

THIS DOCUMENT HAS NOT BEEN REGISTERED BY BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”). THE INFORMATION IN THIS PROSPECTUS MAY BE SUBJECT TO FURTHER AMENDMENTS BEFORE BEING REGISTERED BY BURSA SECURITIES. UNDER NO CIRCUMSTANCES SHALL THIS DOCUMENT CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR AN INVITATION TO SUBSCRIBE FOR OR PURCHASE SECURITIES.

P R O S P E C T U S



GO HUB CAPITAL BERHAD

(Registration No.: 202201019895 (1465592-V))
(Incorporated in Malaysia)

INITIAL PUBLIC OFFERING (“IPO”) IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED ORDINARY SHARE CAPITAL OF GO HUB CAPITAL BERHAD (“GOHUB” OR THE “COMPANY”) ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“ACE MARKET”) COMPRISING A PUBLIC ISSUE OF 107,180,000 NEW ORDINARY SHARES IN GOHUB (“IPO SHARE(S)”) IN THE FOLLOWING MANNER:-

- (I) 20,000,000 IPO SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- (II) 12,000,000 IPO SHARES RESERVED FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES AS WELL AS PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP; AND
- (III) 75,180,000 IPO SHARES BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED INSTITUTIONAL AND/OR SELECTED INVESTORS,

AT AN IPO PRICE OF RM[•] PER IPO SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Underwriter and Placement Agent



UOB KAY HIAN SECURITIES (M) SDN BHD

(Registration No.: 199001003423 (194990-K))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

[This Prospectus has been registered by Bursa Securities.] The approval of the listing of and quotation for our entire enlarged issued share capital on the ACE Market and registration of this Prospectus should not be taken to indicate that Bursa Securities recommends the offering or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. Bursa Securities has not, in any way, considered the merits of the securities being offered for investment.

Bursa Securities has approved the admission of our Company to the official list of Bursa Securities and the listing of and quotation for our entire enlarged issued share capital on the ACE Market. Bursa Securities is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER 6 MONTHS FROM THE DATE OF THIS PROSPECTUS. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 37.

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

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

THIS PROSPECTUS IS DATED [•]

RESPONSIBILITY STATEMENTS

OUR DIRECTORS AND PROMOTERS (AS DEFINED HEREIN) 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.

UOB KAY HIAN SECURITIES (M) SDN BHD (“**UOBKH**”), BEING OUR PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT IN RELATION TO OUR IPO, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING OUR IPO.

STATEMENTS OF DISCLAIMER

[APPROVAL HAS BEEN GRANTED BY BURSA SECURITIES FOR THE LISTING OF AND QUOTATION FOR OUR SHARES. ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF OUR IPO, OUR COMPANY OR OUR SHARES.]

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

[THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORMS (AS DEFINED HEREIN), HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES, WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.]

OTHER STATEMENTS

YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (“**CMSA**”) FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THIS PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO GOHUB.

OUR SHARES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING OUR IPO, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

[OUR SHARES ARE CLASSIFIED AS SHARIAH COMPLIANT BY THE SHARIAH ADVISORY COUNCIL OF THE SECURITIES COMMISSION MALAYSIA (“**SAC**”). THIS CLASSIFICATION REMAINS VALID FROM THE DATE OF ISSUE OF THE PROSPECTUS UNTIL THE NEXT SHARIAH COMPLIANCE REVIEW UNDERTAKEN BY THE SAC. THE NEW STATUS IS RELEASED IN THE UPDATED LIST OF SHARIAH-COMPLIANT SECURITIES, ON THE LAST FRIDAY OF MAY AND NOVEMBER.]

THIS PROSPECTUS HAS BEEN PREPARED IN THE CONTEXT OF AN IPO UNDER THE LAWS OF MALAYSIA, AND OUR IPO WILL NOT BE MADE IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA OR TO PERSONS WHO ARE SUBJECT TO THE LAWS OF ANY COUNTRY OR JURISDICTION OTHER THAN THE LAWS OF MALAYSIA. OUR IPO TO WHICH THIS PROSPECTUS RELATES IS ONLY AVAILABLE TO PERSONS RECEIVING THIS PROSPECTUS ELECTRONICALLY OR OTHERWISE WITHIN MALAYSIA. WE AND OUR PRINCIPAL ADVISER HAVE NOT AUTHORISED AND TAKE NO RESPONSIBILITY FOR THE DISTRIBUTION OF THIS PROSPECTUS (IN PRELIMINARY OR FINAL FORM) OUTSIDE MALAYSIA. ACCORDINGLY, THIS PROSPECTUS MAY NOT BE USED FOR THE PURPOSE OF AND DOES NOT CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE OR INVITATION TO SUBSCRIBE OR PURCHASE, ANY SECURITIES UNDER OUR IPO IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IN ANY JURISDICTION OR IN ANY CIRCUMSTANCES IN WHICH SUCH AN OFFER IS NOT AUTHORISED OR LAWFUL OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFER OF OUR IPO SHARES (AS DEFINED HEREIN) IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS WHO MAY BE IN POSSESSION OF THIS PROSPECTUS ARE REQUIRED TO INFORM THEMSELVES OF AND TO OBSERVE SUCH RESTRICTIONS.

WE WILL NOT MAKE OR BE BOUND TO MAKE ANY ENQUIRY BEFORE ANY ACCEPTANCE IN RESPECT OF OUR IPO AS TO WHETHER YOU HAVE A REGISTERED ADDRESS IN MALAYSIA. WE WILL NOT ACCEPT ANY LIABILITY WHETHER OR NOT ANY ENQUIRY OR INVESTIGATION IS MADE IN CONNECTION WITH IT. IT IS YOUR SOLE RESPONSIBILITY TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS AS TO WHETHER OUR IPO WOULD RESULT IN THE CONTRAVENTION OF ANY LAWS OR JURISDICTIONS OTHER THAN MALAYSIA TO WHICH YOU MAY BE SUBJECTED.

FURTHER, IT SHALL ALSO BE YOUR SOLE RESPONSIBILITY TO ENSURE THAT YOUR APPLICATION FOR OUR SHARES WOULD BE IN COMPLIANCE WITH THE TERMS OF OUR IPO AND WOULD NOT BE IN CONTRAVENTION OF ANY LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO WHICH YOU MAY BE SUBJECTED TO. WE WILL FURTHER ASSUME THAT YOU HAD ACCEPTED THIS IPO IN MALAYSIA AND WILL AT ALL APPLICABLE TIMES BE SUBJECTED ONLY TO THE LAWS OF MALAYSIA CONNECTED TO IT.

HOWEVER, WE RESERVE THE RIGHT, IN OUR ABSOLUTE DISCRETION, TO TREAT ANY ACCEPTANCE AS INVALID IF WE BELIEVE THAT SUCH ACCEPTANCE MAY VIOLATE ANY LAW OR APPLICABLE LEGAL OR REGULATORY REQUIREMENTS.

THIS PROSPECTUS IS PREPARED AND PUBLISHED SOLELY FOR OUR IPO IN MALAYSIA UNDER THE LAWS OF MALAYSIA. OUR SHARES ARE ISSUED IN MALAYSIA SOLELY BASED ON THE CONTENTS OF THIS PROSPECTUS. WE AND OUR PRINCIPAL ADVISER HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION, WHICH IS NOT CONTAINED IN THIS PROSPECTUS.

ELECTRONIC PROSPECTUS

THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT www.bursamalaysia.com. THE CONTENTS OF THE ELECTRONIC PROSPECTUS (AS DEFINED HEREIN) ARE AS PER THE CONTENTS OF THE PROSPECTUS REGISTERED WITH BURSA SECURITIES.

YOU ARE ADVISED THAT THE INTERNET IS NOT A FULLY SECURED MEDIUM AND THAT YOUR INTERNET SHARE APPLICATION (AS DEFINED HEREIN) IS SUBJECT TO THE RISKS OF PROBLEMS OCCURRING DURING DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS (AS DEFINED HEREIN). THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

IF YOU DOUBT THE VALIDITY OR THE INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM US OR THE ISSUING HOUSE (AS DEFINED HEREIN), A PAPER/PRINTED COPY OF THIS PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS FOR ANY REASON WHATSOEVER, THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS WHICH ARE IDENTICAL TO THE COPY OF THIS PROSPECTUS REGISTERED WITH BURSA SECURITIES SHALL PREVAIL.

IN RELATION TO ANY REFERENCE IN THIS PROSPECTUS TO THIRD-PARTY INTERNET SITES (REFERRED TO AS "**THIRD-PARTY INTERNET SITES**"), WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD-PARTY INTERNET SITES, YOU ACKNOWLEDGE AND AGREE THAT:-

- I. WE AND OUR PRINCIPAL ADVISER DO NOT ENDORSE AND ARE NOT AFFILIATED IN ANY WAY TO THE THIRD-PARTY INTERNET SITES AND ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF, OR THE CONTENT OR ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED ON THE THIRD-PARTY INTERNET SITES. YOU SHALL BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD-PARTY INTERNET SITES;
- II. WE AND OUR PRINCIPAL ADVISER ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD-PARTY INTERNET SITES, PARTICULARLY IN FULFILLING ANY OF THE TERMS OF YOUR AGREEMENTS WITH THE THIRD-PARTY INTERNET SITES. WE AND OUR PRINCIPAL ADVISER ARE ALSO NOT RESPONSIBLE FOR ANY LOSS OR DAMAGE OR COST THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD-PARTY INTERNET SITES OR THE USE OF OR RELIANCE ON ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED BY SUCH PARTIES; AND
- III. ANY DATA, INFORMATION, FILES OR OTHER MATERIAL DOWNLOADED FROM THE THIRD-PARTY INTERNET SITES IS DONE AT YOUR OWN DISCRETION AND RISK. WE AND OUR PRINCIPAL ADVISER ARE NOT RESPONSIBLE, LIABLE OR UNDER OBLIGATION FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILES OR OTHER MATERIAL.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS, YOU ARE ADVISED THAT:-

- I. THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS ARE ONLY LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS, TO THE EXTENT OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS ON THE WEB SERVERS OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS WHICH MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS ARE NOT RESPONSIBLE IN ANY WAY FOR THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS WHICH HAS BEEN DOWNLOADED OR OBTAINED FROM THE WEB SERVERS OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS AND SUBSEQUENTLY, COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES; AND
- II. WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF AN ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED BECAUSE THE INTERNET IS NOT A FULLY SECURED MEDIUM.

THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS ARE NOT LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COST, YOU OR ANY OTHER PERSON MAY SUFFER OR INCUR DUE TO, AS A CONSEQUENCE OF OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULTS WITH WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULTS ON YOUR OR ANY THIRD-PARTY'S PERSONAL COMPUTER, OPERATING SYSTEM OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS, AND/OR PROBLEMS OCCURRING DURING DATA TRANSMISSION WHICH MAY RESULT IN INACCURATE OR INCOMPLETE COPIES OF INFORMATION BEING DOWNLOADED OR DISPLAYED ON YOUR PERSONAL COMPUTER.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

INDICATIVE TIMETABLE

The indicative timetable for our IPO is set out below:-

| Events | Date |
|--|--------------------|
| Opening of Applications | 10.00 a.m., [date] |
| Closing of Applications | 5.00 p.m., [date] |
| Balloting of Applications | [date] |
| Allotment of our IPO Shares to successful applicants | [date] |
| Listing | [date] |

If there are any changes to this timetable, we will advertise a notice of the changes in a widely circulated English and Bahasa Malaysia newspaper within Malaysia, and make an announcement of such changes on Bursa Securities' website accordingly.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

DEFINITIONS

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

| | | |
|---------------------------------------|---|--|
| “ACE Market” | : | ACE Market of Bursa Securities |
| “Acquisition of NSS” | : | Acquisition by GOHUB of the entire issued share capital of NSS comprising 1,000,000 ordinary shares from the vendors, namely Tan Cherng Thong, Hong Boon Huon, Eng Chee Seng and Wong Yoke Hoe for a purchase consideration of RM13,152,836, which was entirely satisfied by the issuance of 13,152,836 GOHUB Shares at an issue price of RM1.00 per GOHUB Share. The Acquisition of NSS was completed on 21 December 2022 |
| “Acquisition of TCT Apps” | : | Acquisition by GOHUB of the entire issued share capital of TCT Apps comprising 1,000,000 ordinary shares from the vendors, namely TCT International, Tan Cherng Thong, Hong Boon Huon and Eng Chee Seng for a purchase consideration of RM157,008, which was entirely satisfied by the issuance of 157,008 GOHUB Shares at an issue price of RM1.00 per GOHUB Share. The Acquisition of TCT Apps was completed on 22 December 2022 |
| “Acquisitions” | : | Collectively, the Acquisition of NSS and the Acquisition of TCT Apps |
| “Act” | : | Companies Act 2016 of Malaysia |
| “ADA(s)” | : | Authorised Depository Agent(s) |
| “AGM” | : | Annual general meeting |
| “APAD” | : | Agensi Pengangkutan Awam Darat (previously known as Suruhanjaya Pengangkutan Awam Darat (SPAD)). SPAD was dissolved in December 2018 and APAD was established in January 2019 under the Ministry of Transport Malaysia |
| “Application(s)” | : | The application(s) for the IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application |
| “Application Form(s)” | : | Application form(s) for the application of the IPO Shares accompanying this Prospectus |
| “ATM(s)” | : | Automated teller machine(s) |
| “Authorised Financial Institution(s)” | : | Authorised financial institution(s) participating in the Internet Share Application in respect of the payments for the IPO Shares |
| “Board” | : | Board of Directors (including the independent directors) of GOHUB |
| “Bursa Depository” | : | Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W)) |
| “Bursa Securities” | : | Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W)) |
| “CAGR” | : | Compound annual growth rate |
| “CCC” | : | Certificate of Completion and Compliance |
| “CDS” | : | Central Depository System |
| “CDS Account(s)” | : | Securities account(s) established by Bursa Depository for a depositor pursuant to the SICDA and the rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor |
| “CEO” | : | Chief executive officer |

DEFINITIONS (cont'd)

| | | |
|---|-------|---|
| “CF” | : | Certificate of Fitness for Occupation |
| “CMSA” | : | Capital Markets and Services Act 2007 |
| “Constitution” | : | Constitution of our Company |
| “COVID-19” | : | Coronavirus disease, an infectious disease caused by the SARS-CoV-2 virus |
| “CTO” | : | Chief technology officer |
| “D&D” | : | Design and development |
| “Director(s)” | : | Directors of our Company and within the meaning given in Section 2(1) of the CMSA |
| “E-Transact” | : | E- Transact Technology Sdn Bhd (Registration No.: 200301027170 (629590-U)) |
| “EBITDA” | : | Earnings before interest, taxation, depreciation and amortisation |
| “Electronic Prospectus” | : | A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to compact disc read-only memory (CD-ROMs) |
| “Electronic Application(s)” | Share | : Application(s) for the IPO Shares through a Participating Financial Institution’s ATM |
| “Eligible Person(s)” | : | Eligible Directors and employees of our Group as well as persons who have contributed to the success of our Group |
| “Entry of Pre-IPO Investors” | : | The acquisition of an aggregate of 1,996,500 GOHUB Shares by the Pre-IPO Investors (save for Wong Yoke Hoe) from Tan Cherng Thong for a total purchase consideration of RM12.00 million, all of which were completed on 24 March 2023 |
| “EPF” | : | Employees Provident Fund |
| “EPS” | : | Earnings per Share |
| “Existing Specified Bus Terminals” | : | Collectively, Terminal Melaka Sentral, Terminal Klang Sentral and Kompleks Hentian Bas MBKT |
| “financial years under review” | : | Collectively, the FYE 2020, FYE 2021 and FYE 2022 |
| “FYE” | : | Financial year ended/ending 31 December, as the case may be |
| “GHSB” | : | Go Hub Sdn Bhd (Registration No.: 202201020142 (1465839-M)) |
| “GOHUB” or our “Company” | : | Go Hub Capital Berhad (Registration No.: 202201019895 (1465592-V)) |
| “GOHUB Group” or our “Group” | : | Collectively, GOHUB and its subsidiaries |
| “GOHUB Share(s)” or “Share(s)” | : | Ordinary share(s) in our Company |
| “GP” | : | Gross profit |
| “IMR” or “Protégé” | : | Protégé Associates Sdn Bhd (Registration No.: 200401037256 (675767-H)), the independent market researcher appointed for our IPO |
| “Industry Overview Report” | : | Industry overview report of the enterprise IT services industry in Malaysia prepared by Protégé, as set out in Section 7 of this Prospectus |
| “Internet Participating Financial Institution(s)” | : | Participating financial institution(s) for the Internet Share Application |

DEFINITIONS (cont'd)

| | | |
|--------------------------------|-----------|--|
| “Internet Share Application” | : | Application for the IPO Shares through an Internet Participating Financial Institution |
| “IPO” | : | Initial public offering comprising the Public Issue |
| “IPO Price” | : | The issue price of RM[●] per IPO Share |
| “IPO Share(s)” | : | 107,180,000 new GOHUB Shares to be issued pursuant to the Public Issue |
| “Issuing House” | : | Tricor Investor & Issuing House Services Sdn Bhd (Registration No.: 197101000970 (11324-H)) |
| “KTMB” | : | Keretapi Tanah Melayu Berhad (Registration No.: 199101015631 (225943-T)) |
| “KVDT” | : | Klang Valley Double Track |
| “Listing” | : | Admission of our Company to the Official List and the listing of and quotation for the entire enlarged issued share capital of GOHUB comprising 400,000,000 Shares on the ACE Market |
| “Listing Requirements” | : | ACE Market Listing Requirements of Bursa Securities |
| “LPD” | : | 1 September 2023, being the latest practicable date prior to the registration of this Prospectus |
| “MAICSA” | : | Malaysian Institute of Chartered Secretaries and Administrators |
| “Maju TMAS” | : | Maju TMAS Sdn Bhd (Registration No.: 201001040467 (924392-T)) |
| “Malaysian Public” | : | Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia |
| “Margan” | : | Margan International Sdn Bhd (Registration No.: 201801016102 (1278118-T)) |
| “Market Day(s)” | : | A day(s) on which Bursa Securities is open for trading of securities, which may include a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year |
| “MBKT” | : | Majlis Bandaraya Kuala Terengganu |
| “MCO” | : | Movement control order imposed by the Malaysian Government |
| “MDEC” | : | Malaysia Digital Economy Corporation Sdn Bhd (Registration No.: 199601016995 (389346-D)) |
| “MFRS” | : | Malaysian Financial Reporting Standards |
| “MOF” | : | Ministry of Finance Malaysia |
| “MSC” | : | Multimedia Super Corridor |
| “N/A” | : | Not applicable |
| “NA” | : | Net assets |
| “NBV” | : | Net book value |
| “Official List” | : | A list specifying all securities listed on Bursa Securities |
| “Participating Institution(s)” | Financial | : Participating financial institutions for the Electronic Share Application |
| “PAT” | : | Profit after tax |
| “PBT” | : | Profit before tax |

DEFINITIONS (cont'd)

| | |
|--|---|
| “Pink Application Form(s)” | : Application form(s) for the application of IPO Shares by our Eligible Person(s) accompanying this Prospectus |
| “Pink Form Allocations” | : Allocation of 12,000,000 IPO Shares to our Eligible Persons, which forms part of our Public Issue |
| “Pre-IPO Investor(s)” | : Collectively or individually, Wong Yoke Hoe, Dato’ Sri Robin Tan Yeong Ching, Alief Iskandar Bin Mohd Zuhri, Ong Beng Hooi and Ong Beng Chong, all of whom are shareholders holding less than 5% of our enlarged issued share capital after our IPO |
| “Pre-IPO Restructuring and Transactions” | : Collectively, the Acquisitions, Subscription of Shares, Entry of Pre-IPO Investors and Share Split. Further details of which are set out in Section 5.3 of this Prospectus |
| “Prescription Period” | : 1 day after the launching date of this Prospectus up to a period of 30 days |
| “Promoter(s)” | : Collectively or individually, Tan Cherng Thong, Lee Li Yee, Hong Boon Huon and Eng Chee Seng |
| “Prospectus” | : This prospectus dated [●] issued by our Company in respect of our IPO |
| “Prospectus Guidelines” | : Prospectus Guidelines issued by the SC |
| “Public Issue” | : Public issue of 107,180,000 IPO Shares at the IPO Price, comprising the following:- <ul style="list-style-type: none"> (a) 20,000,000 IPO Shares made available for application by the Malaysian Public through a balloting process; (b) 12,000,000 IPO Shares reserved for application by our Eligible Persons; and (c) 75,180,000 IPO Shares by way of private placement to identified institutional and/or selected investors |
| “R&D” | : Research and development |
| “ROC” | : Registrar of Companies of Malaysia |
| “SAC” | : Shariah Advisory Council of the SC |
| “SC” | : Securities Commission Malaysia |
| “Share Registrar” | : Securities Services (Holdings) Sdn Bhd (Registration No.: 197701005827 (36869-T)) |
| “Share Split” | : Subdivision of every 1 existing Share into 22 subdivided Shares after the Acquisitions, Subscription of Shares and Entry of Pre-IPO Investors but prior to the Public Issue. The Share Split (which was part of the Pre-IPO Restructuring and Transactions) was completed on 9 August 2023. Please refer to Section 5.3.5 of this Prospectus for more details |
| “Shares Transfer” | : Transfer of 220,000,000 Shares held by Tan Cherng Thong, Hong Boon Huon, Eng Chee Seng and TCT International to GHSB during the Prescription Period |
| “SICDA” | : Securities Industry (Central Depositories) Act, 1991 |
| “SOCISO” | : Social Security Organisation |
| “Specified Bus Terminal(s)” | : Bus terminal(s) where our Group acts as a system operator to operate TOS and provide terminal management services |
| “Specified Shareholder(s)” | : Collectively or individually, GHSB, Tan Cherng Thong, Kam Shee Na and Au Yong Chee Keong |

DEFINITIONS (cont'd)

- “Subscription of Shares” : The subscription of 56 new GOHUB Shares by Tan Cherng Thong. The subscription (which was part of the Pre-IPO Restructuring and Transactions) was completed on 16 March 2023
- “TBS” : Terminal Bersepadu Selatan
- “TCT International” : TCT International Sdn Bhd (Registration No.: 200401023821 (662327-W))
- “Underwriting Agreement” : Underwriting agreement dated [date] between our Company and the Underwriter in relation to 20,000,000 IPO Shares under the Public Issue as set out in **Section 3.3.1(i)** of this Prospectus, and 12,000,000 IPO Shares under the Pink Form Allocations as set out in **Section 3.3.1(ii)** of this Prospectus
- “UOBKH” or “Principal Adviser” or “Sponsor” or “Underwriter” or “Placement Agent” : UOB Kay Hian Securities (M) Sdn Bhd (Registration No.: 199001003423 (194990-K))
- “White Application Form(s)” : Application form(s) for the application of the IPO Shares by the Malaysian Public accompanying this Prospectus

Currency and unit:-

- “RM” and “sen” : Ringgit Malaysia and sen
- “sq ft” : Square feet

Our subsidiaries:-

- “NSS” : NSS IT Solution Sdn Bhd (Registration No.: 201101036416 (964550-P))
- “NSSPH” : NSS IT Philippines Sdn Bhd (Registration No.: 201801002993 (1265006-D))
- “TCT Apps” : TCT Apps Solution Sdn Bhd (Registration No.: 201601034817 (1205758-D))

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

GLOSSARY TERMS

The following commonly used terms in our Group’s business and operations shall apply throughout this Prospectus unless the term is defined otherwise or the context otherwise requires:-

| | | |
|---------------------------------|---|--|
| “ACG” | : | Access control gate is a physical barrier equipped with technology that regulates and monitors the entry or exit of individuals into and out of a controlled area |
| “AFC” | : | Automated Fare Collection system |
| “AI” | : | Artificial intelligence, a field of computer science and engineering that enable machines to perform functions that simulate human intelligence process |
| “API” | : | Application Programming Interface is a software intermediary that allows two applications to communicate with each other |
| “BOS” | : | Bus Operating System (current system that replaced MyBus Ticketing System) |
| “CCTV” | : | Closed-circuit television |
| “CTS” | : | Centralised Ticketing System |
| “ETS” | : | Electric Train Service |
| “fleet monitoring systems” | : | A system used to monitor a fleet of vehicles, by using technology to provide route tracking and location information |
| “GoGPS” | : | A cloud-based GPS location monitoring solution |
| “GoHub.com.my” | : | An online marketplace platform developed by our Group to cater for ticketing needs |
| “GoPartner” | : | An integrated cloud-based inventory and reservation management system developed by our Group for enterprises that require inventory and reservation management |
| “GPS” | : | Global positioning system |
| “handheld device(s)” | : | A portable electronic device(s) |
| “IAT” | : | Internal acceptance test, a series of tests conducted by internal members of the development team to evaluate a software’s functionality |
| “ICT” | : | Information communication technology |
| “IP” | : | Internet Protocol |
| “IT” | : | Information technology |
| “MyBus Ticketing System” | : | GPS-based ticketing solution developed for stage bus |
| “NFC” | : | Near field communication |
| “omni channel ticketing system” | : | An integrated ticketing system that allows users to purchase tickets seamlessly through various channels which include ticketing counter, TVMs, ticketing web platform and mobile applications |
| “ORAT” | : | Operational readiness and acceptance test, conducted to evaluate a system’s readiness to be deployed and go live |
| “OTA” | : | Online Ticketing Agent |
| “Outright Purchase” | : | A transaction in which the customer acquires full ownership and/or right of use of the solution by paying the entire purchase price upon completion of the customisation and installation |

GLOSSARY TERMS (cont'd)

| | | |
|----------------------|-----|--|
| “POS” | : | Point Of Sale is a device that is used to process payment transactions |
| “QC” | : | Quality control |
| “QR Code” | : | Quick Response code, is a two-dimensional matrix barcode that can store a significant amount of information and can be read easily by a digital device |
| “QR Reader(s)” | : | QR reader is a type of barcode reader and/or camera that can identify and read a standard QR Code |
| “RFID” | : | Radio Frequency Identification |
| “RFID Reader(s)” | : | A device that uses radio-frequency electromagnetic fields to wirelessly communicate with RFID Tags |
| “RFID Tag(s)” | : | RFID tag(s) are a type of tracking system that uses radio frequency to search, identify, track and communicate with RFID Reader(s) |
| “Sanity test” | : | A series of test conducted during the development stage to evaluate a system’s basic functionality |
| “SAT” | : | Site acceptance test, a series of tests conducted on customers’ sites to ensure installed hardware and software operates within customers’ requirements |
| “Ticketing platform” | web | : An online website that allows users to purchase tickets for various modes of transportation |
| “TMS” | : | Traffic Management System |
| “TOS” | : | Terminal Operating System |
| “TVM” | : | A ticket vending machine is a self-service device that allows users to purchase various types of tickets or passes for services, and has cash and/or cashless payment modes |
| “UAT” | : | User acceptance test, a series of tests conducted with the user to evaluate a system’s ability to meet user specified requirement |
| “Zero Capex” | : | Zero upfront capital expenditure, whereby our Group owns the IT infrastructure and is responsible for managing and maintaining the system for an agreed fee (which may be a fixed charge or revenue sharing in nature) |

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

PRESENTATION OF INFORMATION

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include natural persons, firms, companies, body corporates and corporations.

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

References to “our Company” or “the Company” or “GOHUB” in this Prospectus are made to Go Hub Capital Berhad (Registration No.: 202201019895 (1465592-V)), references to “our Group” or “the Group” or “GOHUB Group” are made to our Company and our subsidiaries and references to “we” or “us” or “our” or “ourselves” are made to our Company, and where the context requires, our Company and our subsidiaries. Unless the context otherwise requires, references to “management” are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our management.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originated from us. In particular, certain information in this Prospectus is extracted or derived from report(s) provided by Protégé for inclusion in this Prospectus. We have appointed Protégé to provide an independent market and industry review relating to an overview of the economy and industry in which we operate in. In compiling their data for the review, Protégé relied on its research methodology, industry sources, published materials, its private databanks and direct contacts within the industry. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate. However, neither we nor our advisers have independently verified these data. Neither we nor our advisers make any representation as to the correctness, accuracy or completeness of such data. Similarly, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We give no assurance that the projected figures will be achieved. You should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

The information on our website, or any website directly or indirectly linked to our website does not form part of this Prospectus and you should not rely on it.

Any discrepancy in the tables between the amounts listed and the totals in this Prospectus are due to rounding.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives of our management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as the words "expect", "believe", "plan", "intend", "estimate", "anticipate", "aim", "forecast", "may", "will", "would", and "could" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:-

- i. demand for our services;
- ii. our business strategies and potential growth opportunities;
- iii. our management's plans and objectives for future operations;
- iv. our financial position;
- v. our future earnings, cash flows and liquidity; and
- vi. our ability to pay future dividends.

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

- i. the general economic, business, social, political and investment environment in Malaysia; and
- ii. government policy, legislation and regulation affecting us or the industry in which we operate.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in **Section 4** of this Prospectus on risk factors and **Section 11.3** of this Prospectus on management's discussion and analysis of financial condition and results of operations. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. These forward-looking statements are based on information made available to us as at the LPD.

In light of these uncertainties, the inclusion of such forward-looking statements should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provision of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

TABLE OF CONTENTS

| | Page |
|---|-------------|
| CORPORATE DIRECTORY | 1 |
| 1. INTRODUCTION | 5 |
| 1.1 Approvals and conditions..... | 5 |
| 1.2 Moratorium on our Shares..... | 6 |
| 2. PROSPECTUS SUMMARY | 9 |
| 2.1 Principal details of our IPO | 9 |
| 2.2 History and business..... | 9 |
| 2.3 Competitive strengths | 10 |
| 2.4 Future plans and business strategies | 10 |
| 2.5 Risk factors | 12 |
| 2.6 Our Directors and key senior management..... | 14 |
| 2.7 Our Promoters and substantial shareholders | 15 |
| 2.8 Use of proceeds | 16 |
| 2.9 Financial and operational highlights..... | 16 |
| 2.10 Dividend policy..... | 18 |
| 2.11 Impact of COVID-19 on our Group | 18 |
| 3. DETAILS OF OUR IPO | 19 |
| 3.1 Opening and closing of applications | 19 |
| 3.2 Indicative timetable | 19 |
| 3.3 Details of our IPO..... | 19 |
| 3.4 Basis of arriving at the price of our IPO Shares..... | 24 |
| 3.5 Dilution | 25 |
| 3.6 Use of proceeds | 27 |
| 3.7 Brokerage, underwriting commission and placement fee..... | 35 |
| 3.8 Underwriting arrangement..... | 36 |
| 4. RISK FACTORS | 37 |
| 4.1 Risks relating to our business operations | 37 |
| 4.2 Risks relating to the industry in which we operate | 45 |
| 4.3 Risks relating to investment in our Shares..... | 46 |
| 4.4 Other risks..... | 49 |
| 5. INFORMATION ON OUR GROUP | 50 |
| 5.1 Our Company | 50 |
| 5.2 Share capital | 50 |
| 5.3 Pre-IPO Restructuring and Transactions | 51 |
| 5.4 Our Group structure | 53 |
| 5.5 Our subsidiaries | 55 |
| 5.6 Public take-overs..... | 64 |
| 5.7 Material investments and material divestitures | 64 |

TABLE OF CONTENTS (cont'd)

| | Page |
|--|-------------|
| 6. BUSINESS OVERVIEW..... | 65 |
| 6.1 History and background | 65 |
| 6.2 Description of our business and solutions | 69 |
| 6.3 Competitive strengths | 94 |
| 6.4 Impact of COVID-19 on our Group | 97 |
| 6.5 Operational process and facilities | 99 |
| 6.6 Technology used..... | 102 |
| 6.7 Our business segments and markets | 103 |
| 6.8 Sales and marketing strategies..... | 103 |
| 6.9 QC procedures and management..... | 104 |
| 6.10 Seasonality..... | 105 |
| 6.11 Employees | 105 |
| 6.12 Major customers..... | 106 |
| 6.13 Major suppliers..... | 110 |
| 6.14 Types, sources and availability of supplies..... | 112 |
| 6.15 Major licences and permits | 113 |
| 6.16 Material trademarks and other intellectual property..... | 122 |
| 6.17 Material properties, plant, machinery and equipment..... | 124 |
| 6.18 Relevant laws, regulations, rules or requirements, and environment, social and governance practices | 130 |
| 6.19 Dependency on contracts, agreements, documents or other arrangements..... | 134 |
| 6.20 Productive capacity and extent of utilisation | 134 |
| 6.21 D&D..... | 134 |
| 6.22 Interruptions to business and operations | 136 |
| 6.23 Environmental matters | 136 |
| 6.24 Future plans and business strategies | 136 |
| 7. INDUSTRY OVERVIEW REPORT | 143 |

TABLE OF CONTENTS (cont'd)

| | Page |
|---|-------------|
| 8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT | 155 |
| 8.1 Promoters and substantial shareholders | 155 |
| 8.2 Directors | 167 |
| 8.3 Board practice | 191 |
| 8.4 Key senior management | 197 |
| 8.5 Remuneration of Directors and key senior management..... | 203 |
| 8.6 Involvement of our key senior management in other businesses and corporations outside our Group | 206 |
| 8.7 Declaration from our Promoters, Directors and key senior management..... | 208 |
| 8.8 Family relationships and/or associates | 208 |
| 8.9 Service agreements | 208 |
| 8.10 Management reporting structure..... | 209 |
| 9. RELATED PARTY TRANSACTIONS | 210 |
| 9.1 Related party transactions | 210 |
| 9.2 Related party transactions that are unusual in their nature or conditions..... | 215 |
| 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 | 216 |
| 9.4 Monitoring and oversight of related party transactions and conflicts of interest.. | 223 |
| 10. CONFLICT OF INTEREST | 224 |
| 10.1 Interest in businesses which carry on similar trade as our Group or businesses of our customers or suppliers..... | 224 |
| 10.2 Declaration by advisers for our IPO | 224 |
| 11. FINANCIAL INFORMATION | 225 |
| 11.1 Historical combined financial statements | 225 |
| 11.2 Reporting Accountants' letter on the pro forma consolidated statements of financial position..... | 229 |
| 11.3 Management's discussion and analysis of financial condition and results of operations | 246 |
| 11.4 Liquidity and capital resources..... | 270 |
| 11.5 Trend information | 283 |
| 11.6 Dividend policy | 284 |
| 12. ACCOUNTANTS' REPORT | 285 |

TABLE OF CONTENTS (cont'd)

| | Page |
|--|-------------|
| 13. STATUTORY AND OTHER GENERAL INFORMATION..... | 379 |
| 13.1 Share capital | 379 |
| 13.2 Extracts of our Constitution | 380 |
| 13.3 Limitation on the rights to hold securities and/or exercise voting rights | 384 |
| 13.4 Deposited securities and rights of Depositors | 385 |
| 13.5 Material contracts..... | 385 |
| 13.6 Material litigation | 385 |
| 13.7 Repatriation of capital and remittance of profit | 385 |
| 13.8 Letters of consent..... | 386 |
| 13.9 Documents available for inspection | 386 |
| 13.10 Responsibility statements | 386 |
| 14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE | 387 |
| 14.1 Opening and closing of Applications..... | 387 |
| 14.2 Methods of Application..... | 387 |
| 14.3 Eligibility | 388 |
| 14.4 Application by way of Application Forms | 389 |
| 14.5 Application by way of Electronic Share Application | 389 |
| 14.6 Application by way of Internet Share Application..... | 390 |
| 14.7 Authority of our Board and Issuing House | 390 |
| 14.8 Over/under-subscription..... | 390 |
| 14.9 Unsuccessful/partially successful applicants | 391 |
| 14.10 Successful applicants..... | 392 |
| 14.11 Enquiries | 392 |

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

CORPORATE DIRECTORY**DIRECTORS**

| Name/(Designation) | Gender | Address | Nationality |
|--|---------------|---|--------------------|
| Zulkifly Bin Zakaria <i>(Independent Non-Executive Chairman)</i> | Male | No. 55, Medan Athinahapan Satu Taman Tun Dr. Ismail 60000 Kuala Lumpur Wilayah Persekutuan | Malaysian |
| Tan Cheng Thong <i>(Executive Director / CEO)</i> | Male | No. 6, Jalan Sri Tasik Barat 1D Summerglades Perdana Lakeview West 63000 Cyberjaya Selangor Darul Ehsan | Malaysian |
| Lee Li Yee <i>(Executive Director / Finance Director)</i> | Female | No. 6, Jalan Sri Tasik Barat 1D Summerglades Perdana Lakeview West 63000 Cyberjaya Selangor Darul Ehsan | Malaysian |
| Lee Yew Weng <i>(Independent Non-Executive Director)</i> | Male | No. 16, Jalan CH3 Taman Cheras Hartamas 43200 Batu 9 Cheras Selangor Darul Ehsan | Malaysian |
| Alwizah Al-Yafii Binti Ahmad Kamal <i>(Independent Non-Executive Director)</i> | Female | No. 9, Jalan Pantai 9/7 46000 Petaling Jaya Selangor Darul Ehsan | Malaysian |
| Poh Zuan Yin <i>(Independent Non-Executive Director)</i> | Female | B-22-07, Nidoz Residences No. 22A, Jalan 2/125 Desa Petaling 57100 Kuala Lumpur Wilayah Persekutuan | Malaysian |

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

CORPORATE DIRECTORY (cont'd)

AUDIT AND RISK MANAGEMENT COMMITTEE

| 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 |

REMUNERATION COMMITTEE

| 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 |

NOMINATION COMMITTEE

| 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 REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

CORPORATE DIRECTORY (cont'd)

- COMPANY SECRETARIES** : **Chua Siew Chuan**
Professional qualification:
Chartered Secretary, MAICSA
(MAICSA No. 0777689)
(SSM Practicing Certificate No. 201908002648)
- Cheng Chia Ping**
Professional qualification:
Chartered Secretary, MAICSA
(MAICSA No. 1032514)
(SSM Practicing Certificate No. 202008000730)
- Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
- Tel : (03) 2084 9000
Fax : (03) 2094 9940 / (03) 2095 0292
- REGISTERED OFFICE** : Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
- Tel : (03) 2084 9000
Fax : (03) 2094 9940 / (03) 2095 0292
- HEAD OFFICE** : 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 Darul Ehsan
- Tel : (03) 8322 7555
Fax : (03) 8322 7666
- Website : www.gohubcapital.com.my
Email : investorrelations@gohub.com.my
- AUDITORS AND REPORTING ACCOUNTANTS** : Baker Tilly Monteiro Heng PLT
(Registration No. 201906000600 (LLP0019411-LCA) & AF 0117)
- Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur, Malaysia
- Tel : (03) 2297 1000
Fax : (03) 2282 9980
- Partner in charge: Paul Tan Hong
Professional qualifications: Chartered Accountant of Malaysian Institute of Accountants and Fellow Member of the Association of Chartered Certified Accountants
(Approval No. 03459/11/2023 J)

CORPORATE DIRECTORY (cont'd)

- LEGAL ADVISER** : Cheang & Ariff
Loke Mansion
273A, Jalan Medan Tuanku
50300 Kuala Lumpur
Wilayah Persekutuan

Tel : (03) 2691 0803
Fax : (03) 2693 4475
- PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT** : UOB Kay Hian Securities (M) Sdn Bhd
Suite 19.03, 19th Floor
Menara Keck Seng
203 Jalan Bukit Bintang
55100 Kuala Lumpur
Wilayah Persekutuan

Tel : (03) 2147 1888
Fax : (03) 2147 1950
- INDEPENDENT MARKET RESEARCHER** : Protégé Associates Sdn Bhd
Suite C-09-12, Plaza Mont' Kiara
2, Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur
Wilayah Persekutuan

Tel : (03) 6201 9301

Managing Director's name: Seow Cheow Seng
Professional qualification: Masters in Business Administration from Charles Sturt University, Australia and Bachelor of Business majoring in Marketing from RMIT University, Australia
- ISSUING HOUSE** : Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Wilayah Persekutuan

Tel : (03) 2783 9299
Fax : (03) 2783 9222
- SHARE REGISTRAR** : Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan

Tel : (03) 2084 9000
Fax : (03) 2094 9940 / (03) 2095 0292
Email : info@sshsb.com.my
- LISTING SOUGHT** : ACE Market
- SHARIAH STATUS** : [Approved by the SAC]

1. INTRODUCTION

1.1 Approvals and conditions

We have obtained the approvals from the following authorities in relation to our Listing:-

(i) Bursa Securities

Bursa Securities had, vide its letter dated [●], approved our admission to the Official List and listing of and quotation for our entire enlarged issued share capital comprising 400,000,000 Shares on the ACE Market under Rule 3.02(1) of the Listing Requirements. The approval from Bursa Securities is subject to the following conditions:-

| Details of conditions imposed | Status of compliance |
|-------------------------------|----------------------|
| (i) [●] | [●] |

(ii) SC

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

The SC had, vide its letter dated [date], taken note that our subsidiary, NSS was granted MSC Malaysia Status (now known as Malaysia Digital Status) by MDEC on 27 March 2017. Any listing of a MSC Malaysia Status corporation or a corporation with a subsidiary carrying MSC Malaysia status which contributes more than 50% to the group's PAT for the most recent audited financial year is exempted from complying with the Bumiputera equity requirement for public listed companies which require corporations seeking listing on Bursa Securities to allocate at least 12.50% of their enlarged issued shares to Bumiputera investors to be approved or recognised by the Ministry of Investment, Trade and Industry ("**Bumiputera Equity Requirement**"). Accordingly, GOHUB (via our subsidiary, NSS) is hence exempted from complying with the Bumiputera Equity Requirement.

Nevertheless, if GOHUB undertakes subsequent corporate proposals involving:-

- (a) transfer of its listing status from the ACE Market to the Main Market of Bursa Securities; or
- (b) acquisition which results in a significant change in the business direction or policy of GOHUB,

GOHUB must submit such applications to the SC for a re-assessment as to whether GOHUB is still exempted from complying with the Bumiputera Equity Requirement.

(iii) SAC

The SAC had vide its letter dated 17 October 2023, classified our securities as Shariah-compliant based on our audited financial statements for the FYE 2022.

1. INTRODUCTION (cont'd)

1.2 Moratorium on our Shares

1.2.1 Promoters and Specified Shareholders

In accordance with Rule 3.19(1) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Specified Shareholders as follows:-

- (i) the moratorium applies to the entire shareholdings of our Specified Shareholders for a period of 6 months from the date of our admission to the Official List ("**First 6-Month Moratorium**");
- (ii) upon the expiry of the First 6-Month Moratorium, our Specified Shareholders' aggregate shareholdings amounting to at least 45% of the total number of issued Shares remain under moratorium for a further 6 months period ("**Second 6-Month Moratorium**"); and
- (iii) upon the expiry of the Second 6-Month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight-line basis) of our Shares held under moratorium ("**Subsequent Moratorium Period**").

The Promoters (namely Hong Boon Huon and Eng Chee Seng) had also undertaken to comply with the above moratorium conditions.

Details of our Promoters and Specified Shareholders and their Shares which will be subject to moratorium are as follows:-

| | Year 1 after Listing | | | | Year 2 after Listing | | Year 3 after Listing | |
|--|---|--------|--|--------|---|--------|---|--------|
| | Shares under the First 6-Month Moratorium | | Shares under the Second 6-Month Moratorium | | Shares under the Subsequent Moratorium Period | | Shares under the Subsequent Moratorium Period | |
| | No. of Shares ('000) | (1)(%) | No. of Shares ('000) | (1)(%) | No. of Shares ('000) | (1)(%) | No. of Shares ('000) | (1)(%) |
| <u>Promoter and Specified Shareholder</u> | | | | | | | | |
| Tan Chheng Thong | 7,120 | 1.78 | 5,462 | 1.36 | 3,641 | 0.91 | 1,821 | 0.46 |
| <u>Promoters</u> | | | | | | | | |
| Hong Boon Huon | 4,282 | 1.07 | 3,284 | 0.82 | 2,190 | 0.55 | 1,095 | 0.28 |
| Eng Chee Seng | 2,854 | 0.71 | 2,190 | 0.55 | 1,460 | 0.36 | 730 | 0.18 |

1. INTRODUCTION (cont'd)

| | Year 1 after Listing | | | | Year 2 after Listing | | Year 3 after Listing | |
|--------------------------------------|---|--------------|--|--------------|---|--------------|---|--------------|
| | Shares under the First 6-Month Moratorium | | Shares under the Second 6-Month Moratorium | | Shares under the Subsequent Moratorium Period | | Shares under the Subsequent Moratorium Period | |
| | No. of Shares ('000) | (1)(%) | No. of Shares ('000) | (1)(%) | No. of Shares ('000) | (1)(%) | No. of Shares ('000) | (1)(%) |
| <u>Specified Shareholders</u> | | | | | | | | |
| GHSB ⁽²⁾ | 220,000 | 55.00 | 168,758 | 42.19 | 112,505 | 28.12 | 56,252 | 14.06 |
| Kam Shee Na ⁽³⁾ | 200 | 0.05 | 153 | 0.04 | 102 | 0.03 | 51 | 0.01 |
| Au Yong Chee Keong ⁽⁴⁾ | 200 | 0.05 | 153 | 0.04 | 102 | 0.03 | 51 | 0.01 |
| Total | 234,656 | 58.66 | 180,000 | 45.00 | 120,000 | 30.00 | 60,000 | 15.00 |

Notes:-

- (1) Based on our enlarged issued share capital comprising 400,000,000 Shares after our IPO.
- (2) Please refer to **Section 8.1.3** of this Prospectus for further details of GHSB.
- (3) Classified as specified shareholder by virtue of her relationship with Tan Cherng Thong, being his stepsister.
- (4) Classified as specified shareholder by virtue of his relationship with Tan Cherng Thong, being his brother-in-law.

In addition, our Promoters and Specified Shareholders have also provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the First 6-Month Moratorium, Second 6-Month Moratorium and Subsequent Moratorium Period.

In accordance with Rule 3.19(2) of the Listing Requirements, where the specified shareholder is an unlisted corporation, all direct and indirect shareholders of the unlisted corporation must give undertakings to Bursa Securities that they will not sell, transfer or assign their shares in the unlisted corporation for the moratorium period. Accordingly, the shareholders of GHSB upon the completion of our Listing, namely TCT International, Hong Boon Huon and Eng Chee Seng have also provided written undertakings that they will not sell, transfer or assign their shareholdings in GHSB during the First 6-Month Moratorium, Second 6-Month Moratorium and Subsequent Moratorium Period. Further, the shareholders of TCT International (being a controlling shareholder of GHSB), namely Tan Cherng Thong and Lee Li Yee, have also provided written undertakings that they will not sell, transfer or assign their shareholdings in TCT International during the First 6-Month Moratorium, Second 6-Month Moratorium and Subsequent Moratorium Period.

The above moratorium, which is fully acknowledged and accepted by our Promoters and Specified Shareholders and their respective shareholders, where applicable, will be specifically endorsed on the share certificates representing the entire shareholdings of our Promoters and Specified Shareholders to ensure that our Share Registrar does not register any transfer that contravenes the above moratorium restrictions.

1. INTRODUCTION (cont'd)

1.2.2 Pre-IPO Investors

In accordance with Rule 3.19A of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Pre-IPO Investors for a period for 6 months from the date of our admission on the ACE Market.

Details of the Pre-IPO Investors and their Shares which will be subject to moratorium are as follows:-

| Pre-IPO Investors | Shares under the First 6-Month Moratorium | |
|---------------------------------|---|--------------------|
| | No. of Shares | ⁽¹⁾ (%) |
| Wong Yoke Hoe | 14,640,824 | 3.66 |
| Dato' Sri Robin Tan Yeong Ching | 14,641,000 | 3.66 |
| Alief Iskandar Bin Mohd Zuhri | 14,641,000 | 3.66 |
| Ong Beng Hooi | 7,320,500 | 1.83 |
| Ong Beng Chong | 7,320,500 | 1.83 |

Note:-

(1) Based on our enlarged issued share capital comprising 400,000,000 Shares after our IPO.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

2. PROSPECTUS SUMMARY

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

2.1 Principal details of our IPO

Our IPO comprises the following:-

(a) Public Issue

107,180,000 IPO Shares at the IPO Price in the following manner:-

- (i) 20,000,000 IPO Shares made available for application by the Malaysian Public through a balloting process;
- (ii) 12,000,000 IPO Shares reserved for application by our Eligible Persons; and
- (iii) 75,180,000 IPO Shares by way of private placement to identified institutional and/or selected investors.

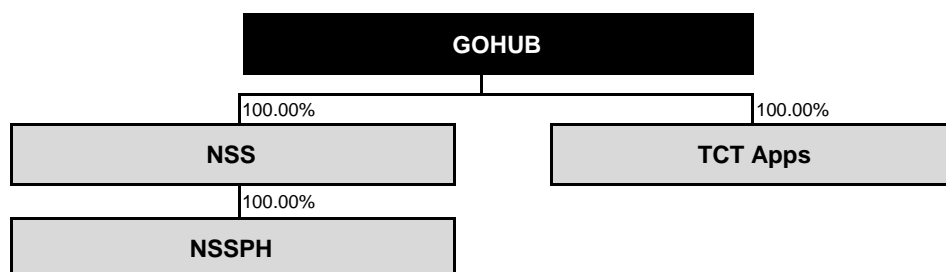
(b) Moratorium on our Shares

In accordance with Rules 3.19(1) and 3.19A of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters, Specified Shareholders and Pre-IPO Investors. In accordance with Rule 3.19(2) of the Listing Requirements, where our Specified Shareholder is an unlisted corporation, all direct and indirect shareholders of the unlisted corporation must provide written undertakings that they will not sell, transfer or assign their shares in the unlisted corporation for the moratorium period. Further details on the moratorium are set out in **Section 1.2** of this Prospectus. Save for the moratorium imposed on Shares held by our Promoters, Specified Shareholders and Pre-IPO Investors, there is no other moratorium imposed on our Shares.

Please refer to **Section 3.3** of this Prospectus for further details on our IPO.

2.2 History and business

Our Company was incorporated in Malaysia on 3 June 2022 under the Act as a private limited company under the name of Go Hub Capital Sdn Bhd. On 15 September 2023, our Company was converted into a public limited company and assumed our present name. Our Group structure as at the LPD is set out below:-



Our principal activity is investment holding whilst our subsidiaries 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) 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 delivered.

Our principal market is Malaysia where we derived more than 98% of our total revenue for the financial years under review. Please refer to **Section 6** of this Prospectus for further details on our history and business.

2. PROSPECTUS SUMMARY (cont'd)

2.3 Competitive strengths

Our competitive strengths are summarised as follows:-

2.3.1 Diverse range of services and solutions catering to the public transportation sector

We specialise in providing diverse enterprise IT services to address the challenges faced by the public transportation sector in terms of terminal operating systems, ticketing systems, fare collection systems and fleet monitoring systems. Our approach involves developing and customising solutions aimed to simplify, enhance and improve the overall efficiency of our customers' operations.

As our Group offers a wide range of customisable public land transportation and software systems, our customers are able to enhance the convenience and cost-efficiency of their terminal operations by engaging us to provide end-to-end services.

2.3.2 Large customer base with a strong market presence in the public transportation sector and a growing recurring revenue in the financial years under review

We primarily provide our IT solutions to the bus and rail segments of the public transportation sector. As at the LPD, our key customers are bus terminal operators (7 bus terminals in Malaysia and 1 bus terminal in the Philippines), stage bus operators (527 stage buses in Peninsular Malaysia) and rail operator (KTMB, where our solutions cater more than 100 rail stations). We had also begun to venture into the sea transportation segment, reflecting the adaptability of our transportation IT solutions. Besides public transportation sector, we are also capable of developing customised software solutions for the tourism and hospitality sector. As at the LPD, we provide other IT solutions (via GoPartner and GoHub.com.my) to 57 customers, who are service providers in the tourism and hospitality sectors in Malaysia.

2.3.3 Proven track record in the public land transportation sector

We have established ourselves as a reliable transportation IT solutions provider in the bus and rail segments in Malaysia. As at the LPD, our solutions are utilised at the bus terminals and rail stations set out in **Section 6.2.1** of this Prospectus. We are contractually required to provide prompt technical support within an expedited and swift response time (which is typically not more than 45 minutes) to address and rectify any potential technical issues or disruptions arising from the IT solutions.

Our proven track record and support capabilities over the years have enabled us to retain long standing relationships with our customers and secure new customers and projects within the public transportation sector as the transportation infrastructure in the country develops.

2.3.4 Experienced and knowledgeable key senior management team

The experience and knowledge of our key senior management team have been key to the success of our Group over the years. Since securing the award to implement TOS for TBS in 2011, our Promoter, Tan Cherng Thong, who joined us as CEO in 2014, has been instrumental in leading us to secure contracts for the provision of TOS at various bus terminals across Malaysia. Our Promoters and key senior management team are in turn supported by a sizeable team of experienced and dedicated project consultants, software engineers and technicians of more than 140 personnel with extensive experience across a range of business activities. The combined experience and knowledge of our talent pool is expected to contribute to the growth of our business in the future.

Please refer to **Section 6.3** of this Prospectus for further information on our competitive strengths.

2.4 Future plans and business strategies

Our future plans and business strategies are summarised as follows:-

2. PROSPECTUS SUMMARY (cont'd)

2.4.1 Expanding geographical footprint in the domestic markets

Our principal market is currently Peninsular Malaysia. In line with our Group's strategic plans, we are actively pursuing opportunities to expand our presence within the country, focusing on identified domestic transportation-related initiatives with potential for collaboration and growth. Our business plans and strategies are as follows:-

Expansion of our market presence in the public land transportation sector

- (i) We have, on April 2018, secured a project for the installation of TOS (comprising TMS and CTS) at a bus terminal located in Sabah. We have completed the installation of TOS in November 2023 and the terminal commence operations in the same month. Our Group will continue to provide maintenance support for the TOS at the terminal for a period up to 12 months with the option to renew the maintenance contract on a yearly basis; and
- (ii) Notably, the soon-to-be-completed electrified double track route from Gemas, Negeri Sembilan to Johor Bahru which will include additional 9 stations. This hence presents a promising avenue for our Group in view of our current market presence in the rail segment as our Group will be required by KTMB to install the related hardware (such as ACG and TVMs) and software at the 9 rail stations.

Explore potential market to capture wider customer base

- (i) We are currently working with the Sabah Port Authority to implement transportation IT solutions at 8 identified ferry terminals under the state's digitalisation initiative to improve the efficiency, security and safety of operations at the ferry terminals with the intention to fully implement our solutions by March 2025; and
- (ii) We intend to expand our online marketplace offering of GoHub.com.my to include reservations for campsites, homestays and sports centres to establish our market presence in tourism and hospitality sectors.

2.4.2 Expanding our workforce

In line with our planned business expansion, we intend to increase our workforce to bolster our human resource capabilities. We will focus on the recruitment of skilled professionals (such as software engineers, QC engineers, project consultants, helpdesk and customer service, technicians and D&D personnel) who possess the required technical skillset and expertise, which are essential to our industry over the next 2 years. We intend to allocate RM[●] million or [●]% of our Public Issue proceeds towards the expansion of our workforce.

2.4.3 Marketing efforts to showcase our solutions and secure potential customers

We intend to participate in exhibitions worldwide focusing on transportation, traffic management as well as smart city infrastructure, which includes, amongst others, Rail Solutions Asia exhibition (attracting railway suppliers worldwide) and InnoTrans exhibition (which showcases the latest railway technology and infrastructure). In addition, we intend to implement a series of business development activities to increase our brand awareness in the industries that we serve. We intend to allocate RM[●] million or [●]% of our Public Issue proceeds for business development and participation in exhibitions.

2.4.4 Set-up of new integrated centre

We intend to establish a new integrated centre in Kuala Lumpur that will serve as our new test laboratory, demonstration and training centre. This centre will encompass an area of approximately 2,000 sq ft, capable of accommodating up to 35 individuals. To facilitate this initiative, we have earmarked RM[●] million or [●]% of our Public Issue proceeds for setting up a new integrated centre.

2. PROSPECTUS SUMMARY (cont'd)

2.4.5 D&D

We recognise the importance of D&D activities in our bid to remain competitive and provide customers with technological applications and solutions that optimises and streamlines operational process flows efficiently. Effective D&D shapes the features and functionality of our solutions and as such, we intend to allocate RM[●] million or [●]% of our Public Issue proceeds to undertake AI integration into our solutions.

2.4.6 Acquisitions of IT equipment, tools and software

In line with our business expansion strategies as disclosed above, we intend to allocate approximately RM[●] million or [●]% of our Public Issue proceeds for the acquisitions of IT equipment, tools and software required for our venture into the ferry segment and upgrading of our BOS.

Please refer to **Section 6.24** of this Prospectus for further information on our future plans and business strategies.

2.5 Risk factors

Before investing in our Shares, you should carefully consider, along with the other matters set out in this Prospectus, the risks and investment considerations. The following are some of the key risks affecting our business, operations and industry that we are currently facing or that may develop in the future.

2.5.1 Risks relating to our business operations

- **We are dependent on customers within the public land transportation sector**

We are dependent on customers within the bus and rail segments as these customers operate in a regulated industry. This group of customers from the public land transportation sector in aggregate accounted for approximately 99.60%, 95.59% and 96.61% of our total revenue for the FYE 2020, FYE 2021 and FYE 2022. Any material change in the policies or directions in the public land transportation sector could adversely affect our business, financial condition and financial performance.

- **We are dependent on our major customer, KTMB**

We are dependent on KTMB, a rail operator providing transportation and mobility services nationwide in Peninsular Malaysia. We have been providing transportation IT solutions to KTMB since 2019, accounting for 62.83%, 7.90% and 58.30% of our total revenue for the FYE 2020, FYE 2021 and FYE 2022 respectively. Although we have not encountered any material disputes with KTMB to-date, our current working relationship with them may deteriorate or we may be unable to continue to secure new projects from KTMB in the future upon completion of the existing projects or renew our maintenance and support services contract if our Group has major disputes with KTMB in the future.

- **We are dependent on our ability to secure new projects**

Our profitability and financial performance are dependent on our ability to consistently secure and maintain contracts for the provision of enterprise IT services particularly from existing and new customers in the public transportation sector. 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.

2. PROSPECTUS SUMMARY (cont'd)

- **Our IT solution projects may be subject to delays arising from the lack of infrastructure readiness at our customers' sites**

Our enterprise IT solution projects are subject to specific completion schedules and agreed budgets. The timely deliverables and cost of our projects are dependent on the infrastructure readiness at site. Such delays may be due to various factors, which are beyond our control, which includes but are not limited to, delay in the construction or upgrades in the terminals, suspension or deferment of construction and building works, poor project coordination and site issues which require rectification before we are able to undertake the IT installation works. Any adverse developments of these factors can lead to interruptions or delays in the progress of our projects and this may subsequently reduce our profit margin, delay the recognition of our revenue and incur additional costs, all of which could have a material impact on our financial performance.

- **Our business may be affected by outbreaks of any severe contagious or virulent diseases which restrict travel and use of public transportation**

The COVID-19 pandemic declared by the World Health Organisation on 11 March 2020, had materially affected our operations. In response to the pandemic, the Malaysian government had imposed a series of lockdown measures across different states nationwide and localities in the country at various points, beginning 18 March 2020. Such lockdown measures included movement restriction orders to mitigate the spread of the COVID-19 virus, which had effectively limited public travels and this led to a sharp decline in ridership and demand for both bus and rail services.

- **We are exposed to credit risk of our customers**

Our normal credit period granted to our customers ranges from 30 to 90 days. While we require our customers to make progress payments based on the stages of project completed, we may not be able to collect our trade receivables in a timely manner and/or some of our customers may delay payments. Should we experience any difficulty in collecting a substantial portion of our trade receivables from our customers, our cash flow and working capital may be affected.

