		→
		2020	2021	2022	2023
	Note	RM'000	RM'000	RM'000	RM'000
Trade					
Trade receivables	(a)	6,660	9,514	7,083	14,676
Retention sums		-	-	-	129
		6,660	9,514	7,083	14,805
Less: Impairment losses for trade receivables		-	-	(441)	(441)
		6,660	9,514	6,642	14,364
Non-trade					
Other receivables		1,236	872	1,428	3,790
Deposits		354	1,103	1,527	1,888
Prepayments		337	300	415	762
Amount owing by related parties	(b)	379	87	-	-
		2,306	2,362	3,370	6,440
Total trade and other receivables		8,966	11,876	10,012	20,804

(a) Trade receivables

Trade receivables are non-interest bearing, other than the trade receivables of RM0.07 million (2022: RM0.04 million, 2021: RM1.61 million and 2020: RM2.00 million) bearing interest rate from 1% to 4% (2022, 2021 and 2020: 1% to 4%). The normal credit terms offered by the Group ranging from 30 days to 90 days (2022, 2021 and 2020: 30 days to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**11. TRADE AND OTHER RECEIVABLES (CONTINUED)****(a) Trade receivables (continued)**Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of the movement in the impairment of trade receivables are as follow:

	Note	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
At 1 January		-	-	-	441
Charge for the financial year					
- Individually assessed	22	-	-	441	-
At 31 December		-	-	441	441

(b) Amount owing by related parties

Amount owing by related parties are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

The information about the credit exposures are disclosed in Note 27(b)(i).

12. CONTRACT ASSETS/(LIABILITIES)

	←	As at 31 December		→
	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Contract assets relating to rendering of services	2,788	3,796	3,412	2,702
Contract liabilities relating to sales of goods	1,531	1,531	946	946
Contract liabilities relating to rendering of services	-	-	22	50
	1,531	1,531	968	996

(a) Contract assets

Contract assets primarily relate to the Group's right to consideration for service transferred for which receipt of its consideration is conditional on the completion and final acceptance by the customers. Contract assets are transferred to receivables when the right becomes unconditional.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

12. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(b) Contract liabilities

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customer in advance. Contract liabilities are recognised as revenue as the Group performs the services under the contract.

(c) Significant changes in contract balances

	FYE 31 December							
	2020		2021		2022		2023	
	Contract assets/ (decrease) RM'000	Contract liabilities/ (Increase) RM'000	Contract assets/ (decrease) RM'000	Contract liabilities/ (Increase) RM'000	Contract assets/ (decrease) RM'000	Contract liabilities/ (Increase) RM'000	Contract assets/ (decrease) RM'000	Contract liabilities/ (Increase) RM'000
Increase due to revenue recognised, but no right to consideration	2,788	-	1,106	-	652	-	1,482	-
Transfer from contract assets recognised at the beginning of the financial year to receivables	-	-	(98)	-	(1,036)	-	(2,192)	-
Increase due to invoice billed in advance to customer, but revenue not recognised	-	(1,531)	-	-	-	(22)	-	(47)
Revenue recognised that was included in contract liability at the beginning of the financial year	-	-	-	-	-	585	-	19

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

12. CONTRACT ASSETS/(LIABILITIES)(CONTINUED)

(d) Revenue recognised in relation to contract balances

	←	FYE 31 December		→
	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000
Revenue recognised that was included in contract liability at the beginning of the financial year	-	-	585	19

Revenue recognised that was included in the contract liability balance at the beginning of the financial year represented primarily revenue from the sales of goods and rendering of services.

13. CASH AND SHORT-TERM DEPOSITS

	←	As at 31 December		→
	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	1,223	1,195	7,690	3,440
Short-term deposits	606	1,314	1,415	3,058
	<u>1,829</u>	<u>2,509</u>	<u>9,105</u>	<u>6,498</u>

For the purpose of the combined statements of cash flows, cash and cash equivalents comprise of the following:

	←	As at 31 December		→
	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000
Short-term deposits	606	1,314	1,415	3,058
Less: Pledged deposits	(606)	(1,314)	(1,415)	(3,058)
	-	-	-	-
Cash and bank balances	1,223	1,195	7,690	3,440
Bank overdrafts	(781)	(342)	-	-
	<u>442</u>	<u>853</u>	<u>7,690</u>	<u>3,440</u>

The short-term deposits placed with licensed banks is pledged for credit facilities granted to the Group as disclosed in Note 16.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

14. INVESTED EQUITY/SHARE CAPITAL

(a) Invested equity

	2020 Unit'000	Number of ordinary shares				Amount		
		2021 Unit'000	2022 Unit'000	2023 Unit'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
At the beginning of the financial year	1,250	2,000	2,000	-	1,250	2,000	2,000	-
Combining entity issuance of ordinary shares	750	-	-	-	750	-	-	-
Adjustment pursuant to merger accounting	-	-	(2,000)	-	-	-	(2,000)	-
At the end of the financial year	2,000	2,000	-	-	2,000	2,000	-	-

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

14. INVESTED EQUITY/SHARE CAPITAL (CONTINUED)

(b) Share capital

Note	Number of ordinary shares				Amount			
	2020 Unit'000	2021 Unit'000	2022 Unit'000	2023 Unit'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
(b)	-	-	#	13,310	-	-	*	13,310
(c)	-	-	13,310	-	-	-	13,310	-
(d)	-	-	-	#	-	-	-	*
(e)	-	-	-	279,510	-	-	-	-
	-	-	13,310	292,820	-	-	13,310	13,310

At the beginning of the financial year
/date of incorporation
Issuance of shares pursuant to
acquisition of subsidiaries
Issuance of shares
Issuance of shares pursuant to:
- Share split

At the end of the financial year

Less than 1,000

* Less than RM1,000

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**14. INVESTED EQUITY/SHARE CAPITAL (CONTINUED)**

For the purpose of this report, the invested equity as at 31 December 2020 and 31 December 2021 represent the aggregate number of issued shares of all combining entities within the Group eliminated against the investment in subsidiary of NSS, the share capital of NSSPH had been eliminated against the investment in subsidiary of NSS.

(a) Combining entity issuance of ordinary shares

On 22 December 2020, TCT Apps issued 750,000 ordinary shares at RM1 per ordinary share to shareholder of TCT Apps for a total consideration of RM750,000.

(b) Incorporation

The Company issued 100 Shares at RM1 per Share to the subscriber on the date of incorporation for a total cash consideration of RM100.

(c) Issuance of shares pursuant to acquisition of subsidiaries

On 21 December 2022, GOHUB acquired 1,000,000 ordinary shares in NSS, being the entire issued share capital of NSS, which was fully satisfied through the issuance of 13,152,836 new Shares at RM1.00 each for a purchase consideration of RM13,152,836 pursuant to the internal reorganisation agreement dated 8 December 2022.

On 22 December 2022, GOHUB acquired 1,000,000 ordinary shares in TCT Apps, being the entire issued share capital of TCT Apps, which was fully satisfied through the issuance of 157,008 new Shares at RM1.00 each for a purchase consideration of RM157,008 pursuant to the internal reorganisation agreement dated 8 December 2022.

(d) Issuance of shares

On 16 March 2023, Tan Cherng Thong subscribed for 56 new Shares at an issue price of RM6.00 each, representing approximately 0.0004% of the enlarged issued share capital of GOHUB at that point of time of 13,310,000 Shares. The issue price of RM6.00 per GOHUB Share was determined based on, amongst others, the intention to increase the issued share capital of GOHUB to RM13,310,280 comprising 13,310,000 GOHUB Shares for the purposes of the Listing.

(e) Issuance of shares pursuant to Share Split

On 9 August 2023, the Company had undertaken a subdivision of all the existing GOHUB Shares in issue comprising 13,310,000 GOHUB shares to 292,820,000 GOHUB Shares (i.e. subdivision of every one (1) existing Share into twenty-two (22) subdivided Shares).

The new ordinary shares issued during the financial year rank equally in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**15. REORGANISATION RESERVE**

The reorganisation reserve arose from the differences between the carrying amount of the investment and the nominal value of the share of the subsidiaries upon consolidation using the merger accounting principles.