- **We are dependent on our Executive Directors and key senior management**

Our success is dependent on the abilities, experience and continued efforts of our Executive Directors and key senior management. Our Executive Director / CEO, Tan Cherng Thong 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 is supported by our other Promoters and key senior management, namely Lee Li Yee (Executive Director / Finance Director), Hong Boon Huon (CTO), Eng Chee Seng (Chief Business Development Officer), Mohd Aidy Hisyam Bin Abdullah (Head of Operation (Terminal)), Noor Rashid Bin Omar (Head of Operation (BOS)), Sing Chee Yeong (Senior Manager of the IT Development Department) and Chew Boon Keat (Head of Finance). As such, the loss of services from our Executive Directors and key senior management without suitable and timely replacement may adversely impact our business operation and financial performance.

2. PROSPECTUS SUMMARY (cont'd)

2.5.2 Risks relating to the industry in which we operate

- **We may not be able to respond in a timely manner to changes in technology, customer requirements, industry standards and regulatory compliance requirements**

As our Group mainly serve customers in the public land transportation industry, we constantly undertake D&D to develop and enhance new and existing solutions to meet the changing requirement of our customers as well as industry. However, there is no assurance that we would be able to continue to react and meet the changing demand in a timely manner as we may not have sufficient resources and technical expertise and/or be responsive enough to react to new technologies and software developments.

- **We face competition within our industry**

Our competitors compete in terms of technology, range and quality of solutions, price and timeliness of project delivery. Our competitors may have longer operating histories, equipped with better resources and possess comparable software and technical expertise than us, thereby enabling them to offer better value proposition to our potential customers. As such, we may experience and expect to continue to face intense competition from local and international vendors or solution providers. Our Group may have to also compete with international IT solution providers that have greater name recognition in the market.

Please refer to **Section 4** of this Prospectus for further details on our risk factors.

2.6 Our Directors and key senior management

Our Directors and key senior management are set out as follows:-

| Name | Designation |
|-------------------------------------|--|
| <u>Directors</u> | |
| Zulkify Bin Zakaria | Independent Non-Executive Chairman |
| Tan Cherng Thong | Executive Director / CEO |
| Lee Li Yee | Executive Director / Finance Director |
| Lee Yew Weng | Independent Non-Executive Director |
| Alwizah Al-Yafii Binti Ahmad Kamal | Independent Non-Executive Director |
| Poh Zuan Yin | Independent Non-Executive Director |
| <u>Key senior management</u> | |
| Hong Boon Huon | CTO |
| Eng Chee Seng | Chief Business Development Officer |
| Mohd Aidy Hisyam Bin Abdullah | Head of Operation (Terminal) |
| Noor Rashid Bin Omar | Head of Operation (BOS) |
| Sing Chee Yeong | Senior Manager – IT Development Department |
| Chew Boon Keat | Head of Finance |

Please refer to **Sections 8.1.3, 8.2.2** and **8.4.2** of this Prospectus for further details of our Directors and key senior management.

2. PROSPECTUS SUMMARY (cont'd)

2.7 Our Promoters and substantial shareholders

Our Promoters and substantial shareholders, as well as their respective shareholdings in our Company, are set out as follows:-

| 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⁾ (%) | No. of Shares | ⁽²⁾ (%) |
| <u>Promoters and substantial shareholders</u> | | | | | | | | | |
| 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 |
| <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 ⁽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.

Please refer to **Section 8.1.3** of this Prospectus for further details of our Promoters and substantial shareholders.

2. PROSPECTUS SUMMARY (cont'd)

2.8 Use of proceeds

The total gross proceeds from the Public Issue amounting to approximately RM[●] million based on the IPO Price of RM[●] per IPO Share are expected to be utilised by our Group in the following manner:-

| Details of use | Estimated timeframe for use upon Listing | RM'000 | Percentage of gross proceeds (%) |
|--|--|--------|----------------------------------|
| (i) Business expansion | | | |
| • Expansion of our workforce | Within 24 months | [●] | [●] |
| • Capital expenditure on equipment and tools | Within 36 months | [●] | [●] |
| • D&D | Within 36 months | [●] | [●] |
| • Set-up of new integrated centre | Within 12 months | [●] | [●] |
| • Business development and marketing | Within 24 months | [●] | [●] |
| | | [●] | [●] |
| (ii) Repayment of bank borrowings | Within 6 months | [●] | [●] |
| (iii) Working capital | Within 12 months | [●] | [●] |
| (iv) Estimated listing expenses | Within 1 month | [●] | [●] |
| Total | | [●] | 100.00 |

Please refer to **Section 3.6** of this Prospectus for further details on the use of proceeds from the Public Issue.

2.9 Financial and operational highlights

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 the accompanying notes, assumptions and bases as set out in **Section 12** of this Prospectus. There were no audit qualifications on our audited financial statements for the financial years under review.

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 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) |
| <u>Profit or loss</u> | | | |
| Revenue | 18,973 | 20,314 | 26,549 |
| Other income | 588 | 769 | 646 |
| PBT | 2,962 | 1,975 | 8,003 |
| PAT attributable to the owners of our Group | 2,265 | 2,405 | 6,057 |
| EBITDA ⁽¹⁾ | 6,031 | 5,741 | 11,966 |
| <u>Other selected financial information</u> | | | |
| EBITDA margin (%) ⁽²⁾ | 31.79 | 28.26 | 45.07 |
| PBT margin (%) ⁽³⁾ | 15.61 | 9.72 | 30.14 |
| PAT margin (%) ⁽⁴⁾ | 11.91 | 11.82 | 22.81 |
| Basic and diluted EPS (sen) ⁽⁵⁾ | 0.57 | 0.60 | 1.51 |
| Total assets | 26,114 | 30,824 | 34,986 |
| Total liabilities | 21,361 | 23,670 | 24,275 |
| Total borrowings ⁽⁶⁾ | 11,472 | 13,520 | 11,361 |
| Shareholders' equity | 4,761 | 7,154 | 10,711 |
| Current ratio (times) | 1.24 | 1.47 | 1.76 |
| Gearing ratio (times) | 2.41 | 1.89 | 1.06 |
| Trade receivables turnover period (days) | 109 | 145 | 114 |

2. PROSPECTUS SUMMARY (cont'd)

| | Audited | | |
|--|----------|----------|----------|
| | FYE 2020 | FYE 2021 | FYE 2022 |
| | (RM'000) | (RM'000) | (RM'000) |
| Trade payables turnover period (days) | 36 | 39 | 56 |
| Inventory turnover period (days) | 18 | 20 | 17 |
| Cash flows | | | |
| Net cash (used in)/from operating activities | (2,137) | 2,106 | 13,943 |
| Net cash from/(used in) investing activities | 221 | (2,210) | (463) |
| Net cash from/(used in) financing activities | 2,202 | 515 | (6,643) |

Notes:-

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

| | Audited | | |
|----------------|--------------|--------------|---------------|
| | FYE 2020 | FYE 2021 | FYE 2022 |
| | (RM'000) | (RM'000) | (RM'000) |
| PBT | 2,962 | 1,975 | 8,003 |
| Adjusted for:- | | | |
| Finance costs | 1,185 | 1,326 | 1,145 |
| Depreciation | 1,886 | 2,242 | 2,505 |
| Amortisation | 135 | 284 | 362 |
| Finance income | (137) | (86) | (49) |
| EBITDA | 6,031 | 5,741 | 11,966 |

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

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

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

(5) 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.

(6) Excluding lease liabilities recognised under MFRS 16.

Pro forma consolidated statements of financial position

We have prepared the pro forma consolidated statements of financial position below for illustrative purposes only, to show the effects of the IPO on the NA and gearing of our Group assuming that the IPO had been effected on 31 December 2022.

The pro forma consolidated statements of financial position should be read in conjunction with the Reporting Accountants' letter on the pro forma consolidated statements of financial position as at 31 December 2022 and the notes thereon as set out in **Section 11.2** of this Prospectus.

The pro forma effects of the IPO on the NA and gearing of our Group are set out below:-

| | Audited as at 31 December 2022 (RM'000) | After the Pre-IPO Restructuring and Transactions (RM'000) | Pro forma I After the Public Issue (RM'000) | Pro forma II After pro forma I, IPO and utilisation of proceeds of (RM'000) |
|--|---|---|---|---|
| Share capital | 13,310 | 13,310 | [•] | ⁽⁴⁾ [•] |
| Reorganisation reserve | (11,310) | (11,310) | (11,310) | (11,310) |
| Retained earnings | 8,711 | 8,711 | 8,711 | ⁽⁴⁾ [•] |
| Total equity | 10,711 | 10,711 | [•] | [•] |
| No. of Shares in issue ('000) | 13,310 | 292,820 | 400,000 | 400,000 |
| NA per Share (RM)⁽¹⁾ | 0.80 | 0.04 | [•] | [•] |
| Total borrowings ⁽²⁾ (RM'000) | 16,631 | 16,631 | 16,631 | [•] |
| Gearing (times)⁽³⁾ | 1.55 | 1.55 | [•] | [•] |

2. PROSPECTUS SUMMARY (cont'd)

Notes:-

- (1) Computed based on our NA attributable to owners of our Group divided by total number of issued Shares.
- (2) Includes lease liabilities recognised under MFRS 16.
- (3) Computed based on our total borrowings divided by total equity as at 31 December 2022.
- (4) Out of the total estimated listing expenses of RM[●] million, a total of RM[●] million is assumed to be directly attributable to the Public Issue and will be debited against share capital, whilst the remaining RM[●] million will be charged to the profit or loss statement of our Group.

Please refer to **Sections 11.1** and **12** of this Prospectus for further information on our financial information and the Reporting Accountants' letter on the pro forma consolidated statements of financial position as at 31 December 2022.

2.10 Dividend policy

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

| | FYE 2020 | FYE 2021 | FYE 2022 |
|--|----------|----------|----------|
| 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. 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. Please refer to **Section 11.6** of this Prospectus for further details on our dividend policy.

2.11 Impact of COVID-19 on our Group

During the MCO which began on 18 March 2020, the Government imposed movement restriction order, where the public is restricted from travelling. We are categorised under the essential service and were allowed to operate during that period albeit lower capacity of 50% workforce. The restrictions imposed during the MCO have resulted in lower ridership and demand for both bus and rail services. The declined ridership and demand had a direct impact to our Group. In particular, our CTS maintenance solutions (in respect of the ETS, Intercity and Shuttle Tebrau Routes - which are tied to ridership), and our terminal management services where we function as system operators (which are dependent on bus terminal utilisation), our Group experienced a notably sharp decline in revenue stream arising from the lockdown measures. Our revenue from our terminal management services at the Existing Specified Bus Terminals recorded a similar trend over the same financial years under review.

During the different stages of lockdown imposed, our employees work remotely and subsequently resume operations in May 2020 after obtaining the necessary permission and letters from MITI and resume operation with full workforce in October 2021.

During the various stages of imposed lockdowns, we did not experience material adverse impact on our supply chain. We were able to source for hardware from our suppliers located both locally and overseas for our operations during the lockdown period by working closely to determine the timeline for the delivery of required hardware.

On 1 April 2021, the Government announced that Malaysia would transit from National Recovery Plan into the "transition to endemic" phase where restrictions were further relaxed. This includes abolishing limits on workforce capacity, allowing interstate travel for all as well as abolishing restrictions on business operating hours. We have continued to operate in accordance with the regulations set out by the Government. Please refer to **Section 6.4** of this Prospectus for further details on the impact of COVID-19 on our Group.

3. DETAILS OF OUR IPO

3.1 Opening and closing of applications

Application for our IPO Shares will open at 10.00 a.m. on [date] and will remain open until 5.00 p.m. on [date]. **Late applications will not be accepted.**

3.2 Indicative timetable

The indicative timeline for our IPO is set out below:-

| Events | Date |
|--|--------------------|
| Opening of Applications | 10.00 a.m., [date] |
| Closing of Applications | 5.00 p.m., [date] |
| Balloting of Applications | [date] |
| Allotment of our IPO Shares to successful applicants | [date] |
| Listing | [date] |

If there are any changes to this timetable, we will advertise a notice of the changes in a widely circulated English and Bahasa Malaysia newspaper within Malaysia, and make an announcement of such changes on Bursa Securities' website accordingly.

3.3 Details of our IPO

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions as set out in **Section 3.3.2** of this Prospectus:-

| | No. of IPO Shares | ⁽²⁾ Percentage of our enlarged issued share capital (%) |
|---|--------------------|--|
| Public Issue | | |
| (i) Malaysian Public ⁽¹⁾ | 20,000,000 | 5.00 |
| (ii) Eligible Persons | 12,000,000 | 3.00 |
| (iii) Private placement to identified institutional and/or selected investors | 75,180,000 | 18.80 |
| Total | 107,180,000 | 26.80 |

Notes:-

(1) Out of the 20,000,000 IPO Shares, 10,000,000 IPO Shares will be set aside for Bumiputera investors.

(2) Based on our enlarged issued share capital of 400,000,000 Shares after the IPO.

3. DETAILS OF OUR IPO (cont'd)

3.3.1 Public Issue

We are offering 107,180,000 IPO Shares at an IPO Price of RM[●] payable in full on application, representing approximately 26.80% of our enlarged issued share capital after our IPO, in the following manner:-

(i) Malaysian Public

20,000,000 IPO Shares, representing 5.00% of the enlarged issued share capital of our Company, are 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 our Company, are set aside for Bumiputera investors. Any IPO Shares not subscribed by such Bumiputera investors will be made available for application by other Malaysian Public.

(ii) Eligible Persons

12,000,000 IPO Shares, representing 3.00% of the enlarged issued share capital of our Company ("Pink Form Shares"), have been reserved and set aside for the Eligible Persons under the Pink Form Allocations.

The details of the number of Pink Form Shares set aside for the Eligible Persons are as follows:-

| Eligible Persons | No. of Eligible Persons | Aggregate no. of Pink Form Shares allocated |
|--|-------------------------|---|
| Directors of our Company ⁽¹⁾ | 4 | 1,400,000 |
| Eligible employees of our Group ⁽²⁾ | 75 | 7,500,000 |
| Persons who have contributed to our success ⁽³⁾ | 20 | 3,100,000 |
| Total | 99 | 12,000,000 |

Notes:-

- (1) The basis and criteria for allocation to our Directors are based on, amongst others, their respective roles and responsibilities in our Group as well as their contribution to our Group. The number of Pink Form Shares to be allocated to our Directors are set out as follows:-

| Name | Designation | No. of Pink Form Shares to be allocated |
|------------------------------------|------------------------------------|---|
| Zulkifly Bin Zakaria | Independent Non-Executive Chairman | 500,000 |
| Lee Yew Weng | Independent Non-Executive Director | 300,000 |
| Alwizah Al-Yafii Binti Ahmad Kamal | Independent Non-Executive Director | 300,000 |
| Poh Zuan Yin | Independent Non-Executive Director | 300,000 |
| Total | | 1,400,000 |

For information purposes, Zulkifly Bin Zakaria's higher number of Pink Form Shares was allocated based on his seniority and position as our Independent Non-Executive Chairman.

3. DETAILS OF OUR IPO (cont'd)

- (2) *The basis and criteria for allocation of the Pink Form Shares to the eligible employees of our Group, as approved by our Board, are based on, amongst others, the following factors:-*
- (i) *the eligible employee must be a full-time confirmed employee of at least 18 years of age and be on the payroll of our Group; and*
 - (ii) *the number of Pink Form Shares allocated to the eligible employees is based on their staff grade, length of service, past performance and level of contributions made to our Group, including any other factors considered relevant to our Board.*

The allocation to our eligible employees includes the allocation to the following key senior management:-

| Name | Designation | No. of Pink Form Shares to be allocated |
|-------------------------------|--|--|
| Mohd Aidy Hisyam Bin Abdullah | Head of Operation (Terminal) | 300,000 |
| Noor Rashid Bin Omar | Head of Operation (BOS) | 300,000 |
| Sing Chee Yeong | Senior Manager – IT Development Department | 300,000 |
| Chew Boon Keat | Head of Finance | 200,000 |
| Total | | 1,100,000 |

For information purposes, the number of Pink Form Shares to the key senior management above were allocated based on the length of service, past performance and level of contribution to our Group.

- (3) *The allocation to persons who have contributed to our success, as approved by our Board, is determined based on amongst others, the length of business relationship with our Group, their current and past contributions and support to our business. The persons who have contributed to our success may include our customers, suppliers and business associates. For avoidance of doubt, these persons who have contributed to our success are not related to our Promoters, substantial shareholders and Directors.*

(iii) Private placement to identified institutional and/or selected investors

75,180,000 IPO Shares, representing approximately 18.80% of the enlarged issued share capital of our Company, will be allocated by way of private placement to identified institutional and/or selected investors.

Any IPO Shares not taken up by the Malaysian Public or Eligible Persons under the Pink Form Allocations will be subject to the clawback and reallocation as set out in Section 3.3.2 of this Prospectus, and the balance thereof will be underwritten. Please refer to Section 3.8 of this Prospectus for further details of our underwriting arrangement. Applicants who subscribe for the Pink Form Shares under **Section 3.3.1(ii)** above may also apply for the IPO Shares available under the Malaysian Public portion.

Save for the allocation made available for application by Eligible Persons as disclosed in **Section 3.3.1(ii)** above, to the extent known to our Company, none of our substantial shareholders, Directors or key senior management have the intention to apply for the IPO Shares allocated under the Malaysian Public portion.

Meanwhile, the 75,180,000 IPO Shares under **Section 3.3.1(iii)** above will be placed out to institutional and/or selected investors identified by our Placement Agent. These IPO Shares will be subject to irrevocable undertakings to be procured from such investors.

3. DETAILS OF OUR IPO (cont'd)

To the best of our knowledge and belief, there is no person who intends to subscribe for more than 5.00% of our IPO Shares.

3.3.2 Clawback and reallocation

Our IPO Shares shall be subject to the following clawback and reallocation provisions:-

- (i) in the event there are IPO Shares not subscribed by the Malaysian Public and the Eligible Persons, the remaining portion will be made available for application by way of private placement to identified institutional and/or selected investors under **Section 3.3.1(iii)** of this Prospectus; and
- (ii) in the event of over-subscription by the Malaysian Public and a corresponding undersubscription under **Sections 3.3.1(ii)** and **3.3.1(iii)** of this Prospectus, the remaining portion will be clawed-back and be reallocated to the Malaysian Public, where:-
 - (a) at least 10,000,000 IPO Shares (representing 2.50% of the enlarged issued share capital of our Company) under **Section 3.3.1(i)** of this Prospectus shall be set aside for Bumiputera investors as part of the balloting process; and
 - (b) remaining portion of unsubscribed IPO Shares under **Sections 3.3.1(ii)** and **3.3.1(iii)** of this Prospectus shall be reallocated to the Malaysian Public, whereby 50% of the remaining portion will be reallocated on best effort basis to Bumiputera investors under **Section 3.3.1(i)** of this Prospectus and the balance 50% thereof will be made available for application by other Malaysian Public via balloting under **Section 3.3.1(i)** of this Prospectus. For avoidance of doubt, any reallocated IPO Shares not subscribed by such Bumiputera investors will be made available for application by other Malaysian Public.

The clawback and reallocation shall not apply in the event of over-subscription under **Sections 3.3.1(i)**, **3.3.1(ii)** and **3.3.1(iii)** of this Prospectus. Any balance unsubscribed IPO Shares under **Section 3.3.1(i)** of this Prospectus (arising after the reallocation to the identified institutional and/or selected investors) will not be subject to any further clawback and reallocation. Such IPO Shares will hence be fully underwritten by the Underwriter.

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

3.3.3 Shares Transfer

During the Prescription Period, our Promoters, namely, Tan Cherng Thong, Hong Boon Huon and Eng Chee Seng, and our substantial shareholder, namely TCT International will transfer their respective shareholdings set out below in conjunction with our IPO, amounting to 220,000,000 Shares to GHSB for a purchase consideration of RM[●] million.

The purpose of the Shares Transfer is to consolidate 55.00% of equity interest in GOHUB to be held by Tan Cherng Thong (through TCT International), Hong Boon Huon and Eng Chee Seng under a single investment company, namely GHSB. Please refer to **Section 8.1.3** of this Prospectus for further details of GHSB.

3. DETAILS OF OUR IPO (cont'd)

Further details of the Shares Transfer are set out below:-

| Shareholders | No. of Shares held before the Shares Transfer | (1)% | No. of Shares to be transferred to GHSB | No. of Shares held after the Shares Transfer | (1)% |
|-------------------|---|--------------|---|--|--------------|
| Tan Cherng Thong | 169,702,104 | 42.43 | 162,582,068 | 7,120,036 | 1.78 |
| Hong Boon Huon | 37,281,684 | 9.32 | 33,000,000 | 4,281,684 | 1.07 |
| Eng Chee Seng | 24,854,456 | 6.21 | 22,000,000 | 2,854,456 | 0.71 |
| TCT International | 2,417,932 | 0.60 | 2,417,932 | - | - |
| GHSB | - | - | - | 220,000,000 | 55.00 |
| Total | 234,256,176 | 58.56 | 220,000,000 | 234,256,176 | 58.56 |

Note:-

(1) Based on our enlarged issued share capital of 400,000,000 Shares after the IPO.

The Shares Transfer will be completed upon the relevant Shares being credited into the CDS Account of GHSB prior to our Listing.

3.3.4 Share capital

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

| | No. of Shares | RM |
|---|--------------------|------------|
| Issued share capital before our IPO | 292,820,000 | 13,310,280 |
| New Shares to be issued under the Public Issue | 107,180,000 | (1)[●] |
| Enlarged issued share capital upon Listing and prior to utilisation of IPO proceeds | 400,000,000 | [●] |
| Less: Estimated listing expenses | - | (2)[(●)] |
| Enlarged issued share capital upon Listing and after utilisation of IPO proceeds | 400,000,000 | [●] |
| IPO Price per Share (RM) | - | [●] |
| Market capitalisation upon Listing (based on the IPO Price and enlarged number of issued Shares after our IPO) (RM) | - | [●] |
| Pro forma NA per Share (based on the pro forma consolidated statements of financial position as at 31 December 2022 after the Pre-IPO Restructuring and Transactions, our IPO and utilisation of IPO proceeds) (RM) | - | [●] |

Notes:-

(1) Calculated based on the IPO Price.

(2) Out of the total estimated listing expenses of RM[●] million, a total of RM[●] million is assumed to be directly attributable to the Public Issue and will be debited against share capital, whilst the remaining RM[●] million will be charged to the profit or loss statement of our Group.

3.3.5 Price stabilisation mechanism

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

3. DETAILS OF OUR IPO (cont'd)

3.3.6 Classes of shares and ranking

There is only 1 class of shares in our Company, namely ordinary shares.

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

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

Any resolution set out in the notice of any general meeting, or in any notice of resolution, is to be voted on by poll. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held or represented. A proxy may but need not be a member of our Company. On a show of hands, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote.

3.3.7 Minimum level of subscription

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

Under the Listing Requirements, we are required to have a minimum of 25.00% of our Shares held by at least 200 public shareholders, each holding not less than 100 Shares at the point of our Listing.

If the aforesaid public shareholding spread requirement is not met, our Company may not be permitted to proceed with the Listing. Please refer to **Section 4.3.2** of this Prospectus for the details in the event there is a delay in or cancellation of our Listing.

3.4 Basis of arriving at the price of our IPO Shares

3.4.1 IPO Price

Our IPO Price of RM[●] per IPO Share was determined and agreed upon between our Directors and our Principal Adviser, after taking into consideration the following factors:-

- (i) our Group's pro forma EPS of [●] sen for the FYE 2022 is based on our Group's PAT attributable to owners of our Group of RM6.06 million and our enlarged issued share capital comprising 400,000,000 Shares, which translates into a price-to-earnings multiple of [●] times. After adjusting for listing expenses incurred in the FYE 2023 (being one-off and non-recurring in nature) of approximately RM[●], our PAT would be approximately RM[●] million which would translate into a price-to-earnings multiple of approximately [●] times;
- (ii) our financial performance and operating history as described in **Sections 11 and 12** of this Prospectus;

3. DETAILS OF OUR IPO (cont'd)

- (iii) the pro forma consolidated NA as at 31 December 2022 attributable to owners of our Group, after our IPO and subsequent to the utilisation of proceeds from our Public Issue of approximately RM[●] per Share based on our enlarged issued share capital upon Listing comprising 400,000,000 Shares;
- (iv) our competitive strengths as outlined in **Section 6.3** of this Prospectus;
- (v) our future plans and business strategies as outlined in **Section 6.24** of this Prospectus;
- (vi) the overview and future outlook of the industry which we operate in, as described in the Industry Overview Report in **Section 7** of this Prospectus; and
- (vii) the prevailing market conditions which include the current market trends and investors' sentiment.

Applicants should also note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the trading volatility of our Shares.

3.4.2 Market capitalisation upon Listing

Based on our IPO Price of RM[●] per IPO Share and our enlarged issued share capital comprising 400,000,000 Shares, our market capitalisation upon Listing is RM[●] million.

3.5 Dilution

Dilution is the amount by which the price paid by the investors of our IPO Shares exceeds our pro forma consolidated NA per Share after our IPO.

The following table illustrates the dilution on a per Share basis:-

| | Details | RM |
|--|-------------|------|
| IPO Price | (A) | [●] |
| Audited consolidated NA per Share as at 31 December 2022, before adjusting for the IPO | (B) | 0.04 |
| Pro forma consolidated NA per Share as at 31 December 2022, after giving effect to the IPO (after the IPO and subsequent to the utilisation of proceeds from our Public Issue) | (C) | [●] |
| Increase in the pro forma consolidated NA per Share to existing shareholders | (C - B) | [●] |
| Dilution in the pro forma consolidated NA per Share to new public investors | (A - C) | [●] |
| Dilution in the pro forma consolidated NA per Share to new public investors as a percentage of the IPO Price (%) | (A - C)/(A) | [●] |

3. DETAILS OF OUR IPO (cont'd)

Save for the Pre-IPO Restructuring and Transactions and as disclosed below, there has been no direct acquisition and/or subscription of any existing Shares in our Company by our Promoters, Directors, key senior management, substantial shareholders or persons connected with them (assuming full subscription under the Pink Form Allocations), or in which they have the right to acquire since the incorporation of our Company up to the date of this Prospectus:-

| | No. of Shares before our IPO | ⁽¹⁾ No. of Shares from IPO | Total consideration (RM) | Average effective cash contribution per Share (RM) |
|---|------------------------------|---------------------------------------|--------------------------|--|
| <u>Promoters, substantial shareholders, Directors and key senior management</u> | | | | |
| Tan Cherng Thong | 169,702,104 | - | 7,713,732 | 0.045 |
| Lee Li Yee | - | - | - | - |
| <u>Promoters and key senior management</u> | | | | |
| Hong Boon Huon | 37,281,684 | - | 1,694,622 | 0.045 |
| Eng Chee Seng | 24,854,456 | - | 1,129,748 | 0.045 |
| <u>Substantial Shareholders</u> | | | | |
| GHSB | - | - | - | - |
| TCT International | 2,417,932 | - | 109,906 | 0.045 |
| <u>Directors</u> | | | | |
| Zulkifly Bin Zakaria | - | 500,000 | [●] | [●] |
| Lee Yew Weng | - | 300,000 | [●] | [●] |
| Alwizah Al-Yafii Binti Ahmad Kamal | - | 300,000 | [●] | [●] |
| Poh Zuan Yin | - | 300,000 | [●] | [●] |
| <u>Key senior management</u> | | | | |
| Mohd Aidy Hisyam Bin Abdullah | - | 300,000 | [●] | [●] |
| Noor Rashid Bin Omar | - | 300,000 | [●] | [●] |
| Sing Chee Yeong | - | 300,000 | [●] | [●] |
| Chew Boon Keat | - | 200,000 | [●] | [●] |
| <u>Persons connected to Promoters, substantial shareholders, Directors and key senior management</u> | | | | |
| Kam Shee Na ⁽²⁾ | - | 200,000 | [●] | [●] |
| Au Yong Chee Keong ⁽³⁾ | - | 200,000 | [●] | [●] |

Notes:-

- (1) Assuming full subscription of our IPO Shares allocated to our Directors and key senior management under the Pink Form Allocations.
- (2) She is our General Manager (Business Development), stepsister of Tan Cherng Thong and stepsister-in-law of Lee Li Yee.
- (3) He is our Supply Chain & Operation Manager and brother-in-law of Tan Cherng Thong and Lee Li Yee.

3. DETAILS OF OUR IPO (cont'd)

3.6 Use of proceeds

The total gross proceeds from the Public Issue amounting to approximately RM[●] million will be utilised by our Group in the following manner:-

| Details of use | Estimated timeframe for use upon Listing | RM'000 | Percentage of gross proceeds (%) |
|--|--|--------|----------------------------------|
| (i) Business expansion | | | |
| • Expansion of our workforce | Within 24 months | [●] | [●] |
| • Capital expenditure on equipment and tools | Within 36 months | [●] | [●] |
| • D&D | Within 36 months | [●] | [●] |
| • Set-up of integrated centre | Within 12 months | [●] | [●] |
| • Business development and marketing | Within 24 months | [●] | [●] |
| | | [●] | [●] |
| (ii) Repayment of bank borrowings | Within 6 months | [●] | [●] |
| (iii) Working capital | Within 12 months | [●] | [●] |
| (iv) Estimated listing expenses | Within 1 month | [●] | [●] |
| Total | | [●] | 100.00 |

Details of our use of gross proceeds from our IPO are as follows:-

3.6.1 Business expansion

We intend to scale up our operations to support our business expansion plans in the next 3 years, which includes the following:-

- (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, setting up a D&D department and enhancing our customer support and maintenance services,

further details of which are set out in **Section 6.24** of this Prospectus.

To achieve the above, we have therefore earmarked RM[●] million or [●]% of our total Public Issue proceeds towards our business expansion plans as set out below:-

(i) Expansion of our workforce

We intend to strengthen our human resources capabilities through the recruitment of the right professionals with the relevant technical skillset and/or know-how in the next 2 years. The details of our recruitment plan to hire the following personnel in the next 2 years are set out as follows:-

| Workforce* | No. of new hires (up to) |
|-------------------------------|--------------------------|
| Software engineers | 10 |
| QC engineers | 4 |
| Project consultants | 6 |
| Helpdesk and customer service | 8 |

3. DETAILS OF OUR IPO (cont'd)

| Workforce* | No. of new hires (up to) |
|---------------|-----------------------------|
| Technicians | 15 |
| D&D personnel | 6 |
| Total | 49 |

Note:-

* Further details on the functions and roles of our workforce are set out in **Section 6.24.2** of this Prospectus.

We have therefore earmarked RM[●] million or [●]% of our total Public Issue proceeds towards the expansion of our workforce, which stood at 175 employees as at the LPD. We believe that our new recruits will enhance our capacity to service the growing number of new contracts.

The breakdown of utilisation is envisaged as follows:-

| Details | RM'000 |
|---|--------------------|
| Staff salaries and benefits of new recruits | ⁽¹⁾ [●] |
| Relevant training and certification costs to enhance the technical skill and competence of the new recruits | [●] |
| Total | [●] |

Note:-

(1) Based on our staff salary records and salary estimates for up to 49 employees for an estimated period of 24 months.

For avoidance of doubt, the initial recruitment costs associated to the recruitment of the above mentioned personnel will be fully funded via internally generated funds.

(ii) Capital expenditure on equipment and tools

We intend to utilise RM[●] million or [●]% of our total Public Issue proceeds to purchase new IT equipment, tools and software tools for the following ventures with the aim to expand our presence within the transportation IT solutions provider sector:-

- (a) our venture into the ferry segment; and

We are currently working with the Sabah Port Authority to implement our transportation IT solutions at 8 identified ferry terminals under the state's digitalisation initiative with the aim to monitor ferry passenger arrivals and departures at these terminals, streamlining ferry terminal operations and enhancing overall efficiency.

We intend to undertake our venture into the ferry segment in stages with the aim to complete 4 ferry terminals by October 2024 and the balance 4 ferry terminals by March 2025. The indicative timeframe to implement our transportation IT solutions is subject to the negotiations between our Group and the respective ferry terminal owners on, amongst others, the technical specification, implementation timeframe and expected operational date.

3. DETAILS OF OUR IPO (cont'd)

The implementation of transportation IT solutions for the ferry terminals will encompass the following stages:-

| Stage(s) | Key event(s) | Estimated timeframe |
|----------|--|---------------------|
| 1. | <ul style="list-style-type: none"> Conduct site visits to the identified ferry terminals and undertake preliminary feasibility assessments as well as on-boarding and requirement analysis to determine the project requirements and alignment between proposed technology solutions and the intended outcomes Commence negotiations with the ferry terminal owners on the contract terms for the projects Signing of the contracts for the projects with the ferry terminal owners | 2 months |
| 2. | <ul style="list-style-type: none"> Formation of project management team to develop the detailed project plans with the aim to ensure a structured approach to implement the projects Project management team to design the framework and identify the system modules and technologies that are required to be developed and customised to fulfil the requirements of the ferry terminal owners Commence customisation and design of the system infrastructure for the ferry terminals | 2 months |
| 3. | <ul style="list-style-type: none"> Procurement and installation of related hardware components such as ACG, TVMs and Passenger Information Display systems Commence on-site installation of related hardware components and software solutions (including integration with the existing IT system of the ferry terminals) | 2 months |
| 4. | <ul style="list-style-type: none"> Perform the required testing and assessment to identify and rectify any issues to ensure the quality, reliability and the overall performance of our solutions for the ferry terminals as well as to ensure the operational aspects of our solutions are in order Project handover and the completion of the projects The ferry terminal system go live | 1 month |

The successful implementation of our IT solutions hinges upon the finalisation of negotiations with the ferry terminal operators. If these negotiations proceed as planned and our solutions are implemented, this venture will mark our inaugural ferry terminals project, poised to serve as a flagship endeavor for expanding our market presence in the East Malaysia for the ferry segment.

(b) upgrading of our current BOS

BOS is our GPS monitoring enabled ticketing solution for stage bus operations, which was adopted by 527 stage buses as at the LPD. Our current solution capabilities as at the LPD comprise real-time bus tracking, "cashless" payment, data analysis and reporting functions as well as fare integration feature that allows integration with other modes of public transportations to provide passengers with an interconnected travel experience.

3. DETAILS OF OUR IPO (cont'd)

Out of 527 stage buses, only 127 stage buses have adopted our BOS with payment terminal devices with the “cashless” key feature as at the LPD, which enables the passengers to make payment for the bus fares when the passengers board the stage buses. It is pertinent to note that our Group had installed the payment terminal devices with the “cashless” key feature (which is an additional device) at the respective 127 stage buses. It should be noted that the balance 400 stage buses only have the BOS (which comprise only the installed GPS monitoring and tracking device and Electronic Ticketing Machine (ETM) for the issuance of physical bus tickets).

Hence, as part of our continuous D&D efforts, we intend to:-

- (a) upgrade our current BOS by installing new payment terminal devices (with the “cashless” key feature) for the balance existing 400 stage buses as at the LPD; and
- (b) to also potentially upgrade up to 100 stage buses from our existing and potential customers with the integration of the payment terminal devices;

to enable all our system to offer the “cashless” or “open payment” key feature and function. The upgrade is poised to ensure all our BOS is enhanced (as opposed to the current scenario where only 127 stage buses are able to offer “cashless” feature under our BOS) and also attract other stage bus operators to adopt our BOS with such feature as well as provide an increased revenue stream to our Group as the subscription fees chargeable to stage bus operators leasing our BOS will be revised due to the upgrades.

The details of the new IT equipment, tools and software tools for our venture into the ferry segment and the upgrading of our current BOS are set out below:-

| Details | RM'000 |
|--|------------|
| The key hardware for our TOS to be installed for the ferry terminals in Sabah (“ TOS Hardware ”) with the intention to operate on Zero Capex model are as follows:- | |
| • TVMs | [•] |
| • ACG | [•] |
| • CCTV and security related system | [•] |
| • Handheld devices and POS facilities (which includes computers and payment terminals) | [•] |
| • Passenger Information Display System | [•] |
| • Others (which includes electrical and engineering components) | [•] |
| Subtotal | (1)[•] |
| Upgrading of cashless or open payment system for BOS (includes the payment terminal devices) | (1)[•] |
| Total | [•] |

3. DETAILS OF OUR IPO (cont'd)

Note:-

- (1) *Based on our management's estimates of the prices of the identified equipment after taking into consideration, amongst others, the indicative quotes of certain equipment and our management's research on the prices of the said equipment and components.*

In the event that our Group is unable to secure any orders and/or contracts to install TOS for the ferry segment, the above earmarked Public Issue proceeds for the TOS hardware will then be channelled towards the working capital of our Group, primarily to fund the working capital required for new projects to be undertaken by our Group (where such proceeds will be utilised to purchase the relevant hardware and/or software components for the projects).

(iii) D&D

We recognise the increasing demand for technology application and infrastructure solutions, and importance of D&D activities in our bid to remain competitive, and provide our customers with technological applications and solutions that optimises and streamlines operations process flows efficiently.

We believe that an effective D&D shapes the features and functionality of our solutions. We have therefore earmarked RM[●] million or [●]% of our total Public Issue proceeds to undertake the following D&D activities to maintain our competitiveness and market presence:-

| Details | RM'000 |
|--|------------|
| Integrating AI into our solutions (which includes the purchase of AI chatbot engine (which is a core component to the AI transportation booking system and subscription to database and application servers to support the AI chatbot engine in terms of storage of data analytics and complex data) | (1)[●] |
| Total | [●] |

Note:-

- (1) *Based on our management's estimates of the prices of the identified equipment after taking into consideration, amongst others, the indicative quotes of certain equipment and our management's research on the prices of the said equipment and components.*

We expect to implement our D&D plans to integrate AI into our solutions within 36 months from our Listing. The indicative timeline is set out below:-

| Stage(s) | Key event(s) | Estimated timeframe |
|----------|--|---------------------|
| 1. | <ul style="list-style-type: none"> Undertake research and feasibility studies to identify suitable AI chatbot engine which is modular and adaptable for customisation and integration to our solutions Engagement with the identified vendor on the technical specifications for the AI chatbot engine Acquisition of the AI chatbot engine | 7 months |
| 2. | <ul style="list-style-type: none"> Customisation and integration of AI chatbot with CTS for rail segment and the Specified Bus Terminals | *12 months |
| 3. | <ul style="list-style-type: none"> UAT of the newly integrated and customised AI chatbot for CTS for rail segment and the Specified Bus Terminals | 4 months |
| 4. | <ul style="list-style-type: none"> Successful integration of the AI chatbot with helpdesk functions catering to CTS for rail segment and Specified Bus Terminals | 1 month |
| 5. | <ul style="list-style-type: none"> Customisation and integration of AI chatbot with the AFC | *3 months |
| 6. | <ul style="list-style-type: none"> UAT of the newly integrated and customised AI chatbot for AFC | 2 months |

3. DETAILS OF OUR IPO (cont'd)

| Stage(s) | Key event(s) | Estimated timeframe |
|----------|---|---------------------|
| 7. | • Successful integration of the AI chatbot with helpdesk functions catering to AFC | 1 month |
| 8. | • Customisation and integration of AI chatbot with GoPartner and GoHub.com.my | *3 months |
| 9. | • UAT of the newly integrated and customised AI chatbot for GoPartner and GoHub.com.my | 2 months |
| 10. | • Successful integration of the AI chatbot with helpdesk functions catering to GoPartner and GoHub.com.my | 1 month |
| | Total | 36 months |

Note:-

* The difference in the timeframe to customise and integrate the system is due to the level of technical complexity.

(iv) Set-up of new integrated centre

We intend to set-up a new integrated centre, which enables our Group to undertake the following:-

- (a) a training area to cater for our training requirements and needs. We currently conduct our trainings at our customers' office or hotels function rooms; and
- (b) a sizeable test laboratory and demonstration area measuring approximately 2,000 sq ft to enable us to enhance our testing capacity (where our Group conducts testing on our solutions or products from our suppliers) and showcase our solutions to our customers. We currently lease an office in Kuala Lumpur with a floor space of approximately 421 sq ft and the size of the floor space had limited our ability to conduct extensive testing activities (which requires a larger floor space).

To facilitate this strategic initiative, we have earmarked RM[●] million or [●]% of our total Public Issue proceeds towards the setting up of the new integrated facility centre. We intend to lease an office area of approximately 2,000 sq ft located in the Klang Valley (envisaged to accommodate up to 35 individuals) to cater for our integrated centre requirements. The earmarked proceeds from the Public Issue will be utilised in the following manner:-

| Details | RM'000 |
|---|------------|
| Rental of the office space for 36 months and renovation costs | (2)[●] |
| Computers, IT equipment and tools ⁽¹⁾ | (3)[●] |
| Total | [●] |

Notes:-

- (1) Comprise, amongst others, ACG, TVM, handheld devices and payment terminals.
- (2) Based on our management's estimates of the average property market rental rate of commercial properties of RM7.50 per sq ft, after taking into consideration the market value of similar commercial properties located in our preferred locations.
- (3) Based on our management's estimates of the prices of the identified equipment and software after taking into consideration, amongst others, the indicative quotes of certain equipment and our management's research on the prices of the said equipment.

3. DETAILS OF OUR IPO (cont'd)

(v) Business development and marketing

We intend to allocate RM[●] million or [●]% of our total Public Issue proceeds for business development and participation in exhibitions, details of the breakdown are set out below:-

| Details | RM'000 |
|---|------------|
| Participation in trade exhibitions as set out in Section 6.24.3 of this Prospectus (which includes the participation fees, booths rental and set-up costs, logistics and travelling costs) | [●] |
| Business development activities (which includes brand awareness through online channels and media advertisements to promote our applications and the "GOHUB" brand) | [●] |
| Total | [●] |

Any shortfall in the actual costs of our business expansion compared to our budget allocations will be financed through our internally generated funds and/or bank borrowings. Conversely, in the event the actual proceeds utilised to fund our business expansion plans are lower than the allocations set out above, the excess will be channelled towards working capital purposes.

3.6.2 Repayment of bank borrowings

Our bank borrowings stood at approximately RM9.31 million as at the LPD, of which RM6.44 million are long term borrowings and RM2.87 million are short term borrowings. Our borrowings comprise of term loans, lease liabilities under hire purchase agreement and revolving credit facilities.

Our Group has earmarked approximately RM[●] million or [●]% of our total Public Issue proceeds for the partial repayment of our existing facilities in the manner set out below:-

| Facility | Bank | Total amount outstanding as at the LPD (RM'000) | Proposed repayment (RM'000) | Interest rate (% per annum) | Maturity date | Purpose of borrowing |
|--------------------------------------|------------------------|---|-----------------------------|-----------------------------|---------------|---|
| Commodity Murabahah Term Financing-i | Maybank Islamic Berhad | 1,165 | [●] | Base Financing Rate - 2.30% | November 2044 | To finance the purchase of 08-01-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan |
| Commodity Murabahah Term Financing-i | Maybank Islamic Berhad | 999 | [●] | Base Financing Rate - 2.20% | June 2037 | To finance the purchase of 08-05-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan |

3. DETAILS OF OUR IPO (cont'd)

| Facility | Bank | Total amount outstanding as at the LPD (RM'000) | Proposed repayment (RM'000) | Interest rate (% per annum) | Maturity date | Purpose of borrowing |
|--------------------------------------|------------------------|---|-----------------------------|---|---------------|--|
| Term loan | Malayan Banking Berhad | 188 | [●] | Base Lending Rate + 3.50% | January 2025 | To finance working capital of our Group |
| Murabahah Tawarruq (revolving) | PMB Tijari Berhad | 1,687 | [●] | *- | December 2024 | To finance the purchase of IT related hardware |
| Commodity Murabahah Term Financing-i | Maybank Islamic Berhad | 275 | [●] | Base Financing Rate + 3.50% (66 months) Base Financing Rate + 2.50% (>66 months) | March 2026 | To finance working capital of our Group |
| Term Loan | CIMB Bank Berhad | 281 | [●] | Base Lending Rate + 3.00% | November 2024 | To finance working capital of our Group |
| | Total | 4,595 | [●] | | | |

Note:-

* PMB Tijari Berhad has granted an interest-free arrangement to our Group 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.

For illustrative purposes, the repayment of the term loans and revolving credits set out in the table above amounting to RM[●] million is expected to result in interest savings of approximately RM[●] million, assuming an interest rate of 3.50% to 9.90% per annum. Based on the terms of the financing, our Group is expected to only incur a penalty charges of less than RM6,000 in respect of the early repayment of one of our bank borrowings.

3.6.3 Working capital

We also expect our working capital requirements to increase in tandem with the expected growth in scale of operations.

Hence, we intend to utilise approximately RM[●] million or [●]% of the total Public Issue proceeds towards working capital requirements, which include the following:-

| Details | RM'000 |
|--|------------|
| Staff salaries and benefits | [●] |
| General overheads, which include payment of administration and operational expenses such as for the upkeep of offices and office utilities | [●] |
| Total | [●] |

3. DETAILS OF OUR IPO (cont'd)

3.6.4 Estimated listing expenses

The estimated expenses and fees incidental to our Listing amounting to RM[●] million shall be borne by our Company, the details of which are as follows:-

| Expenses | RM'000 |
|--|------------|
| Professional fees ⁽¹⁾ | [●] |
| Brokerage, placement fees and underwriting commission | [●] |
| Regulatory fees | [●] |
| Other fees and expenses such as printing, advertising, travelling and roadshow expenses incurred in connection with our IPO | [●] |
| Contingencies and other incidental expenses in connection with our IPO such as translation fees, public or investor relation consultant, service tax and funds reserved for contingency purposes | [●] |
| Total | [●] |

Note:-

(1) Includes advisory and professional fees for, amongst others, our Principal Adviser, legal adviser, auditors and reporting accountants and IMR.

If the actual listing expenses are higher than the estimated amount as set out above, the deficit will be funded out of the portion from the IPO proceeds allocated for working capital. Conversely, if the actual listing expenses are lower than the estimated amount, the excess will be utilised for the general working capital requirements of our Group.

We intend to place the Public Issue proceeds (including accrued interest, if any) or the balance thereof as deposits with licensed financial institutions or short-term money market instruments prior to the use of the proceeds from the Public Issue for the above intended purposes.

3.7 Brokerage, underwriting commission and placement fee

(i) Brokerage fee

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

(ii) Underwriting commission

As stipulated in the Underwriting Agreement, we will pay the underwriting commission at the rate of [●]% (exclusive of applicable tax) of the total value of the underwritten Shares based on the IPO Price.

(iii) Placement fee

Our Placement Agent, UOBKH, has agreed to place out 75,180,000 IPO Shares to be offered to the identified institutional and/or selected investors as set out in **Section 3.3.1(iii)** of this Prospectus. We will pay our Placement Agent a placement fee at the rate of [●]% of the total value of the 75,180,000 IPO Shares placed out to investors identified by our Placement Agent at the IPO Price and a placement fee at the rate of [●]% of the total value of the IPO Shares to be placed out to the investors identified by our Company at the IPO Price.

3. DETAILS OF OUR IPO (cont'd)

3.8 Underwriting arrangement

We have entered into the Underwriting Agreement with the Underwriter to underwrite 20,000,000 IPO Shares under the Malaysian Public portion as set out in **Section 3.3.1(i)** of this Prospectus and 12,000,000 Pink Form Shares under the Pink Form Allocations as set out in **Section 3.3.1(ii)** of this Prospectus, both of which are subject to the clawback and reallocation provisions as set out in **Section 3.3.2** of this Prospectus.

[The salient terms will be inserted once the Underwriting Agreement has been entered into and made available.]

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

4. RISK FACTORS

YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING KEY RISK FACTORS WHICH MAY HAVE A MATERIAL ADVERSE IMPACT ON OUR BUSINESS OPERATIONS, FINANCIAL POSITION AND THE FUTURE PERFORMANCE OF OUR GROUP, IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE INVESTING IN OUR COMPANY.

4.1 Risks relating to our business operations

4.1.1 We are dependent on customers within the public land transportation sector

We are dependent on customers within the bus and rail segments as these customers operate in a regulated industry. This group of customers from the public land transportation sector in aggregate accounted for approximately 99.60%, 95.59% and 96.61% of our total revenue for the FYE 2020, FYE 2021 and FYE 2022 respectively, further details of which are set out as follows:-

| | FYE 2020 | | FYE 2021 | | FYE 2022 | |
|-----------------------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | (RM'000) | (%) | (RM'000) | (%) | (RM'000) | (%) |
| Transportation IT solutions | | | | | | |
| - Rail | 11,920 | 62.82 | 1,601 | 7.88 | 15,477 | 58.30 |
| - Bus | 6,978 | 36.78 | 17,817 | 87.71 | 10,171 | 38.31 |
| Total | 18,898 | 99.60 | 19,418 | 95.59 | 25,648 | 96.61 |

Any material change in the policies or directions in the public land transportation sector could adversely affect our business, financial condition and financial performance. Although we provide maintenance and support services (which provides recurring revenue stream to our Group), expenditure on technology by such customers may reduce based on such material changes in policies or directions affecting the public land transportation sector, which may take into consideration economic conditions and other factors, such as decisions to reduce or restructure technology spending (which are geared towards optimisation of operational efficiency) in an attempt to improve profitability. Further, in the event of the introduction of any new or amendments to regulatory requirements by the relevant regulators, we may be required to adapt our solution offerings to meet such requirements and failure to do so at all or in a timely manner could adversely affect our business and financial performance.

We will strive to enhance our technical capabilities by keeping abreast with the latest technology developments in order to maintain our competitive edge and position in the sector. Nevertheless, in the interim, any changes in the public land transportation sector could cause the market for our solutions to decline and as a result, our business, financial condition and financial performance could be affected.

4.1.2 We are dependent on our major customer, KTMB

We are dependent on KTMB, a rail operator providing transportation and mobility services nationwide in Peninsular Malaysia. We have been providing transportation IT solutions to KTMB since 2019, accounting for 62.83%, 7.90% and 58.30% of our total revenue for the FYE 2020, FYE 2021 and FYE 2022 respectively.

4. RISK FACTORS (cont'd)

We are currently providing maintenance and support services for CTS for Komuter Utara, ETS, Intercity and Shuttle Tebrau Routes (where the contract period is 90 months commencing from 1 April 2019 to 30 September 2026) as well as undertaking installation works in respect of AFC for KTMB via our KTMB contracts (where the contract period is 18 months commencing from 1 October 2022 to ⁽¹⁾31 March 2024) depending on project specifications, where we derived both non-recurring income (for projects) and recurring income (from maintenance and support services where we charge in the form of fixed fee and revenue sharing in nature). We anticipate that both non-recurring and recurring income from KTMB will contribute significantly to our future financial performance as the rail network undergoes continuous development and upgrades, coupled with a growth in ridership. Out of the total revenue from KTMB from 1 January 2023 up to the LPD, the non-recurring income from KTMB accounted for approximately 60.24% with the balance of 39.76% attributed to recurring income.

Note:-

- (1) *For information purposes, although the contract tenure for the installation of AFC spanned from 1 October 2022 to 31 March 2024, it should be noted that GOHUB had successfully completed the installation of the AFC at the identified rail stations of KTMB by December 2023 (ahead of the intended completion date, 31 March 2024). The installation stages of AFC comprised of 3 stages, with the first stage being completed in June 2023, second stage in September 2023 and final stage in December 2023.*

The ridership of the ETS, Intercity and Shuttle Tebrau services during the pre COVID-19 pandemic period (i.e. the FYE 2017, FYE 2018 and FYE 2019) and during the financial years under review are set out below:-

| | Pre COVID-19 pandemic period | | | COVID-19 pandemic period | | |
|-----------------------|------------------------------|----------|----------|--------------------------|----------|----------|
| | FYE 2017 | FYE 2018 | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| Rail ridership ('000) | 11,289 | 12,799 | 14,028 | #4,948 | 2,056 | 10,271 |

(Source: KTMB)

Note:-

- # *For information purposes, our Group had only commenced our CTS maintenance services in August 2020 and the fees derived from the revenue sharing model was based on total ticket sales of 0.50 million from 17 August 2020 up to 31 December 2020.*

It is hence pertinent to note that the ridership levels for the ETS, Intercity and Shuttle Tebrau services during the COVID-19 pandemic period were relatively low, in particular, in the FYE 2020 and the FYE 2021, resulting in lower recurring revenue for our Group as the revenue sharing charges under our CTS maintenance services for KTMB were based on number of ticket sales (i.e. ridership). Hence, it should be noted that prior to CTS going live, our Group was unable to charge any fees for our CTS maintenance during the 16-month gap between April 2019 (commencement of the CTS contract) and August 2020 (commencement of CTS maintenance services).

Although we have not encountered any material disputes with KTMB to-date, our current working relationship with them may deteriorate or we may be unable to continue to secure new projects from KTMB in the future upon completion of the existing projects or renew our maintenance and support services contract if our Group has major disputes with KTMB in the future. Our Group's sustainability, revenue and financial performance will in turn be materially and adversely affected if there is any termination of our business relationship with KTMB and we are unable to secure any new contracts of similar or greater value to replace the loss of business.

4. RISK FACTORS (cont'd)

4.1.3 We are dependent on our ability to secure new projects

Our profitability and financial performance are dependent on our ability to consistently secure and maintain contracts for the provision of enterprise IT services particularly from existing and new customers in the public transportation sector. Our contracts with customers vary in length and scope of services depending on the nature of the project, technical specification, business engagements (i.e. Outright Purchase or Zero Capex) and other customer requirements. Consequently, our revenue streams are subject to fluctuations based on the size and number of active contracts and their respective durations. The duration of contracts within the Zero Capex model would typically span a minimum period of 3 years. This timeframe is necessary for our Group to realise the anticipated return on investment. Meanwhile, the duration of the contracts in respect of Outright Purchase would typically entail a period of up to 2 years.

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. Further, the volume and size of contracts, as well as the revenue generated from them, can be affected by several factors which include, but are not limited to, economic downturns, industry-specific slowdowns and customers' financial constraints. As a result thereof, our revenue may experience significant fluctuations across different financial years. This is evidenced by the revenue contributions from the non-recurring income (for projects) and recurring income (from maintenance and support services) during the financial years under review, which is set out as follows:-

| | FYE 2020 | | FYE 2021 | | FYE 2022 | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | (RM'000) | (%) | (RM'000) | (%) | (RM'000) | (%) |
| Recurring | 5,739 | 30.25 | 7,136 | 35.14 | 16,929 | 64.87 |
| Non-recurring | 13,232 | 69.75 | 13,173 | 64.86 | 9,169 | 35.13 |
| Total income derived from projects* | 18,971 | 100.00 | 20,309 | 100.00 | 26,098 | 100.00 |

Note:-

* Excludes the income derived from our Group's other solutions (namely GoHub.com.my and GoPartner), both of which are classified as non-projects activities by our Group.

The success of our bids and tender proposals is influenced by various factors, including pricing and tendering strategy and the level of competition. Hence, we may be unable to secure a tender every time we participate in the tender bid process. Depending on market conditions and the competitive landscape, we may need to adjust our pricing or tendering strategy to remain competitive. If we fail to secure new contracts with comparable values, sizes, or margins to existing ones, our business and financial performance could be materially and adversely affected.

Our ability to secure new projects are also dependent on the negotiated terms of our contracts and the business engagements that we offer to our customers. It should be noted that under the Zero Capex model, our customers are accorded with the option to avoid significant upfront investments in our solutions whilst enabling the preservation of our customers' cash flow, given that no payments are required to be made for the development, customisation and installation of the systems (comprising hardware and/or software). However, this model will affect our revenue and cash flow given that we will incur upfront costs for the hardware involved, before recognising revenues when the solution is live.

4. RISK FACTORS (cont'd)

After the successful completion of our projects, our customers typically engage us for maintenance and support services for the solutions delivered. Our maintenance and support services will adhere to a pre-scheduled timeline, where such activities include general maintenance or updates of software and hardware, routine part changes and general system testing. Maintenance and support services are available on a contract basis, which typically ranges between 1 to 5 years (with the option to extend) depending on the requirements of our customers' operational needs. There is no assurance that our customers will continue to engage us for maintenance and support services after completion of a project and that our maintenance and support services will be renewed upon its expiry.

4.1.4 Our IT solution projects may be subject to delays arising from the lack of infrastructure readiness at our customers' sites

Our enterprise IT solution projects are subject to specific completion schedules and agreed budgets. The timely deliverables and cost of our projects are dependent on the infrastructure readiness at site. Such delays may be due to various factors, which are beyond our control, which includes but are not limited to, delay in the construction or upgrades in the terminals, suspension or deferment of construction and building works, poor project coordination and site issues which require rectification before we are able to undertake the IT installation works. Any adverse developments of these factors can lead to interruptions or delays in the progress of our projects and this may subsequently reduce our profit margin, delay the recognition of our revenue and incur additional costs, all of which could have a material impact on our financial performance.

During the financial years under review, we have experienced delay in the following projects due to lack of infrastructure readiness at our customers' sites:-

- (i) integrated terminal hub located in Gombak; and

The integrated terminal hub located in Gombak had faced delays and subsequent suspension of construction and building progress works which led to deferment of the terminal's operational launch date. As a direct consequence, we were unable:-

- (a) to fulfil our IT service obligations and fully deliver our scope of solutions within the prescribed timeframe as set out in the contract (where we were initially required to fully deliver our solutions by first quarter of 2021). This had led to our Group being unable to issue billings for the balance contract value of RM2.01 million relating to the project within the financial years under review; and
- (b) to collect on the outstanding billings of RM3.96 million due to the project being delayed and subsequently suspended. This had led our Group to incur an impairment of trade receivables of RM0.38 million in the FYE 2022.

- (ii) bus terminal in Sabah

The lack of site readiness at the bus terminal in Sabah had resulted in our Group being unable to undertake our IT service obligations and fully deliver our scope of solutions within the prescribed timeframe. This resulted in a loss of revenue totalling to RM1.12 million, which our Group could have recognised during the financial years under review.

We may hence encounter such delays in the future due to the lack of infrastructure readiness at our customers' sites, all of which are factors beyond our control.

4. RISK FACTORS (cont'd)

4.1.5 Our business may be affected by outbreaks of any severe contagious or virulent diseases which restrict travel and use of public transportation

The COVID-19 pandemic declared by the World Health Organisation on 11 March 2020, had materially affected our operations. In response to the pandemic, the Malaysian government had imposed a series of lockdown measures across different states nationwide and localities in the country at various points, beginning 18 March 2020. Such lockdown measures included movement restriction orders to mitigate the spread of the COVID-19 virus, which had effectively limited public travels and this led to a sharp decline in ridership and demand for both bus and rail services.

This decline in ridership and demand had a direct impact to our Group. For our CTS maintenance solutions (in particular, the ETS, Intercity and Shuttle Tebrau Routes - which are tied to ridership), and our terminal management services where we function as system operators (which are dependent on bus terminal utilisation), our Group experienced a notably sharp decline in revenue stream arising from the lockdown measures.

The revenue contribution from the CTS maintenance solution for the rail segment (which was primarily revenue sharing in nature) were significantly lower as we had only recognised revenue of RM0.16 million in the FYE 2020 and RM0.56 million in the FYE 2021, as compared to the revenue recognised in the FYE 2022 of RM3.99 million. Our revenue from our terminal management services at the Existing Specified Bus Terminals recorded a similar trend over the same financial years under review.

Further, we had encountered difficulties in trade receivables management of our Group. Our average trade receivables turnover period had increased from 109 days for the FYE 2020 to 145 days for the FYE 2021. This was primarily due to slow collection of trade receivables, which was a direct consequence of the demanding business operating environment during both financial years, materially impacted by the ongoing COVID-19 pandemic. The pandemic had severely limited travel and the ability of our customers to provide mobility services, impacting our customers' ability to meet payment obligations. In addition, during the FYE 2021, a major customer had to temporarily suspend the construction of the integrated terminal hub project in Gombak (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).

Please refer to **Section 6.4** of this Prospectus for further details on the impact of COVID-19 on our Group.

In the event of any prolonged outbreak of any severe contagious or virulent diseases, this may result in material disruptions to our business operations which may adversely affect our business operations and financial performance.

4.1.6 We are exposed to credit risk of our customers

Our 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 customers, their financial position and payment track record as well as their creditworthiness.

4. RISK FACTORS (cont'd)

While we require our customers to make progress payments based on the stages of project completed, we may not be able to collect our trade receivables in a timely manner and/or some of our customers may delay payments. Should we experience any difficulty in collecting a substantial portion of our trade receivables from our customers, our cash flow and working capital may be affected. This was evident in our average trade receivables turnover period from 109 days for the FYE 2020 to 145 days for the FYE 2021, which was primarily attributable to the challenging business environment arising from the effects of the ongoing COVID-19 pandemic.

We are also exposed to credit risks arising from our trade receivables which may arise from unanticipated events and circumstances beyond our control. Such was the case in respect of our average trade receivables turnover period of 114 days in the FYE 2022. The prolonged trade receivables turnover period mainly relates to a major customer's ability to meet payment obligations, stemming from the temporary suspension of the construction of the integrated terminal hub project in Gombak and the subsequent deferment in the operational launch of the terminal.

Our Group will assess the collectability of trade receivables on an individual and collective customer basis and impairment will be made accordingly for customers where recoverability is uncertain, after taking into consideration, amongst others, the payment track record of our customers, their creditworthiness and financial position as well as the 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 Group's dealings with these customers.

Our Group has not recorded bad debts for the FYE 2020 and FYE 2021. We had, however, 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 via petition filed on 4 July 2022 and was subsequently wound up on 22 February 2023 and with no reasonable expectations on the full recovery of the outstanding debts. Further, we had also recorded an impairment on trade receivables totalling RM0.44 million in the FYE 2022 owed from 2 major customers.

There can be no assurance that our customers will be able to fulfil their payment obligations in a timely manner or we are able to fully collect the trade receivables which exceed credit terms in the future.

4.1.7 We are dependent on our Executive Directors and key senior management

Our success is dependent on the abilities, experience and continued efforts of our Executive Directors and key senior management. Our Executive Director / CEO, Tan Cherng Thong 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. Since joining as CEO of NSS in August 2015, he has been instrumental in spearheading the overall business strategy and direction of our Group. He is supported by our other Promoters and key senior management, namely Lee Li Yee (Executive Director / Finance Director), Hong Boon Huon (CTO), Eng Chee Seng (Chief Business Development Officer), Mohd Aidy Hisyam Bin Abdullah (Head of Operation (Terminal)), Noor Rashid Bin Omar (Head of Operation (BOS)), Sing Chee Yeong (Senior Manager of the IT Development Department) and Chew Boon Keat (Head of Finance). Please refer to **Sections 8.1.3** and **8.4.2** of this Prospectus for details of the profiles of our Executive Directors and key senior management.

4. RISK FACTORS (cont'd)

As such, the loss of services from our Executive Directors and key senior management without suitable and timely replacement may adversely impact our business operation and financial performance. It is pertinent to note that our CTO is part of a designated group (comprising our CEO and IT managers) holding the key source codes for our software (which are pivotal to the functionality of our solutions). By limiting the number of key individuals having access to the source code, our Group will be able to a certain extent, mitigate the risks of such source codes being easily accessed or obtained by any third parties. We believe that such safeguard measure is in line with industry norms.

Although the loss of his service does not affect our safeguard measures for our intellectual property rights, it may however materially affect our IT operations (in particular, overseeing the development and installation of our customised software and solutions) as our Group will be required to embark on a recruitment process to recruit a new personnel with the requisite technical skill sets to assume the role of our CTO.

As part of our strategy to retain our employees, we offer competitive remuneration packages to our key senior management and provide training and career development opportunities to our employees. Further, in conjunction with our Listing, we have allocated a portion of our IPO Shares to our Eligible Persons which includes our directors and employees, as set out in **Section 3.3.1(ii)** of this Prospectus. We believe that our Listing will enhance our profile and will facilitate talent retention and recruitment.

For the financial years under review and up to the LPD, we have not experienced any loss of our key senior management that has materially impacted our business. However, there is no assurance that we are able to retain and attract key senior management based on the measures mentioned above.

4.1.8 We are dependent on our ability to attract, train, motivate and retain IT personnel

Our future growth and success depend, to a certain extent, on the continued service of our skilled and experienced IT personnel. The expertise of our IT employees who are equipped with IT knowledge and skill are crucial in delivering our services, from consultation to implementation of the respective enterprise IT solutions. They also play major roles in our operations, maintenance and support services.

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 could also lose IT personnel to our customers or other participants in the IT sector and it may be difficult for us to find suitable and timely replacement(s) given the talent shortage. A high turnover and/or any reduction in numbers to our headcount of IT personnel may be disruptive to our business and may result in loss of crucial and confidential knowledge about our customers which, in turn, could lead to the loss of our customers.

4.1.9 Failure to protect our intellectual property rights could adversely affect our business

Our established track record within the public land transportation sector is a testament to our expertise in delivering effective solutions (including TOS, BOS and AFC) tailored to meet and cater to the operational and technical requirements of our customers. It is pertinent to note that our customers are entitled to the right of use for the software solutions whilst we retain the intellectual property rights of the software, subject to the terms and conditions of the contracts with our customers.

4. RISK FACTORS (cont'd)

The core strength of our solutions lies in our software architecture, which is known for its modular design and ability to integrate with our customers' existing IT systems. Such features help to ensure an efficient implementation process. Hence, the key source codes for our software, which are pivotal to the functionality of our solutions, are accessible only to a designated group including our CTO. This limited access is critical to safeguard our intellectual property rights, including software designs and source codes. We also rely on the confidentiality and invention assignment stated in the employment handbook and/or contracts with our employees and contracts entered with our suppliers and customers to protect our intellectual property rights.

There is no assurance that our intellectual property rights relating to our software will not be infringed by any parties arising from the breach of confidentiality pursuant to contractual obligations which could have a material adverse effect on our business operations and financial conditions. Further, while we have put in place the relevant security measures to safeguard our source codes, there is also no assurance that such security measures are able to safeguard us from security breaches in light of the changing cybersecurity landscape. As at the LPD, we have not encountered any security breaches to our system and operations.

4.1.10 Our reputation may be affected if the security of confidential information or personal information of our customers is breached or otherwise subject to unauthorised access or disclosure

In the course of offering our solutions and with the consent of our customers, we will have access to confidential information of our customers including information on our customers' operations, IT policies and IT systems.

Our Group has established stringent policies and protocols, which are designed to protect the security, integrity and confidentiality of the information that we handle and/or store. These stringent policies and protocols include installation of firewall systems, enforcement of authentication and user access restriction at workstations through the use of password protection on devices and access cards and/or biometrics scanning to access areas in the office, regular examination of security logs and installation of CCTV within our office. We also impose strict confidentiality obligations on all our employees and any contravention will result in disciplinary action and/or legal actions.

As at the LPD, we have not experienced any security breaches to our systems and information to date, whether arising from internal sources (such as technical malfunctions, employee error or misconduct) or external sources (such as malware, hacking, espionage and cyber intrusion). However, despite our stringent efforts, there is no guarantee that inadvertent disclosure (which may arise from software bugs or other technical malfunctions, employee error or misconduct, or other factors) or unauthorised disclosure or loss of personal or confidential information will not occur or that third parties will not gain unauthorised access to such information.

4.1.11 Our contracts may be subject to early termination or non-renewal

Our contracts from customers are secured on a project-by-project basis via contracts and/or purchase orders, where it may contain clauses which could give rise to a right of early termination by our customers, other than the standard termination clauses where our customers may terminate our services in the event of our failure to execute the services in accordance with the terms of the purchase orders and/or contracts or persistently neglects to carry out our obligations under the purchase orders and/or contracts or if we or our employees are involved in corruption or unlawful activities or in situation of insolvency faced by us, amongst others. We also face the prospect of non-renewal of existing contracts upon expiry of the agreed project duration.

4. RISK FACTORS (cont'd)

In the event we experience any early termination or non-renewal of our contracts, the loss of revenue incurred arising from such early termination may have an adverse impact on the financial condition and prospects of our Group if we are unable to secure any new contracts of similar or greater value to replace such loss of business. If our Group is at fault, we may also be subject to the risks of legal claims, liabilities and compensation to our customers which could have a negative impact on our business and financial condition.

During the financial years under review, we have ceased to provide CTS to a bus terminal in Sepang, Selangor following the early termination of the CTS contract in October 2022 due to a change in the terminal operator (where the terminal owner appointed a new terminal operator who in turn preferred a new solutions provider). The said early termination of the CTS contract did not result in any penalty charges or any other financial costs to be borne by our Group.

Our Group had also experienced non-renewal of our contract in respect of our CTS at Terminal Larkin Sentral in Johor following the expiry of our 5 years contract period (which ended in August 2023) with the terminal operator. The reason for the non-renewal of our CTS contract was due to the terminal operator's commercial decision to appoint a new solutions provider. This in turn has resulted in a loss of potential revenue of RM3.03 million on the assumption that our CTS contract was renewed for additional 5 years contract period.

Save for the contracts mentioned above, we have not experienced any early termination or non-renewal of our contracts in the past 5 financial years up to the LPD which could have a material adverse effect on our business operations and financial conditions.

4.1.12 We may face cost overruns in our enterprise IT solution projects

As an enterprise IT solutions provider, we are required to accurately estimate the time and costs associated with the implementation of enterprise IT solution projects. There may be various factors affecting the actual cost incurred in implementing these projects, including amongst others, technical difficulties, integration with third-party software or hardware, procurement of additional hardware and other unforeseeable problems and circumstances. Any one of these factors may lead to delay in the completion of project or cost overruns, which would adversely affect our business and financial performance.

For the financial years under review and up to the LPD, we have not experienced any material project cost overruns. However, there is no assurance that we would not encounter cost overruns in our current and future enterprise IT solution projects.

4.2 Risks relating to the industry in which we operate**4.2.1 We may not be able to respond in a timely manner to changes in technology, customer requirements, industry standards and regulatory compliance requirements**

The enterprise IT services industry requires responsiveness to technological advancements, customer requirements, evolving industry standards and regulatory compliance requirements as well as the changing IT operating environment. To remain competitive, it is crucial for our Group to adapt promptly to the advancements in technology and continuously enhancing the features and new functionalities of our enterprise IT software solutions.

4. RISK FACTORS (cont'd)

As our Group mainly serves customers in the public land transportation industry, we constantly undertake D&D to develop and enhance new and existing solutions to meet the changing requirement of our customers as well as industry. However, there is no assurance that we would be able to continue to react and meet the changing demand in a timely manner as we may not have sufficient resources and technical expertise and/or be responsive enough to react to new technologies and software developments.

If we are unable to anticipate and adapt to such changes in technology and/or unable to adequately upgrade our capabilities to develop new and innovative enterprise IT solution in a timely manner, our business and financial performance may be adversely impacted.

4.2.2 We face competition within our industry

Our competitors compete in terms of technology, range and quality of solutions, price and timeliness of project delivery. Our competitors may have longer operating histories, equipped with better resources and possess comparable software and technical expertise than us, thereby enabling them to offer better value proposition to our potential customers. As such, we may experience and expect to continue to face intense competition from local and international vendors or solution providers. Our Group may have to also compete with international IT solution providers that have greater name recognition in the market.

Further, we may also compete with existing and new entrants who adopt aggressive pricing strategies and offer more attractive sales terms. In such scenario, we may lose potential sales or forced to offer our enterprise IT solutions at a lower price to maintain or expand our market share. Our business and financial condition may be affected should our competitors successfully develop or offer solutions and services at a better price and quality.

4.2.3 We are subject to the changes in political, economic and regulatory environment in Malaysia

We presently operate in Malaysia and our customers' projects are also based in Malaysia. As such, the financial performance and business prospects of our Group will depend on the political, economic and regulatory conditions in Malaysia. Changes in the political, economic and regulatory conditions could arise from, amongst others, unfavourable changes in political leadership, interest rates, changes in government policies and regulations, import duties and tariffs, methods of taxations and inflation could adversely affect our business operations, which may in turn lead to an adverse effect on our profit margin and future growth.

Notwithstanding thereof, we have not experienced any adverse political, economic and regulatory changes which have materially adversely affected our operations and financial performance. However, there can be no assurance that any adverse political, economic and regulatory changes, which are beyond our control, will not unfavourably affect our future financial performance.

4.3 Risks relating to investment in our Shares**4.3.1 There has been no prior market for our Shares**

Prior to our IPO, there has been no public market for our Shares. Hence, there is no assurance that upon Listing, an active market for our Shares will develop, or if developed, that such market will be sustainable. There is no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell our Shares or the selling prices at which holders would be able to obtain for our Shares.

4. RISK FACTORS (cont'd)

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

4.3.2 Delay in or cancellation of our Listing

Our Listing could be delayed or terminated due to the possible occurrence of certain events, which include the following:-

- (i) the Underwriter exercising its rights pursuant to the Underwriting Agreement to discharge itself from its obligations under such agreement;
- (ii) our inability to meet the minimum public spread requirement under the Listing Requirements of having at least 25% of the total number of our Shares for which our Listing is sought being in the hands of at least 200 public shareholders holding at least 100 Shares each at the point of our Listing; or
- (iii) the revocation of approvals from relevant authorities prior to our Listing or admission to the Official List for whatever reason.

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

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled, and our Company or such other person who received the monies shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which the Company shall be liable to return such monies with interest at the rate of 10.00% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- (ii) our Listing is aborted, investors will not receive any of our IPO Shares and all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

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

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

4. RISK FACTORS (cont'd)

4.3.3 Volatility of our Share price and trading volume

The market price and trading volume of our Shares may fluctuate as a result of variations in the liquidity of the market for our Shares, differences between our actual financial operating results and those expected by investors and analysts, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is also affected by external factors such as the performance of regional and world bourses, inflow or outflow of foreign funds, economic and political conditions of the country as well as growth potential of various sectors of the economy. Other factors that may negatively affect investor sentiment generally include natural disasters, health epidemics and outbreak of contagious diseases. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our Shares.

4.3.4 Our ability to pay dividends

Our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded, and excess of funds not required to be retained for working capital of our business.

It should be highlighted that as we are a holding company, our Company's income, and therefore our ability to pay dividends, is dependent upon the dividends and other distributions that we receive from our subsidiaries. Our subsidiaries have entered into facility agreements which contain negative and financial covenants and hence, the inability of our subsidiaries to comply with any of these covenants may affect our ability to pay dividends. Furthermore, if we were to obtain new borrowings subsequent to our Listing, we may be subject to additional covenants restricting our ability to pay dividends.

There can be no assurance that dividends will be paid out in the future or on timing of any dividends that are to be paid in the future. If we do not pay dividends or pay dividends at levels lower than that anticipated by investors, the market price of our Shares may be negatively affected.

Please refer to **Section 11.6** of this Prospectus for further information on our dividend policy.

4.3.5 The interest of our Promoters who control our Group may not be aligned with the interest of our shareholders

As disclosed in **Section 8.1** of this Prospectus, our Promoters will directly or indirectly collectively hold in aggregate approximately 58.56% of our enlarged issued share capital upon Listing. As a result, our Promoters will collectively be able to, in the foreseeable future, effectively control the business direction and management of our Group including the election of our Directors, the timing and payment of dividends as well as having majority voting control over our Group and as such, will likely influence the outcome of matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law and/or by the relevant guidelines or regulations. There can be no assurance that the interests of our Promoters always will be aligned with those of our other shareholders.

4. RISK FACTORS (cont'd)

4.4 Other risks

4.4.1 Forward-looking statements in this Prospectus are subject to uncertainties and contingencies

Certain statements or expectations or forecasts in this Prospectus are based on historical data which may not be reflective of future results. Forward-looking statements in this Prospectus are based on assumptions and subject to uncertainties and contingencies.

Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure you that such expectations will subsequently materialise.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

5. INFORMATION ON OUR GROUP

5.1 Our Company

Our Company, Go Hub Capital Berhad (Registration No.: 202201019895 (1465592-V)) was incorporated in Malaysia on 3 June 2022 under the Act as a private limited company under the name of Go Hub Capital Sdn Bhd. On 15 September 2023, our Company was converted into a public limited company under the name of Go Hub Capital Berhad. Prior to our Listing, our Company was involved in the Pre-IPO Restructuring and Transactions, details of which are set out in **Section 5.3** of this Prospectus.

The principal activity of our Company is investment holding whilst our subsidiaries 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) 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 delivered.

Further details on our Group's history and business activities are set out in **Sections 6.1** and **6.2** of this Prospectus, respectively.

5.2 Share capital

As at the LPD, our Company's issued share capital is RM13,310,280 comprising 292,820,000 Shares. The changes in our Company's issued share capital since incorporation up to the LPD are as follows:-

| Date of allotment | No. of Shares allotted | Nature of transaction | Consideration | Cumulative issued share capital | |
|-------------------|------------------------|-------------------------|------------------------------------|---------------------------------|---------------|
| | | | | RM | No. of Shares |
| 3 June 2022 | 100 | Subscriber's shares | Cash | 100 | 100 |
| 21 December 2022 | 13,152,836 | Acquisition of NSS | Otherwise than cash ⁽¹⁾ | 13,152,936 | 13,152,936 |
| 22 December 2022 | 157,008 | Acquisition of TCT Apps | Otherwise than cash ⁽²⁾ | 13,309,944 | 13,309,944 |
| 16 March 2023 | 56 | Subscription of Shares | Cash | 13,310,280 | 13,310,000 |
| 9 August 2023 | - | Share Split | N/A | 13,310,280 | 292,820,000 |

Notes:-

(1) Issuance of new Shares to satisfy the purchase consideration set out in the internal reorganisation agreement dated 8 December 2022 entered into between the vendors (namely Tan Cherng Thong, Hong Boon Huon, Eng Chee Seng and Wong Yoke Hoe) and the purchaser, GOHUB, in respect of the Acquisition of NSS. Please refer to **Section 5.3.1** of this Prospectus for further details of the Acquisition of NSS.

(2) Issuance of new Shares to satisfy the purchase consideration set out in the internal reorganisation agreement dated 8 December 2022 entered into between the vendors (namely TCT International, Tan Cherng Thong, Hong Boon Huon and Eng Chee Seng) and the purchaser, GOHUB, in respect of the Acquisition of TCT Apps. Please refer to **Section 5.3.2** of this Prospectus for further details of the Acquisition of TCT Apps.

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

Upon completion of our IPO and after utilisation of IPO proceeds, our enlarged share capital will increase to RM[●], comprising 400,000,000 Shares.

5. INFORMATION ON OUR GROUP (cont'd)**5.3 Pre-IPO Restructuring and Transactions**

The internal restructuring exercises and transactions undertaken in respect of our Company prior to our Listing involves the following:-

5.3.1 Acquisition of NSS

On 8 December 2022, our Company had entered into an internal reorganisation agreement to acquire the entire issued share capital of NSS comprising 1,000,000 ordinary shares for a purchase consideration of RM13,152,836, which was fully satisfied through the issuance of 13,152,836 new Shares at RM1.00 each to the vendors of NSS in the following manner:-

| Vendors | No. of NSS shares | % | No. of Shares issued |
|------------------|-------------------|---------------|----------------------|
| Tan Cherng Thong | 737,056 | 73.71 | 9,694,375 |
| Hong Boon Huon | 128,244 | 12.82 | 1,686,772 |
| Eng Chee Seng | 84,103 | 8.41 | 1,106,197 |
| Wong Yoke Hoe | 50,597 | 5.06 | 665,492 |
| Total | 1,000,000 | 100.00 | 13,152,836 |

The purchase consideration was based on a “willing-buyer willing-seller” basis after taking into consideration, the audited consolidated NA of NSS group of companies as at 31 December 2021 of RM13,152,835. The Acquisition of NSS was completed on 21 December 2022.

5.3.2 Acquisition of TCT Apps

On 8 December 2022, our Company had entered into an internal reorganisation agreement to acquire the entire issued share capital of TCT Apps comprising 1,000,000 ordinary shares for a purchase consideration of RM157,008, which was fully satisfied through the issuance of 157,008 new Shares at RM1.00 each to the vendors of TCT Apps as follows:-

| Vendors | No. of TCT Apps shares | % | No. of Shares issued |
|-------------------|------------------------|---------------|----------------------|
| TCT International | 700,000 | 70.00 | 109,906 |
| Eng Chee Seng | 150,000 | 15.00 | 23,551 |
| Tan Cherng Thong | 100,000 | 10.00 | 15,701 |
| Hong Boon Huon | 50,000 | 5.00 | 7,850 |
| Total | 1,000,000 | 100.00 | 157,008 |

The purchase consideration was based on a “willing-buyer willing-seller” basis after taking into consideration, the audited NA of TCT Apps as at 31 December 2021 of RM157,008. The Acquisition of TCT Apps was completed on 22 December 2022.

5.3.3 Subscription of Shares

Tan Cherng Thong, our Promoter, substantial shareholder and Executive Director / CEO had, on 16 March 2023, 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 our Listing.

5. INFORMATION ON OUR GROUP (cont'd)**5.3.4 Entry of Pre-IPO Investors**

On 21 March 2023, Tan Cherng Thong had entered into shares sale agreements with the Pre-IPO Investors (save for Wong Yoke Hoe) to dispose an aggregate of 1,996,500 GOHUB Shares, representing approximately 15.00% of the total issued share capital of GOHUB at that point of time of 13,310,000 Shares to the Pre-IPO Investors (save for Wong Yoke Hoe) for a total cash consideration of RM12,000,000. The total cash consideration of RM12,000,000 was determined based on a “willing-buyer willing-seller” basis, taking into account, amongst others, the valuation of GOHUB of RM80,000,000 based on our management’s pro forma consolidated PAT of our Group of approximately RM6.22 million for the FYE 2022 which represents a price-earnings-multiple of approximately 12.86 times.

5.3.5 Share Split

Subsequent to the Entry of Pre-IPO Investors, our 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 1 existing Share into 22 subdivided Shares). The purpose of the Share Split is to enlarge the share base of our Company prior to our IPO. Upon completion of the Share Split, our issued share capital will increase from 13,310,000 Shares to 292,820,000 Shares.

Our shareholding before and after the Share Split are as follows:-

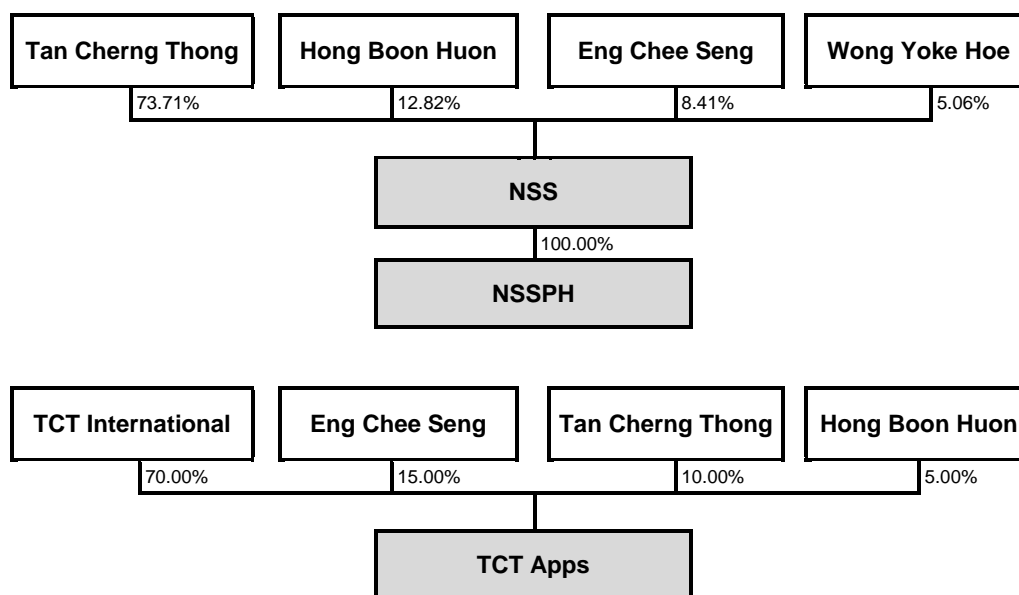
| Shareholders | Before the Share Split | | After the Share Split | |
|---------------------------------|------------------------|---------------|-----------------------|---------------|
| | No. of Shares | % | No. of Shares | % |
| Tan Cherng Thong | 7,713,732 | 57.95 | 169,702,104 | 57.95 |
| TCT International | 109,906 | 0.83 | 2,417,932 | 0.83 |
| Hong Boon Huon | 1,694,622 | 12.73 | 37,281,684 | 12.73 |
| Eng Chee Seng | 1,129,748 | 8.49 | 24,854,456 | 8.49 |
| Wong Yoke Hoe | 665,492 | 5.00 | 14,640,824 | 5.00 |
| Dato' Sri Robin Tan Yeong Ching | 665,500 | 5.00 | 14,641,000 | 5.00 |
| Alief Iskandar Bin Mohd Zuhri | 665,500 | 5.00 | 14,641,000 | 5.00 |
| Ong Beng Hooi | 332,750 | 2.50 | 7,320,500 | 2.50 |
| Ong Beng Chong | 332,750 | 2.50 | 7,320,500 | 2.50 |
| Total | 13,310,000 | 100.00 | 292,820,000 | 100.00 |

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

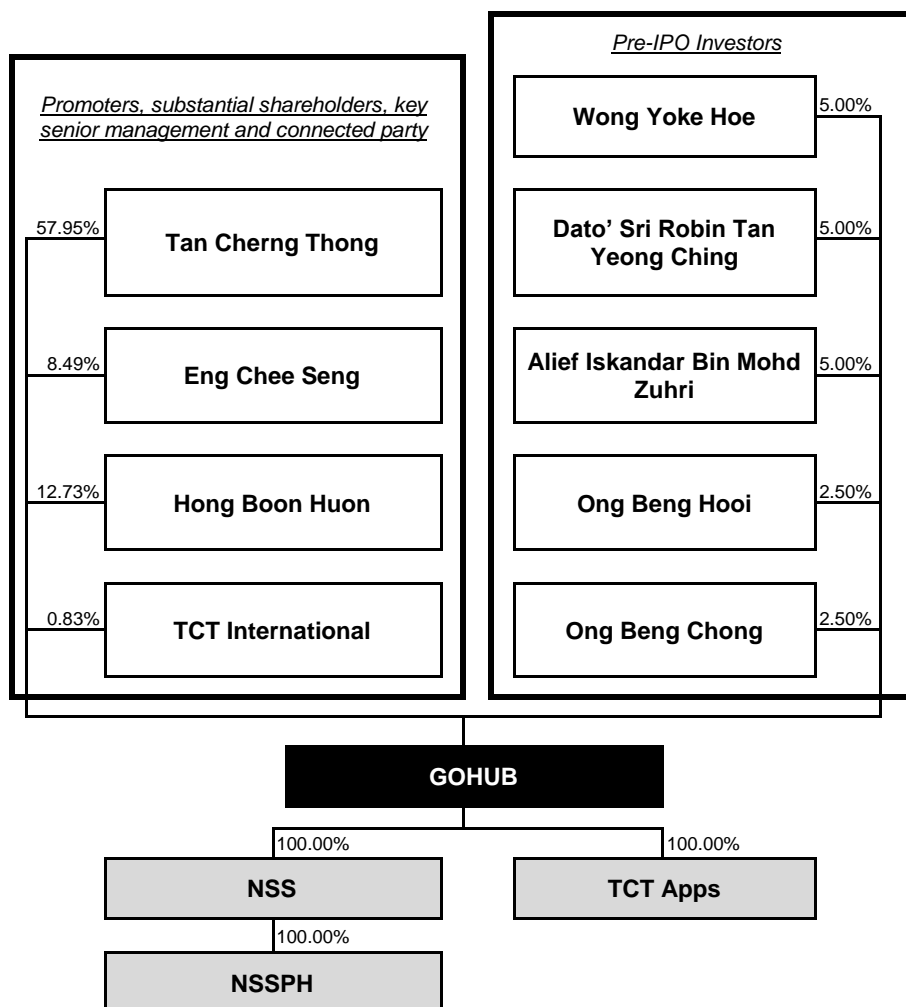
5. INFORMATION ON OUR GROUP (cont'd)

5.4 Our Group structure

Before the Pre-IPO Restructuring and Transactions

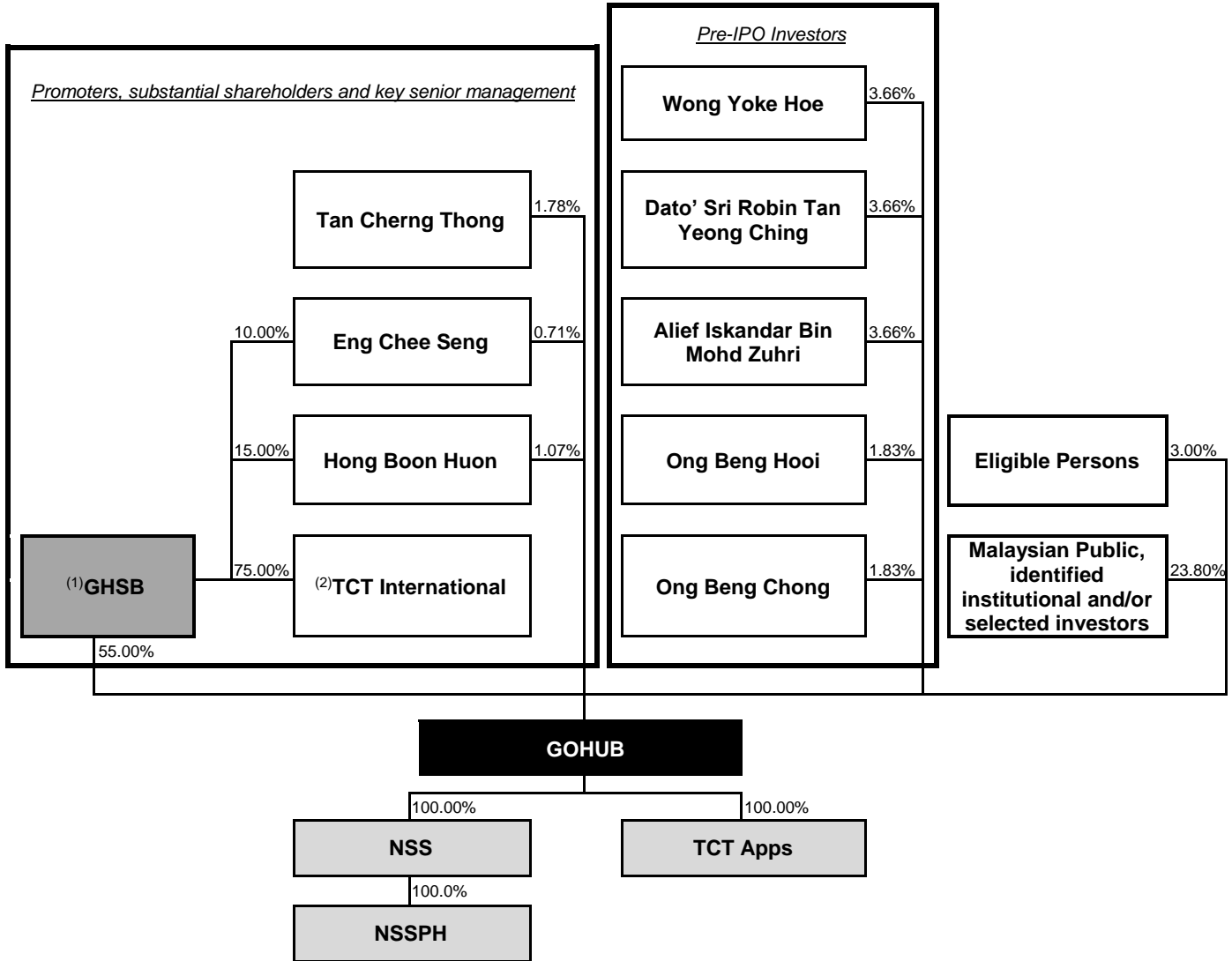


After the Pre-IPO Restructuring and Transactions and as at the LPD



5. INFORMATION ON OUR GROUP (cont'd)

After the IPO and Shares Transfer



Notes:-

- (1) During the Prescription Period, Tan Cheng Thong, Eng Chee Seng, Hong Boon Huon and TCT International will transfer a total of 220,000,000 Shares to GHSB (an investment holding company to consolidate and hold their equity interest in our Company). Please refer to **Section 8.1.3** of this Prospectus for further details of GHSB.
- (2) TCT International will own 75.00% equity interest in GHSB, which in turn, holds 55% of the equity interest of our Company after the IPO and Shares Transfer. The shareholders of TCT International as at the LPD are Tan Cheng Thong (66.67%) and Lee Li Yee (33.33%). The shareholders and their respective shareholdings in TCT International will remain the same after the IPO and Shares Transfer. Please refer to **Section 8.1.3** of this Prospectus for further details of TCT International.

5. INFORMATION ON OUR GROUP (cont'd)**5.5 Our subsidiaries**

The details of our subsidiaries as at the LPD are as follows:-

| Name/ Registration No. | Date/ Place of incorporation | Principal place of business | Issued share capital (RM) | Effective equity interest (%) | Principal activities |
|---|------------------------------------|-----------------------------------|------------------------------------|--|--|
| Held by GOHUB | | | | | |
| NSS 201101036416 (964550-P) | 17-10-2011 (Malaysia) | Malaysia | 1,000,000 | 100.00 | Provision of IT solutions and related services |
| TCT Apps 201601034817 (1205758-D) | 18-10-2016 (Malaysia) | Malaysia | 1,000,000 | 100.00 | Provision of software publishing for business and other applications and related services |
| Held by NSS | | | | | |
| NSSPH 201801002993 (1265006-D) | 19-01-2018 (Malaysia) | Malaysia | 100 | 100.00 | Provision of IT solutions and related services |

(i) Information on NSS

NSS was incorporated on 17 October 2011 in Malaysia under the Companies Act, 1965 and deemed registered under the Act as a private limited company under its present name. The principal place of business of NSS is at 08-01-01 & 08-05-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan.

Since its incorporation, NSS was principally involved as an IT hardware provider to small and medium businesses. It subsequently transitioned into the provision of enterprise IT solutions in 2013 when it developed its MyBus Ticketing System. Please refer to **Section 6.1.2** of this Prospectus for further details of NSS' key milestones throughout the years.

The issued share capital of NSS is RM1,000,000 comprising 1,000,000 ordinary shares as at the LPD. There has been no change in the issued share capital of NSS for the past 3 years preceding the LPD. NSS is our wholly-owned subsidiary.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

5. INFORMATION ON OUR GROUP (cont'd)

Since incorporation of NSS on 17 October 2011, NSS has undergone a series of shareholding restructuring up to the LPD, details of which are as follows:-

| Nature of restructuring / issuance | Date of allotment / transfer | Transferor | Transferee / Allottee | No. of shares allotted / transferred by transferor | Cash consideration (RM) | Eventual no. of shares held by transferee / allottee | % |
|---|-------------------------------|-------------------------------|-------------------------------|--|-------------------------|--|--------------|
| Since incorporation of NSS up to the entry of our Promoter, substantial shareholder and Executive Director / CEO, Tan Cherng Thong as the major shareholder of NSS on 17 August 2015 | | | | | | | |
| Transfer ⁽¹⁾ | 23 September 2013 | Noor Rashid Bin Omar | Mohd Aidy Hisyam Bin Abdullah | 5 | 5 | 5 | 50.0 |
| | | - | Syahrul Asri Bin Omar | - | - | 5 | 50.0 |
| | | | Total | 5 | 5 | 10 | 100.0 |
| Allotment ⁽¹⁾ | 4 October 2013 | - | Mohd Aidy Hisyam Bin Abdullah | 45 | 45 | 50 | 50.0 |
| | | - | Syahrul Asri Bin Omar | 45 | 45 | 50 | 50.0 |
| | | | Total | 90 | 90 | 100 | 100.0 |
| Allotment ⁽¹⁾ | 7 February 2014 & 30 May 2014 | - | Mohd Aidy Hisyam Bin Abdullah | 99,950 | *99,950 | 100,000 | 50.0 |
| | | - | Syahrul Asri Bin Omar | 99,950 | *99,950 | 100,000 | 50.0 |
| | | | Total | 199,900 | 199,900 | 200,000 | 100.0 |
| Transfer ⁽¹⁾ | 8 September 2014 | Mohd Aidy Hisyam Bin Abdullah | Ahmad Suhaimi Bin Mohamad | 10,000 | 10,000 | 10,000 | 5.0 |
| | | Mohd Aidy Hisyam Bin Abdullah | Sebtuiah Binti Abang Jais | 10,000 | 10,000 | 10,000 | 5.0 |
| | | - | Mohd Aidy Hisyam Bin Abdullah | - | - | 80,000 | 40.0 |
| | | - | Syahrul Asri Bin Omar | - | - | 100,000 | 50.0 |
| | | | Total | 20,000 | 20,000 | 200,000 | 100.0 |
| Entry of our Promoter, substantial shareholder and Executive Director / CEO, Tan Cherng Thong as the major shareholder of NSS | | | | | | | |
| Transfer ⁽²⁾ | 17 August 2015 | Syahrul Asri Bin Omar | Noor Rashid Bin Omar | 20,000 | 20,000 | 20,000 | 10.0 |
| | | Syahrul Asri Bin Omar | Tan Cherng Thong | 80,000 | 80,000 | 80,000 | 40.0 |
| | | - | Ahmad Suhaimi Bin Mohamad | - | - | 10,000 | 5.0 |
| | | - | Sebtuiah Binti Abang Jais | - | - | 10,000 | 5.0 |
| | | - | Mohd Aidy Hisyam Bin Abdullah | - | - | 80,000 | 40.0 |
| | Total | 100,000 | 100,000 | 200,000 | 100.0 | | |

5. INFORMATION ON OUR GROUP (cont'd)

| Nature of restructuring / issuance | Date of allotment / transfer | Transferor | Transferee / Allottee | No. of shares allotted / transferred by transferor | Cash consideration (RM) | Eventual no. of shares held by transferee / allottee | % |
|------------------------------------|------------------------------|---------------------------|-------------------------------|--|-------------------------|--|----------------|
| Transfer ⁽²⁾ | 18 March 2016 | Noor Rashid Bin Omar | Sing Chee Yeong | 10,000 | 10,000 | 10,000 | 5.0 |
| | | - | Noor Rashid Bin Omar | - | - | 10,000 | 5.0 |
| | | - | Tan Cherng Thong | - | - | 80,000 | 40.0 |
| | | - | Ahmad Suhaimi Bin Mohamad | - | - | 10,000 | 5.0 |
| | | - | Sebtuiah Binti Abang Jais | - | - | 10,000 | 5.0 |
| | | - | Mohd Aidy Hisyam Bin Abdullah | - | - | 80,000 | 40.0 |
| | | Total | | | 10,000 | 10,000 | 200,000 |
| Transfer ⁽²⁾ | 1 November 2016 | Ahmad Suhaimi Bin Mohamad | Azmi Bin Mohd Ali | 10,000 | 10,000 | 10,000 | 5.0 |
| | | - | Sing Chee Yeong | - | - | 10,000 | 5.0 |
| | | - | Noor Rashid Bin Omar | - | - | 10,000 | 5.0 |
| | | - | Tan Cherng Thong | - | - | 80,000 | 40.0 |
| | | - | Sebtuiah Binti Abang Jais | - | - | 10,000 | 5.0 |
| | | - | Mohd Aidy Hisyam Bin Abdullah | - | - | 80,000 | 40.0 |
| | | Total | | | 10,000 | 10,000 | 200,000 |
| Transfer ⁽²⁾ | 18 December 2017 | Tan Cherng Thong | Hong Boon Huon | 20,000 | 20,000 | 20,000 | 10.0 |
| | | Tan Cherng Thong | Eng Chee Seng | 10,000 | 10,000 | 10,000 | 5.0 |
| | | - | Azmi Bin Mohd Ali | - | - | 10,000 | 5.0 |
| | | - | Sing Chee Yeong | - | - | 10,000 | 5.0 |
| | | - | Noor Rashid Bin Omar | - | - | 10,000 | 5.0 |
| | | - | Tan Cherng Thong | - | - | 50,000 | 25.0 |
| | | - | Sebtuiah Binti Abang Jais | - | - | 10,000 | 5.0 |
| | | - | Mohd Aidy Hisyam Bin Abdullah | - | - | 80,000 | 40.0 |
| Total | | | 30,000 | 30,000 | 200,000 | 100.0 | |

5. INFORMATION ON OUR GROUP (cont'd)

| Nature of restructuring / issuance | Date of allotment / transfer | Transferor | Transferee / Allottee | No. of shares allotted / transferred by transferor | Cash consideration (RM) | Eventual no. of shares held by transferee / allottee | % |
|--|------------------------------|-------------------------------|-------------------------------|--|-------------------------|--|------------------|
| Transfer ⁽²⁾ | 20 March 2019 | Eng Chee Seng | Tan Cherng Thong | 10,000 | 10,000 | 60,000 | 30.0 |
| | | - | Hong Boon Huon | - | - | 20,000 | 10.0 |
| | | - | Azmi Bin Mohd Ali | - | - | 10,000 | 5.0 |
| | | - | Sing Chee Yeong | - | - | 10,000 | 5.0 |
| | | - | Noor Rashid Bin Omar | - | - | 10,000 | 5.0 |
| | | - | Sebtuiah Binti Abang Jais | - | - | 10,000 | 5.0 |
| | | - | Mohd Aidy Hisyam Bin Abdullah | - | - | 80,000 | 40.0 |
| | | Total | | | 10,000 | 10,000 | 200,000 |
| Allotment ⁽²⁾ | 7 November 2019 | - | Tan Cherng Thong | 240,000 | 240,000 | 300,000 | 30.0 |
| | | - | Hong Boon Huon | 80,000 | 80,000 | 100,000 | 10.0 |
| | | - | Azmi Bin Mohd Ali | 40,000 | 40,000 | 50,000 | 5.0 |
| | | - | Sing Chee Yeong | 40,000 | 40,000 | 50,000 | 5.0 |
| | | - | Noor Rashid Bin Omar | 40,000 | 40,000 | 50,000 | 5.0 |
| | | - | Sebtuiah Binti Abang Jais | 40,000 | 40,000 | 50,000 | 5.0 |
| | | - | Mohd Aidy Hisyam Bin Abdullah | 320,000 | 320,000 | 400,000 | 40.0 |
| | | Total | | | 800,000 | 800,000 | 1,000,000 |
| Our Promoter, substantial shareholder and Executive Director / CEO, Tan Cherng Thong became the controlling shareholder of NSS and up to the Acquisition of NSS | | | | | | | |
| Transfer ⁽³⁾ | 31 December 2020 | Mohd Aidy Hisyam Bin Abdullah | Tan Cherng Thong | 300,000 | 300,000 | 600,000 | 60.0 |
| | | Mohd Aidy Hisyam Bin Abdullah | Eng Chee Seng | 50,000 | 50,000 | 50,000 | 5.0 |
| | | - | Hong Boon Huon | - | - | 100,000 | 10.0 |
| | | - | Azmi Bin Mohd Ali | - | - | 50,000 | 5.0 |
| | | - | Sing Chee Yeong | - | - | 50,000 | 5.0 |
| | | - | Noor Rashid Bin Omar | - | - | 50,000 | 5.0 |
| | | - | Sebtuiah Binti Abang Jais | - | - | 50,000 | 5.0 |
| | | - | Mohd Aidy Hisyam Bin Abdullah | - | - | 50,000 | 5.0 |
| Total | | | 350,000 | 350,000 | 1,000,000 | 100.0 | |

5. INFORMATION ON OUR GROUP (cont'd)

| Nature of restructuring / issuance | Date of allotment / transfer | Transferor | Transferee / Allottee | No. of shares allotted / transferred by transferor | Cash consideration (RM) | Eventual no. of shares held by transferee / allottee | % |
|------------------------------------|------------------------------|-------------------------------|-----------------------|--|-------------------------|--|------------------|
| Transfer ⁽³⁾ | 14 November 2022 | Sing Chee Yeong | Eng Chee Seng | 21,756 | 286,154 | 84,103 | 8.4 |
| | | Azmi Bin Mohd Ali | Eng Chee Seng | 12,347 | 162,401 | | |
| | | Sing Chee Yeong | Hong Boon Huon | 28,244 | 371,488 | 128,244 | 12.8 |
| | | Azmi Bin Mohd Ali | Tan Cherng Thong | 37,653 | 495,240 | 787,653 | 78.8 |
| | | Noor Rashid Bin Omar | Tan Cherng Thong | 50,000 | 657,642 | | |
| | | Sebtuah Binti Abang Jais | Tan Cherng Thong | 50,000 | 657,642 | | |
| | | Mohd Aidy Hisyam Bin Abdullah | Tan Cherng Thong | 50,000 | 657,642 | | |
| | | Total | | | 250,000 | 3,288,209 | 1,000,000 |
| Transfer ⁽⁴⁾ | 30 November 2022 | Tan Cherng Thong | Wong Yoke Hoe | 50,597 | 665,492 | 50,597 | 5.1 |
| | | - | Eng Chee Seng | - | - | 84,103 | 8.4 |
| | | - | Hong Boon Huon | - | - | 128,244 | 12.8 |
| | | - | Tan Cherng Thong | - | - | 737,056 | 73.7 |
| | | Total | | | 50,597 | 665,492 | 1,000,000 |
| Transfer | 21 December 2022 | Wong Yoke Hoe | GOHUB | 50,597 | 665,492 | 50,597 | 5.1 |
| | | Eng Chee Seng | GOHUB | 84,103 | 1,106,197 | 84,103 | 8.4 |
| | | Hong Boon Huon | GOHUB | 128,244 | 1,686,772 | 128,244 | 12.8 |
| | | Tan Cherng Thong | GOHUB | 737,056 | 9,694,375 | 737,056 | 73.7 |
| | | Total | | | 1,000,000 | ⁽⁵⁾ 13,152,836 | 1,000,000 |

Notes:-

* These shares were allotted for a consideration other than cash in satisfaction of the amounts owing to the directors.

(1) Noor Rashid Bin Omar, an employee of TCT International at that point in time, and Syahrul Asri Bin Omar had incorporated NSS on 17 October 2011 to venture into the business of IT hardware provider to small and medium size businesses. NSS subsequently underwent a series of shareholding restructuring, which includes the following:-

(a) the exit of Noor Rashid Bin Omar as a shareholder of NSS due to financial reasons and the entry of Mohd Aidy Hisyam Bin Abdullah as a new shareholder of NSS to spearhead the business; and

(b) the subsequent entry of new business partners with the aim to grow the IT business of NSS.

NSS recorded a revenue of RM0.01 million, RM0.07 million and RM1.17 million in the FYE 2012, FYE 2013 and FYE 2014 respectively.

5. INFORMATION ON OUR GROUP (cont'd)

- (2) *Mohd Aidy Hisyam Bin Abdullah subsequently negotiated with Noor Rashid Bin Omar and our Promoter, substantial shareholder and Executive Director / CEO, Tan Cherng Thong to be business partners and major shareholders of NSS with the aim to grow its business by leveraging on the business acumen and contacts of Tan Cherng Thong, and technical expertise of Noor Rashid Bin Omar. The entry of these major shareholders was facilitated via the acquisition of Syahrul Asri Bin Omar's entire equity interest in NSS following his intention to exit the business due to personal reasons. NSS underwent a series of restructuring exercises from 18 March 2016 to 7 November 2019, which includes amongst others, the entry of our Promoters (namely, Hong Boon Huon and Eng Chee Seng), and our key senior management (namely, Sing Chee Yeong) as the existing shareholders of NSS intends to leverage on the business acumen and technical expertise of the new shareholders with the aim to grow the IT business of NSS.*

NSS recorded a revenue of RM1.63 million and RM5.17 million in the FYE 2015 and FYE 2016 respectively.

- (3) *Due to financial reasons (including taking into consideration, amongst others, the financial commitments required to further expand the business and his personal financial obligations arising from the COVID-19 pandemic), Mohd Aidy Hisyam Bin Abdullah had, on 31 December 2020, substantially disposed his equity interest in NSS to the other business partners, Tan Cherng Thong and Eng Chee Seng with the aim to only hold 5% equity interest in NSS following the completion of the said partial disposal of his shares in NSS. The disposal of his substantial equity interest in NSS to Tan Cherng Thong (i.e. 300,000 ordinary shares in NSS) also takes into consideration, his intention for our Promoter, substantial shareholder and Executive Director / CEO, Tan Cherng Thong to further expand the business of NSS and strengthen its footprint as a leading public land transportation IT solutions provider. As a result of the disposal, Tan Cherng Thong became the controlling shareholder of NSS. In December 2020, after having obtained a controlling interest in NSS, Tan Cherng Thong proceeded to streamline and consolidate his businesses in TCT international into NSS, and ceased the business operations of TCT International.*

- (4) *NSS subsequently underwent a series of restructuring exercises from 14 November 2022 to 30 November 2022, which includes amongst others, the entry of a strategic partner, Wong Yoke Hoe with the intention to leverage on his business contacts.*

NSS recorded a revenue of RM18.97 million, RM20.31 million and RM26.55 million in the FYE 2020, FYE 2021 and FYE 2022 respectively.

- (5) *The Acquisition of NSS was fully satisfied through the issuance of 13,152,836 new Shares at RM1.00 each to the vendors of NSS, details of which are set out in **Section 5.3.1** of this Prospectus.*

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

5. INFORMATION ON OUR GROUP (cont'd)

As at the LPD, NSS only has a wholly-owned subsidiary, NSSPH.

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

(ii) Information on NSSPH

NSSPH was incorporated on 19 January 2018 in Malaysia under the Act as a private limited company under its present name. NSSPH is principally involved in the provision of IT solutions and related services. The principal place of business of NSSPH is at 08-05-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan.

The issued share capital of NSSPH is RM100 comprising 100 ordinary shares as at the LPD. There has been no change in the issued share capital of NSSPH for the past 3 years preceding the LPD. NSSPH is a wholly-owned subsidiary of NSS.

As at the LPD, NSSPH does not have any subsidiaries or associates.

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

(iii) Information on TCT Apps

TCT Apps was incorporated on 18 October 2016 in Malaysia under the Companies Act, 1965 and deemed registered under the Act as a private limited company under its present name. TCT Apps is principally involved in the provision of software publishing for business and other applications and related services. The principal place of business of TCT Apps is at 08-G-01 & 08-02-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan.

The issued share capital of TCT Apps is RM1,000,000 comprising 1,000,000 ordinary shares as at the LPD. Save as disclosed below, there has been no change in the issued share capital of TCT Apps for the past 3 years preceding the LPD:-

| Date of allotment | No. of shares allotted | Nature of transaction | Consideration | Cumulative issued share capital | |
|-------------------|------------------------|-----------------------|---------------|---------------------------------|---------------|
| | | | | RM | No. of shares |
| 22 December 2020 | 750,000 | Allotment of shares | Cash | 1,000,000 | 1,000,000 |

TCT Apps is our wholly-owned subsidiary.

5. INFORMATION ON OUR GROUP (cont'd)

Since the incorporation of TCT Apps on 18 October 2016, TCT Apps has undergone a series of shareholding restructuring up to the LPD, details of which are as follows:-

| Nature of restructuring / issuance | Date of allotment / transfer | Transferor | Transferee / Allottee | No. of shares allotted / transferred by transferor | Cash consideration (RM) | Eventual no. of shares held by transferee / allottee | % |
|------------------------------------|------------------------------|-------------------|-----------------------|--|-------------------------|--|--------------|
| Allotment | 29 June 2018 | - | Tan Cherng Thong | 174,930 | 174,930 | 175,000 | 70.0 |
| | | | Eng Chee Seng | 74,970 | 74,970 | 75,000 | 30.0 |
| | | | Total | 249,900 | 249,900 | 250,000 | 100.0 |
| Transfer | 30 July 2020 | Tan Cherng Thong | TCT International | 175,000 | 175,000 | 175,000 | 70.0 |
| | | - | Eng Chee Seng | - | - | 75,000 | 30.0 |
| | | | Total | 175,000 | 175,000 | 250,000 | 100.0 |
| Allotment | 22 December 2020 | - | TCT International | 675,000 | 675,000 | 850,000 | 85.0 |
| | | - | Eng Chee Seng | 75,000 | 75,000 | 150,000 | 15.0 |
| | | | Total | 750,000 | 750,000 | 1,000,000 | 100.0 |
| Transfer | 31 December 2020 | TCT International | Hong Boon Huon | 50,000 | 1 | 50,000 | 5.0 |
| | | TCT International | Kam Shee Na | 50,000 | 1 | 50,000 | 5.0 |
| | | TCT International | Wong Pau Tung | 50,000 | 1 | 50,000 | 5.0 |
| | | - | TCT International | - | - | 700,000 | 70.0 |
| | | - | Eng Chee Seng | - | - | 150,000 | 15.0 |
| | | | Total | 150,000 | 3 | 1,000,000 | 100.0 |
| Transfer | 20 October 2022 | Kam Shee Na | Tan Cherng Thong | 50,000 | 7,850 | 50,000 | 5.0 |
| | | Wong Pau Tung | Tan Cherng Thong | 50,000 | 7,850 | 50,000 | 5.0 |
| | | - | TCT International | - | - | 700,000 | 70.0 |
| | | - | Eng Chee Seng | - | - | 150,000 | 15.0 |
| | | - | Hong Boon Huon | - | - | 50,000 | 5.0 |
| | | | Total | 100,000 | 15,700 | 1,000,000 | 100.0 |

5. INFORMATION ON OUR GROUP (cont'd)

| Nature of restructuring / issuance | Date of allotment / transfer | Transferor | Transferee / Allottee | No. of shares allotted / transferred by transferor | Cash consideration (RM) | Eventual no. of shares held by transferee / allottee | % |
|------------------------------------|------------------------------|-------------------|-----------------------|--|-------------------------|--|--------------|
| Transfer | 21 December 2022 | Eng Chee Seng | GOHUB | 150,000 | 23,551 | 150,000 | 15.0 |
| | | Hong Boon Huon | GOHUB | 50,000 | 7,850 | 50,000 | 5.0 |
| | | Tan Cherng Thong | GOHUB | 100,000 | 15,701 | 100,000 | 10.0 |
| | | TCT International | GOHUB | 700,000 | 109,906 | 700,000 | 70.0 |
| | | Total | | 1,000,000 | (1)157,008 | 1,000,000 | 100.0 |

Note:-

- (1) *The Acquisition of TCT Apps was fully satisfied through the issuance of 157,008 new Shares at RM1.00 each to the vendors of TCT Apps, details of which are set out in **Section 5.3.2** of this Prospectus.*

As at the LPD, TCT Apps does not have any subsidiaries or associates.

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

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

5. INFORMATION ON OUR GROUP (cont'd)

5.6 Public take-overs

From the beginning of the FYE 2022 up to the LPD, there were no:-

- (i) public take-over offers by third parties in respect of our Shares; and
- (ii) public take-over offers by us in respect of other companies' shares.

5.7 Material investments and material divestitures

(i) Material investments

There have not been any material investments undertaken by our Group for the financial years under review.

As at the LPD, we do not have any material investments in progress, within or outside Malaysia.

(ii) Material divestitures

There have not been any material divestitures undertaken by our Group for the financial years under review.

As at the LPD, we do not have any material divestitures in progress, within or outside Malaysia.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. BUSINESS OVERVIEW

6.1 History and background

6.1.1 History of our business

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 system) 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 history began when our Promoter, substantial shareholder and Executive Director / CEO, Tan Cherng Thong conceptualised a blueprint for TOS (comprising TMS and CTS) catering for the bus segment in 2009. The idea was developed after he observed inherent operational flaws and inefficiencies of bus terminals' operations, including overbooking of bus tickets, incidences of ticket touting, overcrowding at bus bays and traffic congestion at the arrival and departure gates arising from the lack of an IT system for supervision and dispersal of traffic at bus terminals particularly during peak hours. He ventured into the D&D of TOS in 2009 via his company, TCT International after having seen the necessity and anticipated benefits to be derived through the computerisation and integration of the bus terminals' operations processes. His pursuit in the development of a reliable TOS had led to TCT International securing the contract from Maju TMS, the operator of TBS, in 2011 to customise and install TOS for TBS.

NSS was incorporated in 2011 and commenced operations as an IT hardware and accessories provider in 2012.

Tan Cherng Thong subsequently undertook a business advisory role and assumed project management functions in NSS between May 2013 and April 2014. Under his guidance, NSS successfully developed MyBus (now known as BOS), a ticketing system for stage bus services and subsequently secured its first contract with Mara Liner Sdn Bhd in 2013. Having seen the potential and business prospects of NSS in providing IT hardware solutions catering to bus operations, he joined NSS as the CEO in May 2014 and became a director and major shareholder of NSS (with a 40% equity stake) in August 2015.

NSS subsequently set up a wholly-owned subsidiary, NSSPH in 2018 with the aim to expand its operations to the Philippines. Thereafter, NSSPH successfully secured a contract in the same year to implement and install TOS for Parañaque Integrated Terminal Exchange in Manila, the Philippines.

In December 2020, after having obtained a controlling interest in NSS (with a 60% equity stake), he proceeded to streamline and consolidate his businesses in TCT International into NSS in December 2021. This led to TCT International ceasing its business operations in December 2021. 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 to be a reliable provider of transportation IT solutions, primarily serving the bus and rail segments.

Please refer to **Section 6.2** of this Prospectus for the description of our business and solutions.