16. LOANS AND BORROWINGS

	Note	← As at 31 December →			
		2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Non-current:					
Term loans	(a)	5,399	7,376	6,780	5,888
Lease liabilities	(b)	4,148	3,170	4,430	6,458
		9,547	10,546	11,210	12,346
Current:					
Term loans	(a)	700	1,182	1,324	1,063
Lease liabilities	(b)	1,201	1,364	1,565	1,701
Bankers' acceptance	(c)	-	-	-	87
Revolving credits	(d)	3,487	3,619	2,532	1,265
Bank overdrafts	(e)	781	342	-	-
		6,169	6,507	5,421	4,116
Total loans and borrowings					
Term loans	(a)	6,099	8,558	8,104	6,951
Lease liabilities	(b)	5,349	4,534	5,995	8,159
Bankers' acceptance	(c)	-	-	-	87
Revolving credits	(d)	3,487	3,619	2,532	1,265
Bank overdrafts	(e)	781	342	-	-
		15,716	17,053	16,631	16,462

(a) Term loans

Term loan 1 of the Group of RM0.26 million (2022: RM0.33 million, 2021: RM0.37 million and 2020: RM0.43 million) bears interest at Base Financing Rate ("BFR") add 3.0% per annum and is repayable by monthly instalments of RM10,648 over 5 years commencing from the day of first drawdown and is secured and supported as follows:

- (i) Guarantee by third parties; and
- (ii) Joint and several guarantee by certain directors of the Group.

Term loan 2 of the Group of RM0.31 million (2022: RM0.39 million, 2021: RM0.48 million and 2020: RMNil) bears interest at Base Lending Rate ("BLR") add 1.75% per annum and is repayable by monthly instalments of RM9,984 over 5 years commencing from the day of first drawdown and is secured and supported as follows:

- (i) Guarantee by third parties; and
- (ii) Joint and several guarantee by certain directors of the Group.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**16. LOANS AND BORROWINGS (CONTINUED)****(a) Term loans (continued)**

Term loan 3 of the Group of RM0.15 million (2022: RM0.26 million, 2021: RM0.36 million and 2020: RM0.45 million) bears interest at BLR add 3.5% per annum and is repayable of RM10,842 over 84 equal monthly instalments commencing from the day of first drawdown and is secured and supported as follows:

- (i) Guarantee by a third party; and
- (ii) Joint and several guarantee by certain directors of the Group.

Term loan 4 of the Group of RM0.98 million (2022: RM1.04 million, 2021: RM1.10 million and 2020: RM1.20 million) bears interest at BFR minus 2.2% per annum and is repayable by monthly instalments of RM8,325 over 20 years commencing from the day of first drawdown and is secured and supported as follows:

- (i) Joint and several guarantee by certain directors of the Group; and
- (ii) Fixed charges over the building of the Group as disclosed in Note 5.

Term loan 5 of the Group of RM1.15 million (2022: RM1.19 million, 2021: RM1.24 million and 2020: RM1.25 million) bears interest at BFR minus 2.30% per annum and is repayable by monthly instalments of RM7,417 over 25 years commencing from the day of first drawdown and is secured and supported as follows:

- (i) Joint and several guarantee by certain directors of the Group; and
- (ii) Fixed charges over the building of the Group as disclosed in Note 5.

Term loan 6 of the Group of RM0.24 million (2022: RM0.34 million, 2021: RM0.44 million and 2020: RM0.51 million) bears interest at BFR add 2.5% per annum and is repayable by monthly instalments of RM9,256 over 60 equal monthly instalments commencing from the day of first drawdown and is secured and supported as follows:

- (i) Guarantee by a third party; and
- (ii) Joint and several guarantee by certain directors of the Group.

Term loan 7 of the Group of RM2.47 million (2022: RM2.73 million, 2021: RM2.43 million and 2020: RMNil) bears interest at fixed rate of 4.0% per annum and is repayable by monthly instalments of RM30,374 over 10 years commencing from the day of first drawdown and is secured and supported as follows:

- (i) Guarantee by a third party; and
- (ii) Joint and several guarantee by certain directors of the Group.

Term loan 8 of the Group of RMNil (2022: RM0.14 million, 2021: RM0.24 million and 2020: RM0.29 million) bears interest at fixed rate of 7.0% per annum and is repayable of RM10,770 over 36 equal monthly instalments commencing from the day of first drawdown and is secured and supported as follows:

- (i) Joint and several guarantee by certain directors of the Group.

Term loan 9 of the Group of RM0.28 million (2022: RM0.38 million, 2021: RM0.46 million and 2020: RM0.51 million) bears interest at fixed rate of 3.5% per annum and is repayable of RM9,437 over 60 equal monthly instalments commencing from the day of first drawdown and is secured and supported as follows:

- (i) Guarantee by a third party; and
- (ii) Joint and several guarantee by certain directors of the Group.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**16. LOANS AND BORROWINGS (CONTINUED)****(a) Term loans (continued)**

Term loan 10 of the Group of RM1.11 million (2022: RM1.30 million, 2021: RM1.44 million and 2020: RM1.46 million) bears interest at BLR add 5.8% per annum and is repayable of RM24,890 over 84 equal monthly instalments commencing from the day of first drawdown and is secured and supported as follows:

- (i) Guarantee by a third party; and
- (ii) Joint and several guarantee by certain directors of the Group.

(b) Lease liabilities

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	← As at 31 December →			
	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000
Minimum lease payments:				
- Not later than one year	1,558	1,665	1,928	2,213
- Later than one year and not later than five years	4,536	3,362	4,714	4,909
- Later than five years	81	-	262	3,300
	6,175	5,027	6,904	10,422
Less: Future finance charges	(826)	(493)	(909)	(2,263)
Present value of minimum lease payments	5,349	4,534	5,995	8,159
Present value of minimum lease payment:				
- Not later than one year	1,201	1,364	1,565	1,701
- Later than one year and not later than five years	4,070	3,170	4,430	6,458
- Later than five years	78	-	-	-
	5,349	4,534	5,995	8,159
Less: Amount due within twelve months	(1,201)	(1,364)	(1,565)	(1,701)
Amount due after twelve months	4,148	3,170	4,430	6,458

(c) Bankers' acceptance

Bankers' acceptance of the Group bear effective interest rate of 3.84% (2022, 2021 and 2020: Nil%) per annum and is secured and supported as follows:

- (i) Guarantee by a third party; and
- (ii) Joint and several guarantee by certain directors of the Group.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**16. LOANS AND BORROWINGS (CONTINUED)****(d) Revolving credits**

Revolving credit 1 of the Group of RM1.27 million (2022: RM1.68 million, 2021: RM2.87 million and 2020: RM3.14 million) bears interest rate of 1.5% per month and is secured and supported as follows:

- (i) Jointly and severally guarantee by certain directors of the Group.

Revolving credit 2 of the Group of RMNil (2022: RM0.85 million, 2021: RM0.75 million and 2020: RM0.35 million) bears interest rate of 1.1% per month and is secured and supported as follows:

- (i) Jointly and severally guarantee by certain directors of the Group.

(e) Bank overdrafts

The bank overdrafts of the Group bears interest rate of:

- (i) 1.50% add BFR per annum; or
(ii) 2.00% add BFR per annum.

The bank overdrafts are secured and supported as follow:

- (i) Guaranteed by a third party; and
(ii) Jointly and severally guarantee by certain directors of the Group.

17. TRADE AND OTHER PAYABLES

	Note	← As at 31 December →			
		2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Trade					
Trade payables	(a)				
- Third parties		516	1,363	1,514	1,652
- Related parties		640	-	-	-
		1,156	1,363	1,514	1,652
Non-trade					
Other payables		935	1,489	2,717	6,406
Accruals		242	428	706	451
Deposits		978	1,114	1,153	1,314
Amount owing to a related party	(b)	1	20	-	-
Amount owing to directors	(b)	191	256	-	-
		2,347	3,307	4,576	8,171
Total trade and other payables		3,503	4,670	6,090	9,823

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

17. TRADE AND OTHER PAYABLES (CONTINUED)

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranging from 30 to 90 days (2022, 2021 and 2020: 30 to 90 days).