*. **BUSINESS OVERVIEW (cont'd)**

6.1.2 Milestones and achievements

The key milestones of our Group and development of our business since incorporation are set out as follows:-

| Year | Key milestones of our Group |
|---------------|---|
| 2011 | <ul style="list-style-type: none"> NSS was incorporated as a private limited company on 17 October 2011. |
| 2012 | <ul style="list-style-type: none"> NSS commenced operations as a provider of IT hardware and accessories. |
| 2013 | <ul style="list-style-type: none"> Tan Cherng Thong undertook an advisory role in NSS to provide business advisory and project management functions. NSS began to embark on the D&D to develop a digital ticketing solution for stage bus services pursuant to the business advisory guidance from Tan Cherng Thong. NSS successfully developed MyBus (presently known as BOS) catering for stage bus services, which streamlines the ticket sales between bus operators and passengers. MyBus also includes other ancillary modules such as fleet management, driver tracking system, performance management and sales tracking system. NSS subsequently secured its first contract with Mara Liner Sdn Bhd to launch MyBus in Malaysia. As at the LPD, Mara Liner Sdn Bhd remains as our customer for BOS since 2013. |
| 2014/ 2015 | <ul style="list-style-type: none"> Tan Cherng Thong joined NSS as the CEO in May 2014 and became a director and major shareholder of NSS in August 2015. Prior to joining our Group, Tan Cherng Thong, our Promoter, had through his private vehicle TCT International secured the first TOS project in 2011 from Maju TMAS for TBS, an integrated bus terminal that serves all southern, eastern and northern-bound destinations in Peninsular Malaysia. TCT International worked with Maju TMAS to provide our solutions to transform the operations and management of the terminal. TCT International's business was subsequently streamlined and consolidated into NSS in 2021 ("Consolidation of Business"). MyBus expanded into the SPAD's Stage Bus Service Transformation Programme. SPAD was subsequently dissolved in 2018. Thereafter, APAD was established in January 2019 under the Ministry of Transport Malaysia, where APAD assumed the role (previously held by SPAD) to oversee the Stage Bus Service Transformation Programme. |
| 2016 | <ul style="list-style-type: none"> TCT Apps was incorporated as a private limited company on 18 October 2016 to venture into software development business. |
| 2017 | <ul style="list-style-type: none"> NSS completed the implementation of TOS (comprising the TMS and CTS) for a bus terminal located in Pahang. NSS expanded its TOS (comprising CTS only) for Terminal Larkin Sentral in Johor, where we conducted test runs in 2017 prior to the CTS going-live at the terminal in 2018. |
| 2018 | <ul style="list-style-type: none"> NSSPH was incorporated as a private limited company on 19 January 2018 by NSS to expand our operations to the Philippines. NSSPH secured a contract to implement and install TOS (comprising TMS and CTS) for Parañaque Integrated Terminal Exchange, located in Manila, the Philippines. |
| 2019 | <ul style="list-style-type: none"> NSS implemented TOS (comprising TMS and CTS) at Terminal Melaka Sentral and provided terminal management services (where NSS's primary function is to assume the role of a system operator to operate the TOS at the terminal). NSS developed the KTMB Integrated Ticketing System ("KITS"), a ticketing solutions platform for KTMB serving Shuttle Tebrau, Komuter Utara, ETS and Intercity passenger routes. The KITS integrates management and operational system software with hardware which includes ACGs and TVMs at KTMB's stations. |
| 2020 | <ul style="list-style-type: none"> TCT Apps developed GoPartner. NSS secured the contract to provide TOS (comprising TMS and CTS) at Terminal Bersepadu Gombak, an integrated bus terminal that has been earmarked to service the East Coast region of Peninsular Malaysia upon completion of the construction of the terminal and commencement of operations scheduled in the 2nd quarter of 2024. |

6. BUSINESS OVERVIEW (cont'd)

| Year | Key milestones of our Group |
|------|---|
| 2021 | <ul style="list-style-type: none"> ▪ NSS expanded its TOS (comprising TMS and CTS) and terminal management services for Terminal Klang Sentral and Kompleks Hentian Bas MBKT. ▪ NSS expanded its TOS (comprising CTS only) for a bus terminal in Sepang, Selangor. ▪ TCT Apps developed GoHub.com.my. |
| 2022 | <ul style="list-style-type: none"> ▪ TCT Apps launched GoGPS. ▪ TCT Apps expanded GoPartner's solution offerings to cater to customers who require inventory and reservation management system to manage their bookings for sports, accommodations and cultural performance. ▪ NSS secured the contract to provide and implement AFC for KTMB. |

We have received a number of awards and recognition from both public and private agencies as set out below:-

| Year | Key achievements of our Group |
|------|---|
| 2015 | <ul style="list-style-type: none"> ▪ Appointed as a Panel Vendor of the Electronic Ticketing Machine implementation under SPAD for the Stage Bus Service Transformation programme. SPAD was dissolved in December 2018 and APAD was established in January 2019 under the Ministry of Transport Malaysia. |
| 2017 | <ul style="list-style-type: none"> ▪ NSS was certified as MSC-Status company. |
| 2021 | <ul style="list-style-type: none"> ▪ Our quality management systems at Terminal Melaka Sentral were assessed and accredited with ISO 9001:2015 certification under the scope 'provision of terminal system to public transport industry'. |
| 2022 | <ul style="list-style-type: none"> ▪ NSS received the Certificate of Excellence under the Best SME IT Solution Provider category during the SME Entrepreneur Business Award (“SEBA”) 2022 awarded by Yayasan Usahawan Malaysia. The award assessment was based on the business solutions and services of the candidates, where the jury of SEBA will take into consideration, amongst others, the media exposure and client testimonials of the candidates on the solutions and quality of services, business and governance review as well as financial assessment rating on the candidates (which is assessed by an auditor). The candidates are required to submit the relevant documentations to justify and support the aforementioned selection criteria for the jury to undertake in depth assessment and peer comparisons amongst the candidates. Nomination fee: RM1,000 per entry for nomination of the award No. of winners: 1 winner per category ▪ NSS received the Unifi Business Digital Transformation Excellence Award 2022 during the Sin Chew Business Excellence Award 2022 awarded by Sin Chew Daily. The award assessment was based on the candidates operating in the technology sector that offers digital transformation strategies that resulted in business growth and/or improve operational efficiencies of its customers. The jury of Sin Chew Daily will take into consideration, amongst others, the financial performance of the candidates for the past 3 financial years (in particular, revenue, profit and profit growth) and market outlook of the candidates as well as the strategies undertaken for branding and business growth and sustainability. The candidates are required to submit the relevant documentations to justify and support the aforementioned selection criteria for the jury to undertake in-depth assessment and peer comparisons amongst the candidates. Processing fee: RM5,300 per category No. of winners: 7 winners per category |

6. BUSINESS OVERVIEW (cont'd)

| Year | Key achievements of our Group |
|------|--|
| 2023 | <ul style="list-style-type: none"> <li data-bbox="400 309 1372 365">▪ Our Group received 2 awards during the Star Outstanding Business Awards 2022 edition organised by Star Media Group, which comprise the following categories:- <ul style="list-style-type: none"> <li data-bbox="448 398 1372 672">(i) Platinum Award under the Best Innovation category. The award assessment was based on the candidate's innovation in terms of ideas, processes, products and/or services that contributed to the success of the candidates' business, where the jury will take into consideration, amongst others, the innovation adopted and associated benefits as well as the impact of such innovation (which may include technology) to the business in terms of financial performance for the past 3 financial years. The candidates are required to submit the relevant documentations to justify and support the aforementioned selection criteria for the jury to undertake in depth assessment and peer comparisons amongst the candidates; and <li data-bbox="448 689 1372 963">(ii) Meritorious award under the Best Use of Technology category. The award assessment was based on the candidates' technological development and adoption which led to the enhancement of the candidates' product and/or service offerings, where the jury will take into consideration, amongst others, the type of technology, the tangible results arising from such technology and impact to the business in terms of financial performance for the past 3 financial years following the adoption of the technology. The candidates are required to submit the relevant documentations to justify and support the aforementioned selection criteria for the jury to undertake in-depth assessment and peer comparisons amongst the candidates. <p data-bbox="448 996 845 1052">Submission fee: RM300 per category No. of winners: 4 winners per category</p> |

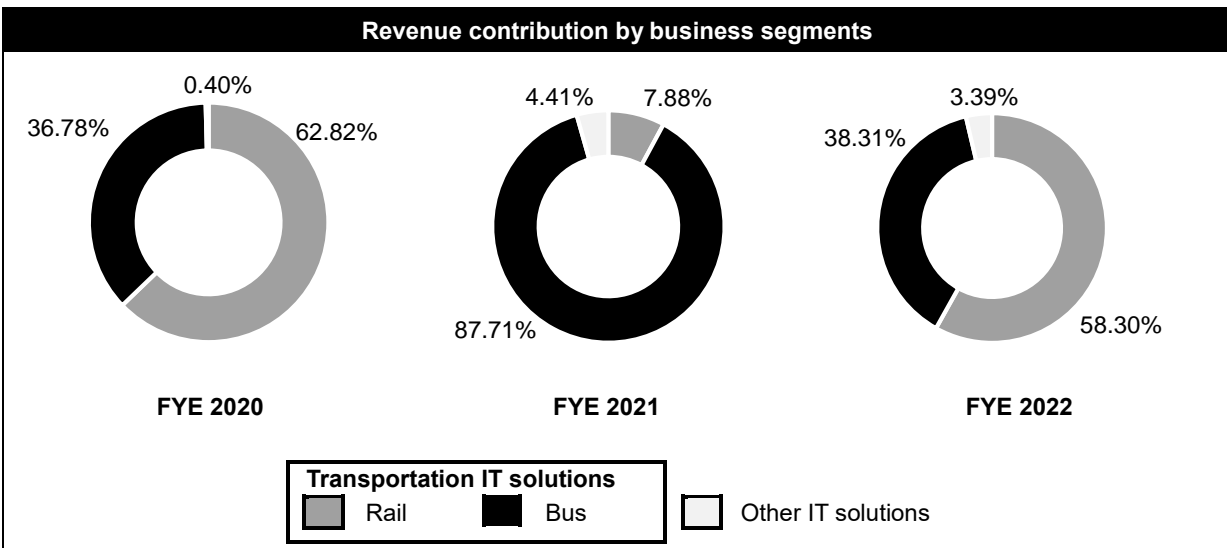
THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. BUSINESS OVERVIEW (cont'd)

6.2 Description of our business and solutions

Our Group's principal activities and business model are summarised in the diagram below:-

| | | | | |
|---|--|---|--|--|
| Principal activities | <ul style="list-style-type: none"> • Provision of enterprise IT services, focusing on transportation IT solutions (including customised software development systems and integration of hardware and software systems). • Our offerings also extend to include maintenance and support services as well as terminal management services. | | | |
| Primary solutions | Transportation IT solutions | Other IT 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> | Enterprises that require inventory and reservation management systems such as:- | <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 |
| | <ul style="list-style-type: none"> • Rail operator | | | |
| | <u>Bus segment</u> | | | |
| <ul style="list-style-type: none"> • Bus terminal operators • Stage and express bus operators | <ul style="list-style-type: none"> • Bus operators • Campsite operators • Homestay operators • Sports centre 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) | | | |



6. BUSINESS OVERVIEW (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 pride ourselves as a key transportation IT solutions provider in Malaysia with an established track record in the bus and rail segments. We provide customised solutions to our customers, which are catered primarily towards the optimisation and efficient management of operational process flows that are critical to the operations and requires real time monitoring, resource allocation and utilisation, automated scheduling and data analytics reporting.

The advancement of technologies and the necessity for transportation service providers and operators to adopt enterprise IT services to automate and streamline its operational process flow (resource allocation and utilisation as well as ticketing and traffic management) and elevating customer travelling experiences has led to an increase in the need and demand for our solutions. Although our solutions predominantly cater to the bus and rail segments, our solutions are adaptable and can be applied to other segments within the transportation sector (which includes sea and air transportation segments) and non-transportation sectors which require optimisation of critical process flow management functions such as warehousing and distribution centres, manufacturing facilities and healthcare.

Our business engagements with our customers are set out as below:-

| No. | Business engagements | Description |
|-----|----------------------|---|
| (a) | Outright Purchase | <ul style="list-style-type: none"> • Payments are based on project milestones set out in the purchase orders and/or contracts, with the billing for the last project milestone to be issued upon completion of the project. • Our customers will typically obtain full ownership of the solutions (comprising hardware and/or software system, the latter provided under a one-time fee for software right of use) upon completion of the project. • There are no payment obligations (beyond the outright project purchase price for the solutions). • We typically enter into maintenance and support contracts with our customers subsequent to the Outright Purchase of our solutions. |
| (b) | Zero Capex | <ul style="list-style-type: none"> • This model accords our customers with the option to avoid significant upfront investments in our solutions whilst enabling the preservation of our customers' cash flow, given that no payments are required to be made for the development, customisation and installation of the systems (comprising hardware and/or software). However, the model will affect our revenue and cash flow given that we will incur upfront costs for the hardware involved, before recognising revenues when the solution is live. Further, under this model, we are also required to undertake maintenance on our solution and/or act as the system operator on behalf of our customer to operate our solutions. • In exchange thereof, our Group will charge subscription fees to our customers based on a pay-per-use payment model (where our customers are charged based on, amongst others, the usage of our solutions in terms of per passenger over the contract period). • Our Group retains the ownership of the solutions and maintain the hardware and/or software systems at our own cost. • In the event that our customers do not renew the contracts after its expiry, we will undertake the following:- <ul style="list-style-type: none"> (i) hardware and equipment – our Group will decommission all the hardware and equipment installed at our customers' sites under this model (such as ACG and TVMs) pursuant to the terms of the contracts. The costs of such decommission works will be fully borne by our Group; and/or |

6. BUSINESS OVERVIEW (cont'd)

| No. | Business engagements | Description |
|-----|----------------------|---|
| | | <p>(ii) software systems – our Group will disable the software access to the solutions, resulting in the discontinuation of our customers’ access to the usage of our solutions. The relevant historical data that are vital to our customers will be stored in a data storage device and will be handed over to our customers.</p> <p>Further, the non-renewal of our contracts relating to the Specified Bus Terminals will result in the reallocation of our affected Specified Bus Terminals staff to other Specified Bus Terminals and/or other operational units.</p> |
| (c) | Transaction fees | <ul style="list-style-type: none"> • Fees charged to our customers or end users based on the following:- <ul style="list-style-type: none"> (i) percentage fee based model - involves charging a percentage of each transaction value. This model typically relates to the fees charged to our customers (which are bus, campsite, homestay and sports centre operators). In terms of bus tickets purchased or bookings/reservations for campsite, homestay and sports centre, a fee is charged based on a percentage of each bus ticket value sold or bookings/reservation of campsite and sports centres at the marketplace; and (ii) fixed fee model - involves charging a predetermined amount for each transaction, regardless of the transaction value. This model typically relates to fees charged to end users. A fixed fee is charged to the end-users of GoHub.com.my (regardless of the ticket value) for the processing of the purchase of online ticketing. |

Further details of the business engagements are set out in **Section 11.3** of this Prospectus.

6.2.1 Transportation IT solutions

Our Group specialises in the development, customisation and implementation of IT solutions, catering to the transportation service providers and operators. Our solutions are designed to improve, streamline and optimise our customers’ operational process flows, which primarily comprise the following:-

- (i) POS functions (involving ticket issuance and fare collection);
- (ii) resource management and allocation (involving platform and bay allocation and assignments to maximise terminal capacity and minimise traffic congestions);
- (iii) scheduling functions (involving the scheduling of arrivals, departures and turnaround times of the various types of public transportation vehicles);
- (iv) real time tracking and monitoring functions (involving the tracking of the public transportation vehicles and ticket sales); and
- (v) management of data (involving passengers’ information and data analytics and reporting on key metrics such as ridership, on-time performance of the public transportation operators and terminal utilisation rate).

Our solutions typically comprise customised software development and integration of software systems with essential hardware components which include ACG, TVM, POS, RFID Readers, QR Readers and payment terminals. Our solutions can be integrated with third party software which include amongst others, OTA and bus operators’ ticketing system. In the implementation of such solutions, our Group may be required to appoint subcontractors to perform specific works which may be necessary for the solutions, such as mechanical and engineering works and installation of certain IT hardware. As at the LPD, we have integrated our solutions with more than 100 express bus operators.

6. BUSINESS OVERVIEW (cont'd)

Our scope of responsibilities, subject to the requirements of our customers, may also extend to the installation of required hardware which include ACGs, TVMs and POS to facilitate our solutions. In the implementation of such solutions, we may be required to appoint subcontractors to perform specific works which may be necessary for our solutions, such as mechanical and engineering works and installation of certain IT hardware.

Our geographical footprint of IT solutions utilised at the bus terminals and rail stations in Malaysia are as illustrated below:-

Bus terminals



| No. | Terminals | TOS | State | Grade* | Year of commencement/ Status as at the LPD | Current contract tenure for maintenance and/or system operator services |
|-----|---|-------------|--------------|--------|--|--|
| 1. | TBS | CTS | Kuala Lumpur | A | 2011/ In operation | 1 September 2023 to 31 August 2028 (with option to renew for additional 5 years) |
| 2. | A bus terminal located in Pahang ⁽¹⁾ | TMS and CTS | Pahang | A | 2017/ In operation | 1 month (with option to renew on a monthly basis via purchase orders) ⁽²⁾ |
| 3. | Terminal Larkin Sentral | CTS | Johor | A | 2018/ Contract expired in 2023 ⁽³⁾ | - |
| 4. | Terminal Melaka Sentral [^] | TMS and CTS | Melaka | B | 2019/ In operation | 1 January 2022 to 21 December 2026 (no renewal option) |
| 5. | Terminal Klang Sentral [^] | TMS and CTS | Selangor | B | 2021/ In operation | 1 December 2023 to 30 November 2026 (with option to renew for additional 3 years) |
| 6. | Kompleks Hentian Bas MBKT [^] | TMS and CTS | Terengganu | A | 2021/ In operation | 1 July 2020 to 31 January 2036 (no renewal option) |
| 7. | A bus terminal located in Sepang ⁽¹⁾ | CTS | Selangor | A | 2021/ Early termination of contract in 2022 ⁽⁴⁾ | - |
| 8. | A bus terminal located in Sabah ⁽¹⁾ | TMS and CTS | Sabah | A | Ongoing work in progress (UAT stage) | - |
| 9. | Terminal Bersepadu Gombak | TMS and CTS | Selangor | A | Ongoing work in progress (installation of hardware stage) | - |

6. BUSINESS OVERVIEW (cont'd)

Notes:-

- * The Terminal Grade Rating as defined by APAD is determined through an evaluation based on two main criteria as set out below:-

| Criteria | Description |
|--|---|
| Passenger facilities, ticketing and safety and security facilities | <ul style="list-style-type: none"> ▪ Ticketing and information systems (include centralised ticketing system via mobile application, passenger information display system, public announcement system, boarding counter, information counter and queue management system) ▪ Safety (includes use of IP cameras, security control room, security personnel and pedestrian walkway) ▪ Terminal convenience (includes arrival and departure platforms, amenities for the disabled and passenger waiting areas) ▪ Facilities and user convenience (include customer service counter, dedicated counter for authorities, passenger pick-up and drop-off area, prayer facility and commercial areas for refreshment and food and beverages) |
| Bus operators' facilities | <ul style="list-style-type: none"> ▪ TOS (includes open parking system, card and RFID access, digital platform information display, entry and exit boom gates and control room for boom gates) ▪ Safety (includes use of IP cameras, queue officers and traffic controllers) ▪ Drivers' convenience (includes designated platforms for arrival and departure, holding bay, rest area, covered bus platform and platform information display) |

Grade A is awarded to terminals that fulfil all of the abovementioned criteria, while Grade B is awarded to terminals that meet the majority of the set criteria, with exceptions including amongst others, mobile application ticketing, arrival and departure platforms, customer service counter, dedicated counter for authorities and passenger pick-up and drop-off area.

^ Existing Specified Bus Terminals.

- (1) Our Group is bound by certain confidentiality clauses relating to the disclosure of the names of the said bus terminals. In this regard, our Group had on 23 June 2023 and 22 September 2023, respectively sought consents from the bus terminal operators for the bus terminals located in Pahang and Sabah for disclosure of their names but the requests were declined by them on 11 September 2023 and 26 September 2023, respectively. For the bus terminal located in Sepang, no consent was sought from the said bus terminal operator as we had ceased to provide CTS following the early termination of the CTS contract in 2022 and there is no ongoing dealing with the said bus terminal operator as at the LPD.
- (2) Our Group has been servicing the customer since 2017, where all our engagements between our Group and the customer for our services were through purchase orders.
- (3) Expiry of the contract due to the non-renewal of our CTS contract with Terminal Larkin Sentral in Johor following the expiry of our 5 years contract period (which ended in August 2023) with the terminal operator. The reason for the non-renewal of our CTS contract was due to the terminal operator's commercial decision to appoint a new solutions provider.
- (4) Ceased to provide CTS following the early termination of the CTS contract due to a change in the terminal operator in Sepang (where the terminal owner appointed a new terminal operator who in turn preferred a new solutions provider).

In addition to the above, we have also installed and implemented our TOS in Parañaque Integrated Terminal Exchange (which was on an Outright Purchase model), located in Manila, the Philippines in 2018. Given that the implementation of TOS projects overseas on Zero Capex model would necessitate the reallocation of our workforce overseas to supervise and manage the project, the Zero Capex model is hence exclusively tailored towards the local market. Our Group does not currently have any intention of offering the Zero Capex model for our overseas ventures.

6. BUSINESS OVERVIEW (cont'd)

Rail stations

| No. | Rail routes | Type of services offered by our Group as at the LPD | Year of commencement/ Status as at the LPD | Current contract tenure for maintenance services |
|-----|----------------|---|---|---|
| 1. | Intercity | CTS | 2019/ In operation | 1 April 2019 to 30 September 2026 (no renewal option) |
| 2. | ETS | | | |
| 3. | Komuter Utara | | | |
| 4. | Shuttle Tebrau | | | |
| 5. | KVDT | AFC | 2022/ Ongoing work in progress (installation of hardware and UAT stage) | - |

Intercity Routes



| No. | Station | State | No. | Station | State |
|-----|-------------|-----------------|-----|---------------|----------|
| 1. | JB Sentral | Johor | 12. | Gua Musang | Kelantan |
| 2. | Kempas Baru | Johor | 13. | Limau Kasturi | Kelantan |
| 3. | Kulai | Johor | 14. | Bertam Baru | Kelantan |
| 4. | Kluang | Johor | 15. | Kemubu | Kelantan |
| 5. | Segamat | Johor | 16. | Dabong | Kelantan |
| 6. | Gemas | Negeri Sembilan | 17. | Kuala Krai | Kelantan |
| 7. | Bahau | Negeri Sembilan | 18. | Tanah Merah | Kelantan |
| 8. | Mentakab | Pahang | 19. | Pasir Mas | Kelantan |
| 9. | Jerantut | Pahang | 20. | Wakaf Baru | Kelantan |
| 10. | Kuala Lipis | Pahang | 21. | Tumpat | Kelantan |
| 11. | Merapoh | Kelantan | | | |

ETS Routes



| No. | Station | State | No. | Station | State |
|-----|----------------------|-----------------|-----|----------------|--------|
| 1. | Gemas | Negeri Sembilan | 19. | Ipoh | Perak |
| 2. | Batang Melaka | Melaka | 20. | Sungai Siput | Perak |
| 3. | Pulau Sebang/Tampin | Melaka | 21. | Kuala Kangsar | Perak |
| 4. | Seremban | Negeri Sembilan | 22. | Padang Rengas | Perak |
| 5. | Kajang | Selangor | 23. | Taiping | Perak |
| 6. | Bandar Tasik Selatan | Kuala Lumpur | 24. | Bagan Serai | Perak |
| 7. | KL Sentral | Kuala Lumpur | 25. | Parit Buntar | Perak |
| 8. | Kuala Lumpur | Kuala Lumpur | 26. | Nibong Tebal | Penang |
| 9. | Kepong Sentral | Kuala Lumpur | 27. | Butterworth | Penang |
| 10. | Sungai Buloh | Selangor | 28. | Bukit Mertajam | Penang |
| 11. | Rawang | Selangor | 29. | Tasik Gelugor | Penang |
| 12. | Batang Kali | Selangor | 30. | Sungai Petani | Kedah |
| 13. | Kuala Kubu Bharu | Selangor | 31. | Gurun | Kedah |
| 14. | Tanjung Malim | Perak | 32. | Alor Setar | Kedah |
| 15. | Slim River | Perak | 33. | Anak Bukit | Kedah |
| 16. | Sungkai | Perak | 34. | Arau | Perlis |
| 17. | Kampar | Perak | 35. | Padang Besar | Perlis |
| 18. | Batu Gajah | Perak | | | |

6. BUSINESS OVERVIEW (cont'd)

Komuter Utara Routes



| No. | Station | State | No. | Station | State |
|-----|----------------|--------|-----|---------------|--------|
| 1. | Padang Rengas | Perak | 11. | Tasik Gelugor | Penang |
| 2. | Taiping | Perak | 12. | Sungai Petani | Kedah |
| 3. | Kamunting | Perak | 13. | Gurun | Kedah |
| 4. | Bagan Serai | Perak | 14. | Kobah | Kedah |
| 5. | Parit Buntar | Perak | 15. | Alor Setar | Kedah |
| 6. | Nibong Tebal | Penang | 16. | Anak Bukit | Kedah |
| 7. | Simpang Ampat | Penang | 17. | Kodiang | Kedah |
| 8. | Bukit Mertajam | Penang | 18. | Arau | Perlis |
| 9. | Bukit Tengah | Penang | 19. | Bukit Ketri | Perlis |
| 10. | Butterworth | Penang | 20. | Padang Besar | Perlis |

Komuter KDVT Routes – Batu Caves to Tampin line



| No. | Station | State | No. | Station | State |
|-----|----------------------|--------------|-----|-----------------------|--------------------------|
| 1. | Batu Caves | Selangor | 14. | Serdang | Selangor |
| 2. | Taman Wahyu | Kuala Lumpur | 15. | Kajang | Selangor |
| 3. | Kampung Batu | Kuala Lumpur | 16. | UKM | Selangor |
| 4. | Batu Kentonmen | Kuala Lumpur | 17. | Bangi | Selangor |
| 5. | Sentul | Kuala Lumpur | 18. | Batang Benar | Negeri Sembilan |
| 6. | Putra | Kuala Lumpur | 19. | Nilai | Negeri Sembilan |
| 7. | Bank Negara | Kuala Lumpur | 20. | Labu | Negeri Sembilan |
| 8. | Kuala Lumpur | Kuala Lumpur | 21. | Tiroi | Negeri Sembilan |
| 9. | KL Sentral | Kuala Lumpur | 22. | Seremban | Negeri Sembilan |
| 10. | Mid Valley | Kuala Lumpur | 23. | Senawang | Negeri Sembilan |
| 11. | Seputeh | Kuala Lumpur | 24. | Sungai Gadut | Negeri Sembilan |
| 12. | Salak Selatan | Kuala Lumpur | 25. | Rembau | Negeri Sembilan |
| 13. | Bandar Tasik Selatan | Kuala Lumpur | 26. | Tampin / Pulau Sebang | Negeri Sembilan / Melaka |

6. BUSINESS OVERVIEW (cont'd)

Komuter KDV T Routes - Tanjung Malim to Pelabuhan Klang line



| No. | Station | State | No. | Station | State |
|-----|------------------|--------------|-----|-----------------|--------------|
| 1. | Tanjung Malim | Perak | 18. | Pantai Dalam | Kuala Lumpur |
| 2. | Kuala Kubu Bharu | Selangor | 19. | Petaling | Selangor |
| 3. | Rasa | Selangor | 20. | Jalan Templer | Selangor |
| 4. | Batang Kali | Selangor | 21. | Kg. Dato Harun | Selangor |
| 5. | Serendah | Selangor | 22. | Seri Setia | Selangor |
| 6. | Rawang | Selangor | 23. | Setia Jaya | Selangor |
| 7. | Kuang | Selangor | 24. | Subang Jaya | Selangor |
| 8. | Sungai Buloh | Selangor | 25. | Batu Tiga | Selangor |
| 9. | Kepong Sentral | Selangor | 26. | Shah Alam | Selangor |
| 10. | Kepong | Kuala Lumpur | 27. | Padang Jawa | Selangor |
| 11. | Segambut | Kuala Lumpur | 28. | Bukit Badak | Selangor |
| 12. | Putra | Kuala Lumpur | 29. | Klang | Selangor |
| 13. | Bank Negara | Kuala Lumpur | 30. | Teluk Pulai | Selangor |
| 14. | Kuala Lumpur | Kuala Lumpur | 31. | Teluk Gadong | Selangor |
| 15. | KL Sentral | Kuala Lumpur | 32. | Kg. Raja Uda | Selangor |
| 16. | Abdullah Hukum | Kuala Lumpur | 33. | Jalan Kastam | Selangor |
| 17. | Angkasapuri | Kuala Lumpur | 34. | Pelabuhan Klang | Selangor |

In addition to the above, we also serve the Shuttle Tebrau routes which includes the Johor Bahru and Woodlands stations.

Notwithstanding our established footprint in the bus and rail segments, our solutions are also adaptable and can be applied in other segments within the transportation sector. We are also currently venturing into the sea transportation segment, in particular, the ferry terminals in Sabah under an initiative to digitalise 8 identified ferry terminals in the state. We intend to undertake our venture into the ferry segment in stages with the aim to complete 4 ferry terminals by October 2024 and the balance 4 ferry terminals by March 2025 subject to our negotiations and agreements with the respective ferry terminal owners on, amongst others, the technical specification, the implementation timeframe and the expected operational date. Please refer to **Section 3.6.1(ii)(a)** of this Prospectus for further details on the implementation stages of our transportation IT solution for the ferry terminals in Sabah.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. BUSINESS OVERVIEW (cont'd)

1. TOS

Our TOS comprise the following modules:-

| | | |
|------------|----------------|--|
| TOS | (A) TMS | Developed to optimise and streamline the traffic processes of bus terminals to improve operational efficiency. |
| | (B) CTS | Developed to complement TMS as a real-time centralised ticketing system connecting passengers and operators across multiple channels, including ticketing counters, TVMs, ticketing web platforms and mobile applications. |

(A) TMS








TMS is generally applied to terminal based operations as the system infrastructure optimises the utilisation of platform bays, and management and control of the arrival and departure gates. Our TMS is currently adopted by 4 bus terminals in Malaysia as at the LPD, namely Terminal Melaka Sentral, Terminal Klang Sentral, Kompleks Hentian Bas MBKT, and bus terminal located in Pahang. Our TMS will also be adopted by Terminal Bersepadu Gombak upon commencement of its operations (which is envisaged to be by 2nd quarter of 2024) and a bus terminal in Sabah upon commencement of its operations (which is envisaged to be by November 2023).

TMS operates from a command centre in terminals, serving as a centralised hub for managing the arrival and departure of buses, passengers' traffic, safety and security, and other key aspects of terminal operations. With TMS, the administrator can oversee the entire terminal operations from a single location via IP cameras that are placed throughout the terminal.



6. BUSINESS OVERVIEW (cont'd)

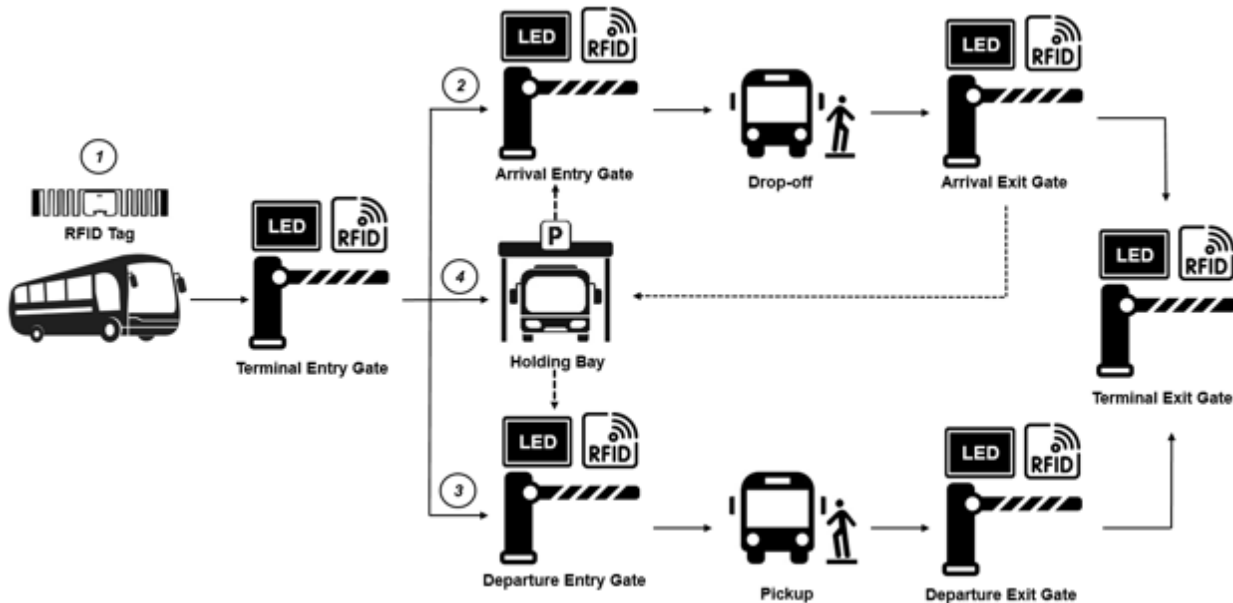
The key features of TMS include:-

| | | |
|--|--|---|
|  <p>TMS</p> | <p>Dynamic bay allocation</p>  | <p>This feature allocates limited bus bays based on a first-come-first-served basis and is subject to bus operators having APAD licences. It prevents bus bay hogging and helps to reduce idle time and congestion at the terminal with the aim to achieve smoother operations.</p> |
| | <p>Real-time information management</p>  | <p>TMS provides real-time information about bus schedules, destinations, delays and bay allocations. This information is communicated to bus operators, terminal staff and passengers through digital signage, mobile applications and online website.</p> |
| | <p>Traffic management</p>  | <p>TMS monitors and controls the movement of buses within the terminal using RFID and IP cameras to identify buses and manages bus arrivals and departures automatically. It helps in managing traffic flow, minimising bottlenecks and preventing accidents.</p> |
| | <p>Passenger information system</p>  | <p>TMS provides passengers with timely information with regard to bus schedules, bay locations and delays, amongst others and communicated through mobile applications and/or digital signage at the terminal.</p> |
| | <p>Integration with other systems</p>  | <p>TMS is integrated with other systems such as CTS, customer service platforms as well as surveillance systems to manage terminal operations comprehensively.</p> |
| | <p>Data analysis and reporting</p>  | <p>TMS collects and analyses data on various aspects of terminal operations, such as bus services, passenger traffic and bay utilisation which can be used to generate reports, make informed decisions and improve services.</p> |

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. BUSINESS OVERVIEW (cont'd)

TMS involves integration with various levels of hardware, including but not limited to ACG, IP cameras and RFID tags, to facilitate its implementation. The diagram below illustrates a general operational flow of TMS:-



- (1) All buses entering the terminal are required to complete a registration process. This involves the installation of an RFID Tag on the windscreen of each bus for identification and security purposes.
- (2) At the arrival gate, buses will be scanned and identified whereby the arrival information will be promptly updated on the Passenger Information Display. Meanwhile, bus drivers will be directed to the designated arrival bay for passenger drop-off.
- (3) For departure, departing bus will proceed to the departure gate. TMS then scans the bus' identity via RFID, and thereafter, bus drivers will be directed to the designated bay for passenger pick up. Once the bus arrives at the departure bay, TMS will scan the bus' RFID again to ensure that the bus enters the assigned bay. Once its identity is verified, TMS will update the trip status to "Boarding" and reflect this information on the Passenger Information Display accordingly. A countdown timer will be initiated to prevent the bus from overstaying.
- (4) Buses that arrive before its scheduled time are directed to the holding bay while waiting for the scheduled departure time. In the event of a bus breakdown or delays in boarding of passengers which may render the currently occupied bay unavailable to other buses, TMS will redirect incoming buses to the nearest available bay.

6. BUSINESS OVERVIEW (cont'd)

(B) CTS

CTS is a centralised ticketing system, serving as a unified and integrated platform that manages the issuance, distribution and processing of tickets across multiple channels, including ticketing web platforms, mobile applications, ticketing counters and self-service TVMs. It also consolidates ticket-related operations into a single system, which streamlines and simplifies the processes of ticket sales, issuance and management. The pictures below show some examples of ticket sales via ticketing counters and self-service TVMs available at the terminals.

Ticketing counters



Self-service TVMs



THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK







6. BUSINESS OVERVIEW (cont'd)

We have customised and developed CTS for our bus and rail segments:-

(i) CTS (Express Bus)

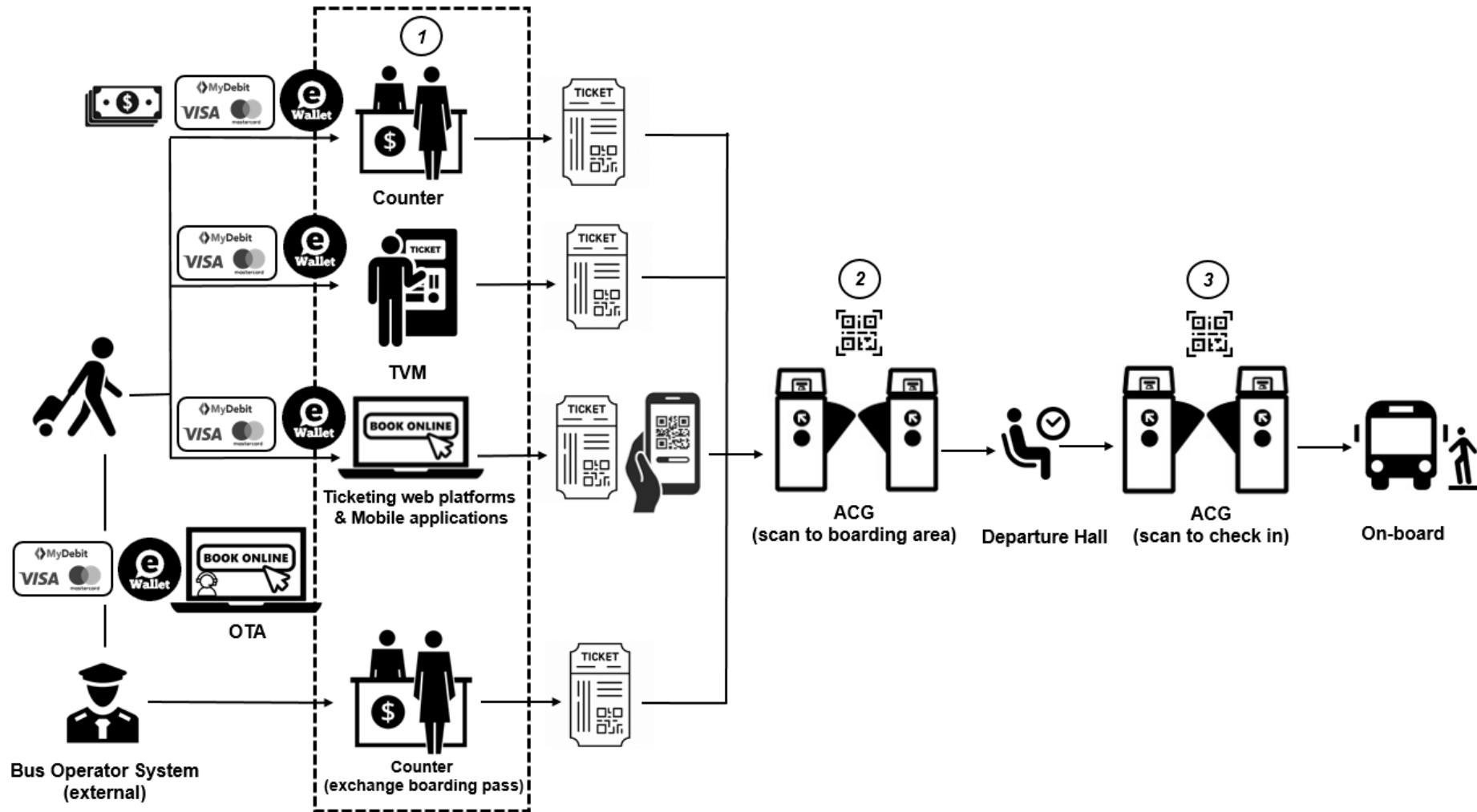
CTS (Express Bus) is a platform to unify ticketing operations in terminals for express bus operators. It supports multiple operators, sales channels and ticketing systems where information is integrated and synchronised.

The key features of CTS (Express Bus) include:-

| | | |
|---|---|---|
| <p style="text-align: center;">CTS (Express Bus)</p>  | <p>Ticketing interface</p>  | <p>An intuitive user interface where allows users to select their desired destinations, travel dates and seating preferences. The interface is accessible via various channels, such as the ticketing counters and self-service TVMs at bus terminals, ticketing web platforms and mobile applications.</p> |
| | <p>Booking management</p>  | <p>A back-end system for handling ticket bookings, cancellations and amendments. This system also handles real-time seat inventory management via API integration, reflecting the availability of seats based on bookings and cancellations.</p> |
| | <p>Payment gateway</p>  | <p>A secure module for handling/processing payments. It is integrated with various payment methods, including credit/debit cards, e-wallets and online bank transfers.</p> |
| | <p>Data analysis and reporting</p>  | <p>A module for generating detailed reports and analytics to understand the trends in, amongst others, ticket sales, popular destinations and peak travel times. This data aids in strategic decision-making for both bus and terminal operators.</p> |
| | <p>API integration</p>  | <p>CTS (Express Bus) is equipped with APIs that allow integration with external systems such as, amongst others, bus operators' ticketing system, accounting system and Passenger Information Display system.</p> |

6. BUSINESS OVERVIEW (cont'd)

The diagram below illustrates a general operational flow of CTS (Express Bus):-



6. BUSINESS OVERVIEW (cont'd)

- (1) Passengers can purchase tickets from the following channels:-
 - (a) ticketing counters;
 - (b) TVMs;
 - (c) ticketing web platforms or mobile applications; and
 - (d) third-party OTAs (For OTA tickets, passengers are required to check in at the boarding counter to retrieve their boarding passes).
- (2) Passengers with bus tickets/boarding passes can proceed to the departure hall by scanning the QR Code on their ticket/boarding pass at the ACG. If the QR Code is valid, the gate will open and allow passengers to pass through the ACG. If the QR Code fails to be validated by the ACG, (e.g. passengers entering the wrong departure hall or possess an invalid ticket), the gate will remain closed and the passengers will be guided by the ground crew for the next step.
- (3) Passengers are required to scan their tickets/boarding passes before boarding to ensure that the passengers board the correct bus and helps to avoid any inadvertent errors in boarding.








THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. BUSINESS OVERVIEW (cont'd)

(ii) CTS (Rail)

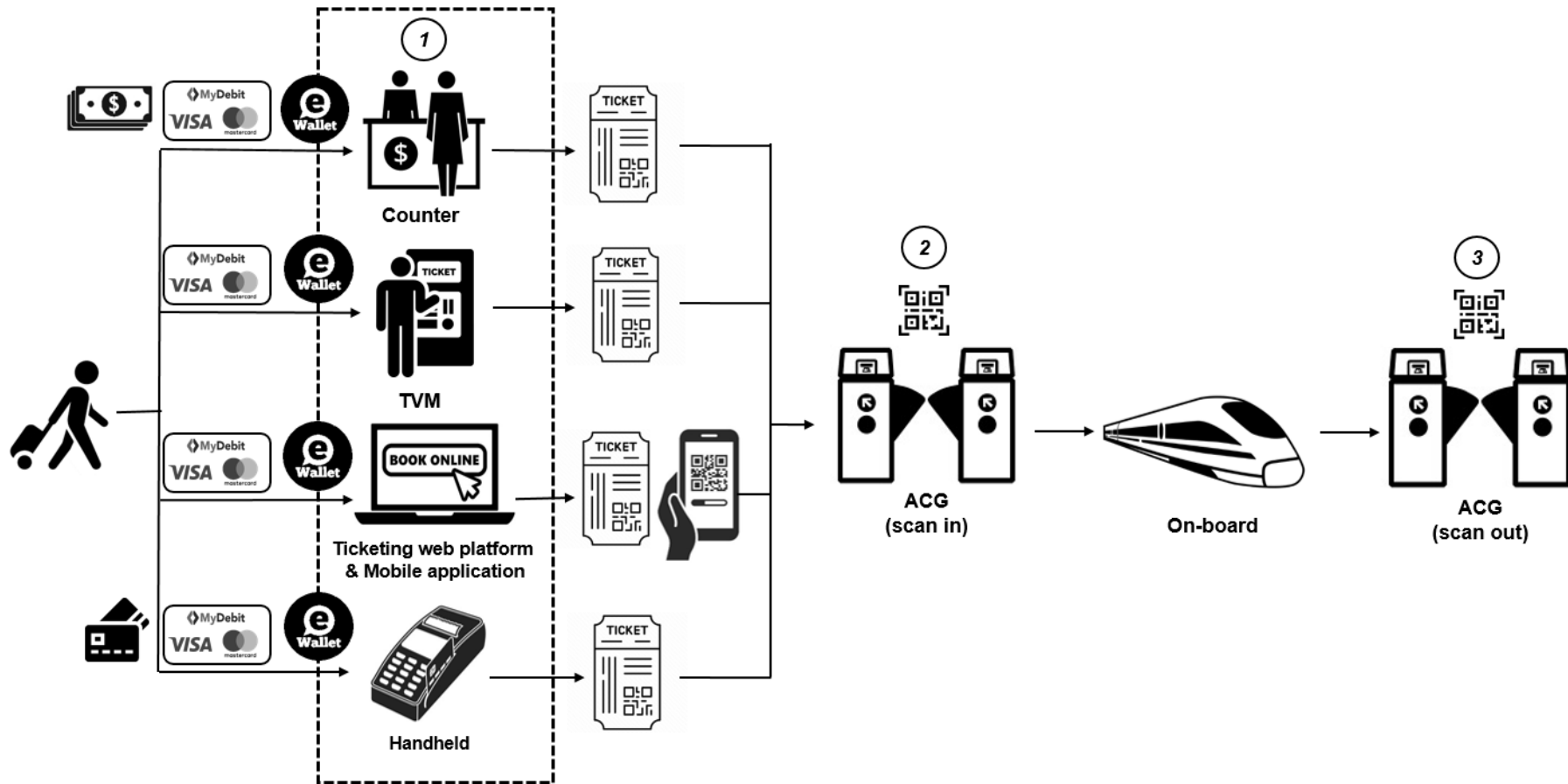
CTS (Rail) is designed to cater for railway infrastructure that enables users to purchase tickets seamlessly while providing rail operators efficient tools to manage the ticketing process.

The key features of CTS (Rail) include:-

| | | |
|--|--|--|
| <p style="text-align: center;">CTS (Rail)</p>  | <p>Cashless ticket purchasing</p>  | <p>CTS (Rail) allows passengers to purchase tickets (including regular tickets, seasonal passes and promotional tickets) via ticketing web platforms, mobile applications or through self-service TVM and ticketing counters, with payment made through various digital means.</p> |
| | <p>Real-time information management</p>  | <p>CTS (Rail) provides commuters with real-time information about train schedules, seat availability as well as delays, amongst others, which is accessible from various devices and platforms, increasing convenience for passengers.</p> |
| | <p>Customer profile management</p>  | <p>With a user account, commuters can manage their bookings, refunds request, cancellations and personal information. Commuters who meet the eligibility criteria can also register for concession tickets on the ticketing web platforms or mobile applications. They can also track their travel history and receive personalised suggestions or special offers.</p> |
| | <p>Data analysis and reporting</p>  | <p>CTS (Rail) provides comprehensive data management tools, allowing the railway authorities to track all transactions, ridership statistics, revenue, and etc, enabling efficient reporting and strategic planning.</p> |
| | <p>Security and fraud detection</p>  | <p>CTS (Rail) employs security protocols and encryption to safeguard both transactions and personal data. Additionally, it may utilise machine learning algorithms to identify and prevent fraudulent transactions.</p> |
| | <p>Integration with other systems</p>  | <p>CTS (Rail) can be integrated with other systems such as rail operation management, human resource system, crew planning system, customer relationship management (CRM) and financial systems. This integration provides a comprehensive and holistic approach to railway management.</p> |

6. BUSINESS OVERVIEW (cont'd)

The diagram below illustrates a general operational flow of CTS (Rail):-



6. BUSINESS OVERVIEW (cont'd)






- (1) Passengers can purchase tickets from the following channels:-
 - (a) ticketing counters;
 - (b) TVMs;
 - (c) ticketing web platforms or mobile applications; and
 - (d) handheld devices.
- (2) Passengers with tickets can proceed to the departure platform by scanning the QR Code on their tickets at the ACG. If the QR Code is valid, the gate will open and allow passengers to pass through the ACG. If the QR Code fails to be validated by the ACG, the gate will remain closed and passengers will be guided by the ground crew for the next step.
- (3) Passengers are required to scan their tickets prior to exiting the arrival platform.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. BUSINESS OVERVIEW (cont'd)

2. BOS

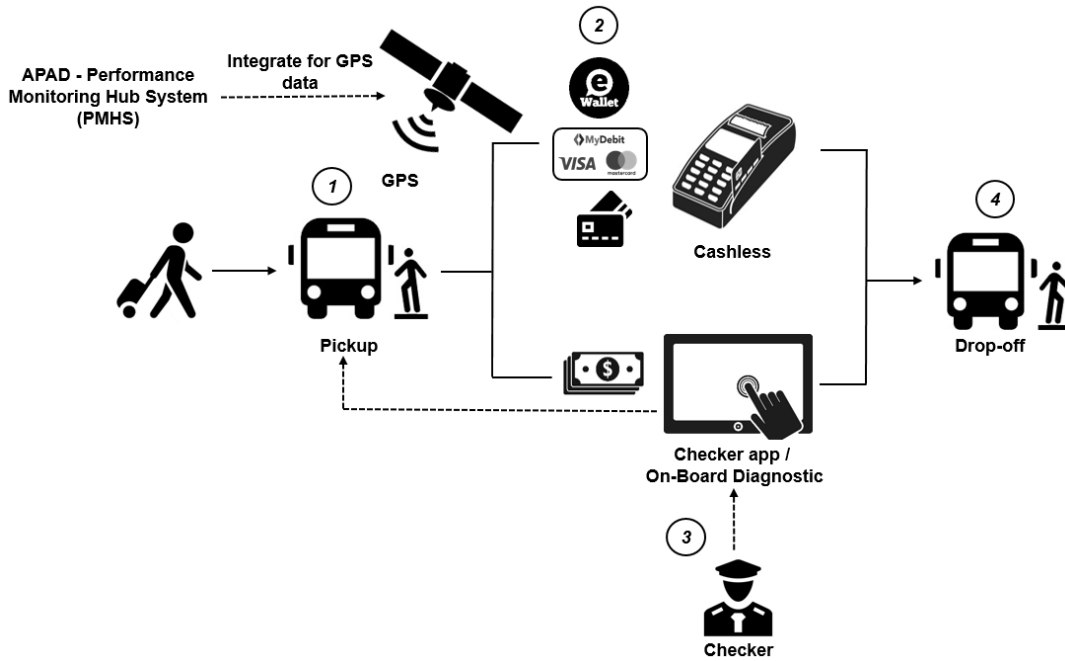
BOS is our GPS monitoring enabled ticketing solution designed for stage bus operations. The key features of BOS include:-

| | | |
|--|--|---|
|  | <p>Real time bus tracking</p>  | <p>Integration of GPS technology to provide real-time bus tracking to provide passengers the access to accurate information with regard to bus locations, estimated arrival time, and route deviations through dedicated ticketing web platforms and mobile applications. This empowers passengers to plan their journeys better, minimising waiting time and reduce uncertainties.</p> |
| | <p>Cashless payment</p>  | <p>BOS allows passengers to make fare payments through various cashless methods, such as contactless cards, e-wallets or stored value cards. This eliminates the need for physical cash transactions, resulting in a faster, more secure, and less prone to errors or pilferage.</p> |
| | <p>Data analysis and reporting</p>  | <p>BOS generates valuable data related to passenger flow, bus optimisation and travel patterns. It enables APAD to leverage the available data to enhance fleet management, optimise routes, update schedules and ultimately elevate the overall service efficiency. This data-driven approach ensures that resources are allocated where they are most needed, resulting in cost savings and enhanced customer satisfaction.</p> |
| | <p>Fare integration</p>  | <p>BOS may also be seamlessly integrated with other modes of public transportation, such as trains, to provide passengers with an interconnected travel experience.</p> |

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. BUSINESS OVERVIEW (cont'd)

The diagram below illustrates the application of BOS in a general commuting process:-



- (1) The bus picks up passengers during its route.
- (2) When passengers board the bus, passengers have the option to make payment using either cash or cashless payment method. For cashless payment, passengers can use either their e-wallet, debit/credit card or stored-value card. For passengers using debit/credit card or stored-value card, passengers are required to tap in when boarding the bus and tap out during disembarkation. The fare will be calculated based on either distance, zone or flat rates. Meanwhile, for cash payments, the bus driver will select the desired destination and issue a ticket. A ticket will be printed after the payment is made.
- (3) Bus operators despatch ticket checkers at random to conduct audit ticket sales audit using a handheld ticket validator.
- (4) When passengers arrive at their destination, the bus driver will make a drop-off.

As at the LPD, we serve 32 stage bus operators, where our BOS are adopted by 527 stage buses.

We have also developed GoGPS, a cloud-based remote monitoring solution designed specifically for commercial vehicles such as buses, to optimise operational efficiency and ensure safety. GoGPS is equipped with GPS devices that are connected to the internet, enabling the collection of vehicle data, analysing their performance, real-time location tracking, and identifying any potential issues that may require attention. The collected data is subsequently transmitted back to the server via the device. GoGPS offers a range of features, including web and mobile applications accessibility, internet connectivity, administrative tools, automated billing and payment capabilities and custom-built APIs.

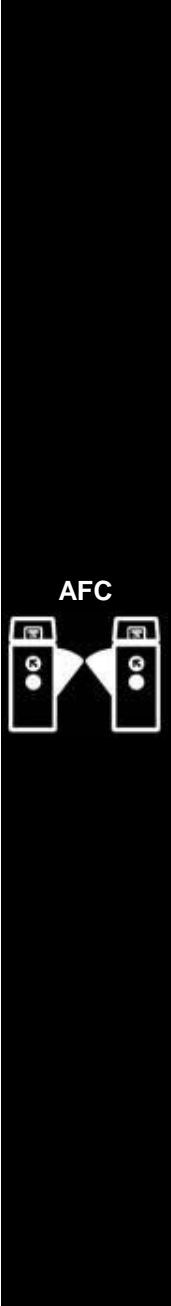


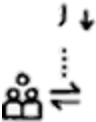



Our Group offers GoGPS as a built-in option under the BOS. It should also be noted that GoGPS can also be a standalone solution to be adopted by our customers who intend to remotely track and monitor the location of their commercial vehicles.

6. BUSINESS OVERVIEW (cont'd)

3. AFC

AFC system is a fare collection system that supports both cash and cashless payment method. AFC accepts various forms of payment, including but not limited to credit/debit cards (via transit mode), stored value cards, QR-based e-wallets, mobile payment applications (via NFC or QR code) as well as wearable devices.

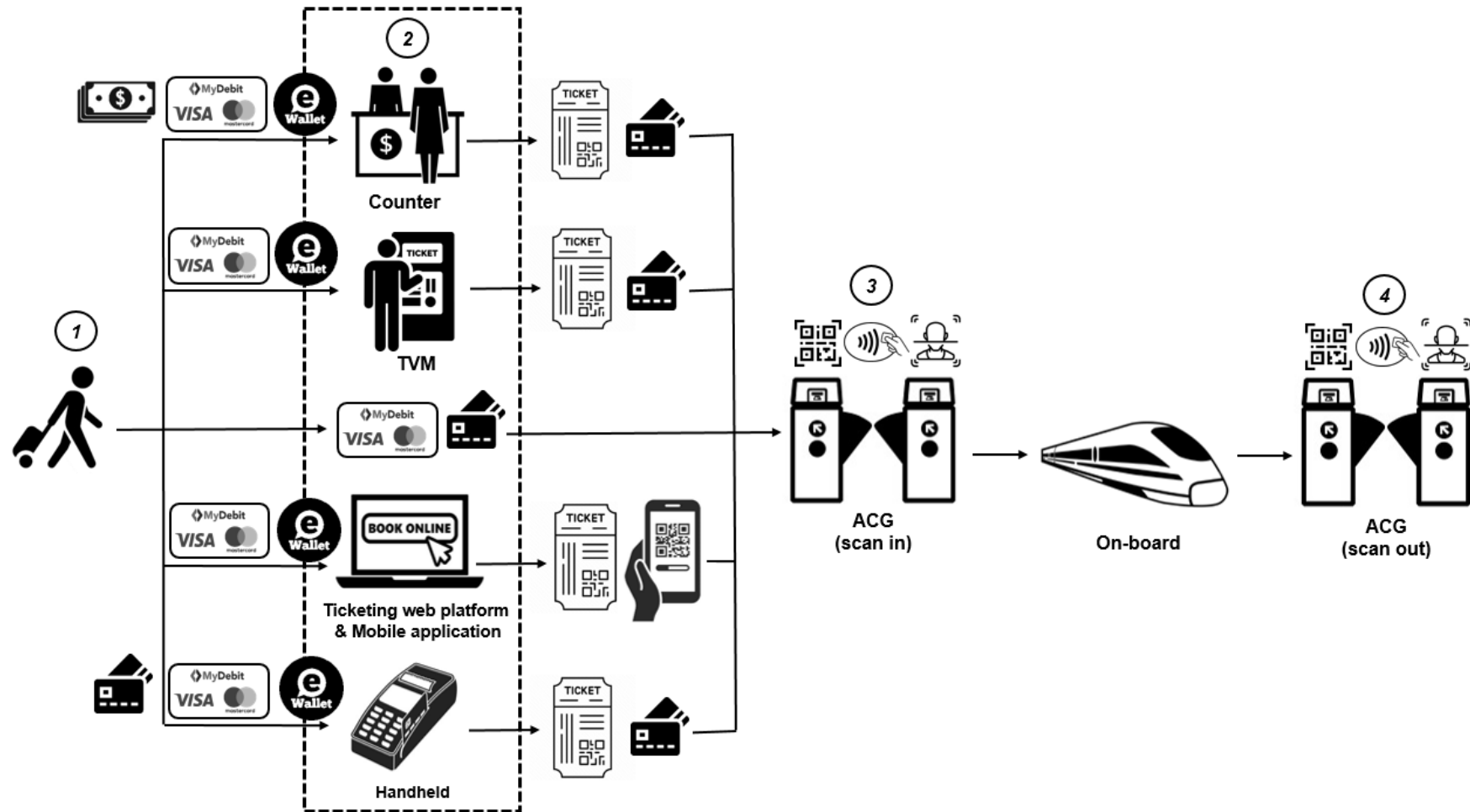
The key features of the AFC system include:-

| | | |
|--|---|--|
|  |  | <p>Cashless payment</p> <p>Passengers are able to pay fares using electronic payment methods with a simple tap or wave at the ACG or TVM by reducing boarding time while enhancing the overall efficiency. The elimination of cash transactions also minimise the risk of theft and pilferage, enhancing overall financial security.</p> |
| |  | <p>Multi-modal integration</p> <p>AFC offers a seamless and interconnected travel experience by integrating diverse public transportation such as trains. Passengers can conveniently use a unified payment method across different transportation systems, ensuring a seamless journey.</p> |
| |  | <p>Real-time fare collection</p> <p>AFC calculates fares in real-time, taking into account factors which include the distance travelled, the number of transfers made and any applicable discounts or promotions. This approach enables accurate fare charges for passengers' journeys, promoting fairness and transparency in the ticketing process.</p> |
| |  | <p>Fare capping</p> <p>AFC promotes frequent use of public transportation by incorporating fare-capping mechanisms. Under this feature, once a specific fare limit is reached within a given period (e.g. a day or a week), the system offers additional trips taken during that period at a discounted rate.</p> |
| |  | <p>Data analysis and reporting</p> <p>An essential aspect of an advanced AFC is the comprehensive data analytics it provides. Transportation authorities such as APAD can access valuable insights into passenger trends, peak travel times, popular routes and overall ridership. This data-driven approach assists in optimising operations, allocating resource efficiently and planning services effectively.</p> |
| |  | <p>Enhanced security and fraud prevention</p> <p>AFC incorporates robust security measures to protect against fraudulent activities, ensuring that only valid transactions are processed.</p> |

As at the LPD, the AFC has been only implemented within the rail sector in Peninsular Malaysia through our contract with KTMB, catering to the KDVT route. AFC is an adaptable solution, poised for seamless extension not only to additional routes within the KTMB rail network but also across other transportation segments, including bus and ferry segments.

6. BUSINESS OVERVIEW (cont'd)

The diagram below illustrates a general operational flow of utilising the AFC:-



6. BUSINESS OVERVIEW (cont'd)

- (1) Passengers who have purchased tickets through ticketing web platforms or mobile applications or via TVM, stored value card, debit/credit card and handheld devices can head straight to the ACG.
- (2) Passengers can purchase ticket as well as top-up their stored value card at the ticketing counters. When purchasing tickets at the counter, passengers can opt to pay with cash, e-wallet or debit/credit card.
- (3) Passengers can enter the departure platform either by scanning their physical/digital QR Code or tap their stored-value/debit/credit card at the ACG. In the event the QR Code and other payment methods fail to be validated by the AGC, the gate will remain closed and passengers will be guided by the ground crew for the next step.
- (4) Passengers are required to either scan the physical/digital QR Code or tap their stored-value/debit/credit card at the ACG before exiting the arrival platform.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. BUSINESS OVERVIEW (cont'd)

Passengers at the terminal have the option to purchase their tickets via multiple sales channels that accepts both cash and cashless payment methods. The table below summarises the types of sales channels, ticket mediums and payment methods supported by AFC:-

| Sales channel | Payment mode | | | | | | Cash* |
|---|--------------|-----|-----------------------------|-------------------------------|-------------------|----------|----------|
| | QR ticket | NFC | Debit/ credit (retail mode) | Debit/ credit (transmit mode) | Stored value card | E-wallet | |
| Ticketing counters | | | • | | • | • | Optional |
| Self-service TVMs | | | • | | • | • | Optional |
| ACG | • | • | | • | • | • | |
| Handheld devices | • | • | • | • | • | • | Optional |
| Ticketing web platforms and mobile applications | | • | • | | | • | |

Note:-

* The cash payment method is an optional feature offered with the aim to provide flexibility to our customers who intend to offer cash options to its passengers at the terminal. This feature enables the passengers to make cash payments at the ticketing counters, handheld devices and TVMs (which has cash-note acceptor and dispense devices installed and integrated with the TVMs).

4. Maintenance and support services as well as terminal management services

As part of our contracts with our customers, our scope of work also includes maintenance and support services as well as terminal management services. The maintenance of the systems will be conducted according to a pre-scheduled timeline, which encompasses tasks such as general maintenance or updates of software and hardware, routine components/part replacement and general tests.

We also station our technicians at designated terminals and stations to provide on-site support and facilitate prompt maintenance and response time given that our customers are mainly involved in the public transportation sector where any downtime or disruption are expected to be minimal. As at the LPD, our technicians are stationed at the following states:-

| States | No. of technicians |
|----------------------------------|--------------------|
| Cyberjaya (Headquarters) | 2 |
| Perlis | 1 |
| Kedah | 3 |
| Penang | 2 |
| Perak | 4 |
| Selangor | 1 |
| Wilayah Persekutuan Kuala Lumpur | 10 |
| Negeri Sembilan | 3 |
| Johor | 6 |
| Pahang | 1 |
| Kelantan | 2 |
| Terengganu | 1 |
| Total | 36 |

Additionally, we also provide technical support services to our customers via e-mail and live chat features which allow customers to contact us should they have technical issues. Our technicians will troubleshoot and resolve the issues immediately. Maintenance and support services are available on contract basis which generally spanning from 1 to 5 years (with the option to extend), depending on the requirements of our customers' operational needs.

6. BUSINESS OVERVIEW (cont'd)

We provide training to our customers' employees who are responsible for operating, managing and maintaining the implemented solutions. These training services are designed to ensure that our customers' employees possess the necessary skills and knowledge to effectively utilise the system, thereby ensuring seamless operation of the bus and rail transportation systems.

Furthermore, upon the request from our customers, we also undertake the function of a system operator to manage and operate our solutions (i.e. TMS and/or CTS) at the bus terminals on behalf of our customers as well as perform terminal management services at the bus terminals, which includes, amongst others, managing terminal ticketing counters, scheduling and coordinating terminal routes, conducting maintenance and repair as well as ensuring the operational safety and security. For avoidance of doubt, our terminal management services do not encompass the management of the retail spaces within the Existing Specified Bus Terminals. The floor space managed by our Group at the Existing Specified Bus Terminals are solely confined to the ticketing counters and TVM area, waiting area, departure and arrival areas.

As at the LPD, we have been tasked to operate TOS and provide terminal management services for the Existing Specified Bus Terminals.

6.2.2 Other IT solutions

Our Group have also developed and customised software systems for various other end-user applications which are described as follows:-

| Software systems | Description |
|------------------|---|
| GoPartner | <p>An integrated cloud-based inventory and reservation management system which comprises the following:-</p> <ul style="list-style-type: none"> (i) Global Distribution System (“GDS”) - a computerised reservation network that acts as a conduit between consumers and service providers (i.e. merchants) across various segments where live rates and availability are sent from a merchant’s CRS (as defined below) directly to the GDS and online booking websites via API or channel manager; and (ii) Central Reservation System (“CRS”) - a computerised system that facilitates the management and real-time distribution of our partners’ (i.e. merchants’) inventories, availabilities, pricing/rates and reservations from a centralised platform. It connects inventory management, diverse distribution channels and communications within a single platform. <p>GoPartner is a business-to-business (B2B) system that enables our customers to integrate their inventory via GDS and CRS with OTA. Currently, our customers include bus, campsite, homestay and sports centre operators.</p> |
| GoHub.com.my | <p>An online marketplace developed by us to cater for:-</p> <ul style="list-style-type: none"> (i) ticketing needs. GoHub.com.my currently serves as ticketing web platform for express buses. As at the LPD, the online marketplace offers bus ticket sales from 117 bus operators; and (ii) booking and reservations for campsite, homestay and sports centre reservations. As at the LPD, the online marketplace has approximately 50 registered campsite operators and 4 sports centres. <p>The online marketplace is a business-to-consumer (B2C) system that serves as a bridge to facilitate the users (who are the general public) to purchase bus tickets and/or make reservations for campsites, homestay and sports centre from enterprises (comprising of bus, campsite, homestay and sports centre operators).</p> |

6. BUSINESS OVERVIEW (cont'd)

6.3 Competitive strengths

6.3.1 We have a diverse range of services and solutions catering to the public transportation sector

We specialise in providing diverse enterprise IT services to address the challenges faced by the public transportation sector in terms of terminal operating systems, ticketing systems, fare collection systems and fleet monitoring systems. Our approach involves developing and customising solutions aimed to simplify, enhance and improve the overall efficiency of our customers' operations.

As our Group offers a wide range of customisable public land transportation and software systems, our customers are able to enhance the convenience and cost-efficiency of their terminal operations by engaging us to provide end-to-end services. Some key features of our solutions include the following:-

| Features | Description |
|--------------------------------------|--|
| Ticketing interface | An intuitive user interface where users can select their desired destinations, travel dates and seat preferences. This interface is accessible via various channels, such as the ticketing counters, self-service TVMs, ticketing web platforms and mobile applications. |
| API integration | Allows integration with external systems such as, amongst others, bus operators' ticketing system, accounting system and Passenger Information Display system. |
| Real-time information management | Provides users with real time information of, amongst others, travel schedules and seat availability that are accessible via various modes. |
| Passenger Information Display system | A display system that provides passengers with timely information with regard to, amongst others, schedules, bay allocations and delays. |
| Data analysis and reporting | The ability to collect and analyse data on various aspects of terminal operations, such as bus services, passenger traffic and bay utilisation. This data-driven approach assists in optimising operation, decision making and planning. |
| Payment gateway | Our solutions allow passengers to pay for their fares through various payment methods, which include, amongst others, debit/credit cards, e-wallets and stored value cards. |

Our diverse range of solutions also provide potential for cross-selling and further integration of other systems for additional functions, as and when required by our customers. Our distinguishing feature includes our ability to integrate with customers' management system which ensures a seamless workflow while reducing operational barriers.

Our commitment extends beyond deployment and includes maintenance and support services as well as providing terminal management services upon request. The adoption of our solutions in our customers' operations, attributed by our user-friendly interfaces, intuitive design, streamlined processes and ongoing support, contributes to the stickiness of our solutions over time.

6. BUSINESS OVERVIEW (cont'd)

6.3.2 We serve a large customer base with a strong market presence in the public transportation sector and a growing recurring revenue in the financial years under review

We primarily provide our IT solutions to the bus and rail segments of the public transportation sector, and our key customers are:-

- (i) bus terminal operators: As at the LPD, we provide our TOS (comprising TMS and CTS) to 7 bus terminals in Malaysia and 1 bus terminal in the Philippines;
- (ii) stage bus operators: Our BOS caters to 527 stage buses in Peninsular Malaysia as at the LPD; and
- (iii) rail operator: Our solutions extends to the rail segment, where we service KTMB, a rail operator with more than 100 rail stations across Peninsular Malaysia, covering the ETS and Intercity, Komuter Utara and KVDT.

In addition to the above, we had also begun to venture into the sea transportation segment, reflecting the adaptability of our transportation IT solutions and highlighting our strategic growth approach. We are currently working with the Sabah Port Authority to implement transportation IT solutions at 8 identified ferry terminals in stages (anticipated to be completed by March 2025) subject to our negotiations and agreements with the respective ferry terminal owners and based on the implementation stages set out in **Section 3.6.1(ii)(a)** of this Prospectus. The aforementioned venture aligns with the state's digitalisation initiative to improve the efficiency, security and safety of operations of the ferry terminals. It will be our first ferry terminal venture and is poised to serve as a showcase project to expand our market presence in the ferry segment and East Malaysia.

Besides public transportation sector, we are also capable of developing customised software solutions for the tourism and hospitality sector (such as those involved in the provision of accommodation). As at the LPD, we provide other IT solutions (via GoPartner and GoHub.com.my) to 57 customers, who are service providers (comprising, amongst others, campsite and homestay operators) in the tourism and hospitality sectors in Malaysia. We also undertake customised IT solutions on ad hoc basis, catering to any enterprises in need of inventory and reservation management services.

Our solutions are procured through Outright Purchase, or with the option of Zero Capex which we believe fosters both stickiness and traction of our solutions within our customers' operations. Further, the Zero Capex engagement adopted by a selected subset of our customers, not only extends the contractual length of our services with these customers but also establishes a reliable recurring revenue stream throughout the duration of the contracts. Our recurring revenue contributed 30.26%, 35.15% and 65.46% of our total revenue for the FYE 2020, FYE 2021 and FYE 2022 respectively.

6.3.3 We have a proven track record in the public land transportation sector

We have established ourselves as a reliable transportation IT solutions provider in the bus and rail segments in Malaysia and we believe that our services and solutions are fairly entrenched. As at the LPD, our solutions are utilised at the bus terminals and rail stations set out in **Section 6.2.1** of this Prospectus. We intend to leverage on our track record to further expand our geographical footprint into locations where we have no presence or limited presence.

6. BUSINESS OVERVIEW (cont'd)

Given that most of our major customers (such as KTMB and bus terminal operators) are involve in the provision of mobility and transportation services to the general public, the Ministry of Transport and other government agencies have high expectations towards these major customers in ensuring the delivery of quality mobility services (in particular, schedule adherence and reliability in service with minimal disruptions/breakdowns, emergency preparedness and response time). Such high expectations in service levels are, in turn, imposed on our Group, where we are contractually required to provide prompt technical support within an expedited and swift response time (which is typically not more than 45 minutes) to address and rectify any potential technical issues or disruptions arising from the IT solutions.

Our proven track record and support capabilities over the years have enabled us to retain long standing relationships with our customers and secure new customers and projects within the public transportation sector as the transportation infrastructure in the country develops.

6.3.4 We have an experienced and knowledgeable key senior management team

The experience and knowledge of our key senior management team have been the key to the success of our Group over the years. Since securing the award to implement TOS for TBS in 2011, our Promoter, Tan Cherng Thong, who joined us as CEO in 2014, has been instrumental in leading us to secure contracts for the provision of TOS at various bus terminals across Malaysia. Our CEO together with the management team was also instrumental in securing KTMB as our major customer in 2019. Tan Cherng Thong is supported by our other Promoters and key senior management, namely:-

- (i) Lee Li Yee, our Executive Director / Finance Director, who has more than 20 years of working experience in the field of finance;
- (ii) Hong Boon Huon, our CTO, who has more than 20 years of working experience in the field of IT;
- (iii) Eng Chee Seng, our Chief Business Development Officer, who has approximately 20 years of working experience in the field of business development and project management;
- (iv) Mohd Aidy Hisyam Bin Abdullah, our Head of Operation (Terminal), who has approximately 15 years of working experience in the operations of bus terminals and maintenance of IT infrastructure systems;
- (v) Noor Rashid Bin Omar, our Head of Operation (BOS), who has approximately 17 years of working experience in IT project management for bus operations;
- (vi) Sing Chee Yeong, our Senior Manager of the IT Development Department, who has more than 20 years of working experience in the field of IT enterprise solutions, specialising in web application and database structure; and
- (vii) Chew Boon Keat, our Head of Finance, who has approximately 8 years of experience in the field of auditing.

Our Promoters and key senior management team are in turn supported by a sizeable team of experienced and dedicated project consultants, software engineers and technicians of more than 140 personnel with extensive experience across a range of business activities. The combined experience and knowledge of our talent pool is expected to contribute to the growth of our business in the future.

6. BUSINESS OVERVIEW (cont'd)

6.4 Impact of COVID-19 on our Group

Impact of COVID-19 on our operations

The COVID-19 was declared a pandemic by the World Health Organisation on 11 March 2020. As a result of the COVID-19 pandemic, the Government had announced various stages of lockdown measures across different states or localities in the country at different point in time since 18 March 2020 to 1 April 2021. The stages of lockdown imposed include MCO, conditional MCO, recovery MCO, enhanced MCO (“**EMCO**”), full lockdown MCO (“**FMCO**”) as well as the National Recovery Plan (“**NRP**”).

During the MCO which began on 18 March 2020, the Government imposed movement restriction order, where the general public is restricted from travelling. We are categorised under the essential service and were allowed to operate during that period albeit lower capacity of 50% workforce. The restrictions imposed during the MCO have resulted in lower ridership and demand for both bus and rail services. In addition, the movement restriction had slowed development activities, as well as experiencing lower operating capacity for terminals as a result of rotating of staff for social distancing. During the different stages of lockdown imposed, our employees were able to work remotely and we subsequently resume operations in May 2020 after obtaining the necessary permission and letters from MITI and resume operation with full workforce in October 2021.

Measures to commence and continue our business operations

As part of the requirements to resume operations, we adopted new standard operating procedures as set out by the MITI. The following sets out the standard operating procedures adopted by our Group:-

- (i) operating at workforce capacity of 50% and adopt remote working arrangements for personnel that are not involved in operating activities;
- (ii) measuring and recording temperature of our employees and visitors daily;
- (iii) ensuring all employees and visitors wear face masks at all times, regularly sanitise their hands and practice social distancing; and
- (iv) regular sanitising of our offices and the Existing Specified Bus Terminals.

Impact of COVID-19 on our financial position and financial performance

The imposed lockdown measures (included movement restriction orders to mitigate the spread of the COVID-19 virus) had effectively limited public travels. This had led to a sharp decline in ridership and demand for both bus and rail services. This is evidenced by the ridership data for rail services (in respect of the ETS, Intercity and Shuttle Tebrau Routes) as set out below:-

| | Pre-COVID-19 pandemic period | | | COVID-19 pandemic period | | |
|-----------------------|------------------------------|----------|----------|--------------------------|----------|----------|
| | FYE 2017 | FYE 2018 | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| Rail ridership ('000) | 11,289 | 12,799 | 14,028 | #4,948 | 2,056 | 10,271 |

(Source: KTMB)

Note:-

For information purposes, our Group had only commenced our CTS maintenance services in August 2020 and the fees derived from the revenue sharing model was based on total ticket sales of 0.50 million from 17 August 2020 up to 31 December 2020.

6. BUSINESS OVERVIEW (cont'd)

The ridership for bus services at Terminal Melaka Sentral had also declined substantially during the COVID-19 pandemic period, evidenced by its terminal passengers' ridership data* as set out below:-

| | Pre-COVID-19 pandemic period | COVID-19 pandemic period | | |
|----------------------------|------------------------------|--------------------------|----------|----------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| Terminal passengers ('000) | *1,154 | *427 | 153 | 647 |

Note:-

* Only terminal passengers' ridership data in respect of Terminal Melaka Sentral was disclosed in the above table as the terminal has such data prior to the COVID-19 pandemic and during the COVID-19 pandemic given that the terminal had commenced its operations in the FYE 2019. It is pertinent to note that both Terminal Klang Sentral and Kompleks Hentian Bas MBKT had only commenced operations in the FYE 2021.

The declined ridership and demand had a direct impact to our Group. In particular, our CTS maintenance solutions (in respect of the ETS, Intercity and Shuttle Tebrau Routes - which are tied to ridership), and our terminal management services where we function as system operators (which are dependent on bus terminal utilisation), our Group experienced a notably sharp decline in revenue stream arising from the lockdown measures. Our revenue from our terminal management services at the Existing Specified Bus Terminals recorded a similar trend over the same financial years under review. We also experienced delays in the installation of our solutions, in particular, our TOS solution at an integrated terminal located in Gombak.

In addition, during the pandemic period, we had also encountered difficulties in trade receivables management of our Group. Our average trade receivables turnover period had increased from 109 days for the FYE 2020 to 145 days for the FYE 2021. This was primarily due to slow collection of trade receivables, which was a direct consequence of the demanding business operating environment during both financial years, materially impacted by the ongoing COVID-19 pandemic. Further details on the impact of COVID-19 pandemic on our financial performance and financial position are set out in **Section 4.1.4** of this Prospectus.

Impact of COVID-19 on our supply chain

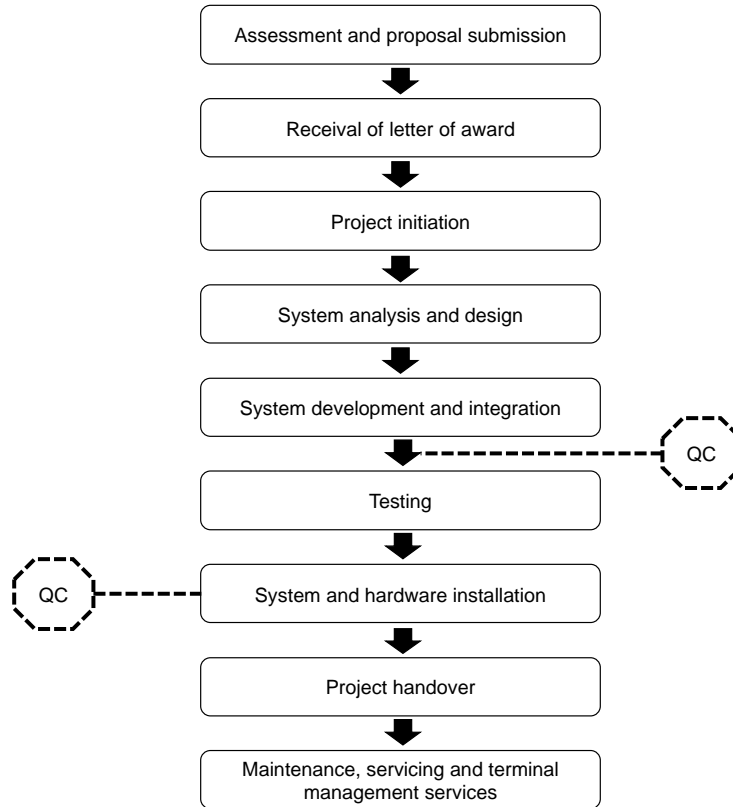
During the various stages of imposed lockdowns, we did not experience material adverse impact on our supply chain. We were able to source for hardware from our suppliers located both locally and overseas for our operations during the lockdown period by working closely to determine the timeline for the delivery of required hardware.

Transition to endemic phase

On 1 April 2021, the Government announced that Malaysia would transit from NRP into the "transition to endemic" phase where restrictions were further relaxed. This includes abolishing limits on workforce capacity, allowing interstate travel for all as well as abolishing restrictions on business operating hours. We have continued to operate in accordance with the regulations set out by the Government.

6. BUSINESS OVERVIEW (cont'd)

6.5 Operational process and facilities



(i) Assessment and proposal submission

For projects, we generally participate in tenders after receiving invitations to tender or through tender portals. A brief description on the project's requirements and specifications will be listed in the tender documents or obtained from our potential customers, which allow our business development team to evaluate the feasibility of the project.

If the project is feasible, our business development team and our project consultants will prepare a proposal specifying the services to be provided by our Group, manpower estimation, work approach, and hardware and software requirements before providing an estimated cost for the said proposal. Subsequently, the said proposal will be submitted for internal review and approval. Upon obtaining internal approval for the proposal, our business development personnel will perform physical/ online submission of all tender documents before the tender closing date.

We also acquire new projects through direct engagement and/or referrals from our existing customers. For direct engagement and/or referrals projects, we may arrange a proposal presentation meeting with the potential customers to assess their requirements before working out the deliverables, manpower and cost prior submitting to the potential customers. A follow-up will be initiated by our business development team and project consultants following the submission of the proposal.

(ii) Receipt of letter of award

Upon the successful tender or acceptance of our proposal by our customers, a letter of award which contains details such as the scope of project, project timeline, the payment schedule and other terms and conditions will be issued to us, formalising our appointment for the project.

6. BUSINESS OVERVIEW (cont'd)

In some cases, depending on the project, we may be required to provide a certain amount of performance bond in the form of bank guarantee or contract deposit which serves as a security sum to ensure our due performance throughout the contract term.

(iii) Project initiation

We will form a project management team (comprising project manager, project consultants, IT development team and business development team) to oversee the implementation of the project and organise a project kick-off meeting. The composition and size of the project management team varies depending on the project complexity, required technical skill and project scale.

Our project management team is primarily responsible for the project planning, monitoring of the progress, budget management and in constant contact with customers to clarify any unclear aspect as well as ensuring timely completion of the project.

We will also prepare a detailed project charter that outlines, amongst others, the project's objectives, scopes, deliverables, key stakeholders and the project timeline.

(iv) System analysis and design

During this stage, our project management team will gather detailed information to better understand the customer's business operations and workflow. Interviews are conducted to collect further information on the use of the proposed system and how it will be employed in the customer's organisation.

Based on all the information collected from our customer, our project management team will then identify the framework, system modules and technologies that required to be developed to fulfil the requirements of our customers. Thereafter, our project management team will develop the corresponding solution architecture and present it to the customer for confirmation prior to commencing system development and integration.

(v) System development and integration

Our project management team will develop the system according to the system design specifications. Our project management team will then assemble different constituent parts of the system, develop the control procedures and conduct internal review of the solutions (i.e. conduct programme unit testing).

The system development and integration process may take approximately 6 months to 12 months, depending on the complexity of the project.

(vi) Testing

Upon finalising the development and integration of the system, we will perform several tests that can be segregated into internal and external tests. Internal tests include sanity test and IAT, while external tests include but not limited to UAT and ORAT. Internal tests are carried out to identify and rectify issues before software is released to external users, thereby play a crucial role in ensuring the quality, reliability and overall performance of the software.

Following our internal testing, we will conduct UAT to ensure the solutions fulfil the requirements of our customer followed by ORAT to ensure operational aspects are in place for deployment and ongoing management of the software. We monitor the performance and functions of the system during the testing period to ensure it works according to our contractual requirements. During the testing period, any errors and/or bugs that are discovered will be rectified accordingly.

6. BUSINESS OVERVIEW (cont'd)

(vii) System and hardware installation

The accepted systems will be installed and integrated with our customer’s IT infrastructure. We will conduct user training to train our customers on the features and function of the enterprise IT service, particularly TOS as well as our customised software systems and their associated modules.

Upon the completion of the system installation, our procurement personnel will proceed with the procurement and installation of hardware components such as barrier gates, platforms, POS, ACG, TVMs and Passenger Information Display systems.

Once we received the hardware components from our suppliers, our technicians and/or procurement personnel will conduct inspection to ensure that the hardware components received matches the delivery orders and specifications. Any items that do not meet the order specifications will be returned to the vendors.

We will then proceed with the on-site installation of physical hardware components and SAT will be conducted, which involves testing the functionality and performance of the installed system and hardware at customer’s site to ensure that it operates in accordance with the project requirements.

(viii) Project handover

Prior to project handover, a final joint inspection will be carried out together with our customer to evaluate the overall completeness, workmanship, adherence to specifications and system functionality. Thereafter, our customer will sign off on the inspection report and project handover document, signifying the completion of the project. The IT solutions will then be launched organisation-wide and our Group will undertake the following processes:-

| Outright Purchase | Zero Capex model | |
|--|--|---|
| | With system operator requirement | Without system operator requirement |
| <p>Hand over the solutions to our customers where their operations team will operate the solutions.</p> <p>Our customers will have the option to engage our Group to provide maintenance and support services post completion of the projects.</p> | <p>Operate the solutions on behalf of our customers.</p> | <p>Hand over the solutions to our customers and thereafter, perform maintenance on the hardware and/or software as well as support services over the tenure of the contracts.</p> |

(ix) Maintenance and support services as well as terminal management services

Upon the completion of project handover, our customers are entitled to our technical support via helpdesk, in accordance with the agreed terms in the contract. They are also provided with on-site maintenance support with technicians stationed at the terminals, receiving direct support through our helpdesk. Please refer to **Section 6.2.1** of this Prospectus for further information on our stationed technicians.

Our maintenance and support services will follow a pre-scheduled timeline while unscheduled maintenance will be carried out promptly with technical support to ensure minimal downtime. The response time from our team to commence troubleshooting or provide services as per the mean-time-to-respond agreed in the service level agreement, which typically within 45 minutes during the operational hours, starting from the customer’s call or notification to the helpdesk.

6. BUSINESS OVERVIEW (cont'd)

We also offer terminal management services (where we act as system operator) upon our customers' requests (based on the terms of the service agreements), and are tasked to manage the day-to-day terminal system operations and management, including but not limited to terminal ticketing counters, scheduling and coordinating terminal routes, maintenance and repair, and ensuring operational safety and security.

6.6 Technology used

Over the course of our business, we employ a series of hardware devices and use software programs to design, develop and deploy our solutions throughout various terminals nationwide. The following tables set out the types of hardware and software used in the provision of our solutions:-

| Hardware | Description | Units |
|------------------|---|-------|
| BOS tablets | Accessing back-end BOS | 659 |
| Handheld devices | Portable electronic devices for system development and testing purposes | 492 |
| ACGs | Control gate that automatically verifies tickets by scanning the printed QR code, debit/ credit cards and stored-value cards. | 26 |
| TVMs | Vending machine that produces paper or electronic tickets | 21 |
| POS machines | Debit and credit card reader for accepting payments | 16 |
| Barrier gates | Barrier gate used to verify access automatically by scanning the RFID tags | 11 |

| Software | Description |
|-----------------------------------|--|
| Development software | |
| Adobe Lightroom and Photoshop | Application for creating, editing and managing images and graphics |
| Android Studio | Development tools for Android applications |
| Another Redis Desktop Manager | To access Remote Dictionary Server in Microsoft Azure Cloud |
| Microsoft Visual Studio | Development tools for system or website |
| SF Symbols | Development tools for iOS applications |
| SQL management studio | Development tools for Structured Query Language servers |
| XCode | Development tool for iOS applications |
| Operational software | |
| AnyDesk | Remote control for server deployment |
| Figma | Web application for interface design |
| Microsoft Project | Project management software |
| Postman | Testing and debugging for API |
| Team foundation server and GitHub | Source code control |

6. BUSINESS OVERVIEW (cont'd)**6.7 Our business segments and markets****6.7.1 Revenue by business segments**

Our revenue by business segments is as follows:-

| | FYE 2020 | | FYE 2021 | | FYE 2022 | |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | (RM'000) | (%) | (RM'000) | (%) | (RM'000) | (%) |
| Transportation IT solutions | | | | | | |
| - Rail | 11,920 | 62.82 | 1,601 | 7.88 | 15,477 | 58.30 |
| - Bus | 6,978 | 36.78 | 17,817 | 87.71 | 10,171 | 38.31 |
| | 18,898 | 99.60 | 19,418 | 95.59 | 25,648 | 96.61 |
| Others | 75 | 0.40 | 896 | 4.41 | 901 | 3.39 |
| Total revenue | 18,973 | 100.00 | 20,314 | 100.00 | 26,549 | 100.00 |

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

6.7.2 Revenue by geographical location

Our revenue by geographical location is as follows:-

| | FYE 2020 | | FYE 2021 | | FYE 2022 | |
|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | (RM'000) | (%) | (RM'000) | (%) | (RM'000) | (%) |
| Malaysia | 18,953 | 99.89 | 19,979 | 98.35 | 26,519 | 99.89 |
| Overseas | 20 | 0.11 | 335 | 1.65 | 30 | 0.11 |
| Total revenue | 18,973 | 100.00 | 20,314 | 100.00 | 26,549 | 100.00 |

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

Our Group's overseas revenue solely relates to the TOS for Parañaque Integrated Terminal Exchange, located in Manila, the Philippines (which caters for the bus segment).

6.8 Sales and marketing strategies

Our sales and marketing strategies aim to address the growing needs of transportation services provider to optimise and streamline their operations. We focus our sales and marketing efforts on public transportation authorities and operators in Malaysia, given the increasing national demand for digitised, real-time and integrated transport management systems. Our sales and marketing strategies are as follows:-

(i) Strategic partnerships

We seek opportunities to partner with established entities in the public transportation sectors to provide an avenue for expansion and reach wider target audience. These partners range from bus and rail operators to public transportation authorities. This allows both parties to share expertise and resources as well as knowledge and deeper insights into the public transportation sector to provide tailored solutions that are aimed at improving public transportation services.

6. BUSINESS OVERVIEW (cont'd)

(ii) Customers' referral

We work closely with bus, rail and terminal operators to optimise their operations through tailored solutions. Our previous and existing customers (who have first-hand experience) typically refer our Group and solutions to potential customers due to the optimisation of operational matters as a result from the performance of our system. We also take an active approach in approaching customers directly to work with them to refer our solutions to other transportation services provider.

(iii) Direct approach

We also approach potential customers directly via cold calls, offering demonstrations of our solutions to highlight our Group's experience and technical capabilities in developing and customising solutions that are tailored to their unique challenges.

(iv) Participation in tenders

We also participate in open and invitation to tenders from the private and public sector to offer our solutions to the public transportation sector. We believe that our participation in tenders allows us to showcase our abilities and innovative solutions to address unique challenges and demand from the industry. For information purposes, we have tendered for 4 projects as at the LPD, totalling an aggregate value of RM33.96 million, for which the outcome is still pending. We have also been invited to perform various preliminary studies and proof of concept for other projects for which the project value cannot be ascertain at this juncture.

6.9 QC procedures and management

Our Group places emphasis on the quality of our solutions, with our operation adhering to stringent quality management standards.

| Subsidiary | Standard | Scope | Issuing party | Validity period |
|------------|---------------|--|---------------------------------|-------------------------------------|
| NSS | ISO 9001:2015 | Provision of terminal system to public transport industry in Terminal Melaka Sentral | SIRIM QAS International Sdn Bhd | 27 December 2021 – 26 December 2024 |

Having complied with the abovementioned standard, we have also undertaken QC procedures throughout various project stages. Upon receipt of the hardware components from our suppliers, our technician and/or procurement personnel will conduct visual inspection on the hardware components to ensure that they are in good condition and meet the specifications and quantity ordered.

In relation to our enterprise IT services projects, once a project has commenced, our project management team (led by a project manager) will monitor the progress of the project in all respects to ensure that it satisfies our customers' requirements and can be delivered to our customers within the agreed timeframe.

Our Group also engages third party professionals to conduct penetration testing and other relevant cybersecurity related testing to ensure the integrity and safeguard the sanctity of our solutions.

Our project consultants currently assume the QC function whereby they are responsible for the QC of the projects and conduct in-process inspections including factory acceptance test, UAT, IAT, SAT and ORAT. Our project management team will have regular meetings with the project manager to monitor the progress of the project and whenever issues arise, our project management team will report such issues immediately to the project consultants. Corrective actions will be taken to eliminate the cause of non-conformities in order to prevent recurrence of the identified issues. As at the LPD, we have designated 2 project consultants to undertake QC functions of our Group.

6. BUSINESS OVERVIEW (cont'd)

6.10 Seasonality

We do not experience any material seasonality or cyclical effects in our business.

6.11 Employees

As at the LPD, we have a workforce of 175 employees, of which 174 are local and 1 foreign employee. Further, out of the 175 employees, 136 are permanent employees (including the only foreign employee) and 39 are contractual employees. The breakdown of our employees as at 31 December 2022 and the LPD is as follows:-

| Category | As at 31 December 2022 | As at the LPD |
|---|------------------------|---------------|
| <u>Permanent employees</u> | | |
| Directors | 2 | 2 |
| Key senior management | 5 | 6 |
| Administrative/ Accounts/ Human Resources | 13 | 14 |
| System support | 31 | 38 |
| IT development | 27 | 38 |
| Project and support | 12 | 16 |
| Business development | 7* | 8* |
| Specified Bus Terminal staff | 16 | 14 |
| <u>Contractual employees</u> | | |
| Specified Bus Terminal staff | 26 | 39 |
| Total | 139 | 175 |

Note:-

* Includes 1 foreign employee, who holds a valid working permit as at the LPD. His employment is not an expatriate remuneration package (where housing allowances or accommodations are typically provided for).

| Category | As at 31 December 2022 | As at the LPD |
|--------------|------------------------|---------------|
| Local | 138 | 174 |
| Foreign | 1 | 1 |
| Total | 139 | 175 |

None of our employees, whether permanent or contractual, belong to any unions and for the financial years under review, there have been no material disputes between our management and our employees.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. BUSINESS OVERVIEW (cont'd)
6.12 Major customers

We primarily serve customers operating in the bus and rail segments, with our top 5 major customers contributing 81.44%, 78.61% and 73.77% to our total revenue during the financial years under review.

The table below list the top 5 major customers of our Group for the financial years under review:-

| Customers | Customer's principal activities | Type of services provided by the Group | Business engagement | Length of business relationship up to the LPD (years) | FYE 2022 | | FYE 2021 | | FYE 2020 | |
|--|--|--|--|---|----------|-------|----------|------|----------|-------|
| | | | | | (RM'000) | (%) | (RM'000) | (%) | (RM'000) | (%) |
| KTMB® | Railway transportation and related services | CTS for Komuter Utara, ETS and Intercity | Outright Purchase (hardware) and Zero Capex (software) | 4 | 15,477 | 58.30 | 1,605 | 7.90 | 11,920 | 62.83 |
| | | AFC | Outright Purchase (hardware and software) | | | | | | | |
| Syarikat Pengangkutan Maju Berhad Group of Companies | Bus transportation and related services | - | - | - | 1,786 | 6.73 | 1,339 | 6.59 | 1,295 | 6.82 |
| • <i>Penawar Express Line Berhad*</i> | <i>Business of general carries</i> | <i>CTS for Terminal Larkin Sentral</i> | <i>Outright Purchase (hardware and software)</i> | 5 | 1,590 | 5.99 | 1,157 | 5.69 | 1,156 | 6.09 |
| • <i>Syarikat Pengangkutan Maju Berhad</i> | <i>Bus transportation and related services</i> | <i>BOS</i> | <i>Zero Capex (hardware and software)</i> | 9 | 196 | 0.74 | 182 | 0.90 | 139 | 0.73 |

6. BUSINESS OVERVIEW (cont'd)

| Customers | Customer's principal activities | Type of services provided by the Group | Business engagement | Length of business relationship up to the LPD (years) | FYE 2022 | | FYE 2021 | | FYE 2020 | |
|--|--|---|---|---|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | | | (RM'000) | (%) | (RM'000) | (%) | (RM'000) | (%) |
| Maju Group of Companies | Facilities management and other services | - | - | - | 1,400 | 5.27 | 866 | 4.27 | ** | ** |
| • Maju TMAS [#] | Management and operation of bus terminal | CTS for TBS | Outright Purchase (hardware and software) | 11 | 1,382 | 5.20 | 243 | 1.20 | ** | ** |
| • Maju Healthcare Sdn Bhd [#] | General medical services | Mobile and online booking for drive thru screening and testing centre | Outright Purchase (hardware and software) | 2 | 18 | 0.07 | 623 | 3.07 | - | - |
| Customer A [^] | Hospitality and tourism | TMS and CTS for a bus terminal located in Pahang | Outright Purchase (hardware and software) | 7 | 471 | 1.77 | ** | ** | 644 | 3.40 |
| Mara Liner Sdn Bhd | Bus transportation and related services | BOS | Zero Capex (hardware and software) | 10 | 451 | 1.70 | 694 | 3.42 | 693 | 3.65 |
| Reign Network Sdn Bhd | IT services | TMS and CTS for Terminal Bersepadu Gombak | Outright Purchase (hardware and software) | 2 | ** | ** | 11,464 | 56.43 | 900 | 4.74 |
| Total | | | | | 19,585 | 73.77 | 15,968 | 78.61 | 15,452 | 81.44 |
| Total revenue of our Group | | | | | 26,549 | 100.00 | 20,314 | 100.00 | 18,973 | 100.00 |

6. BUSINESS OVERVIEW (cont'd)

Notes:-

@ For avoidance of doubt, we have only provided the following solutions and/or services to KTMB throughout the financial years under review:-

(i) AFC and CTS (serving Komuter Utara, ETS and Intercity routes) in the FYE 2020, FYE 2021 and FYE 2022; and

(ii) SMS ticketing notification services to KTMB in the FYE 2021.

* Penawar Express Line Berhad is a subsidiary of Syarikat Pengangkutan Maju Berhad.

** A customer of our Group during the respective financial year but was not one of the top 5 major customers in the respective financial year.

Both Maju Healthcare Sdn Bhd and Maju TMAS are subsidiaries of Maju Holdings Sdn Bhd.

- Not a customer in the respective financial year.

^ Our Group is bound by certain confidentiality clauses relating to the disclosure of the name of Customer A. In this regard, our Group had on 23 June 2023 sought consent from Customer A for disclosure of its name but the request was declined on 11 September 2023. Customer A is listed on the Main Market of Bursa Securities with its principal markets being Malaysia, United Kingdom and United States of America.

The nature of our Group's business is that the revenue for a particular customer could be lumpy for that financial year if we successfully secure the initial contract for the provision of transportation IT solutions (comprising TOS, BOS and/or AFC) or maintenance and support services or terminal management services. Depending on the nature of the contract with our customer and the business engagement option chosen, we are able to recognise recurring income from the provision of transportation IT solutions to the selected customer based on the maintenance schedule or contracts under the Zero Capex option. In this regard, the composition of the top 5 major customers and their individual percentage contribution will fluctuate from year to year and stabilise after the initial installation period of the transportation IT solutions.

Dependency on major customers

- Rail Segment

Our Group is dependent on KTMB for the rail segment given that they are the only nationwide railway transportation service provider in Peninsular Malaysia and has contributed RM11.92 million, RM1.61 million and RM15.48 million to our revenue on an individual basis for the FYE 2020, FYE 2021 and FYE 2022, respectively. The decrease in revenue from RM11.92 million in the FYE 2020 to RM1.61 million in the FYE 2021, representing a decrease of RM10.31 million or 86.49% was mainly due to the completion of the installation of our CTS for KTMB in the FYE 2020. As at the LPD, our ongoing projects with KTMB are CTS maintenance (where our maintenance fee is based on revenue sharing model) and our AFC maintenance and support services (with monthly maintenance fee beginning from October 2023 to the third quarter of 2026 (which may be further renewed by KTMB for an additional 2 years until third quarter of 2028)).

Notwithstanding our Group's dependency on KTMB, we remain confident that KTMB will continue to support local IT service providers which can demonstrate their reliability and capacity to deliver consistent and timely support services.

6. BUSINESS OVERVIEW (cont'd)

Our Group's effectiveness in delivering prompt CTS maintenance and support services is integral to minimise disruptions and breakdowns of our solutions and for KTMB to run its operations efficiently. Given that our Group has been the primary IT solutions provider for the CTS from the outset, KTMB is likely to continue engaging our Group for upcoming enhancements to the CTS, as well as for the expansion of KTMB's routes throughout Peninsular Malaysia. We strive to maintain a high level of service given our strategic relationship in supporting KTMB's IT infrastructure system.

As at the LPD, we are in the final stages of project rollout of our AFC with KTMB which involves the following:-

- (i) on-site installation of related hardware component and software solutions;
- (ii) perform UAT followed by ORAT to ensure our solutions fulfil the requirements of KTMB; and
- (iii) provide training to KTMB's employees who are assigned to operate the system.

Our management takes cognisance on our reliance on KTMB and intends to mitigate such reliance by undertaking strategic business expansions, which includes our venture into the ferry segment (with the aim to provide TOS to the 8 identified ferry terminals) and pursue strategic ventures to extend our CTS and AFC to other customers operating in the public land transportation sector if such opportunities arise.

Further details on our risk in respect of our dependency with KTMB are set out **Section 4.1.1** of this Prospectus,

- Bus Segment

We believe that we are not dependent on any particular bus terminal operator as each terminal in different states typically operates under a different operator.

In addition, we intend to diversify into ferry segments and other IT solutions to cater for non-transportation related sectors. These diversification efforts are gradually showing results and are expected to reduce our Group's reliance on any single customer over the long run.

6. BUSINESS OVERVIEW (cont'd)
6.13 Major suppliers

The table below list the top 5 major suppliers of our Group for the financial years under review:-

| Suppliers | Supplier's principle activities | Type of products/services provided to the Group | Length of business relationship as at the LPD (years) | FYE 2022 | | FYE 2021 | | FYE 2020 | |
|---|---|---|---|----------|------|----------|-------|----------|-------|
| | | | | (RM'000) | (%) | (RM'000) | (%) | (RM'000) | (%) |
| Pristine Gateway Sdn Bhd | Provision of electrical, electrical engineering and general contractor services | Site setup and installation of TOS equipment | 6 | 839 | 9.01 | ** | ** | 1,197 | 12.18 |
| Supplier A ⁽¹⁾ | Banking and financial services provider | Merchant service transactions | 2 | 696 | 7.47 | ** | ** | ** | ** |
| Supplier B [^] | Computer hardware and software provider | Software services and related support services | 5 | 544 | 5.84 | ** | ** | ** | ** |
| Malayan Banking Berhad ⁽¹⁾ | Banking and financial services provider | Merchant service transactions | 4 | 435 | 4.67 | ** | ** | ** | ** |
| CTC Global Sdn Bhd ⁽²⁾ | IT systems integration and field services support | Server system and Cloud hosting services | 4 | 409 | 4.39 | ** | ** | 384 | 3.91 |
| Johanah Sdn Bhd | Civil engineering | Installation of network cabling system | 2 | - | - | 5,074 | 43.12 | - | - |
| Willowglen (Malaysia) Sdn Bhd ⁽³⁾ | Provision, implementation and maintenance of computer-based control systems | CCTV and database server configuration | 4 | - | - | 1,120 | 9.52 | - | - |
| Turboo Euro Technology Co Ltd | Manufacturing, sales and servicing of gate automation products | ACG | 4 | - | - | 617 | 5.24 | 1,458 | 14.84 |
| Posiflex Business Machines Sdn Bhd ⁽⁴⁾ | Provision of computer and IT products | TOS kiosks and POS systems | 7 | ** | ** | 494 | 4.20 | 1,008 | 10.26 |

6. BUSINESS OVERVIEW (cont'd)

| Suppliers | Supplier's principle activities | Type of products/services provided to the Group | Length of business relationship as at the LPD (years) | FYE 2022 | | FYE 2021 | | FYE 2020 | |
|---|--|---|---|--------------|---------------|---------------|---------------|--------------|---------------|
| | | | | (RM'000) | (%) | (RM'000) | (%) | (RM'000) | (%) |
| Ikris Bina Sdn Bhd | Provision of building, civil, mechanical and electrical engineering work | Structural works | 3 | - | - | 290 | 2.46 | ** | ** |
| Supplier C [^] | Provision of cash processing and handling systems and solutions | Cash-Note acceptor and dispenser | 4 | ** | ** | - | - | 492 | 5.01 |
| Total | | | | 2,923 | 31.38 | 7,595 | 64.54 | 4,539 | 46.19 |
| Total cost of sales of our Group | | | | 9,315 | 100.00 | 11,767 | 100.00 | 9,826 | 100.00 |

Notes:-

** A supplier of our Group during the respective financial year but was not one of the top 5 major suppliers in the respective financial year.

[^] Our Group is bound by certain confidentiality clauses relating to the disclosure of the name of Supplier A, Supplier B and Supplier C. In this regard, our Group had on 26 June 2023, 23 June 2023 and 23 June 2023, respectively sought consent from Supplier A, Supplier B and Supplier C for disclosure of their names but the requests were declined by them on 27 June 2023, 28 June 2023 and 5 July 2023, respectively. Supplier A and Supplier B's principal markets are in Malaysia, while Supplier C is a Hong Kong-based company with its principal market being Hong Kong and China.

- Not a supplier in the respective financial year.

(1) A public company listed on Bursa Securities.

(2) CTC Global Sdn Bhd is a subsidiary of ITOCHU Techno-Solutions Corporation, which is a 59.40%-owned subsidiary of ITOCHU Corporation. ITOCHU Corporation is listed on the Tokyo Stock Exchange.

(3) Willowglen (Malaysia) Sdn Bhd is a wholly-owned subsidiary of Willowglen MSC Berhad, a public company listed on Bursa Securities.

(4) Posiflex Business Machines Sdn Bhd is a subsidiary of Posiflex Technology, Inc, a public company listed on Taipei Exchange and Taiwan Stock Exchange Corporation.

The top 5 major suppliers contributed 46.19%, 64.54% and 31.38% of our Group's total cost of sales for the FYE 2020, FYE 2021 and FYE 2022 respectively. We maintain good working relationship with our major suppliers and there have been no material disputes with our major suppliers or disruption in supplies to-date.

Nevertheless, our Group is not dependent on any of the major suppliers as we are able to source for other suppliers who are capable of furnishing comparable hardware, software or solutions. Our Group has 64, 62 and 102 suppliers for the FYE 2020, FYE 2021 and FYE 2022 respectively. As such, our Group is not subject to any inherent risk arising from dependency on these major suppliers.

6. BUSINESS OVERVIEW (cont'd)

6.14 Types, sources and availability of supplies

Our main supplies consist of hardware equipment and third-party solutions. These supplies are sourced locally and overseas according to specifications required. The hardware equipment we purchase include payment terminals, TVMs and ACGs while solutions relates to subscription of cloud hosting and data plans. The table below details our purchases of our main supplies for the financial years under review:-

| Types of purchases | FYE 2020 | | FYE 2021 | | FYE 2022 | |
|--------------------|--------------|---------------|--------------|---------------|--------------|---------------|
| | (RM'000) | (%) | (RM'000) | (%) | (RM'000) | (%) |
| Hardware | 5,816 | 92.48 | 7,953 | 95.84 | 1,496 | 61.06 |
| Solutions | 473 | 7.52 | 345 | 4.16 | 954 | 38.94 |
| Total | 6,289 | 100.00 | 8,298 | 100.00 | 2,450 | 100.00 |

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. BUSINESS OVERVIEW (cont'd)

6.15 Major licences and permits

Details of the approvals, major licences and permit obtained by our Group for the operation of our business are set out as follows:-

| No. | Company | Authority | Description of approval / license / permit | License / Reference no. | Date of issuance / Date of Expiry | Major conditions imposed | Status of compliance |
|-----|---------|-----------|--|---|---|---|----------------------|
| 1. | NSS | MDEC | Certificate for MSC Malaysia status | Certificate No.: 4203 MDEC's reference: CS/3/8867(6a) & CS/3/8867(6b) | Effective date: 27 March 2017 Date of expiry: Valid until revoked | (a) NSS shall comply with the location requirements and conditions as out below: (i) NSS shall locate the implementation and operation of the MSC Malaysia Qualifying Activities within six months from the date of the grant of MSC Malaysia Status and thereafter continue to locate at all times at an address to be notified to the Government through MDEC with a minimum office space specified in item (iii) below in a Designated Premises within a MSC Malaysia Cybercity / Cybercentre, a list of which is available on the MSC Malaysia website as may be updated from time to time. Any change to the said address shall be subject to the prior written consent of the Government which request for approval shall be submitted through MDEC. | Complied |

6. BUSINESS OVERVIEW (cont'd)

| No. | Company | Authority | Description of approval / license / permit | License / Reference no. | Date of issuance / Date of Expiry | Major conditions imposed | Status of compliance |
|-----|---------|-----------|--|-------------------------|-----------------------------------|---|---------------------------------|
| | | | | | | <p>(ii) NSS accepts that the extent and range of amenities, facilities, services and business environment at the various Designated Premises and MSC Malaysia Cybercities and Cybercentres can and will differ.</p> <p>(iii) Minimum office space: 2,000 sq. ft.</p> <p>(b) NSS shall ensure that at all times at least 15% of the total number of employees (excluding support staff) of NSS are "knowledge workers" who shall be recruited, employed and/or appointed solely for the purpose of undertaking the MSC Malaysia Qualifying Activities. The recruitment, employment and/or appointment of foreign "knowledge workers" (if any) shall be the sole responsibility of NSS and the Government and/or MDEC shall not be held responsible for any liability arising from such recruitment, employment and/or appointment.</p> <p>(c) NSS shall notify the Government through MDEC of any change in the equity/shareholding structure of the Company, or such other changes that may affect the direction or operation of the Company.</p> | <p>Complied</p> <p>Complied</p> |

6. BUSINESS OVERVIEW (cont'd)

| No. | Company | Authority | Description of approval / license / permit | License / Reference no. | Date of issuance / Date of Expiry | Major conditions imposed | Status of compliance |
|-----|---------|-----------|---|--|-----------------------------------|---|--|
| 2. | NSS | MOF | <p>Certificate of Registration with MOF for the provision of among others the following:</p> <p>(a) transportation, components and accessories/ vehicles, motorized and non-motorized/ bus;</p> <p>(b) ICT / computer equipment and fittings, component and hardware / hardware (low-end and high-end technology);</p> <p>(c) ICT / computer equipment and fittings, component and hardware / computer software, operating system, database, off the shelf packages including maintenance;</p> <p>(d) ICT / computer equipment and fittings, component and hardware / software / system development /</p> | <p>Registration No.: 357-02218724</p> <p>Certificate No.: K65949408243608890</p> | 24 August 2023 / 23 August 2026 | <p>(a) Any changes to the information of NSS must be updated online at www.eperolehan.gov.my within 21 days of such change in information. The MOF may suspend or cancel the registration of NSS in the event of failure to comply with this condition, and the directors of NSS may be subject to disciplinary action including being blacklisted without notice if the information provided by NSS is incorrect;</p> <p>(b) NSS must submit all information as may be requested by the MOF within such prescribed period. The MOF may suspend or cancel the registration of NSS in the event of failure to comply with this condition, and the directors of NSS may be subject to disciplinary action including being blacklisted without notice if the information provided by NSS is incorrect;</p> <p>(c) NSS shall ensure that the fields listed in this certificate do not overlap with the fields that have been approved for any other companies having the same owner or board of directors of NSS or that operate on the same licenced premises;</p> <p>(d) The MOF reserves the right to conduct an audit or inspection at</p> | <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Noted</p> |

6. BUSINESS OVERVIEW (cont'd)

| No. | Company | Authority | Description of approval / license / permit | License / Reference no. | Date of issuance / Date of Expiry | Major conditions imposed | Status of compliance |
|-----|---------|-----------|--|-------------------------|-----------------------------------|--|----------------------|
| | | | (i) Services / employment / training services, teaching staff and moderators / negotiator. | | | (ii) NSS fails to perform the obligations of any contracts that it has entered into with the Government of Malaysia; (iii) NSS is found to have amended this certificate with fraudulent or other similar purposes; (iv) NSS allows this certificate to be misused by other individuals or companies; (v) NSS is discovered to be collaborating with other companies on price when entering into government tenders or subcontracts without the prior consent of the relevant government agencies. (h) Application for renewal must be made at least 3 months prior to its expiry. | Noted |

6. BUSINESS OVERVIEW (cont'd)

| No. | Company | Authority | Description of approval / license / permit | License / Reference no. | Date of issuance / Date of Expiry | Major conditions imposed | Status of compliance |
|-----|----------|-----------------------------------|--|------------------------------------|-----------------------------------|--------------------------|----------------------|
| 3. | TCT Apps | Majlis Perbandaran Sepang ("MPS") | Office licence at 08-G-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor | Business account no.: 331201028982 | Date of Expiry: 31 December 2023 | Nil | N/A |
| 4. | NSS | MPS | Office licence at 08-01-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor | Business account no.: 331201026938 | Date of Expiry: 31 December 2023 | Nil | N/A |
| 5. | NSS | MPS | Office licence (information and communication technology) at Unit 08-02-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor | Business account no.: 331201033131 | Date of Expiry: 31 December 2023 | Nil | N/A |
| 6. | NSS | MPS | Office licence at Unit 08-05-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor | Business account no.: 331201022207 | Date of Expiry: 31 December 2023 | Nil | N/A |

6. BUSINESS OVERVIEW (cont'd)

| No. | Company | Authority | Description of approval / license / permit | License / Reference no. | Date of issuance / Date of Expiry | Major conditions imposed | Status of compliance |
|-----|---------|---------------------------------------|---|---|------------------------------------|--|----------------------|
| 7. | NSS | Dewan Bandaraya Kuala Lumpur ("DBKL") | Office licence at Unit L4-14, 4 th Floor, Terminal Bersepadu Selatan, Jalan Terminal Selatan, Bandar Tasik Selatan, 57100 Kuala Lumpur | File No.: DBKL.JPPP/00197/12/2022/KM01 | 10 December 2022 / 9 December 2023 | Workers at the premises shall be 50% citizens and 50% non-citizens with valid work permits. ⁽¹⁾ | Complied |
| 8. | NSS | DBKL | Warehouse/ storage (without chairs and tables) licence at Unit L4-7A & B, 4 th Floor, Terminal Bersepadu Selatan, Jalan Terminal Selatan, Bandar Tasik Selatan, 57100 Kuala Lumpur | File No.: DBKL.JPPP/00293/10/2022/KM01 | 7 October 2022 / 6 October 2023 | Workers at the premises shall be 50% citizens and 50% non-citizens with valid work permits. ⁽¹⁾ | Complied |
| 9. | NSS | DBKL | Office licence at No. 8B, Aras 2, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur | File No.: DBKL.JPPP/02821/04/2023/KM01 | 28 April 2023 / 27 April 2024 | Workers at the premises shall be 50% citizens and 50% non-citizens with valid work permits. ⁽¹⁾ | Complied |
| 10. | NSS | Majlis Bandaraya Melaka Bersejarah | Business office – ticket sales licence at Jalan Tun Razak, Plaza Melaka Sentral, 75400 Melaka | File No.: 221041119172021/L2.11917 | Date of Expiry: 8 April 2024 | Nil | N/A |

6. BUSINESS OVERVIEW (cont'd)

| No. | Company | Authority | Description of approval / license / permit | License / Reference no. | Date of issuance / Date of Expiry | Major conditions imposed | Status of compliance |
|-----|---------|------------------------------|--|--|-----------------------------------|--------------------------|----------------------|
| 11. | NSS | MBKT | Ticket sales or payment counter licence at Kaunter Sistem Tiket Berpusat Kompleks Hentian Bas MBKT, 20100 Kuala Terengganu, Terengganu | Business account no.: 131904/KHB KSTB | Date of Expiry: 31 December 2023 | Nil | N/A |
| 12. | NSS | MBKT | Management office and bag/ baggage storage services licence at Sistem Operasi Terminal Kompleks Hentian Bas MBKT, 20100 Kuala Terengganu, Terengganu | Business account No.: 131904/KHB SOT | Date of Expiry: 31 December 2023 | Nil | N/A |
| 13. | NSS | Majlis Perbandaran Klang | Bus ticket sales counter and signage licence at Terminal Bas & Teksi (A&B) Klang Sentral Persiaran Klang Sentral, Jalan Meru 41050 Klang, Selangor | Licence account No.: LL10157204485720227 | Date of Expiry: 31 December 2023 | Nil | N/A |
| 14. | NSS | Majlis Bandaraya Johor Bahru | Business office licence at Lot No. 5C-91, First Floor Terminal Building, Larkin Sentral, 80350 Johor Bahru, Johor | License account no: L2022L105579 | Date of Expiry: 31 December 2023 | Nil | N/A |

6. BUSINESS OVERVIEW (cont'd)

| No. | Company | Authority | Description of approval / license / permit | License / Reference no. | Date of issuance / Date of Expiry | Major conditions imposed | Status of compliance |
|-----|---------|-------------------------------|---|-----------------------------------|-----------------------------------|--------------------------|----------------------|
| 15. | NSS | Majlis Bandaraya Ipoh | Management office (information technology services) licence at B-3-2 IP 2, Lebuhraya Medan Bandar Baru, Medan Ipoh, 31400 Ipoh, Perak | Business account No.: L0133781-01 | 23 May 2023 / 22 May 2024 | Nil | N/A |
| 16. | NSS | Mayor Bandaraya Kota Kinabalu | Trading licence (information communication technology services, internet and telecommunication contractor) at Level 7, Parcel No. D-02-07, Block D, Aeropod Commercial Square, Jalan Aeropod, Off Jalan Kepayan, 88200 Kota Kinabalu, Sabah | Account no: 0000188310 T | 31 March 2023 / 31 December 2023 | Nil | N/A |


Note:-

- (1) For information purposes, the said condition was translated verbatim from the licences issued by DBKL. Our legal adviser had sought confirmation from the DBKL officer that the condition is deemed complied on the basis that only less than 50% of foreign workers with valid work permits are permitted to work at the said premises. In respect thereof, our Group is in compliance with the said condition as our Group has only 1 foreign employee with valid working permit (who is based at our head office) as at the LPD.


6. BUSINESS OVERVIEW (cont'd)

6.16 Material trademarks and other intellectual property

Save for the trademark registration below, our Group does not have any other trademarks registrations and intellectual property rights which are material to our Group:-

| No. | Trademark | Issuing authority | Registered owner / Applicant | Application or registration no. | Description | Validity Period | Status |
|-----|---|---|------------------------------|---------------------------------|--|-----------------------------|------------|
| 1. |  | Intellectual Property Corporation of Malaysia ("MyIPO") | NSS | TM2021019977 | <p>7 – Ticket vending machine</p> <p>9 – Ticket validation mechanisms for automatic gates; portable computers; handheld computers; handheld scanners; computer software for controlling self-service terminals; electronic payment terminals; interactive touch screen terminals; point-of-sale terminals</p> <p>39 – Booking of tickets for travel; issuing of tickets for travel; online information and booking services in the field of business travel; provision of information about booking business travel, via the internet; provision of information about transport services; provision of information relating to railway transport; provision of information relating to the planning and booking of travel and transportation via electronic means.</p> <p>42 – Computer software design, development and programming services; computer software installation and maintenance; design of computer software for controlling self-service terminals; designing computer software for controlling self-service terminals; design and development of computer software for logistics, supply chain management and e-business portals; leasing of computer software relating to travel.</p> | 21 July 2021 – 21 July 2031 | Registered |

6. BUSINESS OVERVIEW (cont'd)

| No. | Trademark | Issuing authority | Registered owner / Applicant | Application or registration no. | Description | Validity Period | Status |
|-----|---|-------------------|------------------------------|---------------------------------|--|-----------------|--|
| 2. |  | MyIPO | TCT Apps | TM2023007371 | <p>39 - Logistics services consisting of the storage, transport and delivery of goods; logistics services consisting of the transportation and warehousing of goods; transportation logistics; booking of seats for coach travel; coach transport; coach transport services; transport by coach; booking of tickets for travel; issuing of tickets for travel; travel and travel tour ticket reservation services; travel tours and ticket reservation services; arranging and booking of eco-travel via a web site; arranging and booking of sightseeing travel tours; arranging and booking of travel; arranging and booking of travel for package holidays; arranging of eco-travel via a website; arranging of holiday travel; arranging of sightseeing travel tours; arranging of travel; arranging of travel for study, language and educational trips; arranging travel for package holidays; booking of eco-travel via a website; booking of sightseeing travel tours; booking of travel; computerized reservation of travel; computerized travel reservation services; conducting of travel tours; conducting sightseeing travel tours by bus; consultancy in the field of business travel provided by telephone call centers and hotlines; escorting of travel tours; escorting of travelers; on-line information and booking services in the field of business travel; on-line information and booking services in the field of tourist travel; on-line trip and travel reservation services; operating and organizing of travel tours; organisation of holiday travel.</p> | - | <p>Application was provisionally refused on 27 September 2023 and appeal has been submitted on 3 November 2023⁽¹⁾</p> |

6. BUSINESS OVERVIEW (cont'd)

Note:-

(1) Our Group has submitted the application on 15 March 2023 and the application has been provisionally refused for registration by MyIPO on 27 September 2023 pursuant to Sections 23(1)(b), 23(1)(c) and 24(2)(b) of the Trademarks Act 2019 based on the following grounds:-

- (a) trademarks which are devoid of any distinctive character;
- (b) trademarks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, other characteristics of goods or services or the time of production of goods or of rendering of services; and
- (c) trademark is similar to an earlier trademark and is to be registered for goods or services identical with or similar to the earlier trademark.

Our Company had on 3 November 2023 submitted a written appeal in response to the provisional appeal and currently awaiting for the response from the MyIPO on the appeal which is estimated to be received within 3 months from the date of the written appeal.