(b) Amount owing to a related party and directors

Amount owing to a related party and directors are non-trade in nature, unsecured, non-interest bearing, repayable upon demand and are expected to be settled in cash.

For explanation on the Group's liquidity risk management processes, refer to Note 27(b)(ii).

18. REVENUE

	←	FYE 31 December		→
	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000
Provision of IT solutions and related services	18,973	20,314	26,549	43,946
	<u>18,973</u>	<u>20,314</u>	<u>26,549</u>	<u>43,946</u>
Timing of revenue recognition:				
At a point in time	10,211	229	710	1,359
Over time	8,762	20,085	25,839	42,587
	<u>18,973</u>	<u>20,314</u>	<u>26,549</u>	<u>43,946</u>

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

19. OTHER INCOME

	← 2020 RM'000	FYE 31 December		→ 2023 RM'000
	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Gain on disposal of property, plant and equipment	-	-	3	-
Gain on lease modification	-	-	234	-
COVID-19 related				
rent concession income	164	343	-	-
Government grants	-	-	-	100
Net realised foreign exchange gain	-	-	12	-
Net unrealised foreign exchange gain	-	19	10	4
Rental income	-	3	26	35
Wages subsidy	418	397	23	-
Miscellaneous	6	7	338	23
	588	769	646	162

20. FINANCE INCOME

	← 2020 RM'000	FYE 31 December		→ 2023 RM'000
	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Interest income from:				
- short-term deposits	-	-	15	23
- trade receivables	137	86	34	1
	137	86	49	24

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

21. FINANCE COSTS

	←	FYE 31 December		→
	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
- Term loans	337	368	510	480
- Lease liabilities	422	374	465	611
- Bankers' acceptance	-	-	-	2
- Bank overdrafts	49	34	12	5
- Bank guarantee fee	47	54	64	87
- Revolving credits	330	496	94	-
	1,185	1,326	1,145	1,185

22. PROFIT BEFORE TAX

Other than as disclosed elsewhere in the combined financial statements, the following items have been charged in arriving at profit before tax:

		←	FYE 31 December		→
		2020	2021	2022	2023
	Note	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration - statutory audit:					
- Baker Tilly Monteiro Heng PLT		-	51	101	110
- Other auditors		23	-	-	-
Incorporation fee		-	-	2	-
Depreciation of:					
- property, plant and equipment	5	679	891	962	1,036
- right-of-use assets	6	1,207	1,351	1,543	1,817
Loss on disposal of property, plant and equipment		11	-	-	10
Property, plant and equipment written off		-	-	16	*
Loss on disposal of right-of-use assets		58	35	-	3
		58	35	-	3

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

22. PROFIT BEFORE TAX (CONTINUED)

Other than as disclosed elsewhere in the combined financial statements, the following items have been charged in arriving at profit before tax: (continued)

		← FYE 31 December →			
	Note	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Amortisation of intangible assets	7	135	284	362	337
Impairment loss on trade receivables	11	-	-	441	-
Bad debts written off		-	-	546	-
Rental expense on:					
- Premises		130	14	9	27
Net realised foreign exchange loss		-	27	-	50
Net unrealised foreign exchange loss		3	-	-	-
Employee benefits expense	23	4,134	4,537	7,110	9,219

* Less than RM1,000

23. EMPLOYEE BENEFITS EXPENSE

		← FYE 31 December →			
		2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Salaries, allowances and bonuses		3,649	3,958	6,220	8,052
Defined contribution plans		364	455	714	923
Other staff related benefits		121	124	176	244
		4,134	4,537	7,110	9,219
Included in employee benefits expenses are:					
- Directors' remuneration		458	523	479	690
- Directors' defined contribution plans		14	39	53	83
- Directors' other emoluments		1	2	2	2
		473	564	534	775

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

24. INCOME TAX (EXPENSE)/CREDIT

The major components of income tax expense/(credit) for the financial years ended 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023 are as follows:

	←	FYE 31 December		→
	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000
Combined statement of comprehensive income				
Current income tax:				
- Current income tax charge	299	37	1,809	2,778
- Adjustment in respect of prior year	1	-	(9)	279
	300	37	1,800	3,057
Deferred tax (Note 8):				
- Origination/(Reversal) of temporary differences	397	(462)	206	(152)
- Adjustment in respect of prior year	6	(1)	(60)	37
	403	(463)	146	(115)
Income tax expense/(credit) recognised in profit or loss	703	(426)	1,946	2,942

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% of the estimated assessable profit for the financial years.

The income tax rate applicable to small and medium scale enterprise ("SME") incorporated in Malaysia with paid-up capital of RM2.50 million (2022, 2021 and 2020: RM2.50 million) and below and annual sales less than RM50.00 million (2022, 2021 and 2020: RM50.00 million) is subject to the statutory income tax rate of 15% (2022, 2021 and 2020: 17%) on the first chargeable income of RM0.15 million (2022, 2021 and 2020: RM0.15 million) and 17% (2022, 2021 and 2020: 17%) on the next RM0.45 million (2022, 2021 and 2020: RM0.45 million). For chargeable income in excess of RM0.60 million (2022, 2021 and 2020: RM0.60 million), statutory income tax rate of 24% (2022, 2021 and 2020: 24%) is still applicable.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

24. INCOME TAX (EXPENSE)/CREDIT (CONTINUED)

The reconciliations from the tax amount at the statutory income tax rate to the Group's tax expense/(credit) are as follows:

	←	FYE 31 December		→
	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000
Profit before tax	2,962	1,975	8,003	10,028
Tax at Malaysian statutory income tax rate of 24%	711	474	1,921	2,407
SME tax savings	(35)	-	-	-
Adjustments:				
- Income not subject to tax	(97)	(92)	(142)	(1)
- Non-deductible expenses	617	605	235	220
- Deferred tax not recognised on tax losses and temporary differences	6	-	1	-
- Utilisation of previously unrecognised tax losses, capital allowances and temporary differences	(25)	(117)	-	-
- Adjustment in respect of current income tax of prior year	1	-	(9)	279
- Adjustment in respect of deferred tax of prior year	6	(1)	(60)	37
- Tax exempted	(481)	(1,295)	-	-
Income tax expense/(credit)	703	(426)	1,946	2,942

The subsidiary of the Company, NSS has been awarded with the Multimedia Super Corridor ("MSC") status by the Malaysian Government. The financial incentive awarded to NSS under the MSC status is "Pioneer Status" under Section 4A of the Promotion of Investment Act, 1986. NSS has been granted the Pioneer Status by the Ministry of Investment, Trade and Industry for services under the Promotion Investment Act, 1986 in which the statutory income is exempted from tax from 3 April 2017 to 30 June 2021.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**25. EARNINGS PER SHARE****Basic earnings per ordinary share and diluted earnings per ordinary share**

Basic earnings per ordinary share are based on the profit for the financial years attributable to owners of the Group and the weighted average number of ordinary shares outstanding during the financial years.