6.17 Material properties, plant, machinery and equipment

6.17.1 Properties owned by our Group

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

| No. | Title details / Property Address | Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any) | Purchase price (RM'000) | Legal/ Beneficial owner | Land area/ Built-up area (sq ft) | Date of purchase/ Date of CCC | Encumbrance | Audited NBV as at 31 December 2022 (RM'000) |
|-----|---|--|-------------------------|----------------------------|-------------------------------------|-------------------------------------|--|---|
| 1. | Master Title Geran 339485, Lot 111284, Bandar Cyberjaya, Daerah Sepang, Negeri Selangor bearing postal address of 08-01-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor ⁽¹⁾ | <p>Description: 1st floor of an eight-storey semi-detached corporate offices/retail suites</p> <p>Existing use: Office for administrative and technical operation</p> <p>Tenure: Freehold</p> <p>Category of land use: Building</p> | 1,467 | NSS | 2,158 | 18 December 2018 / 17 November 2017 | Assigned to Maybank Islamic Berhad with power of attorney to transfer or otherwise deal with the property, pending issuance of strata title upon which charge is to be created | 1,196 |

6. BUSINESS OVERVIEW (cont'd)

| No. | Title details / Property Address | Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any) | Purchase price (RM'000) | Legal/ Beneficial owner | Land area/ Built-up area (sq ft) | Date of purchase/ Date of CCC | Encumbrance | Audited NBV as at 31 December 2022 (RM'000) |
|-----|---|--|-------------------------|----------------------------|-------------------------------------|----------------------------------|--|---|
| 2. | Master Title Geran 339485, Lot 111284, Bandar Cyberjaya, Daerah Sepang, Negeri Selangor bearing postal address of 08-05-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor ⁽¹⁾ | <p>Description: 5th floor of an eight-storey semi-detached corporate offices/retail suites</p> <p>Existing use: Office for administrative and technical operation</p> <p>Tenure: Freehold</p> <p>Category of land use: Building</p> | 1,528 | NSS | 2,635 | 3 August 2016 / 17 November 2017 | Assigned to Maybank Islamic Berhad with power of attorney to transfer or otherwise deal with the property, pending issuance of strata title upon which charge is to be created | 1,345 |

Note:-

(1) Pending issuance of strata title.

As at the LPD, the properties owned by our Group are not in breach of any land use conditions, current statutory requirements, land codes, building regulations or by-laws, which will have material adverse impact on our operations.

6. BUSINESS OVERVIEW (cont'd)

6.17.2 Properties rented by our Group

A summary of the material properties rented by our Group as at the LPD are as follows:-

| No. | Property Address | Landlord/ Tenant | Description/ Existing use | Floor area (sq ft) | Period of tenancy |
|-----|--|--|---|-----------------------|--|
| 1. | 08-G-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor | Landlord: TCT International Tenant: TCT Apps | Description: Ground floor of an eight-storey semi-detached corporate offices/retail suites Existing use: Office for IT and technical operation | 1,946 | 2 years commencing from 1 January 2022 and expiring on 31 December 2023* |
| 2. | 08-02-01, Corporate Park, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor | Landlord: Hazlinda Binti Mohamed Zain Tenant: NSS | Description: Second floor of an eight-storey semi-detached corporate offices/retail suites Existing use: Office for administrative operation | 2,158 | 1 year commencing from 1 April 2023 and expiring on 15 March 2024 |
| 3. | Unit L4-14, Fourth Floor, Terminal Bersepadu Selatan, Bandar Tasik Selatan, 57100 Kuala Lumpur | Landlord: Maju TMS Sdn Bhd Tenant: NSS | Description: Terminal and office building Existing use: Office | 957 | 3 years commencing from 1 December 2021 and expiring on 30 November 2024 |
| 4. | Unit L4- 7A&B, Fourth Floor, Terminal Bersepadu Selatan, Bandar Tasik Selatan, 57100 Kuala Lumpur | Landlord: Maju TMS Sdn Bhd Tenant: NSS | Description: Terminal and office building Existing use: Hardware storage | 256 | 3 years commencing from 1 October 2021 and expiring on 30 September 2024 |

6. BUSINESS OVERVIEW (cont'd)

| No. | Property Address | Landlord/ Tenant | Description/ Existing use | Floor area (sq ft) | Period of tenancy |
|-----|--|--|---|-----------------------|---|
| 5. | No 8B, Aras 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur | Landlord: Keretapi Tanah Melayu Berhad Tenant: NSS | Description: Transit hub Existing use: Office | 421 | 1 year commencing from 1 April 2023 and expiring on 31 March 2024 |
| 6. | Waiting Area, Terminal A, Klang Sentral, Persiaran Klang Sentral 1/KU5, Klang Sentral, 42200 Klang, Selangor | Landlord: NPO Management Sdn Bhd Tenant: NSS | Description: Bus terminal Existing use: Bus ticketing counters and online system within the waiting area | 10,000 | 3 years commencing on 1 December 2020 and expiring on 30 November 2023* |
| 7. | Plaza Melaka Sentral, Jalan Tun Razak, 75400 Melaka | Landlord: Melaka Sentral Sdn Bhd Tenant: NSS | Description: Bus terminal Existing use: Bus ticketing counter, office and waiting area | 16,200 | 5 years commencing from 1 January 2022 and expiring on 21 December 2026 |
| 8. | No. KHB B16, B17, B18, B19, B20, B21, B22, B23, B24, B25, B95, B96, B97, B98, B99, B100, B101, B102, B103, B104, B105, B106, K4, K5, K6, K7, K8, K9 dan K10, (ticket counters) Kompleks Hentian Bas Bandaraya Kuala Terengganu, Jalan Syed Hussin, Kuala Terengganu, 20100 Terengganu ⁽¹⁾ | Landlord: Majlis Bandaraya Kuala Terengganu Tenant: NSS | Description: Bus terminal Existing use: Ticketing counter, office, meeting room, pantry and surau | 892 | 15 years 6 months commencing on 1 July 2020 and expiring on 31 January 2036 |

6. BUSINESS OVERVIEW (cont'd)

| No. | Property Address | Landlord/ Tenant | Description/ Existing use | Floor area (sq ft) | Period of tenancy |
|-----|---|--|---|-----------------------|---|
| 9. | Waiting Area, Kompleks Hentian Bas Bandaraya Kuala Terengganu, Jalan Syed Hussin, Kuala Terengganu, 20100 Terengganu held under PN 4767, Lot 4545, Bandar Kuala Terengganu, 20100 Terengganu ⁽¹⁾ | Landlord: Majlis Bandaraya Kuala Terengganu Tenant: NSS | Description: Bus terminal Existing use: Waiting & Boarding Area | 4,659 | 15 years 6 months commencing on 1 July 2020 and expiring on 31 January 2036 |
| 10. | Lot No. 5C-91, Ground Floor, Terminal Building, Larkin Sentral, 80350 Johor Bahru, Johor | Landlord: Larkin Sentral Property Berhad Tenant: NSS | Description: Bus terminal Existing use: Office | 270 | 2 years commencing from 1 August 2022 and expiring on 31 July 2024 |
| 11. | B-3-2, 3 rd Floor, Intan Business Centre 2, Lebuhr Persiaran Medan Ipoh, Bandar Baru Medan Ipoh, 31400 Ipoh, Perak | Landlord: Incubator4U Sdn Bhd Tenant: NSS | Description: Office building Existing use: Office | 202 | 1 year commencing from 1 April 2023 and expiring on 31 March 2024 |
| 12. | Parcel No. D-02-07, Level 7, Block D, Aeropod Commercial Square, Jalan Aeropod, Off Jalan Kepayan, 88200 Kota Kinabalu, Sabah | Landlord: Amechanus Holdings Sdn Bhd Tenant: NSS | Description: Level 7 of an eight-storey retail office Existing use: Office | 1,594 | 3 years commencing from 15 March 2023 and expiring on 14 March 2026 |

Notes:-

* Our Group is the midst of renewing the tenancy with the respective landlords.

(1) In Peninsular Malaysia, any occupation or granting of permission to occupy any building or part thereof without a CF or CCC will render the registered proprietor or occupier liable to a fine and/or imprisonment of persons such as directors, company secretary or similar officers within our Group. The Street, Drainage and Building Act 1974 provides that any person who occupies or permits to be occupied any building or any part thereof without a CCC, shall be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.

6. BUSINESS OVERVIEW (cont'd)

MBKT, being the state authority and owner of the bus terminal had, on 4 July 2023 confirmed that no CF/CCC was issued for these premises. Given that NSS, being the tenant of the bus terminal, NSS may hence be subject to penalties as mentioned above for occupying the bus terminal without a CF or CCC. As at the LPD, our Group has not received any notices, penalties or compounds from MBKT in respect of such non-compliance. Further, our management is of the view that the likelihood of penalty for the non-compliance being imposed by MBKT is remote as MBKT is the owner of the terminal.

Save as disclosed above, as at the LPD, the properties rented by our Group are not in breach of any land use conditions, current statutory requirements, land codes, building regulations or by-laws, which will have material adverse impact on our operations.

6.17.3 Material machinery and equipment

Our Group does not have any material machinery and equipment as at the LPD.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

6. BUSINESS OVERVIEW (cont'd)

6.18 Relevant Laws, regulations, rules or requirements, and environmental, social and governance practices
6.18.1 Governing laws and regulations
(i) Land Public Transport Act 2010 (“LPTA”)

Pursuant to Section 6 of the LPTA, no person shall operate any terminal unless he holds a licence issued by the Director General of Land Public Transport. A person who operates a terminal without a valid licence commits an offence and shall, on conviction, be liable to a fine not exceeding RM1 million or to imprisonment for a term not exceeding 5 years or to both.

In accordance with Section 12A of the LPTA, no person shall operate or provide an intermediation business unless he holds a licence issued by the Director General of Land Public Transport. The LPTA has defined “intermediation business” as the business of facilitating arrangements, bookings or transactions for the provision of land public transport services for public service vehicle service whether for any valuable consideration or money’s worth or otherwise. A person who operates or provides an intermediation business without a valid licence shall, on conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding 3 years or to both.

As at the LPD, NSS provides terminal management services for the Existing Specified Bus Terminals. Further, NSS also develops and implements TOS (comprising TMS and CTS) for the transportation service providers and operators.

As such, NSS will be required to obtain the licences under Section 6 and Section 12A of the LPTA for its business operations. However, as at the LPD, the relevant regulations governing the licensing applications under Sections 6 and 12A of the LPTA have yet to be gazetted and NSS was advised by APAD that the application for relevant licences can only be submitted to APAD after the effective date of the relevant regulations. Our Group will undertake the necessary steps to meet the prescribed criteria under the LPTA (which will only be made known to our Group upon the Sections 6 and 12A of the LPTA are gazetted) given that such licenses will be critical to our operations. As at this juncture, we are currently monitoring the updates on the LPTA and will promptly make the relevant application to APAD after the regulations come into effect. Since our inception and up to the LPD, our Group has not been issued any penalties under the LPTA.

(ii) Local Government Act 1976

Pursuant to Section 102 of the Local Government Act 1976, local authorities are empowered to make, amend and revoke by-laws. Presently, our Group’s business activities are carried out in Cyberjaya, Klang, Selangor, Kuala Lumpur, Melaka, Kuala Terengganu, Terengganu, Johor Bahru, Johor, Ipoh, Perak and Kota Kinabalu, Sabah and as such, we come under the jurisdiction of Majlis Perbandaran Sepang, Dewan Bandaraya Kuala Lumpur, Majlis Bandaraya Melaka Bersejarah, MBKT, Majlis Perbandaran Klang, Majlis Bandaraya Johor Bahru, Majlis Bandaraya Ipoh and Mayor Bandaraya Kota Kinabalu.

No person shall operate any activity of trade, business and industry or use any place or premises for any activity of trade, business and industry without a licence issued pursuant to the relevant by-laws.

6. BUSINESS OVERVIEW (cont'd)

The penalties imposed by the relevant local authorities where the Group operates are set out below:-

- (a) Licensing of Trades, Businesses and Industries (Sepang Municipal Council) By-laws 2007 provides that any person who contravenes any provision of the by-laws, shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding one year or to both, and in the case of a continuing offence, to a fine not exceeding RM200 for each day during which the offence is continued after conviction;
- (b) Licensing of Trades, Businesses and Industries (Federal Territory of Kuala Lumpur) By-laws 2016 provides that any person who contravenes any provision of the by-laws, shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding one year or to both, and in the case of a continuing offence, to a fine not exceeding RM200 for each day during which the offence is continued after conviction;
- (c) Licensing of Trades (Malacca Historic City Council) By-laws 2010 provides that any person who contravenes any provision of the by-laws, shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding one year or to both;
- (d) Licensing of Trades, Businesses and Industries (Kuala Terengganu Municipal Council) By-laws 1990 provides that any person who contravenes any provision of the by-laws, shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding one year or to both, and to a further fine not exceeding RM200 for every day during which the offence is continued after conviction;
- (e) Licensing of Trades, Businesses and Industries (Klang Municipal Council) By-laws 2007 provides that any person who contravenes any provision of the by-laws, shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding one year or to both;
- (f) Licensing of Trades, Businesses, and Industries (Johor Bahru City Council) By-Laws 2016 provides that any person who contravenes any provision of the by-laws, shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding one year or to both;
- (g) Licensing of Trades, Businesses and Industries (Ipoh City Council) By-laws 2017 provides that any person who contravenes any provision of the by-laws, shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding one year or to both, and in the case of a continuing offence, to a fine not exceeding RM200 for each day during which the offence is continued after conviction; and
- (h) Trades Licensing Ordinance, 1948 provides that any person carries on business without a valid trading licence, shall be liable for each offence to a fine of four times the amount of the licence fee and to a further fine of RM10 for each day or part of a day subsequent to a conviction during which the contravention continues.

As at the LPD, our Group has obtained valid licences issued by the relevant local authorities for our business premises, further details of which are set out in **Section 6.15** of this Prospectus.

6. BUSINESS OVERVIEW (cont'd)

Since our inception and up to the LPD, our Group has not been issued with any material penalties pursuant to the Local Government Act 1976, Trades Licensing Ordinance, 1948 and the applicable by-laws. As at the LPD, our Group has observed and will continue to ensure that we comply with the provisions of the Local Government Act 1976, Trades Licensing Ordinance, 1948 and the applicable by-laws.

(iii) Personal Data Protection Act 2010

The Personal Data Protection Act 2010 regulates the processing of personal data in commercial transactions in Malaysia. Personal data relates directly or indirectly to a data subject, who is identified or identifiable from that information or from that and other information in the possession of a data user, including any sensitive personal data and expression of opinion about the data subject. The processing of personal data by a data user must comply with the Personal Data Protection Principles as provided under the Personal Data Protection Act 2010. A data user who fails to comply with the Personal Data Protection Principles commits an offence and shall, on conviction, be liable to a fine not exceeding RM300,000 or to imprisonment for a term not exceeding two years or to both.

Our Group collects personal data of the passengers when passengers purchase tickets via our online ticketing platform. Since our inception and up to the LPD, our Group has not been issued with any penalties pursuant to the Personal Data Protection Act 2010. As at the LPD, our Group will continue to comply with the Personal Data Protection Principles as provided under the Personal Data Protection Act 2010.

(iv) Street, Drainage and Building Act 1974 and Sabah Uniform Buildings By-Laws 2022

In Peninsular Malaysia, any occupation or granting of permission to occupy any building or part thereof without a CF or CCC will render the registered proprietor or occupier liable to a fine and/or imprisonment of persons such as directors, company secretary or similar officers within our Group. The Street, Drainage and Building Act 1974 provides that any person who occupies or permits to be occupied any building or any part thereof without a CCC, shall be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.

In Sabah, any occupation or granting of permission to occupy any building or any part thereof without a CCC, will render the registered proprietor or occupier liable to an offence under the Sabah Uniform Buildings By-laws 2022 and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both and in the case of a continuing offence, to a further fine not exceeding RM5,000 for every day during which the offence continues after conviction.

As at the LPD, all of our Group's owned and rented properties have their respective CF/CCCs save for 2 rented properties located on the same premises, the details of which are as follows:-

- (a) No. KHB B16, B17, B18, B19, B20, B21, B22, B23, B24, B25, B95, B96, B97, B98, B99, B100, B101, B102, B103, B104, B105, B106, K4, K5, K6, K7, K8, K9 dan K10, (ticketing counters) Kompleks Hentian Bas Bandaraya Kuala Terengganu, Jalan Syed Hussin, Kuala Terengganu, 20100 Terengganu; and
- (b) Waiting Area, Kompleks Hentian Bas Bandaraya Kuala Terengganu, Jalan Syed Hussin, Kuala Terengganu, 20100 Terengganu held under PN 4767, Lot 4545, Bandar Kuala Terengganu, 20100 Terengganu.

6. BUSINESS OVERVIEW (cont'd)

MBKT, being the state authority and terminal owner has on 4 July 2023 confirmed that no CF/CCC was issued for the abovementioned premises. Since our inception and up to the LPD, our Group has not received any notices, penalties or compounds from MBKT in respect of such non-compliance. As such, our Group is of the view that the likelihood of penalty being imposed by MBKT is remote as MBKT is the owner of the terminal.

6.18.2 Environmental, social and governance practices

We recognise the importance of adopting Environment, Social and Governance (“ESG”) practices such as ensuring environmentally responsible operations, providing conducive workplaces for employees and a high standard of corporate governance for sustainable valuation creation and maintaining the confidence of our shareholders and stakeholders. As such, we will focus on the following 3 broad categories:-

(i) Environmental sustainability

We endeavour to adhere to environmentally friendly practices in our management of resources and pollution generated from our business activities. In managing environmental sustainability matters, we will focus on, amongst others, the following:-

- (a) practising ERRR (Eliminate, Reduce, Re-use, Recycle) and lean resources management approach which includes, amongst others, reducing the use of paper in our operations and utilising digital documents where possible and practical, encouraging all employees to collect recyclable waste in the office and minimising electricity wastage to reduce carbon footprint;
- (b) adhere to all relevant environmental regulatory and legal requirements; and
- (c) raise awareness of the Sustainability Policy among our Group and stakeholders to promote sustainability and ensure that our employees are aware of our commitment to protect the environment.

(ii) Social Sustainability

We place a strong emphasis on the safety and health of our employees, driving towards mitigating any associated safety and health risks at our workplace, creating a safe environment for our employees to enhance productivity and performance as well as provides equal opportunities for all. In managing social sustainability matters, we will focus on, amongst others, the following:-

- (a) ensure a safe, healthy and conducive work environment for our employees;
- (b) eliminate improper conduct and practices, including but not limited to workplace bullying, discrimination against individual differences, discriminatory and sexual harassment, intimidation and victimisation;
- (c) ensure equal access to opportunities regardless of one’s age, gender, ethnicity, religion, national origin, sexual orientation, disability or any other relevant characteristics;
- (d) respect and uphold the fundamental workers’ rights through the elimination of child labour and forced labour of all forms;
- (e) empower our workforce by supporting their personal and professional growth;
- (f) cultivate a diverse and inclusive culture that recognises and values individuality; and

6. BUSINESS OVERVIEW (cont'd)

- (g) contribute to the well-being and development of the surrounding community through corporate social responsibility programmes and donation.

(iii) Governance

Our Group is committed to conduct our business ethically and in compliance with all relevant laws, regulations, rules and requirements as disclosed in **Section 6.18.1** above. In maintaining high standards of corporate governance, our Board has progressively adopted all the applicable principles and practices as promulgated in the Malaysian Code on Corporate Governance in particularly on embracing board gender diversity.

In addition, our Group has adopted the Anti-Bribery and Anti-Corruption policy towards bribery where we have put in place the policies and procedures to ensure strict compliance with the Malaysian Anti-Corruption Commission Act 2009. In relation to our risk management, our Group has put in place a risk management framework to monitor closely on the risk associated with our business as well as the Whistleblowing Policy and Personal Data Protection Policy to ensure and promote fairness in business dealings.

6.19 Dependency on contracts, agreements, documents or other arrangements

As at the LPD, we are not dependent on any contracts, agreements, documents or other arrangements for our business operations.

6.20 Productive capacity and extent of utilisation

A general metric to measure productive and/or operational capacity is working hours of the employees. However, due to the nature of our operations, our Group believes that such metric may not be a relevant and accurate representation as:-

- (i) our Group's solutions are customised and developed according to our customers' request and requirements; and
- (ii) the projects secured by our Group vary in terms of, amongst others, technical complexity, tenure of the contract and project as well as our customers' site readiness.

6.21 D&D

D&D is an on-going process in our bid to continuously update all of our existing solutions to provide users with enhanced features. The table below lists our current on-going D&D efforts:-

Current

| D&D plans | Targeted solutions | Description | Commencement of development/ Expected time to complete development and introduce feature |
|---|---------------------------|--|---|
| Facial recognition | CTS and AFC | Facial recognition is a technology to identify and verify individuals based on their unique facial features to improve the security and prevent fraud. | August 2023 / December 2024 |
| Electronic Know-Your-Customer ("E-KYC") | CTS, BOS and AFC | E-KYC is a digital method employed to verify and authenticate the identity of users which adheres to requirements from financial institutions. | September 2023 / July 2024 |

6. BUSINESS OVERVIEW (cont'd)

| D&D plans | Targeted solutions | Description | Commencement of development/ Expected time to complete development and introduce feature |
|---------------------------|---------------------------|---|---|
| Onboard surveillance | BOS | We intend to integrate onboard surveillance for buses as a means of improving safety and increase security measures. It can also be used to improve drivers monitoring and used to investigate accidents. | August 2023 / July 2024 |
| Licence plate recognition | TMS | Using character recognition technology, we intend to develop licence plate recognition feature to track the movement of vehicles in terminals. The information can be used to improve traffic management and increase crime prevention. | August 2023 / December 2024 |

Future

| D&D plans | Targeted solutions | Description | Expected commencement of development/ Expected time to complete development and introduce feature |
|---------------------------|--------------------------------------|--|--|
| AI transportation booking | CTS, AFC, GoPartner and GoHub.com.my | We intend to incorporate AI into transportation booking system to enhance the booking process. It can be used to automate the allocation of resources (such as Chatbot and planning) and also enables personalised transportation booking experience according to inputs and requirements from each user. The estimated costs to acquire the AI chatbot engine (being the core component for the development of the AI transportation booking system) is approximately RM[●] million, and such costs will be funded through our Public Issue proceeds. For avoidance of doubt, our software engineers will undertake the development of the AI transportation booking system (which includes the integration for the AI chatbot engine). | January 2024/ December 2026 |

As at the LPD, our Group does not have dedicated D&D staff or department which undertakes D&D activities. These efforts are carried out by members of our IT development department, where staff are assigned on an ad hoc basis, and generally consist of a team made up of project manager, programmers and project consultants.

We incurred D&D expenses of approximately RM0.03 million, RM0.02 million and RM0.04 million in the FYE 2020, FYE 2021 and FYE 2022 respectively, representing 0.13%, 0.12% and 0.15%, over our total revenue respectively.

6. BUSINESS OVERVIEW (cont'd)

6.22 Interruptions to business and operations

We have not experienced any other interruption that has a significant effect on our business and operations during the past 12 months preceding the LPD. However, it should be noted that COVID-19 pandemic which had resulted in the restriction of travel has caused a significant effect on our Group's business and operations in the FYE 2020 and the FYE 2021. Please refer to **Sections 4.1.4** and **6.4** of this Prospectus for further details on the impact of COVID-19 on our business and operations.

6.23 Environmental matters

As at the LPD, there are no environmental matters that may materially affect our Group's business operations.

6.24 Future plans and business strategies

We intend to expand our business in the next 3 years, which include:-

- (i) leveraging on our market presence and established track record to expand our Group's footprint in the bus and rail segments to areas where we currently do not have any presence in;
- (ii) widening our public transportation IT solutions to include ferry terminals; and
- (iii) strengthening our operational capabilities that involve expansion of our workforce, setting up a D&D department and enhancing our customer support and maintenance services.

6.24.1 Expanding our geographical footprint in the domestic markets

Our principal market is currently Peninsular Malaysia. In line with our Group's strategic plans, we are actively pursuing opportunities to expand our presence within the country, focusing on identified domestic transportation-related initiatives with potential for collaboration and growth. Our business plans and strategies are as follows:-

Expansion of our market presence in the public land transportation sector

- (i) We have, on April 2018, secured a project for the installation of TOS (comprising TMS and CTS) at a bus terminal located in Sabah. We have completed the installation of TOS in November 2023 and the terminal commenced operations in the same month. Our Group will continue to provide maintenance support for the TOS at the terminal for a period of up to 12 months with the option to renew the maintenance contract on a yearly basis. We are confident that we are able to expand our market presence in the public land transportation sector in East Malaysia by leveraging on our track record in Peninsular Malaysia and the recent completion of our TOS project for the bus terminal located in Sabah; and
- (ii) Notably, the soon-to-be-completed electrified double track route from Gemas, Negeri Sembilan to Johor Bahru which will include additional 9 stations. This hence presents a promising avenue for our Group in view of our current market presence in the rail segment as our Group will be required by KTMB to install the related hardware (such as ACG and TVMs) and software at the 9 rail stations ("**New Rail Project**"). The installation of the related hardware will be on an Outright Purchase basis whilst the installation of the software will be based on Zero Capex model (where our Group will be required to provide maintenance and support services and charge such maintenance and support services in the form of revenue sharing). It should be noted that the New Rail Project will be undertaken by our Group as part of the extension of our existing CTS installation contract and CTS maintenance contract with KTMB.

6. BUSINESS OVERVIEW (cont'd)

Explore potential market to capture wider customer base

- (i) We are currently working with the Sabah Port Authority to implement transportation IT solutions at 8 identified ferry terminals under the state’s digitalisation initiative to improve the efficiency, security and safety of operations at the ferry terminals with the intention to fully implement our solutions by March 2025. Please refer to **Section 3.6.1(ii)(a)** of this Prospectus for further details on the implementation stages of our transportation IT solutions for the ferry terminals in Sabah; and
- (ii) We intend to expand our online marketplace offering of GoHub.com.my to include reservations for campsites, homestays and sports centres to establish our market presence in tourism and hospitality sectors. Such expansion will be implemented in-house and will be funded through the “Malaysia Digital Catalyst” grant from MDEC (which was obtained in October 2023) with funding of up to RM1.0 million and internally generated funds. The indicative timeframe to launch such online marketplace offering is set out below:-

| Stage(s) | Key event(s) | Indicative Timeline |
|----------|---|-------------------------|
| 1. | <ul style="list-style-type: none"> • Design and development of the modules for GoHub.com.my website for desktop and mobile platform for end-users as well as the user administration modules for the enterprises (who are campsites, homestays and sports centres operators) to organise and manage bookings • Finalisation on the design layout of the website for desktop and mobile platform | Up to 31 December 2023 |
| 2. | <ul style="list-style-type: none"> • Implementation of the modules on GoHub.com.my website and undertake integration of GoPartner modules with GoHub.com.my • GoHub.com.my website’s booking database management/infrastructure module in place | Up to 31 March 2024 |
| 3. | <ul style="list-style-type: none"> • Successful integration of the GoPartner modules with GoHub.com.my website (which will enable end-users to access the database of GoPartner’s customers (who are, amongst others, campsite and homestay operators) • UAT on GoHub.com.my (for the booking modules for campsites, homestays and sports centres operators) | Up to 30 June 2024 |
| 4. | <ul style="list-style-type: none"> • Official launch of GoHub.com.my (booking modules for campsites, homestays and sports centres operators) | Up to 30 September 2024 |

6. BUSINESS OVERVIEW (cont'd)

6.24.2 Expanding our workforce

In line with our planned business expansion, we intend to increase our workforce to bolster our human resource capabilities. We will focus on the recruitment of skilled professionals who possess the required technical skillset and expertise which are essential to our industry. The following table sets out the details of our recruitment plan for the next 2 years:-

| Details | | No. of new hires (Up to) |
|---------|--|--------------------------|
| 1. | <p>Software engineers</p> <p>We intend to augment our software development capabilities by recruiting up to 10 software engineers. Our software engineering division currently consists of 24 software engineers, all of whom are integral to the programming and designing of our IT solutions.</p> <p>This recruitment initiative is geared towards enabling our Group to diversify our project portfolio without encroaching upon the resources allocated for our existing projects.</p> | 10 |
| 2. | <p>QC engineers</p> <p>As part of our strategic business expansion, we are poised to establish a dedicated QC department, which will comprise up to 4 experienced professionals with background in software engineering. The QC function which was previously managed by our project consultants, and relieving them of this function will enable our project consultants to focus their efforts solely towards enhancing our solutions.</p> <p>The new QC engineers will be tasked to meticulously oversee all QC aspects across our projects. Their responsibilities entail the review of software codes to ensure that the outcome of the software system is aligned with our customer requirements, which were previously articulated during the on-boarding process.</p> | 4 |
| 3. | <p>Project consultants</p> <p>We plan to recruit up to 6 computer engineers to fulfil the position of project consultants. Our project consultants are pivotal to our business operations as they undertake the following key roles:-</p> <ul style="list-style-type: none"> (a) on-boarding and requirement analysis functions - engaging in close collaboration with our customers to gain better understanding of their business and project requirements, to ensure seamless alignment between proposed technology solutions and the intended outcomes; (b) project management function - developing detailed project plans that set out the tasks, timelines, resource allocation and all significant milestones with the aim to ensure a structured approach to the execution of projects; (c) software system training function - providing training sessions and documentation to our customers to facilitate the adoption and application of our IT solutions; (d) customer support function - coordinating and assisting our customers to troubleshoot any unforeseen technical challenges and intricacies that may emerge after project completion; and (e) customer account management function - maintaining consistent communication with our customers throughout the project lifecycle, providing updates on progress, addressing concerns and managing expectations. <p>As at the LPD, we have a team of 8 project consultants managing our ongoing projects and customer relationships.</p> | 6 |

6. BUSINESS OVERVIEW (cont'd)

| Details | | No. of new hires (Up to) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|--|---------------------------------|--------------------|--------------------------|---|--------|---|-------|---|--------|---|-------|---|----------|---|----------------------------------|----|-----------------|---|-------|---|--------|---|----------|---|------------|---|--------------|-----------|----|
| 4. | <p>Helpdesk and customer service</p> <p>We intend to strengthen our support services by hiring additional 4 new personnel (with computer science and technology experience) for our helpdesk operations. We currently operate a helpdesk centre (which acts as the centralised support hub to respond to our customers) with 6 personnel. Our helpdesk coverage commences from 5.00 a.m. to 9.00 p.m. daily.</p> <p>In addition, our Group intends to set up a user support desk to provide customer service support to users of GOHUB's online marketplace application and website on software/application troubleshooting and user experience feedback collection. We will hire up to 4 personnel with IT helpdesk experience to manage and operate the user support desk.</p> | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | <p>Technicians</p> <p>We intend to hire up to 15 technicians (with computer science and technology experience) to complement our existing team and support our new projects which include:-</p> <p>(a) allocation of up to 7 technicians to support 9 rail stations as KTMB extends its ETS routes to the South of Peninsular Malaysia; and</p> <p>(b) our venture into the ferry segment where we intend to allocate up to 8 technicians at 8 ferry terminals in Sabah.</p> <p>As our major customers are involved in the provision of mobility and transportation services to the general public, we are required to provide prompt onsite technical support and maintenance as well as expedited response in the case of any emergency or disruptions arising from our TOS. A high level of service is critical to our customers as they are expected by the Ministry of Transport / government agencies and the general public to operate with minimal disruptions/breakdowns and equipped with emergency preparedness and response time, should the need arise.</p> <p>Having recognised the need to provide swift support to our customers, we have stationed our technicians at the key rail stations and bus terminals on a permanent basis to perform periodic maintenance on TOS and onsite support (based on the directive of our helpdesk), where required. As at the LPD, our technicians are stationed in the following states:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">States</th> <th style="text-align: center;">No. of technicians</th> </tr> </thead> <tbody> <tr> <td>Cyberjaya (Headquarters)</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Perlis</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Kedah</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Penang</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Perak</td> <td style="text-align: center;">4</td> </tr> <tr> <td>Selangor</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Wilayah Persekutuan Kuala Lumpur</td> <td style="text-align: center;">10</td> </tr> <tr> <td>Negeri Sembilan</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Johor</td> <td style="text-align: center;">6</td> </tr> <tr> <td>Pahang</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Kelantan</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Terengganu</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">36</td> </tr> </tbody> </table> | States | No. of technicians | Cyberjaya (Headquarters) | 2 | Perlis | 1 | Kedah | 3 | Penang | 2 | Perak | 4 | Selangor | 1 | Wilayah Persekutuan Kuala Lumpur | 10 | Negeri Sembilan | 3 | Johor | 6 | Pahang | 1 | Kelantan | 2 | Terengganu | 1 | Total | 36 | 15 |
| States | No. of technicians | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cyberjaya (Headquarters) | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Perlis | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Kedah | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Penang | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Perak | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Selangor | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wilayah Persekutuan Kuala Lumpur | 10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Negeri Sembilan | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Johor | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pahang | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Kelantan | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Terengganu | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 36 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

6. BUSINESS OVERVIEW (cont'd)

| Details | | No. of new hires (Up to) |
|--------------|---|--------------------------|
| 6. | D&D personnel We do not have dedicated D&D staff or department which undertakes D&D activities. These efforts are carried out by members of our IT Development department, where staff are assigned on an ad hoc basis, and generally consist of a team made up of project manager, programmers and project consultants. To support our future endeavours in our D&D activities, we intend to expand our workforce in the department. | 6 |
| Total | | 49 |

We intend to allocate RM[●] million or [●]% of our Public Issue proceeds towards the expansion of our workforce within 24 months from our Listing, of which RM[●] million will be utilised towards the payment of staff salaries and benefits of new recruits for up to 49 employees for an estimated period of 24 months (based on our staff salary records and salary estimates).

For avoidance of doubt, the initial recruitment costs associated to the recruitment of the above mentioned personnel will be fully funded via internally generated funds. We believe that that expansion will enhance our capacity to service the growing number of new purchase orders and contracts.

6.24.3 Marketing efforts to showcase our solutions and secure potential customers

Our immediate marketing plans involves participating in exhibitions worldwide focusing on transportation, traffic management as well as smart city infrastructure. We have outlined several exhibitions which we intend to participate:-

| Exhibition | Description |
|--|--|
| Rail Solutions Asia | Rail Solutions Asia is an exhibition and comprehensive conference programme centred on rail solutions. It also holds the Annual Congress of the Asian Railway Operators Association, and the exhibition covers all aspects of railway activities. |
| Asia Pacific Rail | Asia Pacific Rail is a railway exhibition for the Asia Pacific region and brought together players from around the world for industry speeches, conference and networking opportunities. |
| American Transportation Association (“ APTA EXPO ”) | Held once every three years, APTA EXPO is an event that covers advanced mobility systems and showcase of latest technologies, products and services related to the transportation segment. |
| InnoTrans | InnoTrans is an international trade fair for transport technology and takes place every two years in Berlin. The event is sub-divided into various segment which include railway technology, railway infrastructure, public transport and interiors and tunnel construction. |

In addition, we intend to implement a series of business development activities to increase our brand awareness in the industries that we serve. These activities include brand awareness through online channels and media advertisements to promote our applications and the “GOHUB” brand.

We intend to allocate RM[●] million or [●]% of our Public Issue proceeds for business development and participation in exhibitions. The business development activities and participation in exhibitions will be allocated RM[●] million and RM[●] million, respectively and both are expected to be implemented within 24 months from our Listing.

6. BUSINESS OVERVIEW (cont'd)

6.24.4 Set-up of new integrated centre

We intend to establish a new integrated centre in Kuala Lumpur that will serve as our new test laboratory, demonstration and training centre. This centre will encompass an area of approximately 2,000 sq ft, capable of accommodating up to 35 individuals.

We currently operate a rented testing centre measuring approximately 421 sq ft in Kuala Lumpur. Space constraint in the current testing centre discourages our Group from conducting demonstrations and trainings at our facility, with these activities taking place at customer's site or hotel function rooms. The existing testing centre is equipped with hardware such as POS, TVMs and ACG, which we use to test and demonstrate our solutions to our customers. We are only able to accommodate up to 10 individuals at a time at our current centre given the limited floor space.

To facilitate this initiative, we have earmarked RM[●] million or [●]% of our Public Issue proceeds to lease an office located in Klang Valley, where it will be utilised for the rental of the office space for 36 months and related renovation costs. The allocated funds also include the purchase of required computers, IT equipment and tools (which include amongst others, ACG, TVM, handheld devices and payment terminals). The plan is expected to be completed within 12 months from our Listing.

6.24.5 D&D

We recognise the importance of D&D activities in our bid to remain competitive and provide customers with the newest technological applications and solutions that optimises and streamlines operational process flows efficiently.

Effective D&D shapes the features and functionality of our solutions. We intend to incorporate AI in our solutions via the acquisition of an AI engine. AI engine is a component in an AI system and is responsible for making decisions, providing responses and generating outputs based on input data and predefined rules or models.

We intend to acquire an AI chatbot engine to provide customers with simple helpdesk and troubleshooting functions and will subscribe to new additional database and application servers to support the AI chatbot engine in terms of storage of analytics and complex data. The AI chatbot engine is a core component to the AI transportation booking system (which will be developed in-house by our software engineers). We have therefore earmarked RM[●] million or [●]% from our Public Issue proceeds for the acquisition of the AI chatbot engine and to fund the subscription costs for the supporting database and application servers. We expect to implement the plan within 36 months from our Listing. Further details of the estimated implementation timeframe are set out in **Section 3.6.1(iii)** of this Prospectus.

6. BUSINESS OVERVIEW (cont'd)

6.24.6 Acquisitions of IT equipment, tools and software

In line with our business expansion strategies as disclosed above, we intend to allocate approximately RM[●] million or [●]% of our Public Issue proceeds for this purpose. The acquisitions will include the purchase of IT equipment, tools and software tools required to support the strategies, and future potential projects, in particular, for our venture into the ferry segment and the upgrading of our BOS, details of which are summarised as follows:-

| Details | RM'000 |
|---|------------|
| The key TOS* hardware to be installed for the ferry terminals in Sabah (under the Zero Capex model), which includes TVMs, ACG, CCTV and security related system, handheld devices and POS facilities, Passenger Information Display System as well as related electrical and engineering components. Further details of our venture to ferry terminals and the estimated timeframe are set out in Section 3.6.1(ii)(a) of this Prospectus. | [●] |
| Upgrading of cashless or open payment system for BOS (includes the payment terminal devices). Further details of the upgrading of our BOS are set out in Section 3.6.1(ii)(b) of this Prospectus. | [●] |
| Total | [●] |

Note:-

* For avoidance of doubt, the TOS software will be developed and customised in-house by our software engineers. The costs associated with the development of the TOS software will be recognised as intangible assets in accordance with the recognition criteria set out in the MFRS 138 Intangible Assets.

We expect to carry out the above within 36 months from our Listing.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

7. INDUSTRY OVERVIEW

PROTEGE ASSOCIATES SDN BHD (22040107236/0275742/01)
SUITE C-09-12, PLAZA MONT' KIARA
2, JALAN KIARA, MONT' KIARA
50480 KUALA LUMPUR, MALAYSIA
GEN +603 6201 9301 FAX +603 6201 7302
www.protege.com.my

Protégé
ASSOCIATES

BRAND | FINANCE | MARKET

The information in this Section 7 is based on the market research conducted by Protégé Associates commissioned by GOHUB for the purpose of the IPO.

Date: 21 September 2023

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/Madams,

Independent Market Research Report on the Enterprise Information Technology Services Industry in Malaysia ("IMR Report")

Protégé Associates Sdn Bhd ("Protégé Associates") has prepared this IMR Report for inclusion in the prospectus of Go Hub Capital Berhad ("GOHUB" or the "Company") in relation to its listing on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

We have been engaged to provide an independent market research of the abovementioned industry in which GOHUB and its subsidiaries ("GOHUB Group" or the "Group") operate in. The market research process undertaken involved secondary research as well as detailed primary research when required, which involves interviews with the relevant stakeholders of the industry to discuss the state of the industry. Quantitative market information could be sourced from such interviews and therefore, the information is subject to fluctuations due to changes in business, industry and economic conditions.

We have prepared this IMR Report in an independent and objective manner and have taken adequate care to ensure the accuracy and completeness of this IMR Report. We believe that this IMR Report presents a balanced view of the industry within the boundaries and limitations of secondary statistics, primary research and continued industry movements. Our research has been conducted to present an overall view of the industry and may not necessarily reflect the performance of individual companies in this industry. Protégé Associates is not responsible for the decisions and/ or actions of the readers of this IMR Report. This IMR Report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in this IMR Report.

Thank you.

Yours sincerely,



Seow Cheow Seng
Managing Director

About Protégé Associates Sdn Bhd

Protégé Associates is an independent market research and business consulting company. Our market research reports provide an in-depth industry and business assessment for companies raising capital and funding in the financial markets; covering their respective market dynamics such as market size, key competitive landscape, demand and supply conditions, government regulations, industry trends and the outlook of the industry.

Profile of signing partner, Seow Cheow Seng

Seow Cheow Seng is the Managing Director of Protégé Associates. He has 23 years of experience in market research, having started his career at Frost & Sullivan where he spent 7 years. He has a Master in Business Administration from Charles Sturt University, Australia and Bachelor of Business majoring in Marketing from RMIT University, Australia.

7. INDUSTRY OVERVIEW (cont'd)



COPYRIGHT NOTICE

No part of this IMR Report may be given, lent, resold, or disclosed to non-customers or any other parties, in any format, either for commercial or non-commercial reasons, without express consent from Protégé Associates. Furthermore, no part of this IMR Report may be extracted, reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, for purposes other than the for inclusion in the prospectus of GOHUB in relation to its listing on the ACE Market of Bursa Securities, without the express consent from Protégé Associates.

Any part of this IMR Report used in third party publications, where the publication is based on the content, in whole or in part, of this IMR Report, or where the content of this IMR Report is combined with any other material, must be cited and sourced to Protégé Associates.

The research for this IMR Report was completed on September 2023.

For further information, please contact:

Protégé Associates Sdn Bhd
Suite C-09-12, Plaza Mont' Kiara,
2 Jalan Kiara, Mont' Kiara,
50480 Kuala Lumpur, Malaysia.
Tel: 603 6201 9201

© 2023, All rights reserved. **Protégé Associates Sdn Bhd**

7. INDUSTRY OVERVIEW (cont'd)

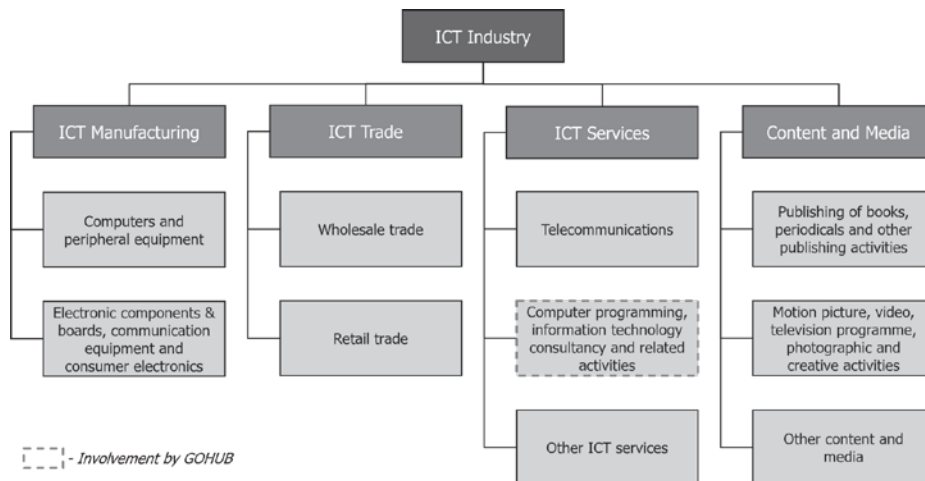


1.0 Introduction to the ICT Services Industry in Malaysia

The information and communication technology ("ICT") industry revolves around the provision of technologies and services that enable information to be accessed, stored, processed, transformed, manipulated, and disseminated, including the transmission or communication of voice, image and/or data over a variety of transmission media. The ICT industry plays a pivotal role in improving efficiency and effectiveness of product and/or service delivery, continuously reshaping how individuals work, play, and learn. The ICT industry has evolved beyond being a mere collection of technological tools, and instead has become a key driver of business transformation as well as socio-economic enabler.

The ICT industry in Malaysia consists of the industries that manufacture or provide ICT products and services. According to Department of Statistics Malaysia ("DOSM"), the main categories of the ICT industry are ICT manufacturing, ICT trade, ICT services, as well as content and media.

Figure 1: ICT Industry Segmentation

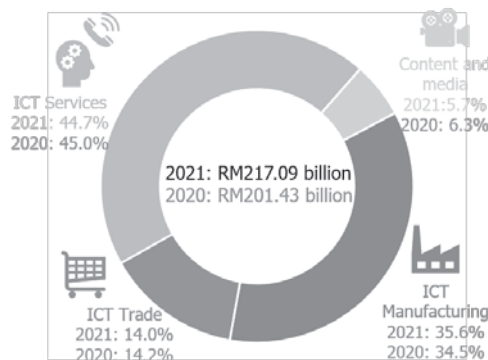


Source: DOSM

Based on the Information and Communication Technology Satellite Account 2021 published by DOSM, the ICT industry registered RM217.09 billion (in terms of gross value added) or 14.0% to Malaysia's gross domestic product in 2021. This represents a growth of 7.8% over the previous year of RM201.43 billion. In 2021, as illustrated in Figure 2 below, the ICT services industry dominated with a share of 44.7%, followed by ICT manufacturing at 35.6%, ICT trade at 14.0% and content and media at 5.7%.

During the year, the ICT services industry grew by 7.0% to reach a value of RM96.94 billion, up from RM90.63 billion in 2020. Meanwhile, ICT manufacturing industry grew 11.1% to RM77.26 billion, mainly supported by electronic components and boards, communication equipment and consumer electronics. The ICT trade industry grew by 6.6% in 2021, whereby growth was mainly driven by retail trade of ICT products and services. On the other hand, the content and media industry fell by 2.0% mainly due to a decline in motion picture, video, television programme, photographic and creative activities.

Figure 2: Value of the Malaysian ICT Industry



Source: DOSM

The main categories of the ICT services industry and its key features are set out below:-

Figure 3: Main Categories of the ICT Services Industry

| Subsectors of ICT services | Key features |
|----------------------------|--|
| Telecommunication services | Operating, maintaining, and providing access to telecommunication infrastructure for transmission of voice, data, text, video and etc. |

7. INDUSTRY OVERVIEW (cont'd)



| | |
|---|--|
| Computer programming, IT consultancy and related activities | <ul style="list-style-type: none"> ▪ Planning and designing of IT systems to gather requirements from stakeholders. This includes consultancy services as part of designing a complete system architecture and/or solution for customers ▪ Designing the architecture, interface, structure and content of computer code of and/or writing the computer code needed to develop and implement system software and applications (including subsequent updates and patches), databases and webpages ▪ Testing and deployment of software systems and applications so that it is functional within the customers' systems environment ▪ Provision of onsite management and operation of customers' IT systems (including system security and disaster recovery) and/or data processing facilities and related support services |
| Other ICT services | Web search portal and streaming services, data processing and hosting activities (including payment services), business and productivity software and licensing services, leasing or rental services for ICT equipment as well as other information service activities of supplying information |

Source: Protégé Associates

1.1 Enterprise IT Services Industry

The enterprise IT services industry is considered a sub-sector of the ICT services industry. In general, enterprise IT services consists of a wide range of IT services that serve to aid businesses or organisations in achieving or improving operational efficiency. These include IT consulting services that involve the designing, planning, as well as implementing IT systems and infrastructure for company operations with the use of technology such as artificial intelligence ("AI") and Internet of Things ("IoT") along with a combination of computer hardware and software. Enterprise IT services also includes maintenance and support services such as IT management, application and hosting services, as well as system integration, software and/or hardware installation and support, and IT education and training services as well as system operator for the solutions. The industry also encompasses business outsourcing services that involves the outsourcing of IT-based business processes such as human resources, finance, accounting, and customer services to a third-party service provider. These enterprise IT services enable better operational efficiency by integrating multiple parts of a business through an IT system architecture, enabling seamless transmission of information and data from various areas, systems or departments, streamline data management, automate business processes and/or resource management.

Given the growing digitisation trend worldwide and also in Malaysia, a wide pool of end-user markets (both in the private and public sectors), which the enterprise IT services industry serves, are embracing and/or adopting new advanced technologies and IT solutions to enhance their operational efficiencies. Examples of these end-user market for enterprise IT services include but are not limited to banking and finance, insurance, technology, telecommunications, consumer products, education, healthcare, manufacturing, retail, hospitality and leisure, automotive, aviation, logistics and transportation.

GOHUB is 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) for stage bus, express bus and rail industry. Its services also extend to include maintenance and support services as well as terminal management services.

As such, Protégé Associates has provided an overview of the stage bus, express bus and rail industry in Malaysia given that the major end-user of GOHUB's enterprise IT services is in the transportation sector.

2.0 Overview of the Stage Bus and Express Bus Industry in Malaysia

According to the Agensi Pengangkutan Awam Darat ("APAD"), there are 8 types of bus categories in Malaysia comprising stage bus, express bus, feeder bus, school bus, mini bus, employee bus, charter bus and excursion bus. Stage buses are buses that commute along predetermined routes (which are interdistrict and/or intrastate) on a scheduled timetable and undertake pick-ups and drop offs at bus stops along the route. Express buses also commute along a predetermined route (which are interstate) with scheduled timetables. However, express buses generally require their passengers to make a reservation and purchase a ticket prior to boarding the express bus, unlike stage buses where passengers can purchase tickets on board the stage bus.

The stage bus and express bus industry in Malaysia are overseen by government agencies such as the Road Transport Department and the APAD, whereby the bus operators are required to be licenced by the APAD in order to operate. Currently, there are approximately 100 stage bus operators (including Ipoh Omnibus Co Sdn Bhd, Konsortium Transnasional Berhad ("KTB") and Mara Liner Sdn Bhd), as well as 180 express bus operators in Peninsular Malaysia (including Airebus Sdn Bhd, KKKL Sdn Bhd and KTB). A number of operators such as CKS Bumi Sdn Bhd, Konsortium Bas Ekspres Semenanjung (M) Sdn Bhd, KTB and Sanwa Tours (M) Sdn Bhd operate both stage bus and express bus operations throughout Peninsular Malaysia. Notable stage and express bus brands include Aeroline, Cityliner, Delima Express, KKKL Express, Nice, Plusliner, RapidKL, Sri Maju, and Transnasional.

In 2021, there were 63,541 licensed buses in Malaysia, of which 37,816 buses possess active permits. In particular, employee buses represent the largest usage at 33.7% (12,761 active permits), followed by school buses at 33.4% (12,625 active permits) and stage buses at 11.9% (4,515 active permits), express buses at 8.6% (3,260 active permits)

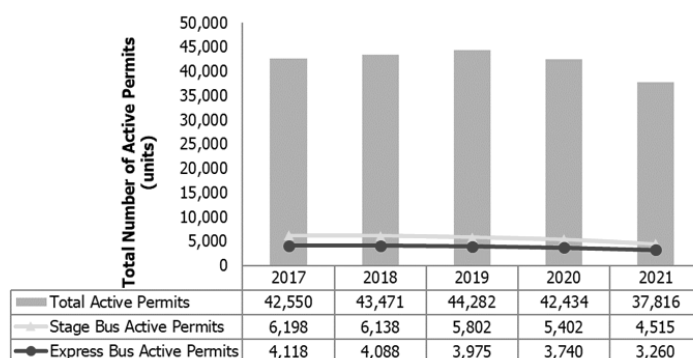
7. INDUSTRY OVERVIEW (cont'd)



BRAND | FINANCE | MARKET

and other buses (namely feeder buses, mini buses, charter buses and excursion buses) at 12.4% (4,655 active permits).

Figure 4: Number of Buses with Active Permits, 2017-2021



Source: Ministry of Transport Malaysia

The number of buses with active permits averaged around 43,000 from 2017 to 2020 before decreasing to 37,816 in 2021. In 2021, the total number of buses with active permits decreased by 10.9% to 37,816 from 42,434 in 2020. In terms of the number of active permits for stage bus, it decreased by 16.4% from 5,402 in 2020 to 4,515 in 2021 while the number of active permits for express bus decreased by 12.8% from 3,740 in 2020 to 3,260 in 2021. The number of active permits for stage buses and express buses has shown a declining trend since before the pandemic due to the challenging operating environment caused by rising operating cost and stagnant fares. The COVID-19 and resulting lockdown measures such as work-from-home policies and prohibition of interstate travel had further affected the demand for both stage and express bus services. Bus operators faced a significant decrease in ridership due to travel restrictions, while grappling to pay operational costs such as wages, petrol, and maintenance associated to keep their services running. Consequently, this predicament compelled numerous stage bus and express bus operators to forego permit renewals as a measure to limit their financial losses.

At the same time, according to APAD, as of September 2023 there are 169 bus terminals scattered across Peninsular Malaysia. For East Malaysia, it is estimated that there are approximately 40 bus terminals. Some of these terminals have been categorised into A, B or C grade by APAD based on various criteria such as ticketing and information system, operations management, security, as well as convenience and comfort. As terminals upgrade from a lower grade to a higher grade, they would incorporate better IT systems such as ticketing and information system, improve their operations management and security thus needing the expertise for enterprise IT service providers, such as GOHUB. In particular, Johor had the highest number of bus terminals, followed by Perak and Pahang, with the second and third highest number of bus terminals in Malaysia. In Kuala Lumpur, the major bus terminals include the Terminal Bersepadu Selatan and the Kuala Lumpur Sentral Bus Station. Along the current digitisation trend across the globe and in Malaysia, it is expected that an increasing number of bus terminals will adopt IT systems such as terminal operation systems ("TOS") and centralised ticketing systems ("CTS") into their operations to remain competitive and efficient.

3.0 Overview of the Rail Transportation Services Industry in Malaysia

Rail transport (also known as train transport) refers to the means of transport that transfers passengers and goods on wheeled vehicles running on rails, which are incorporated in tracks. Unlike road transportation, where vehicles operate on a levelled and prepared surface, rail vehicles, also known as rolling stock, are guided along a specific path by the tracks on which they travel. These tracks are typically composed of steel rails.

Currently, there are 3 major train operators that provide rail transportation services in Malaysia, namely Keretapi Tanah Melayu Berhad ("KTMB"), Rapid Rail Sdn Bhd ("Rapid Rail"), and the Express Rail Link Sdn Bhd ("ERL"). KTMB operates, amongst others, the main inter-city lines from the North to the South of Peninsular Malaysia and the commuter for intra-city networks serving both passenger and cargo transportation services. Rapid Rail's core business covers not only the passenger rail service but also public buses. For rail service, the company operates namely the Ampang Line light rail transit ("LRT"), the Kelana Jaya Line LRT, the Klang Valley Mass Rapid Transit ("MRT") and the Monorail Line. The ERL is a private rail operator that operates the KLIA Express and KLIA Transit services from Kuala Lumpur Sentral to Kuala Lumpur International Airport 1 and 2. There are other rail operators such as the Sabah State Railways and the Melaka Monorails under River & Coastal Development Corporation Malacca.

In terms of passenger traffic, the rail transportation ridership (which includes the LRT Kelana Jaya Line, LRT Ampang Line, MRT Sungai Buloh-Kajang Line, MRT Putrajaya Line, KL Monorail, KLIA Express, KLIA Transit, KTM Komuter Lembah Klang, KTM Komuter Selatan, KTM Komuter Utara and KTM Skypark) in Peninsular Malaysia increased from 228.1 million passengers in 2017 to 275.6 million passengers in 2019. Subsequently, the rail transportation ridership declined by 51.1% to 134.7 million passengers in 2020 due to the coronavirus disease ("COVID-19") pandemic. Ridership in Peninsular Malaysia further declined by 42.6% to 77.4 million in 2021 as the population avoided the use

7. INDUSTRY OVERVIEW (cont'd)



BRAND | FINANCE | MARKET

of public transport during the pandemic. In 2022, ridership rebounded to 177.8 million in line with Malaysia's transition to endemic phase.

4.0 Historical Market Performance and Growth Forecast

Protégé Associates has provided the following historical performance and growth forecast of the enterprise IT services industry in Malaysia based on a combination of resources including the data obtained from DOSM, Malaysia Digital Economy Corporation (MDEC), the Malaysian Communications and Multimedia Commission (MCMC) and the Malaysia Investment Development Agency ("MIDA"). Data has also been gathered from further secondary and primary research works conducted. Searches on private limited cybersecurity market players have also been conducted with the Companies Commission of Malaysia ("CCM") while financial information from public listed enterprise IT services industry players has been extracted from the website of Bursa Securities to gather more information on their business performance. Primary research works have been conducted with stakeholders in the local enterprise IT services industry in order to gather their insights on the industry. All the findings have been collated, analysed and/or computed to ascertain the outlook of the enterprise IT services industry in Malaysia. **As the Enterprise IT services industry revolves mainly in providing IT consultancy services and supporting activities, the gross value added of "computer programming, IT consultancy and related activities" has been used as a proxy for the size of the enterprise IT services industry in Malaysia. This excludes revenue derived from telecommunications and other ICT services (including repair of electrical equipment, installation of industrial machinery and equipment, and publishing of ready-made (non-customised) software) under the ICT services industry as set out in Figure 3 above.**

Figure 5: Historical Market Size (Revenue) and Growth Forecast for the Enterprise IT Services Industry in Malaysia, 2020-2027

| Year | Market Size (Revenue) (RM billion) | Growth Rate (%) |
|-------|---------------------------------------|-----------------|
| 2020 | 19.48 | - |
| 2021 | 20.03 | 2.8 |
| 2022e | 21.19 | 5.8 |
| 2023f | 22.10 | 4.3 |
| 2024f | 23.10 | 4.5 |
| 2025f | 24.25 | 5.0 |
| 2026f | 25.59 | 5.5 |
| 2027f | 27.12 | 6.0 |

CAGR (2023-2027) (base year of 2022): 5.1%
e denotes estimate; f denotes forecast

Sources: DOSM and Protégé Associates

The size of the enterprise IT services industry in Malaysia was estimated at RM21.19 billion in 2022, which was an increase of 5.8% from RM20.03 billion registered in 2021. There had been an increase in demand for enterprise IT services especially for digitisation of business operations over the recent years. This trend was accelerated during the COVID-19 pandemic period whereby social distancing measures created a high demand and necessity for adoption of technology to address work-from-home practices, managing changes in demand and supply chains. During the pandemic, companies relied on technology such as remote access and factory automation control to sustain their business operation. The advent of new digital technologies such as 5th generation ("5G") and the emergence of various technology-led industries such as financial technology had also contributed to the rise in demand for enterprise IT service offerings. The Malaysian Government announced the transition of COVID-19 into an endemic phase in 2022, signalling a normalisation of economic activities in the country. This led to an increase in demand for enterprise IT services during the year.

Although the growth in the local enterprise IT services industry is expected to slow down in 2023 due to uncertainties in the global economy, the enterprise IT services industry is, however, projected to register a positive growth during the year. The market size of the enterprise IT services industry in Malaysia is projected to grow from RM22.10 billion in 2023 and reach RM27.12 billion in 2027, registering a CAGR of 5.1% for the forecast period as the local economy continues its digital transformation journey. In particular, the growth prospects of local enterprise IT services industry serving the public land transportation sector is further supported by the Malaysian government's continued effort and ambition (as outlined in the National Transport Policy 2019-2030) to embrace and adopt digitalisation with the aim to improve (in terms of operating efficiency and achieving higher utilisation/ridership) public transportation infrastructure and systems in Malaysia.

4.1 Competitive Landscape

The enterprise IT services industry in Malaysia is fragmented with players providing a wide range of services from IT consulting services, ICT planning, designing and implementation, ICT systems integration and management, ICT management and support services as well as data processing and web hosting services. It is estimated that there are around 9,000 establishments involved in the provision of services relating to computer programming, IT consultancy and other related services activities in 2022.