Diluted earnings per ordinary share are based on the profit for the financial year attributable to owners of the Group and the weighted average number of ordinary shares outstanding during the financial years plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The basic and diluted earnings per ordinary share are computed as follows:

	2020	2021	2022	2023
Profit attributable to owners of the Group (RM'000)	2,265	2,405	6,057	7,086
Weighted average number of ordinary shares in issue after effect of share split [^] (in '000 unit)	292,820	292,820	292,820	292,820
Basic and diluted earnings per share (RM)	0.01	0.01	0.02	0.02

[^] The weighted average number of ordinary shares in issue for the FYE 31 December 2020, 31 December 2021 and 31 December 2022 have been restated to reflect the retrospective adjustment arising from the share split which was completed during the FYE 31 December 2023.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

26. DIVIDENDS

	FYE 31 December 2022 RM'000
Recognised during the financial year:	
Dividends on ordinary shares:	
- Single-tier dividend of RM2 per ordinary share in respect of the financial year ended 31 December 2022, paid on 15 December 2022	2,000
- Single-tier dividend of RM0.50 per ordinary share in respect of the financial year ended 31 December 2022, paid on 29 December 2022	500
	<u>2,500</u>

27. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the combined statements of financial position by the classes of financial instruments to which they are assigned:

(i) Amortised cost

	Carrying amount RM'000	Amortised cost RM'000
At 31 December 2020		
Financial assets		
Other investment	165	165
Trade and other receivables, less prepayments	8,629	8,629
Cash and short-term deposits	1,829	1,829
	<u>10,623</u>	<u>10,623</u>
Financial liabilities		
Loans and borrowings	(15,716)	(15,716)
Trade and other payables	(3,503)	(3,503)
	<u>(19,219)</u>	<u>(19,219)</u>

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**27. FINANCIAL INSTRUMENTS (CONTINUED)****(a) Categories of financial instruments (continued)**

The following table analyses the financial instruments in the combined statements of financial position by the classes of financial instruments to which they are assigned:
(continued)

(i) Amortised cost (continued)

	Carrying amount RM'000	Amortised cost RM'000
At 31 December 2021		
Financial assets		
Other investment	165	165
Trade and other receivables, less prepayments	11,576	11,576
Cash and short-term deposits	2,509	2,509
	<u>14,250</u>	<u>14,250</u>
Financial liabilities		
Loans and borrowings	(17,053)	(17,053)
Trade and other payables	(4,670)	(4,670)
	<u>(21,723)</u>	<u>(21,723)</u>
At 31 December 2022		
Financial assets		
Trade and other receivables, less prepayments	9,597	9,597
Cash and short-term deposits	9,105	9,105
	<u>18,702</u>	<u>18,702</u>
Financial liabilities		
Loans and borrowings	(16,631)	(16,631)
Trade and other payables	(6,090)	(6,090)
	<u>(22,721)</u>	<u>(22,721)</u>
At 31 December 2023		
Financial assets		
Trade and other receivables, less prepayments	20,042	20,042
Cash and short-term deposits	6,498	6,498
	<u>26,540</u>	<u>26,540</u>
Financial liabilities		
Loans and borrowings	(16,462)	(16,462)
Trade and other payables	(9,823)	(9,823)
	<u>(26,285)</u>	<u>(26,285)</u>

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**27. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management**

The Group's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's overall financial risk management objective is to optimise value for its shareholders. The Group does not trade in financial instruments.

The Board of Directors reviews and agrees to the policies and procedures for the management of these risks, which are executed by the Group's senior management.

(i) Credit risk

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group is exposed to credit risk arises from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

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

- the counterparty is unable to pay its credit obligations to the Group in full, without taking into account any credit enhancements held by the Group; or
- the contractual payment of the financial asset is more than credit term unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the reporting period, the Group assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty;
- relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**27. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(i) Credit risk (continued)**

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

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the combined statements of financial position.

The carrying amounts of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

At the end of the reporting periods, the Group has a significant concentration of credit risk in the form of two (2) (2022 and 2021: two (2) and 2020: four (4)) trade receivables, representing approximately 82% (2022: 71%, 2021: 62% and 2020: 84%) of the Group's total trade receivables.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

	Contract assets RM'000	Current RM'000	Trade receivables					Total RM'000
			1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	91 to 120 days past due RM'000	> 120 days past due RM'000	
At 31 December 2020								
Gross carrying amount at default	2,788	1,451	1,926	250	296	181	2,556	6,660
Impairment losses	-	-	-	-	-	-	-	-
Net balance	2,788	1,451	1,926	250	296	181	2,556	6,660
At 31 December 2021								
Gross carrying amount at default	3,796	1,157	657	398	208	214	6,880	9,514
Impairment losses	-	-	-	-	-	-	-	-
Net balance	3,796	1,157	657	398	208	214	6,880	9,514

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows: (continued)

	Contract assets RM'000	Retention sums RM'000	Current RM'000	Trade receivables					Total RM'000
				1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	91 to 120 days past due RM'000	> 120 days past due RM'000	
At 31 December 2022									
Gross carrying amount at default	3,412	-	553	249	303	263	250	5,465	7,083
Impairment losses	-	-	-	-	-	-	-	(441)	(441)
Net balance	3,412	-	553	249	303	263	250	5,024	6,642
At 31 December 2023									
Gross carrying amount at default	2,702	129	9,486	1,134	300	937	23	2,796	14,805
Impairment losses	-	-	-	-	-	-	-	(441)	(441)
Net balance	2,702	129	9,486	1,134	300	937	23	2,355	14,364

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**27. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(i) Credit risk (continued)****Other receivables and other financial assets**

For other receivables and other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the combined statements of financial position.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available, reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant increases in credit risk on other financial instruments of the same counterparty;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of counterparties in the group and changes in the operating results of the counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than credit terms in making a contractual payment.

Intercompany loans between related entities are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the debtor does not have sufficient highly liquid resources when the loan is demanded, the Group will consider the expected manner of recovery and recovery period of the intercompany loan.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**27. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(i) Credit risk (continued)****Other receivables and other financial assets (continued)**

As at the end of the reporting date, the Group considers the other receivables and other financial assets as low credit risk and any loss allowance would be negligible.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's exposure to liquidity risk arises principally from trade and other payables and loans and borrowings.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group maintains sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group uses a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's finance department also ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

Maturity analysis

The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

	Carrying amount RM'000	Contractual cash flows			Total RM'000
		On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	
At 31 December 2020					
Trade and other payables	3,503	3,503	-	-	3,503
Term loans	6,099	1,089	4,000	2,634	7,723
Lease liabilities	5,349	1,558	4,536	81	6,175
Revolving credits	3,487	3,487	-	-	3,487
Bank overdrafts	781	781	-	-	781
	19,219	10,418	8,536	2,715	21,669

12. ACCOUNTANTS' REPORT (cont'd)
GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
27. FINANCIAL INSTRUMENTS (CONTINUED)
(b) Financial risk management (continued)
(ii) Liquidity risk (continued)
Maturity analysis (continued)

The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: (continued)

	Carrying amount RM'000	Contractual cash flows			Total RM'000
		On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	
At 31 December 2021					
Trade and other payables	4,670	4,670	-	-	4,670
Term loans	8,558	1,563	5,503	3,392	10,458
Lease liabilities	4,534	1,665	3,362	-	5,027
Revolving credits	3,619	3,619	-	-	3,619
Bank overdrafts	342	342	-	-	342
	21,723	11,859	8,865	3,392	24,116
At 31 December 2022					
Trade and other payables	6,090	6,090	-	-	6,090
Term loans	8,104	1,552	4,795	3,539	9,886
Lease liabilities	5,995	1,928	4,714	262	6,904
Revolving credits	2,532	2,532	-	-	2,532
	22,721	12,102	9,509	3,801	25,412
At 31 December 2023					
Trade and other payables	9,823	9,823	-	-	9,823
Term loans	6,951	1,431	5,021	1,782	8,234
Lease liabilities	8,159	2,213	4,909	3,300	10,422
Bankers' acceptance	87	87	-	-	87
Revolving credits	1,265	1,265	-	-	1,265
	26,285	14,819	9,930	5,082	29,831

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD") and Singapore Dollar ("SGD").

The Group's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

	←	As at 31 December			→
	2020	2021	2022	2023	
	RM'000	RM'000	RM'000	RM'000	
Financial assets and liabilities not held in functional currencies:					
<u>Trade receivables</u>					
USD	124	479	327	21	
<u>Cash and short-term deposits</u>					
USD	26	27	6	15	
<u>Trade payables</u>					
SGD	-	-	26	225	

Sensitivity analysis for foreign currency risk

The Group's principal foreign currency exposure relates mainly to USD and SGD.

No sensitivity analysis for foreign currency risk is prepared at the end of the reporting period as the Group does not have significant exposure to foreign currency risk.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its loans and borrowings with floating interest rates.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial year.