Industry players within the local enterprise IT services industry compete among each other based on a series of factors, including the following:

7. INDUSTRY OVERVIEW (cont'd)



- **Industry reputation** – the reputation of a company comes from providing satisfactory IT services to customers and is gradually build over time. Enterprise IT service providers with well-known reputations and established track record are generally seen to be able to deliver high quality services and possess the technical expertise and capabilities to undertake large and complex ICT services projects. New entrants that normally do not have such reputation would likely face difficulty in securing business opportunities and capture market share from established service providers.
- **Business relationship with other IT product and service suppliers and vendors** – Enterprise ICT service providers generally are often required to integrate various types of IT hardware and software into a functional operating system. They tend to source and procure these IT products and software from various suppliers and vendors. By establishing long term and reliable business relationships, the enterprise ICT service providers will hence be able to obtain favourable pricing, terms of credit and customer support from the suppliers and vendors. This may form an entry barrier to new entrants.
- **Ability to attract and retain skilled IT professionals** – In general, experienced and skilled IT professionals prefer to work in large established IT companies given the attractive salary and remuneration packages as well as having the satisfaction of executing large and complex IT projects. As a result thereof, new entrants may find it challenging to attract, hire and retain experienced and skilled IT professionals.

4.1.1 Selected Market Players

GOHUB is principally an enterprise IT solution provider, primarily focusing on ticketing solutions for the public land transportation sector, where the company is involved in the conceptualisation, design, integration and implementation of IT system infrastructure, as well as operation and maintenance of IT systems. For the financial year ended ("FYE") 31 December 2022, GOHUB recorded a revenue of RM26.55 million from its operations.

Protégé Associates has selected the following industry players that are comparable to GOHUB, based on the following criteria:

- A company registered in Malaysia participating in the enterprise IT services industry in Malaysia;
- A company involved in the provision of IT consulting and implementation services, operations, maintenance, and other support services for the land transportation sector (bus and rail segments only), including accommodation, activities and events, transportation, and online travel agency services; and
- Have revenue of more than RM5 million based on latest publicly available financial information

It is estimated that there are less than 30 industry players that focus on the provision of enterprise IT services to the local land transportation sector (bus and rail segments only). It needs to be highlighted that the list of market players is not exhaustive, and only serves as a reference.

Figure 6: Comparison between GOHUB and Selected Industry Players

| Industry player | Principal Activity | Type of customer/ sector served | Latest available FYE | Revenue (RM'000) | Gross Profit (RM'000) | Profit before Tax (RM'000) | Profit after Tax (RM'000) | Gross Profit Margin ^(a) (%) | Profit before Tax Margin ^(b) (%) | Profit after Tax Margin ^(c) (%) |
|---------------------------------|--|--------------------------------------|----------------------|------------------|-----------------------|----------------------------|---------------------------|--|---|--|
| GOHUB | The company is 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). | Bus, Bus Terminals and Rail | 31-12-2022 | 26,549 | 17,234 | 8,003 | 6,057 | 64.9 | 30.1 | 22.8 |
| BSMART System Solutions Sdn Bhd | The company is principally engaged in business of software development for electronic cargo tracking systems, performance monitoring hubs, theft prevention remote asset monitoring systems and insurance telematics. | Bus and Commercial Vehicles (Cargo), | 31-12-2022 | 6,219.0 | 2,553.6 | 102.2 | 2.4 | 41.1 | 1.6 | 0.04 |

7. INDUSTRY OVERVIEW (cont'd)



| Industry player | Principal Activity | Type of customer/ sector served | Latest available FYE | Revenue (RM'000) | Gross Profit (RM'000) | Profit before Tax (RM'000) | Profit after Tax (RM'000) | Gross Profit Margin ^(a) (%) | Profit before Tax Margin ^(b) (%) | Profit after Tax Margin ^(c) (%) |
|--|--|--|----------------------|------------------|-----------------------|----------------------------|---------------------------|--|---|--|
| Comcentric Solutions Sdn Bhd | The company is principally involved in the business of providing automatic vehicle tracking and monitoring system services. | Bus and Public Vehicles (Taxi and Rental Cars) | 30-09-2022 | 7,092.3 | 3,768.1 | 644.8 | 531.8 | 53.1 | 9.1 | 7.5 |
| Conduent Business Services Malaysia Sdn Bhd ⁽¹⁾ | The company is principally engaged in the provision of commercial, government and transportation solutions to a wide range of end user industries. | Bus and Rail | 31-12-2022 | 45,441.0 | n/a | 1,537.3 | 1,007.8 | n/a | 3.4 | 2.2 |
| Easybook Sdn Bhd ⁽²⁾ (M) | The company is principally an Internet and online reseller for coach services and also provides software consultancy, Internet advertising services and e-business solutions. | Bus, Rail, Ferry and Rental Cars | 31-12-2020 | 35,143.7 | 5,439.8 | -2,809.5 | -1,337.5 | 15.5 | -8.0 | -3.8 |
| Energetic Point Sdn Bhd ⁽³⁾ | The company is principally involved in the business of providing, developing and servicing computer software and application for e-ticketing selling bus tickets and conduct related training courses. | Bus and Bus Terminals | 31-12-2022 | 18,872.7 | 7,267.1 | 592.2 | 160.8 | 38.5 | 3.1 | 0.9 |
| Indra Technology Solutions Malaysia Sdn Bhd ⁽⁴⁾ | The company is principally engaged in the design, development, production, integration, operation, maintenance, marketing, distribution and repair of information systems, solutions and related products or components. | Bus, Rail and Airport Terminals | 31-12-2022 | 8,329.2 | 2,186.1 | 41.1 | 41.1 | 26.2 | 0.5 | 0.5 |
| LG Malaysia Sdn Bhd ⁽⁵⁾ CNS | The company is principally engaged in engineering, procure, construction, testing and commissioning of telecommunication system. | Bus | 31-12-2022 | 24,489.6 | 4,855.0 | 3,065.0 | 2,131.6 | 19.8 | 12.5 | 8.7 |
| Longbow Solutions Sdn Bhd | The company is principally engaged in the provision of information technologies services, project management and consultancy, and to supply hardware equipment, maintenance and asset management. | Bus, Rail and Ferry | 31-12-2022 | 7,789.1 | 4,570.8 | -19.2 | -19.2 | 58.7 | -0.2 | -0.2 |
| Solsis Sdn Bhd ⁽⁶⁾ (M) | The company is principally engaged in the provision of computer hardware, network services, and contact centre. | Bus | 31-12-2022 | 19,408.1 | 1,283.3 | -3,914.1 | -3,914.1 | 6.6 | -20.2 | -20.2 |
| Tech-store Malaysia Sdn Bhd | The company is principally engaged in the distribution and provision of professional project contracting services relating to software and hardware for security and ICT products. | Rail | 31-12-2022 | 42,239.2 | 10,965.4 | 9,374.9 | 7,212.2 | 26.0 | 22.2 | 17.1 |

Notes:

The above figures only provide an indication and are not considered directly comparable to GOHUB as not all companies:

(a) have the same FYE;

(b) carry out activities which are completely similar to GOHUB and each other, as well as serve directly the same end-user markets; and

7. INDUSTRY OVERVIEW (cont'd)



(c) operate in the same geographical area.

- ⁽¹⁾ Conduent Business Services Malaysia Sdn Bhd is a subsidiary of Conduent Incorporated, which is incorporated in the United States of America
- ⁽²⁾ Easybook (M) Sdn Bhd is a subsidiary of Easybook.com Pte Ltd, which is incorporated in Singapore
- ⁽³⁾ Revenue from Energetic Point Sdn Bhd includes contribution from its subsidiary, E-Transact Technology Sdn Bhd, a company involved in similar business focusing on the bus sector.
- ⁽⁴⁾ Indra Technology Solutions Malaysia Sdn Bhd is a subsidiary of Indra Sistemas S.A., which is incorporated in Spain and listed on the Madrid Stock Exchange
- ⁽⁵⁾ LG CNS Malaysia Sdn Bhd is a subsidiary of LG Corp., which is incorporated in Korea and listed on the Korea Exchange
- ⁽⁶⁾ Solsis (M) Sdn Bhd is a subsidiary of Dataprep Holdings Bhd, which is listed on the Main Market of Bursa Securities
- ^(a) Gross Profit Margin = Gross Profit/ Revenue
- ^(b) Profit before Tax Margin = Profit before Tax/ Revenue
- ^(c) Profit after Tax Margin = Profit after Tax/ Revenue

Sources: GOHUB, CCM, and Protégé Associates

4.1.2 Estimated Market Share

For the FYE 31 December 2022, GOHUB generated revenue of RM26.55 million, equivalent to 0.13% share of the enterprise IT services industry in Malaysia of RM21.19 billion in 2022. Further, GOHUB currently serves 8 bus terminals for their TOS and CTS, and account for 4.7% of the total terminals across Peninsular Malaysia (premised on that there are currently around 169 bus terminals across Peninsular Malaysia).

5.1 Demand and Supply Conditions

5.1.1 Demand Conditions

Figure 7: Demand Conditions Affecting the Enterprise IT Services Industry in Malaysia, 2023-2027

| Impact | Demand Conditions | Short-Term | Medium-Term | Long-Term |
|--------|---|------------|-------------|-----------|
| | | 2023-2024 | 2025-2026 | 2027 |
| + | Digital Transformation Economy | High | High | High |
| + | High Broadband Penetration Rate | High | High | High |
| + | Continued Relevance of the Local Land Transportation Sector | Medium | Medium | Medium |

Source: Protégé Associates

7. INDUSTRY OVERVIEW (cont'd)



Digital Transformation Economy

As the world grows increasingly connected and transforms towards a digital economy, technologies such as 5G, AI, cloud computing, robotics, IoT and big data analytics ("BDA") have been increasingly adopted into business models for firms to remain competitive. In particular, cloud computing enables users to access various digital services such as server, storage as well as applications and services over a network. Due to the convenience and scalability while using cloud computing, the technology is increasingly being adopted in a growing number of industries including communications, healthcare, education, government affairs, finance, and e-commerce, as well as in sectors that in the past were not perceived as heavy users of technology (such as the transportation and agriculture sectors). For example, an increasing number of transportation terminals have been incorporating IT components into its systems such as centralised ticketing systems, self-service ticket vending machines as well as digital information kiosks. This is expected to lead to higher operational efficiency, improved monitoring and supervision, as well as bringing convenience to passengers. The necessity and demand for the public land transportation sector to shift to digitisation is further emphasised and outlined in the National Transport Policy 2019-2030.

The IoT refers to a network of physical objects that are linked together to a system that serves to collect and exchange data. These objects transmit data through various information sensing devices such as QR code scanners, radio frequency identification ("RFID"), infrared sensors and global positioning systems ("GPS") to enable intelligent identification, location tracking and monitoring, and management. The public land transportation sector has been adopting IoT devices into their system infrastructure to provide ease and convenience for passengers (in terms of ticketing and payment), as well as improving traffic flows at the bus terminals. Further, when adopting IoT, businesses connect their physical infrastructure to the Internet to allow the exchange of data and/or information across various devices or platforms to ensure interoperability and connectivity. This would require consultancy, planning, development and deployment of ICT infrastructures and related support services.

At the same time, there has also been increasing usage of digital technologies such as robotics, AI, BDA and IoT in the healthcare and manufacturing sectors. For example, in the healthcare sector, medical robotic technology and robot-assisted surgical procedures are now connected to computer systems and networks while patient records are digitised. These developments in digital businesses are expected to spur the demand for enterprise IT service offerings. Similarly, the use of smart manufacturing processes, which involve robotics connected to manufacturing systems, and inventory systems that automatically replenish low stock, are also likely to drive demand for enterprise IT services. There has also been increasing applications of AI being used in travel and transport, whereby travellers are using the Internet to compare prices and purchase ticket, as well as using chatbots for online customer services. Malaysia recorded a total of RM264.6 billion worth of approved investments in the manufacturing, services, and primary sectors for 2022. The services sector was the largest contributor of approved investments in 2022, accounting for 58.2% (RM154 billion) of total approved investments. The main contributors for the sector include the information and communications sub-sector with five data centre and cloud computing services projects. The manufacturing sector came in second during the year, recording RM84.3 billion (31.9%), followed by the primary sector at RM26.3 billion (15.3%). The manufacturing sector has benefited from the use of automation and smart manufacturing technologies related to the Fourth Industrial Revolution ("4IR") such as the IoT, AI, machine learning and big data analytics, which helps to increase efficiency and reduce reliance on foreign labour. The investments and adoption of IT systems into the services, manufacturing as well as other industries is expected to bode well for the local enterprise IT services industry by providing the latter with a large pool of potential customers and end-user markets.

High Broadband Penetration Rate

The broadband penetration rate in Malaysia is considered relatively high. From 2017 to 2022, the mobile-broadband penetration rate per 100 inhabitants in Malaysia stood at above 100%. (Note: A penetration rate over 100% can occur because of multiple subscriptions). The mobile-broadband penetration rate in Malaysia has been increasing since the third quarter of 2020 and returned to the pre-pandemic levels in the third quarter of 2021. This trend is expected to continue to rise as the country increasingly shift daily activities online. At the end of 2022, all the states in Malaysia registered more than 100% in mobile-broadband penetration rate per 100 inhabitants save for Wilayah Persekutuan Putrajaya (93.9%) and Wilayah Persekutuan Labuan (98.4%). Meanwhile, the penetration rate for fixed broadband per 100 premises increased from 37.2% in the end of 2020 to 47.6% in the end of 2022. The enterprise IT services industry in Malaysia is hence a beneficiary of this trend given that its offerings can serve the need of businesses seeking for IT enterprise services to improve their efficiency. The implementation of the national digital infrastructure plan known as the Jalanan Digital Negara (including the future deployment of the 5G technology standard for broadband cellular networks) is also expected to further drive the usage of broadband. The overall digital advancement in Malaysia is expected to lead to more industries adopting IT systems into their operations, including in the transportation sector. This in turn augurs well for the growth in the local enterprise IT services industry.

Continued Relevance of the Local Land Transportation Sector

While the local bus industry has been facing challenging operating conditions in recent years due to higher operating costs and stagnant fares over the years, buses still play a major role in the public transport of Malaysia, as well as for private usage (domestic or outbound tours). The industry was subsequently burdened with further challenges due to the COVID-19 pandemic and lockdown measures imposed to curb the spread of the virus, which resulted in travelling restrictions materially affecting the bus industry. As the virus gradually came under control following the high vaccination rates in the country, the Malaysian Government began to ease restrictions and allow the resumption

7. INDUSTRY OVERVIEW (cont'd)



of interstate travel from 11 October 2021 onwards and a return of social activities including interstate travelling. The Malaysian Government subsequently announced the “transition to endemic” phase starting 1 April 2022, accelerating the normalisation of economic activities.

Going forward, the continued recovery in economic activities in Malaysia is likely to contribute to the gradual recovery of the stage bus and express bus industry. In the longer term, demand for stage buses and express buses may be driven by a growing population and growing rate of urbanisation, which hinges upon continued Government support to drive the usage of public transportation. A larger population represents a larger base of potential users while growing rates of urbanisation would spur the demand for stage buses given the need for efficient public transportation. The Government is expected to continue to provide support to the stage bus and express bus industry through the National Transport Plan 2019-2030 with a growing focus on strengthening public transport infrastructure. The Government continues to implement the Interim Stage Bus Support Fund (“ISBSF”), whereby subsidy payments are provided to aid stage bus operators to cover their operating costs when plying unprofitable but necessary routes to serve the public, and the Stage Bus Services Transformation (“SBST”) programme, whereby bus operators are appointed as contractors to provide bus services for the public. Under Budget 2023, an allocation of RM150 million was made for the expansion of the SBST programme to Melaka, Kota Kinabalu, Kuala Terengganu and Kuching. A further RM230 million was also allocated for the SBST programme under the national budget for 2023. Almost RM170 million in subsidies had also been provided to a total of 37 stage bus operators in 2023 under the ISBSF.

Similarly, rail services are also frequently used in Malaysia, especially in the Klang Valley. Rail passenger ridership in Peninsular Malaysia has been increasing over the years, with passengers increasing from 228.1 million in 2017 to 275.6 million in 2019. While the local rail transportation industry faced a setback during the COVID-19 pandemic, ridership has rebounded in 2022. In the short term, growth of the rail transportation services industry in Malaysia is expected to be bolstered by the return in ridership after the pandemic. In the medium to long term, the local rail transportation services industry is anticipated to be fuelled by factor such as economic recovery boosting demand for goods, climate change, urbanisation and an increasing population that will stimulate rail passenger and freight traffic. This would lead to a need to expand existing rail infrastructure and networks. Some of the mega rail infrastructure due to be completed in the coming years include the Light Rail Transit 3 (expected to be operational in the first quarter of 2024), the East Coast Rail Link (expected to be operational in the fourth quarter of 2026) and the Rapid Transit System Link (expected to be operational in the fourth quarter of 2026).

Greenhouse gas emission has been a growing concern worldwide as it is one of the major contributors towards global warming. Trains are moving towards electrification, and some are even using hybrid engines to reduce carbon emissions. The Malaysian population is estimated at 33.0 million in 2022 and is projected to grow at a CAGR of 1.2% to reach 41.5 million in 2040. In addition, urbanisation rate in Malaysia rose from 70.9% to 76.6% during the period from 2010 to 2020. The DOSM has forecasted that this rate will reach 88.0% by 2050. The rising population and the urbanisation in Malaysia demand an effective means to transport a huge number of people especially during peak working hours. This is expected to drive demand for rail transportation services going forward.

The continued development of the land transportation sector namely the bus and rail industries in Malaysia is expected to bode well for the local enterprise IT services industry. The expansion of bus and rail terminals is expected to spur the adoption of IT systems in these terminals.

5.1.2 Supply Conditions

Figure 8: Supply Conditions Affecting the Enterprise IT Services Industry in Malaysia, 2023-2027

| Impact | Supply Conditions | Short-Term | Medium-Term | Long-Term |
|--------|---|------------|-------------|-----------|
| | | 2023-2024 | 2025-2026 | 2027 |
| + | Strong Government Support to Drive the Adoption of Digital Technology | High | High | High |
| + | Availability of Skilled IT Professionals | Medium | Medium | Medium |

Source: Protégé Associates

Strong Government Support to Drive the Adoption of Digital Technology

- National Policy Framework for the 4IR and Digital Economy Blueprint

The Industry4WRD that was launched on 31 October 2018 initially focused on the manufacturing sector and manufacturing-related services sector. Subsequently, the National 4IR Policy (2021-2030) was launched in 2021 as an overarching national policy to facilitate socioeconomic development of the country through the use of 4IR technologies. The policy serves as a guiding principle for ministries and agencies to set up appropriate policies and regulatory frameworks for businesses and society to have access to opportunities and socioeconomic benefits of the 4IR. Resources will be focused on building technological capabilities in five 4IR technologies namely, artificial intelligence, IoT, blockchain, cloud computing and BDA as well as advanced materials and technologies. Deployment of 4IR technologies will be focused on 10 key sectors along with 6 supporting sectors, to create new socioeconomic growth opportunities for the economy. These key sectors are manufacturing, transportation and logistics, healthcare, education, agriculture, utilities, finance and insurance, professional, scientific and technical services, wholesale and retail trade, and tourism; supporting sectors are construction, arts, entertainment and recreation services, real estate, mining and quarrying, information and communication services, and administrative and support services.

The National 4IR Policy is complemented by the Digital Economy Blueprint (2021-2030) known as the MyDigital, which was developed in response to how digital technology advancement and the growth of high-speed internet

7. INDUSTRY OVERVIEW (cont'd)



connectivity have changed the way goods and services are created, distributed, and consumed, and how people interact. MyDigital outlines 22 strategies that aim to build enabling digital infrastructures and talents to drive digital transformation in public and private sectors.

- **Incentives offered to encourage adoption of digitalisation**

Seeing the importance of digital adoption, the MIDA introduced the Industry4WRD Intervention Fund, the Automation Capital Allowance and the Smart Automation Grant to drive automation and digitalisation of small and medium enterprises in the manufacturing and services related sectors. Under the Budget 2022, tax incentives for activities under the Digital Ecosystem Acceleration Scheme are provided for companies under Multimedia Super Corridor (MSC) and are proposed to be extended to digital technology provider and digital infrastructure companies as well.

Under the National Transport Policy (2019-2030), the Malaysian Government is also committed in developing IoT in the transport sector by adopting automation and digitisation. In addition, the Malaysian Government is promoting and encouraging open data platform for greater data integration across all transport sectors and introduce single entry pass/payment method for seamless journeys.

Availability of Skilled IT Professionals

The availability of qualified and experienced manpower is a critical success factor for enterprise IT service providers to remain competitive in the industry. It is essential that an enterprise IT service provider can attract, hire, and retain talented employees. It was estimated that there were approximately 132,000 high-skilled workers (includes managers, professionals, and technicians) employed in the ICT services industry in 2017. The number of high-skilled workers employed in the ICT services industry is estimated to increase to approximately 134,000 in 2021. Generally, there is no shortage of skilled talents in the ICT services industry. According to the Ministry of Higher Education Malaysia, the number of IT, science and mathematics graduates at public university in Malaysia accounted for 10.3% of total graduates in 2020. However, the implementation of various movement control orders during the COVID-19 pandemic had led to an increase in number of job losses and subsequently a rise in the country's unemployment rate. Competition of getting jobs among the graduates are getting more challenging with the presence of more unemployed persons who lost their jobs during the pandemic. To mitigate the impact of pandemic, the Government has rolled out various initiatives which include among others, Wage Subsidy Programme to promote employee retention, hiring and training assistance for businesses to encourage hiring of employees, reskilling, and upskilling programmes to enhance employability among youth and unemployed persons. While companies have faced some challenges recruiting qualified and experienced IT professionals in 2020 and 2021 as the imposition of various movement control orders restricted recruitment activities, this is expected to be short term with the situation anticipated to improve in line with recovery of the economy.

6.0 Prospects and Outlook of the Enterprise IT Services Industry

The outlook and prospects of the enterprise IT services industry in Malaysia are expected to be positive during the forecast period. The COVID-19 pandemic and subsequent lockdown measures imposed have accelerated the usage of the Internet and the adoption of digital medium which together lay a clear path for further potential demand for enterprise IT services offerings. This had led to vast opportunities for the local IT enterprise services to expand its scope of businesses.

Factors priming growth within the enterprise IT services industry include the continuing digital transformation of the economy and the growing demand from cloud computing and IoT technologies. In addition to the manufacturing and services sectors, even sectors that in the past were not perceived as heavy technology users such as the transportation and agriculture sectors have been adopting IT components into their systems. In particular, the transportation sector, an increasing number of transportation terminals have been incorporating IT components such as centralised ticketing systems, self-service ticket vending machines, digital information kiosks as well as security systems. Besides that, the relatively high broadband penetration rate augur well for the growth in the local enterprise IT services industry. At the same time, while only a handful of terminals have adopted IT components into their systems, the continued relevance of the local transportation sector bodes well for the local enterprise IT services industry as these terminals adopt IT components along with digitisation. On the supply side, the local enterprise IT services industry can expect to continue receiving strong support from the Malaysian Government as well as availability of skilled IT professionals.

The enterprise IT services industry was valued at an estimated RM21.19 billion in 2022. Moving forward, the local enterprise IT services industry is projected to reach RM22.10 billion in 2023 and expand at a CAGR of 5.1% to reach RM27.12 billion in 2027.

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)% | No. of Shares | (2)% |
| <u>Promoters and substantial shareholders</u> | | | | | | | | | |
| 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 |
| <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 ⁽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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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)% |
| <u>Promoters and substantial shareholders</u> | | | | | | | | | |
| 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 |
| <u>Promoters</u> | | | | | | | | | |
| Hong Boon Huon | Malaysian | - | - | - | - | 1,694,622 | 12.73 | - | - |
| Eng Chee Seng | Malaysian | - | - | - | - | 1,129,748 | 8.49 | - | - |
| <u>Substantial shareholders</u> | | | | | | | | | |
| 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 | | Direct | | Indirect | |
| | | No. of Shares | (1)% | No. of Shares | (1)% | No. of Shares | (1)% | No. of Shares | (1)% |
| <u>Promoters and substantial shareholders</u> | | | | | | | | | |
| Tan Cherng Thong | Malaysian | 9,710,232 | 72.95 | ⁽³⁾ 109,906 | 0.83 | 7,713,732 | 57.95 | ⁽³⁾ 109,906 | 0.83 |
| Lee Li Yee | Malaysian | - | - | ⁽³⁾ 109,906 | 0.83 | - | - | ⁽³⁾ 109,906 | 0.83 |
| <u>Promoters</u> | | | | | | | | | |
| Hong Boon Huon | Malaysian | 1,694,622 | 12.73 | - | - | 1,694,622 | 12.73 | - | - |
| Eng Chee Seng | Malaysian | 1,129,748 | 8.49 | - | - | 1,129,748 | 8.49 | - | - |
| <u>Substantial shareholders</u> | | | | | | | | | |
| 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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 | | Direct | | Indirect | |
| | | No. of Shares | (1)% | 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 43, 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 44, 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 44, 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 43, is our Promoter and Chief Business Development Officer. He has approximately 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 RM[●], with the intention to consolidate and hold their 55% equity interests in GOHUB. Please refer to **Section 3.3.3** of the 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 2022 and FYE 2023 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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 | 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 |
| Lee Yew Weng | Independent Non-Executive Director | Malaysian | - | - | - | - | 300,000 | 0.08 | - | - |
| Alwizah Al-Yafii Binti 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 69, 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 sits on the board of the Perak Islamic Council's economic arm, Perbadanan Kemajuan Ekonomi Islam Negeri Perak and its subsidiary companies. 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 46, 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.

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.

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

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 49, 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.

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.

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

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 Cnerez Berhad, Infoline Tec Group Berhad and Sarawak Cable 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 33, 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.

She subsequently left Rahmat Lim & Partners in May 2016 and joined Trowers & Hamlins 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 & Hamlins 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.

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 | • 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 | • Independent Director | 28 October 2021 | - |
| 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 | • Independent Non-Executive Chairman | 27 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 | Date of cessation as director |
|--|---|---|---------------------------------|-------------------------------|
| Ar-Ridzuan Nephrocare Dialysis Sdn Bhd | Dialysis centres | <ul style="list-style-type: none"> • Director and Chairman | 14 July 2023 | - |
| Gradz Engineering Services Sdn Bhd | Equipment supply and engineering services | <ul style="list-style-type: none"> • Director • Shareholder (Direct interest: 100%) | 25 April 2018 | - |
| Kumpulan Perubatan AR-Ridzuan Sdn Bhd | Private hospital and medical services | <ul style="list-style-type: none"> • Director | 8 February 2021 | - |
| Lagardere Travel Retail Malaysia Sdn Bhd | To operate retail concessionaires at airports | <ul style="list-style-type: none"> • Director • Shareholder (Direct interest: 30%) | 2 April 2012 | - |
| Mutiara Ledang Sdn Bhd | Land development and estate management of oil palm plantation | <ul style="list-style-type: none"> • Director | 14 August 2018 | - |
| 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 | - |
| 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 | - |
| 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 |
|---|---|--|---------------------------------|-------------------------------|
| <i>Past involvements:-</i> Hiap Huat Holdings Berhad ⁽¹⁾ | 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 | <ul style="list-style-type: none"> Independent Non-Executive Chairman / Senior Independent Non-Executive Director | 10 October 2011 | 29 May 2023 |
| 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 |
| 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 | - |
| 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 |

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 |
|--|---|--|--|--------------------------------------|
| 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 |

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.*

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 | Date of cessation as director |
|--|--|--|--|--------------------------------------|
| <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 | - |
| 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 | Date of cessation as director |
|--|--|--|---------------------------------|-------------------------------|
| <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</p> <p>(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 |

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 |
|---------------------------------|--|---------------------------|---------------------------------|-------------------------------|
| NSS IT Online Services Sdn Bhd | Wholesale of computer hardware, software and peripherals, business and other applications and computer consultancy | • Director ⁽⁵⁾ | 4 December 2020 | 3 June 2022 |
| Real Apps Sdn Bhd | Business of other application, computer consultancy, wholesale of computer hardware, software and peripherals | • Director ⁽⁶⁾ | 18 January 2017 | 15 December 2021 |
| Real Apps International Sdn Bhd | IT service activities; business and other applications; wholesale of computer hardware, software and peripherals | • 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.*

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 / Business start date | Date of cessation as director / 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⁾) | - | - |
| 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 | - |
| <u>Past involvements:-</u> | | | | |
| Catchup Communications Sdn Bhd | 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) | <ul style="list-style-type: none"> Director⁽²⁾ | 30 May 2018 | 1 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 / Business start date | Date of cessation as director / Business expiry date |
|-------------------------------------|--|--|--|---|
| Excellent Asia Solutions Sdn Bhd | 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) | <ul style="list-style-type: none"> Director⁽³⁾ | 30 January 2017 | 31 December 2020 |
| Maidspower Solutions ⁽⁴⁾ | Cleaning services | <ul style="list-style-type: none"> Sole proprietor | 28 November 2013 | 27 November 2020 |

Notes:-

- (1) Deemed interested by virtue of her shareholdings in TCT International 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.

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 / partner | Date of cessation as director / partner |
|---|---|--|--|--|
| <i>Present involvements:-</i> DS Sigma Holdings Berhad ⁽¹⁾ | 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 | <ul style="list-style-type: none"> Independent Non-Executive Director | 16 February 2022 | - |
| Hiap Huat Holdings Berhad ⁽¹⁾ | 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 | <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 / partner | Date of cessation as director / partner |
|---|--|---|--|--|
| Sunzen Biotech Berhad ⁽¹⁾ | 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 | <ul style="list-style-type: none"> • Non-Independent Non-Executive Director | 1 August 2020 | - |
| IDM Padu Sdn Bhd ⁽²⁾ | Ceased operation (Previous principal activities: Schedule waste management, oil & gas, petrochemicals, laboratory services and information technology) | <ul style="list-style-type: none"> • Director • Shareholder (Direct interest: 49.00%) | 10 October 2017 | - |
| Sunzen International Sdn Bhd ⁽³⁾ | 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 | - |

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 |
|--|---|---|--|--|
| <i>Past involvements:-</i> 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%)⁽⁵⁾ | - | - |
| 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 |
| 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) *A subsidiary of Sunzen Biotech Berhad (a public company listed on Bursa Securities).*
- (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) *He disposed his entire shareholdings to a third party on 2 June 2022.*
- (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.*

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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> Cnergenz 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 | - |

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 |
|-------------------------------------|--|---|--|--|
| Sarawak Cable 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 | <ul style="list-style-type: none"> Independent Non-Executive Director | 31 May 2023 | - |
| 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 | - |
| Nuri Corporation Sdn Bhd | Dormant ⁽²⁾ (Previous principal activities: Investment holding company) | <ul style="list-style-type: none"> Shareholder (Direct interest: 1.36%) | - | - |

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 |
|-------------------------------------|--|---|---|---|
| <i>Past involvements:-</i> | | | | |
| Revenue Group Berhad ⁽¹⁾ | Investment holding of non-listed shares of its subsidiaries principally involved in the provision of cashless payment solutions | <ul style="list-style-type: none"> Independent Non-Executive Director | 1 June 2022 | 14 March 2023 |
| 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) | <ul style="list-style-type: none"> Shareholder (Direct interest: 90.00%) | - | - |
| ETC Technology Malaysia Sdn Bhd | Repair and maintenance of industrial machinery and equipment | <ul style="list-style-type: none"> Director | 20 January 2017 | 31 October 2022 |
| SRL Advisory Sdn Bhd | Legal activities and other management consultancy activities (Dissolved on 26 April 2021) | <ul style="list-style-type: none"> 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.

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 | <ul style="list-style-type: none"> • Partner | 27 June 2022 | - |
| Lee & Poh Partnership | Law firm | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • Shareholder (Direct interest: 20%) | - | - |
| Morganfield Capital PLT | Investment holding in equity crowdfunding | <ul style="list-style-type: none"> • Partner | 18 December 2020 | - |
| Smart Angel Venture PLT | Investment holding in equity crowdfunding | <ul style="list-style-type: none"> • Partner | 9 December 2021 | - |
| <i>Past involvement:-</i> Sierra Marketing PLT | Business management consultancy services, business brokerage activities and advertising | <ul style="list-style-type: none"> • 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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 Director's goals, objectives and key performance indicators;
- (iv) to review our Executive Director's 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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 | | Indirect | | Direct | | Indirect | |
| | | | No. of Shares | (1)% | No. of Shares | (1)% | No. of Shares | (2)% | No. of Shares | (2)% |
| Tan Cherg 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 Aidy 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 | Head of Finance | Malaysian | - | - | - | - | 200,000 | 0.05 | - | - |

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.*

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 38, is our Head of Operation (Terminal). He has approximately 15 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 45, is our Head of Operation (BOS). He has approximately 17 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 50, 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

Head of Finance

Chew Boon Keat, a Malaysian, aged 32, is our Head of Finance. He has approximately 8 years of experience in the field of auditing. As our Head of Finance, 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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 2022 and FYE 2023 are as follows:-

(i) FYE 2022 (paid)

| Director | 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 | 12 | 340 | 42 | - | 24 | 418 |
| Lee Li Yee | - | 177 | 22 | - | 17 | 216 |
| <u>Non-Executive Directors</u> | | | | | | |
| Zulkifly Bin Zakaria | - | - | - | - | - | - |
| Lee Yew Weng | - | - | - | - | - | - |
| Alwizah Al-Yafii Binti Ahmad Kamal | - | - | - | - | - | - |
| Poh Zuan Yin | - | - | - | - | - | - |

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)**(ii) FYE 2023 (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 SOCSSO (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 Cheng Thong | - | 480 | 59 | - | 24 | 375 | 188 | 563 |
| Lee Li Yee | - | 202 | 26 | 8 | 12 | 167 | 81 | 248 |
| <u>Non-Executive Directors</u> | | | | | | | | |
| Zulkifly Bin Zakaria | - | - | - | - | - | - | - | - |
| Lee Yew Weng | - | - | - | - | - | - | - | - |
| Alwizah Al-Yafii Binti Ahmad Kamal | - | - | - | - | - | - | - | - |
| Poh Zuan Yin | - | - | - | - | - | - | - | - |

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 2022 (RM'000) | FYE 2023 (proposed) (RM'000) |
| Hong Boon Huon | 250 – 300 | 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 | 200 – 250 |
| Chew Boon Keat ⁽¹⁾ | - | 50 – 100 |

Note:-

(1) He joined our Group on 24 July 2023.

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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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:-

(a) 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)

(b) 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.

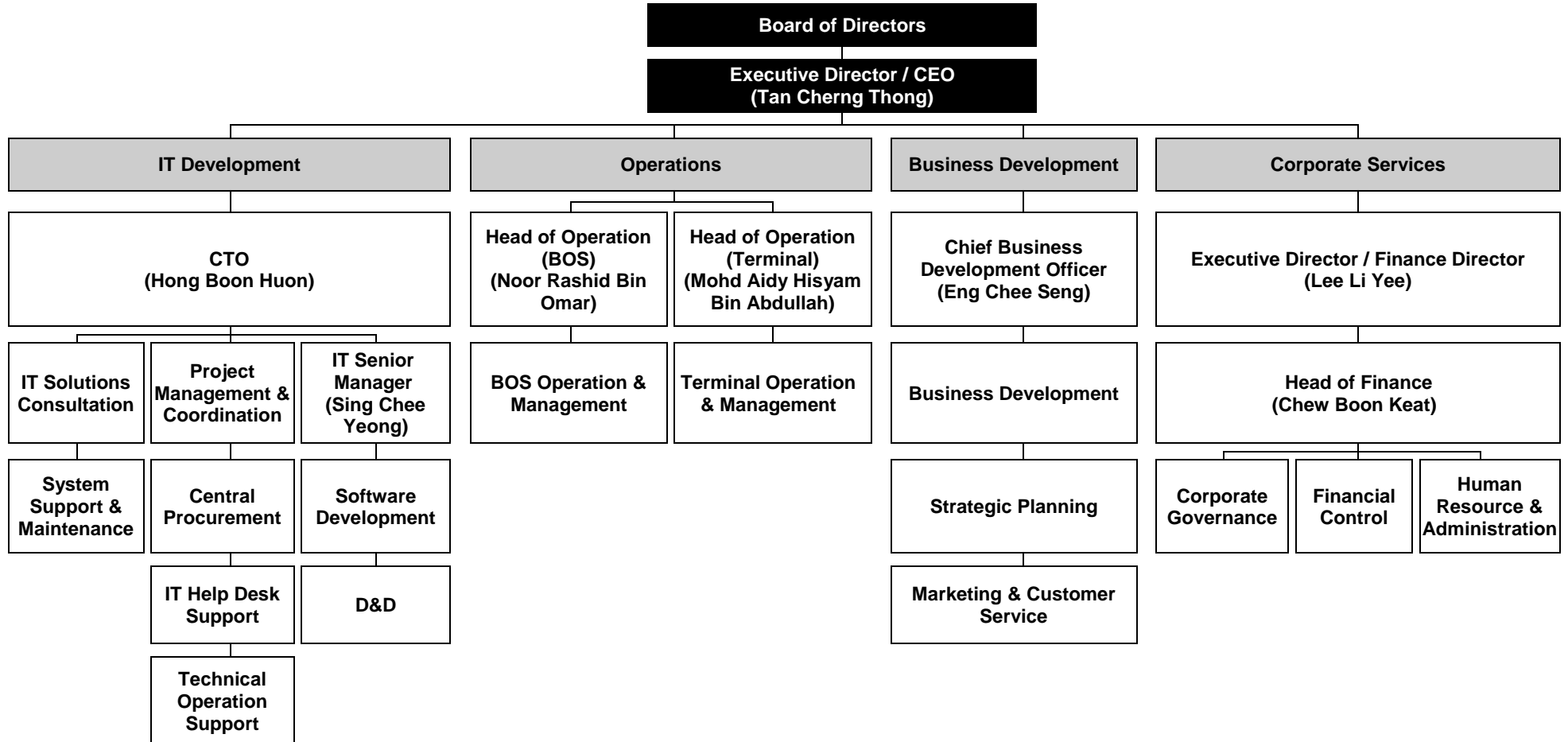
8.9 Service agreements

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 | FYE 2021 | FYE 2022 | From 1 January 2023 up to the LPD |
|-----|---------------------------|---|---|---|--|----------|-----------------------------------|
| | | | | (RM'000) | (RM'000) | (RM'000) | (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 | Maintenance charges and advisory fees charged to NSS by TCT International ⁽¹⁾ | 535 (Represents 5.44% of our Group's cost of sales for the FYE 2020) | - | - | - |
| | | | Rental of 6 units of parking lots from TCT International to NSS used to park NSS' company cars ⁽¹⁾ | 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 | FYE 2021 | FYE 2022 | From 1 January 2023 up to the LPD |
|-----|--|---|---|---|----------|----------|-----------------------------------|
| | | | | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| 2. | NSS and Catchup Communications Sdn Bhd (“ Catchup Communications ”) | <ul style="list-style-type: none"> Tan Cherng 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 Cherng 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) | - | - | - |
| 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) | - | - | - |

9. RELATED PARTY TRANSACTIONS (cont'd)

| No. | Transacting parties | Nature of relationship | Nature of transaction | FYE 2020 | FYE 2021 | FYE 2022 | From 1 January 2023 up to the LPD |
|-----|---|---|---|---|--|----------|-----------------------------------|
| | | | | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| 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 Central's online platform ⁽¹⁾ – where Nyrak undertook promotional activities such as setting-up banners and buntings 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 Cherng Thong | Tan Cherng Thong is our Promoter, substantial shareholder and Executive Director / CEO | Disposal of 1 unit of motor vehicle from NSS to Tan Cherng Thong | 350 (Represents 7.35% of our Group's NA for the FYE 2020) | - | - | - |
| 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) | - | - | - |

9. RELATED PARTY TRANSACTIONS (cont'd)

| No. | Transacting parties | Nature of relationship | Nature of transaction | FYE 2020 | FYE 2021 | FYE 2022 | From 1 January 2023 up to the LPD |
|-----|--|---|---|--|---|---|-----------------------------------|
| | | | | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| 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) | - | - |
| 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) | 45 |

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.

9. RELATED PARTY TRANSACTIONS (cont'd)

- (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 ("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.

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.

9. RELATED PARTY TRANSACTIONS (cont'd)

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.

9.2 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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 | 2021 | 2022 | |
| | | | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| NSS - Amount owing by related party | TCT International <ul style="list-style-type: none"> Tan Cherng 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 Cherng 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 31 December | | | As at the LPD |
| | | | 2020 | 2021 | 2022 | |
| | | | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| TCT Apps - Amount owing to related party | 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, 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 | Bogiwogi <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 | Real Apps Sdn Bhd ("Real Apps") <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 31 December | | | As at the LPD |
| | | | 2020 | 2021 | 2022 | |
| | | | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| 1. | <p>NSS and TCT International</p> <ul style="list-style-type: none"> Tan Cherng 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, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan | 1,585 | 1,541 | 1,490 | 1,463 |
| 2. | <p>NSS, Mohd Aidy Hisyam Bin Abdullah and Tan Cherng Thong who are directors of NSS</p> | Mohd Aidy Hisyam Bin Abdullah and Tan Cherng 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 | 1,163 | 1,099 | 1,037 | 999 |
| | | Mohd Aidy Hisyam Bin Abdullah and Tan Cherng 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 | 1,290 | 1,240 | 1,193 | 1,165 |

9. RELATED PARTY TRANSACTIONS (cont'd)

| No. | Interested related party and nature of relationship | Nature of transaction and purpose | Outstanding amount | | | |
|-----|---|--|--------------------|----------|----------|---------------|
| | | | As at 31 December | | | As at the LPD |
| | | | 2020 | 2021 | 2022 | |
| | | | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| | | Mohd Aidy Hisyam Bin Abdullah and Tan Cherng Thong had given joint and several guarantees in favour of Malayan Banking Berhad for Term Loan Facility of RM0.65 million granted to NSS | 455 | 361 | 260 | 188 |
| | | Mohd Aidy Hisyam Bin Abdullah and Tan Cherng 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 | 281 |
| | | Mohd Aidy Hisyam Bin Abdullah and Tan Cherng 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 | 1,174 |
| | | Mohd Aidy Hisyam Bin Abdullah and Tan Cherng 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 | 335 |
| | | Mohd Aidy Hisyam Bin Abdullah and Tan Cherng Thong had given joint and several guarantees in favour of Public Bank Berhad for Fixed Loan / BNM SRF (Biz Jamin) Facility of RM0.50 million granted to NSS | 508 | 460 | 381 | 322 |
| | | Mohd Aidy Hisyam Bin Abdullah and Tan Cherng 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 | 1,687 |

9. RELATED PARTY TRANSACTIONS (cont'd)

| No. | Interested related party and nature of relationship | Nature of transaction and purpose | Outstanding amount | | | |
|-----|---|---|--------------------|----------|----------|---------------|
| | | | As at 31 December | | | As at the LPD |
| | | | 2020 | 2021 | 2022 | |
| | | | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| | | Mohd Aidy Hisyam Bin Abdullah and Tan Cherng 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 Cherng Thong had given joint and several guarantees in favour of Maybank Islamic Berhad for Commodity Murabahah Financing-I Facility of RM0.50 million granted to NSS | 506 | 439 | 342 | 275 |
| | | Mohd Aidy Hisyam Bin Abdullah and Tan Cherng Thong had given joint and several guarantees in favour of Maybank Islamic Berhad for Commodity Murabahah Financing-I Facility of RM3.00 million granted to NSS | - | 2,434 | 2,730 | 2,557 |
| | | Mohd Aidy Hisyam Bin Abdullah and Tan Cherng 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 31 December | | | As at the LPD |
| | | | 2020 | 2021 | 2022 | |
| | | | (RM'000) | (RM'000) | (RM'000) | (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 | 189 |
| 4. | NSS and Tan Cherng Thong who is a director of NSS | Tan Cherng 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 Cherng 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 Cherng 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 Cherng 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 | 163 |
| 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) | - |

9. RELATED PARTY TRANSACTIONS (cont'd)

| No. | Interested related party and nature of relationship | Nature of transaction and purpose | Outstanding amount | | | |
|-----|--|---|--------------------|----------|----------|---------------|
| | | | As at 31 December | | | As at the LPD |
| | | | 2020 | 2021 | 2022 | |
| | | | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| 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 | 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.

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 Great Eastern General Insurance (Malaysia) Berhad, PMB Tijari Berhad and 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. Our Group had also undertaken to procure the discharge of the personal guarantees granted by Great Eastern General Insurance (Malaysia) Berhad, PMB Tijari Berhad and Standard Chartered Bank Malaysia Berhad within 4 months from the LPD, failing which, our Group shall ensure that all the outstanding amounts under the said agreements will be fully repaid and settled.

9. RELATED PARTY TRANSACTIONS (cont'd)

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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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

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 |
| | (RM'000) | (RM'000) | (RM'000) |
| PBT | 2,962 | 1,975 | 8,003 |
| Adjusted for:- | | | |
| Finance costs | 1,185 | 1,326 | 1,145 |
| Depreciation | 1,886 | 2,242 | 2,505 |
| Amortisation | 135 | 284 | 362 |
| Finance income | (137) | (86) | (49) |
| EBITDA | 6,031 | 5,741 | 11,966 |

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

11. FINANCIAL INFORMATION (cont'd)

| | Audited | | |
|---|---------------|---------------|---------------|
| | FYE 2020 | FYE 2021 | FYE 2022 |
| | (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 |
| Reorganisation reserve | - | - | (6)(11,310) |
| Retained earnings | 2,761 | 5,154 | 8,711 |
| | 4,761 | 7,154 | 10,711 |
| Non-controlling interest | (8) | - | - |
| Total equity | 4,753 | 7,154 | 10,711 |
| Non-current liabilities | | | |
| Loans and borrowings | 9,547 | 10,546 | 11,210 |
| Deferred tax liabilities | 320 | 289 | 176 |
| Total non-current liabilities | 9,867 | 10,835 | 11,386 |
| Current liabilities | | | |
| Loans and borrowings | 6,169 | 6,507 | 5,421 |
| Trade and other payables ⁽⁷⁾ | 3,503 | 4,670 | 6,090 |
| Contract liabilities | 1,531 | 1,531 | 968 |
| Current tax liabilities | 291 | 127 | 410 |
| Total current liabilities | 11,494 | 12,835 | 12,889 |
| Total liabilities | 21,361 | 23,670 | 24,275 |
| TOTAL EQUITY AND LIABILITIES | 26,114 | 30,824 | 34,986 |

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 |
|------------------------|--------------|--------------|--------------|
| | (RM'000) | (RM'000) | (RM'000) |
| Computer and software | 68 | 45 | 8 |
| Furniture and fittings | 63 | 43 | 23 |
| Office equipment | 17 | 15 | 10 |
| Renovation | 48 | 101 | 96 |
| Tools and equipment | 1,704 | 1,431 | 1,144 |
| Total | 1,900 | 1,635 | 1,281 |

- (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 |
|-----------------------|----------|----------|----------|
| | (RM'000) | (RM'000) | (RM'000) |
| Trade receivables | 6,660 | 9,514 | 6,642 |
| Non-trade receivables | 2,306 | 2,362 | 3,370 |

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 BOS tablets.
- (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 |
|--------------------|-----------------|-----------------|-----------------|
| | (RM'000) | (RM'000) | (RM'000) |
| Trade payables | 1,156 | 1,363 | 1,514 |
| Non-trade payables | 2,347 | 3,307 | 4,576 |

The 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).

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

11. FINANCIAL INFORMATION (cont'd)

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



21 September 2023

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

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 2022 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 2022 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 2022 adjusted for the internal restructuring exercises and transactions undertaken prior to the Listing ("Pre-IPO Restructuring and Transactions") as described in Note 1.2, the Public Issue as described in Note 1.3 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 2022 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 2022, on which a reporting accountants' report dated 21 September 2023 has been issued.

The audited consolidated financial statements of the Group for the FYE 31 December 2022 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 2022 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 1.3 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 2022, 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 2022; 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 2022 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 2022 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 2022; 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,

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

Paul Tan Hong
No. 03459/11/2023 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 Pre-IPO Restructuring and Transactions

The internal restructuring exercises and transactions undertaken in respect of the Group prior to the Listing involves the following:

1.2.1 Subscription of Shares

Tan Cherng Thong, the Group's Promoter, substantial shareholder and Executive Director/Chief Executive Officer had, on 16 March 2023, 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.



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

1. (Continued)

1.2 (Continued)

1.2.2 Entry of investors prior to the Listing (“Entry of Pre-IPO Investors”)

On 21 March 2023, Tan Cherng Thong had entered into share sale agreements with investors (namely, Dato’ Sri Robin Tan Yeong Ching, Alief Iskandar Bin Mohd Zuhri, Ong Beng Hooi and Ong Beng Chong) (collectively, the “Pre-IPO Investors”) to dispose an aggregate of 1,996,500 Shares, representing approximately 15.00% of the issued share capital of GOHUB at that point of time of 13,310,000 Shares, to the Pre-IPO Investors for a total cash consideration of RM12,000,000. The total cash consideration of RM12,000,000 was determined based on a “willing-buyer willing-seller” basis, taking into account, amongst others, the valuation of GOHUB of RM80,000,000 based on the management’s pro forma consolidated profit after tax of the Group of approximately RM6.22 million for the FYE 31 December 2022 which represents a price-earnings-multiple of approximately 12.86 times.

1.2.3 Share Split

Subsequent to the Entry of Pre-IPO Investors, 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). The purpose of the Share Split is to enlarge the share base of the Company prior to the Initial Public Offering (“IPO”). Upon completion of the Share Split, the issued share capital of GOHUB will increase from 13,310,000 Shares to 292,820,000 Shares.

11. FINANCIAL INFORMATION (cont'd)

GO HUB CAPITAL BERHAD AND ITS SUBSIDIARIES

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

1. (Continued)

1.3 Listing Scheme

1.3.1 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 RM[●] 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").

1.3.2 Listing

Upon completion of the Public Issue, the entire enlarged issued share capital of GOHUB of approximately RM[●]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 2022, adjusted for the Pre-IPO Restructuring and Transactions, Public Issue and utilisation of proceeds as described in Notes 1.2, 1.3 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 2022.
- 2.3 The audited consolidated financial statements of the Group for the FYE 31 December 2022 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 2022, which have been prepared in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards.

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**

- 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 2022, had the transactions as described in Note 1.2, the Public Issue as described in Note 1.3 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 2022 RM'000 | Pro Forma I After the Pre-IPO Restructuring and Transactions RM'000 | Pro Forma II After Pro Forma I and the Public Issue RM'000 | Pro Forma III After Pro Forma II and the utilisation of proceeds RM'000 |
|---|--|--|---|--|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 4,869 | 4,869 | 4,869 | 4,869 |
| Right-of-use assets | 5,921 | 5,921 | 5,921 | 5,921 |
| Intangible assets | 1,291 | 1,291 | 1,291 | 1,291 |
| Deferred tax assets | 173 | 173 | 173 | 173 |
| Total non-current assets | 12,254 | 12,254 | 12,254 | 12,254 |
| Current assets | | | | |
| Inventories | 203 | 203 | 203 | 203 |
| Trade and other receivables | 10,012 | 10,012 | 10,012 | 10,012 |
| Contract assets | 3,412 | 3,412 | 3,412 | 3,412 |
| Cash and short-term deposits | 9,105 | 9,105 | [•] | [•] |
| Total current assets | 22,732 | 22,732 | [•] | [•] |
| TOTAL ASSETS | 34,986 | 34,986 | [•] | [•] |
| EQUITY AND LIABILITIES | | | | |
| Equity attributable to owners of the Group | | | | |
| Share capital | 13,310 | 13,310 | [•] | [•] |
| Reorganisation reserve | (11,310) | (11,310) | (11,310) | (11,310) |
| Retained earnings | 8,711 | 8,711 | 8,711 | [•] |
| TOTAL EQUITY | 10,711 | 10,711 | [•] | [•] |

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 2022 RM'000 | Pro Forma I After the Pre-IPO Restructuring and Transactions RM'000 | Pro Forma II After Pro Forma I and the Public Issue RM'000 | Pro Forma III After Pro Forma II and the utilisation of proceeds RM'000 |
|--|--|---|---|---|
| Non-current liabilities | | | | |
| Loans and borrowings | 11,210 | 11,210 | 11,210 | [•] |
| Deferred tax liabilities | 176 | 176 | 176 | 176 |
| Total non-current liabilities | 11,386 | 11,386 | 11,386 | [•] |
| Current liabilities | | | | |
| Loans and borrowings | 5,421 | 5,421 | 5,421 | [•] |
| Current tax liabilities | 410 | 410 | 410 | 410 |
| Trade and other payables | 6,090 | 6,090 | 6,090 | 6,090 |
| Contract liabilities | 968 | 968 | 968 | 968 |
| Total current liabilities | 12,889 | 12,889 | 12,889 | [•] |
| TOTAL LIABILITIES | 24,275 | 24,275 | 24,275 | [•] |
| TOTAL EQUITY AND LIABILITIES | 34,986 | 34,986 | [•] | [•] |
| Number of ordinary shares assumed to be in issue ('000) | 13,310 | 292,820 | 400,000 | 400,000 |

| | | | | |
|--|--------|--------|-----|-----|
| NA [^] (RM'000) | 10,711 | 10,711 | [•] | [•] |
| NA per ordinary share (RM) | 0.80 | 0.04 | [•] | [•] |
| [^] attributable to owners of the Group | | | | |

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 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 2022, had the Pre-IPO Restructuring and Transactions as described in Note 1.2, the Public Issue as described in Note 1.3 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 workforce ⁽¹⁾ | [●] | [●] | Within 24 months |
| • Capital expenditure on equipment and tools ⁽¹⁾ | [●] | [●] | Within 36 months |
| • Design and development ⁽¹⁾ | [●] | [●] | Within 36 months |
| • Set-up of new integrated centre ⁽¹⁾ | [●] | [●] | Within 12 months |
| • Business development and marketing ⁽¹⁾ | [●] | [●] | Within 24 months |
| Working capital | [●] | [●] | Within 12 months |
| Reflected in pro forma consolidated statements of financial position | | | |
| Repayment of bank borrowings | [●] | [●] | Within 6 months |
| Estimated listing expenses | [●] | [●] | Within 1 month |
| Gross proceeds | [●] | [●] | |

(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 RM[●]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)

3.2.3 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 Subscription of Shares and the Share Split (both of which are part of the Pre-IPO Restructuring and Transactions as described in Note 1.2) on the audited consolidated statements of financial position of the Group as at 31 December 2022. The Entry of Pre-IPO Investors will not have impact on the audited consolidated statements of financial position of the Group as at 31 December 2022.

The Subscription of Shares and the Share Split will have the following impact on the audited consolidated statements of financial position of the Group as at 31 December 2022:

| | Increase | |
|------------------------------|---|---|
| | Effects on Total Assets RM'000 | Effects on Total Equity RM'000 |
| Share capital | - | * |
| Cash and short-term deposits | * | - |
| | * | * |

* *Less than RM1,000*

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)

3.2.3 (Continued)

(b) Pro Forma II

Pro Forma II incorporates the cumulative effects of Pro Forma I and Public Issue as described in Note 1.3.

The Public Issue will have the following impact on the pro forma consolidated statements of financial position of the Group as at 31 December 2022:

| | Increase | |
|------------------------------|---|---|
| | Effects on Total Assets RM'000 | Effects on Total Equity RM'000 |
| Cash and short-term deposits | [●] | - |
| Share capital | - | [●] |
| | <u>[●]</u> | <u>[●]</u> |

(c) Pro Forma III

Pro Forma III incorporates the cumulative effects of Pro Forma II and the utilisation of proceeds from the Public Issue of RM[●]million. The utilisation of proceeds from the Public Issue of RM[●]million will be used in the manner as described in Note 3.2.2.

The proceeds arising from the Public Issue earmarked for the business expansion and Group's working capital purposes of RM[●]million will be included in the Cash and Short-Term Deposits Account.

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

The estimated listing expenses of RM[●]million are directly attributable expenses relating to the new issuance of shares and will be capitalised in Share Capital Account while the remaining estimated listing expenses of RM[●]million will be expensed off in Retained Earnings 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)

(c) Pro Forma III (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 2022:

| | Decrease | |
|------------------------------|---|---|
| | Effects on Total Assets RM'000 | Effects on Total Equity RM'000 |
| Cash and short-term deposits | [●] | - |
| Share capital | - | [●] |
| Retained earnings | - | [●] |
| Loans and borrowings | | |
| - Current | - | [●] |
| - Non-current | - | [●] |
| | <u>[●]</u> | <u>[●]</u> |

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)

3.2.4 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 2022 | 13,310 | (11,310) | 8,711 |
| Arising from the Pre-IPO Restructuring and Transactions | * | - | - |
| Per Pro Forma I | 13,310 | (11,310) | 8,711 |
| Arising from the Public Issue | [●] | - | - |
| Per Pro Forma II | [●] | (11,310) | 8,711 |
| Arising from the defrayment of estimated listing expenses in relation to the Listing | [●] | - | [●] |
| Per Pro Forma III | [●] | (11,310) | [●] |

* *Less than RM1,000*

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 2022 | 9,105 |
| Arising from the Pre-IPO Restructuring and Transactions | * |
| Per Pro Forma I | 9,105 |
| Arising from the Public Issue | [●] |
| Per Pro Forma II | [●] |
| Arising from the utilisation of proceeds in relation to the Listing | |
| - Repayment of bank borrowings | [●] |
| - Estimated listing expenses | [●] |
| Per Pro Forma III | [●] |

* *Less than RM1,000*

Pro Forma Consolidated Statements of Financial Position



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 21 September 2023.

.....
Tan Cherng Thong
Director

.....
Lee Li Yee
Director

Pro Forma Consolidated Statements of Financial Position



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 centre 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) | | | |

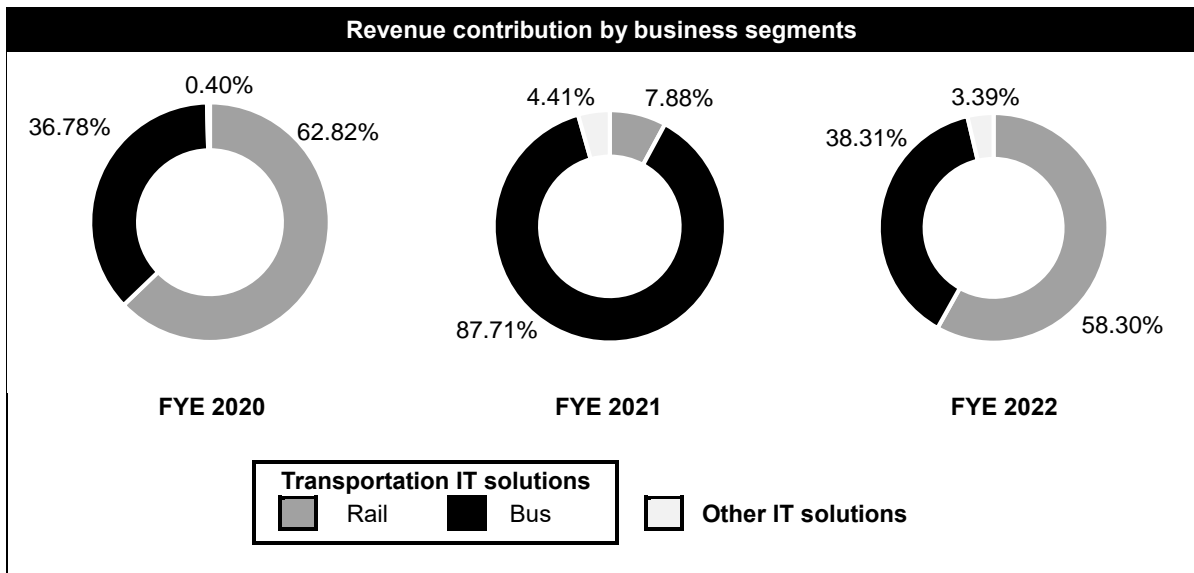
11. FINANCIAL INFORMATION (cont'd)

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, 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 and RM26.55 million for the FYE 2020, FYE 2021 and FYE 2022 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 they are expected by the government and the general public to operate with minimal disruptions/breakdowns and be equipped and prepared to respond swiftly to emergencies, should the need arise;

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. |

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 | Software | | Hardware and software | Hardware and software | |
| Business engagement | Zero Capex | Outright Purchase | | Zero Capex | Outright Purchase | | Outright Purchase | | Zero Capex | Outright Purchase | | |
| Project type ⁽¹⁾ | System operator | Set-Up | Maintenance | System operator | Set-Up | Maintenance | Set-Up | Maintenance | 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* | One-off^ | Revenue sharing charges ^{*(2)} | 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 | |
| <u>Bus operators*</u> | |
| 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. |
| <u>Express bus passengers*</u> | |
| 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 | |
| <u>Rail operator</u> | |
| 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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 |

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 | |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | (RM'000) | (%) | (RM'000) | (%) | (RM'000) | (%) |
| Transportation IT solutions | | | | | | |
| - Rail | 11,920 | 62.82 | 1,601 | 7.88 | 15,477 | 58.30 |
| • TOS ⁽¹⁾ | 11,920 | 62.82 | 1,601 | 7.88 | 7,829 | 29.49 |
| • AFC | - | - | - | - | 7,648 | 28.81 |
| - Bus | 6,978 | 36.78 | 17,817 | 87.71 | 10,171 | 38.31 |
| • TOS | 4,847 | 25.55 | 14,512 | 71.44 | 6,863 | 25.85 |
| • BOS | 2,131 | 11.23 | 3,305 | 16.27 | 3,308 | 12.46 |
| | 18,898 | 99.60 | 19,418 | 95.59 | 25,648 | 96.61 |
| Others | 75 | 0.40 | 896 | 4.41 | 901 | 3.39 |
| Total revenue | 18,973 | 100.00 | 20,314 | 100.00 | 26,549 | 100.00 |

Note:-

(1) Relates to only CTS.