	Carrying amount RM'000	Change in basis points	Effect on profit and equity for the financial year RM'000
At 31 December 2020			
Term loans	6,099	+50 -50	(23) 23
Revolving credits	3,487	+50 -50	(13) 13
Bank overdrafts	781	+50 -50	(3) 3
At 31 December 2021			
Term loans	8,558	+50 -50	(33) 33
Revolving credits	3,619	+50 -50	(14) 14
Bank overdrafts	342	+50 -50	(1) 1

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iv) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial year. (continued)

	Carrying amount RM'000	Change in basis points	Effect on profit and equity for the financial year RM'000
At 31 December 2022			
Term loans	8,104	+50	(31)
		-50	31
Revolving credits	2,532	+50	(10)
		-50	10
At 31 December 2023			
Term loans	6,951	+50	(26)
		-50	26
Bankers' acceptance	87	+50	(*)
		-50	*
Revolving credits	1,265	+50	(5)
		-50	5

* Less than RM1,000

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**27. FINANCIAL INSTRUMENTS (CONTINUED)****(c) Fair value measurement**

The carrying amount of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no transfers between Level 1, Level 2 and Level 3 during the financial years (2022, 2021 and 2020: no transfer in either direction).

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

	Carrying amount RM'000	Fair value of financial instruments not carried at fair value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
At 31 December 2020					
Financial liability					
Non-current					
Term loans	5,399	-	-	4,994	4,994
At 31 December 2021					
Financial liability					
Non-current					
Term loans	7,376	-	-	6,693	6,693
At 31 December 2022					
Financial liability					
Non-current					
Term loans	6,780	-	-	6,105	6,105
At 31 December 2023					
Financial liability					
Non-current					
Term loans	5,888	-	-	4,994	4,994

Level 3 fair valueFair value of financial instruments not carried at fair value

The fair value of liability component of term loans are calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate of similar liabilities.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

28. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Entity in which a director has interests;
- (ii) Entity in which person connected to a director has interests;
- (iii) A person connected to a director; and
- (iv) Key management personnel of the Group, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly and indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the combined financial statements are as follows:

	← 2020 RM'000	FYE 31 December 2021 RM'000	2022 RM'000	→ 2023 RM'000
Revenue from				
- Entity in which a director has interests	-	200	-	-
Service rendered from				
- Entities in which a director has interests	341	12	-	-
- Entity in which person connected to a director has interests	36	-	-	-
Management fee to				
- Entities in which a director has interests	859	-	-	-
Rental charged by				
- Entities in which a director has interests	11	2	60	60

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**28. RELATED PARTIES (CONTINUED)****(b) Significant related party transactions (continued)**

Significant related party transactions other than disclosed elsewhere in the combined financial statements are as follows: (continued)

	←	FYE 31 December		→
	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000
Purchase of property, plant and equipment				
- A person connected to a director	4	-	-	-
Disposal of property, plant and equipment				
- A person connected to a director	65	-	-	-
Disposal of right-of-use assets				
- A director	350	-	-	-

(c) Compensation of key management personnel

	←	FYE 31 December		→
	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses	1,063	1,291	1,469	1,814
Defined contribution plans	82	131	167	208
Other staff related benefits	5	6	7	9
	1,150	1,428	1,643	2,031

Significant outstanding balances with related parties at the end of the reporting periods are disclosed in Notes 11 and 17.

29. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value. The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies and processes during financial years ended 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**29. CAPITAL MANAGEMENT (CONTINUED)**

The Group monitors its capital using gearing ratio. The gearing ratio is calculated as total debts divided by total equity. The gearing ratio as at 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023 are as follows:

		←	As at 31 December		→
		2020	2021	2022	2023
	Note	RM'000	RM'000	RM'000	RM'000
Loans and borrowings/total debts	16	15,716	17,053	16,631	16,462
Total equity		4,753	7,154	10,711	17,797
Gearing ratio (times)		3.31	2.38	1.55	0.92

There were no changes in the Group's approach to its capital management during the financial years under review.

The Group is not subject to any externally imposed capital requirements.

30. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS**(a) COVID-19 pandemic**

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic in recognition of its rapid spread across the globe. Many countries including the Malaysian Government imposed the Movement Control Order ("MCO") to curb the spread of the COVID-19 pandemic. The COVID-19 pandemic also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 pandemic since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group operates (as the Group primarily serves the bus and rail segments in Peninsular Malaysia).

The Group has performed assessments on the overall impact of the situation on the Group's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there was no material adverse effect on the combined financial statements for the financial years ended 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023.

(b) Acquisition of NSS

On 8 December 2022, GOHUB had entered into an internal reorganisation agreement with the shareholders of NSS to acquire the entire issued share capital of NSS comprising 1,000,000 ordinary shares for a purchase consideration of RM13,152,836. The acquisition of NSS was fully satisfied through the issuance of 13,152,836 new Shares at RM1.00 each. The acquisition of NSS was completed on 21 December 2022.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**30. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS (CONTINUED)****(c) Acquisition of TCT Apps**

On 8 December 2022, GOHUB had entered into an internal reorganisation agreement with the shareholders of TCT Apps to acquire the entire issued share capital of TCT Apps comprising 1,000,000 ordinary shares for a purchase consideration of RM157,008. The acquisition of TCT Apps was fully satisfied through the issuance of 157,008 new Shares at RM1.00 each. The acquisition of TCT Apps was completed on 22 December 2022.

(d) Issuance of shares

On 16 March 2023, Tan Cherng Thong subscribed for 56 new Shares at an issue price of RM6.00 each, representing approximately 0.0004% of the enlarged issued share capital of GOHUB at that point of time of 13,310,000 Shares. The issue price of RM6.00 per GOHUB Share was determined based on, amongst others, the intention to increase the issued share capital of GOHUB to RM13,310,280 comprising 13,310,000 GOHUB Shares for the purposes of the Listing.

(e) Share Split

The Company had, on 9 August 2023, undertaken a subdivision of all the existing GOHUB Shares in issue comprising 13,310,000 GOHUB Shares into 292,820,000 GOHUB Shares (i.e. subdivision of every one (1) existing Share into twenty-two (22) subdivided Shares).

31. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEARS**Acquisition of Star Central Office Tower**

The Group through NSS had entered into sale and purchase agreements with Joyful Star Sdn. Bhd. on 19 April 2024 to acquire the entire block of 8 storey semi-detached corporate office, Corporate Park, Star Central @ Cyberjaya consisting of Parcel No. 11-G-01, 11-01-01, 11-02-01, 11-03-01, 11-04-01, 11-05-01, 11-06-01 and 11-07-01 from Joyful Star Sdn. Bhd. held under Master Title Geran 339485, Lot 111284, Bandar Cyberjaya, Daerah Sepang, Negeri Selangor for a total built-up area measuring approximately 18,960 sq ft together with the buildings and accessory parcels erected thereon bearing postal address of 11-G-01, 11-01-01, 11-02-01, 11-03-01, 11-04-01, 11-05-01, 11-06-01 and 11-07-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor for a total purchase consideration of approximately RM12.90 million.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

32. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by directors for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follows:

Segments	Product and services
Transportation IT solutions	Provision of IT solutions and related services, focusing on transportation IT solutions (including customised software development systems and integration of hardware and software systems)
Other IT solutions	Developed and customised solution systems for various other end-user applications

Inter-segment pricing is determined on negotiated basis.

Segment profit

Segment performance is used to measure performance as the Executive Director is of the view that such segregation of financial information is the most relevant in evaluating the results of certain segment relative to other entities.

Segment assets and liabilities

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the Executive Director. Hence, no disclosure is made on segments assets.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

32. SEGMENT INFORMATION (CONTINUED)

	Transportation IT solutions RM'000	Other IT solutions RM'000	Total RM'000
31 December 2020			
Revenue:			
Revenue from external customers	18,898	75	18,973
Segment profit	9,138	9	9,147
Other income			588
Unallocated expenses			(5,725)
Finance income			137
Finance costs			(1,185)
Income tax expense			(703)
Profit for the financial year			2,259
Results:			
<i>Included in the measure of segments profit are:</i>			
Depreciation of property, plant and equipment			679
Depreciation of right-of-use assets			1,207
Amortisation of intangible assets			135
Employee benefits expense			4,134

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

32. SEGMENT INFORMATION (CONTINUED)

	Transportation IT solutions RM'000	Other IT solutions RM'000	Total RM'000
31 December 2021			
Revenue:			
Revenue from external customers	19,418	896	20,314
Segment profit	7,667	880	8,547
Other income			769
Unallocated expenses			(6,101)
Finance income			86
Finance costs			(1,326)
Income tax credit			426
Profit for the financial year			2,401
Results:			
<i>Included in the measure of segments profit are:</i>			
Depreciation of property, plant and equipment			891
Depreciation of right-of-use assets			1,351
Amortisation of intangible assets			284
Employee benefits expense			4,537

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

32. SEGMENT INFORMATION (CONTINUED)

	Transportation IT solutions RM'000	Other IT solutions RM'000	Total RM'000
31 December 2022			
Revenue:			
Revenue from external customers	25,648	901	26,549
Segment profit	16,670	564	17,234
Other income			646
Unallocated expenses			(8,781)
Finance income			49
Finance costs			(1,145)
Income tax expense			(1,946)
Profit for the financial year			6,057
Results:			
<i>Included in the measure of segments profit are:</i>			
Depreciation of property, plant and equipment			962
Depreciation of right-of-use assets			1,543
Amortisation of intangible assets			362
Employee benefits expense			7,110

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

32. SEGMENT INFORMATION (CONTINUED)

	Transportation IT solutions RM'000	Other IT solutions RM'000	Total RM'000
31 December 2023			
Revenue:			
Revenue from external customers	43,257	689	43,946
Segment profit	22,220	243	22,463
Other income			162
Unallocated expenses			(11,436)
Finance income			24
Finance costs			(1,185)
Income tax expense			(2,942)
Profit for the financial year			7,086
Results:			
<i>Included in the measure of segments profit are:</i>			
Depreciation of property, plant and equipment			1,036
Depreciation of right-of-use assets			1,817
Amortisation of intangible assets			337
Employee benefits expense			9,219

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

32. SEGMENT INFORMATION (CONTINUED)

Geographical information

Revenue based on the geographical location of customers are as follows:

	←	FYE 31 December		→
	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000
Malaysia	18,953	19,979	26,519	43,824
Overseas	20	335	30	122
	<u>18,973</u>	<u>20,314</u>	<u>26,549</u>	<u>43,946</u>

Information about major customers

Revenue from external customers which contributed 10% or more to the total revenue recognised is as follows:

	FYE 31 December 2020 RM'000
Customer A	<u>11,920</u>
	FYE 31 December 2021 RM'000
Customer B	<u>11,464</u>
	FYE 31 December 2022 RM'000
Customer A	<u>15,477</u>
	FYE 31 December 2023 RM'000
Customer A	<u>30,443</u>

13. STATUTORY AND OTHER GENERAL INFORMATION

13.1 Share capital

- (i) The share capital of our Company and our subsidiaries as at the LPD and changes in their respective share capital since incorporation up to the LPD are as set out in **Sections 5.2 and 5.5** of this Prospectus.
- (ii) No securities will be allotted, issued or offered on the basis of this Prospectus later than 6 months after the date of the issue of this Prospectus.
- (iii) As at the LPD, we have only 1 class of shares in our Company, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iv) Save as disclosed in this Prospectus, no shares, debentures, outstanding warrants, options, convertible securities or uncalled capital of our Company or our subsidiaries have been issued or proposed to be issued as fully or partly paid-up, in cash or otherwise than in cash, within the the financial years under review as well as the subsequent period up to the LPD.
- (v) As at the LPD, none of the share capital of our Company or any of our subsidiaries is under option, or agreed conditionally or unconditionally to be put under option.
- (vi) Save for the Pink Form Allocations as set out in **Section 3.3.1(ii)** of this Prospectus:-
 - (a) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiaries; and
 - (b) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.
- (vii) Our Company does not have any outstanding convertible debt securities, options, warrants or uncalled capital as at the LPD.

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13. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)**13.2 Extracts of our Constitution**

The following provisions are extracted from our Constitution and are qualified in their entirety by the remainder of the provisions of our Constitution and by applicable laws. Terms defined in our Constitution shall have the same meaning when used herein unless they are otherwise defined herein or the context otherwise requires.

13.2.1 Remuneration, voting and borrowing powers of Directors

The provisions in our Constitution dealing with remuneration, voting and borrowing powers of Directors are as follows:-

(i) Remuneration of Directors**Clause 21.4 – Remuneration**

“The Directors shall be paid by way of remuneration for their services such fixed sum as shall from time to time be determined by the Company in meeting of Members, and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that:-

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover and which shall not exceed the amount approved by the shareholders in general meeting;
- (b) remuneration and other emoluments (including bonus, benefits or any other emoluments) payable to executive Directors may not include a commission on or percentage of turnover;
- (c) fees payable to Directors and any benefits payable to Directors shall be subject to annual approval by an Ordinary Resolution at a meeting of Members;
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and
- (e) the fees and/or benefits payable to non-executive Directors who is also Director of the subsidiary(ies) includes fees, meeting allowances, travelling allowances, benefits, gratuity and compensation for loss of employment of Director or former Director of the Company provided by the Company and subsidiary(ies), but does not include insurance premium or any issue of Securities.”

Clause 21.5 – Reimbursement

“In addition to the remuneration provided under Clause 21.4, each Director shall be paid such reasonable travelling, hotel and other expenses as he shall incur in attending and returning from meetings of the Directors or any committee of the Directors or meeting of Members or which they may otherwise incur in connection with the business of the Company.”

13. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

Clause 22.3 – Remuneration of Managing Director

“The remuneration of a Managing Director or Managing Directors shall be fixed by the Directors, and may be by way of fixed salary or commission or participation in profits or by any or all of those modes, but shall not include a commission on or percentage of turnover but it may be a term of his appointment that he shall receive pension, gratuity or other benefits upon his retirement.”

(ii) Borrowing powers of Directors

Clause 23.2 – Directors’ borrowing powers

- “(a) The Directors may from time to time at their discretion raise or borrow such sums of money as they think proper and may secure the repayment of such sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable, debentures or debenture stock or any mortgage or guarantee, charge or security on the undertaking of the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being and borrow any money or mortgage or charge any of the Company’s or the subsidiaries’ undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of any subsidiary, associated or other companies or persons. Provided that the Directors shall not issue any debt securities convertible to ordinary shares without the prior approval of the Company in meeting of members.
- (b) Any debentures, debenture stock, bonds or other securities may be issued with any special privileges as to redemption, surrender, drawings, allotment of Shares, attending and voting at meeting of members of the Company, appointment of Directors and otherwise.
- (c) If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company in its ordinary course of business, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.
- (d) The Directors shall cause a proper register to be kept in accordance with Section 362 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 352 of the Act as regards the registration of mortgages and charges therein specified or otherwise.”

Clause 23.3 – Guarantee

“The Directors may exercise all the powers of the Company to guarantee payment of money payable under contract obligations of any subsidiary company or companies with or without securities.”

13. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

(iii) Voting powers of Directors

Clause 24.7 – Proceedings of meeting

“A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretion by or under this Constitution vested in or exercisable by the Directors generally. Subject to this Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes of the Directors present and each Director having one (1) vote and determination by a majority of Directors shall for all purposes deemed as a decision from the Board.”

Clause 24.8 – Chairman’s casting vote

“In case of an equality of votes, the chairman shall have a second or casting vote provided always that the chairman of a meeting at which only two (2) Directors form a quorum or at which only two (2) Directors are competent to vote on the questions at issue, shall not have a second or casting vote.”

13.2.2 Changes to share capital and rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights

The provisions in the Constitution dealing with changes in share capital and rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights are as follows:-

Clause 15.1 – Company may alter its capital in certain ways

“Subject to the Applicable Laws, the Company may from time to time by Ordinary Resolution:-

- (a) consolidate and divide all or any of its share capital into Shares of larger amount than its existing shares;
- (b) subdivide its share capital or any part thereof into shares of smaller amount than is fixed by this Constitution by subdivision of its existing shares or any of them, subject nevertheless to the provisions of the Act and so that as between the resulting shares, one (1) or more of such shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividends, return of capital, voting or otherwise over the others or any other of such shares;
- (c) cancel Shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled;
- (d) convert all or any of its issued Shares into stock and reconvert that stock into paid up Shares; and
- (e) subject to the provisions of this Constitution and the Act, convert and/or re-classify any class of Shares into any other class of Shares.”

Clause 15.2 – Power to reduce capital

“The Company may by Special Resolution, reduce its share capital in any manner permitted or authorised under and in compliance with the Applicable Laws.”

13. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)**Clause 15.4 – Purchase of own Shares**

“Subject to the provisions of the Act and/or the Applicable Laws, the Company may, with the sanction of an Ordinary Resolution of the Members in meeting of Members, purchase its own Shares and make payment in respect of the purchase and/or give financial assistance to any person for the purpose of purchasing its own Shares on such date(s), terms and manner as may be determined from time to time by the Directors. Any Shares in the Company so purchased by the Company shall be dealt with in accordance with the Act and/or the Applicable Laws. The provision of Clauses 15.1 and 15.2 hereof shall not affect the power of the Company to cancel any Shares or reduce its share capital pursuant to any exercise of the Company’s power under this Clause.”

Clause 16.1 – Increase of share capital

“Subject to all Applicable Laws, the Company may from time to time, whether all the Shares for the time being issued shall have been fully called up or not, by Ordinary Resolution increase its share capital by the creation of new Shares, such new capital to be of such amount and to be divided into Shares of such respective amounts and (subject to any special rights for the time being attached to any existing class of shares) to carry such preferential, deferred or other special rights (if any) or to be subject to such conditions or restrictions (if any), in regard to dividend, return of capital, voting or otherwise, as the Company by the resolution authorising such increase may direct.”

Clause 17 – Variation on rights

“If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of seventy-five per centum (75%) of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the Shares of that class. To every such separate meeting the provisions of this Constitution relating to meeting of Members shall mutatis mutandis apply so that the necessary quorum shall be two (2) persons at least holding or representing by proxy at least one-third (1/3) of the issued shares of the class and that any holder of Shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 292 of the Act shall apply with such adaptations as are necessary.”

13.2.3 Transfer of shares

The provisions in the Constitution in respect of the arrangement for transfer of securities of our Company and restrictions on their free transferability are as follows:-

Clause 11.1 – Transfer in writing and to be left at the Office

“For the purpose of registration of a transfer of Shares that are not Deposited Securities, every instrument of transfer which is executed in accordance with the Applicable Laws, shall be left at the Office together with such fee not exceeding RM3.00 or as the Directors may determine, where a share certificate has been issued for the Share to be transferred, the certificate of the Shares and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the Shares, and thereupon the Company shall subject to the powers vested in the Directors by this Constitution register the transferee as the Member within thirty (30) days from receipt of such duly executed and stamped instrument of transfer.”

13. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

Clause 11.2 – Transfer of Securities

“The transfer of any Deposited Security shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of Deposited Security.”

Clause 11.5 – Directors may refuse registration of transfer

“Subject to the provisions of the Act, the SICDA, the Listing Requirements and the Rules, the Directors may, in their discretion and without assigning any reason therefor, refuse to register, the transfer of any Share, not being a fully paid share, and whether or not the Company claims lien on the same.”

Clause 11.6 – Closing of registration of transfers

“The registration of transfers may be closed at such times and for such periods as the Directors may from time to time determine but not exceeding in the whole thirty (30) days in any calendar year. In relation to the closure, the Company shall give written notice in accordance with the Rules to the Central Depository to issue the relevant appropriate Record of Depositors.

The Company shall before close such register:-

- (a) give notice of such intended book closure (in the case of the register) in accordance with Section 55 of the Act; and
- (b) give notice of such intended closure to the Exchange for such period as prescribed by the Exchange or the Applicable Laws before the intended date of such closure including in such notice, such date, the reason for such closure and the address of the share registry at which documents will be accepted for registration.”

Clause 11.7 – Limitation of liability

“Neither the Company nor the Directors nor any of its officers shall incur any liability for authorising or causing the registering or acting upon a transfer of Securities apparently made by sufficient parties, although the same may by reason of any fraud or other cause not known to the Company or the Directors or other officers be legally inoperative or insufficient to pass the property in the securities proposed or professed to be transferred, and although transferred, the transfer may, as between the transferor and the transferee, be liable to be set aside, and notwithstanding that, the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee of the particulars of the Securities transferred, or otherwise in defective manner. In every such case, the person registered as the transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such securities and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.”

13.3 Limitation on the rights to hold securities and/or exercise voting rights

There are no limitations on the right to own securities, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on our Shares.

13. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

13.4 Deposited securities and rights of Depositors

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, holders of our Shares must deposit their Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer the Shares to the Minister of Finance, Malaysia, Inc. and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository (“**Depositor**”) by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

13.5 Material contracts

Save as disclosed below, our Group has not entered into any material contract which is not in the ordinary course of our Group’s business within the financial years under review as well as the subsequent period up to the date of this Prospectus:-

- (i) the internal reorganisation agreement dated 8 December 2022 between Tan Cherng Thong, Hong Boon Huon, Eng Chee Seng and Wong Yoke Hoe (as vendors) and GOHUB (as purchaser) in respect of the Acquisition of NSS (which is part of the Pre-IPO Restructuring and Transactions). Please refer to **Section 5.3.1** of this Prospectus for further details of the Acquisition of NSS;
- (ii) the internal reorganisation agreement dated 8 December 2022 between TCT International, Tan Cherng Thong, Hong Boon Huon and Eng Chee Seng (as vendors) and GOHUB (as purchaser) in respect of the Acquisition of TCT Apps (which is part of the Pre-IPO Restructuring and Transactions). Please refer to **Section 5.3.2** of this Prospectus for further details of the Acquisition of TCT Apps;
- (iii) the sale and purchase agreement dated 19 April 2024 between NSS and Joyful Star Sdn Bhd in respect of the Acquisition of Star Central Office Tower where NSS agreed to purchase all that parcel of a unit of semi-detached corporate office known as Parcel No. 11-G-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor measuring approximately 1,946 sq ft together with the accessory parcels for a purchase consideration of approximately RM2.10 million. Please refer to **Section 3.6.1(ii)** of this Prospectus for further details of the Acquisition of Star Central Office Tower;
- (iv) the sale and purchase agreement dated 19 April 2024 between NSS and Joyful Star Sdn Bhd in respect of the Acquisition of Star Central Office Tower where NSS agreed to purchase all that parcel of a unit of semi-detached corporate office known as Parcel No. 11-01-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor measuring approximately 2,158 sq ft together with the accessory parcels for a purchase consideration of approximately RM1.47 million. Please refer to **Section 3.6.1(iii)** of this Prospectus for further details of the Acquisition of Star Central Office Tower;

13. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

- (v) the sale and purchase agreement dated 19 April 2024 between NSS and Joyful Star Sdn Bhd in respect of the Acquisition of Star Central Office Tower where NSS agreed to purchase all that parcel of a unit of semi-detached corporate office known as Parcel No. 11-02-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor measuring approximately 2,158 sq ft together with the accessory parcels for a purchase consideration of approximately RM1.25 million. Please refer to **Section 3.6.1(iii)** of this Prospectus for further details of the Acquisition of Star Central Office Tower;
- (vi) the sale and purchase agreement dated 19 April 2024 between NSS and Joyful Star Sdn Bhd in respect of the Acquisition of Star Central Office Tower where NSS agreed to purchase all that parcel of a unit of semi-detached corporate office known as Parcel No. 11-03-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor measuring approximately 2,158 sq ft together with the accessory parcels for a purchase consideration of approximately RM1.23 million. Please refer to **Section 3.6.1(iii)** of this Prospectus for further details of the Acquisition of Star Central Office Tower;
- (vii) the sale and purchase agreement dated 19 April 2024 between NSS and Joyful Star Sdn Bhd in respect of the Acquisition of Star Central Office Tower where NSS agreed to purchase all that parcel of a unit of semi-detached corporate office known as Parcel No. 11-04-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor measuring approximately 2,635 sq ft together with the accessory parcels for a purchase consideration of approximately RM2.00 million. Please refer to **Section 3.6.1(iii)** of this Prospectus for further details of the Acquisition of Star Central Office Tower;
- (viii) the sale and purchase agreement dated 19 April 2024 between NSS and Joyful Star Sdn Bhd in respect of the Acquisition of Star Central Office Tower where NSS agreed to purchase all that parcel of a unit of semi-detached corporate office known as Parcel No. 11-05-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor measuring approximately 2,635 sq ft together with the accessory parcels for a purchase consideration of approximately RM1.53 million. Please refer to **Section 3.6.1(iii)** of this Prospectus for further details of the Acquisition of Star Central Office Tower;
- (ix) the sale and purchase agreement dated 19 April 2024 between NSS and Joyful Star Sdn Bhd in respect of the Acquisition of Star Central Office Tower where NSS agreed to purchase all that parcel of a unit of semi-detached corporate office known as Parcel No. 11-06-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor measuring approximately 2,635 sq ft together with the accessory parcels for a purchase consideration of approximately RM1.53 million. Please refer to **Section 3.6.1(iii)** of this Prospectus for further details of the Acquisition of Star Central Office Tower;
- (x) the sale and purchase agreement dated 19 April 2024 between NSS and Joyful Star Sdn Bhd in respect of the Acquisition of Star Central Office Tower where NSS agreed to purchase all that parcel of a unit of semi-detached corporate office known as Parcel No. 11-07-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor measuring approximately 2,635 sq ft together with the accessory parcels for a purchase consideration of approximately RM1.79 million. Please refer to **Section 3.6.1(iii)** of this Prospectus for further details of the Acquisition of Star Central Office Tower;
- (xi) the Underwriting Agreement dated 15 May 2024 between GOHUB and the Underwriter in relation to 20,000,000 IPO Shares under the Public Issue and 12,000,000 IPO Shares under the Pink Form Allocations for the underwriting commission at the rate set out in **Section 3.7(ii)** of this Prospectus. Please refer to **Section 3.8** of this Prospectus for further details of the Underwriting Agreement; and

13. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

- (xii) the Placement Agreement dated 15 May 2024 between GOHUB and the Placement Agent in relation to 75,180,000 IPO Shares under the Public Issue for the placement fee at the rate set out in **Section 3.7(iii)** of this Prospectus.

13.6 Material litigation

As at the LPD, our Group is not involved in any material litigation or arbitration, either as plaintiff or defendant of a third party, including those relating to bankruptcy, receivership or similar proceedings, which may have a material adverse effect on the business or financial position of our Group, and our Directors are not aware of any legal proceeding, pending or threatened, or of any fact likely to give rise to any legal proceeding which may have a material adverse effect on the business or financial position of our Group.

13.7 Repatriation of capital and remittance of profit

All corporations in Malaysia are required to adopt a single-tier dividends. Hence, all dividends distributed to our shareholders under a single-tier dividend are not taxable.

Further, the Malaysian government does not levy withholding tax on dividend payments. Therefore, the dividends to be paid to shareholders who are non-tax residents in Malaysia are not subject to withholding tax in Malaysia.

13.8 Letters of consent

The written consents of our Principal Adviser, Sponsor, Underwriter and Placement Agent, Legal Adviser, Company Secretaries, Share Registrar and Issuing House as set out in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants, for the inclusion in this Prospectus of its name, Accountants' Report and Reporting Accountants' report on the pro forma consolidated statements of financial position together with all references herein in the form and context in which they are contained in this Prospectus has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

The written consent of the IMR, for the inclusion in this Prospectus of its name and the Industry Overview Report in the form and context in which they are contained in this Prospectus has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

13.9 Documents available for inspection

Copies of the following documents may be inspected at our Registered Office during normal working hours for a period of 6 months from the date of this Prospectus:-

- (i) our Constitution;
- (ii) Reporting Accountants' report on the pro forma consolidated statements of financial position as included in **Section 11.2** of this Prospectus;
- (iii) Accountants' Report referred to in **Section 12** of this Prospectus;
- (iv) the letters of consent referred to in **Section 13.8** of this Prospectus;
- (v) the material contracts referred to in **Section 13.5** of this Prospectus;
- (vi) the audited consolidated financial statements of our Group for the FYE 2023, and the audited financial statements of each of our subsidiaries for the financial years under review; and

13. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

(vii) the Industry Overview Report as included in **Section 7** of this Prospectus.

13.10 Responsibility statements

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

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

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14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF THIS PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in this Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

14.1 Opening and closing of Applications

Opening of the Application period: 10.00 a.m., 12 June 2024

Closing of the Application period: 5.00 p.m., 20 June 2024

In the event there is any change to the timetable above, we will advertise a notice of the changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia, and make an announcement of such changes on Bursa Securities' website accordingly.

Late Applications will not be accepted.

14.2 Methods of Application

14.2.1 Application for our IPO Shares by the Malaysian Public and Eligible Persons

Applications must accord with this Prospectus and our Constitution. The submission of an Application Form does not mean that your Application will succeed.

Types of Application and category of investors	Application method
Applications by Eligible Persons	Pink Application Form only
Applications by the Malaysian Public:-	
(a) Individuals	- White Application Form; or - Electronic Share Application; or - Internet Share Application
(b) Non-individuals	- White Application Form only

14.2.2 Placement

Types of Application and category of investors	Application method
Applications by:-	
Selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions

Selected investors may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

14.3 Eligibility

14.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the **ADAs** set out in **Section 12** of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of this Prospectus on the website of Bursa Securities. **The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.**

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

14.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfil all of the following:-

- (i) You must be one of the following:-
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or
 - (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (ii) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (iii) You must submit an Application by using only one of the following methods:-
 - (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

14.3.3 Application by Eligible Persons

Our Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocations. The applicants must follow the notes and instructions in those documents and where relevant, in this Prospectus.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

Eligible Persons may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, the Issuing House, UOBKH, participating organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

14.4 Application by way of Application Forms

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of this Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.35 for each IPO Share.

Payment must be made out in favour of “**TIIH SHARE ISSUE ACCOUNT NO. 769**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:-

- (i) despatch by **ORDINARY POST** in the official envelopes provided to the following address:-

**Tricor Investor & Issuing House Services Sdn Bhd
(Registration No. 197101000970 (11324-H))**

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

- (ii) **DELIVER BY HAND AND DEPOSIT** in the Drop-in Boxes provided at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur so as to arrive not later than **5.00 p.m.** on 20 June 2024 or by such other time and date specified in any change to the date or time for closing. We will not accept late Applications.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your White Application Form or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

14.5 Application by way of Electronic Share Application

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Electronic Participating Financial Institutions.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

14.6 Application by way of Internet Share Application

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of these Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd (formerly known as CGS-CIMB Securities Sdn Bhd), Malayan Banking Berhad and Public Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

14.7 Authority of our Board and Issuing House

The Issuing House, on the authority of our Board, reserves the right to:-

- (i) reject Applications which:-
 - (a) do not conform to the instructions of this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of remittance;
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with **Section 14.9** below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

14.8 Over/under-subscription

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of our IPO Shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major daily Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at <https://tiih.online> **within 1 Market Day** after the balloting date.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

Pursuant to the Listing Requirements, we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions as set out in **Section 3.3.2** of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

14.9 Unsuccessful/partially successful applicants

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner:-

14.9.1 For applications by way of Application Form

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the NRIC or any official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

14.9.2 For applications by way of Electronic Share Application and Internet Share Application

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institution) within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the 5th Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

14.10 Successful applicants

If you are successful in your Application:-

- (i) Our IPO Shares allotted to you will be credited into your CDS Account.
- (ii) A notice of allotment will be despatched to you at your registered or correspondence address last maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. As such, our IPO Shares issued/offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

14.11 Enquiries

Enquiries in respect of the Applications may be directed as follows:-

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. +603-2783 9299
Electronic Share Application	Participating Financial Institution

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

Mode of application	Parties to direct the enquiries
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

The results of the allocation of the IPO Shares derived from successful balloting will be made available to the public at the Issuing House's website at <https://tjih.online>, within 1 Market Day after the balloting date.

You may also check the status of your Application at the above website, 5 Market Days after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs as set out in **Section 12** of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of this Prospectus on the website of Bursa Securities.

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