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. The lower revenue contribution from our TOS particularly in the FYE 2022 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; and
- (ii) substantial contribution of revenue generated from our new revenue stream (i.e. our AFC), 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.

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

11. FINANCIAL INFORMATION (cont'd)

The decrease in revenue from transportation IT solutions from the rail segment is 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 | |
|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | (RM'000) | (%) | (RM'000) | (%) | (RM'000) | (%) |
| Malaysia | 18,953 | 99.89 | 19,979 | 98.35 | 26,519 | 99.89 |
| Overseas | 20 | 0.11 | 335 | 1.65 | 30 | 0.11 |
| Total revenue | 18,973 | 100.00 | 20,314 | 100.00 | 26,549 | 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% and 0.11% for the FYE 2020, FYE 2021 and FYE 2022, respectively.

(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 | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | (RM'000) | (%) | (RM'000) | (%) | (RM'000) | (%) |
| Recurring ⁽¹⁾ | 5,741 | 30.26 | 7,141 | 35.15 | 17,380 | 65.46 |
| Non-recurring ⁽²⁾ | 13,232 | 69.74 | 13,173 | 64.85 | 9,169 | 34.54 |
| Total revenue | 18,973 | 100.00 | 20,314 | 100.00 | 26,549 | 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 ETS, Intercity and Shuttle Tebrau services (collectively referred to as the “**Rail Routes**”) 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 10 million tickets sold in the FYE 2022 following the gradual recovery from the COVID-19 pandemic and the transition to endemic phase;

11. FINANCIAL INFORMATION (cont'd)

- 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 2022, evidenced by the overall increase in the number of total ticket issuances from the FYE 2020 to the FYE 2022:-

| | FYE 2020 | FYE 2021 | FYE 2022 |
|----------------------------|----------|----------|----------|
| Terminal passengers ('000) | *427 | ^153 | 647 |

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 increase in revenue from our BOS, evidenced by the overall increase in the number of stage buses adopting our solutions from the FYE 2020 to the FYE 2022:-

| | FYE 2020 | FYE 2021 | FYE 2022 |
|--------------------|----------|----------|----------|
| No. of stage buses | 383 | 754 | *649 |

Note:-

* The decrease in the number of stage buses from the FYE 2021 to the FYE 2022 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 or bus operators failing to renew their permits with APAD.

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.

(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;

11. FINANCIAL INFORMATION (cont'd)

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.

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 399.95% from the FYE 2021 to 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.

(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 | |
|---|--------------|---------------|---------------|---------------|--------------|---------------|
| | (RM'000) | (%) | (RM'000) | (%) | (RM'000) | (%) |
| Purchases of hardware ⁽¹⁾ | 5,816 | 59.19 | 7,953 | 67.59 | 1,496 | 16.06 |
| Staff costs ⁽²⁾ | 1,849 | 18.82 | 1,891 | 16.07 | 3,457 | 37.11 |
| Subscriptions ⁽³⁾ | 516 | 5.25 | 883 | 7.50 | 1,118 | 12.00 |
| Project cost ⁽⁴⁾ | 1,162 | 11.83 | 435 | 3.70 | 502 | 5.39 |
| Amortisation ⁽⁵⁾ | 135 | 1.37 | 284 | 2.41 | 362 | 3.89 |
| Merchant fees ⁽⁶⁾ | 39 | 0.40 | 174 | 1.48 | 1,345 | 14.44 |
| Terminal operation charges ⁽⁷⁾ | 166 | 1.69 | 93 | 0.79 | 648 | 6.96 |
| Others ⁽⁸⁾ | 143 | 1.45 | 54 | 0.46 | 387 | 4.15 |
| Total cost of sales | 9,826 | 100.00 | 11,767 | 100.00 | 9,315 | 100.00 |

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

- (1) Comprises amongst others, ACGs, TVMs, barrier gates, handheld devices and POS machines.
- 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.
- (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 temporarily 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.
- (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).
- (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).
- (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.
- (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 |
|----------------------|--------------|--------------|---------------|
| | (RM'000) | (RM'000) | (RM'000) |
| Revenue | 18,973 | 20,314 | 26,549 |
| Cost of sales | (9,826) | (11,767) | (9,315) |
| GP | 9,147 | 8,547 | 17,234 |
| GP margin (%) | 48.21 | 42.07 | 64.91 |

11. FINANCIAL INFORMATION (cont'd)

| Rail Segment | FYE 2020 | FYE 2021 | FYE 2022 |
|----------------------|--------------|--------------|--------------|
| | (RM'000) | (RM'000) | (RM'000) |
| Revenue | 11,920 | 1,601 | 15,477 |
| Cost of sales | (7,659) | (1,327) | (5,637) |
| GP | 4,261 | 274 | 9,840 |
| GP margin (%) | 35.75 | 17.11 | 63.58 |

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

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

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

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.

11. FINANCIAL INFORMATION (cont'd)

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
- 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:-*
- (a) *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*
 - (b) *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.*

11. FINANCIAL INFORMATION (cont'd)

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.

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).

11. FINANCIAL INFORMATION (cont'd)**(iii) Other income**

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

| | FYE 2020 | | FYE 2021 | | FYE 2022 | |
|--|------------|---------------|------------|---------------|------------|---------------|
| | (RM'000) | (%) | (RM'000) | (%) | (RM'000) | (%) |
| Gain on lease modification ⁽¹⁾ | - | - | - | - | 234 | 36.22 |
| Wages subsidy ⁽²⁾ | 418 | 71.09 | 397 | 51.63 | 23 | 3.56 |
| COVID-19 related rent concession income ⁽³⁾ | 164 | 27.89 | 343 | 44.60 | - | - |
| Miscellaneous ⁽⁴⁾ | 6 | 1.02 | 29 | 3.77 | 389 | 60.22 |
| Total other income | 588 | 100.00 | 769 | 100.00 | 646 | 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 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:-
- (a) *Penjana Kerjaya 1.0 and Penjana Kerjaya 2.0 under the economic recovery plan (PENJANA) implemented by SOCSO;*
- (b) *Program Subsidi Upah (PSU) 1.0, PSU 2.0, PSU 3.0 and PSU 4.0; and*
- (c) *Human Resources Development Fund (HRDF) training claimable allowance.*
- (3) 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.
- (4) 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).

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).

11. FINANCIAL INFORMATION (cont'd)**(iv) Selling expenses**

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

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

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.

11. FINANCIAL INFORMATION (cont'd)**(v) Administrative expenses**

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

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

11. FINANCIAL INFORMATION (cont'd)

- 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.

(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 | |
|--|--------------|---------------|--------------|---------------|--------------|---------------|
| | (RM'000) | (%) | (RM'000) | (%) | (RM'000) | (%) |
| Depreciation ⁽¹⁾ | 1,886 | 96.13 | 2,242 | 98.25 | 2,505 | 71.03 |
| 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 |
| Total other operating expenses | 1,962 | 100.00 | 2,282 | 100.00 | 3,527 | 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

11. FINANCIAL INFORMATION (cont'd)

- 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.

(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 |
|--|----------------|----------------|----------------|
| | (RM'000) | (RM'000) | (RM'000) |
| Finance income | | | |
| Interest income from:- | | | |
| - short-term deposits | - | - | 15 |
| - interest from outstanding trade receivables ⁽¹⁾ | 137 | 86 | 34 |
| | 137 | 86 | 49 |
| Finance costs | | | |
| Interest expense on:- | | | |
| - term loans | 337 | 368 | 510 |
| - lease liabilities | 422 | 374 | 465 |
| - bank overdrafts | 49 | 34 | 12 |
| - bank guarantee fee | 47 | 54 | 64 |
| - revolving credits | 330 | 496 | 94 |
| | 1,185 | 1,326 | 1,145 |
| Finance costs – net off finance income | (1,048) | (1,240) | (1,096) |

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 |
| PBT (RM'000) | 2,962 | 1,975 | 8,003 |
| PBT margin (%) | 15.61 | 9.72 | 30.14 |

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:-

11. FINANCIAL INFORMATION (cont'd)

- 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).

(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 |
|---|-----------------|-----------------|-----------------|
| | (RM'000) | (RM'000) | (RM'000) |
| Income tax at Malaysian statutory income tax rate | 711 | 474 | 1,921 |
| Small Medium Enterprise ("SME") tax savings | (35) | - | - |
| Adjustments:- | | | |
| - Income not subject to tax | (97) | (92) | (142) |
| - Non-deductible expenses | 617 | 605 | 235 |
| - Deferred tax not recognised on tax losses and temporary differences | 6 | - | 1 |
| - Utilisation of previously unrecognised tax losses and capital allowance | (25) | (117) | - |
| - Adjustments in respect of current income tax of prior year | 1 | - | (9) |
| - Adjustment in respect of deferred tax of prior year | 6 | (1) | (60) |
| - Tax exempted ⁽¹⁾ | (481) | (1,295) | - |
| Income tax expense / (credit) | 703 | (426) | 1,946 |
| PBT | 2,962 | 1,975 | 8,003 |
| Statutory tax rate (%) ⁽²⁾ | 17.00/24.00 | 17.00/24.00 | 17.00/24.00 |
| Effective tax rate (%) ⁽³⁾ | 23.73 | - | 24.32 |

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.

11. FINANCIAL INFORMATION (cont'd)

- (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 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.

(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 |
| PAT (RM'000) | 2,259 | 2,401 | 6,057 |
| PAT margin (%) | 11.91 | 11.82 | 22.81 |

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.

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.

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.

11. FINANCIAL INFORMATION (cont'd)

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.

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 175 employees, of which 133 are software engineers, project consultants, technicians and our terminal management services workforce.

11. FINANCIAL INFORMATION (cont'd)

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 out 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 4.1.6** and **4.1.7** 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 RM68.41 million, the details of which are as follows:-

| | RM'000 |
|------------------------------------|---------------|
| Total secured orders as at the LPD | 68,407 |
| Billed orders as at the LPD | 22,970 |
| Unbilled orders as at the LPD | 45,437 |

With regard to the unbilled orders as at the LPD totaling approximately RM45.44 million, we expect approximately RM10.51 million to be billed (of which RM7.58 million to be recognised) in the FYE 2023 and the balance of RM34.92 million to be billed (of which RM33.72 million to be recognised) in the subsequent financial years as set out below:-

| Financial years | Orders to be billed (RM'million) | Revenue to be recognised (RM'million) |
|------------------------|---|--|
| FYE 2024 | 9.07 | 7.87 |
| FYE 2025 | 7.80 | 7.80 |
| FYE 2026 | 7.33 | 7.33 |
| FYE 2027 | 10.72 | 10.72 |
| Total | 34.92 | 33.72 |

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 8 maintenance contracts in respect of CTS for the Rail Routes, Existing Specified Bus Terminals and maintenance for TBS, Terminal Larkin Sentral, a bus terminal located in Pahang 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 2022 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. FINANCIAL INFORMATION (cont'd)**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.

11.4 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 2022 are set out below:-

| | RM'000 |
|--|--------|
| Cash and short-term deposits (including short term deposits not pledged for credit facilities) | 9,105 |
| Net cash flows from operating activities | 13,943 |
| Term loans | 8,104 |
| Lease liabilities | 5,995 |
| Revolving credits | 2,532 |

As at the LPD, our Group recorded cash and bank balances of approximately RM1.91 million and unutilised banking facilities of approximately RM6.15 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 |
| | (RM'000) | (RM'000) | (RM'000) |
| Net cash (used in)/from operating activities | (2,137) | 2,106 | 13,943 |
| Net cash from/(used in) investing activities | 221 | (2,210) | (463) |
| Net cash from/(used in) financing activities | 2,202 | 515 | (6,643) |
| Net increase in cash and cash equivalents | 286 | 411 | 6,837 |
| Cash and cash equivalents at beginning of the financial year | 156 | 442 | 853 |
| Cash and cash equivalents at end of the financial year | 442 | 853 | 7,690 |

11. FINANCIAL INFORMATION (cont'd)

| | Audited | | |
|---|------------|------------|--------------|
| | FYE 2020 | FYE 2021 | FYE 2022 |
| | (RM'000) | (RM'000) | (RM'000) |
| Cash and cash equivalents comprise the following:- | | | |
| Short-term deposits | 606 | 1,314 | 1,415 |
| Less: Pledged deposits | (606) | (1,314) | (1,415) |
| | - | - | - |
| Cash and bank balances | 1,223 | 1,195 | 7,690 |
| Bank overdrafts | (781) | (342) | - |
| | 442 | 853 | 7,690 |

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.

11. FINANCIAL INFORMATION (cont'd)**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.

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.

11. FINANCIAL INFORMATION (cont'd)

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.

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 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);

11. FINANCIAL INFORMATION (cont'd)

- 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;
- 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.

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 3.4** 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 31 July 2023 (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 | [•] | ⁽¹⁾ [•] |
| Total capitalisation | 13,310 | [•] | [•] |
| Indebtedness | | | |
| Current | | | |
| <u>Secured and guaranteed</u> | | | |
| Term loans | 101 | 101 | [•] |
| Lease liabilities (under hire purchase agreement) | 240 | 240 | [•] |
| <u>Unsecured and guaranteed</u> | | | |
| Term loans | 995 | 995 | [•] |
| Revolving credits | 1,793 | 1,793 | [•] |

11. FINANCIAL INFORMATION (cont'd)

| | As at 31 July 2023 (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 unguaranteed</u> | | | |
| Lease liabilities | 1,345 | 1,345 | [•] |
| | 4,474 | 4,474 | [•] |
| Non-current | | | |
| <u>Secured and guaranteed</u> | | | |
| Term loans | 2,070 | 2,070 | [•] |
| Lease liabilities (under hire purchase agreement) | 124 | 124 | [•] |
| <u>Unsecured and guaranteed</u> | | | |
| Term loans | 4,265 | 4,265 | [•] |
| <u>Unsecured and unguaranteed</u> | | | |
| Lease liabilities | 6,640 | 6,640 | [•] |
| | 13,099 | 13,099 | [•] |
| Total indebtedness | 17,573 | 17,573 | [•] |
| Total capitalisation and indebtedness | 30,883 | 65,181 | [•] |
| Gearing ratio (times) | 1.32 | [•] | [•] |

Note:-

- (1) Out of the total estimated listing expenses of RM[•] million, a total of RM[•] million is assumed to be directly attributable to the Public Issue and will be debited against share capital, whilst the remaining RM[•] million will be charged to the profit or loss.

11.4.4 Borrowings

As at 31 December 2022, our Group's total outstanding bank borrowings was RM11.36 million, all of which were interest-bearing with interest ranging from 2.35% 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 2022 (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 | 1,324 | 4,265 | 2,515 | 8,104 |
| Lease liabilities | To finance the purchase of motor vehicles for our Group | 3 years to 9 years | 2.35 – 7.22 | 370 | 355 | - | 725 |

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 2022 (RM'000) |
|-------------------|--|--------------|---------------------------------------|---------------------------|-------------------------------|----------------------------|--|
| Revolving credits | To finance the purchase of IT related hardware | Up to 1 year | (1)- | 2,532 | - | - | 2,532 |
| Total | | | | | | | 11,361 |

Note:-

- (1) PMB Tijari 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 | |
| | (RM'000) | (%) | (RM'000) | (%) | (RM'000) | (%) |
| Computer and software | 143 | 4.82 | 58 | 2.56 | 85 | 15.54 |
| Furniture and fittings | 31 | 1.05 | 3 | 0.13 | 37 | 6.76 |
| Office equipment | 14 | 0.47 | 16 | 0.71 | 16 | 2.93 |
| Motor vehicles | 4 | 0.13 | 370 | 16.30 | - | - |
| Renovation | 80 | 2.70 | 53 | 2.33 | 65 | 11.88 |
| Tools and equipment | 1,007 | 33.94 | 306 | 13.48 | 344 | 62.89 |
| Right-of-use assets | 768 | 25.88 | 408 | 17.97 | - | - |
| Intangible assets | 920 | 31.01 | 1,056 | 46.52 | - | - |
| Total capital expenditure | 2,967 | 100.00 | 2,270 | 100.00 | 547 | 100.00 |

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

There are no 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 |
|---|----------|----------|----------|
| Trade receivables turnover period (days) ⁽¹⁾ | 109 | 145 | 114 |
| Trade payables turnover period (days) ⁽²⁾ | 36 | 39 | 56 |
| Inventory turnover period (days) ⁽³⁾ | 18 | 20 | 17 |
| Current ratio (times) ⁽⁴⁾ | 1.24 | 1.47 | 1.76 |
| Gearing ratio (times) ⁽⁵⁾ | 2.41 | 1.89 | 1.06 |

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 |
|---|------------|------------|------------|
| | (RM'000) | (RM'000) | (RM'000) |
| Opening trade receivables | 4,611 | 6,660 | 9,514 |
| Closing trade receivables | 6,660 | 9,514 | 7,083 |
| Average trade receivables | 5,636 | 8,087 | 8,299 |
| Revenue | 18,973 | 20,314 | 26,549 |
| Trade receivables turnover period (days)⁽¹⁾ | 109 | 145 | 114 |

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. 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.

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 is 60 days, which falls within the normal credit period.

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.

11. FINANCIAL INFORMATION (cont'd)

We have not recorded bad debts for the FYE 2020 and FYE 2021. 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 2022

As at 31 December 2022, the trade receivables of our Group amounting to RM7.08 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) | 553 | 249 | 303 | 263 | 5,715 | 7,083 |
| Percentage of total trade receivables (%) | 7.81 | 3.51 | 4.28 | 3.71 | 80.69 | 100.00 |
| Subsequent collections as at the LPD (RM'000) | 310 | 165 | 303 | 263 | 2,037 | 3,078 |
| Outstanding trade receivables after subsequent collections (RM'000) | 243 | 84 | - | - | 3,678 | 4,005 |

As at 31 December 2022, our total trade receivables stood at RM7.08 million, of which RM6.53 million or 92.19% exceeded the normal credit term period. This was mainly due to delay in payments from 3 of our customers of RM5.05 million (which are operating in the bus segment) and of which a significant amount of RM3.96 million relates to the Terminal Hub Project.

As at the LPD, RM3.08 million of the total trade receivables outstanding as at 31 December 2022 have been collected, and we have undertaken the following credit control measures on the uncollected trade receivables of RM3.67 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 RM1.89 million by end of 2023 and the remaining RM1.36 million by July 2024; and
- we have also entered into repayment arrangements with other customers in respect of the outstanding trade receivables of RM0.42 million, whereby we expect to collect RM0.08 million by end of 2023 and the remaining RM0.34 million by end December 2024.

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.

11. FINANCIAL INFORMATION (cont'd)**(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 |
|--|-----------|-----------|-----------|
| | (RM'000) | (RM'000) | (RM'000) |
| Opening trade payables | 798 | 1,156 | 1,363 |
| Closing trade payables | 1,156 | 1,363 | 1,514 |
| Average trade payables | 977 | 1,260 | 1,439 |
| Cost of sales | 9,826 | 11,767 | 9,315 |
| Trade payables turnover period (days)⁽¹⁾ | 36 | 39 | 56 |

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 and 56 days for the FYE 2022, which is within the credit period. The increase in our average trade payables turnover period 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.

Ageing analysis of our trade payables as at 31 December 2022

As at 31 December 2022, our total trade payables amounting to RM1.51 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) | 336 | 541 | - | - | 637 | 1,514 |
| Percentage of total trade payables (%) | 22.19 | 35.73 | - | - | 42.08 | 100.00 |
| Subsequent payments as at the LPD (RM'000) | 336 | 541 | - | - | 547 | 1,424 |
| Outstanding trade payables as at the LPD (RM'000) | - | - | - | - | 90 | 90 |

11. FINANCIAL INFORMATION (cont'd)

As at 31 December 2022, our total trade payables stood at RM1.51 million, of which RM1.18 million or 77.81% exceeded the normal credit term period and such trade payables are mainly payables of RM0.85 million to 2 of our major suppliers. We delayed our payment to these major suppliers 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**").

As at the LPD, RM1.42 million of the total outstanding trade payables as at 31 December 2022 have been paid. The remaining unpaid trade payables exceeding the credit period of RM0.01 million was attributed to pending Certification and Verification Works.

(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 |
|---|-----------|-----------|-----------|
| | (RM'000) | (RM'000) | (RM'000) |
| Opening inventory | 347 | 642 | 649 |
| Closing inventory | 642 | 649 | 203 |
| Average inventory | 495 | 646 | 426 |
| Cost of sales | 9,826 | 11,767 | 9,315 |
| Average inventory turnover period (days)⁽¹⁾ | 18 | 20 | 17 |

Note:-

(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.

We recorded inventory turnover period between 17 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.

11. FINANCIAL INFORMATION (cont'd)

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 |
| | (RM'000) | (RM'000) | (RM'000) |
| Current assets | 14,235 | 18,830 | 22,732 |
| Current liabilities | 11,494 | 12,835 | 12,889 |
| Current ratio (times)⁽¹⁾ | 1.24 | 1.47 | 1.76 |

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 and 1.76 times as at 31 December 2021 and 31 December 2022 respectively.

The recent improvement in current ratio was mainly due to the increase in our current assets, in particular, cash and short-term deposits totalling from RM1.83 million as at 31 December 2020, RM2.51 million as at 31 December 2021 to RM9.11 million as at 31 December 2022 (representing an increase of 262.95%), whilst current liabilities position is relatively consistent with the previous financial years.

(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 |
| | (RM'000) | (RM'000) | (RM'000) |
| Total borrowings ⁽¹⁾ | 11,472 | 13,520 | 11,361 |
| Shareholders' equity | 4,761 | 7,154 | 10,711 |
| Gearing ratio (times)⁽²⁾ | 2.41 | 1.89 | 1.06 |

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.

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%.

11. FINANCIAL INFORMATION (cont'd)

Our gearing ratio subsequently decrease to 1.06 times as at 31 December 2022 due to the decrease in our total borrowings (in particular, our revolving credits and bank overdrafts) and the increase in our shareholders' equity to RM10.71 million as at 31 December 2022. 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 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.

11.4.11 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;
- (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;

11. FINANCIAL INFORMATION (cont'd)

- (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.

11.6 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 |
|--|-----------------|-----------------|-----------------|
| 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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

12. ACCOUNTANTS' REPORT



21 September 2023

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

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/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 and 31 December 2022 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 and 31 December 2022, and notes to the combined financial statements, including a summary of significant accounting policies, as set out on pages 7 to 94.

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 and 31 December 2022, 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. 03459/11/2023 J
Chartered Accountant

Kuala Lumpur

Date: 21 September 2023


12. ACCOUNTANTS' REPORT (cont'd)

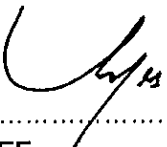
GO HUB CAPITAL BERHAD
Accountants' Report

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 and 31 December 2022 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

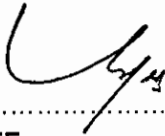
Date: **21 SEP 2023**

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

STATUTORY DECLARATION

I, **LEE LI YEE**, being the director 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.



.....
LEE LI YEE
(MIA Membership No: 29012)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on
21 SEP 2023

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**

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

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**
Accountants' Report**COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

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

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 |
| Revenue | 18 | 18,973 | 20,314 | 26,549 |
| Cost of sales | | (9,826) | (11,767) | (9,315) |
| Gross profit | | 9,147 | 8,547 | 17,234 |
| Other income | 19 | 588 | 769 | 646 |
| Selling expenses | | (1,104) | (887) | (1,294) |
| Administrative expenses | | (2,659) | (2,932) | (3,960) |
| Other operating expenses | | (1,962) | (2,282) | (3,527) |
| Operating profit | | 4,010 | 3,215 | 9,099 |
| Finance income | 20 | 137 | 86 | 49 |
| Finance costs | 21 | (1,185) | (1,326) | (1,145) |
| Profit before tax | 22 | 2,962 | 1,975 | 8,003 |
| Income tax (expense)/credit | 24 | (703) | 426 | (1,946) |
| Profit for the financial year, representing total comprehensive income for the financial year | | 2,259 | 2,401 | 6,057 |
| Profit attributable to: | | | | |
| Owners of the Group | | 2,265 | 2,405 | 6,057 |
| Non-controlling interest | | (6) | (4) | - |
| | | 2,259 | 2,401 | 6,057 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Group | | 2,265 | 2,405 | 6,057 |
| Non-controlling interest | | (6) | (4) | - |
| | | 2,259 | 2,401 | 6,057 |
| Earnings per share (RM) | | | | |
| - Basic and diluted | 25 | 1.13 | 1.20 | 0.46 |

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

| | Note | ← Attributable to owners of the Group → | | | | Total RM'000 | Non- controlling interest RM'000 | Total equity RM'000 |
|---|------|---|------------------------------|--------------------------------|-------------------------------------|-----------------|---|---------------------------|
| | | Share capital RM'000 | Invested equity RM'000 | Retained earnings RM'000 | Reorganisation reserve RM'000 | | | |
| At 1 January 2020 | | - | 1,250 | 496 | - | 1,746 | (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 | - | 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 | - | 4,761 | (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 | - | 2,405 | (4) | 2,401 |
| Transaction with owners | | | | | | | | |
| Changes in ownership interests in a subsidiary | 1(c) | - | - | (12) | - | (12) | 12 | (*) |
| At 31 December 2021 | | - | 2,000 | 5,154 | - | 7,154 | - | 7,154 |

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

Accountants' Report

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

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

* 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 → | | | |
|---|---------------------|----------------|----------------|----------------|
| | Note | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Cash flows from operating activities | | | | |
| Profit before tax | | 2,962 | 1,975 | 8,003 |
| Adjustments for: | | | | |
| Depreciation of: | | | | |
| - Property, plant and equipment | | 679 | 891 | 962 |
| - Right-of-use assets | | 1,207 | 1,351 | 1,543 |
| Property, plant and equipment written off | | - | - | 16 |
| Loss/(Gain) on disposal of property, plant and equipment | | 11 | - | (3) |
| Loss on disposal of right-of use assets | | 58 | 35 | - |
| Gain on lease modification | | - | - | (234) |
| COVID-19 related rent concession income | | (164) | (343) | - |
| Amortisation of intangibles assets | | 135 | 284 | 362 |
| Impairment loss on trade receivables | | - | - | 441 |
| Bad debts written off | | - | - | 546 |
| Finance costs | | 1,185 | 1,326 | 1,145 |
| Finance income | | (137) | (86) | (49) |
| Net unrealised foreign exchange loss/(gain) | | 3 | (19) | (10) |
| Operating profit before changes in working capital | | 5,939 | 5,414 | 12,722 |
| Changes in working capital: | | | | |
| Inventories | | 397 | (7) | 463 |
| Trade and other receivables | | (2,293) | (3,183) | 800 |
| Contract assets | | (2,788) | (1,008) | 384 |
| Trade and other payables | | (4,937) | 1,083 | 1,696 |
| Contract liabilities | | 1,531 | - | (563) |
| Net cash (used in)/generated from operations | | (2,151) | 2,299 | 15,502 |
| Income tax paid | | (27) | (191) | (1,517) |
| Interest received | | 137 | 86 | 34 |
| Interest paid | | (96) | (88) | (76) |
| Net cash (used in)/from operating activities | | (2,137) | 2,106 | 13,943 |
| Cash flows from investing activities | | | | |
| Purchase of property, plant and equipment | 5 | (1,279) | (806) | (547) |
| Proceeds from disposal of property, plant and equipment | | 65 | - | 5 |
| Proceeds from disposal of right-of-use assets | | 350 | 360 | - |
| Purchase of intangible assets | 7 | (920) | (1,056) | - |
| Acquisition of additional shares in combining entity | | - | (*) | - |
| Proceeds from disposal of other investment | | - | - | 165 |
| Changes in pledged deposits | | 2,005 | (708) | (101) |
| Interest received | | - | - | 15 |
| Net cash from/(used in) investing activities | | 221 | (2,210) | (463) |

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

Accountants' Report

COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

| | Note | ← FYE 31 December → | | |
|---|-----------|---------------------|----------------|----------------|
| | | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| 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) |
| Payment of lease liabilities | | (1,394) | (1,214) | (1,344) |
| Drawdown of revolving credits | | 2,756 | 562 | 98 |
| Repayment of revolving credits | | (1,415) | (430) | (1,185) |
| 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) |
| Dividend paid | | - | - | (2,500) |
| Net cash from/(used in) financing activities | | 2,202 | 515 | (6,643) |
| Net increase in cash and cash equivalents | | 286 | 411 | 6,837 |
| Cash and cash equivalents at the beginning of the financial year | | 156 | 442 | 853 |
| Cash and cash equivalents at the end of the financial year | 13 | 442 | 853 | 7,690 |

* Less than RM1,000

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

| | 1.1.2020 RM'000 | Cash flows RM'000 | Non-cash RM'000 | 31.12.2020 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 |

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)

| | 1.1.2021 | 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 |

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

During the financial year, the Group had total cash outflows for leases of 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 21 September 2023.

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's effective ownership in NSSPH increased from 80% to 100% as a result of the additional shares purchased.

Effect of the increase in NSS's 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 (%) |
| 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 |
| 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 |
| 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 |
| 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 Amendment to MFRS 16 *Leases* which is effective for annual periods beginning on or after 5 June 2020 and/or 6 April 2021.

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 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective**

- (a) The Group has not adopted the following new MFRS and amendments/ improvements to MFRSs that have been issued, but yet to be effective:

| | Effective for financial periods beginning on or after |
|--|--|
| <u>New MFRS</u> | |
| MFRS 17 Insurance Contracts | 1 January 2023 |
| <u>Amendments/Improvements to MFRSs</u> | |
| MFRS 1 First-time Adoption of MFRSs | 1 January 2023 [#] |
| MFRS 3 Business Combinations | 1 January 2023 [#] |
| MFRS 5 Non-current Assets Held for Sale and Discontinued Operations | 1 January 2023 [#] |
| MFRS 7 Financial Instruments: Disclosures | 1 January 2023 [#] / 1 January 2024 |
| MFRS 9 Financial Instruments | 1 January 2023 [#] |
| MFRS 10 Consolidated Financial Statements | Deferred |
| MFRS 15 Revenue from Contracts with Customers | 1 January 2023 [#] |
| MFRS 16 Leases | 1 January 2024 |
| MFRS 17 Insurance Contracts | 1 January 2023 |
| MFRS 101 Presentation of Financial Statements | 1 January 2023/ 1 January 2023 [#] / 1 January 2024 |
| MFRS 107 Statement of Cash Flows | 1 January 2023 [#] / 1 January 2024 |
| MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors | 1 January 2023 |
| MFRS 112 Income Taxes | 1 January 2023 |
| MFRS 116 Property, Plant and Equipment | 1 January 2023 [#] |
| MFRS 119 Employee Benefits | 1 January 2023 [#] |
| MFRS 128 Investments in Associates and Joint Ventures | Deferred/ 1 January 2023 [#] |
| MFRS 132 Financial Instruments: Presentation | 1 January 2023 [#] |
| MFRS 136 Impairment of Assets | 1 January 2023 [#] |
| MFRS 137 Provisions, Contingent Liabilities and Contingent Assets | 1 January 2023 [#] |
| MFRS 138 Intangible Assets | 1 January 2023 [#] |
| MFRS 140 Investment Property | 1 January 2023 [#] |

[#] Consequential amendments as a result of MFRS 17 Insurance Contracts

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 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)**

- (b) The Group plans to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group are summarised below:

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

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 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)**

- (b) The Group plans to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group are summarised below: (continued)

Amendments to MFRS 101 Presentation of Financial Statements (continued)

In another amendments, an entity is required 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 financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

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 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 112 Income Taxes

The amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations – transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

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 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)**

- (b) The Group plans to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group are summarised below: (continued)

Amendments to MFRS 112 Income Taxes (continued)

In another amendments, it gives entities temporary relief from recognising and disclosing accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's international tax reform; and introduces targeted disclosure requirements to help investors better understand an entity's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

Applying the temporary relief, entities neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The relief will help to ensure consistency in the financial statements while easing into the implementation of the rules by allowing time for entities to assess how they are affected.

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.

- (c) The initial application of the above applicable new MFRS and amendments/improvements to MFRSs are not expected to have any material impact on the combined financial statements.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

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, except as otherwise disclosed in Note 3.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the combined financial statements of the Group.

3.1 Basis of combination

The combined financial statements comprise the financial statements of the Company and its combining entities. The financial statements of the combining entities used in the preparation of the combined financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the combined financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the merger method of accounting.

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.1 Basis of combination (continued)****(a) Subsidiaries and business combination (continued)**

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. Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. 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.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.1 Basis of combination (continued)****(a) Subsidiaries and business combination (continued)**

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the combined statement of financial position. Any gain or loss arising from the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in combining entities not attributable, directly or indirectly, to owners of the Company and are presented separately in the combined statements of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.1 Basis of combination (continued)****(c) Transactions eliminated on combination**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the combined financial statements.

3.2 Foreign currency transactions**Translation of foreign currency transactions**

Foreign currency transactions are translated to the functional currency of the Group using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising from settlement or retranslation of monetary items are recognised in profit or loss.

The gain or loss arising from translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

3.3 Financial instruments

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

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

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.3 Financial instruments (continued)**

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

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

(a) Subsequent measurement

The Group categorises the financial instruments as follows:

(i) Financial assets

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

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income ("FVOCI") with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at FVPL

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

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

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.3 Financial instruments (continued)****(a) Subsequent measurement (continued)**

The Group categorises the financial instruments as follows: (continued)

(i) Financial assets (continued)Debt instruments

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

- **Amortised cost**

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment in accordance with Note 3.10(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **FVOCI**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note 3.10(a). Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.3 Financial instruments (continued)****(a) Subsequent measurement (continued)**

The Group categorises the financial instruments as follows: (continued)

(i) Financial assets (continued)Debt instruments (continued)

- **FVPL**

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

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

Equity instruments

The Group subsequently measures all equity investments at fair value. Upon initial recognition, the Group can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.3 Financial instruments (continued)****(a) Subsequent measurement (continued)**

The Group categorises the financial instruments as follows: (continued)

(ii) Financial liabilities

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

- Financial liabilities at FVPL
- Financial liabilities at amortised cost

Financial liabilities at FVPL

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

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

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

Financial liabilities at amortised cost

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

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

(c) Regular way purchase or sale of financial assets

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

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

Trade date accounting refers to:

- (i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

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

(d) Derecognition

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

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

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

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

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.3 Financial instruments (continued)****(d) Derecognition (continued)**

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

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

(e) Offsetting of financial instruments

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

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

3.4 Property, plant and equipment**(a) Recognition and measurement**

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.4 Property, plant and equipment (continued)****(b) Subsequent costs**

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

(c) Depreciation

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 |

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

(d) Derecognition

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

3.5 Leases**(a) Definition of a lease**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.5 Leases (continued)****(b) Lessee accounting**

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group presents right-of-use assets and lease liabilities as separate lines in the combined statements of financial position.

Right-of-use asset

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

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities. The right-of-use asset is 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 asset or the end of the lease term. If the Group expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

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

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.5 Leases (continued)****(b) Lessee accounting (continued)**Lease liability (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "administrative expenses" in the combined statements of comprehensive income.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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 and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.5 Leases (continued)****(c) Lessor accounting**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.5(b), then it classifies the sub-lease as an operating lease.

If an entity is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group applies MFRS 15 to allocate the consideration under the contract to each component.

3.6 Intangible assets**(a) Research and development costs**

Research costs are recognised in profit or loss as incurred.

An intangible asset arising from development is recognised when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate resources to complete the development and to use or sell the intangible asset are available; and
- the expenditures attributable to the intangible asset during its development can be reliably measured.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD**Accountants' Report**

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.6 Intangible assets (continued)****(a) Research and development costs (continued)**

Other development costs that do not meet these criteria are recognised in profit or loss as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b).

(b) Amortisation

Intangible assets with indefinite useful life are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date they are available for use. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value.

Costs of inventories comprises cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.8 Contract assets/(liabilities)**

Contract asset is the right to consideration in exchange for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(a).

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers.

3.9 Cash and cash equivalents

For the purpose of the combined statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances, deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change of value. Cash and cash equivalents are presented net of bank overdrafts.

3.10 Impairment of assets**(a) Impairment of financial assets and contract assets**

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

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

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of assets (continued)

(a) Impairment of financial assets and contract assets (continued)

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

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

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

- the borrower is unable to pay its credit obligations to the Group in full, without taking into account any credit enhancements held by the Group; or
- the contractual payment of the financial asset is more than the credit term unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

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

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

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

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

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.10 Impairment of assets (continued)****(a) Impairment of financial assets and contract assets (continued)**

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

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

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

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. For intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.10 Impairment of assets (continued)****(b) Impairment of non-financial assets (continued)**

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

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

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

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

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

3.11 Equity instruments**Ordinary shares**

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.12 Employee benefits****(a) Short-term employee benefits**

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

(b) Defined contribution plans

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

3.13 Provisions

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

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.14 Revenue and other income

The Group recognises revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue recognition of the Group is applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer).

The Group measures revenue from sale of good or services at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.14 Revenue and other income (continued)**

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group estimates it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group has assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

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.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.15 Government grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset, it is recognised as deferred income in the combined statements of financial position and transferred to profit or loss over the expected useful life of the related asset. Where the grant relates to an expense item, it is recognised in profit or loss, under the heading of "other income", on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The benefit derived from a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.16 Borrowing costs

Borrowing costs are interests and other costs that the Group incurs in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

3.17 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.17 Income tax (continued)****(b) Deferred tax**

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

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

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

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

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

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

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Income tax (continued)

(b) Deferred tax (continued)

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

(c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the combined statements of financial position.

3.18 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.19 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.20 Fair value measurements**

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

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

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

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

3.21 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the combined statements of financial position.

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**

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.

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).

(b) Measurement of income taxes

Significant judgement is required in determining the Group's estimation for current and deferred taxes because the ultimate tax liability for the Group as a whole is uncertain. When the final outcome of the tax payable is determined with the tax authorities, the amounts might be different from the initial estimates of the tax payables. Such differences may impact the current and deferred taxes in the period when such determination is made. The Group will make adjustments for current or deferred taxes in respect of prior years in the current period on those differences arise.

The income tax (expense)/credit of the Group is disclosed in Note 24.

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)

(c) Impairment of non-financial assets

The Group assesses impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less costs of disposal for that asset and its value-in-use. The Group uses fair value less cost to sell as the recoverable amount. Fair values are arrived at using the comparison method and valuation technique method to suit the assets characteristic of the Group.

The carrying amounts of the non-financial assets are disclosed in Notes 5, 6, 7 and 9.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

| | 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 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 | 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 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)****(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 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 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 |

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 |
| 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 |

[^] Derecognition of the right-of-use assets during the financial year was a result of termination of certain leases.

The Group leases buildings for its office and operation. The leases for buildings have lease terms of 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 3 to 9 (2021 and 2020: 3 to 9) years and has the option to purchase the assets at the end of the contract term.

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

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**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 |
| 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 |
| Carrying amount | | |
| At 31 December 2020 | | 881 |
| At 31 December 2021 | | 1,653 |
| At 31 December 2022 | | 1,291 |

(a) Amortisation

The amortisation of development costs of the Group amounting to 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.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

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) |
| | <u>(205)</u> | <u>(115)</u> | <u>(320)</u> |
| Deferred tax assets: | | | |
| Tax losses | 62 | (62) | - |
| Unabsorbed capital allowance | 226 | (226) | - |
| | <u>288</u> | <u>(288)</u> | <u>-</u> |
| | <u>83</u> | <u>(403)</u> | <u>(320)</u> |

| | 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> |

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 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> |

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 2021 RM'000 | 2022 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> |
| Potential deferred tax benefit at 24% | <u>117</u> | <u>-</u> | <u>1</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 RM'000 | 2021 RM'000 | 2022 RM'000 |
| 2029 | 461 | - | - |
| 2030 | 22 | - | - |
| | 483 | - | - |

9. OTHER INVESTMENT

| | ← As at 31 December → | | |
|-----------------|-----------------------|----------------|----------------|
| | 2020 RM'000 | 2021 RM'000 | 2022 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 and 31 December 2022 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 and 31 December 2022 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 % | |
| 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 |
| | RM'000 | RM'000 | RM'000 |
| At lower of cost and net realisable value: | | | |
| Computer equipment and accessories | 642 | 649 | 203 |

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM1.86 million (2021: RM8.11 million and 2020: RM5.95 million).

11. TRADE AND OTHER RECEIVABLES

| | ← As at 31 December → | | |
|---|-----------------------|--------|--------|
| Note | 2020 | 2021 | 2022 |
| | RM'000 | RM'000 | RM'000 |
| Trade | | | |
| Trade receivables (a) | 6,660 | 9,514 | 7,083 |
| Less: Impairment losses for trade receivables | - | - | (441) |
| | 6,660 | 9,514 | 6,642 |
| Non-trade | | | |
| Other receivables | 1,236 | 872 | 1,428 |
| Deposits | 354 | 1,103 | 1,527 |
| Prepayments | 337 | 300 | 415 |
| Amount owing by related parties (b) | 379 | 87 | - |
| | 2,306 | 2,362 | 3,370 |
| Total trade and other receivables | 8,966 | 11,876 | 10,012 |

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**

Trade receivables are non-interest bearing, other than the trade receivables of RM0.04 million (2021: RM1.61 million and RM2.00 million) bearing interest rate from 1% to 4% (2021 and 2020: 1% to 4%). The normal credit terms offered by the Group ranging from 30 days to 90 days (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.

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:

| | | ← FYE 31 December → | | |
|-------------------------------|------|---------------------|----------------|----------------|
| | Note | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| At 1 January | | - | - | - |
| Charge for the financial year | | | | |
| - Individually assessed | 22 | - | - | 441 |
| At 31 December | | - | - | 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 |
| Contract assets relating to rendering of services | 2,788 | 3,796 | 3,412 |
| Contract liabilities relating to sales of goods | 1,531 | 1,531 | 946 |
| Contract liabilities relating to rendering of services | - | - | 22 |
| | 1,531 | 1,531 | 968 |

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

12. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(a) Significant changes in contract balances

| | ← FYE 31 December → | | | | | |
|---|---|--|---|--|---|--|
| | 2020 | | 2021 | | 2022 | |
| | Contract assets Increase/ (decrease) RM'000 | Contract liabilities (Increase)/ decrease RM'000 | Contract assets Increase/ (decrease) RM'000 | Contract liabilities (Increase)/ decrease RM'000 | Contract assets Increase/ (decrease) RM'000 | Contract liabilities (Increase)/ decrease RM'000 |
| Increase due to revenue recognised, but no right to consideration | 2,788 | - | 1,106 | - | 652 | - |
| Transfer from contract assets recognised at the beginning of the financial year to receivables | - | - | (98) | - | (1,036) | - |
| Increase due to invoice billed in advance to customer, but revenue not recognised | - | (1,531) | - | - | - | (22) |
| Revenue recognised that was included in contract liability at the beginning of the financial year | - | - | - | - | - | 585 |

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

12. CONTRACT ASSETS/(LIABILITIES)(CONTINUED)

(b) Revenue recognised in relation to contract balances

| | ← FYE 31 December → | | |
|---|---------------------|--------|--------|
| | 2020 | 2021 | 2022 |
| | RM'000 | RM'000 | RM'000 |
| Revenue recognised that was included in contract liability at the beginning of the financial year | - | - | 585 |

13. CASH AND SHORT-TERM DEPOSITS

| | ← As at 31 December → | | |
|------------------------|-----------------------|--------------|--------------|
| | 2020 | 2021 | 2022 |
| | RM'000 | RM'000 | RM'000 |
| Cash and bank balances | 1,223 | 1,195 | 7,690 |
| Short-term deposits | 606 | 1,314 | 1,415 |
| | <u>1,829</u> | <u>2,509</u> | <u>9,105</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 |
| | RM'000 | RM'000 | RM'000 |
| Short-term deposits | 606 | 1,314 | 1,415 |
| Less: Pledged deposits | (606) | (1,314) | (1,415) |
| | - | - | - |
| Cash and bank balances | 1,223 | 1,195 | 7,690 |
| Bank overdrafts | (781) | (342) | - |
| | <u>442</u> | <u>853</u> | <u>7,690</u> |

The short-term deposits placed with licensed banks is pledged for credit facilities granted to the Company 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

| | Note | Number of ordinary shares | | | Amount | | |
|--|------|---------------------------|------------------|------------------|----------------|----------------|----------------|
| | | 2020 Unit'000 | 2021 Unit'000 | 2022 Unit'000 | 2020 RM'000 | 2021 RM'000 | 2022 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 | (a) | 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 | - |

(b) Share capital

| | Note | Number of ordinary shares | | | Amount | | |
|---|------|---------------------------|------------------|------------------|----------------|----------------|----------------|
| | | 2020 Unit'000 | 2021 Unit'000 | 2022 Unit'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| At the beginning of the financial year /date of incorporation | (b) | - | - | * | - | - | * |
| Issuance of shares pursuant to acquisition of subsidiaries | (c) | - | - | 13,310 | - | - | 13,310 |
| At the end of the financial year | | - | - | 13,310 | - | - | 13,310 |

* Less than 1,000

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.

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.

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.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****16. LOANS AND BORROWINGS**

| | Note | ← As at 31 December → | | |
|-----------------------------------|------|-----------------------|----------------|----------------|
| | | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Non-current: | | | | |
| Term loans | (a) | 5,399 | 7,376 | 6,780 |
| Lease liabilities | (b) | 4,148 | 3,170 | 4,430 |
| | | 9,547 | 10,546 | 11,210 |
| Current: | | | | |
| Term loans | (a) | 700 | 1,182 | 1,324 |
| Lease liabilities | (b) | 1,201 | 1,364 | 1,565 |
| Revolving credits | (c) | 3,487 | 3,619 | 2,532 |
| Bank overdrafts | (d) | 781 | 342 | - |
| | | 6,169 | 6,507 | 5,421 |
| Total loans and borrowings | | | | |
| Term loans | (a) | 6,099 | 8,558 | 8,104 |
| Lease liabilities | (b) | 5,349 | 4,534 | 5,995 |
| Revolving credits | (c) | 3,487 | 3,619 | 2,532 |
| Bank overdrafts | (d) | 781 | 342 | - |
| | | 15,716 | 17,053 | 16,631 |

(a) Term loans

Term loan 1 of the Group of 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 RM0.39 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 RM0.26 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 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 4 of the Group of 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 RM1.19 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 RM0.34 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 66 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 RM2.73 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 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 RM0.38 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 RM1.30 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 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Minimum lease payments: | | | |
| - Not later than one year | 1,558 | 1,665 | 1,928 |
| - Later than one year and not later than five years | 4,536 | 3,362 | 4,714 |
| - Later than five years | 81 | - | 262 |
| | 6,175 | 5,027 | 6,904 |
| Less: Future finance charges | (826) | (493) | (909) |
| Present value of minimum lease payments | 5,349 | 4,534 | 5,995 |
| Present value of minimum lease payment: | | | |
| - Not later than one year | 1,201 | 1,364 | 1,565 |
| - Later than one year and not later than five years | 4,070 | 3,170 | 4,430 |
| - Later than five years | 78 | - | - |
| | 5,349 | 4,534 | 5,995 |
| Less: Amount due within twelve months | (1,201) | (1,364) | (1,565) |
| Amount due after twelve months | 4,148 | 3,170 | 4,430 |

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****16. LOANS AND BORROWINGS (CONTINUED)****(c) Revolving credits**

Revolving credit 1 of the Group of 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 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.

(d) 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 |
| Trade | | | | |
| Trade payables | (a) | | | |
| - Third parties | | 516 | 1,363 | 1,514 |
| - Related parties | | 640 | - | - |
| | | 1,156 | 1,363 | 1,514 |
| Non-trade | | | | |
| Other payables | | 935 | 1,489 | 2,717 |
| Accruals | | 242 | 428 | 706 |
| Deposits | | 978 | 1,114 | 1,153 |
| Amount owing to a related party | (b) | 1 | 20 | - |
| Amount owing to directors | (b) | 191 | 256 | - |
| | | 2,347 | 3,307 | 4,576 |
| Total trade and other payables | | 3,503 | 4,670 | 6,090 |

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 (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 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Provision of IT solutions and related services | 18,973 | 20,314 | 26,549 |
| | 18,973 | 20,314 | 26,549 |
| Timing of revenue recognition: | | | |
| At a point in time | 10,211 | 229 | 710 |
| Over time | 8,762 | 20,085 | 25,839 |
| | 18,973 | 20,314 | 26,549 |

19. OTHER INCOME

| | ← FYE 31 December → | | |
|---|---------------------|----------------|----------------|
| | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Gain on disposal of property, plant and equipment | - | - | 3 |
| Gain on lease modification | - | - | 234 |
| COVID-19 related rent concession income | 164 | 343 | - |
| Net realised foreign exchange gain | - | - | 12 |
| Net unrealised foreign exchange gain | - | 19 | 10 |
| Rental income | - | 3 | 26 |
| Wages subsidy | 418 | 397 | 23 |
| Miscellaneous | 6 | 7 | 338 |
| | 588 | 769 | 646 |

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

20. FINANCE INCOME

| | ← FYE 31 December → | | |
|-----------------------|---------------------|----------------|----------------|
| | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Interest income from: | | | |
| - short-term deposits | - | - | 15 |
| - trade receivables | 137 | 86 | 34 |
| | 137 | 86 | 49 |

21. FINANCE COSTS

| | ← FYE 31 December → | | |
|----------------------|---------------------|----------------|----------------|
| | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Interest expense on: | | | |
| - Term loans | 337 | 368 | 510 |
| - Lease liabilities | 422 | 374 | 465 |
| - Bank overdrafts | 49 | 34 | 12 |
| - Bank guarantee fee | 47 | 54 | 64 |
| - Revolving credits | 330 | 496 | 94 |
| | 1,185 | 1,326 | 1,145 |

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 → | | |
|---|------|---------------------|----------------|----------------|
| | Note | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Auditors' remuneration: | | | | |
| - current year | | 23 | 51 | 101 |
| - prior year | | - | (1) | - |
| Incorporation fee | | - | - | 2 |
| Depreciation of: | | | | |
| - property, plant and equipment | 5 | 679 | 891 | 962 |
| - right-of-use assets | 6 | 1,207 | 1,351 | 1,543 |
| Loss on disposal of property, plant and equipment | | 11 | - | - |
| Property, plant and equipment written off | | - | - | 16 |
| Loss on disposal of right-of-use assets | | 58 | 35 | - |
| | | 58 | 35 | - |

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

| | Note | ← FYE 31 December → | | |
|--------------------------------------|------|---------------------|----------------|----------------|
| | | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Amortisation of intangible assets | 7 | 135 | 284 | 362 |
| Impairment loss on trade receivables | 11 | - | - | 441 |
| Bad debts written off | | - | - | 546 |
| Rental expense on: | | | | |
| - Premises | | 130 | 14 | 9 |
| Net realised foreign exchange loss | | - | 27 | - |
| Net unrealised foreign exchange loss | | 3 | - | - |
| Employee benefits expense | 23 | 4,134 | 4,537 | 7,110 |

23. EMPLOYEE BENEFITS EXPENSE

| | ← FYE 31 December → | | |
|---|---------------------|----------------|----------------|
| | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Salaries, allowances and bonuses | 3,649 | 3,958 | 6,220 |
| Defined contribution plans | 364 | 455 | 714 |
| Other staff related benefits | 121 | 124 | 176 |
| | 4,134 | 4,537 | 7,110 |
| Included in employee benefits expenses are: | | | |
| - Directors' remuneration | 458 | 523 | 479 |
| - Directors' defined contribution plans | 14 | 39 | 53 |
| - Directors' other emoluments | 1 | 2 | 2 |
| | 473 | 564 | 534 |

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**
Accountants' Report**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 and 31 December 2022 are as follows:

| | ← FYE 31 December → | | |
|---|---------------------|----------------|----------------|
| | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Combined statement of comprehensive income | | | |
| Current income tax: | | | |
| - Current income tax charge | 299 | 37 | 1,809 |
| - Adjustment in respect of prior year | 1 | - | (9) |
| | 300 | 37 | 1,800 |
| Deferred tax (Note 8): | | | |
| - Origination of temporary differences | 397 | (462) | 206 |
| - Adjustment in respect of prior year | 6 | (1) | (60) |
| | 403 | (463) | 146 |
| Income tax expense/(credit) recognised in profit or loss | 703 | (426) | 1,946 |

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 and below and annual sales less than RM50.00 million (2021 and 2020: RM50.00 million) is subject to the statutory income tax rate of 17% (2021 and 2020: 17%) on chargeable income up to RM0.60 million (2021 and 2020: RM0.60 million). For chargeable income excess of RM0.60 million (2021 and 2020: RM0.60 million), statutory income tax rate of 24% (2021 and 2020: 24%) is still applicable.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**
Accountants' Report**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 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Profit before tax | 2,962 | 1,975 | 8,003 |
| Tax at Malaysian statutory income tax rate of 24% | 711 | 474 | 1,921 |
| SME tax savings | (35) | - | - |
| Adjustments: | | | |
| - Income not subject to tax | (97) | (92) | (142) |
| - Non-deductible expenses | 617 | 605 | 235 |
| - 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) |
| - Adjustment in respect of deferred tax of prior year | 6 | (1) | (60) |
| - Tax exempted | (481) | (1,295) | - |
| Income tax expense/(credit) | 703 | (426) | 1,946 |

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:

| | ← | FYE 31 December | → |
|--|--------|-----------------|--------|
| | 2020 | 2021 | 2022 |
| | RM'000 | RM'000 | RM'000 |
| Profit attributable to owners of the Group | 2,265 | 2,405 | 6,057 |
| Weighted average number of ordinary shares for basic and diluted earnings per share [^] | 2,000 | 2,000 | 13,310 |
| Basic and diluted earnings per share (RM) | 1.13 | 1.20 | 0.46 |

[^] For the purpose of this report, the weighted average number of ordinary shares for FYE 31 December 2020 and 2021 is the invested equity of the Group.

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> |

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 arising 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.

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) (2021: two (2) and 2020: four (4)) trade receivables, representing approximately 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 | 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 |

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 borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 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. Refer to Note 3.10(a) for the Group's other accounting policies for impairment of financial assets.

(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 |
| | <u>21,723</u> | <u>11,859</u> | <u>8,865</u> | <u>3,392</u> | <u>24,116</u> |
| 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 |
| | <u>22,721</u> | <u>12,102</u> | <u>9,509</u> | <u>3,801</u> | <u>25,412</u> |

(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").

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 (continued)**

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 |
| | RM'000 | RM'000 | RM'000 |
| Financial assets and liabilities not held in functional currencies: | | | |
| <u>Trade receivables</u> | | | |
| USD | 124 | 479 | 327 |
| <u>Cash and short-term deposits</u> | | | |
| USD | 26 | 27 | 6 |
| <u>Trade payables</u> | | | |
| SGD | - | - | 26 |

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.

(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.

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.

| | 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 | (23) |
| | | -50 | 23 |
| Revolving credits | 3,487 | +50 | (13) |
| | | -50 | 13 |
| Bank overdrafts | 781 | +50 | (3) |
| | | -50 | 3 |
| At 31 December 2021 | | | |
| Term loans | 8,558 | +50 | (33) |
| | | -50 | 33 |
| Revolving credits | 3,619 | +50 | (14) |
| | | -50 | 14 |
| Bank overdrafts | 342 | +50 | (1) |
| | | -50 | 1 |
| At 31 December 2022 | | | |
| Term loans | 8,104 | +50 | (31) |
| | | -50 | 31 |
| Revolving credits | 2,532 | +50 | (10) |
| | | -50 | 10 |

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 (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 |

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.

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****28. RELATED PARTIES (CONTINUED)****(a) Identity of related parties (continued)**

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:

| | ← FYE 31 December → | | |
|--|---------------------|----------------|----------------|
| | 2020 RM'000 | 2021 RM'000 | 2022 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 |
| 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 | - | - |

12. ACCOUNTANTS' REPORT (cont'd)**GO HUB CAPITAL BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****28. RELATED PARTIES (CONTINUED)****(c) Compensation of key management personnel**

| | ← FYE 31 December → | | |
|----------------------------------|---------------------|----------------|----------------|
| | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Salaries, allowances and bonuses | 1,063 | 1,291 | 1,469 |
| Defined contribution plans | 82 | 131 | 167 |
| Other staff related benefits | 5 | 6 | 7 |
| | 1,150 | 1,428 | 1,643 |

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 and 31 December 2022.

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 and 31 December 2022 are as follows:

| | | ← As at 31 December → | | |
|----------------------------------|------|-----------------------|----------------|----------------|
| | Note | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Loans and borrowings/total debts | 16 | 15,716 | 17,053 | 16,631 |
| Total equity | | 4,753 | 7,154 | 10,711 |
| Gearing ratio (times) | | 3.31 | 2.38 | 1.55 |

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.

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****(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 and 31 December 2022.

(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.

(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.

12. ACCOUNTANTS' REPORT (cont'd)

GO HUB CAPITAL BERHAD Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

31. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEARS

(a) Subscription 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.

(b) 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).

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)

Geographical information

Revenue based on the geographical location of customers are as follows:

| | ← FYE 31 December → | | |
|----------|---------------------|----------------|----------------|
| | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Malaysia | 18,953 | 19,979 | 26,519 |
| Overseas | 20 | 335 | 30 |
| | 18,973 | 20,314 | 26,549 |

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 | 11,920 |
| | FYE 31 December 2021 RM'000 |
| Customer B | 11,464 |
| | FYE 31 December 2022 RM'000 |
| Customer A | 15,477 |

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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 law. 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; and
- (iii) the Underwriting Agreement dated [date] between GOHUB and the Underwriter in relation to [●] IPO Shares under the Public Issue 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.

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. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

13.8 Letters of consent

The written consents of our Principal Adviser, Sponsor, Underwriter, 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 2022, and the audited financial statements of each of our subsidiaries for the financial years under review; and
- (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.

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: [time], [date]

Closing of the application period: [time], [date]

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 fulfill 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 RM[●] for each IPO Share.

Payment must be made out in favour of “**TIH SHARE ISSUE ACCOUNT NO. [●]**” 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 **[time]** on **[date]** 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-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; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with **Section 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://tiih.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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK