

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF SEMICO CAPITAL BERHAD (“SEMICO CAPITAL” OR “COMPANY”) DATED 15 DECEMBER 2025 (“ELECTRONIC PROSPECTUS”)

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

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad’s (“**Bursa Securities**”) website at www.bursamalaysia.com (“**Website**”).

Availability and Location of Paper/Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request for a paper/printed copy of the Prospectus directly from the Company, Affin Hwang Investment Bank Berhad (“**Affin Hwang IB**”) or Malaysian Issuing House Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

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

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, Affin Hwang IB and the Company take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from **10.00 a.m. (Malaysian time) on 15 December 2025** and will close at **5.00 p.m. (Malaysian time) on 2 January 2026**. In the event there is any change to the timetable, Semico Capital will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia and announce it on Bursa Securities’ website accordingly.

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

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

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

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

PROSPECTUS

THIS PROSPECTUS IS DATED 15 DECEMBER 2025

SEMICO

Semico Capital Berhad

(formerly known as Basil Park Sdn Bhd)

(Registration No. 202401043120 (1588966-W))

(Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING (“**IPO**”) IN CONJUNCTION WITH THE LISTING OF SEMICO CAPITAL BERHAD (“**SEMICO CAPITAL**” OR “**COMPANY**”) ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“**BURSA SECURITIES**”) COMPRISING:

(I) PUBLIC ISSUE OF 92,670,800 NEW ORDINARY SHARES IN OUR COMPANY (“**SHARES**”) (“**ISSUE SHARE(S)**”) IN THE FOLLOWING MANNER:

- 18,000,000 ISSUE SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 14,996,000 ISSUE SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES AS WELL AS BUSINESS ASSOCIATES WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR COMPANY AND SUBSIDIARIES; AND
- 59,674,800 ISSUE SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;

AND

(II) OFFER FOR SALE OF 18,000,000 EXISTING SHARES (“**OFFER SHARE(S)**”) BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,

AT AN IPO PRICE OF RM0.25 PER ISSUE SHARE / OFFER SHARE, PAYABLE IN FULL UPON APPLICATION

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



AFFIN HWANG INVESTMENT BANK BERHAD

(Registration No. 197301000792 (14389-U))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Semico Capital Berhad

PROSPECTUS

SEMICO

Semico Capital Berhad

(formerly known as Basil Park Sdn Bhd)

(Registration No. 202401043120 (1588966-W))

(Incorporated in Malaysia under the Companies Act 2016)

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 (“CMSA”).

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 162 OF THIS PROSPECTUS.

BURSA SECURITIES HAS APPROVED OUR ADMISSION TO THE OFFICIAL LIST OF THE ACE MARKET OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR OUR ENTIRE ENLARGED ISSUED SHARE CAPITAL ON THE ACE MARKET OF BURSA SECURITIES. THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE APPROVAL OF OUR IPO 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 IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE 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.

All defined terms used in this Prospectus are defined under “Presentation of Information” and “Definitions” commencing on pages ix and xi of this Prospectus respectively.

RESPONSIBILITY STATEMENTS

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

Affin Hwang IB, being our Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter, 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 being offered. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

Bursa Securities is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

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

OTHER STATEMENTS

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

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

Investors should note that any agreement by our Sole Underwriter to underwrite our Issue Shares under the Public Issue is not to be taken as an indication of the merits of our Shares being offered.

This Prospectus is prepared and published solely for our IPO under the laws of Malaysia. Our Shares are offered in Malaysia solely based on the contents of this Prospectus. Our Company, Promoters, Selling Shareholder, Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter have not authorised anyone to provide you with information which is not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, Promoters, Selling Shareholder, Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter, or any of their respective directors or any other persons involved in our IPO.

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

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. This Prospectus will not be distributed outside Malaysia. Our Company, Promoters, Selling Shareholder, Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. No action has been taken to permit a public offering of our Shares based on this Prospectus or the distribution of this Prospectus outside Malaysia.

This Prospectus may not be used for the purpose of and does not constitute an offer to sell or an invitation to buy the securities offered under our IPO in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or is unlawful. This Prospectus shall also not be used to make an offer of or invitation to buy the securities offered under our IPO to any person to whom it is unlawful to do so. The distribution of this Prospectus and the sale of our Shares offered under our IPO in certain jurisdictions may be restricted by law. Our Company, Promoters, Selling Shareholder and Principal Adviser require you to inform yourselves of and to observe such restrictions.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith. It shall be your sole responsibility, if you are or may be subject to the laws of any countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether your application for our IPO would result in the contravention of any law of such country or jurisdiction which you may be subject to. Neither we nor our Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, voidable or void in any such country or jurisdiction.

Further, it shall also be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of this Prospectus and would not be in contravention of any law of countries or jurisdictions other than Malaysia to which you may be subject to. We will further assume that you have accepted our IPO in Malaysia and will at all applicable times be subjected only to the laws of Malaysia in connection therewith. 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.

ELECTRONIC PROSPECTUS

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

You are advised that the internet is not a fully secured medium and that your Internet Share Application may be subject to 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. These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt of the validity or integrity of an electronic Prospectus, you should immediately request from us or our Issuing House, a paper/ printed copy of this Prospectus. In the event of any discrepancies arising between the contents of the electronic Prospectus and the contents of the paper/ printed copy of this Prospectus for any reason whatsoever, the contents of the paper/ printed copy of this Prospectus, which are identical to the copy of the 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 with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided 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 costs 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 systems or loss of data resulting from the downloading of any such data, information, files or other material.

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

- (i) the Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an electronic Prospectus, to the extent of the contents of the electronic Prospectus situated on the web server of the Internet Participating Financial Institutions which may be viewed through web browser or other relevant software;
- (ii) the Internet Participating Financial Institutions shall not be responsible for the integrity of the contents of an electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions, and subsequently communicated or disseminated in any manner to you or other parties; and
- (iii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an electronic Prospectus, the accuracy and reliability of an electronic Prospectus cannot be guaranteed because the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or cost, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or 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 website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

The indicative timetable for our IPO is set out below:

Event	Time / date
Issuance of Prospectus/ Opening of Application	10.00 a.m., 15 December 2025
Closing of Application	5.00 p.m., 2 January 2026
Balloting of Application	6 January 2026
Allotment/ transfer of our IPO Shares to successful applicants	12 January 2026
Listing	13 January 2026

If there is any change to the indicative timetable above, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper within Malaysia and announce it on Bursa Securities' website accordingly.

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PRESENTATION OF INFORMATION

All references to “our Company” or “Semico Capital” in this Prospectus are to Semico Capital Berhad. All references to “our Group” or “Semico Capital Group” in this Prospectus are to our Company and our subsidiaries collectively. All references to “we”, “us”, “our” and “ourselves” in this Prospectus are to our Company and where the context otherwise requires, shall include our subsidiaries. Unless the context otherwise requires, references to “Management” in this Prospectus are to our Directors and Key Senior Management as at the date of this Prospectus, and statements to our beliefs, expectations, estimates and opinions are those of our Management.

All references to “you” are to our prospective investors.

All references to the “LPD” in this Prospectus are to 17 November 2025, being the latest practicable date prior to the registration of this Prospectus with Bursa Securities.

Other abbreviations and acronyms used in this Prospectus are defined in the “Definitions” section. Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Any reference to persons shall, where applicable, include companies and corporations.

Any reference in this Prospectus to any provision of the statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as reference to the provision 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.

All references to times and dates in this Prospectus are references to times and dates in Malaysia, unless otherwise stated.

The word “approximately” used in this Prospectus indicates that a number is not an exact one, but that number is usually rounded off to the nearest thousandth, millionth or 2 decimal places. Certain amounts and percentage figures included in this Prospectus have been subjected to rounding adjustments. As a result, any discrepancy in the tables or charts between the amounts listed and totals in this Prospectus is due to rounding adjustments.

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 as well as our estimated market share in 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 originates from us or is extracted from the Independent Market Research Report (“**IMR Report**”) prepared by Protégé Associates Sdn Bhd (“**Protégé Associates**”), an independent market researcher, as included in Section 7 of this Prospectus. In compiling their data for the review, Protégé Associates had relied on its research methodology, industry sources, published materials, their private databanks and direct contacts within the industry. Further, third party projections, including the projections from the IMR Report, cited in this Prospectus are subject to uncertainties that could cause actual data to differ materially from the projected figures. We cannot give any assurance that the projected figures will be achieved, and you should not place undue reliance on the statistical data and third party projections cited in this Prospectus.

If there are any discrepancies or inconsistencies between the English and Bahasa Malaysia versions of this Prospectus, the English version shall prevail. The information on our website or any website, directly or indirectly, linked to such website does not form part of this Prospectus and you should not rely on the information for the purpose of your decision on whether or not to invest in our Shares. Further, if there is any discrepancy between the contents of such website relating to our Group and this Prospectus, the information contained in this Prospectus shall prevail.

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 prospects of our Group for future operations are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements, or industry results expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our current views 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 terminologies such as the words “expect”, “believe”, “anticipate”, “plan”, “aim”, “intend”, “estimate”, “forecast”, “may”, “will”, “would”, “project” 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) the general industry environment, including the demand for and supply of our products and services;
- (ii) our future overall business development and operations plans;
- (iii) our business strategies, trends and competitive position and the effect of such competition;
- (iv) potential growth opportunities;
- (v) our financial performance and financing plan including future earnings, cash flows and liquidity; and
- (vi) the regulatory environment and the effects of future regulation.

Our actual results may defer materially from information contained in such 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 globally; and
- (ii) government policy, legislation or regulation affecting us or the industry in which we operate.

Additional factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied in the forward-looking statements in this Prospectus include those discussed in Section 8 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. Such forward-looking statements are made based on information available to us as at the LPD and made only as at the LPD.

Should we become aware of any subsequent significant change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment/ transfer of our IPO Shares, we will issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus) and Rule 3.12D of the Listing Requirements.

DEFINITIONS

Unless the context otherwise requires, the following definitions shall apply throughout this Prospectus:

ACE Amusement	: ACE Amusement Technologies Co., Ltd.
ACE Market	: ACE Market of Bursa Securities
Acquisitions	: Acquisition of Semico, Acquisition of Minexport and Acquisition of De Pop, collectively
Acquisition of De Pop	: The acquisition by Semico Capital of the entire issued share capital of De Pop, comprising 100,000 ordinary shares, from MARC Experience for a purchase consideration of RM3,471,901.65, which was satisfied entirely via the issuance of 110,219,100 new Shares at an issue price of RM0.0315 per Share. The Acquisition of De Pop was completed on 14 March 2025
Acquisition of Minexport	: The acquisition by Semico Capital of the entire issued share capital of Minexport, comprising 500,000 ordinary shares, from MARC Experience for a purchase consideration of RM1.00, which was satisfied entirely by cash. The Acquisition of Minexport was completed on 14 March 2025
Acquisition of Semico	: The acquisition by Semico Capital of the entire issued share capital of Semico, comprising 100,000 ordinary shares, from MARC Experience for a purchase consideration of RM4,536,330.75, which was satisfied entirely via the issuance of 144,010,500 new Shares at an issue price of RM0.0315 per Share. The Acquisition of Semico was completed on 14 March 2025
Act	: Companies Act 2016
ADA	: Authorised Depository Agent
Admission	: Admission of our Shares to the Official List
Aeon Fantasy	: Aeon Fantasy (Malaysia) Sdn Bhd (Registration No. 201101004829 (932970-V))
Affin Hwang IB, Principal Adviser, Sponsor, Sole Placement Agent or Sole Underwriter	: Affin Hwang Investment Bank Berhad (Registration No. 197301000792 (14389-U))
AGM	: Annual General Meeting
Application(s)	: Application(s) for our Issue Shares by way of Application Form, Electronic Share Application or Internet Share Application
Application Form(s)	: Application form(s) for the application of our Issue Shares accompanying this Prospectus
ATM	: Automated teller machine
Authorised Financial Institution(s)	: Authorised financial institution(s) participating in the Internet Share Application in respect of the payment for our Issue Shares
BFR	: Base financing rate

DEFINITIONS (CONT'D)

BLR	: Base lending rate
Board	: Board of Directors of our Company
Bursa Depository or Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CAGR	: Compounded annual growth rate
CCC	: Certificate of completion and compliance
CCM	: Companies Commission of Malaysia
CDS	: Central depository system
CDS Account(s)	: Account(s) established by Bursa Depository for a depositor to record his deposits or withdrawals of securities and to deal in such securities
CEO	: Chief Executive Officer
CMSA	: Capital Markets and Services Act 2007
Constitution	: Constitution of our Company
COVID-19	: Coronavirus disease 2019
DBKL	: Kuala Lumpur City Hall
Director(s)	: The director(s) of our Company and shall have the meaning given in Section 2 of the CMSA
DOF Robotics	: DOF Robotik San. A.S.
Dreamfuns	: Guangzhou Dreamfuns Amusement Technology Co., Ltd.
EBITDA	: Earnings before interest, taxation, depreciation and amortisation
EIS	: Employment Insurance System
Electronic Prospectus	: A copy of this Prospectus that is issued, circulated, distributed, stored or hosted on digital platforms or electronic storage mediums, including but not limited to website, mobile application, email, compact disc, thumb drive and cloud-based storage
Electronic Share Application	: Application for our Issue Shares through a Participating Financial Institution's ATMs
ELSKA Group	: Elska (Shenzhen) Trading Co., Ltd.
Eligible Person(s)	: Eligible Director(s), employee(s) and business associate(s) who have contributed to the success of our Group
EPS	: Earnings per Share

DEFINITIONS (CONT'D)

ESG	: Environmental, social and governance
Financial Years Under Review	: FYE 2022, FYE 2023, FYE 2024 and FYE 2025, collectively
FYE	: Financial year ended/ ending 30 June, as the case may be
GP	: Gross profit
GGSM	: Government Guarantee Scheme MADANI
ICT	: Information communication technology
IMR or Protégé Associates	: Protégé Associates Sdn Bhd (Registration No. 200401037256 (675767-H))
IMR Report	: Independent Market Research Report prepared by Protégé Associates
Internet Participating Financial Institution(s)	: Participating financial institution(s) or Participating securities firm(s) for the Internet Share Application, as listed in Section 14.6 of this Prospectus
Internet Share Application	: Application for our Issue Shares through an Internet Participating Financial Institution
IP	: Intellectual property
IPO	: Initial public offering of our IPO Shares comprising the Public Issue and Offer for Sale, collectively
IPO Price	: RM0.25 for each IPO Share
IPO Share(s)	: Issue Shares and Offer Shares, collectively
Issue Share(s)	: 92,670,800 new Shares to be issued pursuant to the Public Issue
Issuing House	: Malaysian Issuing House Sdn Bhd (Registration No. 199301003608 (258345-X))
IT	: Information technology
Jakar	: Jakar Sp.zo.o.
JoToys	: Hongkong Jotoys Limited
Key Senior Management	: Key senior management of our Group, including our Executive Directors and those as set out in Section 4.5 of this Prospectus
Listing	: Listing of and quotation for the entire enlarged issued share capital of Semico Capital on the ACE Market
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities
LPD	: 17 November 2025, being the latest practicable date prior to the registration of this Prospectus with Bursa Securities

DEFINITIONS (CONT'D)

Malaysian Public	: Malaysian citizens, companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia and as defined to be 'public' in the Listing Requirements
MARC Experience	: MARC Experience Ventures Sdn Bhd (formerly known as Kontrek Elmina Sdn Bhd) (Registration No. 202401022588 (1568437-H))
Market Day	: A day on which Bursa Securities is open for trading in securities, which may include a surprise holiday (being 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)
Mastering Services	: Mastering Services Sdn Bhd (Registration No. 201001030454 (914375-P))
MATFA	: Malaysian Association of Theme Parks & Family Attractions
MBSJ	: Subang Jaya City Council
MCCG	: Malaysian Code on Corporate Governance
MCO	: The nationwide Movement Control Order imposed by the Government of Malaysia under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of COVID-19
MFRS	: Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board
MIDA	: Malaysian Investment Development Authority
Mix Metro	: Mix Metro Sdn Bhd (Registration No. 201701027283 (1241449-A))
MOF	: Ministry of Finance
MyIPO	: Intellectual Property Corporation of Malaysia
N/A	: Not applicable
NA	: Net assets
NBV	: Net book value
Offer for Sale	: Offer for sale of the Offer Shares at the IPO Price by our Selling Shareholder
Offer Share(s)	: 18,000,000 existing Share(s) to be offered by our Selling Shareholder pursuant to the Offer for Sale
Official List	: A list specifying all securities which have been admitted for listing and have not been removed from Bursa Securities
Participating Financial Institution(s)	: Participating financial institution(s) for the Electronic Share Application, as listed in Section 14.5 of this Prospectus
PAT	: Profit after taxation

DEFINITIONS (CONT'D)

PBT	: Profit before taxation
Pink Form Allocations	: 14,996,000 Issue Shares made available for application by the Eligible Persons
Pop Mart Group	: Pop Mart Malaysia and Pop Mart SG
Pop Mart Malaysia	: Pop Mart Malaysia Sdn Bhd (Registration No. 202301002240 (1496159-U))
Pop Mart SG	: Pop Mart South Asia Pte Ltd
Pre-Listing Investor	: Equitic Dynamic Core PLT (Registration No. 202304001967 (LLP0035907-LGN)) is a limited liability partnership whose partners are Equitic Asset Sdn Bhd and Keithson Neoh Tze Thow. Equitic Asset Sdn Bhd is a venture capital management corporation registered with and regulated by the SC
Pre-Listing Investor Subscription	: The subscription of 13,099,100 new Shares by the Pre-Listing Investor for a subscription price of RM2,021,191.13, which was satisfied entirely by cash. The subscription was completed on 27 March 2025
Promoters	: The promoters of Semico Capital, namely Tai Lee Chuen and MARC Experience, details of which are set out in Section 4.1 of this Prospectus
Prospectus	: This Prospectus dated 15 December 2025 in relation to our IPO
Public Issue	: Public issue of 92,670,800 Issue Shares at the IPO Price comprising: (i) 18,000,000 Issue Shares available for application by the Malaysian Public; (ii) 14,996,000 Issue Shares available by the Eligible Persons; and (iii) 59,674,800 Issue Shares by way of private placement to selected investors.
QC	: Quality control
Rules of Bursa Depository	: The rules of Bursa Depository as issued under the SICDA
SC	: Securities Commission Malaysia
Sega Logistics	: Sega Logistics Service Co., Ltd
Selling Shareholder	: The selling shareholder pursuant to the Offer for Sale, namely, MARC Experience, details of which are set out in Section 3.3.2 of this Prospectus
Semico Capital or Company	: Semico Capital Berhad (formerly known as Basil Park Sdn Bhd) (Registration No. 202401043120 (1588966-W))
Semico Capital Group or Group	: Our Company and subsidiaries, collectively

DEFINITIONS (CONT'D)

Semico Capital Share(s) or Share(s)	: Ordinary share(s) in our Company
Share Registrar	: Boardroom Share Registrars Sdn Bhd (Registration No. 199601006647 (378993-D))
SICDA	: Securities Industry (Central Depositories) Act 1991 of Malaysia
SOCSSO	: Social Security Organisation
Specified Shareholder	: The specified shareholder of Semico Capital is MARC Experience, details of which are set out in Section 4.1 of this Prospectus
Superwing	: Guangzhou Superwing Animation Technology Co., Ltd.
The Mines	The Mines shopping centre located at Jalan Dulang, The Mines Resort City, 43300 Seri Kembangan, Selangor
ToyCity	: ToyCity Culture Technology Co., Ltd
Underwriting Agreement	: The underwriting agreement dated 24 November 2025 entered into between our Company and our Sole Underwriter for the purpose of our IPO
UNIS	: UNIS Technology (H.K.) Limited
USA	: United States of America
Wahlap	: Guangzhou Wahlap Technology Co., Ltd.

SUBSIDIARIES OF OUR COMPANY

De Pop	: De Pop Asia Sdn Bhd (Registration No. 202101037334 (1437634-A))
Minexport	: Minexport Sdn Bhd (Registration No. 201701011106 (1225271-M))
Semico	: Semico Technology Sdn Bhd (Registration No. 200701019971 (777987-M))

CURRENCIES AND UNITS

JPY	: Japanese Yen, the lawful currency of Japan
RM and sen	: Ringgit Malaysia and sen, the lawful currency of Malaysia
RMB	: Chinese Yuan Renminbi
SGD	: Singapore Dollar, the lawful currency of Singapore
USD	: United States Dollar, the lawful currency of the USA
sq ft	: square feet

DEFINITIONS (CONT'D)

OUR MAJOR CUSTOMERS

Customer A : Customer A is a company incorporated in Malaysia which is involved in online and physical store retail of gaming products, consumer electronics and toys and collectables ("**Company A**").

Company A is not listed on any stock exchange.

We are unable to disclose the identity of Company A as prior written consent requested by us to disclose its name in the Prospectus was not provided by Company A. Given that this customer has demonstrated growing sales with our Group, we believe that it is in our Group's best interest to maintain confidentiality of Company A in order to preserve the ongoing business relationship.

Customer B : Customer B is a company incorporated in Malaysia which is involved in the operation of leisure and hospitality business covering integrated resorts, theme parks, gaming and entertainment.

Customer B is listed on the Main Market of Bursa Securities.

We are unable to disclose the name of Customer B as we are bound by confidentiality. We had also requested prior written consent from Customer B to disclose its name in the Prospectus, however such consent was not provided by Customer B.

OUR MAJOR SUPPLIER

Supplier A group of companies : Supplier A group of companies comprises 3 companies incorporated in Japan which are involved in the development of video games, production of toys and hobby products, creation of visual and music content, and operation of amusement facilities.

Supplier A group of companies are not listed on any stock exchange whilst its ultimate holding company is listed on the Tokyo stock exchange.

We are unable to disclose the names of Supplier A group of companies as we are bound by confidentiality. We had also requested prior written consent from Supplier A group of companies to disclose their names in the Prospectus, however such consent was not provided by Supplier A group of companies.

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Nationality	Address
Dato' Sri Ramli Bin Mohamed Yoosuf (M)	Independent Non-Executive Chairman	Malaysian	14, Jalan Akuatik 13/68 Seksyen 13 40100 Shah Alam Selangor
Tai Lee Chuen (M)	Executive Director/ CEO	Malaysian	9, Jalan Sibu 14 Taman Wahyu Batu 6, Jalan Ipoh 68100 Kuala Lumpur
Ang Sew Fong (F)	Executive Director/ Head of Human Resources and Administration	Malaysian	9, Jalan Sibu 14 Taman Wahyu Batu 6, Jalan Ipoh 68100 Kuala Lumpur
Andrea Huong Jia Mei (F)	Independent Non-Executive Director	Malaysian	546, Jalan 7 Taman Ampang Utama Jalan Ampang 68000 Ampang Selangor
Ooi Guan Hoe (M)	Independent Non-Executive Director	Malaysian	100, Casaman Cangkat Intisari Desa Parkcity 52200 Kepong Kuala Lumpur
Yap Choo Cheng (F)	Independent Non-Executive Director	Malaysian	36, PJU 1A/1D Ara Damansara 47301 Petaling Jaya Selangor

Notes:

(M) Male

(F) Female

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Ooi Guan Hoe	Chairman	Independent Non-Executive Director
Andrea Huong Jia Mei	Member	Independent Non-Executive Director
Yap Choo Cheng	Member	Independent Non-Executive Director

CORPORATE DIRECTORY (CONT'D)**NOMINATION COMMITTEE**

Name	Designation	Directorship
Andrea Huang Jia Mei	Chairman	Independent Non-Executive Director
Ooi Guan Hoe	Member	Independent Non-Executive Director
Yap Choo Cheng	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Yap Choo Cheng	Chairman	Independent Non-Executive Director
Andrea Huang Jia Mei	Member	Independent Non-Executive Director
Ooi Guan Hoe	Member	Independent Non-Executive Director

COMPANY SECRETARIES

: Tan Tong Lang (MAICSA 7045482)
SSM Practising Certificate No. 202208000250
(Chartered Secretary and Associate of the Malaysian
Institute of Chartered Secretaries and Administrators)

Thien Lee Mee (LS0010621)
SSM Practising Certificate No. 201908002254
(Licensed Secretary)

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No.1, Medan Syed Putra Utara
59200 Kuala Lumpur

Telephone No. : +603 9770 2200

REGISTERED OFFICE

: B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No.1, Medan Syed Putra Utara
59200 Kuala Lumpur

Telephone No. : +603 9770 2200

E-mail : boardroom@boardroom.com.my

HEAD/MANAGEMENT OFFICE

: G-31, Eco Sky
No. 972, Batu 6 1/2
Jalan Ipoh
68100 Kuala Lumpur

Telephone No. : +603 6241 1778

Website : <https://semico.com.my/>

E-mail : info@semico.com.my

CORPORATE DIRECTORY (CONT'D)

**PRINCIPAL ADVISER,
SPONSOR, SOLE PLACEMENT
AGENT AND SOLE
UNDERWRITER** : **Affin Hwang Investment Bank Berhad**

Level 33, Menara AFFIN
Lingkaran TRX
Tun Razak Exchange
55188 Kuala Lumpur

Telephone No. : +603 2142 3700

**AUDITORS AND REPORTING
ACCOUNTANTS** : **Grant Thornton Malaysia PLT**

(201906003682 & LLP0022494-LCA)
Chartered Accountants (AF 0737)
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

Telephone No. : +603 2692 4022

Partner in-charge : Foo Lee Meng

Approval No. : 03069/07/2027(J)

Professional qualification : Fellow Member of Association of Chartered Certified Accountants, The Malaysian Institute of Certified Public Accountants, Chartered Accountant Malaysia

SOLICITORS : **Ong Eu Jin Partnership**

Unit 9-1, Level 9, Wisma Mont Kiara
No. 1, Jalan Kiara
Mont Kiara
50480 Kuala Lumpur

Telephone No. : +603 6206 2053

**INDEPENDENT MARKET
RESEARCHER** : **Protégé Associates Sdn Bhd**

Suite C-11-12, Plaza Mont' Kiara
No. 2, Jalan Kiara
Mont' Kiara
50480 Kuala Lumpur

Telephone No. : +603 6201 9301

Managing Partner : Seow Cheow Seng

Professional qualification : Master in Business Administration from Charles Sturt University, Australia and Bachelor of Business majoring in Marketing from RMIT University, Australia

(Please refer to Section 7 of this Prospectus for the profile of the firm and signing partner)

CORPORATE DIRECTORY (CONT'D)

SHARE REGISTRAR	: Boardroom Share Registrars Sdn Bhd 11 th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Telephone No. : +603 7890 4700 Fax No. : +603 7890 4670
ISSUING HOUSE	: Malaysian Issuing House Sdn Bhd 11 th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Telephone No. : +603 7890 4700 Fax No. : +603 7890 4670
LISTING SOUGHT	: ACE Market of Bursa Securities

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1. APPROVALS AND CONDITIONS

1.1 APPROVALS AND CONDITIONS

1.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 29 October 2025, approved our Admission and Listing on the ACE Market.

The approval from Bursa Securities is subject to the following conditions:

No.	Conditions	Status of compliance
1.	Submission of the following information with respect to the moratorium on the specified shareholders to Bursa Depository: (i) Name of shareholders; (ii) Number of Shares; and (iii) Date of expiry of the moratorium for each block of Shares;	To be complied
2.	Approvals from other relevant authorities have been obtained for implementation of the listing proposal;	Complied
3.	The Bumiputera equity requirements for public listed companies as approved/ exempted by the SC including any conditions imposed thereon;	To be complied
4.	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Note 15 of the Listing Requirements;	To be complied
5.	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of the Company at least 1 market day prior to the Listing;	To be complied
6.	Furnish to Bursa Securities a confirmation of compliance with paragraph 2.2(b)(ii)(aa) of Guidance Note 10 of the Listing Requirements by all the directors at least two (2) market days prior to the listing date, together with copy of the Mandatory Accreditation Programme certificates;	To be complied
7.	In relation to public offering to be undertaken by the Company, please announce at least 2 market days prior to the listing date, the result of the offering including the following: (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/ allocation; (iii) A table showing the distribution for placement tranche as per the format in Appendix I of Bursa Securities' approval letter; and (iv) Disclosure of placees who become substantial shareholders of the Company arising from the public offering, if any; Please be reminded that Affin Hwang IB must ensure that the overall distribution of the Company's securities is properly carried out to mitigate any disorderly trading in the secondary market; and	To be complied
8.	Semico Capital/ Affin Hwang IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of the Company to the Official List of the ACE Market.	To be complied

1. APPROVALS AND CONDITIONS (*CONT'D*)

1.1.2 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 5 November 2025, approved the resultant equity structure of our Company pursuant to our Listing under the Bumiputera equity requirements for public listed companies.

The approval from the SC is subject to the following conditions:

No.	Conditions	Status of compliance
1.	Semico Capital to make available at least 50.0% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors at the point of listing;	To be compiled
2.	Semico Capital to allocate 12.5% of its enlarged number of issued Shares to Bumiputera investors to be approved or recognised by the MITI within 1 year after achieving the profit requirement for companies seeking listing on the Main Market of Bursa Securities or 5 years after being listed on the ACE Market, whichever is earlier (" Compliance Date ");	To be compiled
3.	Semico Capital to submit to the SC a proposal to comply with the equity condition stated in No. 2 above, at least 6 months prior to the Compliance Date; and	To be compiled
4.	Affin Hwang IB or Semico Capital to submit Semico Capital's equity structure to the SC upon completion of the Listing.	To be compiled

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1. APPROVALS AND CONDITIONS (CONT'D)

1.2 MORATORIUM ON OUR SHARES**1.2.1 Moratorium on Specified Shareholder's Shares**

In compliance with the Rule 3.19(1) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of the Shares held by our Specified Shareholder as set out below:

- (i) the moratorium applies to the entire shareholdings of our Specified Shareholder for a period of 6 months from the date of our Admission ("**First 6-Month Moratorium**");
- (ii) upon expiry of the First 6-Month Moratorium, our Company must ensure that our Specified Shareholder's aggregate shareholdings amounting to at least 45.00% of the total number of issued shares of our Company (adjusted for any bonus issue or subdivision of shares) remain under moratorium for another period of 6 months ("**Second 6-Month Moratorium**"); and
- (iii) on the expiry of the Second 6-Month Moratorium, our Specified Shareholder may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight-line basis) of their Shares held under moratorium,

(collectively referred to as the "**Specified Shareholder Moratorium Period**").

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1. APPROVALS AND CONDITIONS (CONT'D)

Details of our Specified Shareholder, whose Shares will be subject to the abovesaid moratorium are as follows:

Specified Shareholder	Year 1				Year 2		Year 3	
	Moratorium shares during the First 6-Month Moratorium		Moratorium shares during the Second 6-Month Moratorium		Moratorium shares		Moratorium shares	
	(i)No. of Shares	(ii)%	No. of Shares	(ii)%	No. of Shares	(ii)%	No. of Shares	(ii)%
MARC Experience	236,230,100	65.62	162,000,000	45.00	108,000,000	30.00	54,000,000	15.00
Total	236,230,100	65.62	162,000,000	45.00	108,000,000	30.00	54,000,000	15.00

Notes:

(i) After Offer for Sale.

(ii) Based on the enlarged issued share capital of 360,000,000 Shares after our IPO.

Our Specified Shareholder has fully accepted the moratorium and has provided the written undertaking letter to Bursa Securities that they will not sell, transfer or assign any of their shareholdings in our Company during the Specified Shareholder 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 (whether individuals or unlisted corporations) up to the ultimate individual shareholders must give undertakings to Bursa Securities that they will not sell, transfer or assign their shares in the unlisted corporation for the Specified Shareholder Moratorium Period. Accordingly, the shareholders of MARC Experience, namely Tai Lee Chuen and Ang Sew Fong have provided their respective written undertakings to Bursa Securities that they will not sell, transfer or assign their respective shareholdings in MARC Experience during the Specified Shareholder Moratorium Period.

The above moratorium, which is fully acknowledged and accepted by our Specified Shareholder will be specifically endorsed on the share certificates representing the Shares under moratorium held by our Specified Shareholder to ensure that our Share Registrar does not register any sale, transfer and assignment that contravenes with such restriction.

1. APPROVALS AND CONDITIONS (CONT'D)

1.2.2 Moratorium on Pre-Listing Investor's Shares

In accordance with Rule 3.19A of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of the Shares held by our Pre-Listing Investor for a period of 6 months from the date of our Admission ("**Pre-Listing Investor Moratorium Period**").

Details of our Pre-Listing Investor's Shares which will be subject to moratorium are as follows:

Pre-Listing Investor	Moratorium shares during the Pre-Listing Investor Moratorium Period	
	No. of Shares	(i)%
Equitic Dynamic Core PLT	13,099,100	3.64

Note:

- (i) Based on the enlarged issued share capital of 360,000,000 Shares after our IPO.

Our Pre-Listing Investor has provided their written undertaking letter to Bursa Securities that they will not sell, transfer or assign any of their shareholdings in our Company during the Pre-Listing Investor Moratorium Period. Separately, the partners of Equitic Dynamic Core PLT, namely Equitic Asset Sdn Bhd and Keithson Neoh Tze Thow have provided their respective written undertakings to Bursa Securities that they will not to sell, transfer or assign their respective partnership interest in Equitic Dynamic Core PLT during the Pre-Listing Investor Moratorium Period. The Pre-Listing Investor Moratorium Period shall also apply to the shareholders of Equitic Asset Sdn Bhd, namely Lee Chee Tien, Keithson Neoh Tze Thow, Koon Mei Yuen and Tan Liong Fook, who have provided their respective written undertakings to Bursa Securities that they will not sell, transfer or assign their respective shareholdings in Equitic Asset Sdn Bhd during the Pre-Listing Investor Moratorium Period.

The above moratorium, which is fully acknowledged and accepted by the Pre-Listing Investor will be specifically endorsed on the share certificate representing the Shares under moratorium held by our Pre-Listing Investor to ensure that our Share Registrar does not register any sale, transfer and assignment that contravenes with such restriction.

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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

Subject to the terms and conditions of this Prospectus, our Public Issue of 92,670,800 Issue Shares and Offer for Sale of 18,000,000 Offer Shares shall be allocated in the following manner:

	No. of IPO Shares
Public Issue	
- Malaysian Public	18,000,000
- Eligible Persons	14,996,000
- Private placement to selected investors	59,674,800
	92,670,800
Offer for Sale	
- Private placement to selected investors	18,000,000
Total	110,670,800
Enlarged issued share capital upon Listing	RM32,572,947.25 comprising 360,000,000 Shares
IPO Price	RM0.25
Market capitalisation upon Listing (based on our IPO Price and enlarged issued share capital upon Listing)	RM90,000,000

Please refer to Section 3 of this Prospectus for further details of our IPO.

The Shares directly held by our Specified Shareholder and Pre-Listing Investor as at the date of our Listing amounting to an aggregate of 249,329,200 Shares (representing approximately 69.26% of our enlarged number of issued Shares after our IPO) are subject to the Specified Shareholder Moratorium Period and Pre-Listing Investor Moratorium Period respectively.

Please refer to Section 1.2 of this Prospectus for further details of the moratorium on our Shares.

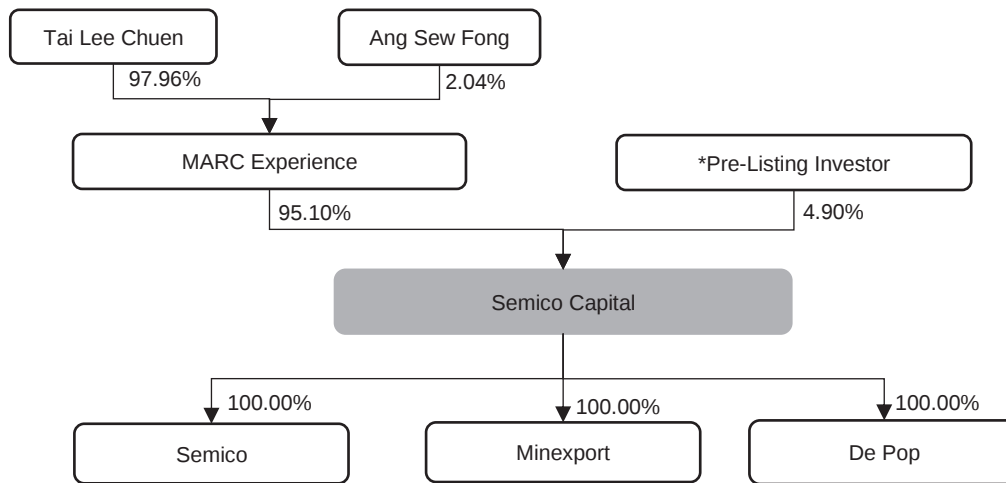
2.2 OUR BUSINESS

Our Company was incorporated in Malaysia under the Act on 14 October 2024 as a private company limited by shares under the name of Basil Park Sdn Bhd. On 11 April 2025, our Company changed its name to Semico Capital Sdn Bhd. Subsequently, on 7 May 2025, our Company was converted to a public limited company to facilitate our Listing and assumed our current name.

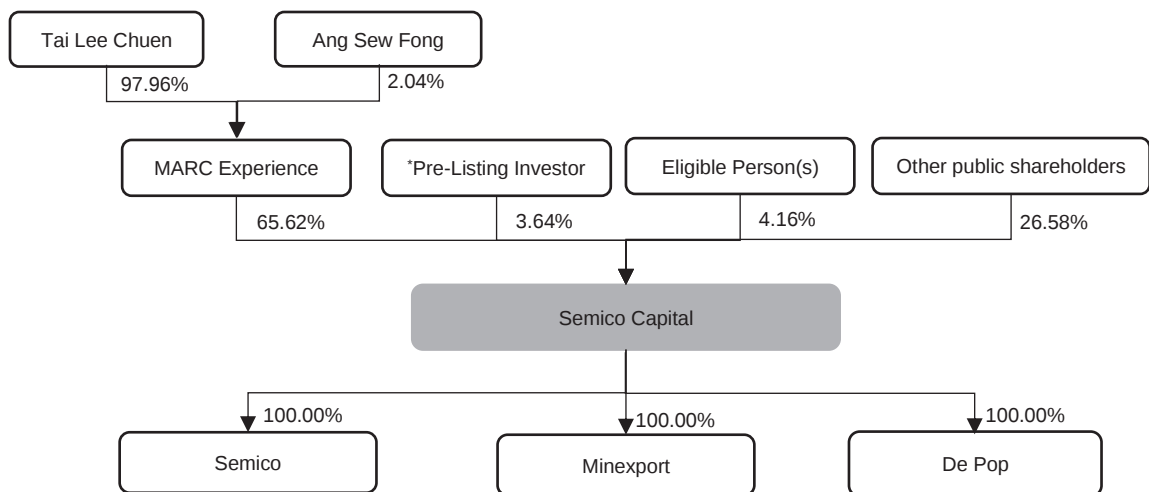
We are an investment holding company. Through our subsidiaries, we are principally involved in (i) the provision of family entertainment products and services encompassing the supply of arcade and amusement machines and the operation and management of a family entertainment centre; and (ii) the wholesale and distribution of toys and collectables. The history of our Group can be traced back to 2007 with the incorporation of Semico. Please refer to Section 6.1 of this Prospectus for further details on the key events and milestones of our Group.

2. PROSPECTUS SUMMARY (CONT'D)

As at the LPD, our group structure is as follows:



Upon Listing, our group structure will be as follows:



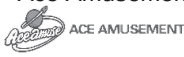
Note:

* Please refer to Section 5.1.2 of this Prospectus for further details on the Pre-Listing Investor.

A summary of our business model is as follows:

Principal Activities	Family entertainment	Toys and collectables
Business Segments	Distribution - Revenue-sharing model - Rental model - Outright sales model Retail - Operation and management of a family entertainment centre	Distribution Wholesale and distribution of toys and collectables
Key Products and Services	- Supply of arcade and amusement machines and related services - Operation and management of a family entertainment centre	Toys and collectables such as: - Action figures - Assembled toys - Blind boxes - Display figures - Trading card games

2. PROSPECTUS SUMMARY (CONT'D)

Key Brands distributed by our Group	• Sega  • Konami • Bandai Namco • Ace Amusement  • Dreamfuns  • Wahlap  • Superwing  • UNIS 	• Pop Mart  • Funism  • Jotoys  • ToyCity 
Customer Segments	Distribution ▪ Arcade and amusement machine operators ▪ Family entertainment centre operators ▪ Theme parks operators Retail ▪ End customers	Distribution ▪ Specialised convenience stores ▪ Hobbyist stores ▪ Toy stores ▪ Others – cinemas and family entertainment centre operators
Principal Market	Malaysia	

Please refer to Sections 5 and 6 of this Prospectus for further details of our Group and business respectively.

2.3 OUR COMPETITIVE STRENGTHS

(i) Experienced management team

Our Group has an experienced and capable management team which has contributed significantly to the growth and development of our Group. Our Executive Director/ CEO, Tai Lee Chuen and our Executive Director/ Head of Human Resources and Administration, Ang Sew Fong have 22 years and 18 years of experience respectively, in the theme park and family attraction industry, in particular, family entertainment products and services. Their industry knowledge and expertise in understanding and bringing in arcade and amusement machines that are appealing to the market have been instrumental in leading the overall strategic direction and business development of our Group.

(ii) Distributorship rights and experienced technical team

We have been distributing the latest car racing simulation game from Sega Logistics "Initial D THE ARCADE" arcade machine for the Malaysia market since November 2023. We have continued to pursue opportunities for authorised distributorships for arcade and amusement machines and have obtained distribution rights to distribute machines in Malaysia from game developers and machine manufacturers which include ACE Amusement, UNIS, Jakar and DOF Robotics. Additionally, our Group is also the exclusive authorised distributor of arcade and amusement machines supplied by Dreamfuns and Superwing for the Malaysia market.

(iii) Strong presence across Malaysia

Our arcade and amusement machines, alongside our toys and collectables businesses have a strong presence throughout Malaysia. As our main customers typically are in shopping malls, our sales are primarily concentrated in urban areas such as Selangor, Kuala Lumpur, Pulau Pinang and Johor. Nevertheless, due to the popularity and demand of both the arcade and amusement machines, we were able to secure

2. PROSPECTUS SUMMARY (CONT'D)

customers across Malaysia. We have also established strong presence in our toys and collectables segment. Our products are available in specialised convenience stores, hobbyist stores, toy stores and cinemas.

(iv) Continuous business relationship with our customers

We have evolved since the commencement of our business. We began by sourcing and supplying refurbished arcade and amusement machines to small theme parks and family entertainment centres, and over time, we have grown into a distributor of not only new arcade and amusement machines but also a wholesaler and distributor of toys and collectables. This strategic expansion has allowed us to diversify our product offerings and strengthen our market presence across the theme park and family attraction industry as well as the local pop toys industry.

Please refer to Section 6.4 of this Prospectus for further details of our competitive strengths.

2.4 OUR FUTURE PLANS AND BUSINESS STRATEGIES

(i) Purchase of new arcade and amusement machines to support our future business

(a) Expansion of our arcade and amusement machine business

To continue growing our family entertainment products and services, in particular our arcade and amusement machine supply business, we intend to purchase more arcade and amusement machines to cater for anticipated increase in demand from our existing customers, who are actively expanding their family entertainment centres and new customers, once purchase orders for outright sales are received or a revenue-sharing or rental agreement has been executed. As our existing customers continue to expand their business by increasing the number of their family entertainment centres coupled with enquiries from potential customers, these create opportunities for us to supply more machines and broaden our market reach.

(b) Replacement of existing arcade and amusement machines

As at FYE 2025, our Group has a total of 728 arcade and amusement machines, of which 101 is more than 5 years old and fully depreciated. In line with our Group's commitment to maintaining high-quality entertainment offerings and enhancing customer experience, we intend to systematically upgrade or replace ageing machines with newer, more advanced models that offer improved gameplay, reliability, and appeal. By regularly updating our arcade and amusement machine mix, we can keep our arcade and amusement machine offerings fresh and engaging for our customers.

(ii) Expansion of our toys and collectables business

As of the LPD, we offer 68 toys and collectables brands for the Malaysia market. Many of our toys and collectables are sourced from Pop Mart, a Chinese blind box collectable company. Our current distribution channels primarily include a chain of specialised convenience stores, hobbyist stores, toy stores and cinemas. While items from Pop Mart, in particular have gained widespread popularity, ensuring long-term competitiveness requires us to proactively identify and incorporate additional brands into our portfolio.

(iii) Planned workforce expansion to support strategic growth

In line with our abovesaid business strategies, we intend to strengthen our workforce through the recruitment of new employees with the relevant experience and expertise. The additional workforce will strengthen our Group's customer service, enhance operational efficiency and enable our Group to pursue new business opportunities.

2. PROSPECTUS SUMMARY (CONT'D)

Please refer to Section 6.5 of this Prospectus for further details of our future plans and business strategies.

2.5 RISK FACTORS

The following is a summary of the key risk factors that we face in our business and operations:

(i) We are dependent on certain major customers

We are dependent on Mix Metro / Mastering Services and Aeon Fantasy by virtue of their percentage revenue contribution to our Group's revenue for the Financial Years Under Review. Revenue from Mix Metro / Mastering Services and Aeon Fantasy accounted for approximately 46.56% (RM2.45 million), 34.75% (RM5.32 million), 25.24% (RM5.58 million) and 19.82% (RM5.88 million) as well as 13.85% (RM0.73 million), 18.54% (RM2.84 million), 21.69% (RM4.79 million) and 21.77% (RM6.46 million) of our Group's revenue for the Financial Years Under Review respectively. Mix Metro / Mastering Services has been our customer since 2022, where we supply toys and collectables to them based on consignment basis. In addition, Aeon Fantasy has been our customer since 2021, where we supply arcade and amusement machines to them based on revenue-sharing and rental models.

In the event Mastering Services discontinues the consignment of our Group's toys and collectables and Aeon Fantasy discontinues, terminates or does not renew the revenue-sharing and rental agreements with us upon expiry, our Group may experience reduction in sales which could result in a loss of revenue if our Group is unable to replace Mastering Services and Aeon Fantasy with new customers, or with additional orders from existing customers in a timely manner and this will in turn adversely impact our financial performance and business outlook.

(ii) We are dependent on Pop Mart Group's products

We are dependent on Pop Mart Group for the supply of its branded toys and collectables by virtue of our Group's total purchases for the Financial Years Under Review. In FYEs 2022, 2023 and 2024, Pop Mart SG contributed approximately 76.44% (RM3.81 million), 62.92% (RM5.55 million) and 59.93% (RM7.51 million) to our Group's total purchases respectively. In FYE 2025, Pop Mart Group contributed approximately 47.14% (RM8.36 million) to our Group's total purchases. This percentage of purchases from Pop Mart Group has been on a declining trend from FYE 2022 to FYE 2025. Any disruption or sudden cessation in the supply of Pop Mart's products may result in our inability to fulfil customer orders within the expected timeframe. This may lead to cancelled orders, a material reduction in revenue contribution from our toys and collectables segment, and this may in turn adversely affect our Group's operations and financial performance and business outlook.

(iii) We are dependent on our ability to offer products and services that are popular with end customers

Our success hinges on our ability to identify and respond promptly to end customers' preferences in respect of the types of arcade and amusement machines as well as toys and collectables. This involves staying abreast of trends and popular culture of the arcade and amusement, and toys and collectables industries, as interests of these end customers evolve quickly and can change from time to time.

While we have been able to identify and respond to market demands, there are no assurances that our arcade and amusement machines, as well as toys and collectables will continue to maintain a similar level of popularity in the future, or that our suppliers will consistently uphold their reputation. Should the popularity of our products decline, we may not succeed in sourcing for products of similar success as a replacement.

2. PROSPECTUS SUMMARY (CONT'D)

(iv) We are dependent on our Executive Directors and Key Senior Management for the continued success and growth of our business

The continued success of our Group is largely dependent on the continuous contributions and involvement of our Executive Directors and Key Senior Management. Our Executive Director/ CEO, Tai Lee Chuen and Ang Sew Fong, our Executive Director/ Head of Human Resources and Administration have 22 years and 18 years of experience respectively in the theme park and family attraction industry, in particular, family entertainment products and services.

Our Executive Director/ CEO is supported by our Key Senior Management team namely our Executive Director/ Head of Human Resources and Administration, Ang Sew Fong; Head of Finance, Amilia Binti Sabtu; Head of Product Development, Lee Cheng Loong; and Head of Technical, Lee Yong Wai, who are equipped with the relevant knowledge and skills in their respective fields of work to ensure the smooth operation of our business and execution of our business strategies, thereby driving further growth in our Group.

We recognise that our Group's continued success and future growth depend significantly on the capabilities and efforts of our Executive Directors and Key Senior Management. Therefore, the loss of any of our Executive Directors and Key Senior Management simultaneously, or within a short period without any suitable and prompt replacement, may adversely impact our Group's business operations and financial performance.

(v) We may not be able to sustain the same level of growth rate and financial performance for our business in the future

Our revenue grew from approximately RM5.25 million in FYE 2022 to approximately RM29.69 million in FYE 2025, representing a CAGR of approximately 78.16%. Our gross profit grew from approximately RM2.53 million in FYE 2022 to approximately RM14.10 million in FYE 2025, representing a CAGR of approximately 77.30%. There can be no assurance that we will be able to achieve similar growth rates and financial performance in the future due to internal and/or external factors. Some of the potential internal factors include, amongst others, our ability to identify and respond promptly to end customers' preferences or market trends and ability to maintain strong relationships with major customers and suppliers. Potential external factors include, amongst others, economic, social, and regulatory conditions, competition, changes in end customers' preferences, spending habits, and brand relevance, and deterioration of performances of the shopping mall, commercial retail shops and areas where our customers' outlets are located.

(vi) We are exposed to fluctuations in foreign exchange rates

We are exposed to the risk of foreign exchange fluctuations as some of our purchases are transacted in SGD, JPY, USD, EUR and RMB, while our sales are transacted solely in RM. Therefore, our Group is exposed to foreign currency exchange rate risks arising from the fluctuations in the exchange rate of such foreign currencies against RM.

We do not use any financial instrument to hedge our exposure against foreign exchange risk. While we may consider to implement hedging strategies in the future, there is no assurance that such measures is effective to adequately hedge against foreign exchange risk. As a result, any significant fluctuations in foreign exchange rates may adversely impact our financial performance.

2. PROSPECTUS SUMMARY (CONT'D)

(vii) We are exposed to inventory management risk

We are exposed to inventory management risks, particularly arising from our distribution of toys and collectables. The end customers of toys and collectables are trend driven and evolve quickly. As a result, demand for certain toys and collectables may fluctuate rapidly. If we overestimate market demand or fail to respond promptly to changes in end customers' trends and preferences, we may accumulate slow-moving or obsolete inventory. This could result in inventory write-downs, adversely affecting our profitability and working capital. For FYEs 2023, 2024 and FYE 2025, our Group recorded inventory write-down of RM57,204, RM162,698 and RM21,422 respectively.

(viii) Our business operations are exposed to unexpected operational and supply chain disruption which may be beyond our control

Our business relies on the arcade and amusement machines, and toys and collectables that are purchased from suppliers located in China, Japan, Poland, Singapore and the USA. Hence, we rely on the timely shipment of the products to meet our customers' demands. Events that are beyond our Group's control such as natural disasters, extreme weather and outbreak of diseases and health crises may impact transport infrastructure and impose limitations on manpower which could lead to bottlenecks in the transportation network. If these factors occur and are prolonged, it could adversely impact our operations, business and financial performance and competitiveness.

(ix) Our insurance coverage may not be adequate to cover all losses or liabilities that may arise in connection with our operations

We maintain insurance to protect our Group against various losses and liabilities such as fire, burglary and public liability, amongst other policies. Nonetheless, the insurance policies we have purchased are subject to limitations and exclusions of liability in terms of events that occur as well as the amount insured. As such, our Group's policies may be inadequate to cover all losses or liabilities suffered due to the occurrence of any unexpected events in the future. If our insurance policies are unable to cover the full losses or liabilities suffered, we may experience an adverse effect on our financial performance.

(x) Product safety and risk of injury

Certain arcade and amusement machines carry inherent physical risks due to the nature of end customers' interactions. While our Group maintains public liability insurance of RM2.10 million to provide coverage for claims arising from customer injuries, such coverage may not be sufficient to fully mitigate all potential claims and losses. Nonetheless, any such incidents may have a material adverse impact on customer satisfaction, our reputation, and financial performance.

(xi) Damages or losses arising from natural disasters or unforeseen events

Our arcade and amusement machines are primarily placed at our customers' premises under revenue-sharing or rental models. These arcade and amusement machines may, on occasion, be out of service due to unanticipated failures or damages sustained during operations. In addition, the arcade and amusement machines are dependent on continuous supply of electricity, any major disruptions to the supply of electricity may result in interruptions in our operations. Further, the occurrence of natural disasters and damage caused by fire or water may also cause interruptions to the business operations at our customer's outlet or at our own outlet at The Mines. In such event, the outlet may experience interruptions or prolonged closure, which may consequently affect our business operations and financial performance.

2. PROSPECTUS SUMMARY (CONT'D)

(xii) We may not be able to execute some of our future plans and business strategies which may adversely affect our business prospects and growth

The execution of our future plans and business strategies is subject to our ability to secure new revenue-sharing and rental agreements and/or outright sales for our arcade and amusement machines as well as expansion of our network of customers for our toys and collectables segment. Furthermore, the implementation and commercial viability of our future plans and business strategies may be influenced by factors beyond our control, such as new and unforeseen changes in end customers' trends and demand, changes in general market conditions, economic climate and import regulations in Malaysia as well as regionally in Asia. There is no assurance that we will be successful in executing our future plans and business strategies, nor can we assure that we will be able to anticipate all the business, operational and industry risks arising from our future plans and business strategies. Such failure may lead to an adverse effect on our business operations and financial performance.

2.6 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The details of our Promoters and substantial shareholders and their respective shareholdings in our Company before and after our IPO are as follows:

Name	Nationality/ Country of incorporation	Before our IPO/ As at the LPD				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(i)%	No. of Shares	(i)%	No. of Shares	(ii)%	No. of Shares	(ii)%
Promoters and substantial shareholders									
MARC Experience	Malaysia	254,230,100	95.10	-	-	236,230,100	65.62	-	-
Tai Lee Chuen	Malaysian	-	-	254,230,100	(iii)95.10	-	-	236,230,100	(iii)65.62

Notes:

- (i) Based on the issued share capital of 267,329,200 Shares before our IPO/as at the LPD.
- (ii) Based on the enlarged issued share capital of 360,000,000 Shares after our IPO.
- (iii) Deemed interest by virtue of his interest in MARC Experience pursuant to Section 8 of the Act.

Please refer to Section 4.1 of this Prospectus for further details of our Promoters and substantial shareholders.

2. PROSPECTUS SUMMARY (CONT'D)

2.7 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and Key Senior Management are as follows:

Name	Designation
<u>Directors</u>	
Dato' Sri Ramli Bin Mohamed Yoosuf	Independent Non-Executive Chairman
Tai Lee Chuen	Executive Director/ CEO
Ang Sew Fong	Executive Director/ Head of Human Resources and Administration
Andrea Huang Jia Mei	Independent Non-Executive Director
Ooi Guan Hoe	Independent Non-Executive Director
Yap Choo Cheng	Independent Non-Executive Director
<u>Key Senior Management</u>	
Amilia Binti Sabtu	Head of Finance
Lee Cheng Loong	Head of Product Development
Lee Yong Wai	Head of Technical

Please refer to Sections 4.2, and 4.5 of this Prospectus for further details of our Directors and Key Senior Management respectively.

2.8 USE OF PROCEEDS

We expect to use the gross proceeds raised from our Public Issue in the following manner:

Details of the use of proceeds	Estimated timeframe for the use of proceeds from the date of our Listing	RM'000	%
Purchase of new arcade and amusement machines			
(a) Arcade and amusement machine distribution business expansion	Within 36 months	8,500	36.69
(b) Replacement of existing arcade and amusement machines	Within 36 months	2,050	8.85
		10,550	45.54
Purchase of toys and collectables	Within 12 months	2,500	10.79
Repayment of bank borrowings	Within 6 months	1,600	6.91
Working capital	Within 24 months	4,018	17.34
Estimated listing expenses	Within 1 month	4,500	19.42
Total		23,168	100.00

Please refer to Section 3.7 of this Prospectus for further details of the use of proceeds raised from our Public Issue.

2.9 BUSINESS INTERRUPTIONS

Our Group had not experienced any material interruptions that had a significant effect on our operations during the past 12 months preceding the LPD.

2. PROSPECTUS SUMMARY (CONT'D)

However, our subsidiaries, Semico and Minexport's business operations were impacted by the COVID-19 pandemic, which resulted in nationwide lockdown beginning in March 2020. Our subsidiary, De Pop, was not affected by the nationwide lockdown because it was only incorporated in November 2021.

Please refer to Section 6.13 of this Prospectus for further details of business interruptions to our Group's operations during the COVID-19 pandemic.

2.10 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The following table sets out the key financial and operational highlights of our Group for the Financial Years Under Review:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Revenue	5,253	15,303	22,098	29,688
Cost of sales	(2,724)	(8,390)	(12,539)	(15,589)
GP	2,529	6,913	9,559	14,099
PBT	1,747	5,120	6,699	9,153
PAT/ Total comprehensive income for the financial years	1,379	3,931	5,239	6,604
PAT/ Total comprehensive income for the financial years attributed to:				
Common controlling shareholders/ owners of our Group	1,175	3,602	4,760	6,033
Non-controlling interests	204	329	479	571
	1,379	3,931	5,239	6,604
Total borrowings	131	194	729	1,553
Key financial ratios:				
GP margin (%)	48.14	45.17	43.26	47.49
PBT margin (%)	33.26	33.46	30.31	30.83
PAT margin (%)	26.25	25.69	23.71	22.24
Basic and diluted EPS* (sen)	0.33	1.00	1.32	1.68
Current ratio (times)	1.07	1.58	2.01	4.03
Gearing ratio (times)	0.14	0.04	0.09	0.09

Note:

* For comparative purposes, the basic EPS is computed based on the PAT attributable to common controlling shareholders/ owners of our Group divided by the total enlarged number of 360,000,000 Shares after our IPO. For information purposes, the diluted EPS is equal to the basic EPS as there were no potential dilutive securities in issue during the respective Financial Years Under Review.

Please refer to Section 11 of this Prospectus for further details of our financial information.

2.11 DIVIDEND POLICY

Our Company presently does not have any formal dividend policy. As we are a holding company, our ability to pay dividends will depend on the dividends or other distributions that we receive from our subsidiaries. The payment of dividends by our subsidiaries is dependent on their distributable profits, financial performance, cash flow requirements for operations and capital expenditures and any other factors.

Any dividend declared will be subject to recommendation of our Board and any final dividends declared will be subject to the approval of our shareholders at our AGM. Please refer to Section 11.7 of this Prospectus for further details of our dividend policy.

3. DETAILS OF OUR IPO

3.1 OPENING AND CLOSING OF APPLICATION

The Application for our Issue Shares will open at 10.00 a.m. on 15 December 2025 and close at 5.00 p.m. on 2 January 2026. Late applications will not be accepted.

3.2 INDICATIVE TIMETABLE

The indicative timetable for our IPO is set out below:

Event	Time / date
Issuance of Prospectus/ Opening of Application	10.00 a.m., 15 December 2025
Closing of Application	5.00 p.m., 2 January 2026
Balloting of Application	6 January 2026
Allotment/ transfer of our IPO Shares to successful applicants	12 January 2026
Listing	13 January 2026

If there is any change to the indicative timetable above, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper within Malaysia and announce it on Bursa Securities' website accordingly.

3.3 PARTICULARS OF OUR IPO

Our IPO consists of the Public Issue and Offer for Sale, totalling 110,670,800 IPO Shares, representing approximately 30.74% of our enlarged issued share capital.

3.3.1 Public Issue

Our Public Issue of 92,670,800 Issue Shares, representing approximately 25.74% of our enlarged issued share capital, will be allocated in the following manner, at the IPO Price, subject to the clawback and reallocation provisions as set out in Section 3.3.4 of this Prospectus:

(i) Malaysian Public

18,000,000 Issue Shares, representing approximately 5.00% of our enlarged issued share capital, will be made available for application by the Malaysian Public by way of balloting as follows:

- (a) 9,000,000 Issue Shares, representing approximately 2.50% of our enlarged issued share capital, will be made available to the Bumiputera Malaysian Public; and

3. DETAILS OF OUR IPO (CONT'D)

- (b) 9,000,000 Issue Shares, representing approximately 2.50% of our enlarged issued share capital, will be made available to the Malaysian Public.

(ii) Eligible Persons

14,996,000 Issue Shares (being Pink Form Allocations), representing 4.16% of our enlarged issued share capital, will be made available for application by the Eligible Persons. The details are as follows:

Eligible Persons	No. of persons	Aggregate no. of Issue Shares allocated
Eligible Directors ^(a)	4	2,000,000
Eligible employees and business associates who have contributed to the success of our Group ^{(b)(c)}	Up to 40	12,996,000
Total	Up to 44	14,996,000

Notes:

- (a) The allocation to eligible Directors is based on, amongst others, their respective roles, responsibilities and anticipated contributions to our Group. The allocation of Issue Shares reserved for the eligible Directors is as follows:

Name	Designation	No. of Issue Shares allocated
Dato' Sri Ramli Bin Mohamed Yoosuf	Independent Non-Executive Chairman	500,000
Andrea Huang Jia Mei	Independent Non-Executive Director	500,000
Ooi Guan Hoe	Independent Non-Executive Director	500,000
Yap Choo Cheng	Independent Non-Executive Director	500,000
Total		2,000,000

- (b) The criteria of allocation to eligible employees (as approved by our Board) are based on, amongst others, the following:

- (1) the eligible employee must be a full-time and confirmed employee of our Group and on our Group's payroll; and
- (2) seniority, job grade, length of service, past performance and contributions to our Group and any other factors considered relevant by our Board.

- (c) The criteria of allocation to eligible business associates are based on, amongst others, their length of business relationship with our Group, current and past contributions and support to our Group, and as approved by our Board. This may include, amongst others, our customers, suppliers and business associates who have contributed to the success of our Group.

3. DETAILS OF OUR IPO (CONT'D)

Save for their Pink Form Allocations, our Company is not aware as to whether any of our substantial shareholders, Directors or Key Senior Management have the intention to subscribe for our IPO Shares.

(iii) Private placement to selected investors

59,674,800 Issue Shares, representing approximately 16.58% of our enlarged issued share capital, will be made available for application by way of private placement to selected investors.

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3. DETAILS OF OUR IPO (CONT'D)

3.3.2 Offer for Sale

Our Selling Shareholder will offer a total of 18,000,000 Offer Shares, representing approximately 6.73% of our existing issued share capital as at the LPD or approximately 5.00% of our enlarged issued share capital, at the IPO Price, by way of private placement to selected investors, subject to the clawback and reallocation provisions as set out in Section 3.3.4 of this Prospectus.

Details of our Selling Shareholder is as follows:

Name/ Address	Nature of relationship	Before our IPO/ As at the LPD		Offer Shares to be offered pursuant to the Offer for Sale			After our IPO	
		No. of Shares	(i)%	No. of Shares	(i)%	(ii)%	No. of Shares	(ii)%
MARC Experience/ B-21-1, Level 21, Tower B Northpoint Mid Valley City 1, Medan Syed Putra Utara 59200 Kuala Lumpur	- Promoter - Specified Shareholder - Substantial shareholder	254,230,100	95.10	18,000,000	6.73	5.00	236,230,100	65.62

Notes:

(i) Based on the issued share capital of 267,329,200 Shares before our IPO/ as at the LPD.

(ii) Based on the enlarged issued share capital of 360,000,000 Shares after our IPO.

Based on the IPO Price, the Offer for Sale will raise gross proceeds of approximately RM4.50 million, which will accrue entirely to our Selling Shareholder. The Offer Shares are not underwritten as they will be made available for subscription by way of private placement to selected investors, the expenses of which will be fully borne by our Selling Shareholder.

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3. DETAILS OF OUR IPO (CONT'D)

3.3.3 Underwriting and allocation of the IPO Shares

In summary, subject to the clawback and reallocation provisions as set out in Section 3.3.4 of this Prospectus, our IPO Shares will be allocated in the following manner:

	Public Issue		Offer for Sale		Total	
	No. of Issue Shares	(i)%	No. of Offer Shares	(i)%	No. of IPO Shares	(i)%
Malaysian Public (via balloting):						
▪ Bumiputera	9,000,000	2.50	-	-	9,000,000	2.50
▪ Non-Bumiputera	9,000,000	2.50	-	-	9,000,000	2.50
Eligible Persons:						
▪ Directors	2,000,000	0.55	-	-	2,000,000	0.55
▪ Employees and business associates who have contributed to the success of our Group	12,996,000	3.61	-	-	12,996,000	3.61
Private placement to selected investors	59,674,800	16.58	18,000,000	5.00	77,674,800	21.58
Total	92,670,800	25.74	18,000,000	5.00	110,670,800	30.74

Note:

(i) Based on the enlarged issued share capital of 360,000,000 Shares after our IPO.

The 18,000,000 Issue Shares made available for application by the Malaysian Public (via balloting) and the 14,996,000 Issue Shares under the Pink Form Allocations are fully underwritten by our Sole Underwriter.

The 77,674,800 IPO Shares made available for application by way of private placement to selected investors are not underwritten. Irrevocable undertakings have been/will be obtained from selected investors to subscribe for our IPO Shares made available under the private placement.

There is no over-allotment or “greenshoe” option that will increase the number of our IPO Shares.

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3. DETAILS OF OUR IPO (*CONT'D*)

3.3.4 Clawback and reallocation

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

(i) Malaysian Public

In the event of under-subscription of our Issue Shares by the Malaysian Public, and subject to a corresponding over-subscription by the Eligible Persons or selected investors under the private placement, the remaining portion will be clawed back and reallocated to the Eligible Persons and/or offered to the selected investors under the private placement, the proportion of which will be at the discretion of our Sole Placement Agent and our Board.

Any remaining Issue Shares not subscribed for will be subscribed by our Sole Underwriter in accordance with the terms of the Underwriting Agreement.

(ii) Eligible Persons

In the event of under-subscription of our Issue Shares by the Eligible Persons under the Pink Form Allocations, the unsubscribed Issue Shares will be reallocated to other Eligible Persons who have applied for excess Issue Shares (if any) ("**Excess Shares**") in addition to their pre-determined allocation. Such Excess Shares will be allocated to the Eligible Persons who have applied for Excess Shares on a fair and equitable basis in the following manner:

- (a) firstly, allocation on a proportionate basis based on the number of Excess Shares they applied for; and
- (b) secondly, to minimise odd lots.

Our Board reserves the right to allocate to the Eligible Persons who have applied for Excess Shares in addition to their pre-determined allocation at the discretion of our Board in such manner as it deems fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (a) and (b) above is achieved. Our Board also reserves the right to accept or reject any Excess Shares application, in full or in part, without assigning any reason.

In the event of under-subscription by the other Eligible Persons (after reallocation of Excess Shares to other Eligible Persons), and subject to a corresponding over-subscription by the Malaysian Public or selected investors under the private placement, the remaining portion will be clawed back and reallocated to the Malaysian Public and/or offered to selected investors under the private placement, the proportion of which will be at the discretion of our Sole Placement Agent and our Board.

Thereafter, any remaining Issue Shares not subscribed for will be subscribed by our Sole Underwriter in accordance with the terms of the Underwriting Agreement.

3. DETAILS OF OUR IPO (*CONT'D*)

(iii) Private placement to selected investors

In the event of under-subscription of our Issue Shares by selected investors under the private placement and subject to a corresponding over-subscription by the Malaysian Public or Eligible Persons, the remaining portion will be clawed back and reallocated to the Malaysian Public and/or offered to the Eligible Persons, the proportion of which will be at the discretion of our Sole Placement Agent and our Board.

The clawback and reallocation provisions will not apply in the event there is an over-subscription in all of the allocations of our IPO Shares at the closing date of our IPO.

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

As at the LPD, to the best of our knowledge and belief:

- (a) there are no substantial shareholders, Pre-Listing Investor, Directors or Key Senior Management who have indicated to our Board that they intend to subscribe for our IPO Shares, save for the Issue Shares made available for application under the Pink Form Allocations; and
- (b) there is no person who intends to subscribe for more than 5.00% of our IPO Shares.

3.3.5 Minimum subscription level

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

Pursuant to the Listing Requirements, at least 25.00% of our enlarged issued share capital must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the time of our Admission. Prior to our Admission, we will ensure that this requirement is met through the balloting process and the private placement exercise to ensure that a minimum 200 public shareholders holding not less than 100 Shares each is in place and at least 25.00% of our enlarged issued share capital are held by public shareholders.

If the public spread requirement is not met, we may not be able to proceed with our Listing. In such event, monies paid in respect of all applications will be returned in full, without interest or any share of revenue or benefits arising therefrom. If such monies are not returned in full within 14 days after we become liable to do so, the provision of Section 243(2) of the CMSA shall apply accordingly. Please refer to Section 8.3.5 of this Prospectus for details in the event there is a delay in or termination of our Listing.

3. DETAILS OF OUR IPO (CONT'D)

3.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKING

	No. of Shares	RM
Issued share capital as at the LPD	267,329,200	10,029,440.25
New Shares to be issued pursuant to the Public Issue	92,670,800	⁽ⁱ⁾ 22,543,507.00
Enlarged issued share capital upon Listing	360,000,000	32,572,947.25
Shares to be offered under the Offer for Sale	18,000,000	4,500,000
IPO Price		0.25
Market capitalisation upon Listing (based on our IPO Price and enlarged issued share capital upon Listing)		90,000,000

Note:

- (i) Calculated based on the IPO Price of RM0.25 per Issue Share and after deducting estimated listing expenses of RM624,193, which are listing expenses that are directly attributable to our IPO and as such, will be debited against the share capital of our Company. These expenses comprise brokerage fee, underwriting commission and placement fee.

The Offer for Sale would not have any effect on our issued share capital as the Offer Shares are already in existence prior to our IPO.

As at the date of this Prospectus, we only have 1 class of shares in our Company, namely ordinary shares.

The Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares.

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

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

At our general meeting, each shareholder shall be entitled to vote in person, by proxy, by attorney or by other duly authorised representative. Subject to the Listing Requirements, any resolution put to vote at the meeting shall be decided by way of poll. On a poll, each shareholder present either in person or by proxy, attorney or other duly authorised representative shall have 1 vote for every Share held or represented. A proxy may but need not be a member of our Company.

3. DETAILS OF OUR IPO (*CONT'D*)

3.5 BASIS OF ARRIVING AT THE IPO PRICE

3.5.1 IPO Price

Our Directors, Promoters and Selling Shareholder have determined and agreed on the IPO Price of RM0.25 per IPO Share in consultation with our Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter, after taking into consideration the following:

- (i) our EPS of approximately 1.68 sen based on our PAT attributable to common controlling shareholders/ owners of our Group for FYE 2025 of approximately RM6.03 million and our enlarged issued share capital of 360,000,000 Shares, which translate into a price-to-earnings multiple of approximately 14.88 times;
- (ii) our pro forma NA per Share of RM0.10 as at 30 June 2025 based on our enlarged issued share capital of 360,000,000 Shares after our IPO and subsequent to the use of proceeds from our Public Issue;
- (iii) our business overview and financial performance as described in Sections 6 and 11 of this Prospectus respectively;
- (iv) our competitive strengths as set out in Section 6.4 of this Prospectus;
- (v) our future plans and business strategies as set out in Section 6.5 of this Prospectus; and
- (vi) the overview and outlook of the theme park and family attraction industry as well as the pop toys industry in Malaysia as described in Section 7 of this Prospectus.

You should note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in our Shares. You are also reminded to carefully consider the risk factors as set out in Section 8 of this Prospectus before deciding to invest in our Shares.

3.5.2 Expected market capitalisation

Based on the IPO Price of RM0.25 per IPO Share, the total market capitalisation of our Company upon Listing will be approximately RM90.00 million.

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3. DETAILS OF OUR IPO (CONT'D)

3.6 DILUTION

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

Our pro forma NA per Share as at 30 June 2025 and after adjusting for subsequent event* but before our IPO was approximately RM0.06 per Share.

Pursuant to the issuance of 92,670,800 new Shares under our IPO and after adjusting for the use of proceeds from our Public Issue, our pro forma NA per Share based on our enlarged issued share capital upon Listing of 360,000,000 Shares would be approximately RM0.10 per Share.

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

	RM
IPO Price	0.25
Pro forma NA per Share as at 30 June 2025 and after adjusting for subsequent event* but before our IPO	0.06
Pro forma NA per Share as at 30 June 2025 and after giving effect to our IPO as well as the use of proceeds from our Public Issue	0.10
Increase in pro forma NA per Share to our existing shareholders	0.04
Dilution in pro forma NA per Share to new investors	0.15
Dilution in pro forma NA per Share to new investors as a percentage of the IPO Price	60.00%

Note:

- * Subsequent event relates to the drawdown of a term loan of approximately RM0.32 million for the purchase of arcade and amusement machines. Please refer to Section 11.8 of this Prospectus for further details on the subsequent events.

Save as disclosed below, none of our Directors, Key Senior Management, Pre-Listing Investor, substantial shareholders or persons connected with them have acquired any securities in our Company, neither have they entered into any transaction which grants them the right to acquire any of our Shares since our incorporation up to the date of this Prospectus:

3. DETAILS OF OUR IPO (CONT'D)

	No. of Shares held before our IPO	No. of Shares from our IPO ⁽ⁱ⁾	Total consideration RM	Effective cost per Share RM
<u>Promoter and substantial shareholder</u>				
MARC Experience	254,230,100	-	8,008,249	0.0315
Pre-Listing Investor	13,099,100	-	2,021,191	0.1543
<u>Directors</u>				
Dato' Sri Ramli Bin Mohamed Yoosuf	-	500,000	125,000	0.25
Tai Lee Chuen	-	-	-	-
Ang Sew Fong	-	-	-	-
Andrea Huang Jia Mei	-	500,000	125,000	0.25
Ooi Guan Hoe	-	500,000	125,000	0.25
Yap Choo Cheng	-	500,000	125,000	0.25
<u>Key Senior Management</u>				
Amilia Binti Sabtu	-	400,000	100,000	0.25
Lee Cheng Loong	-	400,000	100,000	0.25
Lee Yong Wai	-	400,000	100,000	0.25

Note:

(i) Assuming all Pink Form Allocations are fully subscribed.

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3. DETAILS OF OUR IPO (CONT'D)

3.7 USE OF PROCEEDS

We expect to use the gross proceeds raised from our Public Issue amounting to approximately RM23.17 million in the following manner:

Details of the use of proceeds	Section	Estimated timeframe for the use of proceeds from the date of our Listing	RM'000	%
Purchase of new arcade and amusement machines	3.7.1			
(a) Arcade and amusement machine distribution business expansion		Within 36 months	8,500	36.69
(b) Replacement of existing arcade and amusement machines		Within 36 months	2,050	8.85
			10,550	45.54
Purchase of toys and collectables	3.7.2	Within 12 months	2,500	10.79
Repayment of bank borrowings	3.7.3	Within 6 months	1,600	6.91
Working capital	3.7.4	Within 24 months	4,018	17.34
Estimated listing expenses	3.7.5	Within 1 month	4,500	19.42
Total			23,168	100.00

3.7.1 Purchase of new arcade and amusement machines

(a) Arcade and amusement machine distribution business expansion

As part of our future plans and business strategies, we intend to utilise RM8.50 million or approximately 36.69% of the gross proceeds from the Public Issue for the purchase of new arcade and amusement machines to grow our arcade and amusement machine revenue-sharing and rental model business. This allocation will equip our Group with the necessary funds to cater for anticipated increase in demand from both of our existing customers and new customers. As our existing customers continue to expand their business by increasing the number of their family entertainment centres coupled with enquiries from potential customers, these create opportunities for us to supply more machines and broaden our market reach. While we do not keep inventory of arcade and amusement machines, the funds will be utilised to place orders once purchase orders are received for outright sales or a revenue-sharing or rental agreement has been executed. In addition, we will purchase new machines from time-to-time with new games as test units to gauge market interest.

The purchase of new arcade and amusement machines may be placed via purchase order to our suppliers, on an as-needed basis, without any contracts or minimum order quantity requirement. We mainly purchase the arcade and amusement machines from China, Japan, Poland and USA. If ready stock is available from our suppliers for the arcade and amusement machines, it will take an average of 1 month for it to arrive in Malaysia, from the time the order is placed. However, if there is no ready stock available, it will take an average of 3 to 6 months to arrive in Malaysia, from the time the order is placed.

3. DETAILS OF OUR IPO (CONT'D)

For outright sales, we will purchase the arcade and amusement machines in accordance with our customers' specifications and requests. On the other hand, for customers opting for revenue-sharing or rental model, we will work with them to determine the machine mix and quantities of machines that will be placed at their premise. The machines that are provided under the revenue-sharing and rental models belongs to our Group, hence the type and mix of products are agreed upon by both parties prior to orders.

Details of the arcade and amusement machines to be purchased are as follows:

Type of machine ⁽ⁱ⁾	⁽ⁱ⁾ No. of units	⁽ⁱⁱ⁾ Total estimated cost (RM'000)
<u>Arcade machine</u>		
Racing and motor game	62	3,725
Claw and prize machine	38	540
Music game	30	2,200
Card collecting game	20	1,200
Sports game	13	217
Simulator game	10	310
Shooting game	5	150
	178	8,342
<u>Amusement machine</u>		
Kiddie ride	10	158
	188	8,500
Total		

Notes:

- (i) The indicative type and number of the arcade and amusement machines were determined based on our market research on current market preferences and trends.
- (ii) Excluding import duty and sales and service tax ("SST"). In the event the allocated proceeds are insufficient to cover the import duty and SST, the shortfall will be funded via internally generated funds. Conversely, if the actual cost is lower than the amount allocated above, the excess will be utilised to pay import duty and SST.

For avoidance of doubt, the number and type of arcade and amusement machines to be purchased are indicative and may be adjusted based on the market trend as well as our customers' and market preferences.

Please refer to Section 6.2(i) of this Prospectus for further details on the types of arcade and amusement machines distributed by our Group.

The total estimated cost for the purchase of arcade and amusement machines of RM8.50 million was derived based on the quotations by the suppliers and is subject to change.

3. DETAILS OF OUR IPO (*CONT'D*)

As at the LPD, our Group has not yet determined the specific model of arcade and amusement machines to be purchased. Prior to finalising any purchases, our Group will conduct market research and engage in discussions with the existing or new customers to identify the type of games that are in demand, assess prevailing market trends of the arcade and amusement machines as well as explore new technologies within the theme park and family attraction industry.

(b) Replacement of existing arcade and amusement machines

As part of our Group's commitment to maintain high-quality entertainment offerings and enhance customer experience, we intend to utilise RM2.05 million or approximately 8.85% of the gross proceeds from the Public Issue to systematically replace our ageing arcade and amusement machines with newer and more advanced models that offer improved gameplay, reliability, and appeal in existing outlets. The replacement of arcade and amusement machines is scheduled to be carried out within 36 months from our Listing.

The replacement of existing arcade and amusement machines will involve machines located at the customer's premises as well as those located at our own family entertainment centre in The Mines. Our Group will evaluate all existing arcade and amusement machine performance, our customers' and market preferences to prioritise replacements that yield the highest return, while also considering emerging trends and technologies in the theme park and family attraction industry. The exact mix of machines to be purchased cannot be determined at this juncture as it would depend on market demand, our customers and market preferences at each location, and the availability of new game titles from suppliers at the relevant point in time. The replaced arcade and amusement machines will be disposed to third parties based on the net book value of the machine with an additional marked-up.

As at FYE 2025, our Group has a total of 728 arcade and amusement machines, of which 101 of them are more than 5 years old and fully depreciated and still in operation. At this juncture, we plan to systematically replace 55 of these machines with newer, more advanced models that offer improved gameplay, reliability, and appeal. The remaining 46 arcade and amusement machines, all of which are located at our customers' premises under the revenue-sharing model, will be systematically disposed to third parties and replaced using internally generated funds. As such, the disposal of these machines is not expected to have any operational impact on our business.

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3. DETAILS OF OUR IPO (CONT'D)

Details of the arcade and amusement machines to be purchased are as follows:

Type of machine ⁽ⁱ⁾	⁽ⁱ⁾ No. of units	⁽ⁱⁱ⁾ Total estimated cost (RM'000)
<u>Arcade machine</u>		
Racing and motor game	7	421
Music game	5	367
Card collecting game	5	300
Simulator game	4	124
Shooting game	4	120
Sports game	15	250
Claw and prize machine	9	373
	49	1,955
<u>Amusement machine</u>		
Kiddie ride	6	95
Total	55	2,050

Notes:

- (i) The indicative type and number of the arcade and amusement machines were determined based on our market research on current market preferences and trends.
- (ii) Excluding import duty and SST. In the event the allocated proceeds are insufficient to cover the import duty and SST, the shortfall will be funded via internally generated funds. Conversely, if the actual cost is lower than the amount allocated above, the excess will be utilised to pay import duty and SST.

For avoidance of doubt, the number and type of arcade and amusement machines to be purchased are indicative and may be adjusted based on the market trend as well as our customers' and market preferences at that point in time. Further, the replacement machines to be purchased are similar to the types of arcade and amusement machines distributed by our Group.

The total estimated cost for the purchase of arcade and amusement machines of RM2.05 million was derived based on the quotations by our suppliers and is subject to change. As at the LPD, our Group has not procured or entered into any purchase orders or binding arrangements for the purchase of new arcade and amusement machines.

In the event the allocated proceeds are insufficient for the purchase of new arcade and amusement machines, any shortfall will be funded via internally generated funds. Conversely, if the actual cost is lower than the amount allocated above, the excess will be allocated for the working capital purposes.

3. DETAILS OF OUR IPO (*CONT'D*)

3.7.2 Purchase of toys and collectables

We intend to utilise RM2.50 million or approximately 10.79% of the gross proceeds raised from the Public Issue towards the purchase of toys and collectables, primarily sourced from China and Malaysia, to increase inventory for popular and trending toys and collectables and diversify our product range. If the allocated gross proceeds for the purchase of toys and collectables are fully utilised within 12 months from the Listing date, we intend to use and reuse the sales proceeds of a minimum of RM2.50 million generated from such sales to support additional purchases within the same period.

The indicative toys and collectables our Group plans to purchase are merchandise featuring new popular IP designs or characters, such as keychains and clothing for plush. This is part of our expansion plan to maintain and secure new customers and to ensure we continue providing popular and trending items in a growing market. Toys and collectables sourced from China, whether directly from distributors or via procurement agents, will be subject to an import duty and SST. These taxes, which will form part of the total cost of the toys and collectables and will be funded from the allocated gross proceeds.

For the avoidance of doubt, the gross proceeds of RM2.50 million allocated for the purchase of toys and collectables will not be used to settle any existing commitments or contracts, if any, relating to the purchase of such items.

Our Group's revenue from our toys and collectables segment increased from approximately RM2.62 million in FYE 2022 to approximately RM15.90 million in FYE 2025 at an CAGR of approximately 82.40%. According to the IMR, this growth was supported by an increase in popularity from the rising influence of global pop culture and a growing interest in collectables among the young and digitally connected population in Malaysia which have boosted the demand for pop toys.

Our expansion plan will focus on increasing our portfolio of brands that complements our existing range. This approach ensures our Group has sufficient inventory to meet consumer demand and reduce reliance on any particular brand. It is critical to adapt to fast-changing consumer preferences and position our Group for sustainable growth. By offering a broader selection of toys and collectables, we are able to appeal to a wider audience and stay ahead of emerging market trends. Currently, our Group is dependent on certain suppliers for their brand of toys and collectables. Occasionally, the order quantities placed by our Group are unable to be fulfilled by the suppliers in a single shipment; however, our orders have historically been fully delivered in batches. This will not affect our intention to increase purchases from them, as long as demand for their products remains strong.

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3. DETAILS OF OUR IPO (CONT'D)

3.7.3 Repayment of bank borrowings

As at the LPD, our total bank borrowings owing to financial institutions is approximately RM4.02 million.

We intend to use RM1.60 million or approximately 6.91% of the gross proceeds raised from the Public Issue to repay our outstanding bank borrowings as follows:

No.	Details	Borrower	Purpose	Interest rate per annum/ Maturity date	Outstanding amount as at the LPD	⁽ⁱ⁾ Proposed repayment from Public Issue proceeds
					RM'000	RM'000
1.	RHB Bank Berhad (Bank overdraft)	Semico	Working capital	⁽ⁱⁱ⁾ BLR + 1.75%/ On demand	358	350
2.	Hong Leong Bank Berhad (Term loan)	Semico	Working capital	⁽ⁱⁱⁱ⁾ BLR – 0.50%/ June 2031	421	350
3.	CIMB Bank Berhad (Bank overdraft)	Semico	Working capital	^(iv) BFR + 1.25%/ On demand	298	277
4.	CIMB Islamic Bank Berhad (Term loan)	De Pop	Working capital	^(iv) BFR + 1.50%/ October 2031	623	623
Total					1,700	1,600

Notes:

- (i) Our Group intends to make a repayment of our outstanding bank borrowings via the gross proceeds raised from the Public Issue.
- (ii) As at the LPD, the BLR is 6.45% per annum.
- (iii) As at the LPD, the BLR is 6.64% per annum.
- (iv) As at the LPD, the BFR is 6.60% per annum.

3. DETAILS OF OUR IPO (CONT'D)

The repayment of the abovementioned bank borrowings will reduce our gearing ratio from 0.09 times to 0.01 times based on the pro forma consolidated statements of financial position as at 30 June 2025 and is expected to result in an annual interest savings of approximately RM0.12 million based on the prevailing interest rates. However, the actual interest savings may vary depending on the applicable interest rate at the time of repayment. The repayment of the abovementioned outstanding bank borrowings will not result in any penalty or early repayment fee being incurred by our Group.

In the event the outstanding amount of any of the bank borrowings owing to the financial institutions, as listed above, is lower than the allocated proceeds proposed for repayment, the excess amount will be utilised to repay the other bank borrowings as listed above. Subsequently, if there is any excess balance, it will be allocated for our working capital purposes.

3.7.4 Working capital

Our Group intends to use approximately RM4.02 million or approximately 17.34% of the gross proceeds raised from the Public Issue for our Group's working capital requirements, the details of which are as follows:

Details	RM'000
Planned workforce expansion ⁽ⁱ⁾	3,018
Business development and marketing strategies ⁽ⁱⁱ⁾	1,000
Total	4,018

Notes:

- (i) Our Group's workforce requirement is expected to increase in tandem with our business growth in the future. We intend to strengthen our workforce through the recruitment of new employees with the relevant experience and expertise. As such, our Group intends to use approximately RM3.02 million or approximately 13.02% of the gross proceeds from our Listing for the expansion of our workforce to support our future business growth thus ensuring our long-term sustainability. The recruitment plan is expected to be implemented within 24 months from our Listing and will involve the recruitment of the following number of personnel:

Workforce	Estimated number of workforce to be hired*
Technical personnel - including supervisors, technicians and outlet personnel	18
Sales and support personnel - including sales administrators, finance and procurement personnel	6
Total	24

- * The actual number of workforce to be hired as well as recruitment timing is dependent on the availability of personnel. Typically, the time required for our Group to recruit a new hire (i.e. from the date of job posting until the date of joining) ranges from 3 to 6 months. As at the LPD, the recruitment process has yet to commence.

The additional workforce will strengthen our Group's customer service, enhance operational efficiency and enable our Group to pursue new business opportunities.

3. DETAILS OF OUR IPO (CONT'D)

(ii) Business development and marketing strategies

Currently, our Group secures new orders for arcade and amusement machines as well as toys and collectables primarily through social media engagement, word-of-mouth, and customer referrals. We recognise the need to enhance and broaden our marketing efforts to strengthen our Group's presence, expand market reach, and attract new customers.

As part of our business development and marketing strategy, we intend to strengthen our digital marketing efforts, including content creation and targeted social media campaigns, to enhance the visibility and reach of our arcade and amusement machine as well as our toy and collectable offerings. We intend to engage a third-party agency to manage our content creation and targeted social media campaigns as engaging a third-party agency will enable us to leverage on external expertise and resources to broaden our market presence more effectively.

Additionally, we plan to participate in international industry trade shows and exhibitions that feature the latest advancements in arcade technology, enabling us to stay updated on market trends and evaluate and select the most appealing machines to attract and engage arcade and amusement end customers. The international industry trade shows and exhibitions we plan to participate in include, amongst others, GTI Asia China Expo, Asia Amusement & Attractions Expo, Japan Amusement Expo and International Association of Amusement Parks and Attractions Expo.

We also aim to expand our customer base by securing new customers operating arcade and amusement machine centres, family entertainment centres and theme parks to adopt our revenue-sharing model or rental model, enabling us to strategically position our machines in high-traffic locations for greater visibility and user engagement. We also aim to expand our toys and collectables customer base to include e-commerce platforms, lifestyle and gift stores and bookstores.

As such, our Group intends to use approximately RM1.00 million or approximately 4.32% of the gross proceeds from our Listing towards financing future business development and marketing-related expenses.

3.7.5 Estimated listing expenses

We intend to allocate RM4.50 million or approximately 19.42% of the gross proceeds raised from the Public Issue to pay for our listing expenses as follows:

Details	RM'000
Professional fees ⁽ⁱ⁾	2,828
Underwriting, placement and brokerage fees	624
Fees to authorities	66
Printing and advertising expenses	300
Miscellaneous expenses and contingencies ⁽ⁱⁱ⁾	682
Total	4,500

Notes:

- (i) Includes advisory/ professional fees for, amongst others, our Principal Adviser, Solicitors, Reporting Accountants, IMR, Internal Control Consultant and Company Secretaries.

3. DETAILS OF OUR IPO (*CONT'D*)

- (ii) Comprising any other incidental or related expenses in connection with our IPO, such as IPO-related event expenses/ roadshows and funds reserved for contingency purposes.

In the event the allocated proceeds are insufficient for the listing expenses, any shortfall will be funded via internally generated funds whereas any excess will be used for our working capital purposes.

Pending the eventual use of the proceeds from the Public Issue, we intend to place the proceeds (including accrued interest, if any) or any balance thereof with licensed financial institutions in Malaysia and/or in money market instruments.

Our Company will not receive any proceeds from the Offer for Sale. The gross proceeds raised from the Offer for Sale of approximately RM4.50 million will accrue entirely to our Selling Shareholder. Our Selling Shareholder will bear all expenses relating to the Offer of Sale, including the placement fee in respect of the Offer Shares, which is estimated to be approximately RM0.11 million.

3.8 BROKERAGE, UNDERWRITING COMMISSION AND PLACEMENT FEES

3.8.1 Brokerage fee

We will pay brokerage fee for the 18,000,000 Issue Shares made available for application by the Malaysian Public and Eligible Persons under Sections 3.3.1(i) and 3.3.1(ii) of this Prospectus respectively, at the rate of 1.00% (exclusive of any applicable tax) on the IPO Price in respect of all successful applications which bear the stamp of either Affin Hwang IB, the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

3.8.2 Underwriting commission

Affin Hwang IB, as our Sole Underwriter has agreed to underwrite 32,996,000 Issue Shares made available for application by the Malaysian Public and the Eligible Persons under Sections 3.3.1(i) and 3.3.1(ii) of this Prospectus respectively. As stipulated in the Underwriting Agreement, we will pay our Sole Underwriter an underwriting commission at the rate of 2.50% (exclusive of any applicable tax) of the total value of the underwritten Shares.

3.8.3 Placement fee

We will pay our Sole Placement Agent a placement fee at the rate of 2.50% (exclusive of any applicable tax) of the value of the 77,674,800 Issue Shares reserved for the private placement to selected investors under Sections 3.3.1(iii) of this Prospectus.

Our Selling Shareholder will also pay our Sole Placement Agent a placement fee of 2.50% (exclusive of any applicable tax) of the IPO Price multiplied by the number of Offer Shares successfully placed out to selected investors under Section 3.3.2 of this Prospectus.

3. DETAILS OF OUR IPO (CONT'D)

3.9 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with our Sole Underwriter to underwrite 32,996,000 Issue Shares made available for application by the Malaysian Public and the Eligible Persons under Sections 3.3.1(i) and 3.3.1(ii) of this Prospectus respectively, subject to the clawback and reallocation provisions as set out in Section 3.3.4 of this Prospectus and upon the terms and subject to the conditions of the Underwriting Agreement.

Details of the underwriting commission are set out in Section 3.8.2 of this Prospectus while the salient terms of the Underwriting Agreement are as follows:

(The capitalised terms used in this section shall have the respective meanings as ascribed in the Underwriting Agreement or this Prospectus unless the context otherwise requires)

- | | | |
|---------------------------|---|---|
| "Approvals" | : | All approvals, orders, sanctions, consents, authorisations, certificates, filings, registrations and permissions required for our IPO and our Listing by the Relevant Authorities |
| "Closing Date" | : | The last date and time for acceptance, application for and payment of the subscription money in respect of the Issue Shares in accordance with the Prospectus and Application Forms, which shall not be more than 3 months from the date of the Underwriting Agreement, and subject to extension of the Closing Date |
| "Issue Date" | : | The date of issue of this Prospectus, being a date not later than 2 months after the date of the Underwriting Agreement or such later date as our Company and our Sole Underwriter may mutually agree in writing |
| "Issue Documents" | : | Collectively, this Prospectus and the Application Forms |
| "Material Adverse Effect" | : | Any event, development or occurrence or series of events, development or occurrences, which in the opinion of our Sole Underwriter, have or could be expected to have a prospective material adverse effect and/or change, whether individually or in the aggregate, and whether or not arising in the ordinary course of business, on any of the following: <ol style="list-style-type: none"> 1. the condition (financial, operational or otherwise), contractual commitments, general affairs, Board, management, business, assets, liquidity, liabilities, prospects, earnings, shareholders' equity, business undertakings, properties or results or cash flows of operations of our Company and/or our Group; or 2. the ability of our Company to perform in any respect its obligations under or with respect to, or to consummate the transactions contemplated by this Prospectus or the Underwriting Agreement; or 3. the ability of our Company and/or our Group to conduct its businesses and to own or lease its assets and properties as described in this Prospectus; or 4. our IPO including but not limited to the success of our IPO or the distribution or the sale of the IPO Shares pursuant to our IPO. |
| "Relevant Authorities" | : | Any governmental, statutory or regulatory body having authority, jurisdiction or control over any party under the Underwriting Agreement (including but not limited to the SC, Bursa Securities and Registrar of Companies (" ROC ")) |

3. DETAILS OF OUR IPO (CONT'D)

- "Specified Event" : An event which occurs after the date of the Underwriting Agreement, Issue Date, Closing Date and on or prior to the Trading Date which if it had occurred before the date of the Underwriting Agreement would have rendered any of the representations, warranties and undertakings in Clause 10 of the Underwriting Agreement untrue, inaccurate, misleading or incorrect
- "Trading Date" : The date of listing and quotation of the entire enlarged issued share capital of our Company of 360,000,000 Shares on the ACE Market

The obligation of our Sole Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement is conditional on: (i) the performance of our Company of its obligations under the Underwriting Agreement as at the date of the Underwriting Agreement, Issue Date, Closing Date and/or prior to the Trading Date as the case may be; and (ii) the fulfilment and/or satisfaction of the following ("**Conditions Precedent**"):

- (a) our Sole Underwriter receiving the certificate in the form or substantially in the form contained in the Underwriting Agreement, one dated the date of registration of the Prospectus and the other dated the Closing Date, both of which are to be signed by a Director of our Company (on behalf of the Board) stating that, to the best of his knowledge and belief, after having made all reasonable enquiries with the Directors and management of our Company, there has been no such change, development or occurrence as referred to in Clause 10 of the Underwriting Agreement and being provided with the reports or confirmation and being satisfied at the date of registration of this Prospectus and the Closing Date respectively that, among others:
- (i) there is no occurrence of any change or any development likely to result in a prospective change in the financial position, business operations, cash flows or conditions (financial, operational or otherwise) of our Group taken as a whole and from that set out in this Prospectus which would have or is likely to have a Material Adverse Effect;
 - (ii) there is no occurrence of any event or the discovery of any facts or circumstances which would render any representations, warranties or undertakings in Clause 10 of the Underwriting Agreement to be untrue or inaccurate, misleading or incorrect, not complied with, failure to be performed in any respect or result in a breach of the Underwriting Agreement by our Company;
 - (iii) there is no occurrence of any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political, social or fiscal or economic and other conditions or exchange control or currency exchange rates which in the opinion of our Sole Underwriter would have or is likely to have a Material Adverse Effect (whether in the primary market or in respect of dealings securities including the Shares in the secondary market). For the avoidance of doubt, if the Financial Times Stock Exchange (FTSE) Bursa Malaysia Kuala Lumpur Composite Index (KLCI) ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:
 - (1) on or after the date of the Underwriting Agreement; and
 - (2) prior to the Closing Date,
 lower than 90% of the level of Index at the last close of normal trading on Bursa Securities on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least 3 consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;

3. DETAILS OF OUR IPO (*CONT'D*)

- (iv) trading of all securities on Bursa Securities, Singapore Exchange Securities Trading Limited, the New York Stock Exchange, Nasdaq, the London Stock Exchange or the Hong Kong Stock Exchange has not been limited or suspended or minimum prices have been established on Bursa Securities for 3 consecutive Market Days or other material form of general restriction in trading for 3 consecutive Market Days or more;
 - (v) there is no breach by our Company of any of its obligations under the Approvals and the Underwriting Agreement;
 - (vi) all undertakings, representations, warranties and covenants of our Company under the Underwriting Agreement has been complied with and not breached; and
 - (vii) our Sole Underwriter being satisfied that our Company has satisfied all the conditions as set out in Clause 5.1 of the Underwriting Agreement on its part to be performed.
- (b) the Underwriting Agreement being signed by the relevant authorised signatories (as approved by the Board to sign on behalf of our Company) to the Underwriting Agreement and stamped within the statutory time frame;
 - (c) the Prospectus being in the form and substance satisfactory to our Sole Underwriter;
 - (d) the issue of the Prospectus not later than 2 months from the date of the Underwriting Agreement or such later date as our Sole Underwriter and our Company may mutually agree in writing;
 - (e) the registration of the Prospectus and such other documents as may be required in accordance with the CMSA, the Act and the Listing Requirements in relation to the IPO with Bursa Securities and its lodgement of the same with the ROC by the Issue Date;
 - (f) all necessary approvals including, but not limited to, the approvals referred to in Clause 1.2 of the Underwriting Agreement remaining in full force and effect up to and including the Trading Date and that all conditions to the Approvals (except for any which can only be complied with after the Listing has been completed) have been complied with;
 - (g) the approval of Bursa Securities for approval of the IPO, the Listing and the admission of our Company to the Official List being obtained on terms acceptable to our Sole Underwriter and the approval of Bursa Securities and all such other approvals remaining in full force and effect and that all conditions (except for any which can only be complied with after the Listing has been completed) have been complied with to our Sole Underwriter's reasonable satisfaction;
 - (h) our Sole Underwriter being satisfied that our Company will, after the Issue Date and following completion of the Closing Date, be admitted to the Official List and its entire enlarged issued share capital listed and quoted on the ACE Market no later than 3 months from the date of the Underwriting Agreement unless mutually agreed to in writing by the parties;

3. DETAILS OF OUR IPO (*CONT'D*)

- (i) our Sole Underwriter receiving a copy duly certified by a Director or company secretary of our Company to be a true and accurate copy and in full force and effect, of a resolution of the Directors;
- (i) approving the Issue Documents including the Prospectus for registration with Bursa Securities and lodgment of the same with the ROC (including a confirmation that the Directors, collectively and individually, accept full responsibility for the accuracy of all information stated in the Prospectus), the Underwriting Agreement and the transactions contemplated by it;
- (ii) authorising the issuance of the Issue Documents, including the Issue Date and the Closing Date;
- (iii) authorising at least 1 Director to sign and deliver the Underwriting Agreement on behalf of our Company;
- (iv) approving the IPO and the Listing and the transactions contemplated by each of the same;
- (v) approving the allotment and issuance and/or transfer of the IPO Shares under the IPO to successful investors under the Public Tranche, Pink Form Allocation, Placement Tranche and Offer for Sale;
- (j) all the resolutions referred to in Clause 5.1.9 of the Underwriting Agreement remaining in full force and effect up to and including the Trading Date and none having been rescinded or revoked or varied;
- (k) the IPO and/or the Listing not being prohibited or impeded by any statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia and all consents, approvals, authorisations or other orders required by our Company under such laws for or in connection with the IPO and/or the Listing have been obtained and are in force up to and including the Trading Date;
- (l) our Group does not have any actual or contingent liability under applicable laws or regulations or generally accepted accounting standards concerning human health and safety, pollution or protection of the environment or in relation to any interest in land which would have a material effect on our Group (financial, operational or otherwise) including the IPO and/or the Listing;
- (m) our Sole Underwriter being satisfied that our Company has complied with and that the IPO and the Listing are in compliance with the policies, guidelines and requirements of Bursa Securities, the SC, the ROC and all other applicable securities laws and regulations, including all revisions, amendments and/or supplements to it;
- (n) there being no occurrence of any Specified Event up to and including the Trading Date;
- (o) there not having occurred on or prior to the Trading Date any breach of and/or failure to perform any of the undertakings by our Company contained in the Underwriting Agreement;
- (p) there not being any investigation, directions or actions or orders by any judicial, governmental or Relevant Authorities in relation to the Listing or in connection with our Group, Directors, Selling Shareholder and/or our Promoters which is still subsisting or unresolved to the satisfaction of our Sole Underwriter up to and including the Trading Date;

3. DETAILS OF OUR IPO (*CONT'D*)

- (q) there having been, as at the Closing Date, no registration or lodgment of any amendment, supplement, or replacement to the Prospectus with Bursa Securities or the ROC without the prior written approval of our Sole Underwriter;
- (r) the obligations of our Sole Underwriter to subscribe for and/or procure subscriptions for the Underwritten Shares not being prohibited by any statute, order, external rule, directive or regulation amended, supplemented or introduced after the date of the Underwriting Agreement by any legislative, executive or regulatory body or authority in Malaysia at any time on or before the Trading Date; and
- (s) our Sole Underwriter being satisfied with the arrangements of our Company to pay the expenses referred to in Clauses 9 and 11 of the Underwriting Agreement.

In the event any of the Conditions Precedent is not fulfilled or waived on or before the date as specified in the Conditions Precedent or if none is stated, on or before the Trading Date (or, in each case, such date(s) as may be agreed in writing by our Sole Underwriter), our Sole Underwriter shall be entitled to terminate the Underwriting Agreement and in such event the provisions of Clause 13 of the Underwriting Agreement shall apply, but without prejudice to the rights of our Sole Underwriter under Clauses 9 and 11 of the Underwriting Agreement.

Notwithstanding anything contained in the Underwriting Agreement, our Sole Underwriter may at its sole and absolute discretion terminate the Underwriting Agreement and withdraw its underwriting commitment upon the occurrence of any of the following:

- (a) there is any breach by our Company of any of the representations, warranties or undertakings as set out in Clause 10 and Annexure B of the Underwriting Agreement or which is contained in any certificate, statement or notice under or in connection with the Underwriting Agreement; or
- (b) there is failure on the part of our Company to perform any of our obligations contained in the Underwriting Agreement; or
- (c) there is withholding of information from our Sole Underwriter which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of our Sole Underwriter, would have or can reasonably be expected to have, a Material Adverse Effect on the financial performance, cash flows and financial condition, business or operations or prospects of our Group, the success of the IPO, or the distribution or sale of the IPO Shares; or
- (d) there shall have occurred, or happened any material and adverse change in the business or financial condition or operations or prospects of our Group and/or occurrence of event(s) expected to have a Material Adverse Effect; or
- (e) the Closing Date of the application and subscription of the IPO Shares does not occur within 1 month from the Issue Date, subject to the extension of the Closing Date of the Applications which is approved by our Sole Underwriter in consultation with Bursa Securities and/or the SC; or

3. DETAILS OF OUR IPO (CONT'D)

- (f) the occurrence of any *force majeure* event or any event or series of events beyond the reasonable control of our Sole Underwriter including (without limitation) acts of government, acts of God (including, without limitation, the occurrence of a tsunami and/or earthquakes), pandemic, epidemic, acts of terrorism, strikes, national disorder, declaration of a state of emergency, lockouts, fire, explosion, flooding, landslide, civil commotion, sabotage, acts of war, diseases or accidents which would have or can reasonably be expected to have a Material Adverse Effect or which has or is likely to have the effect of making any obligation under the Underwriting Agreement incapable of performance with its terms or which prevents the processing of applications and/or payments pursuant to the IPO or pursuant to the underwriting of the Underwritten Shares; or
- (g) there shall have occurred any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or fiscal or economic conditions or exchange control or currency exchange rates which in the opinion of our Sole Underwriter would have or is likely to have a Material Adverse Effect (whether in the primary market or in respect of dealings in securities including the Shares in the secondary market). For the avoidance of doubt, if the Index is, at the close of normal trading on Bursa Securities, on any Market Day:
- (i) on or after the date of the Underwriting Agreement; and
 - (ii) prior to the Closing Date,
- lower than 90% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least 3 consecutive Market Days, it shall be deemed a material adverse change in the stock market condition; or
- (h) any new law or change in law, regulation, directive, policy or ruling in any jurisdiction, interpretation or application by the court/authorities which has/likely to have a Material Adverse Effect on our Group and/or materially prejudice the financial performance and financial condition, business or prospects or operations of our Group, the success of the IPO, or the Listing or market conditions generally or which has or is likely to have the effect of making the Underwriting Agreement incapable of performance in accordance with its terms; or
- (i) trading of all securities on Bursa Securities, Singapore Exchange Securities Trading Limited, the New York Stock Exchange, Nasdaq, the London Stock Exchange or the Hong Kong Stock Exchange has been limited or suspended or minimum prices have been established on Bursa Securities for 3 consecutive Market Days or other material form of general restriction in trading for 3 consecutive Market Days or more; or
- (j) any government requisition or occurrence of any other nature which would have or is likely to have a Material Adverse Effect on the business, operations and/or financial performance, financial position or prospects of our Group or the success of the IPO or the Listing; or
- (k) the IPO is stopped or delayed by our Company or Bursa Securities or the SC or any relevant authorities for any reason whatsoever (unless such delay has been approved by our Sole Underwriter); or

3. DETAILS OF OUR IPO (CONT'D)

- (l) any commencement of legal proceedings or action against any member of our Group or any of our Directors, Selling Shareholder and Promoters which in the opinion of our Sole Underwriter, would have or is likely to have a Material Adverse Effect or make it impracticable to market the IPO or to enforce contracts to allot, issue and/or transfer the IPO Shares; or
- (m) any one of the Issue Documents (i) having been terminated or rescinded in accordance with its terms; (ii) ceased to have any effect whatsoever, or (iii) varied or supplemented upon terms and such variation or supplementation would have or likely to have a Material Adverse Effect; or
- (n) any of the resolutions or approvals referred to in Clause 5 of the Underwriting Agreement is revoked, suspended or ceases to have any effect whatsoever, or is varied or supplemented upon terms that would have or is likely to have a Material Adverse Effect; or
- (o) if Bursa Securities, the SC (if applicable) or any other relevant authority issues an order pursuant to any Malaysian law such as to make it impracticable to market the IPO or to allot and/or transfer the IPO Shares and/or the application and subscription of the IPO Shares by the Malaysian Public, Eligible Persons and selected investors; or
- (p) any other event in which a Material Adverse Effect has occurred or which in the opinion of our Sole Underwriter is likely to occur; or
- (q) if the obligations of our Sole Underwriter to subscribe for and/or procure subscriptions for the Underwritten Shares is or becomes prohibited by any statute, order, rule, directive or regulation amended, supplemented or introduced after the date of the Underwriting Agreement by any legislative, executive or regulatory body or authority of any jurisdiction; or
- (r) in the event that the Listing is withdrawn or not procured or procured but subject to conditions not acceptable to our Sole Underwriter or does not take place within 3 months from the date of the Underwriting Agreement or such other extended date as may be agreed in writing by our Sole Underwriter in consultation with Bursa Securities and/or the SC (if applicable); or
- (s) any of the Conditions Precedent is not fulfilled or waived on or before the date as specified in the Conditions Precedent or if none is stated, on or before the Trading Date (or, in each case, such date(s) as may be agreed in writing by our Sole Underwriter); or
- (t) the approval of Bursa Securities and other relevant authorities for the Listing is revoked, withdrawn or procured but subject to the conditions not acceptable to our Sole Underwriter; or
- (u) any statements contained in the Prospectus has become or been discovered to be untrue, inaccurate or misleading in any respect or matters have arisen or have been discovered which would constitute a material omission therefrom.

3. DETAILS OF OUR IPO (*CONT'D*)

3.10 TRADING AND SETTLEMENT IN SECONDARY MARKET

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

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

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS Account being debited with the number of Shares sold and the buyer's CDS Account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10.00 payable for each transfer not transacted on the market.

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

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

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

It is expected that our Shares will commence trading on Bursa Securities about 10 Market Days after the close of the IPO. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of a book-entry transfer to other CDS Account in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

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

4.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

4.1.1 Shareholdings of our Promoters and substantial shareholders

The details of our Promoters and substantial shareholders and their respective shareholdings in our Company before and after our IPO are as follows:

Name	Country of incorporation / Nationality	Before our IPO/ As at the LPD				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(i)%	No. of Shares	(i)%	No. of Shares	(ii)%	No. of Shares	(iii)%
Promoters and substantial shareholders									
MARC Experience	Malaysia	254,230,100	95.10	-	-	236,230,100	65.62	-	-
Tai Lee Chuen	Malaysian	-	-	254,230,100	(iii)95.10	-	-	236,230,100	(iii)65.62

Notes:

- (i) Based on the issued share capital of 267,329,200 Shares before our IPO/ as at the LPD.
- (ii) Based on the enlarged issued share capital of 360,000,000 Shares after our IPO.
- (iii) Deemed interest by virtue of his interest in MARC Experience pursuant to Section 8 of the Act.

Our Promoters and substantial shareholders do not have different voting rights from other shareholders of our Company as all our Shares before and after our IPO are of the same class.

Save as disclosed above, there is no other person who, directly or indirectly, jointly or severally, exercises control over our Company as at the LPD. There is also no arrangement between our Company and our shareholders with any third party, which may, at a subsequent date, result in a change in control of our Company.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*CONT'D*)

4.1.2 Profiles of our Promoters and substantial shareholders

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

(i) **MARC Experience**

MARC Experience was incorporated in Malaysia on 6 June 2024 under the Act as a private limited company. The principal activity of MARC Experience is investment holding to hold Shares in our Company.

The shareholding changes of MARC Experience since its incorporation and up to the LPD are as follows:

Date	Event
6 June 2024	Norulhuda binti Abu Bakar, the subscriber of the company, incorporated MARC Experience and was allotted 1 new ordinary share in MARC Experience ("MARC Experience Share(s)"), representing 100.00% equity interest in MARC Experience.
1 July 2024	- Norulhuda binti Abu Bakar disposed her 1 MARC Experience Share to Lee Cheng Loong. - Tai Lee Chuen subscribed for 299 new MARC Experience Shares. - As a result, Lee Cheng Loong and Tai Lee Chuen held 1 and 299 MARC Experience Shares, representing 0.33% and 99.67% equity interest in MARC Experience respectively.
18 November 2024	- Pursuant to the acquisition of (i) Semico from Tai Lee Chuen and Ang Sew Fong; (ii) Minexport from Tai Lee Chuen; (iii) De Pop from Tai Lee Chuen and Tan Chee Wei; (iv) The Bomb Battle Sdn Bhd ("BB") from Sheehan Tee Kah Mun ("Sheehan"); and (v) Marvellous Hallmark Sdn Bhd ("MH") from Sheehan and Tan Siew Gaik (mother of Sheehan) by MARC Experience, the purchase consideration for each acquisition was fully satisfied via issuance of new MARC Experience Shares. - As a result of the above, Tai Lee Chuen, Ang Sew Fong, Tan Chee Wei, Sheehan, Tan Siew Gaik and Lee Cheng Loong held 152,329,199 (including existing 299 MARC Experience Shares held by Tai Lee Chuen), 5,258,500, 22,464,600, 52,471,200, 24,692,800 and 1 MARC Experience Shares, representing 59.22%, 2.04%, 8.73%, 20.40%, 9.60% and <0.01% equity interest in MARC Experience respectively.
12 December 2024	Lee Cheng Loong disposed his 1 ordinary share in MARC Experience to Tai Lee Chuen.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Date	Event
21 February 2025	- The 3 shareholders, namely Sheehan, Tan Chee Wei and Tan Siew Gaik disposed their entire equity interest in MARC Experience to Tai Lee Chuen and left to pursue other personal interests. - As a result, Tai Lee Chuen and Ang Sew Fong hold 251,957,800 and 5,258,500 MARC Experience Shares, representing 97.96% and 2.04% equity interest in MARC Experience, respectively, as at the LPD.

As at the LPD, the issued share capital of MARC Experience is RM12,861,100, comprising 257,216,300 ordinary shares.

As at the LPD, the directors and shareholders of MARC Experience are as follows:

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	%	No. of shares	%
Tai Lee Chuen	Director and shareholder	Malaysian	251,957,800	97.96	-	-
Ang Sew Fong	Director and shareholder	Malaysian	5,258,500	2.04	-	-
Total			257,216,300	100.00	-	-

As at the LPD, MARC Experience does not have any interest in other companies other than in Semico Capital.

(ii) Tai Lee Chuen

Tai Lee Chuen, a Malaysian aged 53, is the Promoter, substantial shareholder and Executive Director/ CEO. He was appointed to the Board on 6 February 2025. He is responsible for overseeing the day-to-day management, business development and formulation of overall strategic direction of our Group.

He has approximately 22 years of experience in distribution of arcade and amusement machines and approximately 5 years of experience in the distribution of toys and collectables.

From 1991 to 1992, he studied Computer Programming at Systematic College (now known as SEGI University).

In 1992, he began his career as a System Support Executive with Business System Development Sdn Bhd, where he was responsible for computer hardware and software troubleshooting.

In 1995, he left Business System Development Sdn Bhd to work as a freelancer specialising in IT support system services, maintenance and trading of IT hardware and software.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

In 2002, he incorporated Tai Industrial Supplies, a sole proprietorship involved in supplying ICT hardware such as computers and peripherals and accounting system software. In 2003, he recognised the market potential for arcade and amusement machines and began to import refurbished arcade and amusement machines from suppliers in Taiwan. He would then sell these refurbished arcade and amusement machines to small theme parks and family entertainment centres as well as to companies involved in the distribution of arcade and amusement machines. In 2006, he imported new arcade and amusement machines from China to cater for the growing demand in Malaysia.

In 2007, he joined Semico, as an adviser, and in 2009, he was redesignated to director of the business development department, where he played a key role in expanding the company's supply chain by sourcing for refurbished arcade and amusement machines from the Japanese market. In 2011, he ceased the business under Tai Industrial Supplies to focus on Semico's business in the arcade and amusement machines industry, and the sole proprietorship was terminated. In 2015, he was appointed as a director of Semico where he was responsible for overseeing the company's strategic direction and business development, a position he holds to-date.

In 2010, he incorporated FEC Asia Distributor, a sole proprietorship which was previously involved in importing and dealing in video games, arcade and amusement machines and its related components. On 10 March 2025, FEC Asia Distributor was terminated with the CCM.

In 2017, he incorporated Minexport with Soon Sze Yean, a third-party individual, to venture into the operation and management of a family entertainment centre located in The Mines. During the same year, he was appointed as a director of Minexport where he was responsible for developing the business and overseeing the operations of the company, a position he holds to-date.

In 2020, he incorporated De Pop Asia Distributor, a sole proprietorship involved in the import, distribution and retail of toys and collectables. Prior to the termination of De Pop Asia Distributor in 2022, he incorporated De Pop in 2021 with Tan Teck Keong, a third-party individual, to expand its toys and collectables business and to facilitate access to banking facilities. He was appointed as a director of De Pop in 2021, where he was responsible for overseeing the operations of the company, a position he holds to-date.

Since 2021, he has held the position of Vice President of the MATFA. He is responsible for strategic planning, as well as developing and implementing strategies that promote the growth and development of Malaysia's theme park and family attraction industry. He also represents the association in discussions with government agencies, local authorities, and other stakeholders to advance members' interest and foster industry collaboration and knowledge sharing.

As at the LPD, he holds a directorship in a private limited company as disclosed in Section 4.2.3(ii) of this Prospectus.

Please refer to Section 4.7 of this Prospectus for further details on the association or family relationships between our Promoters, substantial shareholders, Directors and Key Senior Management.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.1.3 Changes in our Promoters' and substantial shareholders' shareholdings in our Company

The changes in our Promoters' and substantial shareholders' shareholdings in our Company since our incorporation on 14 October 2024 and up to the LPD and after our IPO are as follows:

Name	As at 14 October 2024 (date of incorporation)				⁽ⁱ⁾ Before our IPO/ As at the LPD				After our IPO			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	⁽ⁱ⁾ %	No. of Shares	⁽ⁱ⁾ %	No. of Shares	⁽ⁱⁱ⁾ %	No. of Shares	⁽ⁱⁱ⁾ %
Promoters and substantial shareholders												
MARC Experience	-	-	-	-	254,230,100	95.10	-	-	236,230,100	65.62	-	-
Tai Lee Chuen*	-	-	-	-	-	-	254,230,100	⁽ⁱⁱⁱ⁾ 95.10	-	-	236,230,100	⁽ⁱⁱⁱ⁾ 65.62

Notes:

* Tai Lee Chuen did not hold any shares in our Company as at 14 October 2024, being the date of incorporation. He became a shareholder of our Company on 6 February 2025 when he acquired 1 Share at RM1.00 from the subscriber of our Company.

(i) Based on the issued share capital of 267,329,200 Shares before our IPO/ as at the LPD.

(ii) Based on the enlarged issued share capital of 360,000,000 Shares after our IPO.

(iii) Deemed interest by virtue of his interest in MARC Experience pursuant to Section 8 of the Act.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.1.4 Benefits paid or intended to be paid or given to our Promoters and substantial shareholders

Save for the following, there is no other amount or benefit that has been paid or intended to be paid or given to our Promoters and substantial shareholders within the 2 years preceding the date of this Prospectus:

- (i) the distribution of dividends by Semico for FYE 2023, FYE 2024 and FYE 2025, to our Promoter and substantial shareholder is as follows:

	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000
Tai Lee Chuen	238	760	1,539

- (ii) issuance of Shares as consideration pursuant to the Acquisitions as set out in Section 5.1.1 of this Prospectus; and
- (iii) aggregate remuneration and benefits paid and proposed to be paid for services rendered to our Group in all capacities are as set out in Section 4.2.4 of this Prospectus.

4.2 BOARD OF DIRECTORS

4.2.1 Shareholdings of our Directors

The details of our Directors and their respective shareholdings in our Company before our IPO/ as at the LPD and after our IPO (assuming each of our Directors subscribe in full for their respective entitlements under the Pink Form Allocations as set out in Section 3.3.1(ii) of this Prospectus) are as follows:

Name	Before our IPO/ As at the LPD				After our IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(i)%	No. of Shares	(i)%	No. of Shares	(ii)%	No. of Shares	(iii)%
Dato' Sri Ramli Bin Mohamed Yoosuf	-	-	-	-	500,000	0.14	-	-
Tai Lee Chuen	-	-	254,230,100	(iii)95.10	-	-	236,230,100	(iii)65.62
Ang Sew Fong	-	-	-	-	-	-	-	-
Andrea Huong Jia Mei	-	-	-	-	500,000	0.14	-	-
Ooi Guan Hoe	-	-	-	-	500,000	0.14	-	-
Yap Choo Cheng	-	-	-	-	500,000	0.14	-	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Notes:

- (i) Based on the issued share capital of 267,329,200 Shares before our IPO/ as at the LPD.
- (ii) Based on the enlarged issued share capital of 360,000,000 Shares after our IPO.
- (iii) Deemed interest by virtue of his interest in MARC Experience pursuant to Section 8 of the Act.

Save for Tai Lee Chuen and Ang Sew Fong who are the shareholders of MARC Experience, none of our Directors represent any corporate shareholder on our Board. Please refer to Section 4.7 of this Prospectus for details on the associations or family relationships and associations between our Promoters, substantial shareholders, Directors and Key Senior Management.

4.2.2 Profiles of our Directors

The profiles of our Directors, save for the profile of Tai Lee Chuen which is set out in Section 4.1.2(ii) of this Prospectus, are as follows:

(i) **Dato' Sri Ramli Bin Mohamed Yoosuf**

Dato' Sri Ramli Bin Mohamed Yoosuf, a Malaysian aged 60, is the Independent Non-Executive Chairman. He was appointed to our Board on 15 May 2025.

He graduated with a Diploma in Business Studies from Institute Teknologi MARA, Terengganu (now known as Universiti Teknologi MARA) in 1986. In 1990, he obtained the Certificate in Law of Banking and Negotiable Instruments from the International Islamic University Malaysia. He subsequently obtained his Bachelor of Business Administration (Industrial Relations & Human Resources) from Idaho State University, USA, in 1996. In 2015, he obtained his Master of Social Science (Police Studies) from Universiti Kebangsaan Malaysia, Selangor.

He commenced his career by joining the Royal Malaysia Police ("**RMP**") as Inspector, Commercial Crime Investigation Division in 1987 before leaving to pursue his studies in 1994. In 1997, he rejoined RMP as Assistant Superintendent of Police, Management Department, where he was involved in the allocation of human resources amongst the police force.

In 2000, he was deployed and joined the United Nations Mission in Sierra Leone ("**UNAMSIL**") as part of the mandated post-conflict reform of the country. During the period of 2000 to 2003, he was appointed for 3 significant positions as Police Mentor (Lungi Team Site), Training Adviser and Chief Administration Officer. During his time in UNAMSIL, he was responsible for providing advisory services in rebuilding the post-conflict national police force and developed training curriculum and capacity building plans.

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4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

In March 2004, he rejoined RMP as Deputy Superintendent of Police, Management Department, taking on responsibilities similar to those he had previously held while in the Management Department in RMP. In September 2004, he joined the United Nations Department of Peacekeeping Operation, New York, the USA, as Mission Manager for UN Missions in East Timor (UNMET), United Nations Mission for the Referendum in Western Sahara (MINURSO) and UNAMSIL. He was later appointed as Training Adviser in 2006, and later assumed the role as Police Planning Officer, Strategic Policy and Development department from 2007 to 2008. During his time there, he assisted the department in formulating international policies related to police development and security force training in mission countries and built professional networks with various member state representatives and global security organisations. Concurrently, he was also promoted to Superintendent police with RMP in 2005.

In 2008, he left the United Nations Department of Peacekeeping Operation and rejoined RMP as Superintendent, Chief of Protocol Division, Management Department and was responsible for overseeing the overall protocol of RMP. In 2011, he was promoted to Assistant Commissioner and headed the Public Affairs Division of RMP. Among the job responsibilities of this office was to respond to complaints from the public as well as oversee all activities regarding service delivery. It was during this time RMP intended to dedicate a special unit to be in line with the corporate practice by establishing Corporate Communication within the police service. In May 2013, he was promoted to Head of Corporate Communications under the Inspector General of Police ("IGP") Secretariat. In the newly established division, he was responsible for establishing and developing the police strategic communications in managing media relations, public perception, and crisis communications. He left in September 2013 to focus on his studies.

In 2015, upon completion of his Master's Degree, he rejoined RMP as Principal Assistant Director (Strategic), Management Department, and was responsible for overseeing all strategy initiatives of RMP, focusing on personnel management. He was promoted in 2017 to Chief Secretariat to the IGP and was responsible for coordinating 7 major offices under the IGP Secretariat including Legal Division, International Cooperation, and Corporate Communications, with responsibilities including the implementation of policies and directives from the IGP's Office and facilitated interdepartmental coordination. He was also an ex-officio member of Koperasi Polis Diraja Malaysia Berhad, where he was responsible for overseeing the interests of the office of IGP in the company from 2017 to 2021. In 2021, he was promoted to Chief Police Officer of Pahang and oversaw the administration and operations of 7,000 officers and personnel across the state and ensured public safety through proactive, community-based, and interagency strategies. Subsequently in 2023, he was promoted to Director of Commercial Crime Investigation Department, and was responsible for leading investigations and prevention of economic crimes such as investment fraud, fictitious schemes, love scams, phone scams, forgeries, and criminal breach of trust and strengthening of cooperation with local and international agencies to combat cybercrime and high-tech crimes. He subsequently retired from his career in 2025.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

He was appointed by the Pahang State Government as a Member of the Public Services Commission of Pahang State since April 2025, where he participates in the decision-making process relating to the appointment, confirmation, promotion, transfer and disciplinary matters of officers within the Pahang State Public Service, including reviewing appeals and serving on interview and disciplinary panels as and when required. In November 2025, he was appointed by Innovative University College as a Member of the Board of Governors. In December 2025, he was further appointed as an Adjunct Professor at Innovative University College, with responsibility for delivering lectures as and when required.

As at the LPD, he holds a directorship in a private limited company as disclosed in Section 4.2.3(i) of this Prospectus.

He does not have any relationship with our Promoters, substantial shareholders, Directors and Key Senior Management.

(ii) Ang Sew Fong

Ang Sew Fong, a Malaysian aged 48, is our Executive Director and Head of Human Resources and Administration. She was appointed to the Board on 6 February 2025. She is responsible for overseeing the human resources and administrative functions of our Group.

In 1995, she completed her secondary education in Sekolah Menengah Perumahan Tampoi, Johor Bahru.

In 1995, she began her career as Plant Operator in Singapore with GlobalFoundries Singapore Pte Ltd, where she was responsible for the operation of plant equipment to ensure efficient functioning of the manufacturing process.

In 2005, she returned to Malaysia and joined Securigold Sdn Bhd, as Administrator. She was responsible for handling administrative matters and overseeing creditor-related tasks.

In 2007, she left Securigold Sdn Bhd and incorporated Semico together with Leong Kon Ngan (mother of Tai Lee Chuen), to venture into the trading and supply of digital entertainment products. During the same year, she was appointed as a director of Semico and held the position of Accounts and Human Resources Manager where she was responsible for overseeing the human resources, managing the day-to-day administrative functions and handling of accounting related tasks. In 2023, she was redesignated to Head of Human Resources and Administration, where she was responsible for overseeing the human resources and administrative functions of our Group, a position she holds to-date.

As at the LPD, she does not hold any directorship in any public listed companies or private limited companies.

Save as disclosed in Section 4.7 of this Prospectus, Ang Sew Fong does not have any relationship with our Promoters, substantial shareholders, Directors, and Key Senior Management.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(iii) **Andrea Huong Jia Mei**

Andrea Huong Jia Mei, a Malaysian, aged 43, is the Independent Non-Executive Director. She was appointed to the Board on 15 May 2025. She is also the Chairman of the Nomination Committee and a member of the Audit and Risk Management Committee and Remuneration Committee.

She obtained her Diploma in Commerce (Financial Accounting) in 2003 and obtained an Advanced Diploma in Commerce (Financial Accounting) in 2005 from Tunku Abdul Rahman College, Malaysia (now known as Tunku Abdul Rahman University College). She became a member of the Association of Chartered Certified Accountants, United Kingdom in 2011. She has been a Chartered Accountant of the Malaysian Institute of Accountants since 2018.

In 2005, She began her career as Audit Assistant with Sha, Tan & Co, and was promoted to Audit Semi-Senior in 2007. She was subsequently promoted and held the post of Audit Senior between 2008 and 2011, where she was responsible for audit assignments of private and public listed companies. In 2012, she was appointed as a consultant of T&S Secretarial Services Sdn Bhd and was subsequently appointed as a director in 2014 until 2021. T & S Secretarial Services Sdn Bhd is involved in the provision of secretarial and management services.

Since 2012, she has also act as a company secretary for various clients of T&S Boardroom Sdn Bhd. She is currently a director of T&S Boardroom Sdn Bhd since 2020, a company which provides secretarial support services.

Since 2021, she was appointed as a director of SocialGreen Governance Sdn Bhd, a company involved in the provision of internal control review and sustainability review services, overseeing the day-to-day operations of the company.

As at the LPD, she sits on the board of several public listed companies and private limited companies as disclosed in Section 4.2.3(iv) of this Prospectus.

She does not have any relationship with our Promoters, substantial shareholders, Directors and Key Senior Management.

(iv) **Ooi Guan Hoe**

Ooi Guan Hoe, a Malaysian aged 50, is the Independent Non-Executive Director. He was appointed to the Board on 15 May 2025. He is also the Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee and Nomination Committee.

In 1999, he graduated from Universiti Putra Malaysia, Selangor, with a Bachelor of Accountancy (Hons). In 2011, he attended Harvard Business School Executive Education program on Private Equity and Venture Capital in China. Since 2002, he has been a member of the Malaysian Institute of Accountants.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

In 1999, he began his career as Staff Assistant with Arthur Andersen & Co in the Assurance and Business Advisory Division where he was responsible for conducting statutory audit work on public listed companies and matters pertaining to merger and acquisition exercises. He was promoted several times while with Arthur Andersen & Co, namely as Experienced Staff Assistant in 2000, Senior in 2001 and Senior Associate 1 in 2002.

In 2002, he left to join CIMB Investment Bank Berhad as Executive in the Corporate Finance Department. He was promoted several times while with CIMB Investment Bank, namely as an Assistant Manager in 2004, Manager in 2006 and Senior Manager in 2008. During his tenure with the bank, he was responsible for marketing, originating and implementing corporate proposals for various corporate exercises which included initial public offerings, merger and acquisition, joint ventures, fund-raising and privatisation exercises.

In 2009, he left CIMB Investment Bank Berhad and joined Xingquan International Sports Holdings Limited, a company engaged in the design, manufacturing, and sales of footwear, shoe soles, apparel, and accessories, as Head of Corporate Finance, where he was responsible for overseeing corporate related matters and ensuring compliance with Bursa Securities listing requirements in Malaysia. He was later appointed as the Non-Independent Non-Executive Director of Xingquan International Sports Holdings Limited from 2011 to 2015.

In March 2010 until August 2010, he was appointed as an Independent Non-Executive Director of K-Star Sports Limited.

In 2015, he joined DeCheng Technology AG, a company listed on the Frankfurt Stock Exchange as Chief Financial Officer (“CFO”), where he was responsible for the initial public offering process and finance function of the company. He was appointed as a member of the management board in 2016. He left the company in 2017.

In 2013, he was appointed to the board of directors of Only World Group Holdings Berhad, a company listed on the Main Market of Bursa Malaysia, as an Independent Non-Executive Director and was the Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee. He resigned from this position in 2021.

In 2019, he was appointed as CFO of Metro Eyewear Holdings Sdn Bhd, an indirect wholly-owned subsidiary of MOG Holdings Limited, which is currently listed on Hong Kong Stock Exchange (“HKSE”) where he was responsible for overseeing the overall finance function. He left the company in 2022.

In 2017, he was appointed as an Independent Non-Executive Director of Revenue Group Berhad, a company listed on the Main Market of Bursa Malaysia. During his tenure, he was the Chairman of the Audit Committee and member of Remuneration Committee and Nominating Committee. He subsequently ceased to be the Independent Non-Executive Director in 2022. In January 2023 until March 2023, he was appointed as Executive Director of Revenue Group Berhad, where he was responsible for overseeing the day-to-day operations of the company.

In 2021, he was appointed as an Independent Non-Executive Director of Infraharta Holdings Berhad, a company listed on the Main Market of Bursa Malaysia. He left the company in 2022.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

In 2022, he was appointed as an Independent Non-Executive Director of Swang Chai Chuan Limited, a company listed on HKSE. In 2023, he ceased his directorship and assumed the role of CFO, where he was responsible for overseeing the overall finance functions. He left the company in April 2025.

In May 2025, he was appointed as Executive Director of U.C.I. Education Sdn Bhd, and was responsible for finance and accounting functions, including treasury, corporate finance and investor relations. Subsequently in June 2025, he was redesignated from Executive Director to Chief Financial Officer of U.C.I. Education Sdn Bhd and is responsible for overseeing the entire accounts and finance department of the company. He resigned from the company in October 2025 and joined Delux Holdings (M) Sdn Bhd as Chief Financial Officer, where he is responsible for the overall financial management, strategic planning, risk management, and stakeholder engagement of its group of companies.

As at the LPD, he sits on the board of several public listed companies and a private limited company as disclosed in Section 4.2.3(v) of this Prospectus.

He does not have any relationship with our Promoters, substantial shareholders, Directors and Key Senior Management.

(v) **Yap Choo Cheng**

Yap Choo Cheng, a Malaysian, aged 51, is the Independent Non-Executive Director. She was appointed to the Board on 15 May 2025. She is also the Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee and Nomination Committee.

In 1996, she obtained her Bachelor of Science in Accounting with Honours from the Queen's University of Belfast, United Kingdom. She is a member of the Association of Chartered Certified Accountants and the Malaysian Institute of Accountants since 2000 and 2001 respectively. In 2005, she was admitted as a Fellow Member of the Association of Chartered Certified Accountant.

In 1996, she began her career with KPMG Desa Megat & Co as Audit Assistant and was later promoted to Audit Senior in 1999, where she was involved in statutory audits as well as transaction services for listing exercises and mergers and acquisitions.

In 2000, she left KPMG Desa Megat & Co to join Petra Resources Sdn Bhd in 2001, a then subsidiary of Petra Perdana Berhad (presently known as Perdana Petroleum Berhad) ("**Perdana Petroleum**"), a company listed on the Main Market of Bursa Securities, as Assistant Accounts Manager where she was responsible for the financial reporting and taxation matters of the company. In 2005, she was promoted to Group Accountant of Perdana Petroleum, where she oversaw the group's financial reporting, tax planning and corporate treasury management. In 2012, she was promoted to Financial Controller. During her tenure with Perdana Petroleum, she was involved in several of the company's corporate exercises. She left Perdana Petroleum in 2015 to pursue personal interests.

In 2017, she returned to the corporate sector where she joined Only World Group Berhad, a company listed on the Main Market of Bursa Securities, as CFO. She was responsible for managing the finance department where she oversaw the financial planning, budgeting, implementation of accounting policies and procedures of the company and its subsidiaries.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

In 2018, she left Only World Group Berhad to join TCS Group Holdings Berhad, a company listed on the ACE Market, as CFO where she was responsible for overseeing the group's financial functions which include financial planning and review, cash flow management, and financial reporting.

In 2022, she left TCS Group Holdings Berhad to join Minox International Group Berhad, a company listed on the ACE Market of Bursa Securities, as CFO, a position she holds to-date, where she oversees the corporate and financial management of the group.

In 2024, she was appointed as the Independent Non-Executive Director of TechStore Berhad, a company listed on the ACE Market of Bursa Securities.

As at the LPD, she sits on the board of a public listed company as disclosed in Section 4.2.3(vi) of this Prospectus.

She does not have any relationship with our Promoters, substantial shareholders, Directors and Key Senior Management.

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4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

4.2.3 Involvement of our Directors in other principal business activities outside our Group

Save as disclosed below, none of our Directors have any principal business activities as at the LPD, and directorships in any other corporations outside of our Group at present and in the past 5 years preceding the LPD:

(i) Dato' Sri Ramli Bin Mohamed Yoosuf

Company name/Firm Name	Principal business activities	Position held	Date of appointment	Date of resignation/cessation	Direct equity interest (%)	Indirect equity interest (%)
<u>Present involvement:</u>						
Blueline Protectors Sdn Bhd	Security consulting	Director / Shareholder	13 January 2025	-	70.00	-
<u>Previous involvement:</u>						
KOP Mantap Berhad	Investment holdings	Director	1 July 2020	24 September 2021	-	-

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4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(ii) Tai Lee Chuen

Company name/Firm name	Principal business activities	Position held	Date of appointment	Date of resignation/cessation	Direct equity interest (%)	Indirect equity interest (%)
<u>Present involvement:</u>						
MARC Experience	Investment holding company in our Shares	Director / Shareholder	1 July 2024	-	97.96	-
Mission Group Ltd ⁽¹⁾	Dormant with no intended future activities, and previously involved in interactive concept development and management company and licensor for Bomb Battle Malaysia	Shareholder	-	-	5.00	-
<u>Previous involvement:</u>						
Combat Storeship Sdn Bhd	Leasing of real estate property	Director	1 December 2023	5 March 2025	-	-
De Pop Asia Distributor	Import, export, distribute and retail of toys and collection (Sole proprietorship was dissolved on 6 December 2022)	Sole proprietor	6 November 2020	6 December 2022	-	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Company name/Firm name	Principal business activities	Position held	Date of appointment	Date of resignation/cessation	Direct equity interest (%)	Indirect equity interest (%)
De Skates Factory	Operation of roller skates rink (Sole proprietorship was dissolved on 14 February 2025)	Sole proprietor	29 October 2023	14 February 2025	-	-
FEC Asia Distributor	Importing and dealing in video games and other amusement machines and parts (Sole proprietorship was terminated on 10 March 2025)	Sole proprietor	2 June 2010	10 March 2025	-	-
Fun Factory Amusement Park	Family entertainment centre (Sole proprietorship was dissolved on 14 February 2025)	Sole proprietor	27 October 2023	14 February 2025	-	-
MARC Experience Group Sdn Bhd	Dormant	Director	2 October 2024	17 February 2025	-	-
Leafy Tea Sdn Bhd (previously known as Mygap Exhibition and Services Sdn Bhd)	Dormant and previously involved in management of events and exhibitions	Director	8 April 2019	10 March 2025	-	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Company name/Firm name	Principal business activities	Position held	Date of appointment	Date of resignation/cessation	Direct equity interest (%)	Indirect equity interest (%)
Play Box Entertainment	Operation of playland for children (Partnership was terminated on 22 September 2023)	Partner	24 November 2017	22 September 2023	-	-
Redwood Entertainment Sdn Bhd	Entertainment and recreation centre	Director	10 June 2013	22 January 2025	-	-
Richrise Reliance (M) Sdn Bhd	Placing of the "tap tap fun" game machine in shopping complexes (Company was dissolved on 10 February 2023)	Director / Shareholder	23 March 2010	10 February 2023	50.00	-

Note:

- (1) The company is incorporated in the British Virgin Islands. The shareholders will not be renewing its annual fees and as a result, it will eventually be struck off by the relevant registrar and will cease to exist as a legal entity in due course.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

(iii) Ang Sew Fong

Company name/Firm name	Principal business activities	Position held	Date of appointment	Date of resignation/cessation	Direct equity interest (%)	Indirect equity interest (%)
<u><i>Present involvement:</i></u>						
MARC Experience	Investment holding company in our Shares	Director / Shareholder	27 November 2024	-	2.04	-
<u><i>Previous involvement:</i></u>						
Nil						

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4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(iv) Andrea Huang Jia Mei

Company name/Firm Name	Principal business activities	Position held	Date of appointment	Date of resignation/cessation	Direct equity interest (%)	Indirect equity interest (%)
<u>Present involvement:</u>						
Controlrisk Solutions Sdn Bhd	Provision of business management consultancy services, accounting, bookkeeping and auditing activities and tax consultancy.	Director / Shareholder	9 March 2020	-	100.00	-
HE Group Berhad (a public company listed on the Main Market of Bursa Securities)	Investment holding company with a subsidiary involved in the provision of power distribution system, other building systems and works, hook-up and retrofitting of electrical equipment and trading	Independent Non-Executive Director	26 May 2023	-	-	-
KK Sha Consulting Sdn Bhd	Provision of goods and services tax, accountancy and corporate management services.	Director / Shareholder	24 October 2014	-	40.00	50.00 ⁽¹⁾
Sha Tax Services Sdn Bhd	Provision of taxation, accounting, and corporate management services.	Director	10 June 2018	-	-	90.00 ⁽¹⁾

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Company name/Firm Name	Principal business activities	Position held	Date of appointment	Date of resignation/cessation	Direct equity interest (%)	Indirect equity interest (%)
Socialgreen Governance Sdn Bhd	Accounting, bookkeeping and auditing activities, tax consultancy	Director / Shareholder	5 October 2021	-	100.00	-
T&S Advisors Sdn Bhd	To act as consultant, advisors and marketeers and to provide advice, consultancy and marketing of the services in all fields, including insolvencies, mergers and acquisition, corporate recovery, corporate restructuring, initial public offering, secretarial and tax planning	Director / Shareholder	18 September 2014	-	35.00	65.00 ⁽¹⁾
T&S Boardroom Sdn Bhd	Provision of secretarial support services	Director / Shareholder	30 July 2020	-	100.00	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Company name/Firm Name	Principal business activities	Position held	Date of appointment	Date of resignation/cessation	Direct equity interest (%)	Indirect equity interest (%)
Unique Fire Holdings Berhad (a public company listed on the Main Market of Bursa Securities)	Activities of holding companies while its subsidiaries are principally involved in the assembly, manufacture and distribution of active fire protection systems, equipment and accessories for built environment and the distribution of custom graphics designed fire extinguishers, other active fire protection systems, equipment and accessories and related services.	Independent Non-Executive Director	8 October 2021	-	-	-
Yew Lee Pacific Group Berhad (a public company listed on the ACE Market of Bursa Securities)	Investment holding company while its subsidiaries are principally involved in manufacturing of industrial brushes and trading of industrial hardware and machinery parts.	Independent Non-Executive Director	6 August 2021	-	-	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Company name/Firm Name	Principal business activities	Position held	Date of appointment	Date of resignation/cessation	Direct equity interest (%)	Indirect equity interest (%)
<i>Previous involvement:</i>						
Ecoscience International Berhad (a public company listed on the ACE Market of Bursa Securities)	Investment holding, with subsidiaries principally involved in construction of plants and facilities, fabrication of equipment, supply of materials and equipment, fabrication and supply of energy and environmental related equipment, supply of spare parts and construction materials and provision of maintenance services.	Independent Non-Executive Director	2 August 2021	30 May 2025	-	-
Taghill Holdings Berhad (previously known as Siab Holdings Berhad) (a public company listed on the ACE Market of Bursa Securities)	Investment holding, with subsidiaries principally involved in the provision of building construction services and other complementary services such as information and communications technology solutions and services	Independent Non-Executive Director	24 June 2021	31 January 2025	-	-
T & S Secretarial Services Sdn Bhd	Provision of secretarial and management services.	Director / Indirect Shareholder	3 September 2014	12 March 2021	-	100.00 ⁽¹⁾

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Note:

(1) Deemed interest by virtue of her spouse's direct shareholdings in the company.

(v) **Ooi Guan Hoe**

Company name/Firm name	Principal business activities	Position held	Date of appointment	Date of resignation/cessation	Direct equity interest (%)	Indirect equity interest (%)
<i>Present involvement:</i>						
Techbond Group Berhad (a public company listed on the Main Market of Bursa Securities)	Investment holding with subsidiaries involved in developing, manufacturing, trading of industrial adhesives and sealants and providing supporting products and services	Independent Non-Executive Director / Shareholder	2 January 2018	-	0.02	-
Kee Ming Group Berhad (a public company proposed to be listed on the ACE Market of Bursa Securities)	Investment holding with a proposed subsidiary involved in the provision of mechanical and electrical engineering services and provision of maintenance and repair services	Independent Non-Executive Director	26 November 2025 ⁽¹⁾	-	-	-
Teo Capital Partners Sdn Bhd	Property investment company	Director / Shareholder	16 August 2012	-	25.00	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Company name/Firm name	Principal business activities	Position held	Date of appointment	Date of resignation/cessation	Direct equity interest (%)	Indirect equity interest (%)
<i>Previous involvement:</i>						
APB Resources Berhad (a public company on the Main Market of Bursa Securities)	Investment holding with subsidiaries involved in the fabrication of process equipment for the oleo-chemical, oil & gas, energy and petrochemical industries	Independent Non-Executive Director	30 October 2024	25 September 2025	-	-
Dax Venture Sdn Bhd	Application developer	Director	4 January 2023	15 June 2023	-	-
Infraharta Holdings Berhad (a public company listed on the Main Market of Bursa Securities)	Investment holding with subsidiaries involved in construction of buildings and other engineering projects, property development, investment properties and investment holdings, and the money lending business	Independent Non-Executive Director	31 December 2021	30 November 2022	-	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Company name/Firm name	Principal business activities	Position held	Date of appointment	Date of resignation/cessation	Direct equity interest (%)	Indirect equity interest (%)
Next Revenue Sdn Bhd	To carry on business in the provision of facilities of all kinds of indoor games, rental or lease of sports equipment, agent for sport equipment, organiser for games or competitions on all levels, catering of food and beverages for participants, sports-health care supplies and accessories with online booking, ticketing and reservations	Director	4 January 2023	3 March 2023	-	-
Only World Group Holdings Berhad (a public company listed on the Main Market of Bursa Securities)	Investment holding company and provision of management services with subsidiaries involved in the operation of family attractions, food and beverage service outlets and water amusement park	Independent Non-Executive Director	14 June 2013	8 December 2021	-	-
Revenue Commerce Sdn Bhd	Business of technology and development in software applications and loyalty programme applications	Director	4 January 2023	3 March 2023	-	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Company name/Firm name	Principal business activities	Position held	Date of appointment	Date of resignation/cessation	Direct equity interest (%)	Indirect equity interest (%)
Revenue Group Berhad (a public company listed on the Main Market of Bursa Securities)	Investment holding with subsidiaries involved in distribution, deployment, and maintenance of electronic data capture (EDC) terminals, electronic transaction processing services and digital payment services	Director ⁽²⁾	3 January 2023	3 March 2023	-	-
Revenue Harvest Sdn Bhd	General services and general trading in the distribution and maintenance of electronic data capture terminals, provision of merchant acquisition services, as well as electronic transaction processing services, money lending services and activities of holding companies	Director	4 January 2023	3 March 2023	-	-
Revenue Privilege Card Sdn Bhd	Selling of incentive reward points for gift redemption	Director	4 January 2023	3 March 2023	-	-
Revenue Secure Sdn Bhd	Research and development on ICT; computer programming activities; ICT system security	Director	4 January 2023	3 March 2023	-	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Company name/Firm name	Principal business activities	Position held	Date of appointment	Date of resignation/cessation	Direct equity interest (%)	Indirect equity interest (%)
Revenue Solution Sdn Bhd	Renting of credit card machines and acting as commission agents for credit card companies	Director	4 January 2023	3 March 2023	-	-
Revenue Techpark Sdn Bhd	Computer software industry which involves research and development, consultancy and support in all related information technology businesses	Director	4 January 2023	3 March 2023	-	-
Swang Chai Chuan Limited (a public company listed on the Main Board of The Stock Exchange of Hong Kong Limited)	Investment holding with subsidiaries involved in distribution and sales of food and beverages and provision of logistics, warehousing services and others in Malaysia	Independent Non-Executive Director	14 July 2022	1 June 2023	-	-
TCS Group Holdings Berhad (a public company listed on the ACE Market of Bursa Securities)	Investment holding and provision of management services to its subsidiaries, with subsidiaries involved in the provision of construction services for buildings, infrastructure, civil and structural works and other transportation support activities	Independent Non-Executive Director	30 May 2019	14 April 2025	-	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

Company name/Firm name	Principal business activities	Position held	Date of appointment	Date of resignation/cessation	Direct equity interest (%)	Indirect equity interest (%)
Wannapay Sdn Bhd	Operating e-wallet application and provision of electronic commerce services which include online and electronic service provider	Director	4 January 2023	3 March 2023	-	-

Note:

- (1) Ooi Guan Hoe was appointed as an Independent Non-Executive Director subsequent to the LPD.
- (2) Ooi Guan Hoe was appointed as an Independent Non-Executive Director on 1 December 2017 and resigned on 11 November 2022.

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4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(vi) Yap Choo Cheng

Company name/Firm name	Principal business activities	Position held	Date of appointment	Date of resignation/cessation	Direct equity interest (%)	Indirect equity interest (%)
<u>Present involvement:</u>						
TechStore Berhad (a public company listed on the ACE Market of Bursa Securities)	Investment holding company with subsidiaries involved in the provision of enterprise IT services, primarily involving the IT security and automation solutions	Independent Non-Executive Director / Shareholder	10 May 2024	-	0.04	-
<u>Previous involvement:</u>						
Hikmat Duta Holdings Berhad	Investment holding with subsidiaries involved in provision of water supply and sewerage engineering works and other civil engineering works	Director	19 May 2022	30 November 2022	-	-
Mybrainmax PLT	Educational support services for provision of non-instructional services	Partner	14 December 2015	2 April 2024	-	-

As at LPD, the directorships of our Directors in other companies are in compliance with Rule 15.06 of the Listing Requirements as our Directors do not hold more than 5 directorships in public listed companies on Bursa Securities.

The involvement of our Independent Non-Executive Directors in other business activities outside our Group will not affect their commitment and contributions to our Group as their involvement in our Company are to the extent of attending meetings and discharging their responsibilities as independent directors.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.2.4 Remuneration and material benefits-in-kind of our Directors

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our Directors for services rendered to us in their capacities to our Group for the FYEs 2025 and 2026 are as follows:

FYE 2025 (Actual):

	Directors' fees	Salary	Bonus	Allowances and benefits-in-kind	Other emoluments ⁽ⁱ⁾	Total
Name	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Dato' Sri Ramli Bin Mohamed Yoosuf ⁽ⁱⁱ⁾	15	-	-	-	-	15
Tai Lee Chuen	-	660	15	6	84	765
Ang Sew Fong	-	180	19	-	25	224
Andrea Huang Jia Mei ⁽ⁱⁱ⁾	8	-	-	-	-	8
Ooi Guan Hoe ⁽ⁱⁱ⁾	8	-	-	-	-	8
Yap Choo Cheng ⁽ⁱⁱ⁾	8	-	-	-	-	8

FYE 2026 (Proposed):

	Directors' fees	Salary	Bonus ⁽ⁱⁱⁱ⁾	Allowances and benefits-in-kind	Other emoluments ⁽ⁱ⁾	Total
Name	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Dato' Sri Ramli Bin Mohamed Yoosuf	120	-	-	-	-	120
Tai Lee Chuen	-	660	18	33	84	795
Ang Sew Fong	-	192	18	-	45	255
Andrea Huang Jia Mei	60	-	-	-	-	60
Ooi Guan Hoe	60	-	-	-	-	60
Yap Choo Cheng	60	-	-	-	-	60

Notes:

- (i) These comprise contributions to EPF, SOCSO and EIS.
- (ii) Dato' Sri Ramli Bin Mohamed Yoosuf, Andrea Huang Jia Mei, Ooi Guan Hoe and Yap Choo Cheng were appointed to our Board on 15 May 2025. Hence, the total for FYE 2025 is based on pro rata basis.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*CONT'D*)

- (iii) The final bonus will be determined later based on the individual's performance as well as our Group's business performance and cash flows at the time of assessment.

The remuneration of our Directors must be considered and recommended by our Remuneration Committee and subsequently be approved by our Board. Our Directors' fees must be further approved/endorsed by our shareholders pursuant to an ordinary resolution passed at a general meeting.

4.3 BOARD PRACTICES

Our Board is responsible in leading and managing our Company in an effective and responsible manner and all our Directors have an equal responsibility for our operations and corporate accountability.

With the limit set by our Constitution, our Board is responsible for the governance and management of our Company, which include reviewing and adopting a strategic plan and direction for our Group, overseeing the conduct and performance of our Group's businesses to evaluate whether our businesses are being properly managed, identifying our Group's principal risks and ensuring the implementation of appropriate internal controls and mitigation measures, establishing a succession plan for our senior management, as well as reviewing the adequacy and the integrity of the management information and internal control system of our Group.

4.3.1 Term of office of our Board

The details of our Directors, all of whom are Malaysians, the expiration of each of their current term of office and the period they have served in office as at the LPD are as follows:

Name	Age	Designation	Date of appointment	Date of expiration of the current term of office	Approximate no. of years in office up to the LPD
Dato' Sri Ramli Bin Mohamed Yoosuf	60	Independent Non-Executive Chairman	15 May 2025	Shall retire at our 1st AGM to be held in 2025	Less than 1 year
Tai Lee Chuen	53	Executive Director/ CEO	6 February 2025	Shall retire at our 1st AGM to be held in 2025	Less than 1 year
Ang Sew Fong	48	Executive Director/ Head of Human Resources and Administration	6 February 2025	Shall retire at our 1st AGM to be held in 2025	Less than 1 year
Andrea Huong Jia Mei	43	Independent Non-Executive Director	15 May 2025	Shall retire at our 1st AGM to be held in 2025	Less than 1 year
Ooi Guan Hoe	50	Independent Non-Executive Director	15 May 2025	Shall retire at our 1st AGM to be held in 2025	Less than 1 year

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

Name	Age	Designation	Date of appointment	Date of expiration of the current term of office	Approximate no. of years in office up to the LPD
Yap Choo Cheng	51	Independent Non-Executive Director	15 May 2025	Shall retire at our 1st AGM to be held in 2025	Less than 1 year

In accordance with our Constitution, at the first AGM of our Company, all our Directors shall retire from office and be eligible for re-election and an election of Directors shall take place each year at the AGM of our Company where 1/3 of our Directors who are subject to retirement by rotation 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 that all Directors shall retire from office at least once in every 3 years. A retiring Director shall be eligible for re-election. A Director retiring at a meeting shall retain office until the conclusion of the meeting.

Our Board acknowledges and takes cognisance of the MCCG 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 Board is committed to achieving and sustaining high standards of corporate governance. We have considered and adopted additional best practices and guidance set out in the MCCG which include the following:

- (i) the non-involvement of our Chairman in our Audit and Risk Management Committee, Nomination Committee and Remuneration Committee;
- (ii) at least half of our Board comprise Independent Non-Executive Directors;
- (iii) at least 30% women directors on our Board;
- (iv) the Chairman and CEO are being held by different persons and our chairman is an Independent Non-Executive Director; and
- (v) the Nomination Committee chaired by an Independent Non-Executive Director.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*CONT'D*)

Audit and Risk Management Committee

Our Audit and Risk Management Committee was formed by our Board on 15 May 2025. The members of our Audit and Risk Management Committee consist of the following:

Name	Designation	Directorship
Ooi Guan Hoe	Chairman	Independent Non-Executive Director
Andrea Huong Jia Mei	Member	Independent Non-Executive Director
Yap Choo Cheng	Member	Independent Non-Executive Director

Our Audit and Risk Management Committee undertakes, amongst others, the following functions:

Financial reporting

To review and approve the quarterly and annual financial statements of our Group for recommendation to the Board, focusing particularly on:

- (i) any changes in or implementation of major accounting policies and practices;
- (ii) significant matters highlighted, including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;
- (iii) significant adjustments arising from the audit;
- (iv) compliance with accounting standards and other regulatory or legal requirements; and
- (v) going concern assumption.

Risk management and internal control

- (i) to consider the effectiveness of the risk management and internal control framework adopted within the Group and to be satisfied that the methodology employed allows identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to mitigate losses and maximise opportunities;
- (ii) to assess processes and procedures to ensure compliance with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;
- (iii) to ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored;
- (iv) to cause reviews to be made of the extent of compliance with established internal policies, standards, plans and procedures;

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (v) to recommend to the board steps to improve the system of internal control derived from the findings of the internal and external auditors and from the consultations of the audit and risk management committee itself; and
- (vi) to report to the board any suspected frauds or irregularities, serious internal control deficiencies or suspected infringement of laws, rules and regulations which come to its attention and are of sufficient importance to warrant the attention of the board.

Internal audits

- (i) to review the adequacy of the scope, functions, competency and resources and that it has the necessary authority to carry out its work;
- (ii) to review and approve the internal audit plan and the internal audit report and, where necessary, ensure that appropriate actions are taken on the recommendations made by the internal audit function;
- (iii) to receive and review on a regular basis the reports, findings and recommendations of the internal audit team and/or outsourced internal auditors and to ensure that appropriate actions have been taken to implement the audit recommendations;
- (iv) to ensure the internal audit team and/or outsourced internal auditors have full, free and unrestricted access to all activities, records, property and personnel necessary to perform its duties; and
- (v) to review any matters concerning the employment or appointment (and re-appointment) of the in-house and/or the outsourced internal auditors (as the case may be) and the reasons for resignation or termination of either party.

External audits

- (i) to review the engagement, compensation, performance, qualifications and independence of the external auditors, its conduct of the annual statutory audit of the financial statements, and the engagement of external auditors for all other services;
- (ii) to discuss with the external auditors before the audit commences, their audit plan, the nature and scope of their audit;
- (iii) to review any matters concerning the appointment and re-appointment, audit fee and any questions of resignation or dismissal of the external auditors;
- (iv) to review the external auditors' management letter and management's response to their improvement suggestions;
- (v) to review the external auditors' findings arising from audits, particularly any comments and responses in audit recommendations as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken; and
- (vi) to conduct an annual evaluation of the performance of the external auditors and undertaking follow-up measures, where required.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

Others

- (i) to review any related party transactions (including recurrent related party transactions) and conflict of interest situation (including any potential conflict of interest) that may arise within our Group (including any transaction, procedure or course of conduct that raises questions of management integrity) and report the same to our Board;
- (ii) to review any related party transaction entered into by our Company or our Group and to determine if such transactions are undertaken on an arm's length basis and normal commercial terms, on terms not more favourable to the related parties than those generally available to the public, and to ensure that our Directors report such transaction annually to the shareholders in the annual report;
- (iii) to perform the oversight function over the administration of whistleblowing policy that is approved and adopted by our Board and to protect the values of transparency, integrity, impartiality and accountability where our Group conduct our business and affairs;
- (iv) have the resources which are required to perform its duties, including assigning a competent person or function to be responsible for all anti-corruption and anti-bribery compliance matters;
- (v) ensure the internal and external trainings in relation to anti-corruption and anti-bribery are developed for Directors, senior management and all employees; and
- (vi) to review and verify the allocation of options or granting of shares to employees under employees' share issuance scheme, if any.

4.3.2 Nomination Committee

Our Nomination Committee was formed by our Board on 15 May 2025. The members of our Nomination Committee consist of the following:

Name	Designation	Directorship
Andrea Huong Jia Mei	Chairman	Independent Non-Executive Director
Ooi Guan Hoe	Member	Independent Non-Executive Director
Yap Choo Cheng	Member	Independent Non-Executive Director

Our Nomination Committee undertakes, amongst others, the following functions:

- (i) to assist our Board in ensuring that our Board is of an effective composition, mix of skills, independence, diversity, size and commitment to discharge its responsibilities and duties adequately;
- (ii) to recommend to our Board, candidates for all directorship vacancies to be filled;

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

- (iii) to recommend to our Board, candidates to fill the seats on Board committees and recommend to our Board in respect of Directors' independence and conflicts of interests, if any, and the steps to be taken to manage potential conflicts of interest;
- (iv) to evaluate the performance and effectiveness of our Board and the relevant Board committees annually;
- (v) to assess the independence of the Independent Non-Executive Directors annually;
- (vi) to assess the skill gaps and training needs of each Director, review the fulfilment of such training and disclose such details in the annual report as appropriate;
- (vii) to ensure an appropriate framework and succession planning our Board and management succession, including the future chairperson, executive directors and CEO;
- (viii) to assess the effectiveness of our Board as a whole annually, the Board committees and contribution of each individual Director to determine whether such Directors or Board committees and its members (as the case may be) have carried out their duties in accordance with the Board Charter and their respective terms of reference. All assessments and evaluations carried out by the Nomination Committee in the discharge of its functions should be properly documented; and
- (ix) to review the tenure of each Director and perform annual re-election of Directors with consideration of satisfactory evaluation on their performance and contribution.

4.3.3 Remuneration Committee

Our Remuneration Committee was formed by our Board on 15 May 2025. The members of our Remuneration Committee consist of the following:

Name	Designation	Directorship
Yap Choo Cheng	Chairman	Independent Non-Executive Director
Andrea Huang Jia Mei	Member	Independent Non-Executive Director
Ooi Guan Hoe	Member	Independent Non-Executive Director

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*CONT'D*)

Our Remuneration Committee undertakes, amongst others, the following functions:

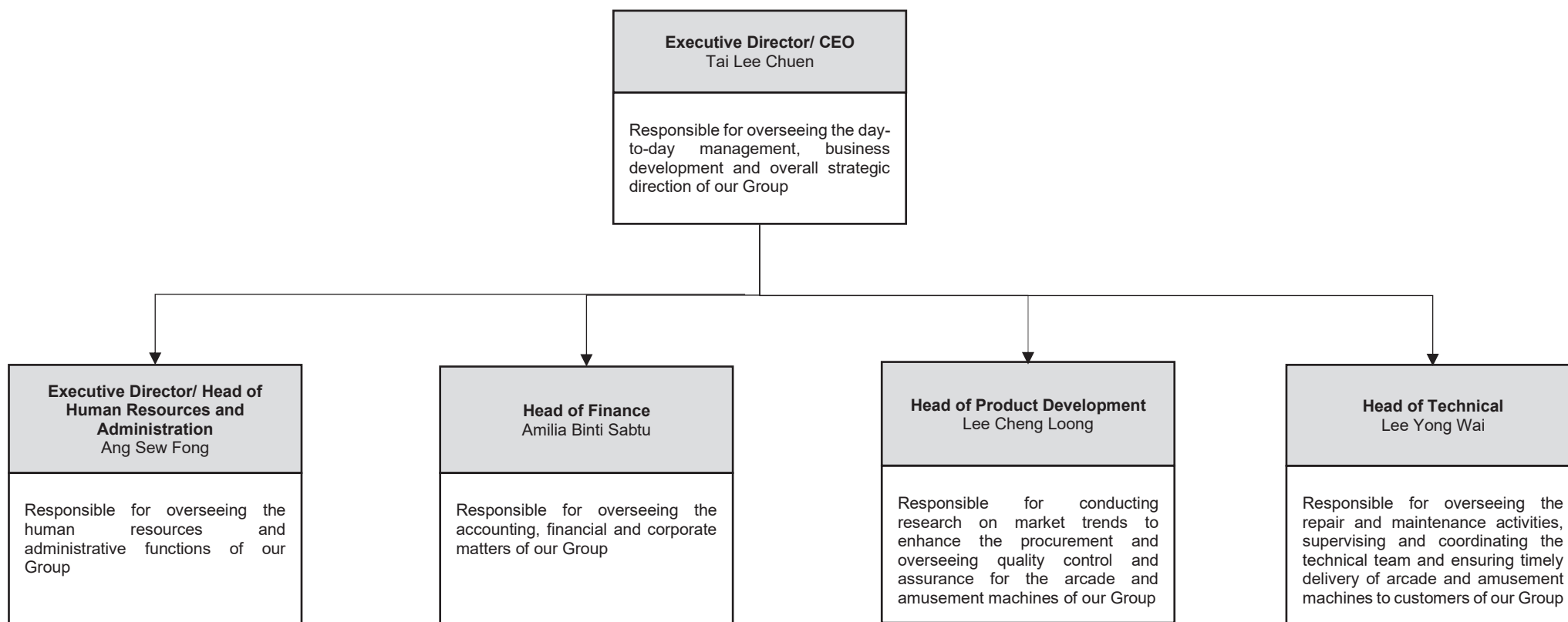
- (i) to set, review, recommend and advise the policy framework relating to the remunerations of our Directors and Key Senior Management;
- (ii) to review and recommend to our Board the remuneration packages of our Directors (both executive and non-executive) and Key Senior Management including bonuses, incentives, benefits-in-kind, severance payments, any grant of entitlement under share scheme (where applicable) based on merit, qualification and competence taking into consideration the operating results, individual performance and comparable market statistics;
- (iii) to review the history of and proposals for the remuneration package of each of the Board committees; and
- (iv) ensure frequent communication with the Nomination Committee to align remuneration policies and procedures to succession planning and ensure risk outcomes are adequately considered in the design of remuneration policies and procedures.

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4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*CONT'D*)

4.4 MANAGEMENT REPORTING STRUCTURE

The following chart illustrates the management reporting structure of our Group:



4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

4.5 KEY SENIOR MANAGEMENT

4.5.1 Shareholdings of our Key Senior Management

Save for the shareholdings of Tai Lee Chuen and Ang Sew Fong, being our Executive Director/ CEO and Executive Director/ Head of Human Resources and Administration, respectively, which have been set out in Section 4.2.1 of this Prospectus, the details of our Key Senior Management and their respective shareholdings in our Company as at the LPD and after our IPO (assuming each of our Key Senior Management subscribes in full for their respective entitlements under the Pink Form Allocations as set out in Section 3.3.1(ii) of this Prospectus) are as follows:

Name	Designation	Before our IPO/ As at the LPD				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	(i)%	No. of Shares	(i)%
Amilia Binti Sabtu	Head of Finance	-	-	-	-	400,000	0.11	-	-
Lee Cheng Loong	Head of Product Development	-	-	-	-	400,000	0.11	-	-
Lee Yong Wai	Head of Technical	-	-	-	-	400,000	0.11	-	-

Note:

(i) Based on the enlarged issued share capital of 360,000,000 Shares after our IPO.

None of our Key Senior Management are representatives of any corporate shareholder.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*CONT'D*)

4.5.2 Profiles of our Key Senior Management

The profiles of our other Key Senior Management are as follows:

(i) Amilia Binti Sabtu

Amilia Binti Sabtu, a Malaysian, aged 52, is the Head of Finance. She is responsible for overseeing the accounting, financial and corporate matters of our Group.

In 1997, she obtained her Bachelor of Accountancy with Honours from Universiti Utara Malaysia, Kedah. In 2001, she was admitted as a member of the Malaysian Institute of Accountants.

In 1997, she began her career as Associate (Audit and Assurance Division, Services Unit) with Arthur Andersen & Co, where she was responsible for statutory and special audits for a diverse range of clients and carrying out reviews of consolidation, business performance, cashflow, internal controls and regulatory compliance matters. She left Arthur Anderson & Co as a Senior Associate in 2002.

In the same year, she joined Nationwide Express Courier Services Berhad, as Head of Internal Audit, where she was responsible for overseeing the department's operations, developing audit plans, reporting of audit findings to the audit committee, advising on management improvements as well as overseeing staff recruitment and development. In 2004, she was transferred and promoted to Head of Financial Reporting and Treasury Department, where her scope of responsibilities included overseeing the preparation of financial reports, which included monthly management reports for all companies in the group, quarterly announcements on Bursa Securities, annual reports and financial statements for branches and the region, management of annual budgeting, audit and taxation processes, and cost control measures. She was also responsible for financial operations and treasury of the group. In 2013, she was further promoted to Senior Manager, Finance, where her role expanded to include overseeing the company's debtors and collection activities.

In 2018, she left Nationwide Express Courier Services Berhad and joined Yayasan AMIR as Head of Finance and Support Services Unit, where she was responsible for managing the operational budget, overseeing audit and taxation process as well as preparation of management reports, financial projections, establishing internal policies and enhancing internal controls. She was also responsible for amongst others, treasury, legal, secretarial, administration, and human capital functions.

In 2021, she left Yayasan AMIR and joined Sapura Resources Berhad, a company listed on the Main Market of Bursa Securities, as Head of Financial Accounting and Taxation, where she was responsible for the overall group financial reporting and taxation, and financial operations. She was also responsible for coordinating the annual property valuations and ESG reporting, and the quarterly risk management and internal audit processes performed by the relevant external consultants. During her tenure in Sapura Resources Berhad, she was appointed as Acting Head of Corporate Planning and Treasury from January to June 2022 and from February to April 2024 where she was responsible for monitoring the group's treasury, budgeting process, preparation of financial data required for corporate exercises, developing financial models for investment properties and conducting discounted cash flow analysis. She was also appointed as a director of Mercu Sapura Sdn Bhd, a subsidiary of Sapura Resources Berhad and served from 2022 to 2024.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

In July 2024, she left Sapura Resources Berhad and took a brief career break prior to joining our Group in December 2024 as our Head of Finance, a role she holds to-date.

As at the LPD, she does not hold any directorship in any public listed companies or private limited companies.

She does not have any relationship with our Promoters, substantial shareholders, Directors, and Key Senior Management.

(ii) Lee Cheng Loong

Lee Cheng Loong, a Malaysian aged 38, is the Head of Product Development. He is responsible for conducting research on market trends to enhance the procurement of our Group's arcade and amusement machines and overseeing the quality control and assurance for arcade and amusement machines.

He completed his primary education in SJK(C) Sentul Pasar Peng Ming, Kuala Lumpur in 1999. He then attended secondary education at Methodist Boys' School, Kuala Lumpur until 2002.

In 2004, he began his career as a Branch Technician with Marvellous Theme Sdn Bhd, where he was responsible for daily inspection of arcade and amusement machines across all branches of the company as well as the procurement of arcade and amusement machine components.

In 2007, he left Marvellous Theme Sdn Bhd and took a career break to focus on family commitments. During this period, he undertook various freelance and part-time roles, primarily providing delivery services.

In 2008, he joined Julga SK Internet as Area Technician where he was responsible for the management of arcade and amusement machines across branches of the company within a designated area as well as the coordination and management of the working schedule of the technicians.

In 2012, he left Julga SK Internet and joined FEC Asia Distributor as a Store Technician, a sole proprietorship owned by the Executive Director/ CEO, Tai Lee Chuen, where he was responsible for reconditioning old arcade and amusement machines and repairing the printed circuit boards of the machines.

In 2014, he was transferred from FEC Asia Distributor to join our Group and was promoted to Head of Technical, where he was responsible for resolving product-related technical issues, performing inspections on arcade and amusement machines placed across various locations in Malaysia, as and when required, testing new arcade and amusement machines and evaluating new technologies as part of market research. In 2022, he was promoted to Head of Product Development, where he is responsible for conducting market research of arcade and amusement machine trends and innovations, leveraging these insights to procure arcade and amusement machines with new technologies for our Group. He is also responsible for identifying target markets and conducting demand analysis, defining product positioning and value propositions, and overseeing quality control and assurance in relation to our Group's arcade and amusement machines, a position he holds to-date.

As at the LPD, he does not hold any directorship in any public listed companies or private limited companies.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

He does not have any relationship with our Promoters, substantial shareholders, Directors, and Key Senior Management.

(iii) Lee Yong Wai

Lee Yong Wai, a Malaysian aged 34, is the Head of Technical. He is responsible for overseeing the repair and maintenance activities, supervising and coordinating the technical team and ensuring the timely delivery of arcade and amusement machines to customers.

In 2017, he obtained his Bachelor of Engineering (Honours) majoring in Electronic Engineering from Universiti Tunku Abdul Rahman, Perak.

In 2017, he began his career as a Technician with SNS Network Services Sdn Bhd, a wholly-owned subsidiary of SNS Network Technology Berhad, a company listed on the Main Market of Bursa Securities, where he was responsible for checking and repairing ICT hardware and peripherals. In the same year, he left SNS Network Services Sdn Bhd and joined Iconix Systems and Solutions Sdn Bhd as Application Engineer, where he was responsible for carrying out sales activities, setting up of point-of-sales (POS) systems for new clients as well as the handling of after sales services.

In March 2021, he was transferred to Iconix Consulting Sdn Bhd as Project Manager, where he was responsible for the development of a software used to improve the efficiency of the company's internal processes as well as for use by clients. Additionally, he was also responsible for identifying clients' requirements, customer service, and project implementation activities including system testing, setup, configuration, data migration, and routine maintenance.

In October 2021, he left Iconix Consulting Sdn Bhd and joined our Group as Technician, where he was responsible for repairing and overseeing the assembly and disassembly processes of the arcade and amusement machines for clients within Peninsular Malaysia as well as supervising and coordinating the technical team. In May 2022, he was promoted to Head of Technical where his responsibility expanded to include ensuring the timely transportation of arcade and amusement machines to our clients' premises and conducting inspections on arcade and amusement machines located nationwide, as and when required, a position he holds to-date.

As at the LPD, he does not hold any directorship in any public listed companies or private limited companies.

He does not have any relationship with our Promoters, substantial shareholders, Directors and Key Senior Management.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

4.5.3 Involvement of our Key Senior Management in other principal business activities outside our Group

Save for the involvement of Tai Lee Chuen and Ang Sew Fong, being our Executive Director/ CEO and Executive Director/ Head of Human Resources and Administration, respectively, which have been set out in Section 4.2.3 of this Prospectus, the principal business activities performed by our Key Senior Management outside our Group as at the LPD and their present directorships in companies outside our Group and in the past 5 years preceding the LPD are as follows:

(i) **Amilia Binti Sabtu**

Company name/Firm name	Principal business activities	Position held	Date of appointment	Date of resignation/cessation	Direct equity interest (%)	Indirect equity interest (%)
<u>Present involvement:</u>						
Nil	-	-	-	-	-	-
<u>Previous involvement:</u>						
Mercu Sapura Sdn Bhd	Dormant and previously carry out property development transactions and investment holding	Director	10 June 2022	24 July 2024	-	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*CONT'D*)

(ii) Lee Cheng Loong

Company name/Firm name	Principal business activities	Position held	Date of appointment	Date of resignation / cessation	Direct equity interest (%)	Indirect equity interest (%)
<i>Present involvement:</i>						
Nil	-	-	-	-	-	-
<i>Previous involvement:</i>						
Dyno 2 Technology	Dormant and previously involved in online retailing (Sole proprietorship was terminated on 6 March 2025)	Sole proprietor	2 January 2022	6 March 2025	-	-
MARC Experience Group Sdn Bhd	Dormant	Director	2 October 2024	17 February 2025	-	-
MARC Experience	Investment holding company in our Shares	Director	1 July 2024	27 November 2024	-	-
Mercury Stage Enterprise	Dormant and previously involved in western food & café	Partner	9 July 2020	5 March 2025	-	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(iii) Lee Yong Wai

Company name/Firm name	Principal business activities	Position held	Date of appointment	Date of resignation / cessation	Direct equity interest (%)	Indirect equity interest (%)
<u>Present involvement:</u> KL Minsu Property Management	Property management to manage long term & short-term rental	Partner	30 January 2022	-	-	-
<u>Previous involvement:</u> KL Minsu Interior Design & Renovation	Property management, interior design, renovation, maintenance to furnish and provide interior design solution for property, minor and major renovation for property, maintenance work for property (Sole proprietorship was terminated on 3 August 2023)	Sole proprietor	18 January 2021	3 August 2023	-	-

The involvement of our Key Senior Management, Lee Yong Wai, in the business activities outside our Group does not give rise to any existing or potential conflict of interest situation with our business and will not affect his commitment, ability to perform his responsibilities and continued contribution to the day-to-day management and operations of our Group as he is not involved in the daily operations of the business which is managed by his business partner.

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4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*CONT'D*)

4.5.4 Remuneration and material benefits-in-kind of our Key Senior Management

Save for the aggregate remuneration and material benefits-in-kind paid and proposed to be paid to Tai Lee Chuen and Ang Sew Fong, being our Executive Director/ CEO and Executive Director/ Head of Human Resources and Administration respectively, which have been set out in Section 4.2.4 of this Prospectus, the aggregate remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our other Key Senior Management for services rendered to us in their capacities to our Group for the FYEs 2025 and 2026 are as follows:

Name	Remuneration band	
	FYE 2025 (Actual)	FYE 2026 (Proposed)
	RM'000	RM'000
Amilia Binti Sabtu	50 - 100 ⁽ⁱ⁾	200 - 250
Lee Cheng Loong	150 - 200	150 - 200
Lee Yong Wai	50 - 100	50 - 100

Note:

- (i) Amilia Binti Sabtu was appointed as Head of Finance on 26 December 2024 and her actual remuneration is computed based on pro rata basis. Prior to the appointment of Amilia Binti Sabtu, the financial matters were managed by our Finance Controller, a qualified accountant who remains with our Group and now reports directly to Amilia Binti Sabtu, our Head of Finance.

4.6 SERVICE CONTRACTS

As at the LPD, we do not have any existing or proposed service contract with our Directors and/or Key Senior Management, which provides for benefits upon termination of employment.

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4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.7 ASSOCIATIONS OR FAMILY RELATIONSHIPS BETWEEN OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Save as disclosed below, there is no association or family relationship between any of our Promoters, substantial shareholders, Directors and Key Senior Management as at the LPD:

Name	Position	Relationship
MARC Experience	Promoter and substantial shareholder	Tai Lee Chuen and Ang Sew Fong are the directors and shareholders of MARC Experience
Tai Lee Chuen	Promoter, substantial shareholder, Director and Key Senior Management	- Spouse of Ang Sew Fong - Director and substantial shareholder of MARC Experience
Ang Sew Fong	Director and Key Senior Management	- Spouse of Tai Lee Chuen - Director and shareholder of MARC Experience

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4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.8 DECLARATION BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

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) as at the LPD:

- (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 or she was a partner or any corporation of which he or she 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 or her or its 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 or her or its 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 or her or it 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.

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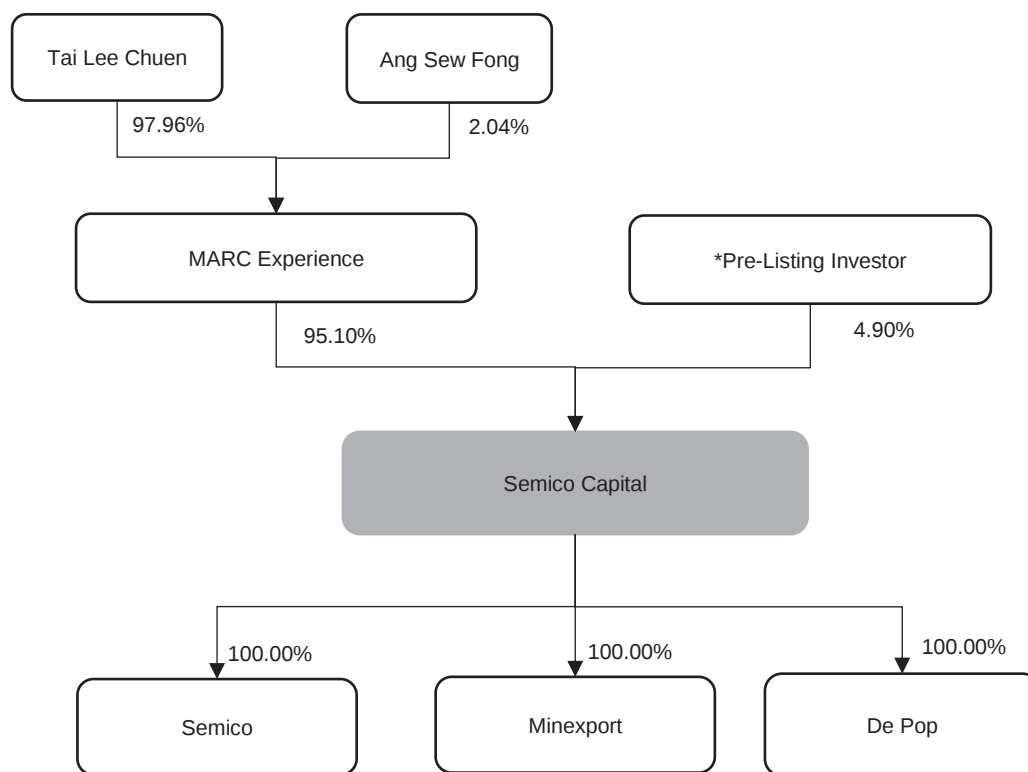
5. INFORMATION ON OUR GROUP

5.1 OUR COMPANY

Our Company was incorporated in Malaysia under the Act on 14 October 2024 as a private company limited by shares under the name of Basil Park Sdn Bhd. On 11 April 2025, our Company changed its name to Semico Capital Sdn Bhd. Subsequently, on 7 May 2025, our Company was converted to a public limited company to facilitate our Listing and assumed our current name.

We are an investment holding company. Through our subsidiaries, we are principally involved in (i) the provision of family entertainment products and services encompassing the supply of arcade and amusement machines and the operation and management of a family entertainment centre; and (ii) the wholesale and distribution of toys and collectables.

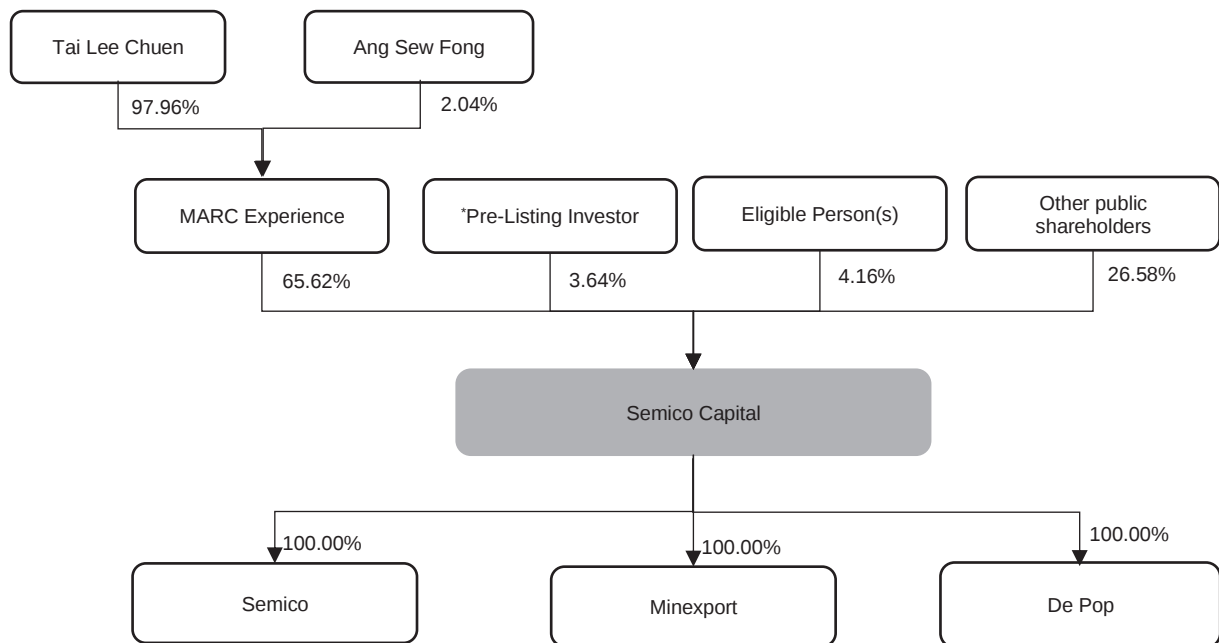
As at the LPD, our group structure is as follows:



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5. INFORMATION ON OUR GROUP (CONT'D)

Upon Listing, our group structure will be as follows:



Note:

* Please refer to Section 5.1.2 of this Prospectus for further details on the Pre-Listing Investor.

Please refer to Section 5.2 of this Prospectus for further details on our subsidiaries.

5.1.1 Acquisitions

In conjunction with, and as an integral part of our Listing, the details of the Acquisitions are as follows:

(i) Acquisition of Semico

On 14 March 2025, our Company acquired the entire issued share capital in Semico comprising 100,000 ordinary shares from the vendor for a purchase consideration of RM4,536,330.75. The purchase consideration was wholly satisfied via the issuance of 144,010,500 new Shares at an issue price of RM0.0315 per Share to the following vendor:

Vendor	Shareholding in Semico		Purchase Consideration RM	No. of new Shares issued
	No. of shares	%		
MARC Experience	100,000	100.00	4,536,330.75	144,010,500

The purchase consideration of Semico of RM4,536,330.75 was arrived at on a willing-buyer willing-seller basis, after taking into consideration the adjusted audited NA of Semico (after adjusting for dividend declared and paid of RM1,620,000) as at 30 June 2024 of RM4,536,332. The Acquisition of Semico was completed on 14 March 2025 and thereafter, Semico became a wholly-owned subsidiary of our Company.

5. INFORMATION ON OUR GROUP (CONT'D)

(ii) Acquisition of Minexport

On 14 March 2025, our Company acquired the entire issued share capital in Minexport comprising 500,000 ordinary shares from MARC Experience for a cash consideration of RM1.00.

The purchase consideration of Minexport of RM1.00 was arrived at on a willing-buyer willing-seller basis, after taking into consideration the audited net liabilities of Minexport as at 30 June 2024 of RM258,706. The Acquisition of Minexport was completed on 14 March 2025 and thereafter, Minexport became a wholly-owned subsidiary of our Company.

(iii) Acquisition of De Pop

On 14 March 2025, our Company acquired the entire issued share capital in De Pop comprising 100,000 ordinary shares from the vendor for a purchase consideration of RM3,471,901.65. The purchase consideration was wholly satisfied via the issuance of 110,219,100 new Shares at an issue price of RM0.0315 per Share to the following vendor:

Vendor	Shareholding in De Pop		Purchase Consideration RM	No. of new Shares issued
	No. of shares	%		
MARC Experience	100,000	100.00	3,471,901.65	110,219,100

The purchase consideration of De Pop of RM3,471,901.65 was arrived at on a willing-buyer willing-seller basis, after taking into consideration the audited NA of De Pop as at 30 June 2024 of RM3,471,903. The Acquisition of De Pop was completed on 14 March 2025 and thereafter, De Pop became a wholly-owned subsidiary of our Company.

5.1.2 Pre-Listing Investor Subscription

On 24 March 2025, the Pre-Listing Investor had entered into a subscription agreement with our Company to subscribe for 13,099,100 new Shares, representing approximately 5.15% of the issued share capital of 254,230,100 after the Acquisitions, at an issue price of RM0.1543 per Share, for a total subscription price of RM2,021,191.13. The subscription price was satisfied entirely by cash.

The total subscription price of RM2,021,191.13 was determined after taking into consideration the valuation of our Group of approximately RM41.25 million based on our management's estimated PAT of our Group of RM7.50 million for the FYE 2025 and a price-earnings-multiple of approximately 5.50 times. The subscription was completed on 27 March 2025. After the completion of the subscription, the Pre-Listing Investor holds 4.90% equity interest in Semico Capital. The fund raised from the Pre-Listing Investor Subscription were utilised for working capital purposes.

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5. INFORMATION ON OUR GROUP (CONT'D)

The salient terms of the Pre-Listing Investor Subscription are set out below:

No. of shares	13,099,100 ordinary shares in our Company (" Subscription Shares ")
Share subscription	The Pre-Listing Investor shall be registered as a shareholder of our Company upon issuance and allotment of the Subscription Shares by our Company.
Reorganisation	In the event of a restructuring involving our Company in connection with the Listing that results in a newly incorporated holding company acquiring the entire equitable interest of our Company's shares, the Pre-Listing Investor shall: (a) dispose of all its shares to the new holding company concurrently with other shareholders by way of share swap at equivalent consideration; and (b) execute all required documents for the share disposal.

The Pre-Listing Investor was incorporated as a limited liability partnership under the Limited Liability Partnerships Act 2012 on 31 July 2023. The partners of the Pre-Listing Investor are Equitic Asset Sdn Bhd and Keithson Neoh Tze Thow.

Equitic Asset Sdn Bhd is a venture capital management corporation registered with and regulated by the SC. It is principally involved in asset/portfolio management. Its shareholders are Lee Chee Tien (30%), Keithson Neoh Tze Thow (30%), Koon Mei Yuen (20%) and Tan Liong Fook (20%). The Directors are Ng Kuan Hua, Keithson Neoh Tze Thow and Lee Hai Peng.

The Pre-Listing Investor does not intend to subscribe for the Issue Shares pursuant to the Public Issue and they are not the selling shareholder.

The Pre-Listing Investor is not related to any of our Promoters, Directors, substantial shareholders and/or Key Senior Management and they do not have any business in common with Semico Capital Group.

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5. INFORMATION ON OUR GROUP (CONT'D)

5.1.3 Share capital

As at the LPD, our issued share capital is RM10,029,440.25 comprising 267,329,200 Shares.

The changes in our issued share capital since the date of our incorporation up to the LPD are as follows:

Date of allotment	No. of Shares allotted	Consideration	Cumulative issued share capital RM
14 October 2024	1	Cash	1.00
27 February 2025	499	Cash	16.72
28 February 2025	254,229,600	Other than cash pursuant to the Acquisitions	8,008,249.12
27 March 2025	13,099,100	Cash	10,029,440.25

None of our Shares were issued at a discount, on special terms or based on instalment payment terms.

Upon completion of our IPO, our enlarged share capital will increase to RM32,572,947.25 comprising 360,000,000 Shares.

As at the LPD, we do not have any outstanding warrants, options, convertible securities or uncalled capital in respect of our Shares.

5.2 OUR SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANY

As at the LPD, the details of our subsidiaries are as follows:

Company/ Registration no.	Date/ Place of incorporation	Principal place of business	Effective equity interest %	Issued share capital RM	Principal activities
Semico (200701019971 (777987-M))	21 June 2007/ Malaysia	Malaysia	100.00	600,000	Supply of arcade and gaming machines and its related services
Minexport (201701011106 (1225271-M))	3 April 2017/ Malaysia	Malaysia	100.00	500,000	Operation and management of family recreational activities
De Pop (202101037334 (1437634-A))	9 November 2021/ Malaysia	Malaysia	100.00	100,000	Wholesale and distribution of toys and collectables, and operation of family recreational and sports activities

5. INFORMATION ON OUR GROUP (CONT'D)

As at the LPD, we do not have any joint venture or associate companies.

5.2.1 Semico

(i) History and business

Semico was incorporated in Malaysia under the Companies Act 1965 (and deemed registered under the Act) on 21 June 2007 as a private company limited by shares under the name of Semico Technology Sdn Bhd.

The principal place of business of Semico is at G-31, Eco Sky, No. 972, Batu 6 1/2, Jalan Ipoh, 68100 Kuala Lumpur. It is currently principally involved in the supply of arcade and gaming machines and its related services.

(ii) Share capital

As at the LPD, the issued share capital of Semico is RM600,000 comprising 600,000 ordinary shares.

The changes in the issued share capital of Semico for the Financial Years Under Review and up to the LPD are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative no. of shares	Cumulative issued share capital RM
3 April 2025	500,000	Otherwise than cash (Bonus issue by way of capitalisation of retained earnings)	600,000	600,000

None of the ordinary shares of Semico were issued at a discount, on special terms or based on instalment payment terms.

As at the LPD, Semico does not have any outstanding warrants, options, convertible securities or uncalled capital in respect of its shares.

(iii) Shareholder

Semico is a wholly-owned subsidiary of our Company.

(iv) Subsidiary, joint venture and associate company

As at the LPD, Semico does not have any subsidiary, joint venture or associate companies.

5. INFORMATION ON OUR GROUP (CONT'D)

5.2.2 Minexport**(i) History and business**

Minexport was incorporated in Malaysia under the Act on 3 April 2017 as a private company limited by shares under the name of Minexport Sdn Bhd.

The principal place of business of Minexport is at The Mines located at L4-02 (P), Level 4, The Mines. It is currently principally involved in the operation and management of family recreational activities.

(ii) Share capital

As at the LPD, the issued share capital of Minexport is RM500,000 comprising 500,000 ordinary shares.

There is no change in the issued share capital of Minexport for the Financial Years Under Review and up to the LPD.

None of the ordinary shares of Minexport were issued at a discount, on special terms or based on instalment payment terms.

As at the LPD, Minexport does not have any outstanding warrants, options, convertible securities or uncalled capital in respect of its shares.

(iii) Shareholder

Minexport is a wholly-owned subsidiary of our Company.

(iv) Subsidiary, joint venture and associate company

As at the LPD, Minexport does not have any subsidiary, joint venture or associate companies.

5.2.3 De Pop**(i) History and business**

De Pop was incorporated in Malaysia under the Act on 9 November 2021 as a private company limited by shares under the name of De Pop Asia Sdn Bhd.

The principal place of business of De Pop is at The Mines located at L4-01C (P), Level 4, The Mines. It is currently principally involved in wholesale and distribution of toys and collectables, operation of family recreational and sports activities.

5. INFORMATION ON OUR GROUP (CONT'D)

(ii) Share capital

As at the LPD, the issued share capital of De Pop is RM100,000 comprising 100,000 ordinary shares.

The changes in the issued share capital of De Pop for the Financial Years Under Review and up to the LPD are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative no. of shares	Cumulative issued share capital RM
9 November 2021	100	Cash	100	100
25 February 2022	10,000	Cash	10,100	10,100
18 January 2023	89,900	Otherwise than cash (Capitalisation of amount owing to directors)	100,000	100,000

None of the ordinary shares of De Pop were issued at a discount, on special terms or based on instalment payment terms.

As at the LPD, De Pop does not have any outstanding warrants, options, convertible securities or uncalled capital in respect of its shares.

(iii) Shareholder

De Pop is a wholly-owned subsidiary of our Company.

(iv) Subsidiary, joint venture and associate company

As at the LPD, De Pop does not have any subsidiary, joint venture or associate companies.

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6. BUSINESS OVERVIEW

6.1 OUR OVERVIEW AND HISTORY

Incorporation

Our Company, Semico Capital, was incorporated in Malaysia under the Act on 14 October 2024 as a private company limited by shares under the name of Basil Park Sdn Bhd. On 11 April 2025, our Company changed its name to Semico Capital Sdn Bhd. Subsequently, on 7 May 2025, our Company was converted to a public limited company to facilitate our Listing and assumed its current name.

Our Company is an investment holding company. Through our subsidiaries, our Group principally provides family entertainment products and services, as well as wholesale and distribution of toys and collectables.

The key events and milestones of our Group are as follows:

Year	Key events and Milestones
2007	- The history of our Group can be traced back to the incorporation of Semico on 21 June 2007 by Ang Sew Fong, the Executive Director/ Head of Human Resources and Administration (spouse of Tai Lee Chuen) and Leong Kon Ngan (mother of Tai Lee Chuen) to venture into the trading and supply of digital entertainment products, particularly used arcade and amusement machines. - Semico began its business by sourcing arcade machines from Tai Industrial Supplies, a sole proprietorship established by our Promoter, substantial shareholder and Executive Director/ CEO, Tai Lee Chuen. Tai Industrial Supplies was established on 11 October 2002 to supply ICT hardware such as computers and peripherals and accounting system software. Tai Lee Chuen built business connections, developed a diverse client portfolio, and gained industry insights and know-how related to arcade and amusement machines, including repair and maintenance. Recognising the potential, he began exploring opportunities in the industry by offering repair services for arcade and amusement machines. Tai Industrial Supplies began to import refurbished arcade and amusement machines from suppliers in Taiwan in 2003, where he would sell them to small theme parks and family entertainment centres as well as to companies involved in the distribution of arcade and amusement machines. As demand increased, Tai Industrial Supplies expanded its supplier network and began to import new arcade and amusement machines from suppliers in China in 2006. - Tai Lee Chuen joined Semico as an advisor and subsequently in 2009, he was redesignated as director of the business development department. Under his stewardship, Semico began to source for refurbished arcade and amusement machines to expand its product portfolio.
2010	- In 2010, Semico sourced its arcade and amusement machines from FEC Asia Distributor, a sole proprietorship established by Tai Lee Chuen on 2 June 2010 to engage in importing and dealings of video games, amusement machines and its related components. FEC Asia Distributor was subsequently terminated on 10 March 2025 with the CCM. - Following the establishment of FEC Asia Distributors, Tai Industrial Supplies was terminated on 26 May 2011 with the CCM as Tai Lee Chuen decided to focus on arcade and amusement machines business. FEC is an acronym for family entertainment centre.

6. BUSINESS OVERVIEW (CONT'D)

Year	Key events and Milestones
2015	Tai Lee Chuen was appointed as a director of Semico on 2 June 2015 and subsequently became a shareholder of Semico on 7 July 2015 by acquiring 1 ordinary share from Leong Kon Ngan. Following Tai Lee Chuen's appointment as a director of Semico, he took up the role of overseeing all departments of Semico, including business development activities and strategic direction. With his entry into Semico as a director, both he and Ang Sew Fong sought to expand Semico's business in the arcade and amusement segment.
2017	On 3 April 2017, Tai Lee Chuen and Soon Sze Yean, a third-party individual, incorporated Minexport to venture into the operation and management of a family entertainment centre, with its sole outlet located in The Mines. Minexport's family entertainment centre began its operations in the same year and features an arcade and amusement machine area together with archery, skating rink and pool tables. It houses arcade and amusement machines across several genres from FEC Asia Distributor and is operated and managed by Minexport. The family entertainment centre is operated under a revenue-sharing model, whereby Minexport and FEC Asia Distributor share revenue generated from the arcade and amusement machines as well as from the archery zone (now skating rink) located in The Mines. Minexport is entitled to monthly revenue-sharing of 50% from arcade and amusement machines, and 40% from the archery zone (now skating rink).
2020	Tai Lee Chuen incorporated De Pop Asia Distributor, a sole proprietorship involved in the import, distribution and retail of toys and collectables including Pop Mart brand of toys and collectables.
2021	- On 9 November 2021, in anticipation of the growing popularity of pop toy collectables, Tai Lee Chuen and Tan Teck Keong, a third-party individual, incorporated De Pop to expand the toy and collectables business and to facilitate access to banking facilities. - Semico was appointed as an exclusive authorised distributor of Superwing to distribute arcade and amusement machines for the Malaysia market.
2022	Following the incorporation of De Pop, De Pop Asia Distributor was terminated on 6 December 2022 with the CCM.
2023	- Our Group was appointed as a non-exclusive distributor of Pop Mart SG in November 2023 to distribute Pop Mart brand of toys and collectables for the Malaysia market. - Our Group began to supply "Initial-D THE ARCADE" arcade machine sourced from Sega Logistics for the Malaysia market in November 2023.
2024	- Subsequent to the expiry of the non-exclusive distributor agreement with Pop Mart SG, our Group was reappointed as a non-exclusive distributor by Pop Mart Malaysia on 1 December 2024 to replace Pop Mart SG to distribute Pop Mart brand of toys and collectables for the Malaysia market. The appointment of the non-exclusive distributorship by Pop Mart Malaysia is effective from 1 January 2025. - Minexport acquired arcade and amusement machines from Semico in January 2024 and discontinued its revenue-sharing model with FEC Asia Distributor in the same month. Subsequently, Minexport acquired additional arcade and amusement machines from FEC Asia Distributor in September 2024. - Semico was appointed as an authorised distributor of UNIS and Jakar since January 2024 and ACE Amusement since August 2024, to distribute arcade and amusement machines for the Malaysia market. - Semico was appointed as an exclusive authorised distributor of Dreamfuns in January 2024 to distribute Color Mix, Color Mix 100, Color 4 and Mini Croissant arcade and amusement machines for the Malaysia market.

6. BUSINESS OVERVIEW (CONT'D)

Year	Key events and Milestones
2025	Semico was appointed as an authorised distributor and sales partner of DOF Robotics since August 2025 to distribute Angry Birds Fury Road arcade and amusement machines for the Malaysia market.

Kindly refer to Section 5.1.1 of this Prospectus for further information on the Acquisitions.

Shareholding changes

Shareholding changes of Semico, Minexport and De Pop are as follows:

(i) Semico

Date	Event
21 June 2007	Ang Sew Fong (spouse of Tai Lee Chuen) and Leong Kon Ngan (mother of Tai Lee Chuen) incorporated Semico and were both allotted 1 new ordinary share in Semico each.
7 July 2015	Tai Lee Chuen acquired 1 ordinary share in Semico from Leong Kon Ngan, representing 50.00% equity interest in Semico at a purchase consideration of RM1.00, when she retired from the business.
10 July 2015	Tai Lee Chuen and Ang Sew Fong had each subscribed for 49,999 new ordinary shares in Semico for a total cash consideration of RM99,998.
14 December 2022	- Ang Sew Fong disposed 45,000 ordinary shares in Semico, representing 45.00% of her equity interest to Tai Lee Chuen for a cash consideration of RM45,000. - As a result, Tai Lee Chuen and Ang Sew Fong held 95,000 and 5,000 ordinary shares in Semico, representing 95.00% and 5.00% equity interest in Semico, respectively.
31 October 2024	- Tai Lee Chuen and Ang Sew Fong disposed their entire equity interest in Semico to MARC Experience for a purchase consideration of RM5,258,500 which was wholly satisfied via the issuance of 105,170,000 new shares in MARC Experience at an issue price of RM0.05 per Share. - Upon completion of the said disposal, Tai Lee Chuen and Ang Sew Fong became shareholders of MARC Experience, receiving 99,911,500 and 5,258,500 new MARC Experience shares, representing 38.84% and 2.04% equity interest in the company respectively.
14 March 2025	MARC Experience disposed its entire equity interest in Semico to our Company for a purchase consideration of RM4,536,330.75 which was wholly satisfied via the issuance of 144,010,500 new Shares at an issue price of RM0.0315 per Share.

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6. BUSINESS OVERVIEW (CONT'D)

(ii) Minexport

Date	Event
3 April 2017	Tai Lee Chuen and Soon Sze Yean, a third-party individual, were allotted 1 new ordinary share in Minexport each.
5 June 2017	- Subsequently Tew Lam Kok, a third-party individual, was invited to invest in Minexport as a shareholder and subscribed for 150,000 new ordinary shares in Minexport for a cash consideration of RM150,000, representing 30.00% equity interest in Minexport. - Soon Sze Yean subscribed for 49,999 new ordinary shares in Minexport for a cash consideration of RM49,999. As a result, Soon Sze Yean, held 10.00% equity interest in Minexport. - Tai Lee Chuen subscribed 299,999 new ordinary shares in Minexport for a cash consideration of RM299,999. As a result, Tai Lee Chuen, held 60.00% equity interest in Minexport.
14 November 2018	Eng Kin Hoong, a third-party individual, was invited to invest in Minexport as a shareholder and acquired 100,000 ordinary shares, representing 20.00% equity interest in Minexport from Tew Lam Kok (50,000 ordinary shares representing 10.00%) and Tai Lee Chuen (50,000 ordinary shares representing 10.00%) for a total cash consideration of RM100,000.
14 May 2024	- The 3 shareholders, namely Soon Sze Yean, Tew Lam Kok and Eng Kin Hoong disposed their entire equity interest in Minexport to Tai Lee Chuen for total cash consideration of RM455,000. The 3 shareholders left to pursue other personal interests. - As a result, Tai Lee Chuen became the sole shareholder of Minexport.
31 October 2024	Tai Lee Chuen disposed his entire equity interest in Minexport to MARC Experience for a cash consideration at RM1.00.
14 March 2025	MARC Experience disposed its entire equity interest in Minexport to our Company for a cash consideration of RM1.00.

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6. BUSINESS OVERVIEW (CONT'D)

(iii) De Pop

Date	Event
9 November 2021	Tai Lee Chuen and Tan Teck Keong, a third-party individual, incorporated De Pop and were each allotted 70 and 30 new ordinary shares in De Pop, representing 70.00% and 30.00% equity interest in De Pop, respectively.
25 February 2022	Tai Lee Chuen and Tan Teck Keong subscribed for 7,000 and 3,000 ordinary shares respectively in De Pop for a total cash consideration of RM10,000, representing 70.00% and 30.00% equity interest in De Pop, respectively.
18 January 2023	Tai Lee Chuen and Tan Teck Keong subscribed for 62,930 and 26,970 ordinary shares in De Pop, representing 70.00% and 30.00% equity interest, respectively for a consideration otherwise than cash of RM89,900 which was capitalised and in settlement of an amount owing by De Pop to Tai Lee Chuen and Tan Teck Keong.
5 June 2024	Tan Chee Wei, a third-party individual, acquired 30,000 ordinary shares in De Pop, representing 30.00% equity interest in De Pop from Tan Teck Keong for a cash consideration of RM30,000, following which Tan Teck Keong ceased to be a shareholder.
31 October 2024	- Tai Lee Chuen and Tan Chee Wei disposed their entire equity interest in De Pop to MARC Experience for a purchase consideration of RM3,744,100 which was satisfied via the issuance of 74,882,000 new MARC Experience shares at an issue price of RM0.05 per share. - Upon completion of the said disposal, Tai Lee Chuen and Tan Chee Wei became shareholders of MARC Experience, receiving 52,417,400 and 22,464,600 new MARC Experience shares, representing 20.38% and 8.73% equity interest in the company respectively.
14 March 2025	MARC Experience disposed its entire equity interest in De Pop to our Company for a purchase consideration of RM3,471,901.65 which was wholly satisfied via the issuance of 110,219,100 new Shares at an issue price of RM0.0315 per Share.

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6. BUSINESS OVERVIEW (CONT'D)

6.2 OUR PRINCIPAL ACTIVITIES

Our Group is principally involved in (i) the provision of family entertainment products and services encompassing the supply of arcade and amusement machines and the operation and management of a family entertainment centre; and (ii) the wholesale and distribution of toys and collectables. Our business is segmented as follows:

Principal Activities	Family entertainment	Toys and collectables
Business Segments	Distribution - Revenue-sharing model - Rental model - Outright sales model Retail - Operation and management of a family entertainment centre	Distribution Wholesale and distribution of toys and collectables
Key Products and Services	- Supply of arcade and amusement machines and related services - Operation and management of a family entertainment centre	Toys and collectables such as: - Action figures - Assembled toys - Blind boxes - Display figures - Trading card games
Key Brands distributed by our Group	- Sega  - Konami - Bandai Namco - Ace Amusement  - Dreamfun  - Wahlap  - Superwing  - UNIS 	- Pop Mart  - Funism  - Jotoys  - ToyCity 
Customer Segments	Distribution - Arcade and amusement machine operators - Family entertainment centre operators - Theme parks operators Retail - End customers	Distribution - Specialised convenience stores - Hobbyist stores - Toy stores - Others - cinemas and family entertainment centre operators
Principal Market	Malaysia	

6. BUSINESS OVERVIEW (CONT'D)

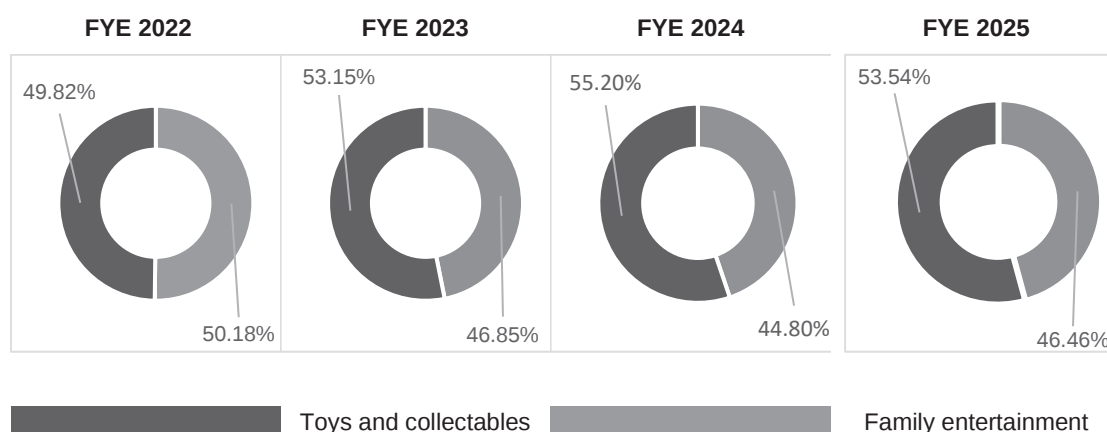
We are a supplier of family entertainment products and services, as well as a wholesaler and distributor of toys and collectables in Malaysia.

Under our family entertainment segment, we supply arcade and amusement machines with various game titles and gameplay, sourced from game developers such as Sega, Bandai Namco, and Konami from Japan and ACE Amusement, Dreamfuns, Wahlap, Superwing and UNIS from China, alongside proprietary titles that are developed by these arcade and amusement machine manufacturers. These arcade and amusement machines are mainly distributed to companies operating family entertainment centres and theme parks.

As part of our family entertainment segment, we operate and manage 1 family entertainment centre located in The Mines which caters to end customers of arcade and amusement machines. It houses a large selection of arcade and amusement machines that include, but are not limited to, racing and motor games, shooting games, music games, card collecting games, simulator games, casual games, sports games, claw and prize machines and kiddie rides. The family entertainment centre also serves as our showroom for potential customers where they can test and experience our arcade and amusement machines that our Group supplies, observe the target demographic and gauge the popularity of these games.

Apart from our family entertainment product segment, our Group also undertake the wholesale and distribution of toys and collectables. These include toys and collectables that are sourced from brands and manufacturers such as Pop Mart, Funism, Jotoys and ToyCity. The toys and collectables distributed are available in various categories, including blind boxes that keep the exact collectable a mystery until the packaging is opened, revealing the random collectable obtained from the possible pool of designs in the series which may also include special limited release designs. These products are distributed to our customers, which include specialised convenience stores, hobbyist stores and toy stores that are involved in retailing toys and collectables, or to arcade operators as game prizes. The wholesale and distribution of toys and collectables are available for outright sales and on consignment basis.

The following details the revenue contribution from our product segments during the Financial Years Under Review.



Our Group's revenue increased by approximately 191.32% from approximately RM5.25 million in FYE 2022 to approximately RM15.30 million in FYE 2023. Revenue continued to increase in FYE 2024 albeit at a slower pace, where it increased by 44.40% to RM22.10 million and continued to expand in FYE 2025, where revenue grew by 34.35% to approximately RM29.69 million.

6. BUSINESS OVERVIEW (CONT'D)

For our family entertainment segment, revenue increased by approximately 171.97% from approximately RM2.64 million in FYE 2022 to approximately RM7.17 million in FYE 2023. The revenue from this segment continued to increase by approximately 38.09% to approximately RM9.90 million in FYE 2024. In FYE 2025, our total revenue from this segment further increased by approximately 39.32% to approximately RM13.79 million.

Similarly, our toy and collectables segment, revenue increased by approximately 210.81% from approximately RM2.62 million in FYE 2022 to approximately RM8.13 million in FYE 2023. The revenue from this segment continued to increase by approximately 49.96% to approximately RM12.20 million in FYE 2024. In FYE 2025, our total revenue from this segment further increased by approximately 30.31% to approximately RM15.90 million.

(i) Family entertainment

Supply of arcade and amusement machines and related services

We supply an array of arcade and amusement machines with various game titles and game plays. These arcade and amusement machines are mainly sourced from game developers such as Sega, Konami and Bandai Namco from Japan and ACE Amusement, Dreamfun, Wahlap, Superwing and UNIS from China, and Jakar from Poland alongside proprietary titles that are developed by these arcade and amusement machine manufacturers. We source arcade and amusement machines via purchase orders on an as-needed basis, without any contracts or minimum order quantity requirement. Orders are placed with arcade and amusement machine game developers, manufacturers and/or via procurement agents.

Our offerings include, but are not limited, to racing and motor games, shooting games, music games, card collecting games, simulator games, casual games, sports games, claw and prize machines and rides. We do not purchase any specific brand for the types of arcade and amusement machines that we supply.

As at the LPD, we have been granted authorised distributorships via letters of award from Superwing, Dreamfun, UNIS, Jakar and DOF Robotics and have entered into a distributorship agreement with ACE Amusement for the distribution of arcade and amusement machines in the Malaysia market. We hold exclusive authorised distributorships for Superwing and Dreamfun, while we serve as authorised distributors for ACE Amusement, UNIS, Jakar and DOF Robotics. These companies are engaged in both the development of games and the manufacturing of arcade and amusement machines.

The table below highlights some of the arcade and amusement machines that we supply:

Arcade Machine Products	
Racing and Motor Games Motor vehicular racing competition video game. Offerings may include experiences with immersive seat and steering wheel motion effects, paired with collision and force feedback technology, spatial surround sound, vibrant liquid-crystal display screens, adjustable difficulty levels, and leaderboards.	

6. BUSINESS OVERVIEW (CONT'D)

Arcade Machine Products	
Shooting Games Ranged armament target aiming video games. Offerings may include moulded armaments for realistic handling, adjustable difficulty levels, vibrant liquid-crystal display screens, and leaderboards.	
Music Games Music oriented video game. Offerings may include classic and popular songs, multiple difficulties, touch screen capabilities, vibrant display screens, and leaderboards.	
Card Collecting Games Collectable trading card incorporated video games. Offerings may include specially designed collectable cards with card rarity systems, vibrant display screens, card readers, and leaderboards.	
Simulator Games Activity simulation video games. Offerings may include immersive seat motion effects, action feedback technology, specially moulded interactive controls, and vibrant display screens.	
Casual Games Mass market targeted video games designed to appeal to a wider casual audience. Offerings include moulded interactive controls, vibrant display screens, and leaderboards.	
Sports Games Video gamified sports. Offerings include traditional sports which game elements such as point multipliers, high scores and leaderboards, sound effects, colourful display screens, and flashing lights.	
Claw and Prize Machines Machines that include mechanical claw operated by joystick controls. Users position and lower the claw over prizes such as plush toys or other prizes in the display cabinet with the objective of grabbing a prize and successfully move it to a chute to be retrieved.	

6. BUSINESS OVERVIEW (CONT'D)

In addition to arcade machines, we also distribute amusement machines which include several types of rides as detailed below:

Amusement Machine Products	
Rides Amusement rides are seated experiences designed for entertainment. Offerings may include simple interactive and engagement elements such as steering wheels and handlebars which do not impact the outcome of the experience.	
7D rides 	Kiddie ride 

Our arcade and amusement machine distribution business employs 3 revenue models, namely the revenue-sharing, rental and outright sales model. The different revenue models allow us to widen our reach to potential customers, whereby the revenue-sharing and rental models allow customers to avoid significant upfront investments.

▪ Revenue-sharing model

Under the revenue-sharing agreement, our Group receives a share of between 50% to 80% of sales generated from the arcade and amusement machines placed at customers' premises. In addition to our revenue-sharing, we also receive 7% of theme park ticket sales from 2 of our customers which operates the theme parks where our arcade and amusement machines are placed at. Out of the 2 customers, 1 customer, being Next Gen Themepark (1U) Sdn Bhd was our major customer for FYE 2023, FYE 2024 and FYE 2025.

Our Group determines the revenue-sharing percentage based on the type of arcade and amusement machine placed at our customer premises. Arcade and amusement machines with higher value, such as *Initial D* arcade machines may warrant a higher revenue-sharing percentage. The charge per play for the arcade and amusement machines is determined by our Group and mutually agreed between both parties before the revenue-sharing agreement is entered into. However, the charges per play may be changed subsequently subject to mutual agreement between the 2 parties depending on the sales performance of the machines.

We generally enter into revenue-sharing agreements for a term ranging from 1 to 5 years, the agreement covers either maintenance frequency of once a week, or as and when required by our Group. Although our customers are obliged to ensure the arcade and amusement machines are properly handled, we typically indemnify our customers against any damages arising from placing our machines in their premises. The revenue-sharing agreement can be terminated in the event of any breach of terms, or by either party giving a notice of termination to the other party.

Over the duration of the revenue-sharing agreement, we retain ownership of the arcade and amusement machines and are responsible for the supply and installation of these machines as well as maintaining and servicing all these machines at our own cost. Our Group will routinely inspect the arcade and amusement machines placed at the customers' premises to ensure they remain in good working condition.

6. BUSINESS OVERVIEW (CONT'D)

Under the revenue-sharing model, the machines to be placed at the outlets are determined upfront and specified in the revenue-sharing agreement. In the event these arcade and amusement machines are underutilised and generating no or minimal sales, subject to agreement with the respective customer, we will reallocate these machines to another location operated by the same customer in order to increase game play and revenue.

The arcade and amusement machines are operated by our customers, who are also responsible for collecting sales generated from the machines. At the beginning of each month, our customers will provide us with a monthly sales report for the preceding month, which is generated based on the meter readings on each arcade and amusement machine. Thereafter, we will issue an invoice to our customer in accordance with sales report and the revenue-sharing percentage as stipulated in the revenue-sharing agreement. To ensure accuracy, our Group will also conduct periodic random checks on the meter readings on the arcade and amusement machines placed at our customer's premises, verifying them against the figures stated in the sales report.

▪ Rental model

Under the rental agreement, the terms primarily specify the monthly rental fee of the arcade and amusement machines, with a contract period ranging from 2 to 5 years. For rental model, our Group will determine the monthly fixed rental for the arcade and amusement machines after mutual agreement with our customers. As at the LPD, Aeon Fantasy is our sole customer under the rental model as it prefers a fixed cost structure for certain types of arcade and amusement machines. These machines under the rental model may also be placed at outlets together with machines under the revenue-sharing model, i.e certain Aeon Fantasy outlets may have machines under both revenue-sharing and rental models.

The agreement typically stipulates that our Group will cover the cost of maintenance and repairs of the arcade and amusement machines. Our customers are obliged to ensure the arcade and amusement machines are properly handled, and we are further indemnified by our customers against any damage to the machines, other than fair wear and tear, during the duration of which the machines are placed at our customers' premise. The rental agreement can be terminated in the event of any breach of terms, or by either party giving a notice of termination to the other party.

Over the duration of the rental arrangement, we retain ownership of the arcade and amusement machines and are responsible for the supply and installation of arcade and amusement machines as well as maintaining and servicing of all these machines at our own costs. Our Group will routinely inspect the arcade and amusement machines placed at the customers' premise to ensure they remain in good working conditions. At the beginning of each month, we issue an invoice to our customer the monthly rental fee payable.

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6. BUSINESS OVERVIEW (CONT'D)

▪ Outright sales model

Our Group decided to adopt outright sales model to cater for customers seeking full control and ownership of the arcade and amusement machines. For outright sales model, pricing of the arcade and amusement machines are based on cost-plus marked-up and is conducted on a purchase order basis. Upon delivery and payment, the ownership of the arcade and amusement machines will be transferred to the customers. Subsequently, any spare parts required for the repair and maintenance of the machines will be charged to the customers after a warranty period of 1 year. These services are provided only upon request.

Customers engage our Group to procure arcade and amusement machines due to our local presence in Malaysia, in contrast to overseas game developers and machine manufacturers who lack a local presence and customer service support. Furthermore, as the authorised distributor for ACE Amusement, UNIS, Jakar, Dreamfuns, Superwing, and DOF Robotics, and given our relationships with game developers such as Sega, Konami, and Bandai Namco in Japan, we are able to provide more comprehensive support to our customers compared to them purchasing directly from the game developers or machine manufacturers.

The revenue contributed from our arcade and amusement machine distribution business based on revenue-sharing model, rental model, and outright sales model for the Financial Years Under Review are detailed as follows:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Revenue-sharing model	1,923	100.00	5,602	90.40	6,359	72.44	8,177	63.81
Rental model	-	-	595	9.60	2,097	23.89	2,543	19.84
Outright sales model	1,923	100.00	6,197	100.00	8,456	96.33	10,720	83.65
	-	-	-	-	322	3.67	2,095	16.35
Total	1,923	100.00	6,197	100.00	8,778	100.00	12,815	100.00

Under our arcade and amusement machine distribution business, revenue-sharing and rental models are the main revenue contributors which contribute 100.00%, 100.00%, 96.33% and 83.65% of our arcade and amusement machine distribution business for the Financial Years Under Review respectively.

The growth in the revenue-sharing and rental models is aligned to the increase in number of arcade and amusement machines during the Financial Years Under Review. This reflects the growth of our revenue-sharing and rental models arising from our customers' confidence in our services, which has led them to rely on us to support their business growth. As our customers scale their operations, they continue to engage us to deploy more arcade and amusement machines, resulting in an increase in our number of machines.

6. BUSINESS OVERVIEW (CONT'D)

The table below sets out the number of arcade and amusement machines owned by our Group, which are placed at our customers' premise as well as the number of customers, under the revenue-sharing and rental models:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025
No. of arcade and amusement machines	58	223	363	650
No. of revenue-sharing customer*	3	4	7	7
No. of rental model customer*	-	1	1	1

Note:

* For avoidance of doubt, the number of customers does not necessarily correspond to the number of outlets they operate under the revenue-sharing and rental models.

Arcade and amusement machines are deemed utilised when placed at customers' location for both the revenue-sharing and rental models. As at FYE 2025, we have a total of 650 arcade and amusement machines, of which 638 arcade and amusement machines are placed at our customers' premises and 12 are not in operation due to flood damage (further details on the flood incident at our customer's premise are set out in Section 8.1.11 of this Prospectus), resulting in a 98.15% utilisation rate of our machines. In October 2025, the 12 non-operational arcade and amusement machines were disposed of to a scrap dealer for RM38,000. The disposal amount was taken into account by the insurance adjuster in determining the insurance claim offered to us by the insurer. In addition, as at FYE 2025, we have a total of 78 arcade and amusement machines, all of which are placed at our family entertainment centre located in The Mines which are fully operational, resulting in a 100.00% utilisation rate.

We do not keep inventory of arcade and amusement machines. Orders for additional machines will only be placed after we receive a purchase order or once a revenue-sharing or rental agreement has been executed.

To ensure arcade and amusement machines are in good working conditions, we provide routine maintenance and servicing service. The routine maintenance and servicing are performed every 3 months where our technical team and outsourced technicians will visit customers' sites. These services include, amongst others, preventive maintenance such as machine and touchpoint inspection, cleaning and touch ups as well as ad hoc maintenance such as repair or replacement of parts. We also provide these services upon customer's request. Our maintenance and servicing activities also include release of new updates of respective games, at the request of our customers.

Operation and management of family entertainment centre

We operate a family entertainment centre located in The Mines. The family entertainment centre spans an area of approximately 18,261.13 sq ft and carries a diverse range of arcade and amusement machines with various genre of games including racing and motor games, shooting games, music games, card collecting games, simulator games, casual games, sports games, claw and prize machines and kiddie rides. In addition, the centre also offers other modes of amusement such as a skating rink and pool tables. Our Group's revenue is generated mainly from token sales that customers purchase and use to play our arcade and amusement machines as well as retail sales from the skating rink and pool tables. We operate a broad range of arcade and amusement options designed to appeal to a diverse range of demographics which include amongst others, teenagers, adults and families.

6. BUSINESS OVERVIEW (CONT'D)

The photos below highlight selected arcade and amusement machines that are available in our family entertainment centre:



As at FYE 2025, our Group's family entertainment centre has 78 arcade and amusement machines. In addition to serving arcade and amusement end customers, the family entertainment centre also serves as a showroom for potential customers, where they can test and experience the arcade and amusement machines that our Group supplies, observe the target demographic as well as gauge the popularity of these games. As at the LPD, we have 5 employees assigned to manage and operate the family entertainment centre.

(ii) Toys and collectables

Our Group is involved in the wholesale and distribution of toys and collectables, in particular pop toys. According to the IMR report, pop toys refer to toys infused with pop culture and other trendy content and can cover a wide range of products including action figures, assembled toys, as well as blind boxes. While traditional toys are generally designed for functional uses such as training coordination and sense stimulation, pop toys feature distinct designs and aesthetics and are mainly collected for display purposes and are sometimes sold in limited editions and contain higher collection value.

Our Group offers toys and collectables from brands and manufacturers, including but not limited to Pop Mart, Funism, Jotoys and ToyCity. As at the LPD, save for our appointment as the non-exclusive authorised distributor of Pop Mart products in Malaysia, we have not been appointed as authorised distributor for Funism, Jotoys and ToyCity. We purchase Funism, Jotoys and ToyCity toys and collectables from brand-owners or distributors via procurement agents. Each brand has several series of figures according to themes and in multiple sizes. Presently, the most popular collectable sales format is blind box format which is a form of packaging that keeps the exact toy a mystery until the packaging is opened, revealing a random art figure obtained from the disclosed pool of designs in the blind box series. As at the LPD, we offer 68 toys and collectables brands for the Malaysia market, and we hold inventories for all brands.

6. BUSINESS OVERVIEW (CONT'D)

Notwithstanding that our Group may act as an authorised or non-exclusive distributor of various toys and collectables brands, we operate independently and are not affiliated with the brand owner(s) of the products distributed by our Group. Any physical retail stores in Malaysia carrying the brands we distribute are independently owned and not operated by us.

As at the LPD, in addition to the Consignment Agreement and Distribution Agreement (as set out in Section 6.14 of this Prospectus), we had also entered into trade agreements, consignment agreements and outright deal terms contract with our customers involved in the operation of retail stores for the distribution of toys and collectables, which are valid for a term of 2 years, or until the agreement is terminated. The agreements primarily set out trading terms such as pricing, payment terms and delivery arrangements. For outright purchases, orders are placed based on purchase orders issued by the customers, whereas for consignment arrangements, our Group determines the products to be delivered to our customers' premises based on the weekly stock movement report received from our customers.

The pricing of our toys and collectables sold to our customers are determined based on cost-plus marked-up basis. As at the LPD, save for Mix Metro/Mastering Services and 2 other customers which is on consignment basis, our Group does not determine the retail prices set by its outright sale customers, as ownership of the toys and collectables is transferred to these customers upon sale and the final retail price is determined by these customers.

The table below highlights the selected collectables that we currently distribute:

Pop Mart is a player in the art figure and blind box collectable market, offering brands and series based on IP owned by both Pop Mart and other external parties. The products sold by Pop Mart include blind box collectables, figurines, IP incorporated design keychains and accessories.

Brand	Example Series
<u>Pop Mart:</u> ▪ Blind boxes ▪ Display figures ▪ Action figures	<u>Molly</u>  <u>The Monsters</u> 

6. BUSINESS OVERVIEW (CONT'D)

Brand	Example Series
	<u>Dimoo</u> 

Funism is a brand owned by ELSKA Group which specialises in marketing, sales and production of goods related to trendy IP brands. Its products include blind box collectables, figurines, keychains and accessories.

Brand	Example Series
<u>Funism:</u> Blind boxes	<u>Maltese</u>  <u>Butterbear</u> 

6. BUSINESS OVERVIEW (CONT'D)

JOTOYS is a toy studio that integrates IP product design, manufacturing, and social-media marketing company, offering blind box collectables, vinyl figures, plushies, accessories, and original equipment manufacturing services for collaborative brands.

Brand	Example Series
<u>JOTOYS</u> Blind boxes	<u>OYO</u>  <u>Q Kid</u> 

ToyCity is a trend-toy brand that integrates original IP product design and manufacturing and distribution, supplying blind box collectables, vinyl figures, plush toys, bags, and other accessories.

Brand	Example Series
<u>ToyCity</u> Blind boxes	<u>Mika</u> 

6. BUSINESS OVERVIEW (CONT'D)

Our Group supplies toys and collectables to retailers located throughout Malaysia and our customers are typically toy stores, hobbyist stores as well as specialised convenience stores.

One of our top 5 customer, being Mix Metro/ Mastering Services who operates a chain of specialised convenience store, under the brand, being MiX.com.my, where our toys and collectables are placed on consignment basis. As at the LPD, MiX.com.my operates 108 specialised convenience stores in Malaysia, of which our toys and collectables are placed on consignment basis at 105 of their convenience stores.

Aeon Fantasy, in addition to arcade and amusement machines has expanded their business with our Group to include distribution of toys and collectables. As at the LPD, our toys and collectables are available at 2 of the Aeon Fantasy stores. Our toys and collectables sold to Aeon Fantasy are based on purchase order basis. Aeon Fantasy operates many indoor entertainment centres under various brands including, Mollyfantasy, PALO, Fantazia and Tiny Mollyfantasy. As at the LPD, Our Group has maintained a continuous relationship of more than 4 years with Aeon Fantasy.

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6. BUSINESS OVERVIEW (CONT'D)

6.3 OUR PRINCIPAL MARKET AND PRODUCT SEGMENTS

Our Group's principal place of business is in Malaysia and all of our Group's revenue was generated from business activities in Malaysia where sales are denominated in RM.

6.3.1 Our revenue by product segments

The table below sets out our revenue by product segments for the Financial Years Under Review:

	Audited					
	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
<u>Family entertainment</u>						
- Revenue-sharing model	1,923	36.61	5,602	36.61	6,359	28.77
- Rental model	-	-	595	3.89	2,097	9.49
- Outright sales model*	-	-	-	-	322	1.46
- Operation and management of a family entertainment centre	713	13.57	972	6.35	1,122	5.08
	2,636	50.18	7,169	46.85	9,900	44.80
<u>Toys and collectables</u>						
- Wholesale and distribution	2,617	49.82	8,134	53.15	12,198	55.20
	5,253	100.00	15,303	100.00	22,098	100.00
Total						
					13,793	46.46
					15,895	53.54
					29,688	100.00

Note:

* Includes revenue from the repair and maintenance of arcade and amusement machines and spare parts sales.

6. BUSINESS OVERVIEW (CONT'D)

6.4 OUR COMPETITIVE STRENGTHS

6.4.1 Experienced management team

We have an experienced and capable management team which has contributed significantly to the growth and development of our Group. Our Executive Director/ CEO, Tai Lee Chuen and our Executive Director/ Head of Human Resources and Administration, Ang Sew Fong have 22 years and 18 years of experience respectively, in the theme park and family attraction industry, in particular, family entertainment products and services. Their industry knowledge and expertise in understanding and bringing in arcade and amusement machines that are appealing to the market have been instrumental in leading the overall strategic direction and business development of our Group. Please refer to Sections 4.1.2 and 4.2.2 of this Prospectus for the profiles of Tai Lee Chuen and Ang Sew Fong.

Our Executive Director/ CEO, Tai Lee Chuen is supported by our Key Senior Management that has accumulated years of experience in their respective fields which comprises:

- (i) Ang Sew Fong, our Executive Director/ Head of Human Resources and Administration, who has 18 years of experience in the theme park and family attraction industry as well as human resources and administrative matters, is responsible for overseeing the human resource and administration functions of our Group.
- (ii) Amilia Binti Sabtu, our Head of Finance, who has 28 years of experience in accounting and finance matters, is responsible for overseeing the accounting, financial and corporate matters of our Group.
- (iii) Lee Cheng Loong, our Head of Product Development, who has 21 years of technical experience in the theme park and family attraction industry, is responsible for conducting research on market trends to source and procure our Group's arcade and amusement machines and overseeing quality control and assurance for arcade and amusement machines.
- (iv) Lee Yong Wai, our Head of Technical, who has 8 years of experience in information technology and in the theme park and family attraction industry, is responsible for overseeing the repair and maintenance activities, supervising and coordinating the technical team and ensuring timely delivery of arcade and amusement machines to customers.

We believe that the in-depth industry knowledge and strong functional expertise of our Key Senior Management in their respective fields can support our growth in the future as we continue to expand. Please refer to Section 4.5.2 of this Prospectus for the profiles of our Key Senior Management.

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6. BUSINESS OVERVIEW (CONT'D)

6.4.2 Distributorship rights and experienced technical team

From our beginnings of distributing refurbished arcade machines, we have grown to supply a broad range of arcade and amusement machines sourced from overseas suppliers such as Sega Logistics, Konami, Bandai Namco, ACE Amusement, Dreamfuns, Wahlap, Superwing and UNIS for the Malaysia market.

We have been distributing the latest car racing simulation game from Sega Logistics, "Initial D THE ARCADE" arcade machine for the Malaysia market since November 2023. We have continued to pursue opportunities for authorised distributorships for arcade and amusement machines and have obtained distribution rights to distribute machines in Malaysia from game developers and machine manufacturers which include ACE Amusement, UNIS, Jakar and DOF Robotics. Additionally, our Group is also the exclusive authorised distributor of arcade and amusement machines supplied by Dreamfuns and Superwing for the Malaysia market. As such, we have established a track record of 4 years as an authorised distributor of arcade and amusement machines. This has allowed us to attract more arcade and amusement operators and family entertainment centre operators to source their required arcade and amusement machines from us, and leveraging on our established relationships with our suppliers, we are able to enjoy preferential pricing that translates to better margins for our Group.

Furthermore, our experience and expertise in arcade and amusement machine servicing and maintenance has been instrumental in the development of our technical team. Our in-house technicians have gained valuable experience by serving our customers in the Klang Valley, supported by our outsourced technicians who handle the servicing and maintenance of the arcade and amusement machines of our customers' outlets outside the Klang Valley. Our Group's in-house technicians will also assist in resolving product-related technical issues and performing inspections on arcade and amusement machines placed outside the Klang Valley, as and when required. As at the LPD, our technical team consist of 7 in-house technicians whilst we have 8 outsourced technicians of which 3 technicians handle customers outlet in Sarawak and the remaining 5 each handle customer outlets in Pulau Pinang, Perak, Johor, Kelantan, Terengganu and Sabah. Our Group appoints outsourced technicians for these locations to provide timely and efficient maintenance services to the customers outside Klang Valley while also achieving cost savings to our Group as compared to maintaining in-house technical team in those regions.

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6. BUSINESS OVERVIEW (CONT'D)

6.4.3 Strong presence across Malaysia

Our arcade and amusement machines, alongside our toys and collectables businesses have a strong presence throughout Malaysia. As our main customers typically are in shopping malls, our sales are primarily concentrated in urban areas such as Selangor, Kuala Lumpur, Pulau Pinang and Johor. Nevertheless, due to the popularity and demand of both the arcade and amusement machines, we were able to secure customers across Malaysia which are in the states as follows as at the LPD:

Region in Malaysia	Number of customer stores	Percentage (%)
Central ⁽ⁱ⁾	40	51.95
Northern ⁽ⁱⁱ⁾	11	14.29
Southern ⁽ⁱⁱⁱ⁾	19	24.68
East Malaysia ^(iv)	5	6.49
East coast ^(v)	2	2.59
Total	77	100.00

Notes:

- (i) Comprises Selangor, Kuala Lumpur, and Putrajaya.
- (ii) Comprises Kedah, Pulau Pinang and Perak.
- (iii) Comprises Negeri Sembilan, Melaka, and Johor.
- (iv) Comprises Sabah and Sarawak.
- (v) Comprises Kelantan and Terengganu.

We have also established strong presence in our toys and collectables segment. As at the LPD, our products are available in 303 customer stores in the country, from specialised convenience stores, hobbyist stores, toy stores and cinemas. As a distributor we are able to offer a variety of blind box collectables from several brands. Our key offering includes brands such as Pop Mart, Funism, Jotoys and ToyCity. We can offer our customers the convenience of sourcing of popular blind box collectables across multiple brands by continuously staying ahead of industry trends and customer demands.

6.4.4 Continuous business relationships with our customers

We have evolved since the commencement of our business. We began by sourcing and supplying refurbished arcade and amusement machines to small theme parks and family entertainment centres, and over time, we have grown into a distributor of not only new arcade and amusement machines but also a wholesaler and distributor of toys and collectables. This strategic expansion has allowed us to diversify our product offerings and strengthen our market presence across the theme park and family attraction industry as well as the local pop toys industry.

Over the years, we have progressively expanded our revenue model for arcade and amusement machines to better serve the evolving needs of our customers. Initially, our focus was on a revenue-sharing arrangement in 2015, which helped us build long-term partnerships with our customers while lowering their initial capital outlay. In FYE 2023, we introduced a rental model to provide our customers with more flexible options, especially those who preferred not to commit to ownership of machines and want to retain all sales generated from the arcade and amusement machines. This was followed by our outright sales model in FYE 2024, catering to customers seeking full control and ownership of machines. These different

6. BUSINESS OVERVIEW (CONT'D)

revenue models reflect our understanding that customers have diverse needs and financial considerations. Together, these models enable us to serve a wider group of customers, from small operators seeking lower upfront commitments to large-scale players in the theme park and family attraction industry looking for full ownership and control.

Our Group believes that our ability to provide consistent quality products, reliable service, and prompt delivery has been instrumental in establishing sustainable long-term relationships with our customers. As at the LPD, we have maintained business relationships of between 2 years and up to 10 years with 5 of our major customers, which is a testament to our commitment in providing quality products and services to our customers.

6.5 OUR FUTURE PLANS AND BUSINESS STRATEGIES

Our business strategies moving forward involves expanding both our arcade and amusement machines and toys and collectables business as detailed below:

6.5.1 Purchase of new arcade and amusement machines to support our future business

(a) Expansion of our arcade and amusement machine business

To continue growing our family entertainment products and services, in particular our arcade and amusement machine supply business, we intend to purchase more arcade and amusement machines to cater for anticipated increase in demand from our existing customers, who are actively expanding their family entertainment centres and new customers, once purchase orders are received for outright sales or a revenue-sharing or rental agreement has been executed. As our existing customers continue to expand their business by increasing the number of their family entertainment centres coupled with enquiries from potential customers, these create opportunities for us to supply more machines and broaden our market reach.

The increase in number of machines also supports widening of our footprint across various family entertainment centres. By offering both revenue-sharing and rental models, we help customers reduce their upfront capital requirements while ensuring a sustainable and predictable income stream for our business. Although revenue may fluctuate according to end-user traffic, deploying machines across multiple sites mitigates the impact of lower sales in any single location.

In addition, the strategy will provide the opportunities to invest in arcade and amusement machines that incorporate newer technologies such as virtual reality, augmented reality or advanced simulation features.

To support this expansion, we have earmarked RM8.50 million, representing approximately 36.69% of the gross proceeds from our Public Issue for this purpose and is scheduled to be invested within 36 months from our Listing. This allocation will fund up to 188 new arcade and amusement machines covering genres which include, but are not limited to, racing and motor games, shooting games, music games, card collecting games, simulator games, casual games, sports games, claw and prize machines and kiddie rides. While we do not keep inventory of arcade and amusement machines, the funds will be utilised to place orders once purchase orders are received for outright sales or once a revenue-sharing or rental agreement has been executed. In addition, we will purchase new machines from time-to-time with new games as test units to gauge market interests. We will determine the exact mix of machines based on market trends as well as customer and end-user preferences. By offering a broader variety of games, we aim to attract more players, enhance user engagement, and provide our existing and potential customers with an expanded product mix that ultimately increases the appeal of their family entertainment centres and theme parks.

6. BUSINESS OVERVIEW (CONT'D)

(b) Replacement of existing arcade and amusement machines

As at FYE 2025, our Group has a total of 728 arcade and amusement machines, of which 101 is more than 5 years old and fully depreciated. In line with our Group's commitment to maintaining high-quality entertainment offerings and enhancing customer experience, we intend to systematically upgrade or replace ageing machines with newer, more advanced models that offer improved gameplay, reliability, and appeal. By regularly updating our arcade and amusement machine mix, we can keep our arcade and amusement machine offerings fresh and engaging for our customers.

This initiative will also improve operational efficiency by reducing maintenance needs and downtime, while supporting our Group's long-term goal of delivering a vibrant and dynamic entertainment experience across all locations. We will evaluate all arcade and amusement machine performance and customer preferences to prioritise replacements that yield the highest return, while also considering emerging trends and technologies in the theme park and family attraction industry.

We have earmarked RM2.05 million, representing approximately 8.85% of the gross proceeds from our Listing for this purpose and is scheduled to be invested within 36 months from our Listing. This allocation will fund up to 55 new arcade and amusement machines which include, but are not limited to, racing and motor games, shooting games, music games, card collecting games, simulator games, casual games, sports games, claw and prize machines and kiddie rides. The exact mix of machines to be purchased cannot be determined at this juncture as it would depend on market demand, our customers and market preferences at each location and the availability of new game titles from suppliers at the relevant point in time.

Please refer to Section 3.7.1 of this Prospectus for further details on the list of arcade and amusement machines to be purchased by our Group.

6.5.2 Expansion of our toys and collectables business

As part of our commitment to sustain growth and remain competitive in the toys and collectables business, we plan to embark on a strategic expansion plan to increase inventory for popular and trending toys and collectables, diversify our product range, maintaining and secure new customers, and continue providing popular and trending items in a growing market.

As of the LPD, we offer 68 toys and collectables brands for the Malaysia market. Many of our toys and collectables are sourced from Pop Mart, a Chinese blind box collectable company. Our current distribution channels primarily include a chain of specialised convenience stores, hobbyist stores, toy stores and cinemas. While items from Pop Mart, in particular have gained widespread popularity, ensuring long-term competitiveness requires us to proactively identify and incorporate additional brands into our portfolio.

Under this expansion plan, we aim to increase our portfolio of brands to complement our existing range. This approach ensures sufficient inventory for popular trending toys and collectables to meet consumer demand and reduce reliance on any particular brand. It is critical to adapt to fast-changing consumer preferences and positioning our Group for sustainable growth. By offering a broader selection of toys and collectables, we are able to appeal to a wider audience and stay ahead of emerging market trends.

To support this expansion, we have earmarked RM2.50 million, representing approximately 10.79% of the gross proceeds from our Listing and the proceeds is expected to be utilised within 12 months from our Listing.

Please refer to Section 3.7.2 of this Prospectus for further details on the purchase of toys and collectables.

6. BUSINESS OVERVIEW (CONT'D)

6.5.3 Planned workforce expansion to support strategic growth

In line with our abovesaid business strategies, we intend to strengthen our workforce through the recruitment of new employees with the relevant experience and expertise. The recruitment plan is expected to be implemented in the next 24 months from our Listing and will involve the recruitment of the following type of personnel:

Workforce	Estimated number of new employees
Technical personnel - including supervisors, technicians and outlet personnel	18
Sales and support personnel - including sales administrators, finance and procurement personnel	6
Total	24

The additional workforce will strengthen our Group's customer service, enhance operational efficiency and enable our Group to pursue new business opportunities.

To support the workforce expansion, we have earmarked approximately RM3.02 million, representing approximately 13.02% of the gross proceeds from our listing and the proceeds is expected to be utilised within 24 months from our Listing.

Please refer to Section 3.7.4 of this Prospectus for further details on the planned workforce expansion.

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6. BUSINESS OVERVIEW (CONT'D)

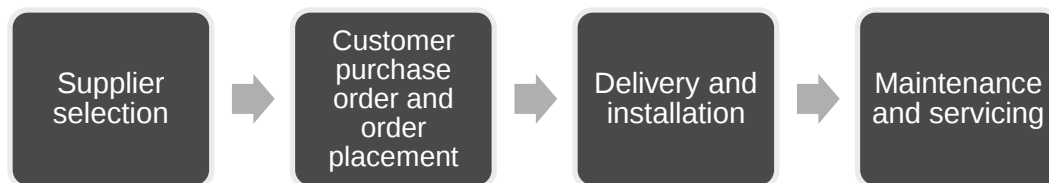
6.6 SEASONALITY

Our Group's family entertainment segment typically experiences higher foot traffic and sales during weekends, public holidays, and festive periods such as Chinese New Year, Hari Raya Aidilfitri, Deepavali and Christmas.

The toys and collectables segment, on the other hand, generally see higher sales during festive seasons such as Chinese New Year, Hari Raya Aidilfitri, Deepavali and Christmas and promotional events such as launching of new series of trending toys and collectables.

6.7 OUR BUSINESS AND OPERATIONAL PROCESS

6.7.1 Supply of arcade and amusement machines



Supplier selection

We continue to add new suppliers offering unique arcade and amusement games titles to our list of suppliers to maintain our competitiveness. We conduct internal market research as a means of identifying the type of games titles that are in demand, the target markets for these machines, availability of similar games titles as well as pricing strategies. Considering the requirements, we set out to find and approach suitable suppliers that can provide reliable products and services. These suppliers consist of game developers and machine manufacturers where we approach them directly for product inquiries and purchases, as well as procurement agents who provide services to source for arcade and amusement machines according to our requirements from various brands and suppliers. Typically, we will negotiate with these suppliers and procurement agents on the purchase terms, namely pricing and order quantities. As part of their service, these procurement agents will consolidate our purchases and make the necessary arrangements for shipment to us.

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6. BUSINESS OVERVIEW (CONT'D)

Customer purchase order and order placement

Upon receiving inquiries from existing or potential customers, we will review the order requests to ensure we are able to fulfil the purchase order. We will negotiate the terms of the order which include the type of revenue model and scope of services to be provided. In relation to pricing, our Group will determine the pricing strategy based on the revenue models that our customer chooses:

- Revenue-sharing model

Our Group determines the revenue-sharing percentage based on the type of arcade and amusement machine placed at our customer's premises. Arcade and amusement machines with higher value, such as *Initial D* arcade machines may warrant a higher revenue-sharing percentage. The charge per play for the arcade and amusement machines is determined by our Group and mutually agreed between both parties before the revenue-sharing agreement is entered into. However, the charges per play may be changed subsequently subject to mutual agreement between the 2 parties depending on the sales performance of the machines.

- Rental model

Our Group will determine the monthly fixed rental for the arcade and amusement machines after mutual agreement with our customers.

- Outright sales model

Our Group's pricing of the arcade and amusement machines are based on cost-plus marked-up basis.

Once the terms are finalised, we will proceed to place orders with suppliers. These suppliers consist of game developers, machine manufacturers or procurement agents who provide services to source for arcade and amusement machines according to our requirements from various brands and suppliers.

Orders placed for outright sales are generally ordered according to customers' requirements. On the other hand, for customers opting for revenue-sharing or rental model, we will work with them to determine the machine mix and quantities of machines that will be placed at their premises. The machines that are provided under the revenue-sharing and rental models belongs to our Group, hence the type and mix of products are agreed upon by both parties prior to orders.

The technical team will also visit the customers' site to ensure the premise is able to accommodate the arcade and amusement machines that customer plan to purchase. We do not keep inventory of arcade and amusement machines and will only proceed to place orders with our suppliers and/ or procurement agents once a customer's purchase order has been received or once a revenue-sharing or rental agreement has been executed.

Once an order has been placed, it takes an average 3 to 6 months to arrive in Malaysia, from the time the order is placed. Upon reaching Malaysia, the machines are first delivered to our 3rd party storage and logistic provider warehouse. The machines are received at the logistic provider warehouse by our technical team who will then unbox and inspect the delivered machines. Should there be any fault with the machine the technical team will communicate the issue to the supplier and/ or procurement agent, who typically replaces the identified faulty parts.

6. BUSINESS OVERVIEW (CONT'D)

Delivery and installation

Once inspection of the machines is completed, the machines will proceed to be delivered by third party logistics service providers to our customer's location for installation. Our technical team will assist in the installation of arcade machines, save for Pulau Pinang, Perak, Johor, Kelantan, Terengganu, Sabah and Sarawak, where outlets in these states are installed by outsourced technicians.

Maintenance and servicing

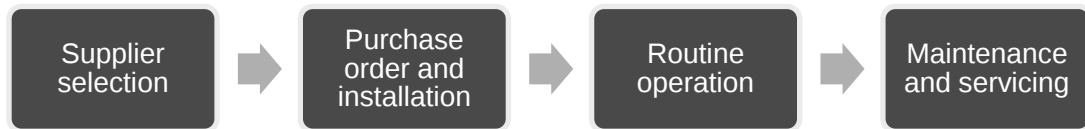
After the initial installation of the arcade and amusement machines, we also provide routine maintenance and servicing to our customers through our in-house technical team and outsourced technicians. The routine maintenance and servicing are performed every 3 months where our technical team and outsourced technicians will visit customers' sites. These maintenances include preventive maintenance which covers machine and touchpoint inspection, cleaning, touch ups as well as ad hoc maintenance, where it includes repair and replacement of parts.

New versions of the video game arcade machines or games may be released by game developers from time to time. Customers who wish to upgrade their arcade and amusement machines with the latest games can contact us to source the upgrade kit, which covers the game program and new livery which we will assist in installing. We charge a fee for games upgrading on the arcade and amusement machines which are sold under the outright sales model, while no fees are imposed for games upgrading on the arcade and amusement machines which are under the revenue-sharing and rental model arrangements.

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6. BUSINESS OVERVIEW (CONT'D)

6.7.2 Family entertainment services – retail arcade operations



Supplier selection

We operate a family entertainment centre located at The Mines. All of the arcade machines installed at the family entertainment centre is sourced by Semico. The selection of games offered in the family entertainment centre is determined by our Head of Product Development and are selected based on game appeal, popularity of game genres or trend of latest available game in market.

Purchase order and installation

If the terms of sale are approved by the management, we will reach out to the supplier to place an order. These suppliers consist of game developers or machine manufacturers where we approach them directly for product inquiries and purchases, as well as procurement agents who provide services to source for arcade and amusement machines according to our requirements from various brands and suppliers. Typically, we will negotiate with the suppliers and procurement agents on the purchase terms, namely pricing and order quantities. As part of their service, these procurement agents will consolidate our purchases and make the necessary arrangements for shipment to us.

We typically will receive the order within 3 to 6 months from the time the order is placed, thereafter our technical team will inspect and set up the arcade and amusement machines for us at the family entertainment centre. All arcade and amusement machines purchased for our family entertainment centre in The Mines are owned by Minexport. Save for the tenancy agreement our Group entered into with our landlord at The Mines, there are no other arrangement or agreement entered into.

Routine operation

Our team in Minexport manages the daily operation of our family entertainment centre. As at the LPD, we have 5 employees working at the premise. Their responsibilities include, but are not limited to, ensuring the premise is clean, the arcade machines and other products are in good working condition and the prizes in the relevant arcade and amusement machines are well stocked.

Maintenance and servicing

The arcade and amusement machines require routine maintenance and servicing which will be scheduled by our technical team every 3 months. The routine maintenance and servicing typically cover updates and hardware issues. Any breakdowns in arcade machines, that may require unplanned repair or servicing, is identified and brought to the attention of our technical team who will then obtain the necessary parts from relevant machine manufacturers.

6. BUSINESS OVERVIEW (CONT'D)

6.7.3 Distribution of toys and collectables



Supplier selection

We continue to add new suppliers offering unique toys and collectables, to our list of suppliers to maintain our competitiveness. Given the nature of the toys and collectables business, there are vast array of suppliers and manufacturers of toys and collectables, where each supplier and manufacturer will offer designs that are unique to their brand identity. In addition to manufacturers, we also source our products via procurement agents, where we leverage on their network of manufacturers and brands to source toys and collectables. By sourcing toys and collectables via procurement agents, we are able to streamline communication, ensure product quality through inspections, negotiate better terms, and efficiently manage logistics and customs processes as compared to sourcing directly from suppliers. In some cases, we also source products directly from distributors that are appointed by the identified brands particularly when payment terms and delivery lead times are shorter compared to sourcing through procurement agents.

As such, we rely on our internal market research as means of identifying current market trends and consumer demand. With these requirements in place, we set out to find suitable suppliers that can provide reliable products and services. Once a suitable supplier is identified, we will approach them to express our interest in placing orders and will proceed to negotiating with them for the terms and conditions of orders, such as the pricing, minimum order quantities and warranties for the products. These negotiations may be conducted for several rounds until both parties reached an agreement.

Customer product list and inventory check

We will send a product list to our customers, who are typically business owners and retailers, every fortnight. We will review the received purchase order requests and perform an inventory check to ensure we are able to fulfil the purchase order. As part of the order placement, most of our customers are required to make payment in full, save for consignment and credit customers. Following that, we will pack the customer's order with the corresponding sales invoice to be despatched via transportation or courier services.

The pricing of our toys and collectables sold to our customers are determined based on cost-plus marked-up basis. Save for Mix Metro/Mastering Services and 2 other customers, our Group does not determine the retail prices set by our customers for sales to end users.

Order placement, receipt and inspection

In the event we do not have sufficient inventory, we will contact our suppliers and/ or procurement agents to place an order for the necessary product stock. In terms of orders placed with procurement agents, they can source for products from multiple suppliers according to our requirements which eases the ordering process by dealing with only 1 party. As part of their service, they will consolidate our purchases and make the necessary arrangements for shipment to us as well as conduct pre-shipment inspections and logistics, from packing, documentation to customs clearance. We do not enter into any contracts or agreements with our procurement agents as all the purchases are conducted via purchase order basis.

6. BUSINESS OVERVIEW (CONT'D)

It usually takes approximately 1 to 3 weeks for the stock to reach our warehouse where our receiving team will inspect the delivered goods to ensure the order is correct and in good condition. Should there be any fault with the order, we will notify the supplier to resolve the issue and the supplier will typically replace the faulty product.

Delivery to customer

Once the customer has received the order, they will return a scanned copy of the signed delivery order included in the delivery, to acknowledge the receipt of the order.

As at the LPD, save for Mix Metro/ Mastering Services and 2 other customers where our toys and collectables are placed on consignment basis, all other customer arrangements are based on outright sales basis.

After sales service

In the event our customer raises any issues with the goods they have received, we will liaise with the customer to identify and resolve the issue. If the issue is determined to be a manufacturing defect, we will replace the faulty products to our customer.

6.7.4 Technology used

We do not use any specialised technology to operate our arcade and amusement machines or for our repair and maintenance or other related business activities.

6.8 MARKETING AND DISTRIBUTION NETWORK

6.8.1 Marketing strategies

Family entertainment products and services

The customers of our family entertainment product segment are typically family entertainment centres operators, arcade and amusement machine operators and theme parks operators. We mainly rely on word-of-mouth and referrals to secure new customers. We will also receive referrals from our Japanese video game developer and selected arcade and amusement machine suppliers for purchase enquiries for the Malaysia market. In addition, we maintain a corporate website at semico.com.my which provides our Group profile and offerings to site visitors.

Our Promoter, substantial shareholder, Executive Director/ CEO, Tai Lee Chuen and our Executive Director/ Head of Human Resources and Administration, Ang Sew Fong, have 22 years and 18 years of experience respectively in the theme park and family attraction industry, in particular, family entertainment products and services and have established a wide business network.

Additionally, our Executive Director/ CEO, Tai Lee Chuen is the Vice President of the MATFA, giving us additional opportunities to network with members to promote our business, and to keep up to date with industry and consumer trends.

6. BUSINESS OVERVIEW (CONT'D)

Toys and collectables

The customers of our toys and collectables product segment consist of specialised convenience stores, hobbyist stores, toy stores and cinemas. We maintain social media pages for our toys and collectables product segment to promote our products such as Pop Mart.

With our expansive portfolio of goods and wide selection of brands and series, our Group has built market awareness, enabling us to further develop business opportunities through new introductions and referrals.

6.8.2 Distribution network

We adopt a direct distribution strategy where we sell our arcade and amusement machines, directly to our customers, who consist of family entertainment centres operators, arcade and amusement machine operators and theme parks operators, whilst we sell our toys and collectables directly to our customers, who consist of specialised convenience stores, hobbyist stores, toy stores and cinemas. We do not appoint distributors or agents as part of our sales and marketing strategies. Our arcade retail segment operates an outlet which directly serve our customers.

6.9 TYPES, SOURCES AND AVAILABILITY OF PRINCIPAL RAW MATERIALS AND INPUTS

6.9.1 Input materials

The major types of input materials involved in our business consists of amongst others, arcade and amusement machines, toys and collectables and carriage and freight forwarding charges. The breakdown of our purchases during the Financial Years Under Review are as follows:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Arcade and amusement machines ⁽¹⁾	1,157	23.19	2,947	33.43	3,653	29.14	4,963	27.98
Toys and collectables	3,736	74.88	5,549	62.94	8,073	64.39	11,947	67.36
Carriages and freight forwarding charges	83	1.67	279	3.16	728	5.81	750	4.23
Upkeep of machines	1	0.02	29	0.33	78	0.62	72	0.40
Others ⁽²⁾	12	0.24	12	0.14	6	0.04	5	0.03
Total	4,989	100.00	8,816	100.00	12,538	100.00	17,737	100.00

Notes:

(1) Comprise of arcade and amusement machines revenue-sharing expenses.

(2) Comprise of purchases of consumables and food and beverage items for our family entertainment centre.

6. BUSINESS OVERVIEW (CONT'D)

6.9.2 Type of suppliers

The types of suppliers including the percentage of purchases from each type of suppliers for FYEs 2022 to 2025 are as follows:

Type of suppliers	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Brand owners ⁽¹⁾	3,813	76.43	5,547	62.92	8,299	66.19	11,207	63.18
Procurement Agents	794	15.92	2,375	26.94	3,427	27.34	4,098	23.11
Distributors ⁽²⁾	367	7.35	505	5.73	340	2.71	1,072	6.04
Others ⁽³⁾	15	0.30	389	4.41	472	3.76	1,360	7.67
Total	4,989	100.00	8,816	100.00	12,538	100.00	17,737	100.00

Notes:

- (1) Purchases from Pop Mart Group accounted for approximately 76.43%, 62.92%, 59.93% and 47.14% of our Group's total purchases for the Financial Years Under Review respectively. In addition, purchases from Pop Mart Group accounted for approximately 99.90%, 99.96%, 88.54% and 79.83% of our Group's total toys and collectables purchases for the Financial Years Under Review respectively.
- (2) Distributors comprise of authorised distributors and resellers.
- (3) Others comprise, amongst others, logistic companies and arcade and amusement machines revenue-sharing expenses.

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6. BUSINESS OVERVIEW (CONT'D)

6.10 QUALITY CONTROL PROCEDURES

QC is an integral component of our business as it ensures that the products we sell meet the required standards of quality and performance. Our QC activities are carried out by the technical team and we undertake the following measures to ensure the quality of our product:

(i) Incoming inspection

Upon receipt of the arcade and amusement machines from our suppliers, our technical team will unbox and inspect the arcade and amusement machines. The technicians will perform a stock count and visual inspection to ensure the arcade and amusement machines are in correct quantity and in good physical condition. In addition, a plugin test will be performed to ensure the arcade and amusement machines are in good working order. Should there be any fault with the machine the technical team will communicate the issue to the supplier or the procurement agent, who typically replaces the identified faulty parts.

Upon receipt of our toys and collectables, we will perform stock count and visual inspection to ensure that all products are in correct quantities and in good condition. Should there be any fault with the order, we will notify the supplier to resolve the issue and the supplier will typically replace the product.

(ii) Final inspection

Prior to delivery of our arcade and amusement machines as well as our toys and collectables to our customers, we will conduct a final inspection of the products to ensure there are no defects.

Our arcade and amusement machines are covered under a manufacturer's warranty of up to 1 year. Meanwhile, most of our toys and collectables purchased are also covered under manufacturer's warranty, which provides either a replacement or a refund for any defective toys and collectables, subject to a case-by-case assessment.

We offer a back-to-back warranty arrangement, whereby the warranty terms offered to our customers mirror those provided to us by suppliers. Where no warranty terms are made available to us, we will replace any defective products to our customers subject to our satisfactory visual inspection and replacement by our supplier.

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6. BUSINESS OVERVIEW (CONT'D)

6.11 MAJOR CUSTOMERS

Our Group's top 5 major customers, as a percentage of our total revenue, for the Financial Years Under Review are as follows:

Major customers	Place of incorporation	Length of relationship (years) ⁽ⁱ⁾	Revenue contribution		Products sold
			RM'000	% ⁽ⁱⁱ⁾	
FYE 2022					
Mix Metro ⁽ⁱⁱⁱ⁾	Malaysia	1	2,446	46.56	Toys and collectables
IOI City Mall Sdn Bhd	Malaysia	7	1,192	22.70	Arcade and amusement machines (revenue-sharing)
Aeon Fantasy	Malaysia	1	728	13.85	Arcade and amusement machines (revenue-sharing)
ISA Hobby Sdn Bhd	Malaysia	Less than 1	86	1.63	Toys and collectables
United Bonanza Sdn Bhd	Malaysia	Less than 1	5	0.10	Toys and collectables
		Total	4,457	84.84	
FYE 2023					
Mix Metro ⁽ⁱⁱⁱ⁾	Malaysia	2	5,318	34.75	Toys and collectables
Aeon Fantasy	Malaysia	2	2,836	18.54	Arcade and amusement machines (revenue-sharing and rental)
IOI City Mall Sdn Bhd	Malaysia	8	2,059	13.45	Arcade and amusement machines (revenue-sharing)
Next Gen Themepark (1U) Sdn Bhd	Malaysia	1	1,302	8.51	Arcade and amusement machines (revenue-sharing)
Customer A ^(iv)	Malaysia	Less than 1	681	4.45	Toys and collectables
		Total	12,196	79.70	
FYE 2024					
Mix Metro ⁽ⁱⁱⁱ⁾	Malaysia	3	5,577	25.24	Toys and collectables
Aeon Fantasy	Malaysia	3	4,793	21.69	Arcade and amusement machines (revenue-sharing and rental)
Customer A ^(iv)	Malaysia	1	2,782	12.59	Toys and collectables
IOI City Mall Sdn Bhd	Malaysia	9	1,574	7.12	Arcade and amusement machines (revenue-sharing)
Next Gen Themepark (1U) Sdn Bhd	Malaysia	2	1,463	6.62	Arcade and amusement machines (revenue-sharing)
		Total	16,189	73.26	

6. BUSINESS OVERVIEW (CONT'D)

Major customers	Place of incorporation	Length of relationship (years) ⁽ⁱ⁾	Revenue contribution		Products sold
			RM'000	% ⁽ⁱⁱ⁾	
FYE 2025					
Aeon Fantasy	Malaysia	4	6,463	21.77	Arcade and amusement machines (revenue-sharing and rental) and toys and collectables
Mastering Services ⁽ⁱⁱⁱ⁾	Malaysia	4	5,884	19.82	Toys and collectables
Customer A ^(iv)	Malaysia	2	3,060	10.31	Toys and collectables
Customer B ^(v)	Malaysia	2	1,754	5.91	Arcade and amusement machines (outright sales), maintenance service and toys and collectables
Next Gen Themepark (1U) Sdn Bhd	Malaysia	3	1,595	5.37	Arcade and amusement machines (revenue-sharing)
		Total	18,756	63.18	

Notes:

- (i) Length of the relationship as at the last day of the respective FYE, as the case may be.
- (ii) The percentage is computed based on the total revenue of approximately RM5.25 million, RM15.30 million, RM22.10 million and RM29.69 million for Financial Years Under Review respectively.
- (iii) On 31 December 2021, our Group entered into a consignment agreement with Mix Metro. Subsequently, on 30 June 2024, our Group entered into another consignment agreement with Mastering Services which replaces the agreement with Mix Metro. Both Mix Metro and Mastering Services have the same shareholders. Effective 30 June 2024, all sales have been transacted with Mastering Services. The length of relationship is calculated based on the years of relationship with Mix Metro and, together with Mastering Services as both entities have the same shareholders. Mix Metro and Mastering Services are both involved in convenience store business.
- (iv) Our Group is unable to disclose the name of the customer as consent was sought but was not provided by the customer. Given that this customer has demonstrated growing sales with our Group, our Group believes that it is in our Group's best interest to maintain confidentiality of Customer A in order to preserve the ongoing business relationship. As at LPD, there is no agreement entered into with Customer A.
- (v) Our Group is unable to disclose the name of Customer B as we are bound by confidentiality according to the general terms and conditions of purchase order for goods and services issued to our Group as their supplier. Our Group had also sought consent but was not provided by the customer. As at LPD, there is no agreement entered into with Customer B.

6. BUSINESS OVERVIEW (CONT'D)

For the Financial Years Under Review, our top 5 major customers contributed approximately 84.84%, 79.70%, 73.26% and 63.18% to our Group's total revenue respectively. Save for the consignment agreement, revenue-sharing agreement and rental agreement that we enter into with our customers, all our sales are conducted on purchase order basis.

We are dependent on Mix Metro/ Mastering Services* and Aeon Fantasy as they accounted for approximately 46.56%, 34.75%, 25.24% and 19.82% as well as 13.85%, 18.54%, 21.69% and 21.77% of our Group's total revenue for the Financial Years Under Review respectively. Save for Mix Metro/ Mastering Services* and Aeon Fantasy, we are not dependent on our other major customers as there are many other toy retailers and arcade operator in the market. In the event any of our other major customers cease purchasing from us, we may mitigate the potential decline in sales by securing new customers. Nevertheless, maintaining strong relationships with existing customers remains an ongoing priority as we expect to continue generating sales from them.

Our Group's sales to Mastering Services are based on consignment basis whilst sales to Aeon Fantasy are mainly based on revenue-sharing and rental models. In the event Mastering Services ceased to purchase our Group's products and Aeon Fantasy discontinues the revenue-sharing and rental arrangement, our Group may experience reduction in sales which could result in a loss of revenue if our Group is unable to replace Mastering Services and Aeon Fantasy with new customers or with additional orders from existing customers in a timely manner.

However, we are of the view that based on our Group's continuous 4 year business relationship with Mix Metro/ Mastering Services* and Aeon Fantasy as at FYE 2025 and as well as its on-going efforts in maintaining good relationship with these customers, our Group is expected to continue securing sales from Mastering Services and Aeon Fantasy. In addition, there were no disputes between our Group and Mastering Services as well as Aeon Fantasy in the Financial Years Under Review.

Further, the total revenue contribution from both Mix Metro/Mastering Services* and Aeon Fantasy has been on a reducing trend from approximately 60.41% in FYE 2022 to approximately 53.29%, 46.93% and 41.59% in FYE 2023, FYE 2024 and FYE 2025 respectively, as our Group had in FYE 2023, FYE 2024 and FYE 2025 secured new customers from both our family entertainment segment and toys and collectable segment as follows:

	FYE 2023	FYE 2024	FYE 2025
Family entertainment	1	7	8
Toys and collectables	18	21	41
Total	19	28	49

* Mix Metro was our Group's customer for FYE 2022 to FYE 2024 and Mastering Services for FYE 2025. Moving forward, all sale transactions will be conducted with Mastering Services. Both companies have the same shareholders.

6. BUSINESS OVERVIEW (CONT'D)

6.12 MAJOR SUPPLIERS

Our Group's top 5 major suppliers, as a percentage of our total purchases, for the Financial Years Under Review are as follows:

Major suppliers	Place of incorporation	Length of relationship (years) ⁽ⁱ⁾	Purchases		Main products or services purchased
			RM'000	% ⁽ⁱⁱ⁾	
FYE 2022					
Pop Mart Group ^(v)	Singapore and Malaysia	Less than 1	3,813	76.44	Toys and collectables
FEC Asia Distributor ⁽ⁱⁱⁱ⁾	Malaysia	3	363	7.28	Arcade and amusement machines (outright purchase and revenue-sharing)
Loisen Genesis Trading Sdn Bhd ^(iv)	Malaysia	1	319	6.39	Arcade and amusement machines
Transevolution Sdn Bhd ^(iv)	Malaysia	1	203	4.06	Arcade and amusement machines
SYABS Trading Sdn Bhd ^(iv)	Malaysia	1	149	2.99	Arcade and amusement machines
		Total	4,847	97.16	
FYE 2023					
Pop Mart Group ^(v)	Singapore and Malaysia	1	5,547	62.92	Toys and collectables
Aszimi Gemilang Marketing Sdn Bhd ^(iv)	Malaysia	Less than 1	1,314	14.91	Arcade and amusement machines
YTL Jaya Sdn Bhd ^(iv)	Malaysia	1	875	9.92	Arcade and amusement machines
FEC Asia Distributor ⁽ⁱⁱⁱ⁾	Malaysia	4	490	5.56	Arcade and amusement machines
Transevolution Sdn Bhd ^(iv)	Malaysia	2	186	2.11	Arcade and amusement machines
		Total	8,412	95.42	
FYE 2024					
Pop Mart Group ^(v)	Singapore and Malaysia	2	7,514	59.93	Toys and collectables
Aspect Trading Sdn Bhd ^(iv)	Malaysia	1	1,887	15.05	Arcade and amusement machines and spare parts as well as toys and collectables
Aszimi Gemilang Marketing Sdn Bhd ^(iv)	Malaysia	1	1,282	10.23	Arcade and amusement machines

6. BUSINESS OVERVIEW (CONT'D)

Major suppliers	Place of incorporation	Length of relationship (years) ⁽ⁱ⁾	Purchases		Main products or services purchased
			RM'000	% ⁽ⁱⁱ⁾	
Sega Logistics	Japan	1	724	5.77	Arcade and amusement machines, spare parts, game cards and gaming network services
Yunda Express (Serdang) Sdn Bhd	Malaysia	2	269	2.15	Freight Services
FYE 2025		Total	11,676	93.13	
Pop Mart Group ^(v)	Singapore and Malaysia	3	8,361	47.14	Toys and collectables
Amazing Seed Resources Sdn Bhd ^(iv)	Malaysia	1	3,451	19.46	Arcade and amusement machines and spare parts as well as toys and collectables
Sega Logistics	Japan	2	1,719	9.69	Arcade and amusement machines, spare parts, game cards and gaming network services
Big Box International Pte Ltd	Singapore	1	581	3.28	Toys and collectables
Supplier A group of companies ^(vi)	Japan	1	483	2.72	Arcade and amusement machines, spare parts, game cards and gaming network services
		Total	14,595	82.29	

Notes:

- (i) Length of relationship as at the last day of the respective FYE, as the case may be.
- (ii) The percentage is computed based on the total purchase of RM4.99 million, RM8.82 million, RM12.54 million and RM17.74 million for FYE 2022, FYE 2023, FYE 2024 and FYE 2025 respectively.
- (iii) FEC Asia Distributor is a related party where Tai Lee Chuen is the sole proprietor. FEC Asia Distributor has been terminated on 10 March 2025 with the CCM. Upon termination of FEC Asia Distributor, our Group has transitioned to source arcade and amusement machines from supplier and/ or procurement agent. These suppliers, who were previously coordinated through FEC Asia Distributor, now work with our Group. There has been no disruption to our sourcing capabilities as necessary contacts were successfully re-established directly with our Group.

6. BUSINESS OVERVIEW (CONT'D)

- (iv) Being the procurement agents engaged by our Group to purchase arcade and amusement machines as well as toys and collectables from China. These procurement agents are all locally incorporated companies with networks in China. As such, our Company engages these procurement agents to assist our Group to source for products according to our Group's requirements on a purchase order basis. They have a wide network of manufacturers and suppliers which provide our Group with a range of products from various manufacturers and suppliers. In addition, procurement agents also assist in collating orders and arranging for shipment to our Group, including value-added services such as pre-shipment inspections and logistics, from packing, documentation to customs clearance. We are not dependent on any procurement agent as there are many agents in the market willing to offer competitive logistics pricing and reliable customer service. For arcade and amusement machines, we generally purchase all China and Europe brands through procurement agents. However, we source directly from Sega Logistics, as they prefer to engage directly with our Group rather than through procurement agents. These procurement agents engaged by our Group are not related to any of our Promoters, Directors, substantial shareholders and/ or Key Senior Management.
- (v) Comprises of Pop Mart SG and Pop Mart Malaysia. Pop Mart SG is owned by Pop Mart Singapore Pte Ltd and Pop Mart Hong Kong Limited, which are both indirect subsidiary companies of Pop Mart International Group Limited, with each party holding 50% equity interest. In addition, Pop Mart Malaysia is an indirect subsidiary of Pop Mart International Group Limited. Pop Mart International Group Limited is involved in design, development, and sale of toys and collectables, in particular its signature blind box products and the company is listed on the Hong Kong Stock Exchange. Pop Mart SG was our Group's supplier for FYE 2022 to FYE 2024 and Pop Mart Group for FYE 2025. Our Group was appointed as a non-exclusive distributor of Pop Mart SG, with the appointment effective from 16 November 2023, to distribute toys and collectable products for the Malaysia market. Subsequent to the expiry of the non-exclusive distributor agreement with Pop Mart SG, our Group was reappointed as a non-exclusive distributor by Pop Mart Malaysia, with the appointment effective from 1 January 2025, to replace Pop Mart SG to distribute toys and collectable products for the Malaysia market. Moving forward, all purchases will be conducted with Pop Mart Malaysia.
- (vi) Our Group is unable to disclose the names of Supplier A group of companies as we are bound by confidentiality. Our Group had also sought consent but was not provided by Supplier A group of companies. As at LPD, our Group had entered into sales agreement with 2 of the Supplier A group companies.

For the Financial Years Under Review, our top 5 major suppliers contributed approximately 97.16%, 95.42%, 93.13% and 82.29% to our Group's total purchases respectively.

During the Financial Years Under Review, Pop Mart Group* was our Group's largest supplier, contributing approximately 76.44%, 62.92%, 59.93% and 47.14% to our Group's total purchases respectively. This percentage of purchases from Pop Mart Group has been on a declining trend from FYE 2022 to FYE 2025. We are a non-exclusive distributor of Pop Mart brand of toys and collectables in Malaysia. Our Group purchase toys and collectables series from Pop Mart Group, amongst others, Molly, The Monsters and Dimoo.

Our Group is dependent on Pop Mart Group* as our supplier of Pop Mart brand of toys and collectables. We are able to enjoy preferential pricing from Pop Mart Group that translates to better margins for our Group. In the event Pop Mart Group ceases or there is a disruption from Pop Mart Group for the supply of its toys and collectables, we may not be able to distribute Pop Mart brand of toys and collectables and this may in turn adversely affect our financial performance.

6. BUSINESS OVERVIEW (CONT'D)

However, we are of the view that based on our Group's continuous business relationship with Pop Mart Group* of 3 years as at FYE 2025, and together with our distribution network of 303 customer stores in the country from specialised convenience stores, hobbyist stores, toy stores and cinemas as at the LPD as well as our Group's on-going efforts in maintaining good relationship with Pop Mart Group, our Group is expected to continue to be the non-exclusive distributor of Pop Mart Group. In addition, there were no disputes between our Group and Pop Mart Group in the Financial Years Under Review.

* Comprise of Pop Mart SG and Pop Mart Malaysia. Pop Mart SG was our Group's supplier for FYE 2022 to FYE 2024 and Pop Mart Group for FYE 2025. Moving forward, all purchases will be conducted with Pop Mart Malaysia.

6.13 BUSINESS INTERRUPTIONS

We have not experienced any material interruptions that had a significant effect on our operations during the past 12 months preceding the LPD.

However, our subsidiaries, Semico and Minexport's business operations were impacted by the COVID-19 pandemic, which resulted in nationwide lockdown beginning in March 2020. Under the lockdown measures, businesses such as family entertainment centres and theme parks were required to remain closed to curb the COVID-19 pandemic. As a result, we were unable to conduct operations in this segment for an extended period. These restrictions remained in effect until October 2021, when the government-initiated Phase 3 of the National Recovery Plan and announced the opening of several sectors, including theme parks and family entertainment services, allowing theme parks, arcades, and amusement centres to reopen under specific safety requirements. Following the upliftment of these restrictions, we resumed Semico and Minexport's business operations in November 2021. During this same period, our subsidiary, De Pop, was not affected by the nationwide lockdown because it was only incorporated in November 2021.

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6. BUSINESS OVERVIEW (CONT'D)

6.14 DEPENDENCY ON CONTRACTS, INTELLECTUAL PROPERTY RIGHTS, LICENCES, PERMITS AND PRODUCTION OR BUSINESS PROCESSES

Save for the intellectual property rights and major licences and permits as set out in Section 6.15 and Annexure B of this Prospectus and disclosed below, our Group's business or profitability is not materially dependent on any contracts, intellectual property rights, licences and permits or processes that could materially affect our business operations or financial condition as at the LPD.

- (i) Consignment agreement entered into between our Group and Mastering Services ("Consignment Agreement")

Details	Salient Terms
Type of agreement	Consignment Agreement
Date of agreement	30 June 2024
Tenure	Commenced from 30 June 2024 and effective until termination
Parties	1. Mastering Services 2. De Pop
Purpose	De Pop to supply Pop Mart and other brands of blind boxes and collectables to Mastering Services to be sold at any MiX.com.my outlets.
Consignment term	Mastering Services is not permitted to sell or consign products of the same brands as listed in the Consignment Agreement sourced from other suppliers in all outlets.
Termination of the Consignment Agreement	The Consignment Agreement will remain in force until a termination notice is issued by either party to the other party. Thereafter, the Consignment Agreement shall cease to be in force 30 days after the date of the termination notice.
Governing law	The Consignment Agreement shall be construed in accordance with the laws of Malaysia.

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6. BUSINESS OVERVIEW (CONT'D)

- (ii) Non-exclusive distribution agreement between our Group and Pop Mart Malaysia (“Distribution Agreement”)

Details	Salient Terms
Type of agreement	Non-exclusive Distribution Agreement
Date of agreement	1 December 2024
Tenure	12 months commencing on 1 January 2025, with an option to renew for another 12 months.
Parties	1. Pop Mart Malaysia 2. De Pop
Purpose	De Pop has been appointed as Pop Mart Malaysia’s non-exclusive distributor to distribute and resell Pop Mart Malaysia’s products in Malaysia.
Events and consequences of default by De Pop	Under the Distribution Agreement, De Pop is required to adhere to a minimum purchase order and minimum sales commitment. Failure to meet such requirement constitutes a material breach. Any adjustments to these obligations require prior written approval from Pop Mart Malaysia, which shall become effective upon formal amendment to the Distribution Agreement. Sales performance is reviewed quarterly, and consistent failure to meet the required commitments allows Pop Mart Malaysia to terminate the Distribution Agreement with immediate effect by written notice to De Pop. Additionally, the Distribution Agreement may be terminated immediately if De Pop fails to comply with its contractual obligations and does not rectify the issue within the required period, does not make timely payments, or repeatedly breaches the terms in a way that undermines its ability to fulfill the Distribution Agreement.
Termination of the Distribution Agreement	Either party may terminate the Distribution Agreement with one month’s prior notice, regardless of whether the other party is in breach of the Distribution Agreement. During this notice period, both parties must continue fulfilling their obligations. The terminating party shall indemnify the other party for any direct losses or damages incurred, based on the actual performance period of the Distribution Agreement.
Governing law	The Distribution Agreement shall be construed in accordance with the laws of Singapore ⁽¹⁾ .

Note:

- (1) The Distribution Agreement is governed by the laws of Singapore as the Pop Mart Group has established a regional headquarters in Singapore to oversee and manage its business activities across the Southeast Asia region.

6. BUSINESS OVERVIEW (CONT'D)

6.15 INTELLECTUAL PROPERTIES

As at the LPD, save as disclosed below, we do not have any intellectual property rights registered and/ or in the process of registration:

Trademark	Applicant	Issuing authority	Date of application	Status	Class	Description
SEMICO	Semico	MyIPO	22 May 2025	Provisional Refusal (Raised Requirements) ⁽¹⁾	28	Games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees.

Note:

- (1) The application has been provisionally refused on the ground that it includes a voluntary disclaimer, "Registration of this trademark shall give no right to the exclusive use of the words 'Semico'." ("**Voluntary Disclaimer**"), which was not previously included within the preliminary advice and search approved by MyIPO. Our Group has submitted a notification letter to MyIPO on 13 November 2025 to remove the Voluntary Disclaimer and is currently awaiting a response from MyIPO.

Our Group is not materially dependent on the abovementioned trademark as our customers do not rely on the recognition of our trademark when they place orders with us and our products are not sold with our trademark in the past. As such, the above trademark is not expected to have any material impact to our business operations and financial performance.

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6. BUSINESS OVERVIEW (CONT'D)

6.16 EMPLOYEES

As at 30 June 2025, we have a total workforce of 43 employees, of which 42 are local employees and 1 foreign employee. The following sets out the number of employees in our Group according to the business functions and departments as at 30 June 2025:

Category	As at 30 June 2025		
	Permanent employees	Contract / part-time employees	
	Local	Local	Foreign
Director	2	-	-
Key Senior Management	3	-	-
Technical	5	-	-
Business Development	4 ⁽ⁱ⁾	-	-
Purchasing	1	1	-
Finance and Human Resources	6	-	-
Outlet operations	18	2	1
Total	39	3	1

As at LPD, we have a total workforce of 44 employees, of which 43 are local employees and 1 foreign employee. The following sets out the number of employees in our Group according to the business functions and departments as at the LPD:

Category	As at LPD		
	Permanent employees	Contract / part-time employees	
	Local	Local	Foreign
Director	2	-	-
Key Senior Management	3	-	-
Technical	6	-	-
Business Development	4 ⁽ⁱ⁾	-	-
Purchasing	1	1	-
Finance and Human Resources	6	-	-
Outlet operations	18	2	1
Total	40	3	1

Note:

- (i) These business development employees are only involved in the wholesale and distribution of toys and collectables segment, covering functions which includes operations and inventory management.

As at the LPD, our foreign employee holds a valid working permit. None of our Group's employees, whether permanent or contract, belong to any labour union.

6. BUSINESS OVERVIEW (*CONT'D*)

6.17 LAWS, REGULATIONS, RULES OR REQUIREMENTS

A summary of the relevant laws and regulations governing the business of our Group, which do not purport to be an exhaustive description of all laws and regulations which our businesses are subject to, are set out below:

(i) Street, Drainage and Building Act 1974 (“SDBA 1974”)

The SDBA 1974 together with the regulations made thereunder including the Uniform Building By-Laws 1984 provide that any person who intends to erect any building shall cause to be submitted by a principal submitting person or submitting person to the local authority such plans and specifications as may be required by any by-law made under the SDBA 1974.

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. The CCC replaces the certificate of fitness which was previously issued by local councils for projects approved prior to April 2007.

Our Group had previously rented a terraced office and storage located in Taman Wahyu without a valid CCC. Our Group had on 25 April 2025 terminated the tenancy agreement with the landlord and had vacated the office and storage.

Our Group has moved to a new office that has been issued with CCC and our Group will utilise a 3rd party storage and logistic provider warehouse on a pay-per-use basis as and when required.

As at the LPD, all the properties rented by our Group comply with the abovementioned governing law.

(ii) Local Government Act 1976 (“LGA”)

The LGA empowers every local authority to grant licence or permit for any trade, occupation or premise through by-laws. Every licence or permit granted shall be subject to such conditions and restrictions as the local authority may think fit and shall be revocable by the local authority at any time without assigning any reason therefor. Presently, as our Group’s business activities are carried out in the Federal Territory of Kuala Lumpur and Selangor, we come under the jurisdiction of Kuala Lumpur City Hall and Subang Jaya City Council, respectively, and the relevant bylaws governing the conduct of our Group’s business activities would be the Licensing of Trade, Business and Industries (Federal Territory Kuala Lumpur) By-Laws 2016 (“**2016 By-Laws**”) and the Licensing of Trades, Business and Industries (Subang Jaya City Council) By-Laws 2007 (“**2007 By-Laws**”).

The 2016 By-Laws provides that no person shall operate any trade, business or industrial activity without a business premise licence. Any person who contravenes any provisions of the 2016 By-Laws commits an offence and shall, on conviction be liable to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding one year or to both such fine and imprisonment and in the case of a continuing offence to a fine not exceeding RM200 for each day during which such offence is continued after conviction.

6. BUSINESS OVERVIEW (CONT'D)

The 2007 By-Laws provides that no person shall operate any activity of trade, business and industry or use any place or premise in the local area of the Council for any activity of trade, business and industry without a licence issued by the Licensing Authority. Any person who contravenes any provision of 2007 By-Laws commits an offence and shall, on conviction be liable to a fine not exceeding RM2,000 or to a term of imprisonment 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.

Our Group had been operating a skating rink and pool tables since 24 September 2017 and 16 December 2017 respectively, located in The Mines, under the assumption that such activities were covered under its existing family entertainment centre business licence.

Subsequently, our Group was made aware that the existing “family entertainment centre” business licence does not cover activities such as skating rink and pool tables, as these activities fall outside the permitted scope of that licence category.

As such, on 3 December 2024, our Group has obtained a business licence for the same location specifically for the operations of the skating rink and pool tables.

In addition, since 1 March 2023, our Group has been utilising a storage space adjacent to our Group’s retail outlet in The Mines without a valid storage business licence. Our Group had on 15 April 2025 obtained its storage business licence from MBSJ.

As at the LPD, our Group holds and maintains valid business premise licences for our business premises.

(iii) Entertainment and Places of Entertainment Enactment 1995 (“1995 Enactment”)

In relation to the regulation of places of entertainment being operated in Selangor, the 1995 Enactment provides that no person shall provide entertainment at any place unless a licence has been granted to provide such entertainment at that place. Any person who contravenes the aforementioned shall be guilty of an offence and shall on conviction be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 5 years or to both.

As at the LPD, our Group holds and maintains valid licences to provide entertainment at our business premises.

(iv) Customs Act 1967 (“Customs Act”) and Customs (Prohibition of Imports) Order 2023 (“2023 Order”)

The Customs Act regulates all customs related matters and the 2023 Order is enacted by the MOF pursuant to the powers conferred under Section 31(1) of the Customs Act. The 2023 Order provides that the importation of amusement machines from any country is prohibited unless the import is accompanied by a letter of approval from the MOF. Any person who contravenes the aforementioned shall be deemed to commit an offence and shall be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 5 years or to both.

In the past, Semico has obtained 5 import permits from MOF for the import of various arcade machines dated 3 August 2023, 27 June 2024, 13 November 2024, 17 February 2025 and 26 March 2025 respectively (“Permits”).

6. BUSINESS OVERVIEW (CONT'D)

Pursuant to the Permits, Semico was required to email to MOF on the arrival of the permitted arcade machines 7 days before the respective arcade machine's arrival date. Such email was not sent to the MOF on time for machines which we have received.

MOF had verbally confirmed to our Solicitors on 14 May 2025 that they will not take any action against our Group if the notification of receipt of the arcade machines are made after the prescribed period ("**Confirmation**").

Our Group had on 15 May 2025 and 19 May 2025 emailed the MOF to notify them of the receipt of 217 units of arcade machines (based on import permits dated 13 November 2024 and 17 February 2025) and 42 units of arcade machines (based on import permits dated 3 August 2023, 27 June 2024 and 26 March 2025) respectively and to confirm the Confirmation.

MOF has reverted via email dated 16 May 2025 and 3 June 2025 and took note of our Group's email dated 15 May 2025 and 19 May 2025 in relation to the Confirmation and import permits dated 13 November 2024, 17 February 2025, 3 August 2023, 27 June 2024 and 26 March 2025 respectively.

As at the LPD, our Group holds valid import permits to import arcade and amusement machines to Malaysia. These import permits were issued on a one-off basis for a fixed duration and are specific to the type, brand, quantity and the country of manufacture of the arcade and amusement machines. Please refer to Annexure B of this Prospectus for further details on our import permits.

As at the LPD, our Group has not been fined or issued with any notice of non-compliance from the local authority in relation to the above-mentioned non-compliances. Our Board is of the view that given the past non-compliances have been rectified, the past non-compliances are not expected to have any material adverse impact to the business operations and financial condition of our Group.

In the past, our Group did not have standard operating procedures to manage our licences, permits and approvals in a structured manner.

As at the LPD, our Group has adopted standard operating procedures ("**SOP**") to manage all our licences, permits and approvals where key senior personnel have been identified to ensure that our Group has relevant and valid licences, permits and approvals required for our business operations and all conditions attached to the licences, permits and approvals, if any, are complied with within the relevant timeframe.

This SOP is applicable to the personnels below, who are responsible for managing and overseeing the relevant licences, permits, and approvals required for our business operations, as well as ensuring all conditions attached thereto are complied with.

The roles and responsibilities under the SOP for managing licences, permits and approvals are as follows:

Role	Responsibility
Compliance Officer (Head of Human Resources and Administration)	(a) To review and approve the application to be made by the regulatory agent to relevant authorities for licences, permits and approvals. (b) To monitor and liaise with regulatory agent to ensure licenses, permits and approvals required are completed in a timely manner.

6. BUSINESS OVERVIEW (CONT'D)

Role	Responsibility
	(c) To ensure the necessary returns / notification are submitted to the relevant authorities. (d) To ensure compliance with all conditions imposed by relevant authorities within the specified timeframe. (e) Quarterly reporting to the Board on all licenses, permits and approvals, including all particulars, expiry dates and the status of compliance of conditions imposed by the relevant authorities.
Licensing Officer (Human Resources and Administration Manager)	(a) To collate the required documents for the relevant regulatory agent. (b) To coordinate with relevant regulatory agent who will assist and ensure timely application for licences, permits and approvals. (c) To liaise with government officers, when required. (d) To maintain a checklist of all licenses, permits and approvals, including all particulars, expiry dates and the status of compliance of conditions imposed by the relevant authorities. (e) Reports to the Compliance Officer.

6.18 ESG PRACTICES

We acknowledge the importance of implementing an environmental, social and governance framework and its importance to our development moving forward.

We have implemented, and are in the midst of implementing the following:

Environmental

As a supplier and distributor of family entertainment products, services, toys and collectables, our Group does not operate any production facilities that significantly impact the environment. Nevertheless, our Group remains committed to minimising the environmental footprint across all stages of the operational workflow and product lifecycle. The sustainability efforts begin with selecting durable, energy-efficient arcade and amusement machines, reducing the frequency of replacements and minimising electronic waste.

In addition, our Group adopts responsible distribution practices by consolidating shipments to optimise logistics and lower carbon emissions. By working with suppliers who share the same values, our Group aims to reduce resource consumption and eliminate unnecessary waste.

Our Group is committed to minimising environmental impact through repair, reuse, and recycling practices. For old or phased-out arcade and amusement machines, our Group salvages usable components such as circuit boards, screens, and mechanical parts, which are either repurposed for repairs or reused in refurbishing other machines. This not only extends the lifecycle of equipment but also reduces the volume of electronic waste and the need for new raw materials. On the flip side, faulty components which include but not limited to, batteries, chips and integrated circuits are stored in designated area in our family entertainment centre located at The Mines. Once a significant quantity of faulty parts has been accumulated, arrangements are made with collectors or recyclers to collect these materials from our premises.

In addition to hardware sustainability, our Group's environmental initiatives extend to product packaging. Recognising that packaging materials are often discarded immediately after unboxing, our Group takes steps to ensure these materials such as cardboard, plastic wrapping, and foam inserts are reused internally or recycled whenever possible.

6. BUSINESS OVERVIEW (CONT'D)

Social

Our Group is committed to acting responsibly toward all stakeholders, including the communities in which we operate. We provide fair and equitable treatment to all employees and business partners. This commitment entails offering equal opportunities for growth, prohibiting discrimination or harassment, and maintaining a safe, inclusive work environment. We regularly review our human resource policies to uphold these standards and to foster a culture of respect.

Wherever possible, we source products and services from local or regional manufacturers and suppliers, thereby supporting local businesses and reducing transportation-related environmental impacts.

Governance

Our Group is committed to conduct our business ethically and in compliance with all relevant laws and regulations as disclosed in Section 6.17 of this Prospectus. In maintaining high standards of corporate governance, our Board has adopted the recommendations under the MCCG. In addition, our Group has adopted a zero-tolerance policy towards bribery, and as such has put in place policies and procedures to ensure strict compliance with the Malaysian Anti-Corruption Commission Act 2009 and its amendments. Further, we have also put in place a Whistleblowing Policy to help promote and ensure fairness in business dealings.

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7. INDUSTRY OVERVIEW

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Protégé
ASSOCIATES

PRAGMATIC FINANCE MARKETS

The Board of Directors
Semico Capital Berhad
G-31, Eco Sky
No. 972, Batu 6 1/2
Jalan Ipoh
68100 Kuala Lumpur

Date: **24 NOV 2025**

Dear Sirs/Madams,

Independent Market Research Report on the Theme Park and Family Attraction Industry in Malaysia and the Pop Toys Industry in Malaysia ("IMR Report")

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

We have been engaged to provide an independent market research of the abovementioned industry in which Semico Capital and its subsidiaries ("**Semico Capital Group**", or "**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 the 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 report. This 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 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 25 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)

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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 proposed listing of Semico Capital on the ACE Market of Bursa Malaysia Securities Berhad, 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 in November 2025.

For further information, please contact:

Protégé Associates Sdn Bhd

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7. INDUSTRY OVERVIEW (CONT'D)



1.0 Introduction to the Theme Park and Family Attraction Industry

Tourism and leisure is an act of spending time away from home in pursuit of recreation, relaxation, and pleasure, while making use of the commercial provision of services. It encompasses a broad spectrum of experiences and engagements that individuals undertake while exploring different destinations or attractions. Ranging from sightseeing, adventure sports, cultural immersions, to leisurely pursuits, tourism activities are diverse and cater to varied interests and preferences. The theme park and family attraction industry is a continuously changing and developing segment within the broader tourism, leisure and hospitality industry. It encompasses a wide scope of entertainment facilities designed to cater to diverse age groups, preferences, and interests. The key segments of the theme park and family attraction industry include theme parks, amusement parks and water parks; family entertainment centres and edutainment centres; nature and wildlife attractions; and cultural heritage attractions.

Figure 1: Key Segments of the Theme Park and Family Attraction Industry

Segment	Descriptions
Theme Parks, Amusement Parks and Water Parks	- Theme parks, amusement parks and water parks are venues that feature various attractions, such as rides and games, as well as other entertainments. - The main difference between a theme park and an amusement park is that theme park has a unifying theme while amusement parks do not necessarily have themes. - Theme parks and amusement parks can be located indoors or outdoors, or both. - Water parks are amusement parks that feature water play areas such as swimming pools, water slides, splash pads, and water playgrounds.
Family Entertainment Centres and Edutainment Centres	- Family entertainment centres traditionally are small amusement parks mainly catered towards families with small children to teenagers and are often located indoors. - These family entertainment centres are generally smaller in scale but are growing rapidly as compared to full-scale amusement or theme parks, with fewer attractions, and lower fees. - Family entertainment centres have also expanded in scope to encompass more types of attractions, including arcade games, bowling alleys, batting cages, playgrounds, kart racing, roller skating and ice skating, mini golf, laser tag and paint ball, inflatables, escape rooms, virtual reality and augmented reality centres, and indoor sky diving. - Edutainment centres on the other hand combine education and entertainment and focuses on interactive and educational experiences. - Edutainment centres include attractions such as science centres, planetariums, children's museums. - The rise of these family entertainment and edutainment centres can be attributed to the growing number of shopping complexes across Malaysia. The opening of new shopping complexes which often consist of a mixture of various types of stores including leisure and entertainment outlets have contributed to the growth in the number of new family entertainment and edutainment centres in the country.
Nature and Wildlife Attractions	- Nature and wildlife attractions provide opportunities to observe and learn about animals, marine life and insects. - These types of attractions include zoos, mini zoos and petting zoos, bird parks, aquariums, insect farms and botanical gardens.
Cultural Heritage Attractions and Others	- Cultural heritage attractions offer a glimpse into the past, showcasing historical artifacts, cultural traditions, and architectural marvels. - Some of these cultural heritage attractions include World Heritage Sites, cultural villages and living museums, religious and historical sites, as well as traditional markets and streets. - Other attractions in Malaysia can include all other types of museums.

Source: Protégé Associates

The global theme park and family attraction industry has been on an expansionary trend, driven by growing demand for experiential entertainment and technological advancements. As the world gets busier and more hectic, there is also growing desire for escapism, where these attractions provide temporary escapes from daily routines. People are now increasingly seeking out unique and immersive experiences and prioritising them above material goods, and along with new technologies such as virtual and augmented reality, theme parks and other family attractions are able to gain popularity among people of various age groups. In addition, digital innovations such as mobile application and digital ticketing systems have helped to enhance visitor experience and streamline operations, leading to increased visits to these attractions. Furthermore, global economic growth has also brought about rising disposable income, which also increasing demand for leisure activities. This is especially the case in emerging markets where growing middle-income classes have become attractive markets for the development of theme parks and other family attractions.

1.1 Overview of the Theme Park and Family Attraction Industry in Malaysia

The Malaysia's theme park and family attraction industry is a vibrant and growing sector that caters to both domestic and international tourists. The expansion of this industry is supported by Malaysia's position as a popular tourism destination in Southeast Asia, known for its diverse culture, natural attractions, and modern entertainment facilities.

Theme parks and family attractions play a significant role in Malaysia's tourism ecosystem, contributing to its economy and providing recreational options for locals and tourists alike. In 2024, the local tourism industry contributed 15.1% (RM291.9 billion) to Malaysia's gross domestic product ("GDP"), up from a contribution of 14.9% (RM271.9 billion) in the previous year. As an important pillar in the local tourism industry, the Ministry of Tourism, Arts and Culture has been collaborating with the Malaysian Tourism Board ("Tourism Malaysia") and the Malaysian Association of Theme

7. INDUSTRY OVERVIEW (CONT'D)



Parks and Family Attractions ("MATFA") to continue the expansion of the industry, as well as attract more tourists and investors. According to Tourism Malaysia, theme parks in the country have become one of the main attractions in the international market, due to the diversity of the theme parks, where there is indoor, outdoor, nature and ecotourism, which is able to attract more tourists to Malaysia due to the wide options.

There has been a continuing influx of new theme parks and other family attractions, or refurbishment of older facilities over the years in Malaysia. Some of the latest additions include the SplashMania Waterpark and the NEXTGEN Theme Park which opened doors in 2023, as well as the ESCAPE Challenge Park Ipoh, the Gamuda Luge Garden, the Game On Theme Park Melawati Mall, and Monkey Canopy Resort which was launched in 2024. The refurbished Genting SkyWorlds Theme Park was opened to public in early 2022. Various family entertainment centres have also been mushrooming across the country to capture a slice of the growing theme park and family attraction industry in Malaysia.

Figure 2 below illustrates the some of the major theme parks and family attractions in Malaysia.

Figure 2: Selected Major Theme Parks and Family Attractions in Malaysia

Family Entertainment Centres and Edutainment Centres	
Family Entertainment Centres	Kiddytopia
Baby Shark Adventure Ville	Kids Nation
Blue Ice Skating Ring	Kid's e-World
Bomb Battle Malaysia	Little Pirates Playground
Breakout Malaysia	LSL Family
CoComelon Play Centre	MetaPark
District 21	Molly Fantasy
Dreamworld Indoor Play Centre	Starship Galactica
Escape Games	SuperPark Malaysia
Escape Room Malaysia	The Parenthood
Game On Sports Hub	Edutainment Centres
Icescape	KidZania Kuala Lumpur
Jump Street Trampoline Park	Kidzooona
Jungle Gym	NEXTGEN Theme Park
Theme Park, Amusement Park and Water Parks	
Adventure Waterpark Desaru Coast	LEGOLAND Malaysia
Bangi Wonderland Water Theme Park	Melaka Wonderland Theme Park & Resort
Berjaya Times Square Theme Park	Monkey Canopy Resort
Bertam Souk & Water Park	SplashMania Waterpark
Bukit Gambang Water Park	Splash Out Langkawi
Bukit Merah Laketown Waterpark	Wet World Water Park Shah Alam
Genting SkyWorlds and Skytropolis Theme Park	Mixed Attractions
i-City Theme Park	A'Famosa Theme Park
Nature and Wildlife	ESCAPE Penang
Aquaria KLCC	Lost World of Tambun
Zoo Negara	Sunway Lagoon Theme Park

**the list above is not exhaustive and only serve as a reference for readers*

Source: Protégé Associates

1.2 Performance of the Theme Park and Family Attraction Industry in Malaysia

The performance of the Malaysian tourism industry is reliant on the health of the economy as well as on global events particularly health hazards that may prohibit contact with other fellow humans or congregate in crowded places. As a popular tourist destination, the country had been drastically impacted by the COVID-19 pandemic between 2020 and 2022, with a significant drop in tourist arrivals and domestic tourism in the country affected by nationwide lockdowns and closure of borders. In response to the significant downturn in Malaysia's tourism industry, both the Malaysian and State Governments have introduced plans aimed at supporting the industry and its stakeholders. Some initiatives include the 2020 Economic Stimulus Package, the PRIHATIN Rakyat Economic Stimulus Package and the PENJANA

7. INDUSTRY OVERVIEW (CONT'D)



Short-Term Economic Recovery Plan. The Ministry of Tourism, Arts, and Culture ("MOTAC") had also introduced the Tourism Recovery Framework 2.0 (2022-2024) in June 2022 to fortify and renew the tourism industry.

The theme park and family attraction industry suffered losses between 2020 and 2022 due to the COVID-19 pandemic. According to MATFA, the industry lost around RM4.8 billion between 2020 and 2022. Unlike the other segments of the tourism industry such as the retail and hotel segments, the theme park and family attraction industry were more severely affected because it was the first to shut down due to COVID-19 restrictions and was the last to be allowed to reopen to the public. Also, when theme parks were permitted to resume operations, they were initially restricted to operating at 50% capacity and could only admit fully vaccinated visitors.

In 2023, the theme park and family attraction industry in Malaysia saw significant recovery and growth following the transition of COVID-19 pandemic into an endemic in 2022. Growth in the industry was supported by the continued popularity of major theme parks such as Genting SkyWorlds Theme Park, Legoland Malaysia and Sunway Lagoon Theme Park. The year also saw the opening of new attractions such as the SplashMania Waterpark at Gamuda Cove. There was also a surge in domestic tourism in the country in 2023, with domestic visitor arrivals reaching 213.7 million people, up 24.6% from 171.6 million in the previous year. Besides that, the industry had also benefitted from government measures, including a reduction in entertainment duty rate from 25% to 5% for theme parks, family recreation and indoor game centres, as well as simulators (simulators refer to immersive systems or experiences designed to replicate real-world or imagined environments and are often used in theme parks, arcades and virtual reality centres). The incentives is served to encourage reinvestment to upgrade new rides and attractions, as well as maintaining affordable reach for the community. The collaboration between MOTAC, Tourism Malaysia and MATFA had also played an important role in promoting tourism in Malaysia including theme parks and family attractions domestically and internationally. The industry was valued at RM4.00 billion in 2023, up from RM3.21 billion in 2022.

In 2024, growth was supported by increased domestic tourism and new attractions. According to the Department of Statistics Malaysia ("DOSM"), a total of 260.1 million local tourists were recorded in the 2024, which was an increase of 21.7% from 2023. Domestic tourism expenditure also increased by 26.3% in 2024 to RM107.2 billion as compared to RM84.9 billion in 2023. The theme park and family attraction industry in Malaysia is valued at RM4.87 billion in 2024.

Going forward, the theme park and family attraction industry in Malaysia is expected to continue on an expansionary trend, bolstered by continued recovery in both domestic and international tourist footfall, efforts from the Malaysian Government to promote Malaysia as a tourist destination, the integration of digital technologies such as online bookings and the rollout of newer technologies such as virtual reality and augmented reality that can cater to evolving consumer preferences. The theme park and family attraction industry in Malaysia is forecasted to reach RM5.36 billion in 2025 and expand at a CAGR of 9.0% to RM7.49 billion in 2029 (base year of 2024).

Figure 3: Estimated Market Size and Growth Forecast of the Family Entertainment Centres and Edutainment Centres Market in Malaysia, 2023-2029

Year	Market Size (RM million)	Growth Rate (%)
2023	996.6	-
2024	1,225.9	23.0
2025 ^f	1,366.8	11.5
2026 ^f	1,524.0	11.5
2027 ^f	1,661.2	9.0
2028 ^f	1,819.0	9.5
2029 ^f	1,991.8	9.5

Notes:

1. CAGR (2025-2029) (base year of 2024): 10.2%
2. ^f denotes forecast

Source: Protégé Associates

2.0 Introduction to the Pop Toys Industry

Pop toys refer to toys infused with pop culture and other trendy content, and can cover a wide range of products including action figures, assembled toys, as well as blind boxes. Due to pop toys often being inspired by cultural and entertainment intellectual properties, they can offer collectors with immersive connection to the original content and artwork, thus increasing their attractiveness to collectors. These intellectual properties can originate from the creativity of skilled artists or be licensed from movies, animations, games, and other content sources. While traditional toys are generally designed for functional uses such as training coordination and sense stimulation, pop toys feature distinct designs and aesthetics and are mainly collected for display purposes and are sometimes sold in limited editions and contain higher collection value. These limited edition and exclusive range of pop toys tend to create a sense of urgency and exclusivity, thus driving demand among collectors and also as an investment (some collectors view certain rare or exclusive pop toys as potential investment and may appreciate in value over time), contributing to the popularity of pop toys.

The global pop toys industry has experienced significant growth in recent years, fuelled by a series of factors, including growing popularity of pop culture and media franchises, increased nostalgia among adults, as well as the rise of e-commerce. In terms of regions, North America remains the dominant market, driven by a strong collectables culture

7. INDUSTRY OVERVIEW (CONT'D)



and high disposable income. The United States of America, in particular, is the main market, with a large base of dedicated collectors and frequent release of new media content that spurs demand for related collectables. Europe is also a major market, with countries such as the United Kingdom, France and Germany leading the way. The European market is supported by a long history of toy manufacturing and strong tradition of collecting. Consumers in this region tend to value craftsmanship and heritage, thus driving demand for high-quality and often handmade collectables.

The Asia Pacific region is expected to register the highest growth, with countries such as Japan and South Korea being established hubs for toy manufacturing and collecting. The rising middle-income class in countries like China and India has also been contributing to market expansion, with higher disposable income allowing more consumers to indulge in collecting hobbies. Some of the prominent market players in the global arena include Funko Inc., Hasbro Inc., Mattel Inc., The Lego Group, Jazwares LLC Bandai Namco Holdings Inc., and MGA Entertainment Inc. The global pop toys industry was valued at USD18.08 billion in 2024 and is forecasted to grow at a CAGR of 9.8% to reach USD28.79 billion in 2029.

2.1 Overview of the Pop Toys Industry in Malaysia

Malaysia has an active fanbase for pop culture, including movies, drama, animation and anime, books, and video games. As such, pop toys have also seen an increase in popularity from the rising influence of global pop culture and a rising interest in collectables among a young and digitally connected population in Malaysia has also been driving demand for pop toys. The availability of a wide range of retail channels including brick-and-mortar specialty collectable stores, general toy shops (including Toys“R”Us Malaysia), small shops and hobby stores that stock pop toys and other collectables, as well as online platforms such as Lazada and Shopee have also made it easier for collectors to access a wide variety of pop toys. Additionally, pop toys have also been increasingly made available from vending machines in various locations in shopping malls. Growth of the industry has also been supported by the emergence of prominent global players, including POP Mart opening its first flagship store in Malaysia in 2023. There are 7 POP Mart outlets in Malaysia as of November 2025.

Further, while traditionally collectors could select which pop toys to purchase, there has been a growing trend of blind box pop toys in recent years. These blind box pop toys are collectables sold in concealed packaging, thus hiding the item's appearance or design, and creates a sense of surprise for the buyer that is only revealed on opening. This “blind box economy” capitalises on a buyers' anticipation of the unknown, which can be addictive, turning every unboxing into a moment of surprise and excitement. Some buyers may even make multiple purchases to acquire the desired item from a collection or gather a full set of a specific series. POP Mart in particular has successfully captured buyers' interest with stylishly designed cartoon toys across various product lines. Overtime, many pop toy customers evolve from occasional buyers to regular buyers, who are referred to as enthusiasts or fans. These buyers demonstrate their loyalty to pop toys through repeated purchases and can accept higher retail prices.

2.2 Performance of the Pop Toys Industry in Malaysia

In Malaysia, the driving demand for pop toys stems from their relative affordability as compared to other collectables, making them accessible to a wider range of consumers, including younger fans and casual collectors. Also, the relatively stable economy of Malaysia and rising disposable income among Malaysians have enabled more consumers to spend on hobbies and collectables. Further, the continuous rollout of new merchandise based on trending pop culture (such as POP Mart launching its Ne Zha series based on the Chinese movie Ne Zha 2, as well as new series such as the Twinkle Twinkle series) is also expected to capture the interest of both new and existing collectors. Currently a significant portion of pop toys are manufactured in countries such as China and Vietnam. In Malaysia, a majority of pop toys are either imported or sourced from regional distribution channels. This is mainly due to the manufacturer's centralised production and global distribution model.

Figure 4: Estimated Market Size and Growth Forecast of the Pop Toys Industry in Malaysia, 2023-2029

Year	Market Size (RM million)	Growth Rate (%)
2023	92.4	-
2024	143.8	55.6
2025 ^f	179.7	25.0
2026 ^f	224.6	25.0
2027 ^f	292.0	30.0
2028 ^f	379.6	30.0
2029 ^f	512.5	35.0

Notes:

1. CAGR (2025-2029) (base year of 2024): 28.9%
2. ^f denotes forecast

Source: Protégé Associates

The pop toys industry in Malaysia has been experiencing rapid growth in line with global demand. In 2023, the post-pandemic recovery had led to increased consumer spending. POP Mart also opened its first flagship store in Malaysia in 2023. The industry continued on an expansionary trend in 2024, supported by an increasing number of adult collectors as well as the blind box strategy by major players in the industry. The pop toys industry in Malaysia was valued at RM143.8 million in 2024, which was an increase of 55.6% from the previous year. Going forward, the industry is forecasted to reach RM179.7 million in 2025 and expand at a CAGR of 28.9% to RM512.5 million in 2029.

3.0 Competitive Landscape

Theme Park and Family Attraction Industry

The theme park and family attraction industry in Malaysia is diverse and encompasses various operators with varying scale, specialisation (types), and market reach. These market players range from large, internationally known operators to small, localised attractions. These market players also offer different types of attractions from theme parks and

7. INDUSTRY OVERVIEW (CONT'D)



amusement parks, water parks, edutainment centres, entertainment facilities, nature and wildlife attractions, and cultural heritage buildings and architectures.

There has been an increasing number of theme parks and family attractions being constructed across Malaysia, driven by growing demand for leisure activities that cater to families, tourists, and individuals seeking fun and interactive experiences. In particular, family entertainment centres have been growing strongly in various locations in the country, mainly due to the growing number of shopping complexes being built or refurbished. These shopping complexes generally consist of various types of stores, including entertainment outlets including family entertainment centres.

Market players in the industry can also be segmented into different tiers based on the scale of operations. In general, Tier-1 market players refer to the major national or international players. These market players operate large-scale attractions with significant capital investment, and often have broad market reach which can cater to tourists of all age groups. Attractions operated by Tier-1 market players are also often characterised with having high visitor capacity, multiple revenue streams (such as ticket sales, food and beverage services, and retail of merchandise (including photo booths)), and have extensive marketing campaigns. Some of these Tier-1 market players include Sunway Lagoon Sdn Bhd (Sunway Lagoon), Genting Malaysia Berhad (Genting SkyWorlds Theme Park) and LL Malaysia Taman Tema Sdn Bhd (Legoland Malaysia).

Tier-2 market players are regional players who are prominent in specific states or regions and mainly cater to domestic tourists. Attractions operated by Tier-2 market players have medium visitor capacity and usually have a specialised theme or features. Some of these Tier-2 market players include Gamuda Land Leisure Sdn Bhd (SplashMania Waterpark), Sunway Lost World Water Park Sdn Bhd (Lost World of Tambun), Sim Leisure Escape Sdn Bhd (ESCAPE Penang), Only World Group Holdings Berhad (The TOP@Komtar Penang and Wet World Water Parks). Some market players may operate multiple outlets.

Tier-3 market players operate smaller-scale attractions that tend to focus on niche markets. These Tier-3 market players generally operate attractions with lower visitor capacity and focus on localised clientele. While most of these market players tend to focus on single outlet operations, some operate multiple outlets. Some of these Tier-3 market players include Next Gen ThemePark (1U) Sdn Bhd (NEXTGEN Theme Park), The Bomb Battle Sdn Bhd (Bomb Battle), Superdough Sdn Bhd (Breakout), Blue Frost Management Sdn Bhd (Blue Ice Skating Rink), Kids Nation Sdn Bhd (Kids Nation), and Parenthood Venture Sdn Bhd (The Parenthood). Tier-3 market players also include operators of arcade game outlets such as AEON Fantasy (Malaysia) Sdn Bhd (which operates arcade game outlets such as Mollyfantasy, FANTAZIA, and PALO and other non-arcade game outlets such as kidzooona, and FANPEKKA), Cobay Sdn Bhd, Indah FEC Sdn Bhd, Teeming Sdn Bhd, and Semico Capital Group. It is estimated that there are approximately 970 Tier-3 market players in 2024.

Pop Toys Industry

The pop toys industry in Malaysia has experienced significant growth in recent years, driven mainly by rising interest in toys and collectables among consumers, and the influence of pop culture. This expansion is supported by a vast network of retailers and distributors, each playing an important role in making pop toys readily available across the country.

In Malaysia, pop toys are available through a variety of channels, catering to different customer segments and preference. These channels include official brand stores such as POP Mart, toy stores such as Toys "R" Us (which often have a dedicated section for blind box toys and collectables), as well as specialty shops such as Toy Garden and Sheldonet Toy Store. Major departmental stores such as AEON, Parkson, and Isetan also have dedicated sections for toys and collectables, including pop toys. Some variety stores in Malaysia such as Miniso and The Green Party also carry a series of pop toys in addition to offering other lifestyle products. At the same time, pop toys may also retail at some non-toy focused specialty stores such as Impulse Gaming, which is a console game seller but also offers a series of toys and collectables. Pop toys are sometimes also available in convenience stores such as 7-Eleven and MyNews, which occasionally carry smaller, more affordable pop toys, particularly blind boxes or miniatures.

In addition to these brick-and-mortar stores, pop toys can also be acquired from online platforms, including e-commerce marketplaces such as Lazada and Shopee, which offers a wide selection of pop toys at varying prices. The official websites of global brands such as POP Mart, or toy shops such as Toy "R" Us also allows Malaysian customers to purchase pop toys directly from their websites. At the same time, social media platforms such as Facebook Marketplace, Instagram shops, and Telegram groups have also become increasingly popular for buying and selling pop toys, especially among collectors seeking rare or limited-edition items.

The participants in the local pop toy industry can be mainly segmented into distributors and retailers. Distributors can be further segmented into official distributors and regional distributors. Official distributors are local companies that partner with international brands to bring in licensed pop toys into Malaysia. Regional distributors on the other hand import bulk shipments of pop toys and supplies them to retailers in Malaysia. They often act as intermediaries between manufacturers and smaller traders. Some of the distributors of pop toys in the country include Asia GO Distribution Sdn Bhd, Epoch Blooming Toys (M) Sdn Bhd, Multihexa Sdn Bhd, Pop Mart Malaysia Sdn Bhd (also operates as a retailer), Sincere Match Group Sdn Bhd, Sheldonet Distribution Sdn Bhd (also operates as a retailer) and De Pop Asia Sdn Bhd. Retailers in Malaysia then source its pop toys from these distributors to be retailed to consumers in toy shops or other specialty shops. These retailers include Miniso (M) Sdn Bhd, Toy Garden Sdn Bhd, TGP Living Collection Sdn Bhd, and Toy "R" Us (Malaysia) Sdn Bhd. International brands such as POP Mart has also set up physical stores in the country and sell products directly to consumers. At present, there are 7 official POP Mart stores in Malaysia as of November 2025.

7. INDUSTRY OVERVIEW (CONT'D)



3.1 Competitive Analysis

Semico Capital Group is principally involved in (i) the provision of family entertainment products and services encompassing the supply of arcade and amusement machines and the operation and management of a family entertainment centre; and (ii) the wholesale and distribution of toys and collectables. For this report, Protégé Associates has used the following criteria when selecting industry players in Malaysia for comparison with Semico Capital Group:

Theme Park and Family Attraction Industry

- Involved in the family entertainment centre in Malaysia, namely in the supply of arcade and amusement machines and/or as an operator of arcade and amusement machines; and
- Registered an annual turnover of below RM200 million based on the latest publicly available audited financial information.

Pop Toy Industry

- Involved in the pop toy industry in Malaysia, namely as a distributor and/or retailer of pop toys; and
- Registered an annual turnover of below RM200 million based on the latest publicly available audited financial information.

The above criteria are used to narrow down the list of industry players that can be selected for comparison with Semico Capital Group. The criteria are used to select industry players that are deemed to be more similar to Semico Capital Group in terms of revenue, types of products, and principal activities. After taking into consideration the above criteria, Protégé Associates has selected the below companies for comparison purposes. It needs to be highlighted that the list of industry players used for comparison purpose is not exhaustive. These market players cater to different geographical locations or offer varying products and services, and may not serve the exact same end customers as Semico Capital Group.

Figure 5: Comparison between Semico Capital Group and Selected Industry Players in the Theme Park and Family Attraction Industry in Malaysia

Company	Principal Activities	Information from FYE	Revenue (RM)	Gross Profit (RM)	Profit after Tax (RM)	Gross Profit Margin (%)	Profit after Tax Margin (%)
Supplier/Operator of Arcade and Amusement Machines							
<i>Semico Technology Sdn Bhd³</i>	<i>The company is principally involved in the supply of arcade and gaming machines and its related services.</i>	<i>30 June 2025</i>	<i>13,000,008 *</i>	<i>8,210,559</i>	<i>4,657,082</i>	<i>63.16</i>	<i>35.82</i>
<i>Minexport Sdn Bhd³</i>	<i>The company is principally involved in the operation and management of family recreational activities.</i>	<i>30 June 2025</i>	<i>977,921</i>	<i>296,655</i>	<i>137,690</i>	<i>30.34</i>	<i>14.08</i>
AEON Fantasy (M) Sdn Bhd ⁴	The company is principally involved in the provision of indoor amusement child play centre for children and their families.	28 February 2025	158,577,472	39,475,470	8,445,859	24.9	5.3
Cobay Sdn Bhd	The company is principally involved in the business of dealer and operator of video game amusement machines.	31 March 2024	6,357,346	3,164,071	361,010	49.8	5.7
Fantasy Citywell Entertainment Sdn Bhd ⁵	The company is principally involved in the provision of entertainment arcade and game machine.	31 October 2023	2,389,368	2,253,485	473,718	94.3	19.8
Indah FEC Sdn Bhd	The company is principally involved as operators of amusement centres.	31 December 2024	2,756,088	n/a [^]	473,304	n/a [^]	17.2
Kaga Amusement Malaysia Sdn Bhd ⁶	The company is principally involved in the provision of amusement machines and services in relation to amusement game machines, which include but not	31 March 2024	32,119,679	9,284,529	5,137,274	28.9	16.0

7. INDUSTRY OVERVIEW (CONT'D)



Company	Principal Activities	Information from FYE	Revenue (RM)	Gross Profit (RM)	Profit after Tax (RM)	Gross Profit Margin (%)	Profit after Tax Margin (%)
	limited to provision of technical and maintenance services of all matters related to the business concerns and undertakings.						
Teeming Sdn Bhd ⁷	The company is principally involved in trading in amusement machines and operators of amusement and video game centres.	31 March 2022	2,756,131	616,286	46,702	22.4	1.7
Pop Toys Distributors/ Retailers							
De Pop Asia Sdn Bhd³	The company is principally involved in the wholesale and distribution of toys and collectables, and operation of family recreational and sports activities.	30 June 2025	15,793,062 *	5,591,778	3,269,435	35.41	20.70
Asia GO Distribution Sdn Bhd ⁸	The company is principally involved in the business of trading toys and gifts of all kinds.	30 April 2024	5,409,618	1,509,453	8,108	27.9	0.1
Epoch Blooming Toys Sdn Bhd	The company is principally involved as a wholesaler of toys, games and gifts.	31 December 2024	9,952,378	5,918,023	1,466,040	59.5	14.7
Miniso (M) Sdn Bhd ⁹	The company is principally involved in the business of retailing materials, gift, present, souvenir and thing capable in used for all events and special celebrations.	31 December 2024	15,711,563	10,358,977	660,675	65.9	4.2
Multihexa Sdn Bhd	The company is principally involved as a wholesaler of toys and consumer products.	31 December 2024	30,952,414	9,649,234	4,234,164	31.2	13.7
Pop Mart Malaysia Sdn Bhd ¹⁰	The company is principally involved in the sales of pop toys.	31 December 2023	11,286,441	6,071,276	90,603	53.8	0.8
Sheldonet Distribution Sdn Bhd	The company is principally involved in the business of trading in all kinds of sports, toys, figurine products and any other related products.	31 August 2024	9,923,759	3,301,271	276,789	33.3	2.8
Sincere Match Group Sdn Bhd	The company is principally involved in the wholesale, distribution, importing and marketing of variety of goods.	31 December 2024	101,465,511	n/a^	3,274,031	n/a^	3.2
Toy Garden Sdn Bhd	The company is principally involved in retail sale of any kind of products over the internet, game, toy and souvenirs.	30 June 2024	4,982,291	1,141,202	(482,989)	22.9	(9.7)
Toys 'R' Us (Malaysia) Sdn Bhd	The company is principally involved in the business of departmental stores, specialising in sales of toys and children products.	31 December 2024	186,527,784	79,705,878	13,217,921	42.7	7.1
TGP Living Collection Sdn Bhd ⁹	The company is principally involved in wholesale of variety goods and general retail.	30 September 2024	23,095,007	6,335,118	(2,468,792)	27.4	(10.7)

7. INDUSTRY OVERVIEW (CONT'D)



Notes:

- * Includes an inter-company sales of RM82,839 between Semico Technology Sdn Bhd and De Pop Asia Sdn Bhd.
- ^ n/a denotes not available.
- 1. The above companies are considered comparable companies to Semico Capital Group as these companies are in the supply/ operation of arcade and amusement machines or are distributors/ retailers of pop toys. However, not all companies carry out activities which are completely similar to each other or in the same geographical areas.
- 2. The list of industry players is not exhaustive.
- 3. Semico Technology Sdn Bhd, Minexport Sdn Bhd, and De Pop Asia Sdn Bhd are subsidiaries of Semico Capital Group. Semico Technology Sdn Bhd and Minexport Sdn Bhd are involved as supplier/ operator of arcade and amusement machines while De Pop Asia Sdn Bhd is involved as pop toys distributor. For the FYE 30 June 2025, Semico Capital Group registered total revenue of RM29.69 million.
- 4. AEON Fantasy (M) Sdn Bhd regard AEON Fantasy Co., Ltd and AEON Co., Ltd, which are both listed on the Tokyo Stock Exchange, as the immediate and ultimate holding company respectively. AEON Fantasy (M) Sdn Bhd operates other types of family entertainment centres in addition to arcade game outlets.
- 5. Fantasy Citywell Entertainment Sdn Bhd is an exempt private company since 31 October 2024.
- 6. Kaga Amusement Malaysia Sdn Bhd is a subsidiary of Kaga Electronics Co., Ltd., which is listed on the Tokyo Stock Exchange.
- 7. Teeming Sdn Bhd is an exempt private company since 31 March 2023.
- 8. Asia GO Distribution Sdn Bhd is an exempt private company since 30 April 2025.
- 9. Miniso (M) Sdn Bhd and TGP Living Collection Sdn Bhd are considered comparable companies due to their product offerings including toys and collectables, including blind box pop toys.
- 10. Pop Mart Malaysia Sdn Bhd is a subsidiary of Pop Mart International Group Limited., which is listed on the Main Board of the Stock Exchange of Hong Kong. The financial information for Pop Mart Malaysia Sdn Bhd is from the financial period 18 January 2023 to 31 December 2023.

Sources: Semico Capital Group, Companies Commission of Malaysia and Protégé Associates

3.2 Semico Capital Group's Market Share Analysis

The revenue generated by Semico Capital Group for its family entertainment products and services segment for its financial year ended 30 June 2025 was approximately RM14.0 million, which is equivalent to approximately 1.0% of the theme park and family attraction industry in Malaysia in 2025. The market share is derived based on the revenue of Semico Capital Group for its family entertainment products and services segment over the market size of the theme park and family attraction industry in Malaysia in 2025 of RM1,366.8 million. At the same time, the revenue generated by Semico Capital Group for its toys and collectables segment for its financial year ended 30 June 2025 was approximately RM15.8 million which is equivalent to approximately 8.8% of the pop toys market in Malaysia in 2025. The market share is derived based on the revenue of Semico Capital Group for its toys and collectables segment over the market size of the pop toys industry in Malaysia in 2025 of RM179.7 million.

4.0 Demand Conditions

Growing Tourism Industry

Malaysia's tourism industry has witnessed continuous growth over the years and has emerged as one of the key contributors to the nation's economy. Malaysia's ideal geographical location in Southeast Asia has made it a choice destination for regional travellers from countries such as Singapore, Indonesia, Thailand, and China. The country can be accessed through various modes of transport via land, air, and sea. Entering Malaysia via land is popular with travellers from Singapore due to the bridges linking the two countries. The shared border between Malaysia and Thailand also serves as an access point via land for travellers from Thailand. The various modes of access can lead to a higher number of tourists visiting Malaysia, thus generating higher demand for tourism services.

7. INDUSTRY OVERVIEW (CONT'D)



The country also has a well-connected transport infrastructure. Malaysia supports multiple modes of transportation such as intercity flights, intercity trains, and car services for tourists to travel within the country. This enables tourists to explore different locations within a Malaysia conveniently and caters to varying travel preferences and needs of tourists. Furthermore, the availability of diverse transportation options can encourage tourists to extend their stays or visit multiple destinations in a single trip. This would likely boost the demand for tourism services and drive growth of the industry moving forward.

The country also offers a wide range of attractions, including beaches, rainforests, cityscapes, and UNESCO World Heritage Sites. Malaysia is also home to various modern attractions, including theme parks, aquariums, and cultural experiences, which appeals to a wide range of visitors.

While the local tourism industry was negatively affected by COVID-19, the gradual easing of COVID-19 restrictions globally throughout 2021 and 2022 has brought the recovery of tourism sector as people were able to travel again. Following the reopening of Malaysia's international borders in April 2022, the country experienced a surge in foreign tourist arrivals. At the same time, the pandemic also led to an increase in domestic tourism as Malaysians explored local destinations. Tourist arrivals fell to 4.3 million in 2020, down from 26.1 million in 2019. It rebounded to 10.1 million, 20.1 million, and 25.0 million in 2022, 2023 and 2024 respectively. The continued expansion of the local tourism industry is expected to bode well for the development of the theme park and family attraction industry in Malaysia. As part of the tourism industry, higher demand for tourism services is expected to translate to increased visits to theme parks and other family attraction destinations.

At the same time, a growing tourism also indicates higher footfall to shopping malls as well as toy shops and other specialty shops within. This is expected to boost sales of pop toys in the country and serve as a support for the development of the industry in Malaysia.

Growing Popularity of Pop Toys from Rising Influence of Global Pop Culture

The pop toys industry in Malaysia has witnessed remarkable growth in recent years, fuelled by a surge in consumer interest in collectables and the widespread influence of global pop culture. Malaysia also boasts of a vibrant and active fanbase deeply engaged with various aspects of pop culture, including movies, dramas, animation and anime, comic books, and video games. This cultural enthusiasm has significantly contributed to the rising popularity of pop toys, as consumers increasingly seek to own merchandise and memorabilia that reflect their favourite characters and franchises.

A key driver behind the industry's expansion is the growing interest in collectables among the younger generation, particularly those who are digitally savvy and active on social media platforms. The retail landscape for pop toys in Malaysia is diverse and well-developed. These retail channels include brick-and-mortar outlets such as official brand stores, toy stores, specialty shops, as well as e-commerce platforms such as Lazada and Shopee. The emergence of pop toys vending machines in shopping malls and entertainment complexes has created a spontaneous way for consumers to engage with collectables. Besides, the rising popularity of blind box pop toys has also created additional and recurring demand for pop toys as consumers are motivated to obtain specific figures or complete entire sets.

Overall, the pop toys industry in Malaysia is expected to continue to thrive, supported by strong consumer demand, an expanding retail presence, and the enduring appeal of pop culture in everyday life.

Population Growth and Rising Disposable Income

The growth in demand for tourism services is positively correlated with the size of the population. As the size of the population increases, it is expected that a higher pool of the population will seek out tourism services. The global population was estimated at 8.16 billion people in 2024 and is projected to reach 9.66 billion in 2050. In particular, Asia (includes Central and Southern Asia and Eastern and South-Eastern Asia) is expected to expand from an estimated population of 4.50 billion in 2024 to 4.86 billion in 2050. The Malaysian population was estimated at 34.1 million people in 2024 and is projected to reach 41.5 million people in 2040. Both population indicators suggest a potential increase in demand for tourism services, including for theme park and family attraction, which bodes well for the development of the industry going forward.

At the same time, Malaysia's population has been experiencing increasing affluence driven by consistent economic growth. According to Bank Negara Malaysia, the country's per capita income rose from RM53,131 in 2022 to RM54,894 in 2024. Per capita income is forecast to reach RM57,803 in 2025. Meanwhile, the trajectory of the Malaysian economy indicates sustained expansion. Malaysia's real GDP expanded by 3.6% in 2023 as compared to a growth of 8.7% registered in 2022, supported by resilient domestic demand and further recovery in tourism activities. In 2024, the Malaysian economy further expanded by 5.1%. The growing economy is poised to drive income and boost consumer sentiment, which will augur well for the growth of the local tourism industry including the theme park and family attraction industry. Furthermore, a higher disposable income also indicates the population is more likely to spend on discretionary products, which includes pop toys. This bodes well for the growth of the local pop toys industry.

Competitive Pricing and Packages

To attract visitors, theme parks and family attractions in Malaysia often use competitive pricing and promotional packages to increase their appeal. Some of these include combo tickets and family packages, whereby combo tickets offer significant savings as compared to buying individual tickets for various parks within a theme park, while family packages may offer entrance tickets coupled with food and beverage credits or welcome gifts when purchasing as a family. Some theme parks and family attractions offer annual passes or memberships, which allows unlimited entry throughout the year or provide discounts on park merchandise and foods. Theme park and family attraction operators

7. INDUSTRY OVERVIEW (CONT'D)



may also offer multiple-day passes, whereby the fee for the second day entrance to the park is significantly lower than the first. Some operators may offer theme park room combo packages, whereby providing discounted prices when booking for rooms and theme park entrances under the same operator. Theme park and family attraction operators also often provide discounts for bookings made in advance or through online portals (through official websites or partner platforms).

These competitive pricing strategies and value-added packages serve to enhance the affordability and appeal of the theme parks and family attractions in Malaysia, and thus encourage more visitors to explore and visit them.

5.0 Supply Conditions

Government Initiatives to Support the Tourism Industry

The Malaysian Government launched the National Tourism Policy 2020-2030 in December 2020 as a roadmap for supporting the country's tourism industry and making Malaysia into a global tourist destination. This includes setting up special tourism investment zones, encouraging adoption of digitalisation amongst tourism and hospitality players such as using digital platforms to provide travel packages, as well as practising sustainable and responsible tourism in line with the United Nations Sustainable Development Goals. The Malaysian Government has also outlined several strategies in the Twelfth Malaysia Plan 2020-2025 ("12MP") to re-energise the tourism industry. One of the strategies are restoring tourist confidence in traveling safely in a post-pandemic world, as well as providing higher-quality products and services such as ecotourism and community-based cultural immersion activities that vividly depict the Malaysian experience.

Further, the tabled Budget 2024 also holds great promise for the country's tourism industry. One of the key developments is the reinstatement of Visit Malaysia Year in 2026, with an aim to attract 47 million visitors and generate RM329 billion in tourism revenue. To achieve this, the government has set aside RM350 million for promotional activities aimed at regaining Malaysia's status as a preferred global tourism destination. RM20.0 million is earmarked for state governments to maintain and restore tourism hotspots, including Tasik Timah Tasoh in Perlis, Kenong Rimba Park in Pahang, and Pantai Teluk Kemang in Negeri Sembilan. Additionally, RM80.0 million is allocated for the conservation and restoration of heritage sites with UNESCO potential, such as Gua Niah in Sarawak, Lembah Bujang in Kedah, and Royal Belum in Perak. For Perak in particular, more than RM20.0 million has been allocated for the restoration and upgrades at tourist attractions around Perak including the Pasir Salak Historical Complex, Perak Museum Board, Taman Rekreasi Gunung Lang, Teluk Batik and Sungai Papan. The Perak State Government also plans to have more direct international flights to Perak to encourage foreign tourist arrivals in conjunction with the Visit Perak Year 2024 and boost the state's tourism industry. Under Budget 2025, nearly RM550 million had been allocated to boost tourism promotions and activities, while another RM110 million had been allocated to enhance tourist areas, foster ecotourism partnerships, and support UNESCO nominations. Budget 2026 has also allocated RM700 million to boost the tourism sector. These government initiatives are expected to bolster the tourism industry. As part of the tourism industry, the theme park and family attraction industry is expected to also benefit from the expansion of the tourism industry moving forward.

Innovations in Technology

The theme park and family attraction industry has been embracing new innovations in entertainment technology to enhance visitor experiences and improve operational efficiency. Some of these innovations include virtual reality ("VR") and augmented reality ("AR"). VR and AR are now incorporated into roller coasters, simulators and other interactive team games for immersive environments or panoramic experiences. Holographic displays are another innovative addition to the entertainment industry whereby interactive holograms allow visitors to engage with characters or environments.

In addition to entertainment technology, technological advancement has also brought about enhanced user experiences for visitors to theme parks and other family attractions. For example, artificial intelligence ("AI")-powered virtual queue solutions that utilises cloud-based technology can enable visitors reserve ride times and thus reduce wait times and crowding. AI-powered applications are also able to personalise guest experience by recommending attractions, routes, and dining options based on visitor preference and real-time park conditions. AI tools are also able to optimise ticket pricing based on demand, time of day and seasonal trends. The incorporation of advanced technology into the theme park and family attraction industry is expected to bode well for the development of the industry going forward.

Growing Number of Shopping Complexes in Malaysia

Shopping complexes in Malaysia are made up of a mixture of retail stores (including toy shops and specialty shops), food and beverages outlets establishments, and leisure and entertainment outlets such as cinemas, bowling alleys, interactive team games, video game arcades as well as adult and childrens' playgrounds. It is a popular activity for Malaysians to spend their weekends at shopping complexes with family or friends to shop or entertain themselves.

According to the National Property Information Centre ("NAPIC"), there were a total of 17.97 million square metres of shopping complex space in 2024, up from 17.69 million square metres in 2023. Some of the new shopping complexes that were completed in 2024 include Mayang Mall, Sunshine Tower Mall, and 168 Retail Park. The increase in number of shopping complexes is expected to lead to new family attraction providers setting up operations, which bodes well for the development of the theme park and family attraction industry in Malaysia. At the same time, as the number of shopping malls in the country increase, so does the number of toy shops and specialty shops. This is also expected to support the growth of the local pop toys industry.

8. RISK FACTORS

YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS SET OUT BELOW ALONG WITH OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS BEFORE INVESTING IN OUR COMPANY.

8.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

8.1.1 We are dependent on certain major customers

We are dependent on Mix Metro / Mastering Services* and Aeon Fantasy by virtue of their percentage revenue contribution to our Group's revenue for the Financial Years Under Review. Revenue from Mix Metro / Mastering Services* and Aeon Fantasy accounted for approximately 46.56% (RM2.45 million), 34.75% (RM5.32 million), 25.24% (RM5.58 million) and 19.82% (RM5.88 million) as well as 13.85% (RM0.73 million), 18.54% (RM2.84 million), 21.69% (RM4.79 million) and 21.77% (RM6.46 million) of our Group's revenue for the Financial Years Under Review respectively.

Mix Metro / Mastering Services* has been our customer since 2022, where we supply toys and collectables to them based on consignment basis. In addition, Aeon Fantasy has been our customer since 2021, where we supply arcade and amusement machines to them based on revenue-sharing and rental models. There were no disputes between our Group and Mix Metro / Mastering Services* as well as Aeon Fantasy in the Financial Years Under Review.

Despite our Group having entered into a consignment agreement with Mastering Services, there can be no assurance that Mastering Services will continue to carry or sell our Group's toys and collectables under the consignment arrangement, or that demand from them will be sustained at the current level in the future. Additionally, the consignment agreement can be terminated by either party giving a notice of termination to the other party. Further, despite our Group having entered into revenue-sharing agreements and rental agreements with Aeon Fantasy, there can be no assurance that Aeon Fantasy will not discontinue or terminate its agreements with our Group. Additionally, the revenue-sharing agreements and rental agreements can be terminated in the event of any breach of terms, or by either party giving a notice of termination to the other party.

In the event Mastering Services discontinues the consignment of our Group's toys and collectables and Aeon Fantasy discontinues, terminates or does not renew the revenue-sharing and rental agreements with us upon expiry, our Group may experience reduction in sales which could result in a loss of revenue if our Group is unable to replace Mastering Services and Aeon Fantasy with new customers, or with additional orders from existing customers in a timely manner and this will in turn adversely impact our financial performance and business outlook.

Nonetheless, in the event that we are able to secure new customers, there is no assurance that we will be able to achieve the same level of sales value and/or maintain/improve our profit margins. If such adverse events occur, our financial performance will be adversely affected.

Note:

- * Mix Metro was our Group's customer for FYE 2022 to FYE 2024 and Mastering Services for FYE 2025. Moving forward, all sale transactions will be conducted with Mastering Services. Both companies have the same shareholders.

8. RISK FACTORS (*CONT'D*)

8.1.2 We are dependent on Pop Mart Group's products

We are dependent on Pop Mart Group* for the supply of its branded toys and collectables by virtue of our Group's total purchases for the Financial Years Under Review. In FYEs 2022, 2023 and 2024, Pop Mart SG contributed approximately 76.44% (RM3.81 million), 62.92% (RM5.55 million) and 59.93% (RM7.51 million) to our Group's total purchases respectively. In FYE 2025, Pop Mart Group contributed approximately 47.14% (RM8.36 million) to our Group's total purchases. In addition, in FYEs 2022, 2023 and 2024, Pop Mart SG contributed approximately 99.90%, 99.96% and 88.54% to our Group's total toys and collectables purchases respectively. In FYE 2025, Pop Mart Group contributed approximately 79.83% to our Group's total toys and collectables purchases. This percentage of purchases from Pop Mart Group has been on a declining trend from FYE 2022 to FYE 2025.

In 2022, we began purchasing from Pop Mart SG as a toys and collectable distributor for the Malaysia market. As our business expanded and our customer network grew, we were approached by Pop Mart SG to explore the possibility of a formal distribution arrangement. Following this, our Group was appointed as a non-exclusive distributor of Pop Mart SG, with the appointment effective from 16 November 2023, to distribute Pop Mart brand of toys and collectables for the Malaysia market. Prior to this, we have been distributing toys and collectables purchased from Pop Mart SG without formal distribution agreement. Subsequent to the expiry of the non-exclusive distributor agreement with Pop Mart SG, our Group was reappointed as a non-exclusive distributor by Pop Mart Malaysia, with the appointment effective from 1 January 2025, to replace Pop Mart SG to distribute and resell its products for the Malaysia market. Although we have been granted non-exclusive distribution rights from Pop Mart Malaysia, there can be no assurance that Pop Mart Malaysia will continue to grant us such distribution rights upon the expiry of the current agreement, or that the agreement will be renewed on similar or favourable terms.

Any disruption or sudden cessation in the supply of Pop Mart's products may result in our inability to fulfil customer orders within the expected timeframe. This may lead to cancelled orders, a material reduction in revenue contribution from our toys and collectables segment, and this may in turn adversely affect our Group's operations and financial performance and business outlook.

Note:

* Comprises Pop Mart SG and Pop Mart Malaysia. Pop Mart SG was our Group's supplier for FYE 2022 to FYE 2024 and Pop Mart Group for FYE 2025. Moving forward, all purchases will be conducted with Pop Mart Malaysia.

Please refer to Section 6.12 of this Prospectus for further information on Pop Mart Group.

8.1.3 We are dependent on our ability to offer products and services that are popular with end customers

Our success hinges on our ability to identify and respond promptly to end customers' preferences in respect of the types of arcade and amusement machines as well as toys and collectables. This involves staying abreast of trends and popular culture of the arcade and amusement, and toys and collectables industries, as interests of these end customers evolve quickly and can change from time to time.

8. RISK FACTORS (CONT'D)

Our Group's revenue contributed from the family entertainment segment accounted for approximately 50.18% (RM2.64 million), 46.85% (RM7.17 million), 44.80% (RM9.90 million) and 46.46% (RM13.79 million) of our Group's total revenue for the Financial Years Under Review respectively. Our Group's revenue contributed from the toys and collectables segment accounted for approximately 49.82% (RM2.62 million), 53.15% (RM8.13 million), 55.20% (RM12.20 million) and 53.54% (RM15.90 million) of our Group's total revenue for the Financial Years Under Review respectively.

The ever-shifting landscape of end customers' preferences and interests creates an environment in where some products and content may fail to achieve mainstream popularity. As a result, products and services such as ours which partially rely on trends in popular culture may suffer from relatively short life cycles. If we dedicate time and resources to products that do not resonate with end customers, we may fall short of our sales targets, leading to a decline in revenue and profitability.

While we have been able to identify and respond to market demands, there are no assurances that our arcade and amusement machines, as well as toys and collectables will continue to maintain a similar level of popularity in the future, or that our suppliers will consistently uphold their reputation. Should the popularity of our products decline, we may not succeed in sourcing for products of similar success as a replacement. Thus, any decrease in sales of products could adversely impact our financial performance.

8.1.4 We are dependent on our Executive Directors and Key Senior Management for the continued success and growth of our business

The continued success of our Group is largely dependent on the continuous contributions and involvement of our Executive Directors and Key Senior Management. Our Executive Director/ CEO, Tai Lee Chuen and Ang Sew Fong, our Executive Director/ Head of Human Resource and Administration have 22 years and 18 years of experience respectively in the theme park and family attraction industry, in particular, family entertainment products and services. Their industry knowledge and expertise in understanding and bringing in arcade and amusement machines that are appealing to the market have been instrumental in leading the overall strategic direction and business development of our Group.

Our Executive Director/ CEO is supported by our Key Senior Management team namely our Executive Director/ Head of Human Resources and Administration, Ang Sew Fong; Head of Finance, Amilia Binti Sabtu; Head of Product Development, Lee Cheng Loong; and Head of Technical, Lee Yong Wai, who are equipped with the relevant knowledge and skills in their respective fields of work to ensure the smooth operation of our business and execution of our business strategies, thereby driving further growth in our Group. Please refer to Sections 4.1.2, 4.2.2 and 4.5.2 of this Prospectus for the profiles of our Executive Director/CEO, Executive Director/ Head of Human Resource and Administration and Key Senior Management, respectively.

We recognise that our Group's continued success and future growth depend significantly on the capabilities and efforts of our Executive Directors and Key Senior Management. Therefore, the loss of any of our Executive Directors and Key Senior Management simultaneously, or within a short period without any suitable and prompt replacement, may adversely impact our Group's business operations and financial performance. Additionally, there is no assurance that we will be able to successfully retain our Executive Directors and/or Key Senior Management or ensure smooth succession should any changes occur.

8. RISK FACTORS (CONT'D)

8.1.5 We may not be able to sustain the same level of growth rate and financial performance for our business in the future

Our revenue grew from approximately RM5.25 million in FYE 2022 to approximately RM29.69 million in FYE 2025, representing a CAGR of approximately 78.16%. Our gross profit grew from approximately RM2.53 million in FYE 2022 to approximately RM14.10 million in FYE 2025, representing a CAGR of approximately 77.30%. There can be no assurance that we will be able to achieve similar growth rates and financial performance in the future due to internal and/or external factors. Some of the potential internal factors include, amongst others, our ability to identify and respond promptly to end customers' preferences or market trends and ability to maintain strong relationships with major customers and suppliers. Potential external factors include, amongst others, economic, social, and regulatory conditions, competition, changes in end customers' preferences, spending habits, and brand relevance, and deterioration of performances of the shopping mall, commercial retail shops and areas where our customers' outlets are located.

8.1.6 We are exposed to fluctuations in foreign exchange rates

We are exposed to the risk of foreign exchange fluctuations as some of our purchases are transacted in SGD, JPY, USD, EUR and RMB, while our sales are transacted solely in RM. In the Financial Years Under Review, our purchase of arcade and amusement machines as well as toys and collectables which are denominated in foreign currencies accounted for approximately 76.43%, 62.92%, 67.11% and 39.40% respectively of our Group's total purchases. Therefore, our Group is exposed to foreign currency exchange rate risks arising from the fluctuations in the exchange rate of such foreign currencies against RM.

Our purchases breakdown transaction in RM and foreign currencies in Financial Years Under Review are as follows:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
RM	1,176	23.57	3,269	37.08	4,124	32.89	10,748	60.60
SGD	3,813	76.43	5,547	62.92	7,629	60.85	4,143	23.36
JPY	-	-	-	-	784	6.25	2,375	13.39
USD	-	-	-	-	-	-	198	1.12
EUR	-	-	-	-	1	0.01	6	0.03
RMB	-	-	-	-	-	-	267	1.50
Total	4,989	100.00	8,816	100.00	12,538	100.00	17,737	100.00

We are exposed to foreign exchange transaction risk, mainly arising from our purchases in SGD, representing approximately 76.43%, 62.92%, 60.85% and 23.36% of our total purchase for the Financial Years Under Review respectively. As such, we are mainly exposed to fluctuations of SGD. Any significant appreciation or depreciation of RM against SGD may either positively or negatively affect our Group's financial performance. Since 1 January 2025, we commenced purchasing Pop Mart brand of toys and collectables from Pop Mart Malaysia instead of Pop Mart SG. As a result, our exposure to SGD will be reduced after 1 January 2025. However, this does not preclude the possibility of an increase in SGD denominated purchases in the future, should market conditions or strategic considerations warrant such purchases.

8. RISK FACTORS (CONT'D)

For illustration purposes, based on our Group's foreign currency denominated financial instruments held at each reporting date and assuming the exchange rate between the SGD and RM fluctuates by 1.00%, this will result in an increase or decrease in our Group's PAT for FYE 2022, FYE 2023, FYE 2024 and FYE 2025 by approximately RM11,128, RM7,145, RM5,740 and nil, depending on the strengthening or weakening of the SGD against RM. Please refer to Section 24.2.4 of the Accountants' Report in Section 12 of this Prospectus for further details of the sensitivity analysis to our Group on the change in the SGD exchange rate against RM.

We do not use any financial instrument to hedge our exposure against foreign exchange risk. While we may consider to implement hedging strategies in the future, there is no assurance that such measures is effective to adequately hedge against foreign exchange risk. As a result, any significant fluctuations in foreign exchange rates may adversely impact our financial performance.

8.1.7 We are exposed to inventory management risk

We are exposed to inventory management risks, particularly arising from our distribution of toys and collectables. The end customers of toys and collectables are trend driven and evolve quickly as a result demand for certain toys and collectables may fluctuate rapidly. If we overestimate market demand or fail to respond promptly to changes in end customers' trends and preferences, we may accumulate slow-moving or obsolete inventory. This could result in inventory write-downs, adversely affecting our profitability and working capital.

For FYEs 2023, 2024 and 2025, our Group recorded inventory write-down of RM57,204, RM162,698 and RM21,422 respectively, in respect of obsolete or slow-moving inventories based on an analysis of the ageing profile and expected sales patterns of individual items held in inventory. There can be no assurance that similar write-downs will not occur in the future.

8.1.8 Our business operations are exposed to unexpected operational and supply chain disruption which may be beyond our control

Our business relies on the arcade and amusement machines, and toys and collectables that are purchased from suppliers located in China, Japan, Poland, Singapore and the USA. For purchases of arcade and amusement machines, and toys and collectables from China, we primarily engage procurement agents who source for the required arcade and amusement machines, and toys and collectables according to our requirements.

Hence, we rely on the timely shipment of the products to meet our customers' demands. Events that are beyond our Group's control such as natural disasters, extreme weather and outbreak of diseases and health crises may impact transport infrastructure and impose limitations on manpower which could lead to bottlenecks in the transportation network. Moreover, geopolitical circumstances could also cause supply chain disruptions and affect transport costs which would impact our business relationships and profit margins. For the Financial Years Under Review, our arcade and amusement machines as well as toys and collectables were mainly purchased from Japan, Singapore and China. Therefore, we are particularly affected by any changes in policies and regulations in these countries.

In addition, any failure in the technology and equipment we implement may impact the daily operation of our business. Our arcade and amusement machines rely heavily on related technology and equipment. Should our arcade and amusement machines break down and repairs are not made in a timely manner, we would lose the revenue that would have been generated from that machine, until the machine is once again operational. While we have not experienced material disruption to our operations and supply chain, there is no assurance that the abovementioned events will not occur. If these factors occur and are prolonged, it could adversely impact our operations, business and financial performance and competitiveness.

8. RISK FACTORS (CONT'D)

8.1.9 Our insurance coverage may not be adequate to cover all losses or liabilities that may arise in connection with our operations

We maintain insurance to protect our Group against various losses and liabilities such as fire, burglary and public liability, amongst other policies. As at the LPD, we have the following insurance policies for our operations:

Type of insurance policies	Sum insured RM'000
All risks	7,128
Goods in transit	200
Fire	2,350
Burglary	80
Public liability	2,100
Product liability	4,400
Total	16,258

Nonetheless, the insurance policies we have purchased are subject to limitations and exclusions of liability in terms of events that occur as well as the amount insured. As such, our Group's policies may be inadequate to cover all losses or liabilities suffered due to the occurrence of any unexpected events in the future. If our insurance policies are unable to cover the full losses or liabilities suffered, we may experience an adverse effect on our financial performance. During the Financial Years Under Review, there were no material insurance claims made against our insurance coverage.

Moreover, we may be subject to the risk that, in the future, we will be unable to maintain or obtain insurance of the desired type and amount at reasonable rates. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our business operations and financial performance.

8.1.10 Product safety and risk of injury

Certain arcade and amusement machines carry inherent physical risks due to the nature of end customers' interactions. Machines that simulate physical activity such as racing and motor games, simulator games, and sports games may present a higher likelihood of injury compared to passive games. Users may potentially sustain injuries such as falls, collisions, or overexertion during gameplay.

End customers engaging in racing and motor, simulator games or sports games are susceptible to risks such as muscle strain, sprains, or other injuries resulting from sudden movements, excessive force, or loss of balance. Similarly, motion-based arcade machines and rides require users to remain seated and properly positioned throughout the operation. Failure to follow safety instructions may lead to injury.

While safety signage and precautions are typically displayed on motion-based arcade amusement machines, such as racing and motor games, dancing and music rhythm games, there can be no assurance that all risks associated with misuse or user negligence will be eliminated and any such incidents could have a material adverse impact on customer satisfaction, our reputation, and financial performance. While our Group maintains public liability insurance of RM2.10 million to provide coverage for claims arising from customer injuries, such coverage may not be sufficient to fully mitigate all potential claims and losses. Nonetheless, any such incidents may have a material adverse impact on customer satisfaction, our reputation, and financial performance.

8. RISK FACTORS (*CONT'D*)

8.1.11 Damages or losses arising from natural disasters or unforeseen events

Our arcade and amusement machines are primarily placed at our customers' premise under revenue-sharing or rental models. These arcade and amusement machines may, on occasion, be out of service due to unanticipated failures or damages sustained during operations. In addition, the arcade and amusement machines are dependent on continuous supply of electricity, any major disruptions to the supply of electricity may result in interruptions in our operations. Further, the occurrence of natural disasters (e.g. floods) and damage caused by fire or water may also cause interruptions to the business operations at our customer outlet or at our own outlet at The Mines. In such event, the outlet may experience interruptions or prolonged closure, which may consequently affect our business operations and financial performance.

On 13 April 2025, our customer's outlet in Johor experienced a water leakage incident from the ceiling and walls, which resulted in flooding of our customer's premise. This incident led to the damage of 12 of our arcade and amusement machines and the outlet was closed for 10 days. During the 10 day outlet closure, our Group incurred an estimated revenue-sharing loss of approximately RM4,000. Our Group has notified the insurer of the claims for the damaged arcade and amusement machines, which include amongst others, the cost of machines replacement, spare parts, labour and related expenses to reinstate the arcade and amusement machines to its original condition, amounting to approximately RM0.46 million. The insurance adjusters had via its letter dated 11 November 2025, stated that the insurer intends to offer an amount of approximately RM0.25 million, subject to the terms and conditions of the policy, including the reinstatement value clause. Our Group is of the view that the amount offered is lower than expected and intends to re-negotiate with the insurance adjuster on the claim amount. While the damages to our arcade and amusement machines are covered by our insurance policy, there is no assurance that the claim will be approved in full or processed without delay.

In the event we are able to recover the full amount of damages through our insurance, the financial impact to our Group will be mitigated. Save for the aforementioned incident, our Group has not experienced any occurrence of unexpected arcade and amusement machines damage that materially affected our business operations whereby there had been unanticipated downtime in the Financial Year Under Review and up to the LPD. However, there can be no assurance that such incidence will not occur in the future. Although our Group takes precautionary measures and maintains relevant insurance coverage, there can be no assurance that such coverage will always be adequate or that affected machines can be repaired or replaced in a timely manner.

8.1.12 We may not be able to execute some of our future plans and business strategies which may adversely affect our business prospects and growth

Our future plans and business strategies are focused on the expansion of our arcade and amusement machine distribution business, the wholesale and distribution of our toys and collectables as well as planned workforce expansion. The future growth of our business is dependent on our ability to implement and carry out our future plans and business strategies which include (i) the expansion of our arcade and amusement machine business to cater for anticipated increase in demand from our existing customers and new customers; (ii) replacement of existing aged arcade and amusement machines with newer and more advanced models; (iii) expansion plan to increase inventory for popular and trending toys and collectables as well as to diversify product range; and (iv) strengthening of workforce through the recruitment of new employees with relevant experience and expertise. Please refer to Section 6.5 of this Prospectus for further details on our future plans and business strategies.

8. RISK FACTORS (CONT'D)

The execution of our future plans and business strategies is subject to our ability to secure new revenue-sharing and rental agreements and/or outright sales for our arcade and amusement machines as well as expansion of our network of customers for our toys and collectables segment. Furthermore, the implementation and commercial viability of our future plans and business strategies may be influenced by factors beyond our control, such as new and unforeseen changes in end customers' trends and demand, changes in general market conditions, economic climate and import regulations in Malaysia as well as regionally in Asia.

Hence, there can be no assurance that the effort and expenditure spent on the implementation of our future plans and business strategies will yield expected results in growing our business in terms of financial performance and market presence. There is no assurance that we will be successful in executing our future plans and business strategies, nor can we assure that we will be able to anticipate all the business, operational and industry risks arising from our future plans and business strategies. Such failure may lead to an adverse effect on our business operations and financial performance.

8.2 RISKS RELATING TO OUR INDUSTRY

8.2.1 We are exposed to fluctuations and changes in end customer sentiment and demand

The theme park and family attraction industry is diverse with many companies offering different form of entertainment. Nevertheless, players in the industries in which we operate are largely influenced by end customers' sentiment and interests at any given time. This is partly due to the nature of the products and services within this industry which rely on dedicated fanbases, popular trends and social influences to garner end customers' demands.

Given the widespread use of social media, end customers are frequently and conveniently exposed to trends through various sources of social influence, including major celebrities, popular social media platforms, and peer recommendations. It is common for the sales of goods and services to surge when they become trendy among the general public. As a result, popular culture plays a significant role as a key driver of end customer behaviour and demand within the industry.

Based on the above, the demand for our products is dependent on the demand from the arcade and amusement as well as toys and collectables end customers. The changes in our customers' end markets may be influenced by factors including, amongst others, the state of the economy, tourism growth, population growth, disposable income and spending trends. If we are unable to obtain or anticipate new popular arcade and amusement machine game titles or trending toys and collectables driven by end customers' demand, there is a risk that our product offerings may become less appealing, which could adversely affect our revenue and gross profit margins. Hence, there is no assurance that our future GP margins can be sustained at our historical GP margin levels (FYE 2022: 48.14%, FYE 2023: 45.17%, FYE 2024: 43.26% and FYE 2025: 47.49%). If there is a decline in our future GP margins, our future profitability and financial performance may be adversely affected.

In addition, as a supplier of arcade and amusement machines, and toys and collectables, we are exposed to risks associated with sourcing inventory in new series and designs, as our role hinges on our ability to source popular brands, designs and games. Inaccurate assessments of end customer preferences or market trends may result in unsold inventory, which could adversely affect our profitability and inventory turnover.

8. RISK FACTORS (CONT'D)

There can be no assurance that the arcade and amusement machines, and toys and collectables we distribute will maintain at its current level of popularity and a decline in its popularity may lead to us falling short of our sales targets and achieve lower profit margins. Additionally, we cannot ensure that we will be able to secure arcade and amusement game titles and toy collectables of similar popularity in the future. As such, any decrease in revenue generated from the products we offer could adversely affect our financial results.

8.2.2 We are subject to the political, economic and regulatory conditions in Malaysia

Our operations are based in Malaysia and are subject to the terms of licenses issued by relevant local authorities. As such, the business prospects and financial performance of our Group are closely tied to the political, economic, and regulatory landscape in Malaysia. Adverse developments or uncertainties in these areas such as changes in political leadership resulting in instability, terrorism, fluctuations in currency exchange rates, changes in interest rate, amendments to accounting and tax policies, or the introduction of new government regulations could negatively impact our business prospects and financial performance.

While we have not encountered severe restrictions on our business operations in the past, we cannot guarantee that future adverse political, economic, or regulatory changes in Malaysia, which are beyond our control, will not affect our ability to operate or have a negative impact on our financial performance.

8.2.3 We face competition from other industry players

We face competition from both local and international players where we compete on several factors, including product quality, variety, pricing, delivery timelines, reputation, and customer service. However, there is no assurance that we will consistently be able to meet our customers' requirements more effectively than our competitors. Moreover, the competitive landscape may intensify with the entry of new market players, potentially impacting our market position and profitability.

Some of our competitors or potential competitors may have longer operating histories, more extensive experience, broader networks of suppliers and customers, greater financial resources, and stronger marketing capabilities. These advantages may allow them to capture a larger market share. Additionally, certain competitors may adopt more aggressive pricing strategies or benefit from lower operational costs, enabling them to pass savings on to customers. Such practices could increase pressure on our Group to lower prices to remain competitive, potentially eroding our profit margins.

To maintain and grow our market share, we must adapt quickly to changing market conditions and trends. However, there can be no assurance that we will consistently compete effectively against our competitors.

8.2.4 We are exposed to risks relating to imitation and counterfeit products

In the theme park and family attraction industry as well as the pop toys industry in Malaysia, our products rely on popular culture to garner end customer interest. Products that have become trendy will find competitors imitating or releasing similarly inspired products and others creating counterfeit goods to capitalise on the sales of an already popularised product.

In the event the product we carry becomes trendy and is heavily counterfeited, the reputation of the brand, series or character may become damaged and impact the desirability of the product and in turn will affect our sales and financial performance. Should we hold significant stock in said product, we may be unable to sell our inventory at a suitable profit margin.

8. RISK FACTORS (CONT'D)

For the Financial Years Under Review, our toys and collectables sold by our Group that were sourced from the Pop Mart Group accounted for 100.00%, 100.00%, 98.42%, and 82.05% of our total toys and collectables sales, respectively. Currently, Pop Mart is one of the trending blind box collectible brands and is highly sought after by end customer. As such, any decrease in the demand of Pop Mart's blind box collectables may significantly impact our Group's financial performance. Notwithstanding the aforementioned, we are not concerned about the presence of counterfeit Pop Mart brand of toys and collectables in the market, as customers who knowingly purchase counterfeit items do not fall within our Group's target market. Further, customers that are interested in collectables or buy to sell their collectables in the secondary market would prefer to buy authentic products. Hence, our Group's target customers are those who seek authentic products rather than counterfeits.

Notwithstanding the above, the widespread imitation and counterfeit of Pop Mart brand of toys and collectables in the market may dilute brand value and customer trust, particularly if such products are misrepresented as genuine. Although our target customers are inclined towards authentic collectables, widespread availability of counterfeits may create confusion among less-informed consumers, potentially affecting overall market sentiment and demand.

While we do carry other brands in our toys and collectables product mix, the majority of our collectables are from Pop Mart Group. As such, our financial performance is closely tied to the popularity and demand for Pop Mart's brand of toys and collectables. In addition, the increasing presence of counterfeit products in the market may also indirectly affect demand, particularly if customer trust in the quality of Pop Mart's product is weakened. Therefore, any significant decline in end customer demand for Pop Mart brand of toys and collectables may adversely impact our financial performance.

8.2.5 We are exposed to reputational risks

Our Group is subject to reputational risk arising from the nature of our business as a supplier of arcade and amusement machines, as well as a wholesaler and distributor of toys and collectables.

Our reputation plays a critical role in maintaining the trust of our customers, suppliers, and business partners. Any adverse publicity, whether substantiated or not, relating to the quality, safety, or authenticity of the products we distribute may negatively impact our Group's image and business performance. This includes, but is not limited to, the distribution of defective or non-compliant products, delays in delivery, inadequate after-sales service, or association with manufacturers or brands involved in unethical or controversial practices.

Furthermore, as some of the products we distribute, particularly the licensed or branded items, rely heavily on brand perception and consumer sentiment, any negative developments involving those brands such as IP disputes, regulatory actions, or market backlash could indirectly affect our reputation and sales.

Should our Group's reputation be materially compromised, it may result in the loss of customers, reduced demand, or difficulties in maintaining or securing new supplier or customer relationships, which in turn could have a material adverse effect on our business, financial condition, and prospects.

8. RISK FACTORS (*CONT'D*)

8.3 RISKS RELATING TO OUR SHARES AND OUR LISTING

8.3.1 No prior market for our Shares

Prior to our Listing, there has been no prior public market for our Shares. Hence, we cannot assure you that upon Listing, an active market for our Shares will develop, or if developed, such a market can be sustained. There is also no assurance that there will be a liquid market for our Shares traded on the ACE Market. Please refer to the cautionary statement disclosed in the cover page of this Prospectus.

Notwithstanding that the IPO Price was determined after taking into consideration of various factors such as our financial and operating history and our future plans and business strategies, we cannot assure you 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.

8.3.2 The trading price and trading volume of our Shares may be volatile

Economic, political conditions and growth potential of the various sectors of the economy as well as external factors such as the performance of regional and global stock exchanges and the inflow or outflow of foreign funds contribute to the volatility of trading price and volumes of our Shares on Bursa Securities. The market price of our Shares may fluctuate significantly and rapidly due to, amongst others, the following factors, some of which are beyond our control:

- (i) general operational and business risks of our Group;
- (ii) variations in our financial results and operations;
- (iii) failure of our Executive Directors and Key Senior Management in implementing business and growth strategies;
- (iv) departures of our Key Senior Management;
- (v) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (vi) changes in market valuations of listed shares in general or share prices of companies with similar businesses to our Group;
- (vii) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events and factors;
- (viii) fluctuations in stock market prices and volumes;
- (ix) changes in government policy, legislation or regulation; and/or
- (x) involvement in claims, litigation, arbitration or other forms of dispute resolution.

Accordingly, there can be no assurance that the market price of our Shares will not be subject to volatility or trade at prices below the IPO Price.

8. RISK FACTORS (*CONT'D*)

8.3.3 The interest of our Promoters who control our Company may not be aligned with the interest of our shareholders

Our Promoters will collectively hold an aggregate of 236,230,100 Shares, representing approximately 65.62% of our enlarged issued share capital upon our Listing. As a result, they will be able to effectively control the business direction and management of our Group, including the election of Directors, the timing and payment of dividends as well as having substantial voting control over our Group. As such, our Promoters will likely influence the outcome of certain matters requiring the vote of our shareholders, unless they and persons connected with them are required to abstain from voting either by law, relevant guidelines or regulations. Therefore, there may be a risk of non-alignment of interests by our Promoters with those of our other shareholders.

8.3.4 Possible sale of a substantial number of Shares in the public market following our IPO could adversely affect the price of our Shares

Upon the completion of our IPO and Listing, our Promoters will collectively hold an aggregate of 236,230,100 Shares, representing approximately 65.62% of our enlarged issued share capital.

It is possible that our Promoters may dispose of some or all of their Shares after the Specified Shareholder Moratorium Period, pursuant to their own investment objectives. If our Promoters sell, or are perceived as intending to sell, a substantial amount of our Shares, the market price for our Shares could be adversely affected.

8.3.5 There may be a delay in or termination of our Listing

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

- (i) our Sole Underwriter exercises its rights under the Underwriting Agreement or our Sole Placement Agent exercises its rights under the placement agreement to discharge itself from its obligations thereunder;
- (ii) we are unable to meet the public shareholding spread requirement under the Listing Requirements of having at least 25.00% of our enlarged issued share capital, for which our Listing is sought, being in the hands of at least 200 public shareholders holding not less than 100 Shares each at the point of our Listing; and/or
- (iii) the revocation of the approvals from the relevant authorities for our Listing for whatever reason.

Although we endeavour to comply with the various regulatory requirements, in any event these events as mentioned above occurs, the investors will not receive any Shares and we will return in full without interest, all monies paid in respect of the application within 14 days, failing which the provisions of Section 243(2) of the CMSA shall apply. Our 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 upon expiration of that period until the full refund is made.

If our Listing is aborted/ terminated and our Shares have been allotted to the investors, all monies paid in respect of all applications for our IPO Shares will be refunded to the investors only by way of cancellation of share capital as provided under Sections 116 and 117 of the Act and its related rules.

8. RISK FACTORS (CONT'D)

Such cancellation requires the approval of the shareholders by special resolution in a general meeting, the consent of our creditors (if required), with the sanction of the High Court of Malaysia or with notice to be sent to the Director General of the Inland Revenue Board and Registrar of Companies within 7 days of the date of the special resolution and meeting the solvency requirements under Section 117(3) of the Act. There can be no assurance that such monies can be recovered within a short period of time in such circumstances.

Nonetheless, our Board will endeavour to comply with the various regulatory requirements, including, inter alia, public shareholding spread requirements for our Listing. However, there can be no assurance that the abovementioned factors/ events will not cause a delay in or non-implementation of our Listing.

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9. RELATED PARTY TRANSACTIONS

9.1 OUR GROUP'S RELATED PARTY TRANSACTIONS

9.1.1 Related party transactions

Save as disclosed below and for the Acquisitions as disclosed in Section 5.1.1 of this Prospectus, there are no other material related party transactions entered or to be entered into by our Group with the related parties for the Financial Years Under Review as well as for the period from 1 July 2025 up to the LPD.

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value									
				FYE 2022		FYE 2023		FYE 2024		FYE 2025		From 1 July 2025 up to the LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
1.	Semico and Redwood Entertainment Sdn Bhd ⁽¹⁾ ("Redwood")	Tai Lee Chuen is our Promoter, Executive Director/ CEO and substantial shareholder.	Sale of used 5D cinematic theatre to Redwood.	-	-	-	-	60	⁽⁴⁾ 0.27	-	-	-	-
			Sale of used pool table to Redwood.	-	-	-	-	30	⁽⁴⁾ 0.14	-	-	-	-
		Tai Lee Chuen is a director of Semico.	Sale of Wangan Midnight Maximum Tune 6 ("MMT6") NBline points to Redwood [#] .	-	-	-	-	11	⁽⁴⁾ 0.05	-	-	-	-
		Tai Lee Chuen was a director and substantial shareholder of Redwood.	Sale of MMT6 Cards to Redwood [^] .	-	-	-	-	2	⁽⁴⁾ 0.01	-	-	-	-
			Provision of arcade machine maintenance to Redwood.	-	-	-	-	-	-	2	⁽⁴⁾ 0.01	-	-

9. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value									
				FYE 2022		FYE 2023		FYE 2024		FYE 2025		From 1 July 2025 up to the LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
2.	De Pop and FEC Asia Distributor	Tai Lee Chuen is our Promoter, Executive Director/ CEO and substantial shareholder. Tai Lee Chuen is a director of De Pop. Tai Lee Chuen was the sole proprietor of FEC Asia Distributor.	Sale of toys and collectables to FEC Asia Distributor.	-	-	-	-	9	⁽⁴⁾ 0.04	-	-	-	-
			One-time subscription fees charged by De Pop to FEC Asia Distributor for accounting software license.	-	-	-	-	*	-	-	-	-	-

9. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value									
				FYE 2022		FYE 2023		FYE 2024		FYE 2025		From 1 July 2025 up to the LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
3.	Minexport and FEC Asia Distributor	Tai Lee Chuen is our Promoter, Executive Director/ CEO and substantial shareholder. Tai Lee Chuen is a director of Minexport. Tai Lee Chuen was the sole proprietor of FEC Asia Distributor.	Revenue-sharing on sales generated from FEC Asia Distributor arcade and amusement machines placed in Minexport's outlet as well as from archery zone (now skating rink) located in The Mines (Minexport is entitled to revenue-sharing of 40% to 50%)(2) and FEC Asia Distributor sale of MMT6 cards and tags to Minexport.	327	(4)6.23	434	(4)2.84	242	(4)1.10	-	-	-	-
			Administrative expenses paid to FEC Asia Distributor for preparation of sales report.	10	(5)0.73	12	(5)0.31	6	(5)0.11	-	-	-	-
			Purchase of used arcade and amusement machines from FEC Asia Distributor.	-	-	-	-	-	-	31	(6)0.19	-	-

9. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value									
				FYE 2022		FYE 2023		FYE 2024		FYE 2025		From 1 July 2025 up to the LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
4.	Semico and Tai Tet Lee	Tai Lee Chuen is our Promoter, Executive Director/ CEO and substantial shareholder.	Rental of an office and storage from Tai Tet Lee ⁽³⁾ .	-	-	10	⁽⁵⁾ 0.25	60	⁽⁵⁾ 1.15	50	⁽⁵⁾ 0.76	-	-
			Provision of repair and mechanical services to Semico by Tai Tet Lee.	5	⁽⁵⁾ 0.36	36	⁽⁵⁾ 0.92	3	⁽⁵⁾ 0.06	-	-	-	-
		Ang Sew Fong is our Executive Director/ Head of Human Resources and Administration. Tai Lee Chuen and Ang Sew Fong are spouses and are the directors of Semico. Tai Tet Lee is the father of Tai Lee Chuen and father-in-law of Ang Sew Fong.	Repair and maintenance of the rented office and storage which were initially paid by our Group on behalf of Tai Tet Lee, the landlord and were subsequently reimbursed by him.	-	-	-	-	-	-	135	⁽⁵⁾ 2.04	-	-

9. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value									
				FYE 2022		FYE 2023		FYE 2024		FYE 2025		From 1 July 2025 up to the LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
5.	Semico and Tai Li Moi	Tai Lee Chuen is our Promoter, Executive Director/ CEO and substantial shareholder. Ang Sew Fong is our Executive Director/ Head of Human Resources and Administration. Tai Lee Chuen and Ang Sew Fong are spouses and are the directors of Semico. Tai Li Moi is the sister of Tai Lee Chuen and sister-in-law of Ang Sew Fong.	Provision of human resource administration by Tai Li Moi.	-	-	36	⁽⁵⁾ 0.92	3	⁽⁵⁾ 0.06	-	-	-	-

9. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value									
				FYE 2022		FYE 2023		FYE 2024		FYE 2025		From 1 July 2025 up to the LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
6.	Semico and FEC Asia Distributor	Tai Lee Chuen is our Promoter, Executive Director/CEO and substantial shareholder. Tai Lee Chuen is a Director of Semico. Tai Lee Chuen was the sole proprietor of FEC Asia Distributor.	Purchase of used arcade and amusement machines from FEC Asia Distributor.	-	-	-	-	-	-	24	⁽⁶⁾ 0.15	-	-

9. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value									
				FYE 2022		FYE 2023		FYE 2024		FYE 2025		From 1 July 2025 up to the LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
7.	Semico and Kids N Kits Sdn Bhd	Tai Lee Chuen is our Promoter, Executive Director/ CEO and substantial shareholder. Tai Lee Chuen is a Director of Semico. Tai Lee Chuen was a shareholder of Kids N Kits Sdn Bhd ⁽⁷⁾ .	Provision of arcade and amusement machine maintenance to Kids N Kits Sdn Bhd.	-	-	-	-	-	-	15	⁽⁴⁾ 0.05	-	-

Notes:

* Less than RM1,000

The MMT6 NBlne points are used to activate arcade and amusement machines. NBlne points are recorded and deducted in real time from the centralised NBlne server.

^ MMT cards are used to store the game progress of the player.

(1) Tai Lee Chuen has on 22 January 2025 resigned as a director of Redwood and on 23 January 2025 disposed his entire equity interest in Redwood to a third-party. As such, any transaction between our Group and Redwood subsequent to 23 January 2025 are no longer deemed as related party transactions.

(2) We had entered into revenue-sharing agreements with FEC Asia Distributor on 1 January 2022 and 1 January 2023, each for a term of 1 year, mainly for the sharing of revenue generated by arcade and amusement machines and archery zone (now skating rink) as well as the sale of certain game cards and tags. Following the expiration of the most recent agreement on 31 December 2023, we did not renew the agreement with FEC Asia Distributor. FEC Asia Distributor was subsequently terminated on 10 March 2025 with the CCM.

9. RELATED PARTY TRANSACTIONS (CONT'D)

- (3) We rented an office and storage from Tai Tet Lee, being the father of Tai Lee Chuen. The salient terms of the tenancy agreement are set out below:

Address	:	18, Jalan Sibu 15, Taman Wahyu, 68100 Kuala Lumpur
Tenancy period	:	3 years, unless both parties agree to renew or extend the tenancy agreement
Term of tenancy	:	1 May 2023 to 30 April 2026
Annual rental	:	RM60,000

However, with effect from 25 April 2025, our Group has terminated the abovesaid tenancy agreement.

- (4) Computed based on our Group's revenue for the respective financial years.
- (5) Computed based on our Group's PAT for the respective financial years.
- (6) Computed based on our Group's equity attributable to common controlling shareholders/ NA for the respective financial years.
- (7) Tai Lee Chuen had on 18 December 2024 disposed his entire shareholdings in Kids N Kits Sdn Bhd to a third-party individual.

None of the above related party transactions will recur in the future.

The administrative expenses paid by our Group to FEC Asia Distributor for preparation of sales report and one-time subscription fees charged to FEC Asia Distributor for accounting software license was not conducted on arm's length basis as there were no comparative transactions to ascertain whether the administrative expenses were transacted based on normal commercial terms and at market rate. Additionally, the subscription fees were charged at cost price.

Save as disclosed above, the other related party transactions entered into by our Group as disclosed above were carried out on an arm's length basis, and on normal commercial terms which were not more favourable to the related parties than those generally available to the public and were not to the detriment of the minority shareholders based on the following benchmarks:

- (i) the sales/purchases of products/services and revenue-sharing arrangement with related parties, were performed within the cost structure and market rates, whereby the amount paid by/to the related parties are in line and/or on terms equivalent to those that prevail in an arm's length transaction with third parties;
- (ii) purchase of used arcade machines from a related party was based on NBV;
- (iii) the rental expenses paid to our related party were based on prevailing market rental rates that are comparable to the rental rates of office/storage units located in the vicinity of the relevant property;
- (iv) the payment made to related parties for repair and mechanical service and provision of human resources administration are comparable with market rates and are in line to those that prevail in an arm's length transaction with third parties; and
- (v) reimbursement from a related party for the repair and maintenance costs of rented office and storage was reimbursed at the same price as originally incurred.

9. RELATED PARTY TRANSACTIONS (CONT'D)

Our Board also confirms that there are no other material related party transactions that have been effected after the LPD or entered by our Group but not yet effected up to the date of this Prospectus.

The Audit and Risk Management Committee will review the terms of any related party transactions and ensure that these transactions (including any recurrent related party transactions) are carried out on terms not more favourable to the related party than those generally available to the third parties dealing at arms' length basis with our Group and are not detrimental to the minority shareholders.

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

9.1.2 Related party transactions entered into that are unusual in their nature or condition

Our Group has not entered into any transactions that are unusual in their nature or condition, involving goods, services, tangible or intangible assets, with a related party for the Financial Years Under Review and up to the LPD.

9.1.3 Loans and/or financial assistance made to or for the benefit of related party

There are no outstanding loans (including guarantees of any kind) and/or financial assistance that have been granted by our Group to or for the benefit of the related parties for the Financial Years Under Review and up to the LPD.

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9. RELATED PARTY TRANSACTIONS (CONT'D)

9.1.4 Personal guarantee

As at the LPD, Tai Lee Chuen, being our Promoter, substantial shareholder and Executive Director/ CEO, Ang Sew Fong, being our Executive Director/ Head of Human Resources and Administration, and Tan Chee Wei[^] had extended personal guarantees for financing and hire purchase facilities extended by Hong Leong Bank Berhad, RHB Bank Berhad, CIMB Bank Berhad, CIMB Islamic Bank Berhad and Public Bank Berhad to our Group (collectively, "**Financiers**"). Please refer to Section 11.4.3 of this Prospectus for further details on these financing facilities' personal guarantees.

Additionally, Tai Lee Chuen, being our Promoter, substantial shareholder and Executive Director/ CEO, and Soon Sze Yean*, a past shareholder of Minexport have provided personal guarantees to MTrustees Berhad, the landlord for the rental of our entertainment outlet and storage at The Mines ("**Landlord**").

In conjunction with our Listing, our Group has obtained the conditional consents from the Financiers and Landlord to discharge the above personal guarantees by substituting the same with a corporate guarantee from our Company upon our successful Listing. Until such release and/or discharge are obtained from the respective Financiers and Landlord, Tai Lee Chuen, Ang Sew Fong, Tan Chee Wei[^] and Soon Sze Yean* will continue to provide the personal guarantees for the banking and hire purchase facilities, and tenancies extended to our Group.

Notes:

[^] Tan Chee Wei had on 31 October 2024 disposed her entire equity interest in De Pop to MARC Experience. Additionally, on 21 February 2025 she disposed her entire equity interest in MARC Experience to Tai Lee Chuen. Currently, she does not hold any shares direct and/or indirect in MARC Experience or our Company.

* Soon Sze Yean had on 14 May 2024 disposed his entire equity interest in Minexport to Tai Lee Chuen. Currently, he does not hold any shares direct and/or indirect in Minexport.

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9. RELATED PARTY TRANSACTIONS (*CONT'D*)

9.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

9.2.1 Audit and Risk Management Committee's review

Our Audit and Risk Management Committee reviews any related party transactions (including recurrent related party transactions) and any conflict of interest situations (including potential conflict of interest) that may arise within our Group (including any transaction, procedure or course of conduct that raises questions of management's integrity).

Our Audit and Risk Management Committee maintains and periodically reviews the adequacy of the procedures and processes set by our Company to monitor related party transactions and conflict of interest. It also sets the procedures and processes to ensure that transactions are carried out in the best interest of our Company, on an arm's length basis and are based on normal commercial terms which are not more favourable to the related party than those generally available to third parties and are not detrimental to our minority shareholders. Amongst others, the related parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberations and/or voting on the transactions.

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

9.2.2 Our Group's policy on related party transactions

Related party transactions by their very nature, involve conflict 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 must be reviewed by our Audit and Risk Management Committee to ensure that they are negotiated and agreed upon in the best interest of our Company, on an arm's length basis and are based on normal commercial terms which are not more favourable to the related party than those generally available to third parties, and are not detrimental to our minority shareholders.

In addition, we plan to adopt a comprehensive corporate governance framework that meets best practice principles to mitigate any potential conflict of interest situation and intend for the framework to comply with the Listing Requirements and adhere to the best extent possible with the guiding principles set out in the MCCG upon our Listing.

The procedures which may form part of the framework include, amongst others, the following:

- (i) our Board shall ensure that at least half of our Board members are Independent Non-Executive Directors and will undertake an annual assessment of the independence of our Independent Non-Executive Directors;
- (ii) our Board will be required to declare any direct or indirect interest that they may have in any business arrangement that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution related to the related party transaction; and
- (iii) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will then propose the transactions to our Audit and Risk Management Committee for evaluation and assessment which would in turn, make the appropriate recommendations to our Board.

10. CONFLICT OF INTEREST

10.1 INTEREST IN BUSINESSES AND CORPORATIONS WHICH CARRY ON A SIMILAR TRADE AS THAT OF OUR GROUP OR WHICH ARE OUR CUSTOMERS OR SUPPLIERS

As at the LPD, none of our Directors and substantial shareholders have any interest, direct or indirect, in other businesses or corporations which are:

- (i) carrying on a similar trade as that of our Group; or
- (ii) customers or suppliers of our Group.

10.2 DECLARATION BY ADVISERS ON CONFLICT OF INTEREST

10.2.1 Affin Hwang IB

Affin Hwang IB confirms that there is no situation of conflict of interest that exists or is likely to exist in its capacity as the Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter for our IPO.

10.2.2 Grant Thornton Malaysia PLT

Grant Thornton Malaysia PLT confirms that there is no situation of conflict of interest that exists or is likely to exist in its capacity as the Auditors and Reporting Accountants for our IPO.

10.2.3 Ong Eu Jin Partnership

Ong Eu Jin Partnership confirms that there is no situation of conflict of interest that exists or is likely to exist in its capacity as the Solicitors for our IPO.

10.2.4 Protégé Associates

Protégé Associates confirms that there is no situation of conflict of interest that exists or is likely to exist in its capacity as the Independent Market Researcher for our IPO.

10.2.5 Share Registrar

Boardroom Share Registrars Sdn Bhd confirms that there is no situation of conflict of interest that exists or is likely to exist in its capacity as the Share Registrar for our IPO.

10.2.6 Issuing House

Malaysian Issuing House Sdn Bhd confirms that there is no situation of conflict of interest that exists or is likely to exist in its capacity as the Issuing House for our IPO.

11. FINANCIAL INFORMATION

11.1 HISTORICAL FINANCIAL INFORMATION

Our Company was incorporated under the Act on 14 October 2024. On 14 March 2025, we completed the Acquisitions which resulted in Semico, Minexport and De Pop becoming our wholly-owned subsidiaries. As such, the financial statements of our Group comprise:

- (i) the combined statements of financial position as at 30 June 2022, 30 June 2023 and 30 June 2024;
- (ii) the consolidated statements of financial position as at 30 June 2025;
- (iii) the combined statements of profit or loss and other comprehensive income for FYEs 2022, 2023 and 2024;
- (iv) the consolidated statements of profit or loss and other comprehensive income for FYE 2025;
- (v) the combined statements of changes in equity for FYEs 2022, 2023 and 2024;
- (vi) the consolidated of changes in equity for FYE 2025;
- (vii) the combined statements of cash flows for FYEs 2022, 2023 and 2024; and
- (viii) the consolidated statements of cash flows for FYE 2025.

The historical combined financial statements for FYEs 2022, 2023 and 2024 as well as consolidated financial statements for FYE 2025 were prepared as if our Group structure had been in existence throughout the Financial Years Under Review. All intra-group transactions and balances have been eliminated on combination.

The historical combined/ consolidated 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 accompanying notes as set out in Section 12 of this Prospectus.

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11. FINANCIAL INFORMATION (CONT'D)

11.1.1 Historical combined/ consolidated statements of profit or loss and other comprehensive income of our Group

The table below sets out the combined/ consolidated statements of profit or loss and other comprehensive income of our Group for the Financial Years Under Review:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Revenue	5,253	15,303	22,098	29,688
Cost of sales	(2,724)	(8,390)	(12,539)	(15,589)
GP	2,529	6,913	9,559	14,099
Other income	38	20	192	223
Selling and distribution expenses	(102)	(172)	(264)	(271)
(Net Impairment loss)/ reversal of impairment loss on financial assets	-	-	(20)	2
Administrative expenses	(697)	(1,592)	(2,688)	(4,736)
Operating profits	1,768	5,169	6,779	9,317
Finance income	*	1	1	1
Finance costs	(21)	(50)	(81)	(165)
PBT	1,747	5,120	6,699	9,153
Tax expense	(368)	(1,189)	(1,460)	(2,549)
PAT / Total comprehensive income for the financial years	1,379	3,931	5,239	6,604
PAT/ Total comprehensive income for the financial years attributed to:				
Common controlling shareholders / owners of our Group	1,175	3,602	4,760	6,033
Non-controlling interests	204	329	479	571
	1,379	3,931	5,239	6,604
GP margin ⁽ⁱ⁾ (%)	48.14	45.17	43.26	47.49
EBITDA ⁽ⁱⁱ⁾ (RM'000)	2,164	6,117	8,291	11,473
EBITDA margin ⁽ⁱⁱⁱ⁾ (%)	41.20	39.97	37.52	38.65
PBT margin ^(iv) (%)	33.26	33.46	30.31	30.83
PAT margin ^(v) (%)	26.25	25.69	23.71	22.24
Basic and diluted EPS ^(vi) (sen)	0.33	1.00	1.32	1.68

Notes:

* Denotes figure less than RM500

(i) GP margin is computed based on GP divided by revenue.

11. FINANCIAL INFORMATION (CONT'D)

(ii) EBITDA is computed as follows:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
PAT	1,379	3,931	5,239	6,604
Add: Tax expense	368	1,189	1,460	2,549
Finance costs	21	50	81	165
Depreciation	396	948	1,512	2,156
Less: Finance income	*	(1)	(1)	(1)
EBITDA	2,164	6,117	8,291	11,473

Note:

* Denotes figure less than RM500

- (iii) EBITDA margin is computed based on EBITDA divided by revenue.
- (iv) PBT margin is computed based on PBT divided by revenue.
- (v) PAT margin is computed based on PAT divided by revenue.
- (vi) For comparative purposes, the basic EPS is computed based on the PAT attributable to common controlling shareholders/owners of our Group divided by the total enlarged number of 360,000,000 Shares after our IPO. For information purposes, the diluted EPS is equal to the basic EPS as there were no potential dilutive securities in issue during the respective Financial Years Under Review.

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11. FINANCIAL INFORMATION (CONT'D)

11.1.2 Historical combined/ consolidated statements of financial position of our Group

The table below sets out the combined/ consolidated statements of financial position of our Group as at the end of the Financial Years Under Review:

	Audited			
	As at 30 June			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	982	2,822	5,299	8,600
Right-of-use assets	81	801	454	309
Deferred tax assets	6	8	134	46
Total non-current assets	1,069	3,631	5,887	8,955
Current assets				
Inventories	2,446	2,202	1,756	2,708
Trade and other receivables ⁽ⁱ⁾	642	1,971	3,827	5,433
Cash and bank balances	372	1,507	1,964	3,685
Total current assets	3,460	5,680	7,547	11,826
TOTAL ASSETS	4,529	9,311	13,434	20,781
EQUITY AND LIABILITIES				
EQUITY				
Share capital	607	670	670	10,029
Retained earnings	345	3,697	7,658	13,153
Merger deficit ⁽ⁱⁱ⁾	-	-	-	(6,808)
Total equity attributable to the combining entities/ owners of our Group	952	4,367	8,328	16,374
Non-controlling interests ⁽ⁱⁱⁱ⁾	207	563	1,042	-
Total equity	1,159	4,930	9,370	16,374
LIABILITIES				
Non-current liabilities				
Provision of restoration costs ⁽ⁱⁱⁱ⁾	-	17	18	-
Borrowings	106	150	-	1,132
Lease liabilities	3	549	183	65
Deferred tax liabilities	27	72	103	275
Total non-current liabilities	136	788	304	1,472
Current liabilities				
Trade and other payables ^(v)	2,811	2,167	1,771	1,581
Provision of restoration costs ^(iv)	19	-	-	19
Borrowings	25	44	729	421
Lease liabilities	82	285	365	291
Tax payable	297	1,097	895	623
Total current liabilities	3,234	3,593	3,760	2,935
Total liabilities	3,370	4,381	4,064	4,407
TOTAL EQUITY AND LIABILITIES	4,529	9,311	13,434	20,781

11. FINANCIAL INFORMATION (CONT'D)

Notes:

- (i) The breakdown of trade and other receivables as at 30 June 2022, 30 June 2023, 30 June 2024 and 30 June 2025 are as follows:

	Audited			
	As at 30 June			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Trade receivables	478	1,511	3,324	3,685
Other receivables	142	398	279	525
Prepayments	22	62	224	*1,223
Total	642	1,971	3,827	5,433

* Comprise, amongst others, deposit paid to suppliers for the purchase of arcade and amusement machines of RM0.35 million and prepayment of listing expenses for the IPO of RM0.74 million.

- (ii) Comprises the difference between the cost of merger (purchase consideration for the Acquisitions) of approximately RM8.01 million and the aggregate nominal value of Semico, Minexport and De Pop shares amounting to RM1.20 million.
- (iii) For the FYEs 2022, 2023, 2024 and up to 17 November 2024, non-controlling interests refer to the 30.00% in De Pop not held by the common controlling shareholders, namely Tai Lee Chuen and Ang Sew Fong. The 30% non-controlling interest in De Pop was held by Tan Chee Wei. In relation to the period from 18 November 2024 up to 20 February 2025, non-controlling interests refer to the 38.73% in the combined group not held by the common controlling shareholders, namely Tai Lee Chuen and Ang Sew Fong. The 38.73% non-controlling interests in the combined group were collectively held by Tan Chee Wei, Sheehan Tee Kah Mun and Tan Siew Gaik. On 21 February 2025, the 38.73% of the non-controlling interests in the combined group was acquired by Tai Lee Chuen.
- (iv) Provision of restoration costs refers to the estimated costs of dismantling, removing and restoring the business premise rented by our Group at The Mines for the operation of a family entertainment centre to its original state, upon expiry of the tenancy agreement.
- (v) The breakdown of trade and other payables as at 30 June 2022, 30 June 2023, 30 June 2024 and 30 June 2025 are as follows:

	Audited			
	As at 30 June			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Trade payables	1,663	1,124	1,123	2
Other payables ^(a)	1,148	1,043	648	1,579
Total	2,811	2,167	1,771	1,581

11. FINANCIAL INFORMATION (CONT'D)

Note:

(a) The breakdown of other payables are as follows:

Description	Audited			
	As at 30 June			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Listing expenses	-	-	-	689
Accruals	74	193	347	574
Advances received from customers, directors, and shareholders	591	806	262	162
Deposits received from customers	-	-	-	106
Others*	483	44	39	48
Total	1,148	1,043	648	1,579

* Comprises, amongst others, audit fees, secretarial fees and tax service fees.

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11. FINANCIAL INFORMATION (CONT'D)

11.2 CAPITALISATION AND INDEBTEDNESS

The table below sets out our Group's capitalisation and indebtedness as at 31 October 2025 and the pro forma capitalisation and indebtedness of our Group which has been prepared on the assumption that our IPO and the use of proceeds to be raised from our Public Issue had occurred on 31 October 2025:

	Unaudited as at 31 October 2025 RM'000	After our IPO and use of proceeds RM'000
Indebtedness:		
<u>Current</u>		
Secured		
- Borrowings	42	42
Unsecured and guaranteed		
- Borrowings	940	940
<u>Non-current</u>		
Secured		
- Borrowings	163	163
Unsecured and guaranteed		
- Borrowings	2,881	1,281
Total indebtedness	4,026	2,426
Capitalisation:		
Shareholders' equity	18,350	37,973
Total capitalisation	18,350	37,973
Total capitalisation and indebtedness	22,376	40,399
Gearing ratio (times) ⁽ⁱ⁾	0.22	0.06

Note:

(i) Calculated based on total indebtedness divided by total capitalisation.

The above pro forma capitalisation and indebtedness of our Group is provided for illustrative purposes only and does not represent our actual capitalisation and indebtedness as at 31 October 2025 or in the future.

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 in respect of the financial condition and results of operations of our Group for the Financial Years Under Review should be read in conjunction with the Accountants' Report together with its accompanying notes as set out in Section 12 of this Prospectus.

The discussion and analysis contain data derived from our Group's audited combined/ consolidated financial statements as well as forward-looking statements that involve risks, uncertainties and assumptions. The actual results may differ significantly from those projected in the forward-looking statements. The factors that may cause future results to differ significantly from those included in the forward-looking statements include, but not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors as set out in Section 8 of this Prospectus.

There are no accounting policies which are peculiar to our Group. For further information on the significant accounting policies of our Group, please refer to the notes to the combined/ consolidated financial statements in the Accountants' Report included in Section 12 of this Prospectus.

11.3.1 Overview of our operations

Our Company is an investment holding company. Through our subsidiaries, our Group principally provides family entertainment products and services, as well as wholesale and distribution of toys and collectables.

Please refer to Section 6 of this Prospectus for further information on our Group's business overview.

11.3.2 Significant factors affecting our financial condition and results of operations

Our financial condition and results of operations have been and are expected to be affected by, amongst others, the following factors:

(i) Dependency on certain major customers

Our Group is dependent on Mix Metro / Mastering Services* and Aeon Fantasy by virtue of their percentage revenue contribution to our Group's revenue for the Financial Years Under Review. Revenue from Mix Metro / Mastering Services* and Aeon Fantasy accounted for approximately 46.56% (RM2.45 million), 34.75% (RM5.32 million), 25.24% (RM5.58 million) and 19.82% (RM5.88 million) as well as 13.85% (RM0.73 million), 18.54% (RM2.84 million), 21.69% (RM4.79 million) and 21.77% (RM6.46 million) of our Group's revenue for the Financial Years Under Review respectively.

Despite our Group having entered into a consignment agreement with Mastering Services, there can be no assurance that Mastering Services will continue to carry or sell our Group's toys and collectables under the consignment arrangement, or that demand from them will be sustained at the current level in the future. Further, despite our Group having entered into revenue-sharing agreements and rental agreements with Aeon Fantasy, there can be no assurance that Aeon Fantasy will not discontinue or terminate its agreements with our Group.

11. FINANCIAL INFORMATION (CONT'D)

In the event Mastering Services discontinues the consignment of our Group's toys and collectables and Aeon Fantasy discontinues, terminates or does not renew the revenue-sharing and rental agreements with us upon expiry, our Group may experience reduction in sales which could result in a loss of revenue if our Group is unable to replace Mastering Services and Aeon Fantasy with new customers, or with additional orders from existing customers in a timely manner and this will in turn adversely impact our financial performance and business outlook.

Please refer to Section 8.1.1 of this Prospectus for further details on this risk factor.

Note:

- * Mix Metro was our Group's customer for FYE 2022 to FYE 2024 and Mastering Services for FYE 2025. Moving forward, all sale transactions will be conducted with Mastering Services. Both companies have the same shareholders.

(ii) Dependency on Pop Mart Group's products

Our Group is dependent on Pop Mart Group* for the supply of its branded toys and collectables by virtue of our Group's total purchases for the Financial Years Under Review. In FYEs 2022, 2023 and 2024, Pop Mart SG contributed approximately 76.44% (RM3.81 million), 62.92% (RM5.55 million) and 59.93% (RM7.51 million) to our Group's total purchases respectively. In FYE 2025, Pop Mart Group contributed approximately 47.14% (RM8.36 million) to our Group's total purchases. In addition, in FYEs 2022, 2023 and 2024, Pop Mart SG contributed approximately 99.90%, 99.96% and 88.54% to our Group's total toys and collectables purchases respectively. In FYE 2025, Pop Mart Group contributed approximately 79.83% to our Group's total toys and collectables purchases. This percentage of purchases from Pop Mart Group has been on a declining trend from FYE 2022 to FYE 2025.

Any disruption or sudden cessation in the supply of Pop Mart's products may result in our inability to fulfil customer orders within the expected timeframe. This may lead to cancelled orders, a material reduction in revenue contribution from our toys and collectables segment, and this may in turn adversely affect our Group's operations and financial performance and business outlook.

Please refer to Section 8.1.2 of this Prospectus for further details on this risk factor.

Note:

- * Comprises Pop Mart SG and Pop Mart Malaysia. Pop Mart SG was our Group's supplier for FYE 2022 to FYE 2024 and Pop Mart Group for FYE 2025. Moving forward, all purchases will be conducted with Pop Mart Malaysia.

(iii) Dependency on our ability to offer products and services that are popular with end customers

Our success hinges on our ability to identify and respond promptly to end customers' preferences in respect of the types of arcade and amusement machines as well as toys and collectables. This involves staying abreast of trends and popular culture of the arcade and amusement, and toys and collectables industries, as interests of these end customers evolve quickly and can change from time to time.

11. FINANCIAL INFORMATION (*CONT'D*)

The ever-shifting landscape of end customers' preferences and interests creates an environment in where some products and content may fail to achieve mainstream popularity. As a result, products and services such as ours which partially rely on trends in popular culture may suffer from relatively short life cycles. If we dedicate time and resources to products that do not resonate with end customers, we may fall short of our sales targets, leading to a decline in revenue and profitability.

Please refer to Section 8.1.3 of this Prospectus for further details on this risk factor.

(iv) Impact of fluctuation in foreign exchange rates

Please refer to Section 11.3.4 of this Prospectus for further information on the impact of fluctuation in foreign exchange, interest rate, inflation and government/economic/fiscal/monetary policies.

(v) Exposure to unexpected operational and supply chain disruption that may be beyond our control

Our business relies on the arcade and amusement machines, and toys and collectables that are purchased from suppliers located in China, Japan, Poland, Singapore and the USA. For purchases of arcade and amusement machines, and toys and collectables from China, we primarily engage procurement agents who source for the required arcade and amusement machines, and toys and collectables according to our requirements.

Hence, we rely on the timely shipment of the products to meet our customers' demand. Events that are beyond our Group's control such as natural disasters, extreme weather and outbreak of diseases and health crises may impact transport infrastructure and impose limitations on manpower which could lead to bottlenecks in the transportation network. Moreover, geopolitical circumstances could also cause supply chain disruptions and affect transport costs which would impact our business relationships and profit margins.

In addition, any failure in the technology and equipment we implement may impact the daily operation of our business. Our arcade and amusement machines rely heavily on related technology and equipment. Should our arcade and amusement machines break down and repairs are not made in a timely manner, we would lose the revenue that would have been generated from that machine, until the machine is once again operational.

Please refer to Section 8.1.8 of this Prospectus for further details on this risk factor.

11. FINANCIAL INFORMATION (*CONT'D*)

11.3.3 Results of operations

The components of our Group's combined/ consolidated statements of profit or loss and other comprehensive income as well as the analysis of the results of operations of our Group's operations for the Financial Years Under Review are as follows:

(i) Revenue

Our Group's revenue can be segregated into the following segments:

(aa) Provision of family entertainment

We sell and rent arcade and amusement machines to our customers, as well as offer revenue-sharing arrangement with them i.e. we share a mutually agreed percentage of revenue generated from our arcade and amusement machines placed at our customer premise. We also operate our own family entertainment centre in The Mines, where our revenue is generated mainly from token sales that our customers purchase and use to play our arcade and amusement machines ("**Arcade Token Sales**") as well as retail sales from our skating rink and pool tables.

Our revenue from revenue-sharing and rental models are recognised over time. The revenue is recognised as and when performance obligation in the contract with customer is satisfied. Both revenue-sharing and rental income from arcade and amusement machine is recognised on an accrual basis.

Our revenue from sales of arcade and amusement machines, Arcade Token Sales as well as retail sales from our skating rink and pool tables are recognised at the point in time when the machines are sold, token are purchased or skating and pool table services has been rendered to our customers. This recognition coincides with the delivery of products or services and acceptance by customers.

(bb) Wholesale and distribution of toys and collectables

We are also involved in the wholesale and distribution of toys and collectables from various brands such as Pop Mart, Funism, Jotoys and ToyCity, to our customers which include convenience stores, hobbyist stores, and toy stores that are involved in retailing toys and collectables, or to arcade operators as game prizes.

For outright sales of toys and collectables, our revenue are recognised at the point in time when the products are transferred to the customer. For our toys and collectables placed on consignment basis, revenue is only recognised when our consignee sells our toys and collectables to end customer. Revenue is not recognised solely on the basis that the toys and collectables are placed on display or available for sale, as ownership and risk remain with our Group until the point of sale.

11. FINANCIAL INFORMATION (CONT'D)

(a) Revenue by product segments

The table below sets out our Group's revenue by product segments for the Financial Years Under Review:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<u>Family entertainment</u>								
- Revenue-sharing model	1,923	36.61	5,602	36.61	6,359	28.77	8,177	27.54
- Rental model	-	-	595	3.89	2,097	9.49	2,543	8.57
- Outright sales model*	-	-	-	-	322	1.46	2,095	7.06
- Operation and management of a family entertainment centre	713	13.57	972	6.35	1,122	5.08	978	3.29
	2,636	50.18	7,169	46.85	9,900	44.80	13,793	46.46
<u>Toys and collectables</u>								
- Wholesale and distribution	2,617	49.82	8,134	53.15	12,198	55.20	15,895	53.54
Total	5,253	100.00	15,303	100.00	22,098	100.00	29,688	100.00

Note:

* Includes revenue from the repair and maintenance of arcade and amusement machines and spare parts sales.

During the Financial Years Under Review, our Group's revenue was derived in nearly equal proportions from both our product segments, being family entertainment segment and toys and collectable segment.

11. FINANCIAL INFORMATION (CONT'D)**(b) Revenue by business segments**

The table below sets out our Group's revenue by business segments for the Financial Years Under Review:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<u>Distribution business</u>								
- Supply of arcade and amusement machines and related services*	1,923	36.61	6,197	40.50	8,778	39.72	12,815	43.17
- Toys and collectables	2,617	49.82	8,134	53.15	12,198	55.20	15,895	53.54
	4,540	86.43	14,331	93.65	20,976	94.92	28,710	96.71
<u>Retail business</u>								
- Operation and management of a family entertainment centre	713	13.57	972	6.35	1,122	5.08	978	3.29
Total	5,253	100.00	15,303	100.00	22,098	100.00	29,688	100.00

Note:

* Includes revenue from the repair and maintenance of arcade and amusement machines and spare parts sales.

Our Group's revenue is primarily derived from the distribution business segment, which accounted for approximately 86.43%, 93.65%, 94.92% and 96.71% of our Group's total revenue for the Financial Years Under Review.

11. FINANCIAL INFORMATION (*CONT'D*)

(c) Commentaries on revenue:

FYE 2023 as compared to FYE 2022

Our Group's revenue increased by approximately RM10.05 million or 191.32% from approximately RM5.25 million for FYE 2022 to approximately RM15.30 million for FYE 2023.

The increase in our Group's revenue was mainly due the following:

- (i) an increase in revenue from family entertainment segment by approximately RM4.53 million or 171.97% from approximately RM2.64 million for FYE 2022 to approximately RM7.17 million for FYE 2023. The increase was mainly due to the following:
 - (a) an increase in revenue from Aeon Fantasy of approximately RM2.11 million mainly attributable to its revenue-sharing model locations with Aeon Fantasy which increased from 10 to 20 family entertainment centres coupled with increase in Arcade Token Sales to arcade and amusement end customers and commencement of the rental model locations with Aeon Fantasy for 23 locations comprising 18 new locations and 5 existing locations for which we have existing revenue-sharing arrangement. The increase in revenue-sharing and rental models corresponded with Aeon Fantasy's continued engagement of our services across various locations;
 - (b) a new revenue-sharing customer, being Next Gen Themepark (1U) Sdn Bhd, who contributed revenue of approximately RM1.30 million; and
 - (c) an increase in revenue from its revenue-sharing model with IOI City Mall Sdn Bhd of approximately RM0.87 million mainly attributable to the increase in Arcade Token Sales to arcade and amusement end customers.
- (ii) an increase in revenue from toys and collectables segment by approximately RM5.52 million or 210.81% from approximately RM2.62 million for FYE 2022 to approximately RM8.13 million for FYE 2023. The increase in revenue was mainly due to increase in sales to Mix Metro of approximately RM2.87 million which was primarily attributable to the increase in number of outlets, i.e. from 73 outlets to 95 outlets, where our toys and collectables are placed on consignment basis couple with higher volume of toys and collectables sold to end customers. In addition, the increase in revenue was also due to sales to 18 new customers secured in FYE 2023 from 5 customers in FYE 2022 as a result of active efforts made by our Group in expanding our customer base via advertising on social media platforms, supported by rising demand from end customers.

In terms of business segment, our distribution business segment increased by approximately RM9.79 million or 215.66% from RM4.54 million for FYE 2022 to RM14.33 million for FYE 2023, as our revenue from the supply of arcade and amusement machines and related services and toys and collectables increased for FYE 2023, as mentioned above. Our retail business segment also increased by RM0.26 million or 36.33% from RM0.71 million for FYE 2022 to RM0.97 million for FYE 2023 mainly due to increase in Arcade Token Sales at our family entertainment centre.

11. FINANCIAL INFORMATION (CONT'D)

FYE 2024 as compared to FYE 2023

Our Group's revenue increased by approximately RM6.80 million or 44.40% from approximately RM15.30 million for FYE 2023 to approximately RM22.10 million for FYE 2024.

The increase in our Group's revenue was mainly due the following:

- (i) an increase in revenue from family entertainment segment by approximately RM2.73 million or 38.09% from approximately RM7.17 million for FYE 2023 to approximately RM9.90 million for FYE 2024. The increase was mainly due to:
 - (a) an increase in revenue from Aeon Fantasy of approximately RM1.96 million mainly attributable to its revenue-sharing model locations with Aeon Fantasy which increased from 20 to 28 family entertainment centres (2 new locations and 6 existing locations) coupled with increase in Arcade Token Sales to arcade and amusement end customers and increase in rental model locations with Aeon Fantasy which increased from 23 locations to 33 locations comprising 9 new locations and 1 existing location for which we have existing revenue-sharing arrangement. The increase in revenue-sharing and rental models corresponded with Aeon Fantasy's continued engagement of our services across various locations;
 - (b) 3 new revenue-sharing customers secured in FYE 2024 which contributed revenue of approximately RM0.62 million, collectively; and
 - (c) commencement of outright sales of arcade and amusement machines to existing and new customers of approximately RM0.32 million in FYE 2024.
- (ii) an increase in revenue from sales of toys and collectables segment by approximately RM4.06 million or 49.96% from approximately RM8.13 million for FYE 2023 to approximately RM12.20 million for FYE 2024. The increase was mainly due to increase in sales to Customer A, an existing customer of our Group, of approximately RM2.10 million, driven by higher orders from Customer A, as well as sales to 21 new customers secured in FYE 2024.

In terms of business segment, our distribution business segment increased by approximately RM6.65 million or 46.37% from RM14.33 million for FYE 2023 to RM20.98 million for FYE 2024, as our revenue from the supply of arcade and amusement machines and related services and toys and collectables increased in FYE 2024, as mentioned above. Our retail business segment also increased by RM0.15 million or 15.43% from RM0.97 million for FYE 2023 to RM1.12 million for FYE 2024 mainly due to increase in Arcade Token Sales at our family entertainment centre.

FYE 2025 as compared to FYE 2024

Our Group's revenue increased by approximately RM7.59 million or 34.35% from approximately RM22.10 million for FYE 2024 to approximately RM29.69 million for FYE 2025.

11. FINANCIAL INFORMATION (*CONT'D*)

The increase in our Group's revenue was mainly due to the following:

- (i) an increase in revenue from family entertainment segment by approximately RM3.89 million or 39.32% from approximately RM9.90 million for FYE 2024 to approximately RM13.79 million for FYE 2025. The increase was mainly due to:
 - (a) an increase in revenue from Aeon Fantasy of approximately RM1.67 million mainly attributable to its revenue-sharing model locations with Aeon Fantasy which increased from 28 to 47 family entertainment centres (14 new locations and 5 existing locations) coupled with increase in Arcade Token Sales to arcade and amusement end customers; and
 - (b) an increase in outright sales of arcade and amusement machines to existing and new customers, which contributed an increase revenue of approximately RM1.77 million in FYE 2025, as our customers ordered a total of 26 arcade and amusement machines in FYE 2025.
- (ii) an increase in revenue from sales of toys and collectables segment by approximately RM3.70 million or 30.31% from approximately RM12.20 million for FYE 2024 to approximately RM15.90 million for FYE 2025. The increase in revenue was largely driven by 2 new customers which collectively contributed approximately RM1.61 million sales in FYE 2025. In addition, higher sales to an existing customer, amounting to approximately RM0.91 million also contributed to the increase in revenue.

In terms of business segment, our Group's distribution business segment increased by approximately RM7.73 million or 36.87% from approximately RM20.98 million for FYE 2024 to approximately RM28.71 million for FYE 2025, as our revenue from the supply of arcade and amusement machines and related services and toys and collectables increased in FYE 2025, as mentioned above. However, our Group's retail business segment decreased by approximately RM0.14 million or 12.83% from approximately RM1.12 million for FYE 2024 to RM0.98 million for FYE 2025, due to decrease in Arcade Token Sales at our Group's family entertainment centre.

(ii) Cost of sales

Our Group's cost of sales comprises mainly cost of goods sold, depreciation, staff costs and carriage inwards, which collectively accounted for approximately 84.77%, 91.09%, 93.42% and 97.32% of total cost of sales for the Financial Years Under Review.

Our Group do not maintain cost of sales by revenue-sharing model and rental model as our accounting system captures their cost of sales in aggregate due to shared operations and cost structure. Further, we do not specify which arcade and amusement machines are allocated to revenue-sharing model or rental model, and therefore, there is no specific allocation of cost by revenue-sharing model and rental model.

11. FINANCIAL INFORMATION (CONT'D)

(a) Cost of sales by product segments

The table below sets out our Group's cost of sales by product segments for the Financial Years Under Review:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<u>Family Entertainment</u>								
- Revenue-sharing and rental models ⁽ⁱ⁾	533	19.57	1,459	17.39	2,163	17.25	3,777	24.23
- Outright sales model	-	-	-	-	87	0.70	921	5.91
- Operation and management of a family entertainment centre	720	26.43	933	11.12	918	7.32	681	4.37
	1,253	46.00	2,392	28.51	3,168	25.27	5,379	34.51
<u>Toys and collectables</u>								
- Wholesale and distribution	1,471	54.00	5,998	71.49	9,371	74.73	10,210	65.49
Total	2,724	100.00	8,390	100.00	12,539	100.00	15,589	100.00

Note:

- (i) The cost of sales for both our revenue-sharing model and rental model is presented together, as our accounting system captures their cost of sales in aggregate due to shared operations and cost structure.

11. FINANCIAL INFORMATION (CONT'D)

The number of arcade and amusement machine purchased during the Financial Years Under Review are as follows:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Arcade and amusement machine purchased (Unit)	15	165	167	338

Our Group's cost of sales is primarily from the toys and collectables segment, which accounted for approximately 54.00%, 71.49%, 74.73% and 65.49% of our Group's total cost of sales for the Financial Years Under Review.

(b) Cost of sales by cost components

The table below sets out our Group's cost of sales by cost components for the Financial Years Under Review:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Cost of goods sold ⁽ⁱ⁾	1,500	55.07	5,814	69.30	8,748	69.77	11,079	71.07
Depreciation ⁽ⁱⁱ⁾	366	13.43	838	9.99	1,260	10.05	1,832	11.75
Staff costs	360	13.22	726	8.65	971	7.74	1,510	9.69
Revenue-sharing expenses ⁽ⁱⁱⁱ⁾	331	12.15	552	6.58	341	2.72	193	1.24
Carriage inwards	83	3.05	264	3.15	735	5.86	750	4.81
Others ^(iv)	84	3.08	196	2.33	484	3.86	225	1.44
Total	2,724	100.00	8,390	100.00	12,539	100.00	15,589	100.00

11. FINANCIAL INFORMATION (CONT'D)

Notes:

- (i) The breakdown of cost of goods sold for the Financial Years Under Review are as follows:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Toys and collectables	1,286	5,734	8,525	9,710
Arcade and amusement machines* for revenue-sharing and rental models	214	80	136	448
Arcade and amusement machines for outright sales	-	-	87	921
Total	1,500	5,814	8,748	11,079

* Included the cost of token machines and tokens for use at several of our customer premises under the revenue-sharing model.

- (ii) Comprises depreciation for, amongst others, arcade and amusement machines of our Group, as well as right-of-use assets, renovation, office equipment, and furniture and fittings incurred for our family entertainment centre at The Mines.
- (iii) This mainly represents a certain percentage of revenue from the family entertainment centre operated by our Group, paid to FEC Asia Distributor, a related party, for amongst others, supply of arcade and amusement machines pursuant to a revenue-sharing agreement entered into with FEC Asia Distributor dated 1 January 2022 and 1 January 2023 which each agreement having a validity period of 1 year. Following the expiry of the said revenue-sharing agreement on 31 December 2023, the agreement was not renewed. Further, we also have a revenue-sharing arrangement with a customer operating a family entertainment centre, where our Group bill the total revenue generated by our arcade and amusement machines, and customer will invoice us for their shared revenue portion.
- (iv) Others comprise, amongst others, inventories written down, rental expenses, utilities, upkeep of machines and premise and import duty.

11. FINANCIAL INFORMATION (CONT'D)

(c) Commentaries on cost of sales:

FYE 2023 as compared to FYE 2022

Our Group's cost of sales increased by approximately RM5.67 million or 208.00% from approximately RM2.72 million for FYE 2022 to approximately RM8.39 million for FYE 2023.

The increase in the cost of sales was mainly due to the following:

- (i) an increase in cost of goods sold of approximately RM4.31 million which was in-line with the higher sales recorded for the toys and collectables segment as well as increase in purchase cost for toys and collectables (mainly purchased from Pop Mart SG), resulting from the weakening of RM against the SGD during the FYE 2023;
- (ii) an increase in depreciation expenses of approximately RM0.47 million due to additional purchases of arcade and amusement machines of 165 units to cater for revenue-sharing and rental arrangement with customers in FYE 2023;
- (iii) an increase in staff costs of approximately RM0.37 million mainly due to increase in average headcounts from 11 employees for FYE 2022 to 14 employees for FYE 2023, coupled with annual salary increment in FYE 2023;
- (iv) an increase in revenue-sharing expenses with FEC Asia Distributor, a related party of approximately RM0.22 million, which was in-line with the higher revenue recorded from the family entertainment centre; and
- (v) an increase in carriage inwards costs of approximately RM0.18 million, mainly due to increase in imports of arcade and amusement machines in FYE 2023.

FYE 2024 as compared to FYE 2023

Our Group's cost of sales increased by approximately RM4.15 million or 49.45% from approximately RM8.39 million for FYE 2023 to approximately RM12.54 million for FYE 2024.

The increase in the cost of sales was mainly due to the following:

- (i) an increase in cost of goods sold of approximately RM2.93 million which was in-line with the higher sales recorded for the toys and collectables segment as well as increase in purchase costs for toys and collectables (mainly purchased from Pop Mart SG), resulting from the weakening of RM against the SGD during the FYE 2024. In addition, the increase in cost of goods sold was also due to the purchase of arcade and amusement machines for outright sales for FYE 2024;
- (ii) an increase in carriage inwards costs of approximately RM0.47 million, mainly due to increase in imports of arcade and amusement machines in FYE 2024;

11. FINANCIAL INFORMATION (CONT'D)

- (iii) an increase in depreciation expenses of approximately RM0.42 million due to additional purchases of arcade and amusement machines of 167 units to mainly cater for revenue-sharing and rental arrangement with customers in FYE 2024;
- (iv) an increase in staff costs of approximately RM0.25 million mainly due to increase in average headcounts from 14 employees for FYE 2023 to 17 employees for FYE 2024, coupled with annual salary increment in FYE 2024; and
- (v) an increase in upkeep of machines of approximately RM0.14 million mainly due to purchase of spare parts for the maintenance of arcade and amusement machines.

However, the increase was partially offset with the decrease in revenue-sharing expenses with FEC Asia Distributor, a related party of approximately RM0.21 million as the revenue-sharing agreement with FEC Asia Distributor that had expired on 31 December 2023 was not renewed thereafter.

FYE 2025 as compared to FYE 2024

Our Group's cost of sales increased by approximately RM3.05 million or 24.32% from approximately RM12.54 million for FYE 2024 to approximately RM15.59 million for FYE 2025.

The increase in the cost of sales was mainly due to the following:

- (i) an increase in cost of goods sold of approximately RM2.33 million, which was in-line with the higher sales recorded for the toys and collectables segment. In addition, the increase in cost of goods sold was also due to the purchase of arcade and amusement machines for outright sales for FYE 2025;
- (ii) an increase in depreciation expenses of approximately RM0.57 million due to additional purchase of arcade and amusement machines of 338 units to mainly cater for revenue-sharing and rental arrangement with customers in FYE 2025; and
- (iii) an increase in staff costs of approximately RM0.54 million due to increase in average headcounts from 18 employees for FYE 2024 to 26 employees for FYE 2025, coupled with annual salary increments for FYE 2025.

However, the increase was partially offset with the following:

- (i) decrease in revenue-sharing expenses of approximately RM0.15 million due to absence of revenue-sharing expenses with FEC Asia Distributor, a related party, in FYE 2025, as the revenue-sharing agreement with the related party had expired on 31 December 2023 and was not renewed thereafter;
- (ii) decrease in inventories written off of approximately RM0.14 million; and
- (iii) decrease in upkeep of machines of approximately RM0.11 million due to lower amount incurred for purchase of spare parts for the maintenance of arcade and amusement machines.

11. FINANCIAL INFORMATION (CONT'D)

(iii) GP and GP margin

(a) GP

The table below sets out our Group's GP by product segments for the Financial Years Under Review:

GP	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<u>Family Entertainment</u>								
- Revenue-sharing and rental models	1,390	54.96	4,738	68.54	6,293	65.83	6,943	49.24
- Outright sales model	-	-	-	-	235	2.46	1,174	8.33
- Operation and management of a family entertainment centre	(7)	(0.28)	39	0.56	204	2.14	297	2.11
	1,383	54.68	4,777	69.10	6,732	70.43	8,414	59.68
<u>Toys and collectables</u>								
- Wholesale and distribution	1,146	45.32	2,136	30.90	2,827	29.57	5,685	40.32
Total	2,529	100.00	6,913	100.00	9,559	100.00	14,099	100.00

11. FINANCIAL INFORMATION (CONT'D)

(b) GP margin

The table below sets out our Group's GP margin by product segments for the Financial Years Under Review:

GP/ (Gross loss) margin	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	%	%	%	%
<u>Family Entertainment</u>				
- Revenue-sharing and rental models ⁽ⁱ⁾	72.28	76.46	74.42	64.77
- Outright sales model	-	-	72.98	56.04
- Operation and management of a family entertainment centre	(0.98)	4.01	18.18	30.37
<u>Toys and collectables</u>				
- Wholesale and distribution	43.79	26.26	23.18	35.77
Overall GP margin	48.14	45.17	43.26	47.49

Note:

- (i) The GP margin for both our revenue-sharing model and rental model is presented together, as our accounting system captures their cost of sales in aggregate due to shared operations and cost structure.

Our Group's overall GP margin ranges between 43.26% to 48.14% for the Financial Years Under Review. In FYE 2022, our Group recorded gross loss margin for its operation and management of a family entertainment centre.

In FYE 2022, our operation and management of a family entertainment centre recorded gross loss margin of 0.98% mainly due to lower revenue from the temporary closure of the family entertainment centre from 1 July 2021 to 31 August 2021 as a result of the government-imposed Movement Control Order (MCO) in response to the COVID-19 pandemic.

11. FINANCIAL INFORMATION (*CONT'D*)

Our revenue and cost of sales for revenue-sharing and rental models, as well as operation and management of a family entertainment centre, are not directly correlated. Our revenue is mainly dependent on the amount of Arcade Token Sales to the arcade and amusement end customers for spending on the arcade and amusement machines, whereas the cost of sales mainly consists of maintenance, staff costs, depreciation and other related cost associated with the operation and maintenance of the arcade and amusement machines.

(c) Commentaries on GP and GP margin:

FYE 2023 as compared to FYE 2022

Our Group's GP increased by approximately RM4.38 million or 173.35% from approximately RM2.53 million for FYE 2022 to approximately RM6.91 million for FYE 2023. The increase in GP was in line with the increase in revenue by approximately RM10.05 million or 191.32% from approximately RM5.25 million for FYE 2022 to approximately RM15.30 million for FYE 2023.

However, our Group's overall GP margin decreased by approximately 2.97% from approximately 48.14% for FYE 2022 to approximately 45.17% for FYE 2023. The decrease in our Group's overall GP margin was mainly due to decrease in GP margin contributed by the toys and collectables segment as a result of higher purchase cost for toys and collectables (mainly purchased from Pop Mart SG), resulting from the weakening of RM against the SGD during the FYE 2023.

Notwithstanding the above, the decrease in GP margin contributed by the toys and collectables segment was partially offset by an increase in GP margin for the family entertainment segment mainly due to increase GP margins contributed by the revenue-sharing and rental models as we were able to secure additional locations from our existing customer, Aeon Fantasy, and new locations from new customers for both models.

As explained above, our revenue and cost of sales for revenue-sharing and rental models, as well as the operation and management of our family entertainment centre under this segment, are not directly correlated. This is because our arcade and amusement machines are placed at our customer's premises and at our family entertainment centre, and the associated cost of sales such as depreciation, maintenance, and staff cost are relatively fixed in nature and are not proportionate to the volume of revenue generated.

As such, the increase in GP margin for family entertainment segment in FYE 2023 was mainly due to the percentage increase in revenue exceeding the increase in cost of sales in FYE 2023. Our revenue from family entertainment segment increased by approximately RM4.53 million or 171.97%, whereas our cost of sales for family entertainment segment increased by approximately RM1.14 million or 90.90%.

11. FINANCIAL INFORMATION (*CONT'D*)

FYE 2024 as compared to FYE 2023

Our Group's GP increased by approximately RM2.65 million or 38.28% from approximately RM6.91 million for FYE 2023 to approximately RM9.56 million for FYE 2024. The increase in GP was in line with the increase in revenue by approximately RM6.80 million or 44.40% from approximately RM15.30 million for FYE 2023 to approximately RM22.10 million for FYE 2024.

However, our Group's overall GP margin decreased by approximately 1.91% from approximately 45.17% for FYE 2023 to approximately 43.26% for FYE 2024. The decrease in our Group's overall GP margin was mainly due to decrease in GP margin contributed by the toys and collectables segment as a result of higher purchase cost for toys and collectables (mainly purchased from Pop Mart SG), resulting from the weakening of RM against the SGD during the FYE 2024.

Notwithstanding the above, the decrease in GP margin contributed by the toys and collectables segment was partially offset by an increase in GP margin for family entertainment segment, mainly due to higher GP margins contributed by the operation and management of a family entertainment centre as a result of higher revenue generated from Arcade Token Sales to arcade and amusement end customers and from the commencement of outright sales of arcade and amusement machines in FYE 2024.

FYE 2025 as compared to FYE 2024

Our Group's GP increased by approximately RM4.54 million or 47.49% from approximately RM9.56 million for FYE 2024 to approximately RM14.10 million for FYE 2025. The increase in GP was in line with the increase in revenue by approximately RM7.59 million or 34.35% from approximately RM22.10 million for FYE 2024 to approximately RM29.69 million for FYE 2025.

Our Group's overall GP margin increased by approximately 4.23% from approximately 43.26% for FYE 2024 to approximately 47.49% for FYE 2025. The increase in our Group's overall GP margin was mainly due to the following:

- (i) an increase in GP margin contributed by the toys and collectables segment due to:
 - (a) lower purchase cost as our Group commenced to purchase directly from Pop Mart Malaysia from 1 January 2025 onwards which are denominated in RM;
 - (b) increase in selling prices charged to our customers; and
 - (c) securing several new customers that contributed better GP margin; and
- (ii) increase in GP margin contributed by our Group's operation and management of a family entertainment centre segment due to absence of revenue-sharing expenses with FEC Asia Distributor, a related party.

11. FINANCIAL INFORMATION (CONT'D)

Notwithstanding the above, the increase in overall GP margin was partially offset by:

- (i) a decrease in GP margin by the revenue-sharing and rental models' segment. The expansion of our arcade and amusement machine distribution to new locations under the revenue-sharing and rental models required time for arcade and amusement end customers to become aware of these new locations and increase their spending, resulting in a lower GP contributed during this period. At the same time, our cost of sales for revenue-sharing or rental model increased, mainly due to higher depreciation expenses for newly acquired arcade and amusement machines placed at new customers premises; and
- (ii) a decrease in GP margin for outright sales of arcade and amusement machines by approximately 16.94% from approximately 72.98% for FYE 2024 to 56.04% for FYE 2025. The decrease was mainly due to higher purchase costs for certain arcade and amusement machines, couple with securing a few new customers with lower GP margins.

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11. FINANCIAL INFORMATION (CONT'D)

(iv) Other income

The table below sets out our Group's other income for the Financial Years Under Review:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Wage subsidy ⁽ⁱ⁾	37	97.37	-	-	-	-	-	-
Reversal of provision of restoration costs	-	-	20	100.00	-	-	-	-
Gain on disposal of property, plant and equipment	-	-	-	-	110	57.29	7	3.14
Gain on early termination of lease contracts	-	-	-	-	-	-	4	1.79
Handling fee ⁽ⁱⁱ⁾	-	-	-	-	82	42.71	76	34.08
Reimbursement of warehouse maintenance expenses ⁽ⁱⁱⁱ⁾	-	-	-	-	-	-	135	60.54
Others ^(iv)	1	2.63	-	-	-	-	1	0.45
Total	38	100.00	20	100.00	192	100.00	223	100.00

Notes:

- (i) Being wage subsidy programme provided by the government of Malaysia.
- (ii) Fee charged for handling of inventory on behalf of our supplier.
- (iii) Reimbursement from the landlord for the repair and maintenance expenses incurred at our previously rented office and storage.
- (iv) Others comprise, amongst others, discount received and courier fees charged to customers.

11. FINANCIAL INFORMATION (CONT'D)

(a) Commentaries on other income:**FYE 2023 as compared to FYE 2022**

Our Group's other income decreased by approximately RM0.02 million or 47.37% from approximately RM0.04 million for FYE 2022 to approximately RM0.02 million for FYE 2023. The decrease in the other income was mainly due to absence of wage subsidy of approximately RM0.04 million in FYE 2023. However, the decrease was partially offset with the reversal of provision of restoration costs of approximately RM0.02 million in FYE 2023.

FYE 2024 as compared to FYE 2023

Our Group's other income increased by approximately RM0.17 million or 860.00% from approximately RM0.02 million for FYE 2023 to RM0.19 million for FYE 2024. The increase in other income was mainly due to gain on disposal of property, plant and equipment, i.e. arcade and amusement machines, of approximately RM0.11 million and inventory handling fee charged to our supplier of approximately RM0.08 million.

FYE 2025 as compared to FYE 2024

Our Group's other income increased by approximately RM0.03 million or 16.15% from approximately RM0.19 million for FYE 2024 to approximately RM0.22 million for FYE 2025. The increase was mainly due to reimbursement of repair and maintenance expenses of approximately RM0.14 million incurred by our Group for our previously rented office and storage. However, the increase was partially offset with the decrease in gain on disposal of property, plant and equipment of approximately RM0.10 million in FYE 2025.

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11. FINANCIAL INFORMATION (CONT'D)

(v) Administrative expenses

The table below sets out our Group's administrative expenses for the Financial Years Under Review:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Director's remuneration	225	32.28	668	41.96	931	34.64	1,020	21.54
Staff costs	141	20.23	189	11.87	495	18.41	905	19.11
Upkeep of office and motor vehicles	57	8.18	34	2.14	203	7.55	74	1.56
Shelf placement fee	44	6.31	14	0.88	36	1.34	8	0.17
Parking and tolls	41	5.88	72	4.52	54	2.01	74	1.56
Depreciation ⁽ⁱ⁾	30	4.30	110	6.91	252	9.38	324	6.84
Entertainment	24	3.44	80	5.03	101	3.76	189	3.99
License fee	22	3.16	44	2.76	71	2.64	47	0.99
Realised loss on foreign exchange	19	2.73	125	7.85	102	3.79	37	0.78
Professional fees	8	1.15	109	6.85	87	3.24	374	7.90
Audit fees	8	1.15	21	1.32	74	2.75	105	2.22
Import duty	-	-	-	-	75	2.79	83	1.75
Listing expenses	-	-	-	-	-	-	955	20.17
Property, plant and equipment written off	-	-	-	-	-	-	93	1.96
Others ⁽ⁱⁱ⁾	78	11.19	126	7.91	207	7.70	448	9.46
Total	697	100.00	1,592	100.00	2,688	100.00	4,736	100.00

Notes:

- (i) Comprises depreciation for, amongst others, right-of-use assets, office equipment, furniture and fittings, and renovations incurred for our previously rented office and storage.
- (ii) Comprises, amongst others, insurance, utilities, medical expenses, telephone and fax charges, printing and stationery, staff refreshment, stamp duty, tax fee and secretary fee.

11. FINANCIAL INFORMATION (CONT'D)

(a) Commentaries on administrative expenses:

FYE 2023 as compared to FYE 2022

Our Group's administrative expenses increased by approximately RM0.89 million or 128.41% from approximately RM0.70 million for FYE 2022 to approximately RM1.59 million for FYE 2023.

The increase in the administrative expenses was mainly attributable to the following:

- (i) increase in directors' remuneration of approximately RM0.44 million mainly due to salary increment which in-line with the improved financial performance of our Group;
- (ii) increase in realised loss on foreign exchange of approximately RM0.11 million as a result of settlement of trade payables balances which were denominated in SGD;
- (iii) increase in professional fees of approximately RM0.10 million mainly due to fee paid to an advisory firm for provision of general business and advisory services;
- (iv) increase in depreciation expenses of approximately RM0.08 million mainly due to additional purchases of arcade and amusement machines; and
- (v) increase in staff costs of approximately RM0.05 million mainly due to salary increment in the FYE 2023.

FYE 2024 as compared to FYE 2023

Our Group's administrative expenses increased by approximately RM1.10 million or 68.84% from approximately RM1.59 million for FYE 2023 to approximately RM2.69 million for FYE 2024.

The increase in the administrative expenses was mainly attributable to the following:

- (i) increase in directors' remuneration of approximately RM0.26 million was mainly due to salary increment which in-line with the improved financial performance of our Group;
- (ii) increase in staff costs of approximately RM0.31 million was mainly due to salary increment in the FYE 2024;
- (iii) increase in upkeep of office and motor vehicles of approximately RM0.17 million mainly due to repair and maintenance works for our previous office and storage located at Taman Wahyu;
- (iv) increase in depreciation expenses of approximately RM0.14 million mainly due to additional purchases of arcade and amusement machines in FYE 2024; and
- (v) increase in import duty of approximately RM0.08 million mainly due to our importation of arcade and amusement machines from China and Japan.

11. FINANCIAL INFORMATION (CONT'D)**FYE 2025 as compared to FYE 2024**

Our Group's administrative expenses increased by approximately RM2.05 million or 76.19% from approximately RM2.69 million for FYE 2024 to approximately RM4.74 million for FYE 2025.

The increase in administrative expenses was mainly attributable to the following:

- (i) listing expenses of approximately RM0.96 million incurred in FYE 2025;
 - (ii) increase in staff costs of approximately RM0.41 million mainly due to increase in average headcounts from 4 employees for FYE 2024 to 8 employees for FYE 2025, coupled with annual salary increments for FYE 2025;
 - (iii) increase in professional fees of approximately RM0.29 million mainly due to fees charged by external auditors to conduct special audit for our Listing purpose;
 - (iv) increase in directors' remuneration of approximately RM0.09 million mainly due to salary increment in-line with the improved financial performance of our Group; and
 - (v) property, plant and equipment written off (such as renovation and fittings) of approximately RM0.09 million in relation to our previously rented office and storage.
- (vi) **Selling and distribution expenses**

The table below sets out our Group's selling and distribution expenses for the Financial Years Under Review:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Transportation costs	82	80.39	85	49.42	174	65.91	162	59.78
Travelling expenses	20	19.61	87	50.58	90	34.09	109	40.22
Total	102	100.00	172	100.00	264	100.00	271	100.00

(a) Commentaries on selling and distribution expenses:**FYE 2023 as compared to FYE 2022**

Our Group's selling and distribution expenses increased by approximately RM0.07 million or 68.63% from approximately RM0.10 million for FYE 2022 to approximately RM0.17 million for FYE 2023. The increase in selling and distribution expenses was mainly due to increase in travelling expenses of approximately RM0.07 million arising from the increase in both domestic and international travel for business purposes.

11. FINANCIAL INFORMATION (CONT'D)**FYE 2024 as compared to FYE 2023**

Our Group's selling and distribution expenses increased by approximately RM0.09 million or 53.49% from approximately RM0.17 million for FYE 2023 to RM0.26 in FYE 2024. The increase in selling and distribution expenses was mainly due to increase in transportation costs of approximately RM0.09 million, arising mainly from increase in transportation of arcade and amusement machines within Malaysia.

FYE 2025 as compared to FYE 2024

Our Group's selling and distribution expenses increased by approximately RM0.01 million or 2.65% from approximately RM0.26 million for FYE 2024 to approximately RM0.27 million for FYE 2025. The increase in selling and distribution expenses was mainly due to increase in travelling expenses of approximately RM0.02 million arising from increase in both domestic and international travel for business purposes.

(vii) (Net impairment loss)/ reversal of impairment loss on financial assets

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(Net impairment loss)/ reversal of impairment loss	-	-	-	-	(20)	100.00	2	100.00
Total	-	-	-	-	(20)	100.00	2	100.00

Our Group recognises allowance for impairment losses of trade receivables based on simplified approach in accordance with MFRS 9 Financial Instruments and measures the allowance for impairment loss based on a lifetime expected credit loss ("ECL") from initial recognition. The amount of ECL was assessed at each reporting period on a case-by-case basis, to reflect changes in credit risk since the initial recognition of trade receivables.

Our Group will determine the ECL rates based on historical payment profiles and historical credit losses and adjust for qualitative and quantitative forward-looking information that are reasonable and supportable.

11. FINANCIAL INFORMATION (CONT'D)**(viii) Finance cost**

The table below sets out our Group's finance costs for the Financial Years Under Review:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Term loan	10	47.62	21	42.00	5	6.17	68	41.21
Lease liability	10	47.62	28	56.00	45	55.56	29	17.57
Bank overdraft	-	-	-	-	30	37.04	66	40.00
Provision of restoration cost interest	1	4.76	1	2.00	1	1.23	1	0.61
Hire Purchase	-	-	-	-	-	-	1	0.61
Total	21	100.00	50	100.00	81	100.00	165	100.00

(a) Commentaries on finance costs:**FYE 2023 as compared to FYE 2022**

Our Group's finance costs increased by approximately RM0.03 million or 138.10% from approximately RM0.02 million for FYE 2022 to approximately RM0.05 million for FYE 2023. The increase in finance costs was mainly due to higher interest expense on lease liabilities as a result of higher lease liabilities that were recognised in FYE 2023 of approximately RM0.83 million as compared to approximately RM0.09 million recognised in FYE 2022. The increase was also due to higher interest expenses on term loan which resulted from the drawdown of new term loan of approximately RM0.10 million for working capital purposes.

FYE 2024 as compared to FYE 2023

Our Group's finance costs increased by approximately RM0.03 million or 62.00% from approximately RM0.05 million for FYE 2023 to approximately RM0.08 million for FYE 2024. The increase in finance costs was mainly due to interest expenses on bank overdraft as a result of utilisation of bank overdraft in FYE 2024.

FYE 2025 as compared to FYE 2024

Our Group's finance costs increased by approximately RM0.09 million or 103.70% from approximately RM0.08 million for FYE 2024 to approximately RM0.17 million for FYE 2025. The increase in finance costs was mainly due to higher interest expenses on term loans as a result of drawdown of term loans of approximately RM1.20 million for working capital purposes. In addition, the increase in finance costs was also a result of higher utilisation of bank overdraft in FYE 2025.

11. FINANCIAL INFORMATION (CONT'D)**(ix) PBT and PBT margin**

The table below sets out our Group's PBT and PBT margin for the Financial Years Under Review:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
PBT (RM'000)	1,747	5,120	6,699	9,153
PBT margin (%)	33.26	33.46	30.31	30.83

(a) Commentaries on PBT and PBT margin:**FYE 2023 as compared to FYE 2022**

Our Group's PBT increased by approximately RM3.37 million or 193.07% from approximately RM1.75 million for FYE 2022 to approximately RM5.12 million for FYE 2023. The increase in PBT was mainly contributed by increase in GP of approximately RM4.38 million. However, the increase in PBT was partially offset with the increase in administrative expenses of approximately RM0.89 million.

As a result of the above, our Group's PBT margin increased from approximately 33.26% for FYE 2022 to approximately 33.46% for FYE 2023.

FYE 2024 as compared to FYE 2023

Our Group's PBT increased by approximately RM1.58 million or 30.84% from approximately RM5.12 million for FYE 2023 to approximately RM6.70 million for FYE 2024. The increase in PBT was mainly contributed by the increase in GP and other income of approximately RM2.65 million and RM0.17 million respectively. However, the increase in PBT was partially offset with the increase in administrative expenses of approximately RM1.10 million.

Notwithstanding the above, our Group's PBT margin decreased from approximately 33.46% for FYE 2023 to approximately 30.31% for FYE 2024.

FYE 2025 as compared to FYE 2024

Our Group's PBT increased by approximately RM2.45 million or 36.63% from approximately RM6.70 million for FYE 2024 to approximately RM9.15 million for FYE 2025. The increase in PBT was mainly contributed by the increase in GP of approximately RM4.54 million. However, the increase was partially offset with the increase in administrative expenses of approximately RM2.05 million.

As a result of the above, our Group's PBT margin increased from approximately 30.31% for FYE 2024 to approximately 30.83% for FYE 2025.

11. FINANCIAL INFORMATION (CONT'D)**(x) Tax expense**

The table below sets out our Group's tax expense together with the comparison between our Group's effective and statutory tax rates for the Financial Years Under Review:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Current tax expenses based on profit for the financial year				
- current year	340	1,147	1,631	2,420
- over provision in prior financial years	-	(2)	(76)	(130)
	340	1,145	1,555	2,290
Deferred tax				
- current year	28	40	(37)	189
- under/(over) recognised in prior financial years	-	4	(58)	70
	28	44	(95)	259
Total	368	1,189	1,460	2,549
Effective tax rate ⁽ⁱ⁾ (%)	21.06	23.22	21.79	27.85
Statutory tax rate (%)	24.00	24.00	24.00	24.00

Note:

- (i) Effective tax rate is computed by dividing the total tax expense over PBT for the respective financial year.

(a) Commentaries on tax expense:**FYE 2022**

Our Group's effective tax rate was at 21.06% for FYE 2022. The effective tax rate for FYE 2022 was lower than the statutory tax rate of 24.00% mainly due to lower corporate tax of 17.00% (on first RM600,000 of chargeable income) enjoyed by Semico and De Pop, as both qualify as Micro, Small and Medium Enterprises (with paid-up capital of not more than RM2.50 million and gross business income of not more than RM50.00 million).

Notwithstanding the above, our Group's tax expenses were partially offset by non-deductible expenses for tax purposes of approximately RM0.03 million, such as depreciation of assets that are not entitled for capital allowances as well as entertainment expenses.

11. FINANCIAL INFORMATION (CONT'D)

FYE 2023

Our Group's effective tax rate was at 23.22% for FYE 2023. The effective tax rate for FYE 2023 was slightly lower than the statutory tax rate of 24.00% mainly due to the following:

- (i) lower corporate tax rate of 15.00% (on the first RM150,000 of chargeable income) enjoyed by Semico and De Pop; and
- (ii) lower corporate tax rate of 17.00% (on the next RM450,000 of chargeable income) enjoyed by Semico and De Pop,

as both qualify as Micro, Small and Medium Enterprises (with paid-up capital of not more than RM2.50 million and gross business income of not more than RM50.00 million).

Notwithstanding the above, our Group's tax expenses were partially offset by non-deductible expenses for tax purposes of approximately RM0.05 million, such as, amongst others, depreciation of assets that are not entitled for capital allowances and entertainment expenses.

FYE 2024

Our Group's effective tax rate was at 21.79% for FYE 2024. The effective tax rate for FYE 2024 was lower than the statutory tax rate of 24.00% mainly due to the following:

- (i) lower corporate tax rate of 15.00% (on the first RM150,000 of chargeable income) enjoyed by Semico and De Pop;
- (ii) lower corporate tax rate of 17.00% (on the next RM450,000 of chargeable income) enjoyed by Semico and De Pop,

as both qualify as Micro, Small and Medium Enterprises (with paid-up capital of not more than RM2.50 million and gross business income of not more than RM50.00 million); and

- (iii) over provision of tax expenses and over recognised deferred tax liabilities in prior financial years of approximately RM0.13 million.

Notwithstanding the above, our Group's tax expenses were partially offset by non-deductible expenses for tax purposes of approximately RM0.10 million, such as depreciation of assets that are not entitled for capital allowances as well as entertainment expenses and insurance premium.

FYE 2025

Our Group's effective tax rate was at 27.85% for FYE 2025. The effective tax rate for FYE 2025 was higher than the statutory tax rate of 24.00% mainly due to non-deductible expenses for tax purposes of RM0.41 million, such as amongst others, depreciation of assets that are not entitled for capital allowances and listing expenses.

11. FINANCIAL INFORMATION (CONT'D)**(xi) PAT and PAT margin**

The table below sets out our Group's PAT and PAT margin for the Financial Years Under Review:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
PAT (RM'000)	1,379	3,931	5,239	6,604
PAT margin (%)	26.25	25.69	23.71	22.24

Our Group's PAT and PAT margin were generally consistent with the PBT and PBT margins as our effective tax rate are between 21.06% to 27.85% for the Financial Years Under Review.

11.3.4 Impact of fluctuation in foreign exchange, interest rate, inflation and government/economic/fiscal/monetary policies**(i) Foreign exchange**

Our sales are transacted solely in RM, whereas, our purchases are primarily transacted in RM, JPY, SGD and USD. As such, we are exposed to fluctuations in foreign exchange rates and any adverse movements in the foreign exchange markets may have a negative impact on our financial performance and operating results.

The impact of foreign exchange fluctuations on our financial performance during the Financial Years Under Review are as follows:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Realised loss on foreign exchange	19	125	102	37
PBT	1,747	5,120	6,699	9,153
Loss on foreign exchange as a percentage of PBT (%)	1.09	2.44	1.52	0.40

Based on the above, we are exposed to foreign exchange gains or losses during the conversion of foreign currency into RM, mainly arising from the timing differences between billings received and the actual payments made to our foreign suppliers.

We do not use any financial instrument to hedge our exposure against transactions in foreign currency. However, we monitor closely the movement of the foreign currency to manage our foreign currency exchange risks.

11. FINANCIAL INFORMATION (CONT'D)**(ii) Interest rate**

Our exposure to interest rate fluctuations arises from floating rate bank borrowings which is pegged to the base financing rate as stipulated by our financial institutions that may change from time to time. As such, any change in the interest rate of our floating rate bank borrowings will raise the cost of our borrowings and our finance costs, which in turn may have an adverse effect on our financial performance.

Our Group has monitored and will continue to monitor interest rate movements to ensure that the most competitive rates are secured and where appropriate, borrowing arrangements and interest-bearing instruments are structured or reduced.

Our Group's total borrowings (comprising term loans, hire purchase and bank overdraft owing to financial institutions) and finance costs of our Group for the Financial Years Under Review is as follow:

	Audited			
	As at 30 June			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Total borrowings	131	194	729	1,553
Finance costs	21	50	81	165

Our Group's financial results for the Financial Years Under Review were not materially affected by fluctuations in interest rates.

As at the LPD, our Group's total borrowings (comprising term loan, hire purchase and bank overdraft owing to financial institutions) amount to approximately RM4.02 million.

(iii) Inflation

Our business, financial condition or results of our operations for the Financial Years Under Review were not materially affected by the inflation. Nevertheless, there can be no assurance that future inflation would not have an impact on our business and financial performance.

(iv) Government/economic/fiscal/monetary policies

We are subject to the risks of government, economic, fiscal or monetary policies, where any unfavourable change may materially affect our business, financial performance and prospects of the theme park and family attraction industry as well as pop toys industry in which we operate. For the Financial Years Under Review, our results were not adversely affected by any unfavourable changes relating to government, economic, fiscal or monetary policies.

11. FINANCIAL INFORMATION (CONT'D)

11.4 LIQUIDITY AND CAPITAL RESOURCES

11.4.1 Working capital

For the Financial Years Under Review, we have financed our operations through cash generated from our operations, suppliers' credit and external borrowings from financial institutions. The principal use of these funds is mainly to finance our working capital requirements, which include payments to our suppliers, along with the repayment of bank borrowings.

As at 30 June 2025, we have cash and bank balances of approximately RM3.68 million and unutilised banking facilities of approximately RM5.46 million, comprising term loans and bank overdrafts which are available for drawdown.

As at 30 June 2025, our working capital which is calculated based on total current assets minus total current liabilities, was approximately RM8.89 million. This represents a current ratio of approximately 4.03 times.

Based on the above, after taking into consideration our expected cash flows to be generated from our operations, our existing level of cash and bank balances and the proceeds to be raised from our Public Issue, our Board is of the opinion that we will have sufficient working capital for at least 12 months from the date of this Prospectus.

11.4.2 Cash flows

The table below sets out the summary of our Group's cash flows for the Financial Years Under Review:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Net cash from operating activities	999	3,804	5,139	6,430
Net cash used in investing activities	(842)	(2,550)	(3,532)	(4,950)
Net cash from/(used in) financing activities	144	(118)	(1,879)	733
Net increase/ (decrease) in cash and cash equivalents	301	1,136	(272)	2,213
Cash and cash equivalents at beginning of financial year	70	371	1,507	1,235
Cash and cash equivalents at end of financial year	371	1,507	1,235	3,448

There is no legal, financial or economic restriction on our subsidiaries' ability to transfer/receive funds to/from our Company in the form of cash dividends, loans or advances, subject to the availability of distributable reserves, loans or advances in compliance with any applicable financial covenant.

11. FINANCIAL INFORMATION (CONT'D)

Commentaries on cash flows:

FYE 2022

(i) Net cash from operating activities

For FYE 2022, our Group's operating profit before changes in working capital was approximately RM2.16 million. After adjusting for the following key items, our net cash from operating activities was approximately RM1.00 million:

- (a) increase in trade and other receivables of approximately RM0.42 million mainly due to increase in sales towards the end of the financial year which resulted in higher amounts due from customers;
- (b) increase in trade and other payables of approximately RM1.70 million mainly due to higher purchases of toys and collectables made towards end of the financial year; and
- (c) increase in inventories of approximately RM2.45 million due to higher purchases of toys and collectables in anticipation of higher demand for our products, after taking into consideration the sales trend during FYE 2022.

(ii) Net cash used in investing activities

For FYE 2022, our Group recorded net cash used in investing activities of approximately RM0.84 million which was mainly attributed to the following:

- (a) purchase of arcade and amusement machines of approximately RM0.63 million; and
- (b) purchase of equipment, furniture and fittings of approximately RM0.21 million.

(iii) Net cash from financing activities

For FYE 2022, our Group recorded net cash from financing activities of approximately RM0.14 million which was mainly attributed to the following:

- (a) advances received from a director (Tai Lee Chuen) of approximately RM0.21 million for working capital purposes; and
- (b) drawdown of term loan of approximately RM0.15 million for working capital purposes.

However, this was partially offset by the following:

- (a) repayment of lease liabilities of approximately RM0.17 million;
- (b) repayment to term loans of approximately RM0.02 million; and
- (c) interest paid of approximately RM0.02 million.

11. FINANCIAL INFORMATION (CONT'D)

FYE 2023

(i) Net cash from operating activities

For FYE 2023, our Group's operating profit before changes in working capital was approximately RM6.15 million. After adjusting for the following key items, our net cash from operating activities was approximately RM3.80 million:

- (a) increase in trade and other receivables of approximately RM1.33 million mainly due to increase in sales towards the end of the financial year which resulted in higher amounts due from customers;
- (b) decrease in trade and other payables of approximately RM0.86 million mainly due to decrease in trade and other payables as we made prompt payment to our suppliers;
- (c) decrease in inventories of approximately RM0.19 million due to lower purchases towards the end of the financial year for FYE 2023 as compared to FYE 2022 as well as better inventory management to minimise over stock held on hand; and
- (d) income tax paid of approximately RM0.35 million.

(ii) Net cash used in investing activities

For FYE 2023, our Group recorded net cash used in investing activities of approximately RM2.55 million which was mainly attributed to the following:

- (a) purchase of arcade and amusement machines of approximately RM2.32 million; and
- (b) purchase of equipment, furniture and fittings of approximately RM0.13 million as well as renovation of approximately RM0.10 million.

(iii) Net cash used in financing activities

For FYE 2023, our Group recorded net cash used in financing activities of approximately RM0.12 million which was mainly attributed to the following:

- (a) dividend paid of RM0.25 million;
- (b) repayment of lease liabilities of approximately RM0.19 million;
- (c) repayment to term loans of approximately RM0.04 million; and
- (d) interest paid of approximately RM0.05 million.

However, this was partially offset by the following:

- (a) advances received from a director (Tai Lee Chuen) of approximately RM0.22 million for working capital purposes;
- (b) drawdown of term loan of approximately RM0.10 million for working capital purposes; and
- (c) proceeds from issuance of De Pop's ordinary shares of approximately RM0.09 million.

11. FINANCIAL INFORMATION (CONT'D)

FYE 2024

(i) Net cash from operating activities

For FYE 2024, our Group's operating profit before changes in working capital was approximately RM8.36 million. After adjusting for the following key items, our net cash from operating activities was approximately RM5.14 million:

- (a) increase in trade and other receivables of approximately RM1.88 million mainly due to increase in sales towards the end of the financial year which resulted in higher amounts due from customers;
- (b) decrease in inventories of approximately RM0.28 million due to lower purchases towards the end of the financial year as well as better inventory management to minimise over stock held on hand;
- (c) increase in trade and other payables of approximately RM0.15 million mainly due accrued of staff salaries and staff claims for the month of June 2024, which was paid in the beginning of subsequent month; and
- (d) income tax paid of approximately RM1.76 million.

(ii) Net cash used in investing activities

For FYE 2024, our Group recorded net cash used in investing activities of approximately RM3.53 million which was mainly attributed to the following:

- (a) purchase of arcade and amusement machines of approximately RM3.20 million; and
- (b) purchase of equipment, furniture and fittings as well as renovation of approximately RM0.35 million and RM0.37 million.

However, this was partially offset by proceeds from disposal of arcade and amusement machines of approximately RM0.39 million.

(iii) Net cash used in financing activities

For FYE 2024, our Group recorded net cash used in financing activities of approximately RM1.88 million which was mainly attributed to the following:

- (a) dividend paid of RM0.80 million;
- (b) repayment to directors (Tai Lee Chuen and Soon Sze Yean) of approximately RM0.39 million;
- (c) repayment of lease liabilities of approximately RM0.29 million;
- (d) payment to shareholders (Tew Lam Kok and Eng Kin Hoong) of approximately RM0.15 million;
- (e) payment to term loans of approximately RM0.19 million and
- (f) interest paid of approximately RM0.05 million.

11. FINANCIAL INFORMATION (*CONT'D*)

FYE 2025

(i) Net cash from operating activities

For FYE 2025, our Group's operating profit before changes in working capital was approximately RM11.58 million. After adjusting for the following key items, our Group's net cash from operating activities was approximately RM6.43 million:

- (a) increase in trade and other receivables of approximately RM1.60 million mainly due to deposits paid to suppliers for purchase of arcade and amusement machines as well as increase in prepayment of listing expenses for the IPO;
- (b) increase in inventories of approximately RM0.97 million mainly due to higher purchase of toys and collectables in anticipation of higher demand for our products, after taking into consideration the sales trend during FYE 2024; and
- (c) income tax paid of approximately RM2.56 million.

(ii) Net cash used in investing activities

For FYE 2025, our Group recorded net cash used in investing activities of approximately RM4.95 million which was mainly attributed to the following:

- (a) purchase of arcade and amusement machines of approximately RM4.84 million; and
- (b) purchase of equipment, furniture and fittings, renovation as well as motor vehicles of approximately RM0.15 million and RM0.26 million respectively, of which the purchase was partially financed through hire purchase drawdown of approximately RM0.23 million.

However, this was partially offset by proceeds from disposal of arcade and amusement machines of approximately RM0.08 million.

(iii) Net cash from financing activities

For FYE 2025, our Group recorded net cash from financing activities of approximately RM0.73 million which was mainly attributed to the following:

- (a) dividend paid of RM1.62 million;
- (b) repayment of lease liabilities of approximately RM0.41 million;
- (c) repayment of term loans of approximately RM0.10 million; and
- (d) repayment to directors (Tai Lee Chuen and Ang Sew Fong) of RM0.26 million;

However, this was partially offset by the following:

- (a) proceeds from issuance of Semico Capital Shares of approximately RM2.02 million pursuant to the Pre-Listing Investor Subscription; and
- (b) drawdown of term loan of RM1.20 million for working capital purposes.

11. FINANCIAL INFORMATION (CONT'D)

11.4.3 Borrowings

Our total outstanding borrowings as at 30 June 2025 stood at approximately RM1.55 million. All of our borrowings are unsecured (save for hire purchase which the motor vehicle is pledged as security), interest-bearing and denominated in RM, details of which are set out below:

Type of borrowings	Purpose	Tenure	Interest rate per annum ⁽ⁱ⁾	As at 30 June 2025		
				Payable within 12 months	Payable after 12 months	Total
			%	RM'000	RM'000	RM'000
Term loans ⁽ⁱ⁾	Working capital	5 to 7 years	6.39 to 10.40	143	955	1,098
Bank overdraft ⁽ⁱ⁾	Working capital	On demand	8.45	237	-	237
Hire purchase	Motor vehicle	5 years	4.17	41	177	218
Total				421	1,132	1,553

Notes:

- (i) Based on floating rates.
- (ii) As at the LPD, the interest rate per annum for term loans are 6.14% to 8.10% and bank overdraft is 8.20%. No change to the interest rate per annum for hire purchase.

The bank borrowings granted to us from the financial institutions are jointly and severally guaranteed by certain Directors and past shareholder of our Group.

Our Group has obtained conditional consent from the financial institutions to discharge the Directors and past shareholder from their personal guarantees by substituting the same with a corporate guarantee from our Company upon successful completion of our Listing. The details of bank borrowings as well as the securities provided are as follows:

Details of bank borrowings	Securities provided
Hong Leong Bank Berhad for facilities granted to Semico consisting of term loan under GGSM amounting to RM0.50 million	Joint and several guarantees of RM0.50 million by: - Tai Lee Chuen - Ang Sew Fong
CIMB Islamic Bank Berhad for facilities granted to De Pop consisting of term loan under Credit Guarantee Corporation portfolio guarantee amounting to RM1.00 million	Joint and several guarantees by: - Tai Lee Chuen - Tan Chee Wei*
RHB Bank Berhad for facilities granted to Semico consisting of a bank overdraft amounting to RM0.90 million	Joint and several guarantees by: - Tai Lee Chuen - Ang Sew Fong
CIMB Bank Berhad for facilities granted to Semico consisting of bank overdraft amounting to RM0.50 million and term loan amounting to RM4.00 million under GGSM	Joint and several guarantees by: - Tai Lee Chuen - Ang Sew Fong

11. FINANCIAL INFORMATION (CONT'D)

Details of bank borrowings	Securities provided
Public Bank Berhad for facilities granted to Semico consisting of hire purchase amounting to RM0.29 million for a motor vehicle	Personal guarantee by Tai Lee Chuen

Note:

- * Tan Chee Wei had on 31 October 2024 disposed her entire equity interest in De Pop to MARC Experience. Additionally, on 21 February 2025, she disposed her entire equity interest in MARC Experience to Tai Lee Chuen. Currently, she does not hold any shares direct and/or indirect in MARC Experience or our Company.

There have been no defaults on any payment of either interest and/or principal sums in respect of any of our borrowings for the Financial Years Under Review and up to the LPD. We also do not encounter seasonality in the trend of our borrowings.

As at the LPD, we are not in breach of any terms and conditions or covenants associated with our credit arrangements or bank borrowings which can materially affect our financial position, results of business operations, or the investment by holders of our Shares.

11.4.4 Material commitments

As at the LPD, save as disclosed below, our Group does not have any other material commitment for capital expenditure, which upon becoming enforceable, may have a material effect on our financial position:

	RM'000
Capital expenditure in respect of property, plant and equipment	
- Approved and contracted for	511
- Approved but not contracted for	3,804
Total	4,315

The material commitments above are for, among others, the acquisition of new arcade and amusement machines to support the growth of our arcade and amusement machine revenue-sharing and rental model business. We expect to fund our material commitments above through our internally generated funds and/or bank borrowings, as the above new arcade and amusement machines will not be funded by the proceeds raised from our Public Issue.

11.4.5 Contingent liabilities

As at the LPD, our Board confirms that there are no contingent liabilities, which upon becoming enforceable, may have a material adverse impact on our results of operations or financial position.

11.4.6 Material investments and divestitures

We have not undertaken any material investments and divestiture during the Financial Years Under Review.

11. FINANCIAL INFORMATION (CONT'D)**11.4.7 Material litigation or arbitration proceedings**

As at the LPD, we are not 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 past 12 months immediately preceding the date of this Prospectus.

11.4.8 Key financial ratios

The table below sets out our Group's key financial ratios as at the end of the Financial Years Under Review:

	Audited			
	As at 30 June			
	2022	2023	2024	2025
Trade receivables turnover period (days) ^{(i)(vi)}	33	36	55	45
Trade payables turnover period (days) ^{(ii)(vii)}	223	49	33	*
Inventories turnover period (days) ⁽ⁱⁱⁱ⁾	328	96	51	63
Current ratio (times) ^(iv)	1.07	1.58	2.01	4.03
Gearing ratio (times) ^(v)	0.14	0.04	0.09	0.09

Notes:

- * Turnover period of < 1 day.
- (i) Trade receivables turnover period is computed based on trade receivables over revenue for the respective financial year multiplied by the number of days in respective financial year.
- (ii) Trade payables turnover period is computed based on trade payables over cost of sales for the respective financial year multiplied by the number of days in respective financial year.
- (iii) Inventories turnover period is computed based on inventories over cost of sales for the respective financial year multiplied by the number of days in respective financial year.
- (iv) Current ratio is computed based on total current assets over total current liabilities as at the end of the respective financial year.
- (v) Gearing ratio is computed based on total borrowings over total equity attributable to the combining entities/ owners of our Group as at the end of the respective financial year.
- (vi) The credit term granted to customers range from 0 day to 60 days.
- (vii) The credit term granted by suppliers ranges from 0 day to 60 days.

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11. FINANCIAL INFORMATION (CONT'D)**(a) Trade receivables turnover period**

	Audited			
	As at 30 June			
	2022	2023	2024	2025
Trade receivables (RM'000)	478	1,511	3,324	3,685
Revenue (RM'000)	5,253	15,303	22,098	29,688
Trade receivables turnover period (days) ⁽ⁱ⁾	33	36	55	45

Note:

- (i) Trade receivables turnover period is computed based on trade receivables over revenue for the respective financial year multiplied by the number of days in respective financial year.

The credit terms granted to customers range from 0 day to 60 days. Each credit application is assessed and approved after taking into consideration various factors such as the background and creditworthiness (including payment history) of our customers, business relationship with our customers as well as transaction volume and value.

Our trade receivables turnover period for the Financial Years Under Review stood at 33 days, 36 days, 55 days and 45 days respectively, which were within the normal credit term granted to our customers.

The ageing analysis of our trade receivables as at 30 June 2025 and the subsequent collections and balance of our trade receivables as at the LPD are set out below:

	Within credit period	Exceeding credit period			Total
		Not more than 30 days	Between 31 to 60 days	More than 60 days	
Trade receivables (RM'000)	3,125	182	170	208	3,685
% of total trade receivables	84.80	4.94	4.61	5.65	100.00
Subsequent collections up to and including the LPD (RM'000)	2,892	182	170	187	3,431
Trade receivable net of subsequent collections (RM'000)	233	-	-	21	254
% of trade receivables net of subsequent collection	91.73	-	-	8.27	100.00

As at 30 June 2025, our total trade receivables stood at approximately RM3.69 million, of which approximately RM0.56 million or 15.20% of our trade receivables exceeded the normal credit period.

11. FINANCIAL INFORMATION (CONT'D)

As at the LPD, we have collected approximately RM3.43 million, representing approximately 93.11% of our total trade receivables as at 30 June 2025. We are still in the midst of collecting the outstanding trade receivables of approximately RM0.25 million from our customers. Our Board is of the opinion that the outstanding trade receivables are recoverable after taking into consideration these customers' payment history. We have taken a constant effort to recover the outstanding amount, including follow-up calls and correspondences.

We have a credit control policy in place and the exposure to credit risk is monitored on an ongoing basis. As part of our credit control policy, our Group assesses whether any of the trade receivables are credit impaired on a quarterly basis based on the operating performance of our customers, changes in contractual terms, payment trends and past due information. Our Group assesses for impairment losses of trade receivables on a simplified approach in accordance with MFRS 9.

(b) Trade payables turnover period

	Audited			
	As at 30 June			
	2022	2023	2024	2025
Trade payables (RM'000)	1,663	1,124	1,123	2
Cost of sales (RM'000)	2,724	8,390	12,539	15,589
Trade payables turnover period (days) ⁽ⁱ⁾	223	49	33	*

Notes:

* Turnover period of < 1 day.

(i) Trade payables turnover period is computed based on trade payables over cost of sales for the respective financial year multiplied by the number of days in respective financial year.

The normal credit term granted by our suppliers ranges from 0 day to 60 days. It is our practice to make prompt payment to our suppliers to maintain good business relationships with them and safeguard the continuity of supplies at competitive pricing.

In FYE 2022, our trade payables turnover period stood at 223 days was mainly due to us purchasing toys and collectables amounting to RM1.11 million towards the end of the financial year. Subsequently, our trade payables turnover period decreased to 49 days as we made prompt payment to our suppliers.

Our trade payables turnover periods for FYE 2023, FYE 2024 and FYE 2025 stood at 49 days, 33 days and less than 1 day respectively, which were within the normal credit term granted by our suppliers.

11. FINANCIAL INFORMATION (CONT'D)

The ageing analysis of our trade payables as at 30 June 2025 and the subsequent payments and balance of our trade payables as at the LPD are set out below:

	Within credit period	Exceeding credit period			Total
		Not more than 30 days	Between 31 to 60 days	More than 60 days	
Trade payables (RM'000)	2	-	-	-	2
% of total trade payables	100.00	-	-	-	100.00
Subsequent payments up to and including the LPD (RM'000)	2	-	-	-	2
Outstanding trade payables as at the LPD (RM'000)	-	-	-	-	-
% of trade payables net of subsequent payment	-	-	-	-	-

As at 30 June 2025, our total trade payables stood at approximately RM2,000. As at the LPD, we have settled all of our trade payables which were outstanding as at 30 June 2025.

We have not been involved in any dispute with any of our suppliers nor has any legal action been initiated by our suppliers against us during the Financial Years Under Review and up to the LPD.

(c) Inventories turnover period ratio

	Audited			
	As at 30 June			
	2022	2023	2024	2025
Inventories				
- Trading goods	2,446	2,202	1,657	2,489
- Consumables	-	-	99	219
Total	2,446	2,202	1,756	2,708
Cost of sales (RM'000)	2,724	8,390	12,539	15,589
Inventories turnover period (days) ⁽ⁱ⁾	328	96	51	63

Note:

- (i) Inventories turnover period is computed based on inventories over cost of sales for the respective financial year multiplied by the number of days in the respective financial year.

Our inventories turnover period for the Financial Years Under Review ranged between 51 days to 328 days.

11. FINANCIAL INFORMATION (CONT'D)

For FYE 2022, our inventories turnover periods stood at 328 days as our Group purchased RM1.11 million of toys and collectables towards the end of the financial year.

For FYE 2023, our inventories turnover periods decreased to 96 days (FYE 2022: 328 days) mainly due to lower purchases towards end of FYE 2023 as compared to FYE 2022 as well as better inventory management to minimise over stock held on hand.

For FYE 2024, our inventories turnover periods decreased to 51 days (FYE 2023: 96 days) mainly due to better inventory management to minimise over stock held on hand.

For FYE 2025, our inventories turnover periods increased to 63 days (FYE 2024: 51 days) mainly due to increase in inventory in anticipation of higher future sales.

(d) Current ratio

	Audited			
	As at 30 June			
	2022	2023	2024	2025
Current assets (RM'000)	3,460	5,680	7,547	11,826
Current liabilities (RM'000)	3,234	3,593	3,760	2,935
Current ratio (times) ⁽ⁱ⁾	1.07	1.58	2.01	4.03

Note:

- (i) Current ratio is computed based on total current assets over total current liabilities as at the end of the respective financial year.

Current ratio measures our Group's liquidity and our ability to meet our short-term obligations.

Our current ratio increased from 1.07 times as at 30 June 2022 to 1.58 times as at 30 June 2023 mainly due to an increase in our current assets of approximately RM2.22 million or 64.16% which was mainly attributable to the increase in our trade and other receivables of approximately RM1.33 million, and cash and bank balances of approximately RM1.14 million. However, the increase was partially offset by the decrease in inventories of approximately RM0.24 million. The improvement of current assets position was partly offset by the increase in current liabilities of approximately RM0.36 million or 11.10%, which was mainly attributable to increase in current tax liabilities of approximately RM0.80 million and current lease liabilities of approximately RM0.20 million. The increase was partially offset with the decrease in trade and other payables of approximately RM0.64 million.

Our current ratio increased from 1.58 times as at 30 June 2023 to 2.01 times as at 30 June 2024 mainly due to an increase in our current assets of approximately RM1.87 million or 32.87% which was mainly attributable to the increase in our trade and other receivables of approximately RM1.86 million, and cash and bank balances of approximately RM0.46 million. The improvement of current assets position was partly offset by the increase in current liabilities of approximately RM0.17 million or 4.65%, which was mainly attributable to the increase in current borrowings of approximately RM0.69 million. The increase was partially offset with the decrease in trade and other payables of approximately RM0.40 million and current tax liabilities of approximately RM0.20 million.

11. FINANCIAL INFORMATION (CONT'D)

Our current ratio increased from 2.01 times as at 30 June 2024 to 4.03 times as at 30 June 2025 mainly due to an increase in our current assets of approximately RM4.28 million or 56.70% which was mainly attributable to the increase in our trade and other receivables of approximately RM1.61 million, increase in our inventories of approximately RM0.95 million and increase in our cash and bank balances of approximately RM1.72 million. Our current ratio increased was also due to decrease in our current liabilities of approximately RM0.83 million or 21.94%, which was mainly attributable to the decrease in current borrowings of approximately RM0.31 million, decrease in tax payables of approximately RM0.27 million and decrease in current trade and other payables of approximately RM0.19 million.

(e) Gearing ratio

	Audited			
	As at 30 June			
	2022	2023	2024	2025
Total borrowings (RM'000) ⁽ⁱ⁾	131	194	729	1,553
Total equity attributable to the combining entities/ owners of our Group (RM'000)	952	4,367	8,328	16,374
Gearing ratio (times) ⁽ⁱⁱ⁾	0.14	0.04	0.09	0.09

Notes:

- (i) Comprises term loans, bank overdrafts and hire purchase owing to financial institutions.
- (ii) Gearing ratio is computed based on total borrowings over total equity attributable to the combining entities/ owners of our Group as at the end of the respective financial year.

Our gearing ratio decreased from 0.14 times as at 30 June 2022 to 0.04 times as at 30 June 2023 mainly due to increase in total equity attributable to the combining entities/ owners of our Group of approximately RM3.42 million as a result of net profit attributable to common controlling shareholders/ owners of our Group during FYE 2023 of approximately RM3.60 million.

Our gearing ratio increased from 0.04 times as at 30 June 2023 to 0.09 times as at 30 June 2024 mainly due to utilisation of bank overdrafts of approximately RM0.73 million for working capital purposes. This was partially offset by our increase in total equity attributable to the combining entities/ owners of our Group of approximately RM3.96 million as a result of net profit attributable to common controlling shareholders/ owners of our Group during FYE 2024 of approximately RM4.76 million.

Our gearing ratio remained relatively constant at 0.09 times as at 30 June 2025.

11. FINANCIAL INFORMATION (*CONT'D*)

11.4.9 Types of financial instruments used

We finance our operations mainly through cash generated from our operations as well as external source of funds which comprise bank borrowings. As at the LPD, save for borrowings as disclosed in Section 11.4.3 of this Prospectus, we do not have or use any financial instruments.

However, from accounting perspective, financial instruments comprise deposits with financial institutions, cash and bank balances, trade and other receivables, trade and other payables as well as borrowings as shown in our combined/ consolidated statements of financial position. These financial instruments are used in our ordinary course of business.

11.4.10 Treasury policies and objectives

Our main treasury policy is to maintain sufficient working capital to finance our operations, coupled with adequate credit facilities to meet the estimated commitments arising from our operational expenditures and financial liabilities. Our principal sources of liquidity are our cash and bank balances as well as cash generated from our operations and external borrowings from financial institutions.

In our ordinary course of business, we deal with suppliers from both local and overseas markets, where transactions are denominated in both local currency as well as foreign currencies. We maintain bank accounts in RM, JPY and USD. We may consider hedging instruments such as derivatives contracts available in the financial markets to hedge against foreign exchange risks should the need arise.

Our operations were not subject to any material impact arising from interest rate fluctuations throughout the Financial Years Under Review. Accordingly, we have not entered into any financial instrument to hedge against the fluctuations in the interest rate.

Our Group monitors the adequacy of capital on an ongoing basis. Our strategy is to maintain the debt-to-equity ratio at an optimal level based on our business requirements and prevailing economic conditions. It is also the responsibility of our Directors to identify, quantify, monitor and control the key risks (credit, liquidity, currency and interest rate) associated with these activities.

11.4.11 Order book

Due to the nature of our business, we do not maintain an order book. Please refer to Section 6 of this Prospectus for further information on the nature of our business.

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 the financial performance, position and operations of our Group other than those disclosed in this Section and in Sections 6 and 8 of this Prospectus;
- (ii) material commitment for capital expenditure, save as set out in Section 11.4.4 of this Prospectus;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save as disclosed in this Section and in Sections 6 and 8 of this Prospectus;

11. FINANCIAL INFORMATION (*CONT'D*)

- (iv) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our Group's revenue and/or profits as well as our Group's liquidity and capital resources, save for those that have been disclosed in this Section and in Sections 6 and 8 of this Prospectus; and
- (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 and in Sections 6 and 8 of this Prospectus.

11.6 SIGNIFICANT CHANGES

There are no other significant changes that have occurred which may have a material effect on the financial position and results of our Group since 30 June 2025 up to the date of this Prospectus.

11.7 DIVIDEND POLICY

Our Group currently does not have any formal dividend policy. It is our intention to pay dividends to shareholders in the future to allow our shareholders to benefit from our Group's profits. However, any dividend declared will be subject to recommendation of our Board and any final dividends declared will be subject to the approval of our shareholders at our AGM.

As we are a holding company, our ability to pay dividends will depend on the dividends or other distributions that we receive from our subsidiaries. The payment of dividends by our subsidiaries is dependent on their distributable profits, financial performance, cash flow requirements for operations and capital expenditures and any other factors.

In addition to the factors above which may affect the ability of our subsidiaries to pay dividends to us, when recommending the actual dividends for approval by shareholders or when declaring any interim dividend, our Board will also consider, amongst others:

- (i) the level of our cash, gearing, return on equity and retained profits;
- (ii) our expected financial performance;
- (iii) our working capital requirements;
- (iv) our projected levels of expenditure and other investment plans;
- (v) any restrictive covenants contained in our current and future financing arrangements; and
- (vi) any material impact of tax laws and other regulatory requirements.

There is no other dividend restriction imposed on our subsidiaries as at the LPD.

11. FINANCIAL INFORMATION (CONT'D)

For information purposes, the table below sets out the dividend declared by our Group for the Financial Years Under Review:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Dividend declared (RM'000)	-	⁽ⁱ⁾ 250	⁽ⁱⁱ⁾ 800	⁽ⁱⁱⁱ⁾ 1,620
PAT (RM'000)	1,379	3,931	5,239	6,604
Dividend payout ratio (%)	-	6.36	15.27	24.53

Notes:

- (i) The dividend was paid on 17 January 2023.
- (ii) The dividend was paid on 24 June 2024.
- (iii) The dividend was paid on 21 December 2024, 24 December 2024 and 27 December 2024.

Save as disclosed above, our Group does not intend to declare or pay any dividend prior to our Listing.

The level of dividends should also not be treated as an indication of our Group's future dividend policy and shall not constitute legally binding statements. 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.

Any declarations and payment of dividends in the future will be at the discretion of our Board. No inference should or can be made from any of the statements above as to our actual future profitability and our ability to pay dividends in the future.

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11. FINANCIAL INFORMATION (CONT'D)

11.8 REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

SEMICO CAPITAL BERHAD
(formerly known as Basil Park Sdn Bhd)
(Registration No.: 202401043120 (1588966-W))
(Incorporated in Malaysia)

**PRO FORMA CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
AS AT 30 JUNE 2025**

GRANT THORNTON MALAYSIA PLT
CHARTERED ACCOUNTANTS
Member Firm of Grant Thornton International Ltd.

11. FINANCIAL INFORMATION (CONT'D)



**REPORTING ACCOUNTANTS' REPORT ON THE
COMPILATION OF PRO FORMA CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

(Prepared for inclusion in the Prospectus)

Date: 24 November 2025

The Board of Directors
Semico Capital Berhad
(formerly known as Basil Park Sdn Bhd)
Lot G-31, Eco Sky
No. 972, Batu 6 1/2
Jalan Ipoh
68100 Kuala Lumpur

Dear Sirs,

**SEMICO CAPITAL BERHAD ("SEMICO CAPITAL" OR THE "COMPANY")
REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION AS AT 30 JUNE 2025**

We have completed our assurance engagement to report on the compilation of the Pro Forma Consolidated Statements of Financial Position of the Company and its subsidiaries (collectively known as "Semico Capital Group" or "Group") as at 30 June 2025 together with the notes and assumptions thereto (which we have stamped for the purpose of identification). The Pro Forma Consolidated Statements of Financial Position have been compiled and prepared by the Directors of the Company ("Directors") for inclusion in the prospectus of the Company in connection with the listing of and quotation for the entire issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing").

The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position are described in the notes thereon to the Pro Forma Consolidated Statements of Financial Position. The Pro Forma Consolidated Statements of Financial Position is prepared in accordance with the requirements of Chapter 9 of the Prospectus Guidelines issued by the Securities Commission Malaysia ("the Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Directors to illustrate the impact of the events or transactions as set out in the notes thereon to the Pro Forma Consolidated Statements of Financial Position as if the events have occurred or the transactions have been undertaken on 30 June 2025. As part of this process, information about the Semico Capital Group's consolidated financial position has been extracted by the Directors from the audited consolidated statements of financial position of the Semico Capital Group as at 30 June 2025.

11. FINANCIAL INFORMATION (CONT'D)



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

The Directors are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis as set out in the notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

Our Independence and Quality Control

We are independent 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 of 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.

Our firm applies International Standard on Quality Management 1 ("ISQM"), Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants 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' Responsibility

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the Pro Forma Consolidated Statements of Financial Position have been properly compiled, in all material respects, by the Directors on the basis as set out in the notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

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 comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis as set out in the notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any 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.

11. FINANCIAL INFORMATION (CONT'D)



Reporting Accountants' Responsibility (cont'd)

The purpose of the Pro Forma Consolidated Statements of Financial Position included in the Prospectus is solely to illustrate the impact of a significant event or transaction or unadjusted financial information on the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at that date would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Semico Capital Group, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position have 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.

Opinion

In our opinion, the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis set out in the notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with requirements of Prospectus Guidelines.

11. FINANCIAL INFORMATION (CONT'D)

**Other Matter**

This report has been prepared solely for purpose of inclusion in the Prospectus of Semico Capital in connection with the Listing. It is not intended to be used for any other purposes. 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,



GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF0737)

Kuala Lumpur
24 November 2025

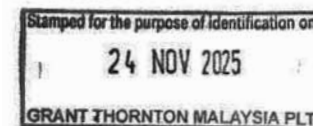


FOO LEE MENG
(NO: 03069/07/2027(J))
CHARTERED ACCOUNTANT

11. FINANCIAL INFORMATION (CONT'D)

SEMICO CAPITAL BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025



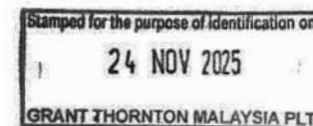
The Pro Forma Consolidated Statements of Financial Position of the Group as at 30 June 2025 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 3 to the Pro Forma Consolidated Statements of Financial Position on the assumption that these transactions were completed on 30 June 2025, and should be read in conjunction with the accompanying notes to the Pro Forma Consolidated Statements of Financial Position.

			Pro Forma I		Pro Forma II		Pro Forma III
		Statement of	Adjustment for	After	Adjustments for	Adjustments	After
	Note	Financial	Subsequent	Subsequent	Public Issue	for	Utilisation of
		Position as at	Events	Events	Public Issue	Utilisation of	Utilisation of
		30 June 2025	RM	RM	RM	Proceeds	Proceeds
		RM	RM	RM	RM	from IPO	from IPO
						RM	RM
ASSETS							
Non-current assets							
Property, plant and equipment	4.01	8,599,712	-	8,599,712	-	-	8,599,712
Right-of-use assets	4.02	308,953	-	308,953	-	-	308,953
Deferred tax assets	4.03	46,000	-	46,000	-	-	46,000
Total non-current assets		8,954,665	-	8,954,665	-	-	8,954,665
Current assets							
Inventories	4.04	2,708,606	-	2,708,606	-	-	2,708,606
Trade and other receivables	4.05	5,432,725	-	5,432,725	-	(735,237)	4,697,488
Cash and bank balances	4.06	3,684,940	318,637	4,003,577	23,167,700	(5,099,363)	22,071,914
Total current assets		11,826,271	318,637	12,144,908	23,167,700	(5,834,600)	29,478,008
Total assets		20,780,936	318,637	21,099,573	23,167,700	(5,834,600)	38,432,673

11. FINANCIAL INFORMATION (CONT'D)

SEMICO CAPITAL BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)



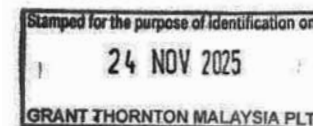
The Pro Forma Consolidated Statements of Financial Position of the Group as at 30 June 2025 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 3 to the Pro Forma Consolidated Statements of Financial Position on the assumption that these transactions were completed on 30 June 2025, and should be read in conjunction with the accompanying notes to the Pro Forma Consolidated Statements of Financial Position (cont'd).

				<u>Pro Forma I</u>		<u>Pro Forma II</u>		<u>Pro Forma III</u>
		Statement of	Adjustment for	After	Adjustments for	After	Adjustments	After
	<u>Note</u>	Financial	Subsequent	Subsequent	Public Issue	Public Issue	for	Utilisation of
		Position as at	Events	Events	RM	RM	Utilisation of	Proceeds
		30 June 2025	RM	RM			Proceeds	from IPO
		RM					from IPO	RM
							RM	RM
EQUITY AND LIABILITIES								
EQUITY								
Equity attributable to owners of parent:-								
Share capital	4.07	10,029,440	-	10,029,440	23,167,700	33,197,140	(624,193)	32,572,947
Retained earnings	4.08	13,153,386	-	13,153,386	-	13,153,386	(2,921,083)	10,232,303
Merger deficit		(6,808,233)	-	(6,808,233)	-	(6,808,233)	-	(6,808,233)
Total equity		<u>16,374,593</u>	<u>-</u>	<u>16,374,593</u>	<u>23,167,700</u>	<u>39,542,293</u>	<u>(3,545,276)</u>	<u>35,997,017</u>
LIABILITIES								
Non-current liabilities								
Borrowings	4.09	1,131,844	318,637	1,450,481	-	1,450,481	(1,450,481)	-
Lease liabilities	4.10	65,324	-	65,324	-	65,324	-	65,324
Deferred tax liabilities	4.11	274,424	-	274,424	-	274,424	-	274,424
Total non-current liabilities		<u>1,471,592</u>	<u>318,637</u>	<u>1,790,229</u>	<u>-</u>	<u>1,790,229</u>	<u>(1,450,481)</u>	<u>339,748</u>

11. FINANCIAL INFORMATION (CONT'D)

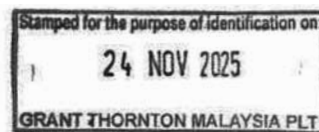
SEMICO CAPITAL BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)



The Pro Forma Consolidated Statements of Financial Position of the Group as at 30 June 2025 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 3 to the Pro Forma Consolidated Statements of Financial Position on the assumption that these transactions were completed on 30 June 2025, and should be read in conjunction with the accompanying notes to the Pro Forma Consolidated Statements of Financial Position (cont'd).

		Pro Forma I				Pro Forma II		Pro Forma III	
		Statement of Financial Position as at 30 June 2025	Adjustment for Subsequent Events	After Subsequent Events	Adjustments for Public Issue	After Public Issue	Adjustments for Utilisation of Proceeds from IPO	After Utilisation of Proceeds from IPO	
EQUITY AND LIABILITIES (CONT'D)	Note	RM	RM	RM	RM	RM	RM	RM	
LIABILITIES (CONT'D)									
Current liabilities									
Trade and other payables	4.12	1,580,718	-	1,580,718	-	1,580,718	(689,324)	891,394	
Provision of restoration costs	4.13	19,086	-	19,086	-	19,086	-	19,086	
Borrowings	4.09	421,207	-	421,207	-	421,207	(149,519)	271,688	
Lease liabilities	4.10	290,967	-	290,967	-	290,967	-	290,967	
Tax payable	4.14	622,773	-	622,773	-	622,773	-	622,773	
Total current liabilities		2,934,751	-	2,934,751	-	2,934,751	(838,843)	2,095,908	
Total liabilities		4,406,343	318,637	4,724,980	-	4,724,980	(2,289,324)	2,435,656	
Total equity and liabilities		20,780,936	318,637	21,099,573	23,167,700	44,267,273	(5,834,600)	38,432,673	
Issued ordinary share capital (unit)	4.07	267,329,200	-	267,329,200	92,670,800	360,000,000	-	360,000,000	
Net assets per share (RM)		0.06		0.06		0.11		0.10	
Borrowings (RM)		1,553,051		1,871,688		1,871,688		271,688	
Gearing ratio (times)		0.09		0.11		0.05		0.01	

11. FINANCIAL INFORMATION (CONT'D)**SEMICO CAPITAL BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025****1. GENERAL INFORMATION**

Semico Capital Berhad (“Semico Capital” or “the Company”) (formerly known as Basil Park Sdn Bhd) was incorporated on 14 October 2024 as a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur. The Company was converted to public limited liability company on 7 May 2025.

The principal place of business of the Company is located at Lot G-31, Eco Sky, No. 972, Batu 6 1/2, Jalan Ipoh, 68100 Kuala Lumpur.

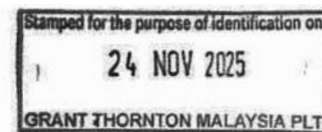
2. BASIS OF PREPARATION

The Pro Forma Consolidated Statements of Financial Position as at 30 June 2025 together with the notes thereon, for which the Directors are responsible, has been prepared for illustration purposes only, for inclusion in the Prospectus 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 (“Bursa Securities”) (“Listing”).

The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position have been prepared in accordance with the requirements of Chapter 9 of the Prospectus Guidelines issued by the Securities Commission Malaysia (“Prospectus Guidelines”) and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Consolidated Statements of Financial Position have been prepared based on the audited Consolidated Financial Statements of the Group as at 30 June 2025, which was prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards (“IFRSs”) and in a manner consistent with the format of the statements of financial position and accounting policies adopted by the Group, and adjusted for the events and transactions detailed in Note 3.

11. FINANCIAL INFORMATION (CONT'D)



SEMICO CAPITAL BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

The auditors' report dated 24 November 2025 on the audited consolidated financial statements of the Group for the financial year ended 30 June 2025 were reported by the auditors to the shareholders without modification.

The Pro Forma Consolidated Statements of Financial Position is not necessary indicative of the financial position that would have been attained had the Listing actually occurred at the respective dates. The Pro Forma Consolidated Statements of Financial Position have been prepared for illustrative purposes only.

3. LISTING SCHEME

(i) Pro Forma I: Subsequent Events

(a) Drawdown of Banking Facility

On 16 December 2024, the Company's subsidiary, Semico Technology Sdn Bhd ("Semico"), entered into a banking facility agreement with CIMB Bank Berhad for a RM4,000,000 term loan to partly finance or reimburse capital expenditure relating to the purchase of arcade and amusement machines.

The term loan is eligible to cover up to 70% of the purchase price of the arcade and amusement machines. The facility has a tenure of 60 months commencing from the date of the first disbursement, excluding a 12-month moratorium period. During this moratorium ("Grace Period"), no principal repayment is required. Thereafter, the facility shall be repayable in accordance with the agreed repayment schedule. On 15 August 2025, Semico made its first drawdown of RM318,637 for the purchase of arcade and amusement machines.

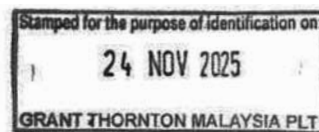
(ii) Pro Forma II: Public Issue

(a) Public Issue

Public issue of 92,670,800 new ordinary shares in Semico Capital Berhad at an IPO price of RM0.25 per share and shall be allocated in the following manner:

- 18,000,000 Issue Shares, representing 5.00% of the enlarged share capital will be made available for application by the Malaysian Public by way of balloting, of which 9,000,000 Issue Shares, representing approximately 2.50% of the enlarged issued share capital, will be made available to the Bumiputera Malaysian Public and 9,000,000 Issue Shares, representing approximately 2.50% of the enlarged issued share capital, will be made available to the Malaysian Public;
- 14,996,000 Issue Shares, representing 4.16% of the enlarged share capital will be made available for application by the Eligible Persons; and
- 59,674,800 Issue Shares, representing 16.58% of the enlarged share capital will be made available by way of private placement to selected investors.

11. FINANCIAL INFORMATION (CONT'D)



SEMICO CAPITAL BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)

3. LISTING SCHEME (CONT'D)

(ii) Pro Forma II: Public Issue (cont'd)

(b) Offer for sale

Offer for sale of 18,000,000 Offer Shares by the Selling Shareholder, representing 5.00% of the enlarged issued share capital in Semico Capital by way of private placement to selected investors, at the IPO Price of RM0.25 per Semico Capital Share.

The Company will not receive any proceeds from the Offer for Sale and the total gross proceeds from the Offer for Sale will accrue entirely to the Selling Shareholder. The Offer for Sale will not have any financial impact to the Pro Forma Consolidated Statements of Financial Position of Semico Capital.

(c) Listing

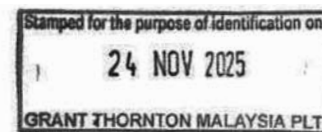
The admission of Semico Capital to the official list of Bursa Securities, and the listing of and quotation for entire enlarged issued share capital of Semico Capital of approximately RM32,572,947, comprising 360,000,000 Semico Capital Shares, on the ACE Market of Bursa Malaysia Securities Berhad upon completion of the IPO.

(iii) Pro Forma III: Utilisation of Proceeds from IPO

Gross proceeds from the IPO of RM23,167,700 are expected to be utilised as follows:

Details of utilisation	Estimated timeframe for utilisation upon Listing ⁽¹⁾	RM	% of total gross proceeds from the Public Issue
<i>Not reflected in the Pro Forma Consolidated Statements of Financial Position</i>			
Purchase of new arcade and amusement machines ⁽²⁾	36 months	10,550,000	45.54
Purchase of toys and collectables ⁽³⁾	12 months	2,500,000	10.79
Working capital ⁽⁴⁾	24 months	4,017,700	17.34
<i>Reflected in the Pro Forma Consolidated Statements of Financial Position</i>			
Repayment of bank borrowings ⁽⁵⁾	6 months	1,600,000	6.91
Estimated listing expenses ^{(6)*}	1 month	4,500,000	19.42
Total estimated proceeds		23,167,700	100.00

11. FINANCIAL INFORMATION (CONT'D)



SEMICO CAPITAL BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)

3. LISTING SCHEME (CONT'D)

(iii) Pro Forma III: Utilisation of Proceeds from IPO (cont'd)

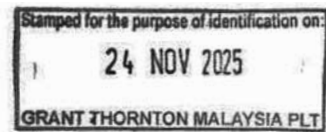
Gross proceeds from the IPO of RM23,167,700 are expected to be utilised as follows (cont'd):

Notes:

- (1) From the date of listing of the shares.
- (2) As at the LPD, the Group has yet to enter into any contractual binding agreements or issue any purchase order in relation to the purchase of new arcade and amusement machines. Accordingly, the use of proceeds earmarked for the purchase of new machines are not reflected in the Pro Forma Consolidated Statements of Financial Position and is remained in cash and bank balances.
- (3) As at the LPD, the Group has yet to enter into any contractual binding arrangements or issued any purchase order in relation to the purchase of toys and collectables. Accordingly, the use of proceeds earmarked for the purchase of toys and collectables are not reflected in the Pro Forma Consolidated Statements of Financial Position and is remained in cash and bank balances.
- (4) The Group intends to utilise RM4,017,700 of its IPO proceeds for working capital to enhance the Group's cash flow position and facilitate the Group's operations and business expansion efficaciously without being overly dependent on external sources of fundings.
- (5) The Group intends to utilise RM1,600,000 of its IPO proceeds for repayment of bank borrowings.
- (6) If the allocated proceeds are insufficient for the estimated listing expenses, any shortfall will be funded via internally generated funds whereas any excess will be used for working capital purposes.

** The estimated listing expenses of RM624,193 arising from the issuance of new Semico Capital Shares pursuant to the Listing are to be offset against the share capital and the remaining estimated listings expenses of RM3,875,807 will be expensed off to profit or loss and this represents one-off expenditure in conjunction with the IPO (Note: As at 30 June 2025, the Group has expensed off RM954,724 of the estimated listing expenses).*

If the actual listing expenses are higher than estimated, the deficit will be funded via internally generated funds whereas any excess will be used for working capital purposes.

11. FINANCIAL INFORMATION (CONT'D)**SEMICO CAPITAL BERHAD****NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)****4.01 PROPERTY, PLANT AND EQUIPMENT**

The movements of property, plant and equipment are as follows:-

RM

As at 30 June 2025/As per Pro Forma I/II/III	<u>8,599,712</u>
--	------------------

4.02 RIGHT-OF-USE ASSETS

The movements of right-of-use assets are as follows:-

RM

As at 30 June 2025/As per Pro Forma I/II/III	<u>308,953</u>
--	----------------

4.03 DEFERRED TAX ASSETS

The movements of deferred tax assets are as follows:-

RM

As at 30 June 2025/As per Pro Forma I/II/III	<u>46,000</u>
--	---------------

4.04 INVENTORIES

The movements of inventories are as follows:-

RM

As at 30 June 2025/As per Pro Forma I/II/III	<u>2,708,606</u>
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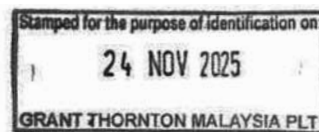
4.05 TRADE AND OTHER RECEIVABLES

The movements of trade and other receivables are as follows:-

RM

As at 30 June 2025/As per Pro Forma I/II	5,432,725
Pursuant to Utilisation of Proceeds from IPO	
- Estimated listing expenses	<u>(735,237)</u>

As per Pro Forma III	<u>4,697,488</u>
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11. FINANCIAL INFORMATION (CONT'D)**SEMICO CAPITAL BERHAD****NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)****4.06 CASH AND BANK BALANCES**

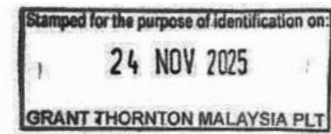
The movements of cash and bank balances are as follows:-

	RM
As at 30 June 2025	3,684,940
Pursuant to Subsequent Events	<u>318,637</u>
As per Pro Forma I	4,003,577
Pursuant to IPO	<u>23,167,700</u>
As per Pro Forma II	27,171,277
Pursuant to Utilisation of Proceeds from IPO	
- Payment of accrued listing expenses	(689,324)
- Payment of remaining estimated listing expenses	(2,810,039)
- Repayment of bank borrowings	<u>(1,600,000)</u>
As per Pro Forma III	<u>22,071,914</u>

4.07 SHARE CAPITAL

The movements of the issued share capital are as follows:-

	Number of ordinary shares Unit	Amount RM
As at 30 June 2025/As per Pro Forma I	267,329,200	10,029,440
Pursuant to IPO	<u>92,670,800</u>	<u>23,167,700</u>
As per Pro Forma II	360,000,000	33,197,140
Pursuant to Utilisation of Proceeds from IPO		
- Portion of estimated listing expenses set-off against issued share capital	<u>-</u>	<u>(624,193)</u>
As per Pro Forma III	<u>360,000,000</u>	<u>32,572,947</u>

11. FINANCIAL INFORMATION (CONT'D)**SEMICO CAPITAL BERHAD****NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)****4.08 RETAINED EARNINGS**

The movements of retained earnings are as follows:-

	RM
As at 30 June 2025/As per Pro Forma I/II	13,153,386
Pursuant to Utilisation of Proceeds from IPO	
- Portion of estimated listing expenses set-off against profit or loss	<u>(2,921,083)</u>
As per Pro Forma III	<u>10,232,303</u>

4.09 BORROWINGS

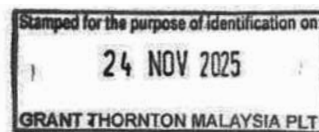
The movements of borrowings are as follows:-

	<u>Non-current liabilities</u> RM	<u>Current liabilities</u> RM	<u>Total</u> RM
As at 30 June 2025	1,131,844	421,207	1,553,051
Pursuant to Subsequent Events	<u>318,637</u>	<u>-</u>	<u>318,637</u>
As per Pro Forma I/II	1,450,481	421,207	1,871,688
Pursuant to Utilisation of Proceeds from IPO			
- Repayment of bank borrowings	<u>(1,450,481)</u>	<u>(149,519)</u>	<u>(1,600,000)</u>
As per Pro Forma III	<u>-</u>	<u>271,688</u>	<u>271,688</u>

4.10 LEASE LIABILITIES

The movements of lease liabilities are as follows:-

	<u>Non-current liabilities</u> RM	<u>Current liabilities</u> RM	<u>Total</u> RM
As per 30 June 2025/As per Pro Forma I/II/III	<u>65,324</u>	<u>290,967</u>	<u>356,291</u>

11. FINANCIAL INFORMATION (CONT'D)**SEMICO CAPITAL BERHAD****NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)****4.11 DEFERRED TAX LIABILITIES**

The movements of deferred tax liabilities are as follows:-

	RM
As at 30 June 2025/As per Pro Forma I/II/III	<u>274,424</u>

4.12 TRADE AND OTHER PAYABLES

The movements of trade and other payables are as follows:-

	RM
As at 30 June 2025/As per Pro Forma I/II	1,580,718
Pursuant to Utilisation of Proceeds from IPO	
- Estimated listing expenses	<u>(689,324)</u>
As per Pro Forma III	<u>891,394</u>

4.13 PROVISION OF RESTORATION COSTS

The movements of provision of restoration costs are as follows:-

	RM
As at 30 June 2025/As per Pro Forma I/II/III	<u>19,086</u>

4.14 TAX PAYABLE

The movements of tax payable are as follows:-

	RM
As at 30 June 2025/As per Pro Forma I/II/III	<u>622,773</u>

11. FINANCIAL INFORMATION (CONT'D)

SEMICO CAPITAL BERHAD

(FORMERLY KNOWN AS BASIL PARK SDN BHD)

(Registration No: 202401043120 (1588966-W))

(Incorporated in Malaysia)

APPROVAL BY BOARD OF DIRECTORS

The Pro Forma Consolidated Statements of Financial Position has been approved for issue in accordance with a resolution of the Board of Directors of Semico Capital Berhad on 24 November 2025.

Signed on behalf of the Board of Directors,



.....
TAI LEE CHUEN



.....
ANG SEW FONG

Kuala Lumpur
24 November 2025

12. ACCOUNTANTS' REPORT

SEMICO CAPITAL BERHAD
(formerly known as Basil Park Sdn Bhd)
(Registration No.: 202401043120 (1588966-W))
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT
FOR THE FINANCIAL YEARS ENDED
30 JUNE 2022, 30 JUNE 2023, 30 JUNE 2024
AND 30 JUNE 2025

GRANT THORNTON MALAYSIA PLT
CHARTERED ACCOUNTANTS
Member Firm of Grant Thornton International Ltd.

12. ACCOUNTANTS' REPORT (CONT'D)



Date: 24 November 2025

The Board of Directors
Semico Capital Berhad
 (formerly known as Basil Park Sdn Bhd)
 Lot G-31, Eco Sky
 No. 972, Batu 6 1/2
 Jalan Ipoh
 68100 Kuala Lumpur

Dear Sirs

Grant Thornton Malaysia PLT
 Level 11, Sheraton Imperial Court
 Jalan Sultan Ismail
 50250 Kuala Lumpur
 Malaysia

T +603 2692 4022
 F +603 2691 5229

Reporting Accountants' Opinion on the Financial Information (as defined herein) Contained in the Accountants' Report of Semico Capital Berhad ("Semico Capital" or the "Company")

Opinion

We have audited the accompanying combined/consolidated financial statements ("Financial Information") of the Company and its subsidiaries (collectively known as "Semico Capital Group" or "Group") which comprise the combined/consolidated statements of financial position of the Group as at 30 June 2022, 30 June 2023, 30 June 2024 and 30 June 2025, the combined/consolidated statements of profit or loss and other comprehensive income, combined/consolidated statements of changes in equity and combined/consolidated statements of cash flows of the Group for the financial years then ended, and notes to the Financial Information, including material accounting policy information, as set out on pages 4 to 72.

The historical Financial Information has been prepared for inclusion in the prospectus of the Company in connection with the listing of and quotation for the enlarged issued ordinary shares of the Company on the ACE Market of Bursa Malaysia Securities Berhad. This report is required by the Prospectus Guidelines issued by the Securities Commission Malaysia (the "Prospectus Guidelines") and is given for the purposes of complying with Chapter 10 of the Prospectus Guideline and for no other purpose.

In our opinion, the accompanying Financial Information gives a true and fair view of the combined/consolidated financial position of the Group as at 30 June 2022, 30 June 2023, 30 June 2024 and 30 June 2025, and of its combined/consolidated financial performance and its combined/consolidated cash flows for the financial years then ended, in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards.

Basis for Opinion

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

12. ACCOUNTANTS' REPORT (CONT'D)



Directors' Responsibilities for the Financial Information

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

In preparing the Financial Information 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 Financial Information

Our objectives are to obtain reasonable assurance about whether the Financial Information 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 not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Information.

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 Financial Information of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountants' report to the related disclosures in the Financial Information 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 report. However, future events or conditions may cause the Group to cease to continue as a going concern.

12. ACCOUNTANTS' REPORT (CONT'D)**Reporting Accountants' Responsibilities for the Audit of the Financial Information (cont'd)**

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 (cont'd):

- Evaluate the overall presentation, structure and content of the Financial Information of the Group, including the disclosures, and whether the Financial Information of the Group represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the Financial Information of the entities or business units within the group as a basis for forming an opinion on the group Financial Information. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 identified during our audit.

Restriction on Distribution and use

This report is made solely to the Company for inclusion in the prospectus to be issued in relation to the listing of and quotation for the entire enlarged issued shares of the Semico Capital Berhad on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

FOO LEE MENG
(NO: 03069/07/2027(J))
CHARTERED ACCOUNTANT

Kuala Lumpur
24 November 2025

12. ACCOUNTANTS' REPORT (CONT'D)

SEMICO CAPITAL BERHAD
(Incorporated in Malaysia)

COMBINED/CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022, 30 JUNE 2023, 30 JUNE 2024 AND 30 JUNE 2025

	<u>Note</u>	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	981,901	2,821,603	5,299,260	8,599,712
Right-of-use assets	4	81,361	801,239	453,694	308,953
Deferred tax assets	5	6,000	8,000	134,000	46,000
Total non-current assets		<u>1,069,262</u>	<u>3,630,842</u>	<u>5,886,954</u>	<u>8,954,665</u>
Current assets					
Inventories	6	2,446,356	2,202,311	1,756,654	2,708,606
Trade and other receivables	7	642,183	1,970,724	3,826,752	5,432,725
Cash and bank balances		<u>371,478</u>	<u>1,507,176</u>	<u>1,963,938</u>	<u>3,684,940</u>
Total current assets		<u>3,460,017</u>	<u>5,680,211</u>	<u>7,547,344</u>	<u>11,826,271</u>
TOTAL ASSETS		<u><u>4,529,279</u></u>	<u><u>9,311,053</u></u>	<u><u>13,434,298</u></u>	<u><u>20,780,936</u></u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	8	607,070	670,000	670,000	10,029,440
Retained earnings		345,051	3,697,355	7,657,958	13,153,386
Merger deficit	9	-	-	-	(6,808,233)
Total equity attributable to the combining entities/owners of the Group		<u>952,121</u>	<u>4,367,355</u>	<u>8,327,958</u>	<u>16,374,593</u>
Non-controlling interests	10	<u>207,273</u>	<u>562,760</u>	<u>1,041,571</u>	<u>-</u>
Total equity		<u><u>1,159,394</u></u>	<u><u>4,930,115</u></u>	<u><u>9,369,529</u></u>	<u><u>16,374,593</u></u>
LIABILITIES					
Non-current liabilities					
Provision of restoration costs	11	-	16,798	17,905	-
Borrowings	12	106,093	149,938	-	1,131,844
Lease liabilities	13	3,560	548,719	183,303	65,324
Deferred tax liabilities	5	<u>26,699</u>	<u>72,304</u>	<u>103,366</u>	<u>274,424</u>
Total non-current liabilities		<u><u>136,352</u></u>	<u><u>787,759</u></u>	<u><u>304,574</u></u>	<u><u>1,471,592</u></u>

12. ACCOUNTANTS' REPORT (CONT'D)

SEMICO CAPITAL BERHAD
(Incorporated in Malaysia)

**COMBINED/CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022, 30 JUNE 2023, 30 JUNE 2024 AND 30 JUNE 2025 (CONT'D)**

	<u>Note</u>	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
EQUITY AND LIABILITIES (CONT'D)					
LIABILITIES (CONT'D)					
Current liabilities					
Trade and other payables	14	2,810,397	2,167,301	1,771,390	1,580,718
Provision of restoration costs	11	19,165	-	-	19,086
Borrowings	12	24,998	44,271	728,815	421,207
Lease liabilities	13	82,373	285,170	365,418	290,967
Tax payable		<u>296,600</u>	<u>1,096,437</u>	<u>894,572</u>	<u>622,773</u>
Total current liabilities		<u>3,233,533</u>	<u>3,593,179</u>	<u>3,760,195</u>	<u>2,934,751</u>
TOTAL LIABILITIES		<u>3,369,885</u>	<u>4,380,938</u>	<u>4,064,769</u>	<u>4,406,343</u>
TOTAL EQUITY AND LIABILITIES		<u>4,529,279</u>	<u>9,311,053</u>	<u>13,434,298</u>	<u>20,780,936</u>

The accompanying notes form an integral part of the combined/consolidated financial statements.

12. ACCOUNTANTS' REPORT (CONT'D)

SEMICO CAPITAL BERHAD
(Incorporated in Malaysia)

**COMBINED/CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS
ENDED 30 JUNE 2022, 30 JUNE 2023, 30 JUNE 2024 AND 30 JUNE 2025**

	<u>Note</u>	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Revenue	15	5,253,235	15,302,886	22,098,489	29,688,152
Cost of sales		<u>(2,724,129)</u>	<u>(8,389,621)</u>	<u>(12,538,539)</u>	<u>(15,589,160)</u>
Gross profit		2,529,106	6,913,265	9,559,950	14,098,992
Other income		38,075	19,600	191,533	223,110
Selling and distribution expenses		<u>(101,684)</u>	<u>(171,906)</u>	<u>(264,545)</u>	<u>(271,294)</u>
(Net impairment loss)/Reversal of impairment loss on financial assets		-	-	(20,022)	2,000
Administrative expenses		<u>(697,589)</u>	<u>(1,592,100)</u>	<u>(2,688,305)</u>	<u>(4,735,509)</u>
Operating profits		1,767,908	5,168,859	6,778,611	9,317,299
Finance income	16	136	1,350	1,438	1,116
Finance costs	17	<u>(20,919)</u>	<u>(50,230)</u>	<u>(80,537)</u>	<u>(165,749)</u>
Profit before tax	18	1,747,125	5,119,979	6,699,512	9,152,666
Tax expense	19	<u>(367,626)</u>	<u>(1,189,158)</u>	<u>(1,460,098)</u>	<u>(2,548,809)</u>
Profit after tax/Total comprehensive income for the financial years		<u>1,379,499</u>	<u>3,930,821</u>	<u>5,239,414</u>	<u>6,603,857</u>
Profit after tax/Total comprehensive income for the financial years attributed to:-					
Common controlling shareholders/owners of the Group		1,175,256	3,602,304	4,760,603	6,033,153
Non-controlling interests	10	<u>204,243</u>	<u>328,517</u>	<u>478,811</u>	<u>570,704</u>
		<u>1,379,499</u>	<u>3,930,821</u>	<u>5,239,414</u>	<u>6,603,857</u>
Earnings per share (RM)	20	<u>1.94</u>	<u>5.38</u>	<u>7.11</u>	<u>0.07</u>

The accompanying notes form an integral part of the combined/consolidated financial statements.

12. ACCOUNTANTS' REPORT (CONT'D)

SEMICO CAPITAL BERHAD
(Incorporated in Malaysia)

COMBINED/CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2022, 30 JUNE 2023, 30 JUNE 2024 AND 30 JUNE 2025

	<u>Note</u>	<u>Share capital</u> RM	<u>Merger deficit</u> RM	(Accumulated losses)/ <u>Retained earnings</u> RM	<u>Total</u> RM	<u>Non-controlling interests</u> RM	<u>Total equity</u> RM
At 1 July 2021		600,000	-	(830,205)	(230,205)	-	(230,205)
Transaction with owners:-							
Issuance of shares	8	7,070	-	-	7,070	3,030	10,100
Total comprehensive income for the financial year		-	-	1,175,256	1,175,256	204,243	1,379,499
At 30 June 2022		607,070	-	345,051	952,121	207,273	1,159,394
Transactions with owners:-							
Issuance of shares	8	62,930	-	-	62,930	26,970	89,900
Dividends	21	-	-	(250,000)	(250,000)	-	(250,000)
Total transactions with owners		62,930	-	(250,000)	(187,070)	26,970	(160,100)
Total comprehensive income for the financial year		-	-	3,602,304	3,602,304	328,517	3,930,821
At 30 June 2023		670,000	-	3,697,355	4,367,355	562,760	4,930,115
Transaction with owners:-							
Dividends	21	-	-	(800,000)	(800,000)	-	(800,000)
Total comprehensive income for the financial year		-	-	4,760,603	4,760,603	478,811	5,239,414
At 30 June 2024		670,000	-	7,657,958	8,327,958	1,041,571	9,369,529

12. ACCOUNTANTS' REPORT (CONT'D)**SEMICO CAPITAL BERHAD**

(Incorporated in Malaysia)

**COMBINED/CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2022, 30 JUNE 2023, 30 JUNE 2024 AND 30 JUNE 2025 (CONT'D)**

			(Accumulated losses)/ Retained earnings			
	<u>Note</u>	<u>Share capital</u> RM	<u>Merger deficit</u> RM	RM	<u>Total</u> RM	<u>Non-controlling interests</u> RM
				RM		<u>Total equity</u> RM
At 30 June 2024		670,000	-	7,657,958	8,327,958	1,041,571
Transaction with owners:-						
Changes of ownership interests	8	30,000	-	1,582,275	1,612,275	(1,612,275)
Issuance of shares	8	2,021,208	-	-	2,021,208	-
Issuance of bonus shares	8	500,000	-	(500,000)	-	-
Issuance of shares pursuant of acquisition of subsidiaries	8	8,008,232	-	-	8,008,232	-
Acquisition of subsidiaries	8	(1,200,000)	(6,808,233)	-	(8,008,233)	-
Dividends	21	-	-	(1,620,000)	(1,620,000)	-
Total transactions with owners		9,359,440	(6,808,233)	(537,725)	2,013,482	(1,612,275)
Total comprehensive income for the financial year		-	-	6,033,153	6,033,153	570,704
At 30 June 2025		10,029,440	(6,808,233)	13,153,386	16,374,593	-

The accompanying notes form an integral part of the combined/consolidated financial statements.

12. ACCOUNTANTS' REPORT (CONT'D)

SEMICO CAPITAL BERHAD
(Incorporated in Malaysia)
COMBINED/CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2022, 30 JUNE 2023, 30 JUNE 2024 AND 30 JUNE 2025

	<u>Note</u>	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
OPERATING ACTIVITIES					
Profit before tax		1,747,125	5,119,979	6,699,512	9,152,666
Adjustments for:-					
Bad debts written off		-	-	-	1,000
Depreciation of property, plant and equipment		223,732	710,842	1,164,352	1,788,346
Depreciation of right-of-use assets		172,677	237,291	347,545	367,372
Gain on disposal of property, plant and equipment		-	-	(109,633)	(6,665)
Gain on early termination of lease contracts		-	-	-	(3,636)
Interest expenses		20,919	50,230	80,537	165,749
Interest income		(136)	(1,350)	(1,438)	(1,116)
Inventories written down		-	57,204	162,698	21,422
Net impairment loss/(Reversal of impairment loss) on financial assets		-	-	20,022	(2,000)
Property, plant and equipment written off		-	-	-	92,863
Reversal of provision of restoration costs		-	(19,600)	-	-
Operating profit before working capital changes		2,164,317	6,154,596	8,363,595	11,576,001
Changes in working capital:-					
Inventories		(2,446,356)	186,841	282,959	(973,374)
Receivables		(417,895)	(1,328,541)	(1,876,050)	(1,604,974)
Payables		1,703,280	(864,223)	154,196	58,295
Cash generated from operations		1,003,346	4,148,673	6,924,700	9,055,948
Income tax paid		(17,000)	(345,716)	(1,756,901)	(2,561,550)
Interest received		136	1,350	1,438	1,116
Interest paid		-	-	(29,435)	(65,777)
Tax refunded		13,061	-	-	-
Net cash from operating activities		999,543	3,804,307	5,139,802	6,429,737

12. ACCOUNTANTS' REPORT (CONT'D)**SEMICO CAPITAL BERHAD**

(Incorporated in Malaysia)

**COMBINED/CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2022, 30 JUNE 2023, 30 JUNE 2024 AND 30 JUNE 2025 (CONT'D)**

	<u>Note</u>	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
INVESTING ACTIVITIES					
Addition of right-of-use assets	A	-	-	-	-
Purchase of property, plant and equipment	B	(842,064)	(2,550,544)	(3,919,512)	(5,027,562)
Proceeds from disposal of property, plant and equipment		-	-	387,136	77,566
Net cash used in investing activities		(842,064)	(2,550,544)	(3,532,376)	(4,949,996)
FINANCING ACTIVITIES					
Advances from holding company		-	-	-	12,983
Advances from/(Repayment to) Directors		209,930	215,127	(392,107)	(261,950)
Advances from/(Repayment to) persons connected to Directors		-	6,000	(6,000)	-
Dividends paid		-	(250,000)	(800,000)	(1,620,000)
Drawdown of term loans		148,000	100,000	-	1,200,000
Interest paid		(19,914)	(49,181)	(49,995)	(98,791)
Proceeds from issuance of shares		10,100	89,900	-	2,021,208
(Repayment to)/Advances from related parties		(12,330)	-	-	-
Repayment to shareholders		-	-	(152,000)	-
Repayment of hire purchase		-	-	-	(6,720)
Repayment of lease liabilities		(174,578)	(193,029)	(285,168)	(411,425)
Repayment of term loans		(16,909)	(36,882)	(194,209)	(101,855)
Net cash from/(used in) financing activities		144,299	(118,065)	(1,879,479)	733,450

12. ACCOUNTANTS' REPORT (CONT'D)**SEMICO CAPITAL BERHAD**

(Incorporated in Malaysia)

**COMBINED/CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2022, 30 JUNE 2023, 30 JUNE 2024 AND 30 JUNE 2025 (CONT'D)**

	<u>Note</u>	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
CASH AND CASH EQUIVALENTS					
Net changes		301,778	1,135,698	(272,053)	2,213,191
Brought forward		<u>69,700</u>	<u>371,478</u>	<u>1,507,176</u>	<u>1,235,123</u>
Carried forward	C	<u>371,478</u>	<u>1,507,176</u>	<u>1,235,123</u>	<u>3,448,314</u>

NOTES TO THE COMBINED/CONSOLIDATED STATEMENTS OF CASH FLOWS**A. ADDITION OF RIGHT-OF-USE ASSETS**

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Total addition of right-of-use assets				
- Provision of restoration costs	-	16,184	-	-
- Lease liabilities	<u>21,234</u>	<u>940,985</u>	<u>-</u>	<u>276,888</u>
	21,234	957,169	-	276,888
Less: Addition by means of lease liabilities	<u>(21,234)</u>	<u>(957,169)</u>	<u>-</u>	<u>(276,888)</u>
Total cash paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

12. ACCOUNTANTS' REPORT (CONT'D)

SEMICO CAPITAL BERHAD
(Incorporated in Malaysia)

COMBINED/CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2022, 30 JUNE 2023, 30 JUNE 2024 AND 30 JUNE 2025 (CONT'D)

B. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Total purchase of property, plant and equipment	842,064	2,550,544	3,919,512	5,252,562
Less: Payment through hire purchase	-	-	-	(225,000)
	<u>842,064</u>	<u>2,550,544</u>	<u>3,919,512</u>	<u>5,027,562</u>

C. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the combined/consolidated statements of cash flows comprise of the following amounts:-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Cash and bank balances	371,478	1,507,176	1,963,938	3,684,940
Less: Bank overdraft	-	-	(728,815)	(236,626)
Total cash and cash equivalents	<u>371,478</u>	<u>1,507,176</u>	<u>1,235,123</u>	<u>3,448,314</u>

12. ACCOUNTANTS' REPORT (CONT'D)**SEMICO CAPITAL BERHAD**

(Incorporated in Malaysia)

**COMBINED/CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2022, 30 JUNE 2023, 30 JUNE 2024
AND 30 JUNE 2025 (CONT'D)**

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	<u>1 July 2021</u> RM	<u>Additions</u> RM	<u>Net cash flows</u> RM	<u>30 June 2022</u> RM	
Term loans	-	148,000	(16,909)	131,091	
Lease liabilities	239,277	21,234	(174,578)	85,933	
Amount due to related parties	12,330	-	(12,330)	-	
Amount due to Directors	229,000	-	209,930	438,930	
Amount due to shareholders	152,000	-	-	152,000	
	<u>632,607</u>	<u>169,234</u>	<u>6,113</u>	<u>807,954</u>	
	<u>1 July 2022</u> RM	<u>Additions</u> RM	<u>Net cash flows</u> RM	<u>30 June 2023</u> RM	
Term loans	131,091	100,000	(36,882)	194,209	
Lease liabilities	85,933	940,985	(193,029)	833,889	
Amount due to Directors	438,930	-	215,127	654,057	
Amount due to shareholders	152,000	-	-	152,000	
Amount due to persons connected to Directors	-	-	6,000	6,000	
	<u>807,954</u>	<u>1,040,985</u>	<u>(8,784)</u>	<u>1,840,155</u>	
		<u>1 July 2023</u> RM	<u>Net cash flows</u> RM	<u>30 June 2024</u> RM	
Term loans		194,209	(194,209)	-	
Lease liabilities		833,889	(285,168)	548,721	
Amount due to Directors		654,057	(392,107)	261,950	
Amount due to shareholders		152,000	(152,000)	-	
Amount due to persons connected to Directors		6,000	(6,000)	-	
		<u>1,840,155</u>	<u>(1,029,484)</u>	<u>810,671</u>	
	<u>1 July 2024</u> RM	<u>Additions</u> RM	<u>Early termination of lease contracts</u> RM	<u>Net cash flows</u> RM	<u>30 June 2025</u> RM
Term loans	-	1,200,000	-	(101,855)	1,098,145
Lease liabilities	548,721	276,888	(57,893)	(411,425)	356,291
Hire purchase	-	225,000	-	(6,720)	218,280
Amount due to holding company	-	-	-	12,983	12,983
Amount due to Directors	261,950	-	-	(261,950)	-
	810,671	1,701,888	(57,893)	(768,967)	1,685,699

The accompanying notes form an integral part of the combined/consolidated financial statements.

12. ACCOUNTANTS' REPORT (CONT'D)

SEMICO CAPITAL BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED/CONSOLIDATED FINANCIAL STATEMENTS**1. GENERAL INFORMATION****1.1 Introduction**

This report is made solely to the Directors of Semico Capital Berhad ("Semico Capital" or the "Company") (formerly known as Basil Park Sdn Bhd) 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 ("Bursa Securities") (hereinafter defined as "the Listing").

1.2 Background

The Company was incorporated on 14 October 2024 as a private limited liability company, incorporated and domiciled in Malaysia. The entire one (1) ordinary share was acquired by Mr. Tai Lee Chuen from the subscriber shareholder on 6 February 2025. On 7 May 2025, the Company was converted to a public limited liability company and assumed its current name of Semico Capital Berhad. The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur Wilayah Persekutuan.

The principal place of business of the Company is located at Lot G-31, Eco Sky, No. 972, Batu 6 1/2, Jalan Ipoh, 68100 Kuala Lumpur.

12. ACCOUNTANTS’ REPORT (CONT’D)

1. GENERAL INFORMATION (CONT’D)

1.3 Principal Activities

The Company is principally engaged in investment holding.

Details of the subsidiaries of Semico Capital as at the date of the report are as follows:-

Name of companies	Principal activities	Date of incorporation	Principal place of business	Equity interest			
				2022	2023	2024	2025
Semico Technology Sdn Bhd (“Semico”)	Supply of arcade and amusement machines and its related services	21 June 2007	Malaysia	100%	100%	100%	100%
Minexport Sdn Bhd (“Minexport”)	Operation and management of family recreational activities	3 April 2017	Malaysia	100%	100%	100%	100%
De Pop Asia Sdn Bhd (“De Pop”)	Wholesale and distribution of toys and collectables, operation of family recreational and sports activities	9 November 2021	Malaysia	70%	70%	70%	100%

The equity interest from financial years ended 30 June 2022 to 30 June 2024 represents the equity interest of the common controlling shareholders (namely Tai Lee Chuen and Ang Sew Fong) in the respective companies.

The equity interest for the financial year ended 30 June 2025 represents the equity interest of the holding company.

There was no significant change in the nature of the principal activities of Semico Capital and its subsidiaries for the financial years ended 30 June 2022, 30 June 2023, 30 June 2024 and 30 June 2025.

12. ACCOUNTANTS' REPORT (CONT'D)

1. GENERAL INFORMATION (CONT'D)

1.4 Acquisitions and Pre-listing investor subscription

Acquisitions

As part of the Listing, an internal restructuring has been undertaken to form the current structure of the Semico Capital Group prior to its listing of and quotation for the entire issued share capital of Semico Capital on the ACE market of Bursa Securities.

Semico Capital had entered into 3 share sale agreements to acquire the entire issued share capital of Semico, Minexport and De Pop ("Acquisitions") with details as follows:

- (i) On 14 March 2025, Semico Capital acquired the entire issued share capital in Semico comprising 100,000 ordinary shares from MARC Experience Ventures Sdn Bhd ("MARC Experience") (formerly known as Kontrek Elmina Sdn Bhd), for a purchase consideration of approximately RM4,536,331. The purchase consideration was wholly satisfied via the issuance of 144,010,500 new ordinary shares in Semico Capital ("Semico Capital Shares" or "Shares") to MARC Experience at an issue price of RM0.0315 per share.

The purchase consideration of Semico of approximately RM4,536,331 was arrived at on a willing-buyer willing-seller basis, after taking into consideration the adjusted audited net assets of Semico (after adjusting for dividend declared and paid of RM1,620,000) as at 30 June 2024 of RM4,536,332. The acquisition of Semico was completed on 14 March 2025 and thereafter, Semico became a wholly-owned subsidiary of Semico Capital.

- (ii) On 14 March 2025, Semico Capital acquired the entire issued share capital in Minexport comprising 500,000 ordinary shares from MARC Experience for a cash consideration of RM1.

The purchase consideration of Minexport of RM1 was arrived at on a willing-buyer willing-seller basis, after taking into consideration the audited net liabilities of Minexport as at 30 June 2024 of RM258,706. The acquisition of Minexport was completed on 14 March 2025 and thereafter, Minexport became a wholly-owned subsidiary of Semico Capital.

- (iii) On 14 March 2025, Semico Capital acquired the entire issued share capital in De Pop comprising 100,000 ordinary shares from MARC Experience for a purchase consideration of approximately RM3,471,901. The purchase consideration was wholly satisfied via the issuance of 110,219,100 new Shares to MARC Experience at an issue price of RM0.0315 per share.

The purchase consideration of De Pop of approximately RM3,471,901 was arrived at on a willing-buyer willing-seller basis, after taking into consideration the audited net assets of De Pop as at 30 June 2024 of RM3,471,902. The acquisition of De Pop was completed on 14 March 2025 and thereafter, De Pop became a wholly-owned subsidiary of Semico Capital.

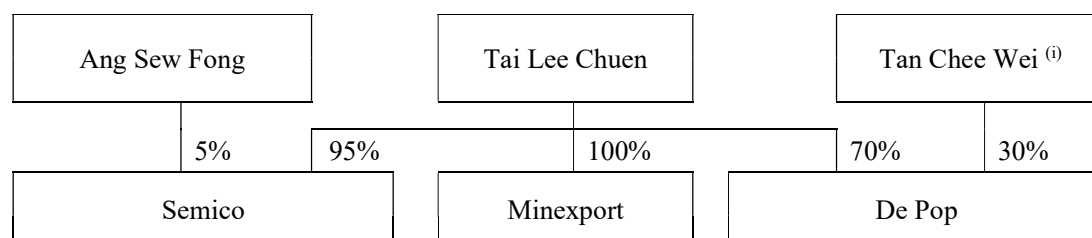
12. ACCOUNTANTS' REPORT (CONT'D)

1. GENERAL INFORMATION (CONT'D)

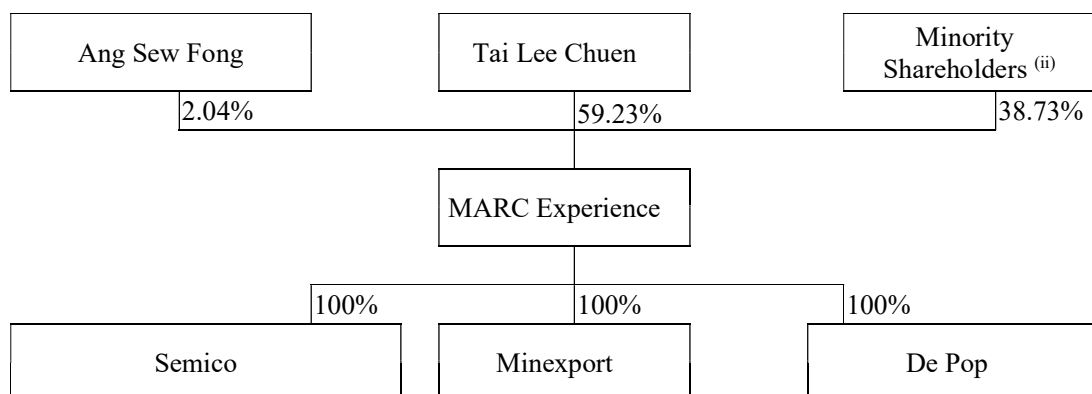
1.4 Acquisitions and Pre-listing investor subscription (cont'd)

Semico Capital has entered into 3 share sale agreements to acquire the entire issued share capital of Semico, Minexport and De Pop ("Acquisitions") with details as follows (cont'd):

Before the acquisitions by MARC Experience



Before the Acquisitions by Semico Capital



Note:

- (i) On 21 February 2025, Tan Chee Wei disposed her equity interest in MARC Experience to Tai Lee Chuen. She currently does not hold any direct or indirect equity interest in Semico Capital.
- (ii) For the FYEs 2022, 2023, 2024 and up to 17 November 2024, non-controlling interests refer to the 30.00% in De Pop not held by the common controlling shareholders, namely Tai Lee Chuen and Ang Sew Fong. The 30% non-controlling interest in De Pop was held by Tan Chee Wei. In relation to the period from 18 November 2024 up to 20 February 2025, non-controlling interests refer to the 38.73% in the combined group not held by the common controlling shareholders, namely Tai Lee Chuen and Ang Sew Fong. The 38.73% non-controlling interests in the combined group were collectively held by Tan Chee Wei, Sheehan Tee Kah Mun and Tan Siew Gaik. On 21 February 2025, the 38.73% of the non-controlling interests in the combined group was acquired by Tai Lee Chuen.

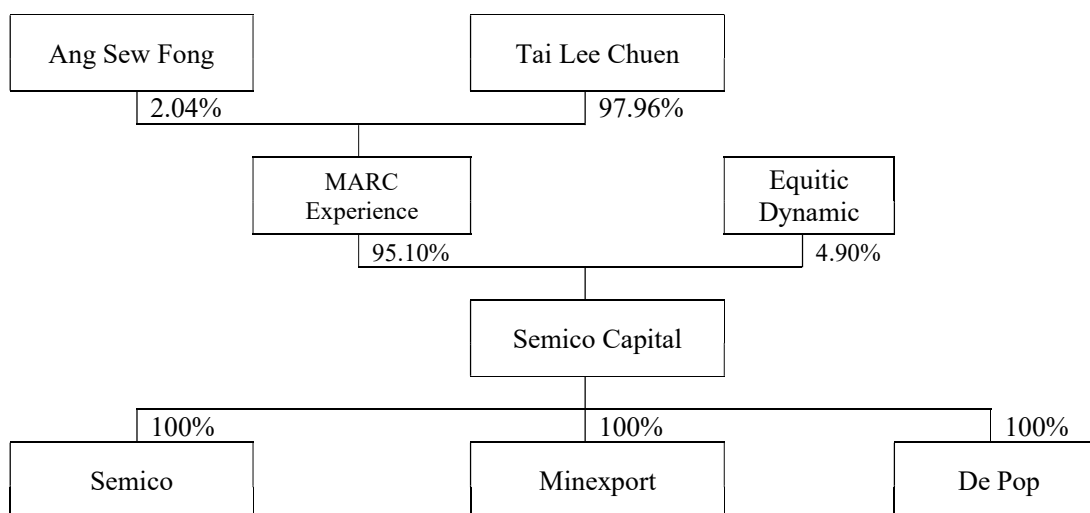
12. ACCOUNTANTS' REPORT (CONT'D)

1. GENERAL INFORMATION (CONT'D)

1.4 Acquisitions and Pre-listing investor subscription (cont'd)

Semico Capital has entered into 3 share sale agreements to acquire the entire issued share capital of Semico, Minexport and De Pop ("Acquisitions") with details as follows (cont'd):

After the Acquisitions and Pre-Listing Investor subscription of shares in Semico Capital



The Group is regarded as a continuing entity resulting from the Acquisitions since the management of all the entities which took part in the Acquisitions were controlled by the Director, being Mr. Tai Lee Chuen and substantially under same major shareholder before and immediately after the Acquisitions. Consequently, immediately after the Acquisitions, there was a continuation of the control over entities' financial and operating policy decisions and risks and benefits to the ultimate shareholders that existed prior to the Acquisitions. The Acquisitions has been accounted for as an acquisition under common control in a manner similar to pooling of interests. Accordingly, the combined/consolidated financial statements for the financial years ended ("FYE") 30 June 2022, 30 June 2023, 30 June 2024 and 30 June 2025, have been prepared to comprise (i) the combined financial statements of the combining entity which were under common control of the ultimate shareholders that existed prior to the Acquisitions and during the relevant periods or since their respective dates of incorporation for the financial years ended 30 June 2022 to 30 June 2024; and (ii) the consolidated financial statements of the Group for the financial year ended 30 June 2025.

On 24 March 2025, the Pre-Listing investor, Equitic Dynamic Core PLT ("Equitic Dynamic"), had entered into a subscription agreement with Semico Capital to subscribe for 13,099,100 new Shares, representing approximately 5.15% of the issued Shares of 254,230,100 after the Acquisitions, at an issue price of RM0.1543 per Share, for a total subscription price of approximately RM2,021,191. The subscription price was satisfied entirely by cash.

The total subscription price of approximately RM2,021,191 was determined after taking into consideration the valuation of the Group of approximately RM41.25 million based on the management's estimated profit after tax of the Group of RM7.50 million for the FYE 2025 and a price-earnings-multiple of approximately 5.50 times. The subscription was completed on 27 March 2025. After the completion of the subscription, Equitic Dynamic holds 4.90% equity interest in Semico Capital.

No financial statements of Semico Capital was included for the FYE 30 June 2022, 30 June 2023 and 30 June 2024, as Semico Capital, was incorporated on 14 October 2024 and was only acquired by Mr. Tai Lee Chuen on 6 February 2025.

12. ACCOUNTANTS' REPORT (CONT'D)

1. GENERAL INFORMATION (CONT'D)

1.5 Auditors

The consolidated financial statements of Semico Capital Group for financial year ended 30 June 2025 reflect the financial information of Semico Capital, Semico, Minexport and De Pop.

The relevant financial period/years of the audited financial statements presented for the purpose of this report ("Relevant Financial Years") and the Auditors of the respective companies within the Group are as follows:-

Companies	Relevant Financial Period/Years	Statutory Auditors
Semico Capital	FPE 30 June 2025	Grant Thornton Malaysia PLT
Semico	FYE 30 June 2022* FYE 30 June 2023* FYE 30 June 2024 FYE 30 June 2025	Cheah & Co. Khel & Partners PLT Grant Thornton Malaysia PLT Grant Thornton Malaysia PLT
Minexport	FYE 31 December 2022* FYE 31 December 2023* FPE 30 June 2024 FYE 30 June 2025	MW MW Grant Thornton Malaysia PLT Grant Thornton Malaysia PLT
De Pop	FYE 31 December 2022^ FYE 31 December 2023* FPE 30 June 2024 FYE 30 June 2025	MW MW Grant Thornton Malaysia PLT Grant Thornton Malaysia PLT

* The financial statements for FYE 30 June 2022, FYE 31 December 2022, FYE 30 June 2023 and FYE 31 December 2023 were prepared in accordance with Malaysia Private Entities Reporting Standard and have been reaudited by Grant Thornton Malaysia PLT for the purpose of these financial statements.

^ The first set financial statements was prepared from 9 November 2021 (date of incorporation) to 31 December 2022 in accordance with Malaysia Private Entities Reporting Standard and has been reaudited by Grant Thornton Malaysia PLT for financial period ended 31 December 2021 and financial year ended 31 December 2022 for the purpose of these financial statements.

The audited financial statements of Semico Capital, Semico, Minexport and De Pop for the Relevant Financial Years/Periods reported above were not subject to any qualification or modification.

12. ACCOUNTANTS' REPORT (CONT'D)

2. BASIS OF PREPARATION OF THE COMBINED/CONSOLIDATED FINANCIAL STATEMENTS

2.1 Combined Financial Statements for the FYE 30 June 2022, 30 June 2023 and 30 June 2024

The Combined Financial Statements of the Company for the FYE 30 June 2022, 30 June 2023 and 30 June 2024 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and IFRS Accounting Standards and based on the Guidance Note on "Combined Financial Statements" issued by the Malaysian Institute of Accountants in relation to the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Securities.

The Combined Financial Statements consist of the financial statements of Combining Entities as disclosed in Note 1.3 to the financial statements, which were under common control throughout the reporting periods. The common control of the Combining Entities has been established by virtue of Mr. Tai Lee Chuen, being the Director and common controlling shareholder.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. 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 Combining Entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of common controlled entities are included in the Combined Financial Statements from the day that control commences until the date that control ceases.

The combined financial statements have been prepared using financial information obtained from the records of the combining entities during the reporting years.

The financial information as presented in the combined financial statements do not correspond to the consolidated financial statements of the Group, as the combined financial statements reflect business combinations under common control for the purpose of the Listing. Consequently, the financial information from the combined financial statements do not purport to predict the financial positions, results of operations and cash flows of the combining entities during the reporting years.

2.2 Consolidated financial statements for the FYE 30 June 2025

The Consolidated Financial Statements of the Group for the FYE 30 June 2025 have been prepared in accordance with MFRSs and IFRS Accounting Standards.

During the financial year, the Group applied merger method of accounting on a retrospective basis arising from the acquisition of the entire equity interests of Semico, Minexport and De Pop by the Company in business combination under common control.

12. ACCOUNTANTS' REPORT (CONT'D)

2. BASIS OF PREPARATION OF THE COMBINED/CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.2 Consolidated Financial Statements for the FYE 30 June 2025 (cont'd)

Consequently, the following accounting treatment has been applied in the Consolidated Financial Statements arising from the business combination under common control:

- (a) Assets and liabilities of Semico, Minexport and De Pop are recognised and measured at their pre-business combination carrying amount without restatement to fair value;
- (b) Retained earnings other than equity reserves of the Group as at 30 June 2024 are those of the Company, Semico, Minexport and De Pop;
- (c) Share capital as at 30 June 2024 reflects the share capital of the Company, Semico, Minexport and De Pop; and
- (d) The statements of financial position as at 30 June 2025 represent the financial position of the Group after reflecting the effects of the acquisitions during the financial year.

2.3 Basis of measurement

The combined/consolidated financial statements of the Group have been prepared under the historical cost convention, unless otherwise indicated in the summary of accounting policies as set out in the notes to the combined/consolidated financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is 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 and its measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial market 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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the combined/consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- (a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (b) Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- (c) Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

12. ACCOUNTANTS' REPORT (CONT'D)

2. BASIS OF PREPARATION OF THE COMBINED/CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.3 Basis of measurement (cont'd)

For assets and liabilities that are recognised in the combined/consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.4 Functional and presentation currency

The combined/consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2.5 MFRSs

2.5.1 Adoption of new Standards/Amendments/Improvements to MFRSs

At the beginning of the current financial year, the Group adopted standards/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after respective financial period.

Initial application of the amendments/improvements to the standards did not have material impact to the consolidated financial statements of the Group.

2.5.2 Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's combined/consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards, if applicable, when they become effective.

Effective for the financial period beginning on or after 1 January 2025:-

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
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Effective for the financial period beginning on or after 1 January 2026:-

Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments
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Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosures - Contracts Referencing Nature - Dependent Electricity
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Annual Improvements to MFRS Accounting Standards - Volume 11

- Amendments to MFRS 1 First-time Adoption of MFRS Accounting Standards
- Amendments to MFRS 7 Financial Instruments: Disclosures
- Amendments to MFRS 9 Financial Instruments
- Amendments to MFRS 10 Consolidated Financial Statements
- Amendments to MFRS 107 Statement of Cash Flow

Effective for the financial period beginning on or after 1 January 2027:-

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures

12. ACCOUNTANTS' REPORT (CONT'D)

2. BASIS OF PREPARATION OF THE COMBINED/CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.5 MFRSs (cont'd)

2.5.2 Standards issued but not yet effective (cont'd)

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's combined/consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards, if applicable, when they become effective (cont'd).

Deferred to a date to be determined by the MASB:-

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture
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The initial application of the above applicable standards and amendments are not expected to have material financial impact to the financial statements of the Group except as following:-

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 Presentation and Disclosure in Financial Statements introduces three sets of new requirements to improve companies' reporting of financial performance:

- Improved comparability in the statement of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It carries forward many requirements from MFRS 101 unchanged. MFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, but companies can apply it earlier.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

2.6 The use of estimates and judgements

The preparation of combined/consolidated financial statements in conformity with MFRSs and Interpretations Committee require 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/consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. It also requires the management and Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgements are based on the management's and Directors' best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised from the period in which the estimate is revised.

12. ACCOUNTANTS' REPORT (CONT'D)

2. BASIS OF PREPARATION OF THE COMBINED/CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.6 The use of estimates and judgements (cont'd)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below:

Useful lives of depreciable assets

Management estimates the useful lives of depreciable assets to be within 2 to 10 years and reviews the useful lives of depreciable assets at the end of each of the reporting period. Management assesses that the useful lives represent the expected usage of the assets of the Group. Actual results, however, may vary due to change in the expected level of usage and technology developments, which resulting in adjustment to the assets of the Group.

Management does not expect any material difference that would arise on the estimation of useful lives of depreciable assets and the current evaluation of the useful lives of depreciable assets represents a fair estimation of the useful lives of the Group's depreciate assets.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Inventories

The Group writes down its obsolete or slow-moving inventories based on assessment of their estimated net selling price, condition and movements of the inventories and applies certain percentage of write down. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write down for obsolete or slow-moving inventories. Where expectation differs from the original estimates, the differences will impact the carrying amount of inventories.

Provision for expected credit losses ("ECLs") of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns such as the repayment patterns and customers type.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which may lead to an increased number of defaults in the service sector. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

12. ACCOUNTANTS' REPORT (CONT'D)

2. BASIS OF PREPARATION OF THE COMBINED/CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.6 The use of estimates and judgements (cont'd)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below (cont'd):

Provision for expected credit losses ("ECLs") of trade receivables (cont'd)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. 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.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Income taxes/Deferred tax liabilities

Significant judgement is involved in determining the Group's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, they use its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

Determining the lease term of contracts with renewal and termination options - As a lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

12. ACCOUNTANTS' REPORT (CONT'D)

2. BASIS OF PREPARATION OF THE COMBINED/CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.6 The use of estimates and judgements (cont'd)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below (cont'd):

Determining the lease term of contracts with renewal and termination options - As a lessee (cont'd)

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group included the renewal period as part of the lease term for leases of premises with shorter non-cancellable period (i.e., one to three years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on business operation if a replacement asset is not readily available. In addition, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Provision of restoration costs

The Group has an obligation to dismantle, remove and restore the leased premises to its original state and condition upon the expiry or termination of the lease agreement. The liabilities for dismantling, removal and restoration costs are recognised at present value of the compounded future expenditure estimated using existing technology, at current prices and discounted using a real discount rate. Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision. While the provision is based on the best estimate of future costs and the economic lives of the affected assets, there is uncertainty regarding both the amount and timing of incurring these costs. All the estimates are reviewed on an annual basis or more frequently, where there is indication of a material change.

12. ACCOUNTANTS' REPORT (CONT'D)**3. PROPERTY, PLANT AND EQUIPMENT**

	<u>Equipment, furniture and fittings</u> RM	<u>Arcade, amusement machines and equipment</u> RM	<u>Renovation</u> RM	<u>Motor vehicle</u> RM	<u>Total</u> RM
Cost					
At 1 July 2021	143,996	78,173	530,074	-	752,243
Additions	215,063	627,001	-	-	842,064
At 30 June 2022	359,059	705,174	530,074	-	1,594,307
Additions	128,384	2,325,750	96,410	-	2,550,544
At 30 June 2023	487,443	3,030,924	626,484	-	4,144,851
Additions	347,409	3,199,329	372,774	-	3,919,512
Disposals	-	(390,062)	-	-	(390,062)
Written off	(41,305)	-	-	-	(41,305)
At 30 June 2024	793,547	5,840,191	999,258	-	7,632,996
Additions	128,332	4,839,430	25,800	259,000	5,252,562
Disposals	-	(86,741)	-	-	(86,741)
Written off	(41,140)	(6,604)	(68,324)	-	(116,068)
At 30 June 2025	880,739	10,586,276	956,734	259,000	12,682,749
Accumulated depreciation					
At 1 July 2021	122,626	47,756	218,292	-	388,674
Charge for the financial year	29,698	141,027	53,007	-	223,732
At 30 June 2022	152,324	188,783	271,299	-	612,406
Charge for the financial year	58,971	595,478	56,393	-	710,842
At 30 June 2023	211,295	784,261	327,692	-	1,323,248
Charge for the financial year	103,219	979,869	81,264	-	1,164,352
Disposals	-	(112,559)	-	-	(112,559)
Written off	(41,305)	-	-	-	(41,305)
At 30 June 2024	273,209	1,651,571	408,956	-	2,333,736
Charge for the financial year	128,170	1,551,936	99,607	8,633	1,788,346
Disposals	-	(15,840)	-	-	(15,840)
Written off	(7,055)	(5,063)	(11,087)	-	(23,205)
At 30 June 2025	394,324	3,182,604	497,476	8,633	4,083,037

12. ACCOUNTANTS' REPORT (CONT'D)**3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	<u>Equipment, furniture and fittings</u> RM	<u>Arcade, amusement machines and equipment</u> RM	<u>Renovation</u> RM	<u>Motor vehicle</u> RM	<u>Total</u> RM
Net carrying amount					
At 30 June 2022	206,735	516,391	258,775	-	981,901
At 30 June 2023	276,148	2,246,663	298,792	-	2,821,603
At 30 June 2024	520,338	4,188,620	590,302	-	5,299,260
At 30 June 2025	486,415	7,403,672	459,258	250,367	8,599,712

Security

The Group's motor vehicle with carrying amount totalling RM250,367 (2022, 2023, 2024: NIL) is held under hire purchase arrangement and pledged as security for a hire purchase facility.

Material accounting policy information**Recognition and measurement**

All property, plant and equipment are stated at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Equipment, furniture and fittings	10% - 20%
Arcade, amusement machines and equipment	20%
Renovation	10%
Motor vehicle	20%

Fully depreciated assets are retained in the combined/consolidated financial statements until they are no longer in used and no further charge for depreciation is made in respect of these assets.

12. ACCOUNTANTS' REPORT (CONT'D)**4. RIGHT-OF-USE ASSETS**

	<u>Leased premises</u> RM
Cost	
At 1 July 2021	398,571
Additions	21,234
Expiration of lease contracts	<u>(19,052)</u>
At 30 June 2022	400,753
Additions	957,169
Expiration of lease contracts	<u>(379,519)</u>
At 30 June 2023	978,403
Expiration of lease contracts	<u>(21,234)</u>
At 30 June 2024	957,169
Additions	276,888
Expiration of lease contracts	(150,543)
Early termination of lease contracts	<u>(162,775)</u>
At 30 June 2025	<u>920,739</u>
Accumulated depreciation	
At 1 July 2021	165,767
Charge for the financial year	172,677
Expiration of lease contracts	<u>(19,052)</u>
At 30 June 2022	319,392
Charge for the financial year	237,291
Expiration of lease contracts	<u>(379,519)</u>
At 30 June 2023	177,164
Charge for the financial year	347,545
Expiration of lease contracts	<u>(21,234)</u>
At 30 June 2024	503,475
Charge for the financial year	367,372
Expiration of lease contracts	(150,543)
Early termination of lease contracts	<u>(108,518)</u>
At 30 June 2025	<u>611,786</u>
Net carrying amount	
At 30 June 2022	<u>81,361</u>
At 30 June 2023	<u>801,239</u>
At 30 June 2024	<u>453,694</u>
At 30 June 2025	<u>308,953</u>

12. ACCOUNTANTS' REPORT (CONT'D)

4. RIGHT-OF-USE ASSETS (CONT'D)

Material accounting policy information

Recognition and measurement

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The costs of right-of-use assets include the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Depreciation

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

Leased premises	33% - 50%
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As a lessee

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

Extension options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

12. ACCOUNTANTS' REPORT (CONT'D)**5. DEFFERED TAX ASSETS/(LIABILITIES)**

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
At beginning of financial year	6,928	(20,699)	(64,304)	30,634
Recognised in profit or loss	<u>(27,627)</u>	<u>(43,605)</u>	<u>94,938</u>	<u>(259,058)</u>
At end of financial year	<u>(20,699)</u>	<u>(64,304)</u>	<u>30,634</u>	<u>(228,424)</u>
Presented as follows:				
Deferred tax assets	6,000	8,000	134,000	46,000
Deferred tax liabilities	<u>(26,699)</u>	<u>(72,304)</u>	<u>(103,366)</u>	<u>(274,424)</u>
At end of financial year	<u>(20,699)</u>	<u>(64,304)</u>	<u>30,634</u>	<u>(228,424)</u>

12. ACCOUNTANTS' REPORT (CONT'D)

5. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movement of deferred tax assets are as follows:-

	Temporary difference between depreciation and capital <u>allowances</u> RM	Other timing <u>differences</u> RM	Unutilised tax <u>losses</u> RM	<u>Total</u> RM
At 1 July 2021/30 June 2022	-	6,000	-	6,000
Recognised in profit or loss	(3,000)	5,000	-	2,000
At 30 June 2023	(3,000)	11,000	-	8,000
Recognised in profit or loss	(15,000)	40,000	101,000	126,000
At 30 June 2024	(18,000)	51,000	101,000	134,000
Recognised in profit or loss	(2,000)	(35,000)	(51,000)	(88,000)
At 30 June 2025	(20,000)	16,000	50,000	46,000

12. ACCOUNTANTS' REPORT (CONT'D)

5. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movement of deferred tax liabilities are as follows:-

	Temporary difference between depreciation and capital allowances RM	Other timing differences RM	Unutilised tax losses RM	Total RM
At 1 July 2021	904	24	-	928
Recognised in profit or loss	(27,650)	23	-	(27,627)
At 30 June 2022	(26,746)	47	-	(26,699)
Recognised in profit or loss	(59,795)	14,190	-	(45,605)
At 30 June 2023	(86,541)	14,237	-	(72,304)
Recognised in profit or loss	(50,742)	19,680	-	(31,062)
At 30 June 2024	(137,283)	33,917	-	(103,366)
Recognised in profit or loss	(147,307)	(23,751)	-	(171,058)
At 30 June 2025	(284,590)	10,166	-	(274,424)

12. ACCOUNTANTS' REPORT (CONT'D)**5. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**

The amounts of deferred tax assets (at gross) that were not recognised in the statement of combined/consolidated financial position were as follows:

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Unutilised tax losses	460,472	460,472	-	-
Unabsorbed capital allowances	<u>100,603</u>	<u>74,312</u>	<u>-</u>	<u>-</u>
	<u>561,075</u>	<u>534,784</u>	<u>-</u>	<u>-</u>

Deferred tax assets (at gross) have not been recognised in respect of the above items as it is not probable that future taxable profits will be available against which the Company and certain subsidiaries companies can utilise the benefits therefrom.

Based on the current legislation, any unutilised tax losses shall be carried forward for a maximum period of ten consecutive years of assessment immediately following that year of assessment, whereas the unabsorbed capital allowances are allowed to be carried forward indefinitely.

The expiry of the unutilised tax losses is as follows:-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Year of assessment ("YA")				
YA 2028	155,583	155,583	-	-
YA 2029	36,126	36,126	-	-
YA 2030	215,826	215,826	-	-
YA 2031	28,071	28,071	-	-
YA 2032	<u>24,866</u>	<u>24,866</u>	<u>-</u>	<u>-</u>
	<u>460,472</u>	<u>460,472</u>	<u>-</u>	<u>-</u>

6. INVENTORIES

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
At cost:-				
Consumables	-	-	99,248	218,885
Trading goods	<u>2,446,356</u>	<u>2,202,311</u>	<u>1,657,406</u>	<u>2,489,721</u>
	<u>2,446,356</u>	<u>2,202,311</u>	<u>1,756,654</u>	<u>2,708,606</u>
Recognised in profit or loss:-				
Inventories recognised as cost of sales	1,281,705	5,976,755	8,517,845	11,157,191
Inventories written down	<u>-</u>	<u>57,204</u>	<u>162,698</u>	<u>21,422</u>

12. ACCOUNTANTS' REPORT (CONT'D)**6. INVENTORIES (CONT'D)**

The write-down is included in cost of sales. The Group writes down its obsolete or slow-moving inventories based on an analysis of the ageing profile and expected sales patterns of individual items held in inventory. This requires an analysis of inventory usage based on expected future sales transactions taking into account current market prices, useful lives of inventories and expected cost to sell. Changes in the inventory ageing and expected usage profiles can have an impact on the allowance recorded.

Material accounting policy information

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is calculated using the first-in first-out method.

7. TRADE AND OTHER RECEIVABLES

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Trade receivables:				
- External parties	477,591	1,124,707	2,662,104	3,200,560
- Related parties	-	-	108,808	-
- Accrued income	-	386,462	573,432	502,834
	<u>477,591</u>	<u>1,511,169</u>	<u>3,344,344</u>	<u>3,703,394</u>
Less: Accumulated impairment losses	-	-	(20,022)	(18,022)
Total trade receivables	<u>477,591</u>	<u>1,511,169</u>	<u>3,324,322</u>	<u>3,685,372</u>
Other receivables:				
- External parties	-	29	24,352	42,803
- Holding company	-	-	-	3,800
- Related parties	-	10,500	-	-
- Directors	25,336	62,930	18,880	-
- Shareholders	30	27,000	27,000	-
- Deposits	117,155	297,725	208,851	477,546
	<u>142,521</u>	<u>398,184</u>	<u>279,083</u>	<u>524,149</u>
Prepayments	<u>22,071</u>	<u>61,371</u>	<u>223,347</u>	<u>1,223,204</u>
Total other receivables	<u>164,592</u>	<u>459,555</u>	<u>502,430</u>	<u>1,747,353</u>
Total trade and other receivables	<u>642,183</u>	<u>1,970,724</u>	<u>3,826,752</u>	<u>5,432,725</u>

12. ACCOUNTANTS' REPORT (CONT'D)**7. TRADE AND OTHER RECEIVABLES (CONT'D)**

The movement of accumulated losses of trade receivables is as follows: -

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
<u>Individually impaired</u>				
At beginning of financial year	-	-	-	20,022
Addition/(Reversal)	-	-	20,022	(2,000)
At end of financial year	-	-	20,022	18,022

The impairment loss on trade receivables was reversed during the financial year as a result of receipts of the amount.

Trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition.

The payment terms granted to the customers range from cash term to credit term of 60 days (2022, 2023 and 2024: cash term to credit term of 60 days). Other credit terms are assessed and approved by the management on case-by-case basis.

The Group does not hold any collateral as security for the trade receivables as at the end of the reporting years.

During the financial year, the Group did not renegotiate the terms of any trade receivables.

Related parties refer to the companies in which certain Director has interest.

The non-trade amounts due from holding company, related parties, Directors and shareholders are unsecured, non-interest bearing and repayable on demand.

Accrued income represents unbilled revenue arising from wholesale and distribution of toys and collectables, whereby goods have been delivered.

Included in prepayments are deposits paid to suppliers of RM347,440 (2022, 2023: NIL and 2024: RM191,181) which are related to capital expenditure incurred for the purchase of new arcade and amusement machines.

12. ACCOUNTANTS' REPORT (CONT'D)**8. SHARE CAPITAL**

	<u>Semico Capital</u> RM	<u>Semico</u> RM	<u>Minexport</u> RM	<u>De Pop</u> RM	<u>Total</u> RM
Issued and fully paid with no par value:-					
<u>Ordinary shares</u>					
At 1 July 2021	-	100,000	500,000	-	600,000
Add: Issued during the financial year	-	-	-	10,100	10,100
Less: Non-controlling interests	-	-	-	(3,030)	(3,030)
At 30 June 2022	-	100,000	500,000	7,070	607,070
Add: Issued during the financial year	-	-	-	89,900	89,900
Less: Non-controlling interests	-	-	-	(26,970)	(26,970)
At 30 June 2023/30 June 2024	-	100,000	500,000	70,000	670,000
Add: Issued during the financial year	2,021,208	-	-	-	2,021,208
Bonus shares issued during the financial year	-	500,000	-	-	500,000
Issuance of shares pursuant to acquisition of subsidiaries	8,008,232	-	-	-	8,008,232
Changes in ownership interest	-	-	-	30,000	30,000
Less: Acquisition of subsidiaries	-	(600,000)	(500,000)	(100,000)	(1,200,000)
At 30 June 2025	<u>10,029,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,029,440</u>

12. ACCOUNTANTS' REPORT (CONT'D)**8. SHARE CAPITAL (CONT'D)**

	<u>Semico Capital</u> No. of ordinary shares	<u>Semico</u> No. of ordinary shares	<u>Minexport</u> No. of ordinary shares	<u>De Pop</u> No. of ordinary shares	<u>Total</u> No. of ordinary shares
Issued and fully paid with no par value:-					
<u>Ordinary shares</u>					
At 1 July 2021	-	100,000	500,000	-	600,000
Add: Issued during the financial year	-	-	-	10,100	10,100
Less: Non-controlling interests	-	-	-	(3,030)	(3,030)
At 30 June 2022	-	100,000	500,000	7,070	607,070
Add: Issued during the financial year	-	-	-	89,900	89,900
Less: Non-controlling interests	-	-	-	(26,970)	(26,970)
At 30 June 2023/30 June 2024	-	100,000	500,000	70,000	670,000
Add: Issued during the financial year	13,099,600	-	-	-	13,099,600
Bonus shares issued during the financial year	-	500,000	-	-	500,000
Issuance of shares pursuant to acquisition of subsidiaries	254,229,600	-	-	-	254,229,600
Changes in ownership interest	-	-	-	30,000	30,000
Less: Acquisition of subsidiaries	-	(600,000)	(500,000)	(100,000)	(1,200,000)
At 30 June 2025	<u>267,329,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>267,329,200</u>

During the financial year 30 June 2025, Semico issued 500,000 new ordinary shares through the capitalisation of retained earnings at an issue price of RM1 per ordinary share, to be credited as fully paid up ("Bonus Shares"). The issuance was made to its shareholder on the basis of five Bonus Share for every one existing ordinary share held as at 28 March 2025.

The holder of ordinary shares is entitled to receive dividend as and when declared by the Group. All ordinary shares carry one vote share without restrictions and rank equally with regard to the Group's residual assets.

12. ACCOUNTANTS' REPORT (CONT'D)**9. MERGER DEFICIT**

The merger deficit arises as and when the combination take place. It comprises the difference between the cost of merger and the nominal value of shares acquired in Semico, Minexport and De Pop as disclosed in Note 2.2 to the financial statements.

10. NON-CONTROLLING INTERESTS

The combined/consolidated entity has material non-controlling interests ("NCI") as follows:-

	<u>De Pop</u> RM
<u>2022</u>	
Percentage of ownership interest and voting interest	30%
Carrying amount of NCI (RM)	207,273
Total comprehensive income allocated to NCI (RM)	<u>204,243</u>

The summary of financial information before intra-group elimination for the subsidiaries that have material NCI are as below:-

	<u>De Pop</u> RM
<u>2022</u>	
<u>Financial position of financial year:-</u>	
Non-current assets	196,843
Current assets	2,524,792
Non-current liabilities	(18,000)
Current liabilities	<u>(2,012,726)</u>
	<u>690,909</u>
<u>Summary of financial performance for the financial year:-</u>	
Revenue	2,617,438
Total comprehensive income for the financial year	<u>680,809</u>
<u>Summary of cash flows for the financial year:-</u>	
Net cash inflow from operating activities	279,870
Net cash outflow from investing activities	(211,564)
Net cash inflow from financing activities	<u>10,000</u>
Net cash inflow	<u>78,306</u>

12. ACCOUNTANTS' REPORT (CONT'D)**10. NON-CONTROLLING INTERESTS (CONT'D)**

The combined/consolidated entity has material NCI as follows (cont'd):-

	<u>De Pop</u> RM
<u>2023</u>	
Percentage of ownership interest and voting interest	30%
Carrying amount of NCI (RM)	562,760
Total comprehensive income allocated to NCI (RM)	<u>328,517</u>

The summary of financial information before intra-group elimination for the subsidiaries that have material NCI are as below:-

	<u>De Pop</u> RM
<u>2023</u>	
<u>Financial position of financial year:-</u>	
Non-current assets	481,771
Current assets	3,099,164
Non-current liabilities	(69,305)
Current liabilities	<u>(1,635,763)</u>
	<u>1,875,867</u>

Summary of financial performance for the financial year:-

Revenue	8,133,849
Total comprehensive income for the financial year	<u>1,095,058</u>

Summary of cash flows for the financial year:-

Net cash inflow from operating activities	186,335
Net cash outflow from investing activities	(218,712)
Net cash inflow from financing activities	<u>64,726</u>
Net cash inflow	<u>32,349</u>

12. ACCOUNTANTS' REPORT (CONT'D)**10. NON-CONTROLLING INTERESTS (CONT'D)**

The combined/consolidated entity has material NCI as follows (cont'd):-

	<u>De Pop</u> RM
<u>2024</u>	
Percentage of ownership interest and voting interest	30%
Carrying amount of NCI (RM)	1,041,571
Total comprehensive income allocated to NCI (RM)	<u>478,811</u>

The summary of financial information before intra-group elimination for the subsidiaries that have material NCI are as below:-

	<u>De Pop</u> RM
<u>2024</u>	
<u>Financial position of financial year:-</u>	
Non-current assets	477,198
Current assets	3,821,665
Non-current liabilities	-
Current liabilities	<u>(826,960)</u>
	<u>3,471,903</u>

Summary of financial performance for the financial year:-

Revenue	12,202,902
Total comprehensive income for the financial year	<u>1,596,036</u>

Summary of cash flows for the financial year:-

Net cash inflow from operating activities	761,174
Net cash outflow from investing activities	(135,919)
Net cash outflow from financing activities	<u>(78,667)</u>
Net cash inflow	<u>546,588</u>

12. ACCOUNTANTS' REPORT (CONT'D)**10. NON-CONTROLLING INTERESTS (CONT'D)**

The combined/consolidated entity has material NCI as follows (cont'd):-

	<u>Semico</u> RM	<u>Minexport</u> RM	<u>De Pop</u> RM	<u>Total</u> RM
<u>2025</u>				
Percentage of ownership interest and voting interest	-	-	-	-
Carrying amount of NCI (RM)	-	-	-	-
Total comprehensive income/(loss) allocated to NCI (RM)	<u>208,902</u>	<u>(186,801)</u>	<u>548,603</u>	<u>570,704</u>

Acquisition of non-controlling interests

On 14 March 2025, Semico Capital acquired the entire equity interest in Semico, Minexport, and De Pop, for a total purchase consideration of approximately RM8,008,233. The consideration was fully satisfied through the issuance of 254,229,600 new Shares at an issue price of RM0.0315 per Share for Semico and De Pop and cash consideration of RM1 for Minexport. The basis of the purchase consideration was based on: (i) the adjusted audited net assets of Semico of RM4,536,332 (after adjusting for dividend declared and paid of RM1,620,000); (ii) the audited net liabilities of Minexport of RM258,706 as at 30 June 2024; and (iii) the audited net assets of De Pop of RM3,471,903 as at 30 June 2024. The Acquisitions were completed on 14 March 2025 and thereafter, Semico, Minexport, De Pop became a wholly-owned subsidiary of Semico Capital. The Group recognised a decrease in non-controlling interest of RM1,612,275 and an increase in retained earnings of RM1,582,275.

For the FYEs 2022, 2023, 2024 and up to 17 November 2024, non-controlling interests refer to the 30.00% in De Pop not held by the common controlling shareholders, namely Tai Lee Chuen and Ang Sew Fong. The 30% non-controlling interest in De Pop was held by Tan Chee Wei. In relation to the period from 18 November 2024 up to 20 February 2025, non-controlling interests refer to the 38.73% in the combined group not held by the common controlling shareholders, namely Tai Lee Chuen and Ang Sew Fong. The 38.73% non-controlling interests in the combined group were collectively held by Tan Chee Wei, Sheehan Tee Kah Mun and Tan Siew Gaik. On 21 February 2025, the 38.73% of the non-controlling interests in the combined group was acquired by Tai Lee Chuen.

The following summarises the effect of changes in the equity interest in Semico, Minexport, and De Pop that is attributable to owners of the Group:

	RM
Equity interest at 1 July 2024	1,041,571
Share of comprehensive income	570,704
Effect of increase in Group's ownership interest	<u>(1,612,275)</u>
Equity interest at 30 June 2025	<u>-</u>

There was no acquisition in the prior year.

12. ACCOUNTANTS' REPORT (CONT'D)**11. PROVISION OF RESTORATION COSTS**

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Non-current	-	16,798	17,905	-
Current	<u>19,165</u>	<u>-</u>	<u>-</u>	<u>19,086</u>
	<u>19,165</u>	<u>16,798</u>	<u>17,905</u>	<u>19,086</u>

Provision of restoration costs comprise estimated costs of dismantled, removal or restoration of leased outlet upon the expiry of tenancy agreement. The reconciliation of the provision of restoration costs is as follows:-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
At beginning of financial year	18,160	19,165	16,798	17,905
Recognised in profit or loss	1,005	1,049	1,107	1,181
Recognised in right-of-use assets	-	16,184	-	-
Reversal	<u>-</u>	<u>(19,600)</u>	<u>-</u>	<u>-</u>
At end of financial year	<u>19,165</u>	<u>16,798</u>	<u>17,905</u>	<u>19,086</u>

12. BORROWINGS

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
<u>Non-current</u>				
Unsecured:-				
Term loans	106,093	149,938	-	955,014
Secured:-				
Hire purchase	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,830</u>
	<u>106,093</u>	<u>149,938</u>	<u>-</u>	<u>1,131,844</u>
<u>Current</u>				
Unsecured:-				
Term loans	24,998	44,271	-	143,131
Bank overdraft	<u>-</u>	<u>-</u>	<u>728,815</u>	<u>236,626</u>
	<u>24,998</u>	<u>44,271</u>	<u>728,815</u>	<u>379,757</u>
Secured:-				
Hire purchase	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,450</u>
	<u>24,998</u>	<u>44,271</u>	<u>728,815</u>	<u>421,207</u>
Total borrowings	<u>131,091</u>	<u>194,209</u>	<u>728,815</u>	<u>1,553,051</u>

12. ACCOUNTANTS' REPORT (CONT'D)**12. BORROWINGS (CONT'D)**

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Term loans	131,091	194,209	-	1,098,145
Hire purchase	-	-	-	218,280
Bank overdraft	-	-	728,815	236,626
	<u>131,091</u>	<u>194,209</u>	<u>728,815</u>	<u>1,553,051</u>

Borrowings are secured by:-

2025

Term loans – unsecured

The term loans are unsecured and supported by the way of:-

- Joint and severally guaranteed by Directors;
- Guaranteed by the former Shareholder;
- A guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) to secure the sum of RM400,000 together with interest thereon;
- A guarantee in favour of the bank by Credit Guarantee Corporation Malaysia (CGC) 70% of the Approved Limit of the Banking Facilities; and
- 80% guarantee coverage by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) for the banking facilities under Government Guarantee Scheme MADANI 2 for the principal and interest outstanding.

Bank overdraft – unsecured

The bank overdraft is unsecured and supported by the way of:-

- Joint and severally guaranteed by the Directors; and
- 80% guarantee coverage by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) for the banking facilities under Government Guaranteed Scheme MADANI (GGSM) for RM1,000,000.

Hire purchase – secured

The hire purchase is secured and supported by the way of:-

- First fixed charge on motor vehicle.

2024

Bank overdraft – unsecured

The bank overdraft is unsecured and supported by the way of:-

- Joint and severally guaranteed by the Directors; and
- 80% guarantee coverage by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) for the banking facilities under Government Guaranteed Scheme MADANI (GGSM) for RM1,000,000.

2023 and 2022

Term loans – unsecured

The term loans are unsecured and supported by the way of:-

- Joint and severally guaranteed by the Directors; and
- Letter of guarantee issued by the Credit Guarantee Corporation Malaysia Berhad (“CGC”) under its portfolio scheme for RM74,000 (the “Letter of Guarantee”).

12. ACCOUNTANTS' REPORT (CONT'D)**12. BORROWINGS (CONT'D)**

The effective interest rates per annum are as follows:-

	<u>2022</u> %	<u>2023</u> %	<u>2024</u> %	<u>2025</u> %
Bank overdraft	NIL	NIL	8.45	8.45
Term loans	8.40	8.90 - 10.40	8.90 - 10.40	6.39 - 10.40
Hire purchase	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>4.17</u>

13. LEASE LIABILITIES

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Non-current	3,560	548,719	183,303	65,324
Current	<u>82,373</u>	<u>285,170</u>	<u>365,418</u>	<u>290,967</u>
	<u>85,933</u>	<u>833,889</u>	<u>548,721</u>	<u>356,291</u>

Set out below are the movements of lease liabilities during the financial years:-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
At beginning of financial year	239,277	85,933	833,889	548,721
Additions	21,234	940,985	-	276,888
Lease payments				
- principal	(174,578)	(193,029)	(285,168)	(411,425)
- lease interests	(9,552)	(28,252)	(45,189)	(29,393)
Lease interests	9,552	28,252	45,189	29,393
Early termination of lease contracts	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,893)</u>
At end of financial year	<u>85,933</u>	<u>833,889</u>	<u>548,721</u>	<u>356,291</u>

The maturity analysis of lease liabilities is disclosed in Note 24 to the combined/consolidated financial statements.

The effective interest rates of lease liabilities of the Group are charged at rates from 6.40% to 6.89% (2022, 2023 and 2024: 5.40% to 6.65%) per annum.

12. ACCOUNTANTS' REPORT (CONT'D)**13. LEASE LIABILITIES (CONT'D)**

The following are the amounts recognised in profit or loss:-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Depreciation of right-of-use assets	172,677	237,291	347,545	367,372
Interest expense on lease liabilities	9,552	28,252	45,189	29,393
Expenses relating to low-value assets	-	-	5,528	9,932
Expenses relating to short-term leases	<u>45,687</u>	<u>36,251</u>	<u>50,951</u>	<u>73,005</u>
	<u>227,916</u>	<u>301,794</u>	<u>449,213</u>	<u>479,702</u>

The Group had total cash outflows for the leases of RM523,755 (2022: RM229,817, 2023: RM257,532 and 2024: RM386,836).

14. TRADE AND OTHER PAYABLES

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Trade payables:				
- External parties	1,370,191	758,513	580,756	1,540
- Related parties	<u>293,091</u>	<u>365,483</u>	<u>542,774</u>	<u>-</u>
Total trade payables	<u>1,663,282</u>	<u>1,123,996</u>	<u>1,123,530</u>	<u>1,540</u>
Other payables:				
- External parties	482,650	38,455	39,113	724,253
- Holding company	-	-	-	12,983
- Directors	438,930	654,057	261,950	-
- Shareholders	152,000	152,000	-	-
- Persons connected to Directors	-	6,000	-	-
- Deposits received from customers	-	-	-	106,000
- Accruals	73,535	192,793	346,797	574,264
- Advance received from customers	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,678</u>
Total other payables	<u>1,147,115</u>	<u>1,043,305</u>	<u>647,860</u>	<u>1,579,178</u>
Total trade and other payables	<u>2,810,397</u>	<u>2,167,301</u>	<u>1,771,390</u>	<u>1,580,718</u>

The payment terms granted by the suppliers range from cash term to credit term of 60 days (2022, 2023 and 2024: cash term to credit term of 60 days).

The non trade amounts due to holding company, Directors, shareholders and persons connected to Directors are unsecured, non-interest bearing and repayable on demand.

Related parties refer to the companies in which certain Directors have interest.

12. ACCOUNTANTS' REPORT (CONT'D)

15. REVENUE

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
<u>Revenue from contracts with customers:</u>				
Revenue recognised at over time:				
- Revenue sharing from arcade and amusement machines	<u>1,923,316</u>	<u>5,601,696</u>	<u>6,359,359</u>	<u>8,177,421</u>
Revenue recognised at a point in time:				
- Sales of arcade and amusement machines, toys and collectables	<u>2,617,438</u>	<u>8,133,849</u>	<u>12,520,219</u>	<u>17,990,250</u>
- Rendering of services (Arcade machine for entertainment)	<u>712,481</u>	<u>971,921</u>	<u>1,122,141</u>	<u>977,921</u>
	<u>3,329,919</u>	<u>9,105,770</u>	<u>13,642,360</u>	<u>18,968,171</u>
Other income:				
- Rental of machine	<u>-</u>	<u>595,420</u>	<u>2,096,770</u>	<u>2,542,560</u>
	<u>5,253,235</u>	<u>15,302,886</u>	<u>22,098,489</u>	<u>29,688,152</u>
Primary geographical market:				
- Malaysia	<u>5,253,235</u>	<u>15,302,886</u>	<u>22,098,489</u>	<u>29,688,152</u>

12. ACCOUNTANTS' REPORT (CONT'D)**15. REVENUE (CONT'D)****Performance obligations**

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group’s customary business practices.

Information about the Group’s performance obligations are summarised below:-

Revenue sharing from arcade and amusement machine is recognised on the accrual basis.

Revenue from sales of goods (arcade and amusement machines, toys and collectables) and rendering of services (arcade and amusement machine for entertainment) is recognised at a point in time when the goods have been transferred or the services have been rendered to the customers and coincides with the delivery of products or services and acceptance by customer.

Rental of machine is recognised on the accrual basis.

Revenue represents the net invoiced value of services rendered or products delivered less returns and discounts allowed.

There were no obligations for rebates, returns, warranty and other similar or related obligations.

There is no significant financing component in the revenue arising from revenue sharing, rental of machines, sales of machines and sales of parts as the sales are made on the normal credit terms not exceeding twelve months.

The Group applies practical expedients exemption on disclosure of information on remaining performance obligation that have original expected durations of one year or less.

16. FINANCE INCOME

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Interest income:				
- Bank balances	<u>136</u>	<u>1,350</u>	<u>1,438</u>	<u>1,116</u>

12. ACCOUNTANTS' REPORT (CONT'D)**17. FINANCE COSTS**

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Interest expenses:				
- Bank overdraft	-	-	29,435	65,777
- Term loans	10,362	20,929	4,806	67,796
- Lease liabilities	9,552	28,252	45,189	29,393
- Provision of restoration costs	1,005	1,049	1,107	1,181
- Hire purchase	-	-	-	1,602
	<u>20,919</u>	<u>50,230</u>	<u>80,537</u>	<u>165,749</u>

18. PROFIT BEFORE TAX

Profit before tax has been determined after charging/(crediting), amongst other items, the following:-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
<u>Charging:-</u>				
Auditors' remuneration related to:				
Statutory audits				
- Grant Thornton Malaysia PLT	-	-	63,000	100,000
- Other auditors	7,800	21,200	11,200	-
Overprovision of statutory audits				
- Other auditors	-	-	(800)	-
Assurance services				
- Grant Thornton Malaysia PLT	-	-	-	247,200
Bad debts written off	-	-	-	1,000
Depreciation of property, plant and equipment	223,732	710,842	1,164,352	1,788,346
Depreciation of right-of-use assets	172,677	237,291	347,545	367,372
Directors' fees	-	-	-	37,500
Expenses relating to low-value assets	-	-	5,528	9,932
Expenses relating to short-term leases	45,687	36,251	50,951	73,005
Impairment loss on financial assets	-	-	20,022	-
Inventories written down	-	57,204	162,698	21,422
Realised loss on foreign exchange	18,734	125,427	102,063	37,335
Preliminary expenses	2,998	-	-	-
Property, plant and equipment written off	-	-	-	92,863
<u>Crediting:-</u>				
Gain on disposal of property, plant and equipment	-	-	(109,633)	(6,665)
Gain on early termination of lease contracts	-	-	-	(3,636)
Reversal of impairment loss on financial assets	-	-	-	(2,000)
Reversal of provision of restoration costs	-	(19,600)	-	-

12. ACCOUNTANTS' REPORT (CONT'D)**19. TAX EXPENSE**

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Current tax:				
- Current financial year	339,999	1,147,152	1,630,899	2,420,190
- Over provision in prior financial year	-	(1,599)	(75,863)	(130,439)
	<u>339,999</u>	<u>1,145,553</u>	<u>1,555,036</u>	<u>2,289,751</u>
Deferred tax:				
- Current financial year	27,627	40,004	(36,873)	189,058
- Under/(Over) recognised in prior financial year	-	3,601	(58,065)	70,000
	<u>27,627</u>	<u>43,605</u>	<u>(94,938)</u>	<u>259,058</u>
Total	<u>367,626</u>	<u>1,189,158</u>	<u>1,460,098</u>	<u>2,548,809</u>

Malaysian income tax is calculated at statutory tax rate of 24% (2022, 2023, 2024: 24%) of the estimated assessable profits for the financial years.

The numerical reconciliations between the effective tax rate and the statutory tax rate of the Group are as follows:-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Profit before tax	<u>1,747,125</u>	<u>5,119,979</u>	<u>6,699,512</u>	<u>9,152,666</u>
Tax at Malaysian statutory tax rate of 24% (2022, 2023 and 2024: 24%)	419,310	1,228,795	1,607,883	2,196,640
Tax effects in respect of:-				
Expenses not deductible for tax purposes	32,316	53,065	102,455	412,608
Income not subject to tax	-	(4,704)	(26,312)	-
Different tax rate for the first RM600,000 of chargeable income	(84,000)	(90,000)	(90,000)	-
Over provision of tax expense in prior financial year	-	(1,599)	(75,863)	(130,439)
Under/(Over) recognised deferred tax liabilities in prior financial year	-	3,601	(58,065)	70,000
	<u>367,626</u>	<u>1,189,158</u>	<u>1,460,098</u>	<u>2,548,809</u>

12. ACCOUNTANTS' REPORT (CONT'D)**20. EARNINGS PER SHARE**Basic earnings per share

Basic earnings per share is calculated by dividing net profit for the financial years attributable to ordinary equity holders of the Group over the weighted average number of ordinary shares in issue during the financial years as follows:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Net profit for the financial year attributable to common controlling shareholders/ owners of the Group (RM)	<u>1,175,256</u>	<u>3,602,304</u>	<u>4,760,603</u>	<u>6,033,153</u>
Weighted average number of ordinary shares in issue (unit)	<u>607,070</u>	<u>670,000</u>	<u>670,000</u>	<u>89,224,971</u>
Basic earnings per share (RM)	<u>1.94</u>	<u>5.38</u>	<u>7.11</u>	<u>0.07</u>

Diluted earnings per share

Diluted earnings per share equals to basic earnings per share because there are no potential dilutive instruments in existence as at the reporting dates.

21. DIVIDENDS

During the financial years, the following dividends have been paid by the Group to the owners of the Group:-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
<u>In respect of financial year ended 30 June 2023</u>				
Interim single tier dividend of RM2.50 per ordinary share, paid by Semico on 17 January 2023	-	250,000	-	-
<u>In respect of financial year ended 30 June 2024</u>				
Interim single tier dividend of RM8.00 per ordinary share, paid by Semico on 24 June 2024	-	-	800,000	-
Interim single tier dividend of RM16.20 per ordinary share, paid by Semico on 21 December 2024, 24 December 2024 and 27 December 2024	-	-	-	1,620,000
	<u>-</u>	<u>250,000</u>	<u>800,000</u>	<u>1,620,000</u>

The Directors do not recommend any final dividend payment for the financial year.

12. ACCOUNTANTS' REPORT (CONT'D)**22. EMPLOYEE BENEFITS EXPENSE**

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Cost of sales:				
Salaries, bonus and other emoluments	325,602	658,148	881,498	1,359,128
Defined contribution plans	<u>34,367</u>	<u>67,228</u>	<u>89,201</u>	<u>151,294</u>
	<u>359,969</u>	<u>725,376</u>	<u>970,699</u>	<u>1,510,422</u>
Administrative expenses:				
Salaries, bonus and other emoluments	342,168	777,656	1,290,271	1,718,561
Defined contribution plans	<u>23,997</u>	<u>79,329</u>	<u>135,142</u>	<u>169,558</u>
	<u>366,165</u>	<u>856,985</u>	<u>1,425,413</u>	<u>1,888,119</u>
	<u>726,134</u>	<u>1,582,361</u>	<u>2,396,112</u>	<u>3,398,541</u>

Directors' remuneration

Included in the employee benefits expense is the Directors' remuneration as below:-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Salaries, bonus and other emoluments	203,291	596,481	831,477	877,752
Defined contribution plans	<u>21,722</u>	<u>71,040</u>	<u>99,360</u>	<u>104,850</u>
	<u>225,013</u>	<u>667,521</u>	<u>930,837</u>	<u>982,602</u>

The estimated monetary value of other benefits, not included in the above, received by the Directors of the Company is RM5,780 (2022, 2023, 2024: NIL).

23. RELATED PARTY DISCLOSURESRelated party transactions

Related party transactions have been entered into the normal course of business under normal trade terms. The significant related party transactions of the Group are as follows:-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
<u>Holding company:-</u>				
Payment made on behalf by	-	-	-	12,983
Payment made on behalf to	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,800</u>
<u>Companies in which certain Directors have interests:</u>				
Sales	-	-	111,902	16,610
Purchase of property, plant and equipment from	-	-	-	54,244
Profit sharing charged by	327,198	434,484	241,752	-
Administrative expenses charged by	10,000	12,000	6,000	-
Payment made on behalf by	3,885	1,596	4,444	-
Payment made on behalf to	<u>-</u>	<u>10,500</u>	<u>150</u>	<u>156</u>

12. ACCOUNTANTS' REPORT (CONT'D)**23. RELATED PARTY DISCLOSURES (CONT'D)**Related party transactions (cont'd)

Related party transactions have been entered into the normal course of business under normal trade terms. The significant related party transactions of the Group are as follows (cont'd):-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
<u>Persons connected to certain Directors:-</u>				
Repair and maintenance charged to	-	-	-	135,050
Professional services charged by	5,000	72,000	6,000	-
Rental expense charged by	<u>-</u>	<u>10,000</u>	<u>60,000</u>	<u>50,000</u>
<u>Directors:-</u>				
Payment made on behalf by	-	15,000	15,000	-
Advances by	<u>223,000</u>	<u>786,700</u>	<u>819,493</u>	<u>-</u>

Related party balances

Outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 7 and 14 to the combined/consolidated financial statements.

Compensation with key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group.

Key management includes all the Directors of the Group and certain senior management of the Group.

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Directors' remuneration	225,013	667,521	930,837	982,602
<u>Key management personnel:-</u>				
Salaries, bonus and other emoluments	94,697	158,149	303,820	287,723
Defined contribution plans	<u>9,960</u>	<u>19,102</u>	<u>36,600</u>	<u>34,428</u>
	<u>329,670</u>	<u>844,772</u>	<u>1,271,257</u>	<u>1,304,753</u>

The estimated monetary value of other benefits, not include in the above, received by the key management personnel of the Group is RM5,780 (2022, 2023, 2024: NIL).

12. ACCOUNTANTS' REPORT (CONT'D)

24. FINANCIAL INSTRUMENTS

24.1 Categories of financial instruments

The table below provides an analysis of financial instruments measured at amortised cost.

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	RM	RM	RM	RM
Financial assets				
Trade and other receivables*	620,112	1,522,891	3,029,973	3,706,687
Cash and bank balances	<u>371,478</u>	<u>1,507,176</u>	<u>1,963,938</u>	<u>3,684,940</u>
	<u>991,590</u>	<u>3,030,067</u>	<u>4,993,911</u>	<u>7,391,627</u>
Financial liabilities				
Trade and other payables	2,810,397	2,167,301	1,771,390	1,580,718
Borrowings	<u>131,091</u>	<u>194,209</u>	<u>728,815</u>	<u>1,553,051</u>
	<u>2,941,488</u>	<u>2,361,510</u>	<u>2,500,205</u>	<u>3,133,769</u>

* Excluded prepayments and accrued income

24.2 Financial risk management objectives and policies

The Group is exposed to financial risks arising from the use of financial instruments. The Group's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its credit, liquidity, interest rate and foreign currency risks. The Group operates within guidelines approved by the Board and the Group's policies are not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activity are set out as follows:-

24.2.1 Credit risk

Credit risk refers to the risk that a counter party will default in its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing with customers of appropriate standing to mitigate credit risk and customers who wish to trade on credit terms are subject to credit evaluation. Receivables are monitored on an ongoing basis to mitigate risk of bad debts. For other financial assets, the Group adopts the policy of dealing with reputable institutions.

Receivables

Risk management objective, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

12. ACCOUNTANTS' REPORT (CONT'D)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.2 Financial risk management objectives and policies (cont'd)

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

24.2.1 Credit risk (cont'd)

Receivables (cont'd)

Risk management objective, policies and processes for managing the risk (cont'd)

The gross carrying amounts of credit impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to prior financial years.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting year, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the combined/consolidated statement of financial position.

None of the Group's financial assets are secured by collateral or other credit enhancements.

Credit risk concentration

The Group determines concentration of credit risk by identifying and monitoring any significant long outstanding balance owing by any major customer or counter party on an ongoing basis.

The credit risk concentration profile by geographical on trade receivables of the Group as at the reporting date is as follows:-

	<u>2022</u>		<u>2023</u>		<u>2024</u>		<u>2025</u>	
	RM	%	RM	%	RM	%	RM	%
Trade receivables								
Malaysia								
3 customers (2022: 2								
customers, 2023: 3								
customers and 2024:								
3 customers)	<u>465,984</u>	<u>98</u>	<u>986,414</u>	<u>88</u>	<u>1,937,301</u>	<u>70</u>	<u>2,334,213</u>	<u>72</u>

12. ACCOUNTANTS' REPORT (CONT'D)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.2 Financial risk management objectives and policies (cont'd)

24.2.1 Credit risk (cont'd)

Receivables (cont'd)

Credit risk concentration (cont'd)

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 60 days according to the agreed credit terms. The Group's debt recovery process is as follows:

- (a) Above 30 days past due after credit term, the Group will initiate conversation with the customer and assess the rationale given by the customer for the late payment; and
- (b) Above 30 days past due, the Group will follow through its conversation with the customer and commence a legal proceeding against the customer, if necessary.

The Group uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables. Consistent with the debt recovery process, invoices which are past due 30 days will be considered as credit impaired.

The Group applies the simplified approach under MFRS 9 to measure expected credit loss, which uses a lifetime expected credit loss allowance for all trade receivables. The Group evaluates the expected credit loss on a case-by-case basis.

The Group considers historical credit loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected credit loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the profit or loss. On confirmation that the receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

12. ACCOUNTANTS' REPORT (CONT'D)**24. FINANCIAL INSTRUMENTS (CONT'D)****24.2 Financial risk management objectives and policies (cont'd)****24.2.1 Credit risk (cont'd)****Receivables (cont'd)**Credit risk concentration (cont'd)*Recognition and measurement of impairment loss (cont'd)*

Set out below is the information about the credit risk exposure and ECLs on the Group's trade receivables which are grouped together as they are expected to have similar risk nature:-

	Current	Days past due				Total
		1 to 30 days	31 to 60 days	61 to 90 days	More than 91 days	
	RM	RM	RM	RM	RM	RM
<u>2022</u>						
Gross amount	467,591	-	-	-	10,000	477,591
Expected credit losses	-	-	-	-	-	-
Net balance	467,591	-	-	-	10,000	477,591

	Current	Days past due				Total
		1 to 30 days	31 to 60 days	61 to 90 days	More than 91 days	
	RM	RM	RM	RM	RM	RM
<u>2023</u>						
Gross amount	1,511,055	-	-	-	114	1,511,169
Expected credit losses	-	-	-	-	-	-
Net balance	1,511,055	-	-	-	114	1,511,169

	Current	Days past due				Total
		1 to 30 days	31 to 60 days	61 to 90 days	More than 91 days	
	RM	RM	RM	RM	RM	RM
<u>2024</u>						
Gross amount	2,597,347	5,144	55,429	58,105	628,319	3,344,344
Expected credit losses	-	-	-	-	(20,022)	(20,022)
Net balance	2,597,347	5,144	55,429	58,105	608,297	3,324,322

	Current	Days past due				Total
		1 to 30 days	31 to 60 days	61 to 90 days	More than 91 days	
	RM	RM	RM	RM	RM	RM
<u>2025</u>						
Gross amount	3,124,650	182,041	170,267	13,644	212,792	3,703,394
Expected credit losses	-	-	-	-	(18,022)	(18,022)
Net balance	3,124,650	182,041	170,267	13,644	194,770	3,685,372

12. ACCOUNTANTS' REPORT (CONT'D)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.2 Financial risk management objectives and policies (cont'd)

24.2.1 Credit risk (cont'd)

Receivables (cont'd)

Credit risk concentration (cont'd)

Recognition and measurement of impairment loss (cont'd)

Trade receivables that are neither past due nor impaired are credit worthy receivables with good payment records with the Group.

Other receivables

The net carrying amount of other receivables are considered reasonable approximate of their fair values.

The maximum exposure to credit risk is represented by their carrying amounts in the combined/consolidated statements of financial position. At the end of the reporting year, there was no indications that other expected credit loss of other receivables is determined individually after considering the financial strength of the other receivables. Based on management's assessment, the probability of the default of these receivables is low and hence, no allowance has been made.

Cash and bank balances

The credit risk for cash and bank balances is considered negligible, since the counterparties are reputable financial institutions with high quality external credit ratings and have no history of default. Consequently, the Group are of the view that the allowance is not material and hence, it is not provided for.

24.2.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due as a result of shortage of funds.

The Group's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

12. ACCOUNTANTS' REPORT (CONT'D)**24. FINANCIAL INSTRUMENTS (CONT'D)****24.2 Financial risk management objectives and policies (cont'd)****24.2.2 Liquidity risk (cont'd)**

The summary of the maturity profile based on the contractual undiscounted repayment obligations are as follow:-

	← Maturity →			
	Total Contractual cash flows RM	Current	← Non-current →	
		Within 1 year RM	2 to 5 years RM	More than 5 years RM
<u>2022</u>				
<u>Non derivative financial liabilities</u>				
Unsecured:				
Borrowings	158,541	36,360	122,181	-
Trade and other payables	2,810,397	2,810,397	-	-
Lease liabilities	87,445	83,845	3,600	-
	3,056,383	2,930,602	125,781	-
	← Maturity →			
	Total Contractual cash flows RM	Current	← Non-current →	
		Within 1 year RM	2 to 5 years RM	More than 5 years RM
<u>2023</u>				
<u>Non derivative financial liabilities</u>				
Unsecured:				
Borrowings	232,490	62,100	170,390	-
Trade and other payables	2,167,301	2,167,301	-	-
Lease liabilities	907,874	330,358	577,516	-
	3,307,665	2,559,759	747,906	-

12. ACCOUNTANTS' REPORT (CONT'D)**24. FINANCIAL INSTRUMENTS (CONT'D)****24.2 Financial risk management objectives and policies (cont'd)****24.2.2 Liquidity risk (cont'd)**

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follow (cont'd):-

	← Maturity →			
	Total Contractual cash flows	Current	← Non-current →	
	RM	Within 1 year RM	2 to 5 years RM	More than 5 years RM
<u>2024</u>				
<u>Non derivative financial liabilities</u>				
Unsecured:				
Borrowings	728,815	728,815	-	-
Trade and other payables	1,771,390	1,771,390	-	-
Lease liabilities	577,516	390,558	186,958	-
	<u>3,077,721</u>	<u>2,890,763</u>	<u>186,958</u>	<u>-</u>
	← Maturity →			
	Total Contractual cash flows	Current	← Non-current →	
	RM	Within 1 year RM	2 to 5 years RM	More than 5 years RM
<u>2025</u>				
<u>Non derivative financial liabilities</u>				
Unsecured:				
Borrowings	1,620,443	457,808	884,727	277,908
Trade and other payables	1,580,718	1,580,718	-	-
Lease liabilities	369,980	302,480	67,500	-
Secured:				
Borrowings	241,316	49,932	191,384	-
	<u>3,812,457</u>	<u>2,390,938</u>	<u>1,143,611</u>	<u>277,908</u>

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of financial liabilities at the reporting date.

24.2.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to the risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

12. ACCOUNTANTS' REPORT (CONT'D)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.2 Financial risk management objectives and policies (cont'd)

24.2.3 Interest rate risk (cont'd)

The Group's interest rate management objective is to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debts based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the reporting date is as follows:-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Fixed rate instruments				
<u>Financial liabilities</u>				
Lease liabilities	85,933	833,889	548,721	356,291
Hire purchase	-	-	-	218,280
	<u>85,933</u>	<u>833,889</u>	<u>548,721</u>	<u>574,571</u>
Floating rate instruments				
<u>Financial liabilities</u>				
Term loans	131,091	194,209	-	1,098,145
Bank overdraft	-	-	728,815	236,626
	<u>131,091</u>	<u>194,209</u>	<u>728,815</u>	<u>1,334,771</u>

Fair values sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates as at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rate of +/-50 (2022, 2023 and 2024: +/-50) basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each year, and the financial instrument held at each reporting date that is sensitive to changes in interest rate. All other variables are held constant.

	Impact on profit/equity <u>Increase/(Decrease)</u>	
	+50bp RM	-50bp RM
2022	655	(655)
2023	971	(971)
2024	3,644	(3,644)
2025	<u>6,674</u>	<u>(6,674)</u>

12. ACCOUNTANTS' REPORT (CONT'D)**24. FINANCIAL INSTRUMENTS (CONT'D)****24.2 Financial risk management objectives and policies (cont'd)****24.2.4 Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD").

Carrying amounts of the Group's exposure to foreign currency risk are as follows:-

	<u>SGD</u> RM
<u>2022</u>	
<u>Financial liability</u>	
Trade and other payables	<u>1,112,767</u>
<u>2023</u>	
<u>Financial liability</u>	
Trade and other payables	<u>714,516</u>
<u>2024</u>	
<u>Financial liability</u>	
Trade and other payables	<u>574,024</u>
<u>2025</u>	
<u>Financial liability</u>	
Trade and other payables	<u>-</u>

Foreign currency sensitivity analysis

The following table illustrates, the sensitivity of the Group's profit and equity in regards to the Group's financial liabilities and the RM/SGD exchange rate, in which 'all other things are being equal'.

It assumes, a +/-1% (2022, 2023 and 2024: 1%) change of the RM/SGD exchange rates at the reporting year is deemed possible. This percentage has been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency denominated financial instruments held at each reporting date. If the major currencies RM strengthened by 1% (2022, 2023 and 2024: 1%) at the end of the reporting date, the Group's profit will improve/(decline) by:-

	<u>Effects on profit/equity for the financial years</u>			
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	RM	RM	RM	RM
SGD	<u>11,128</u>	<u>7,145</u>	<u>5,740</u>	<u>-</u>

12. ACCOUNTANTS' REPORT (CONT'D)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.2 Financial risk management objectives and policies (cont'd)

24.2.4 Foreign currency risk (cont'd)

If the RM decrease against the SGD by the same percentage stated above, then the impact to profit for the financial year would be the opposite effect. Exposures to foreign exchange rates vary during financial year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

24.3 Fair value of financial instruments

The carrying amounts of financial assets and financial liabilities of the Group at the reporting date approximate their fair values due to their short-term nature and insignificant impact of discounting.

24.4 Fair value hierarchy

No fair value hierarchy has been disclosed as the Group does not have financial instruments measured at fair value.

25. OPERATING SEGMENTS

The Group has arrived at three reportable segments that are organised and managed separately according to the nature of business. The reportable segments are summarised as follows:

Family entertainment	Supply of arcade and amusement machines and its related services as well as operation and management of a family entertainment centre.
Toys and collectables	Wholesale and distribution of toys and collectables.
Investment holding	Investment holding.

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the combined/consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the combined/consolidated financial statements. These policies have been applied consistently throughout the financial years.

The inter-segment assets are adjusted against the segment assets to arrive at total assets reported in the combined/consolidated statement of financial position.

12. ACCOUNTANTS' REPORT (CONT'D)**25. OPERATING SEGMENTS (CONT'D)**

	<u>Note</u>	<u>Family entertainment</u> RM	<u>Toys and collectables</u> RM	<u>Investment holding</u> RM	<u>Elimination</u> RM	<u>Total</u> RM
<u>2022</u>						
Revenue						
External revenue		2,635,797	2,617,438	-	-	5,253,235
Inter-segment revenue	(i)	-	-	-	-	-
Total revenue		<u>2,635,797</u>	<u>2,617,438</u>	<u>-</u>	<u>-</u>	<u>5,253,235</u>
Results						
Finance income		(136)	-	-	-	(136)
Finance costs		20,919	-	-	-	20,919
Depreciation of property, plant and equipment		209,011	14,721	-	-	223,732
Depreciation of right-of-use assets		172,677	-	-	-	172,677
Other non-cash expenses	(ii)	-	-	-	-	-
Tax expense		198,576	169,050	-	-	367,626
Segment profit	(iii)	<u>719,473</u>	<u>680,809</u>	<u>-</u>	<u>-</u>	<u>1,400,282</u>
Assets						
Segment assets	(iv)	1,801,644	2,721,635	-	-	4,523,279
Additions to non-current assets	(v)	<u>651,734</u>	<u>211,564</u>	<u>-</u>	<u>-</u>	<u>863,298</u>
Liabilities						
Segment liabilities	(vi)	<u>948,721</u>	<u>1,861,676</u>	<u>-</u>	<u>-</u>	<u>2,810,397</u>

12. ACCOUNTANTS' REPORT (CONT'D)**25. OPERATING SEGMENTS (CONT'D)**

	<u>Note</u>	<u>Family entertainment</u> RM	<u>Toys and collectables</u> RM	<u>Investment holding</u> RM	<u>Elimination</u> RM	<u>Total</u> RM
<u>2023</u>						
Revenue						
External revenue		7,169,037	8,133,849	-	-	15,302,886
Inter-segment revenue	(i)	-	-	-	-	-
Total revenue		7,169,037	8,133,849	-	-	15,302,886
Results						
Finance income		(1,350)	-	-	-	(1,350)
Finance costs		47,391	2,839	-	-	50,230
Depreciation of property, plant and equipment		651,605	59,237	-	-	710,842
Depreciation of right-of-use assets		212,201	25,090	-	-	237,291
Other non-cash expenses	(ii)	(19,600)	57,204	-	-	37,604
Tax expense		866,904	322,254	-	-	1,189,158
Segment profit	(iii)	2,881,804	1,097,897	-	-	3,979,701
Assets						
Segment assets	(iv)	5,722,118	3,580,935	-	-	9,303,053
Additions to non-current assets	(v)	3,138,458	369,255	-	-	3,507,713
Liabilities						
Segment liabilities	(vi)	1,081,745	1,085,556	-	-	2,167,301

12. ACCOUNTANTS' REPORT (CONT'D)**25. OPERATING SEGMENTS (CONT'D)**

	Note	Family <u>entertainment</u> RM	Toys and <u>collectables</u> RM	Investment <u>holding</u> RM	<u>Elimination</u> RM	<u>Total</u> RM
<u>2024</u>						
Revenue						
External revenue		9,900,023	12,198,466	-	-	22,098,489
Inter-segment revenue	(i)	1,995	4,436	-	(6,431)	-
Total revenue		9,902,018	12,202,902	-	(6,431)	22,098,489
Results						
Finance income		(1,438)	-	-	-	(1,438)
Finance costs		74,772	5,765	-	-	80,537
Depreciation of property, plant and equipment		1,073,131	91,221	-	-	1,164,352
Depreciation of right-of-use assets		272,274	75,271	-	-	347,545
Other non-cash expenses	(ii)	(109,633)	182,720	-	-	73,087
Tax expense		1,103,825	356,273	-	-	1,460,098
Segment profit	(iii)	3,716,712	1,601,801	-	-	5,318,513
Assets						
Segment assets	(iv)	9,339,646	4,272,863	-	(312,211)	13,300,298
Additions to non-current assets	(v)	3,783,593	135,919	-	-	3,919,512
Liabilities						
Segment liabilities	(vi)	1,402,373	681,228	-	(312,211)	1,771,390

12. ACCOUNTANTS' REPORT (CONT'D)**25. OPERATING SEGMENTS (CONT'D)**

	Note	Family entertainment RM	Toys and collectables RM	Investment holding RM	Elimination RM	Total RM
<u>2025</u>						
Revenue						
External revenue		13,793,441	15,894,711	-	-	29,688,152
Inter-segment revenue	(i)	73,620	9,219	-	(82,839)	-
Total revenue		13,867,061	15,903,930	-	(82,839)	29,688,152
Results						
Finance income		(1,116)	-	-	-	(1,116)
Finance costs		124,537	41,212	-	-	165,749
Depreciation of property, plant and equipment		1,680,407	107,939	-	-	1,788,346
Depreciation of right-of-use assets		280,794	86,578	-	-	367,372
Other non-cash expenses	(ii)	83,562	19,422	-	-	102,984
Tax expense		1,440,604	1,108,205	-	-	2,548,809
Segment profit/(loss)	(iii)	4,918,193	3,310,647	(1,460,350)	-	6,768,490
Assets						
Segment assets	(iv)	13,572,948	8,075,721	9,277,999	(10,191,732)	20,734,936
Additions to non- current assets	(v)	5,386,869	142,581	-	-	5,529,450
Liabilities						
Segment liabilities	(vi)	2,732,849	322,459	708,909	(2,183,499)	1,580,718

12. ACCOUNTANTS' REPORT (CONT'D)**25. OPERATING SEGMENTS (CONT'D)**

Notes to the nature of adjustments and eliminations to arrive at amount reported in the combined/consolidated financial statements:

- (i) Inter-segment revenues are eliminated on combination.
- (ii) Other major non-cash (expenses)/income consist of the following items are presented in the respective notes to the combined/consolidated financial statements:-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Bad debts written off	-	-	-	1,000
Gain on disposal of property, plant and equipment	-	-	(109,633)	(6,665)
Gain on early termination of lease contracts	-	-	-	(3,636)
Impairment loss on financial assets	-	-	20,022	-
Inventories written down	-	57,204	162,698	21,422
Reversal of impairment loss on financial assets	-	-	-	(2,000)
Reversal of restoration costs	-	(19,600)	-	-
Property, plant and equipment written off	-	-	-	92,863
	<u>-</u>	<u>37,604</u>	<u>73,087</u>	<u>102,984</u>

- (iii) The following items are added to/(deducted from) segment profit to arrive at "profit after tax" presented in the combined/consolidated statements of profit or loss and other comprehensive income:-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Segment profit	1,400,282	3,979,701	5,318,513	6,768,490
Finance income	136	1,350	1,438	1,116
Finance costs	(20,919)	(50,230)	(80,537)	(165,749)
Profit after tax	<u>1,379,499</u>	<u>3,930,821</u>	<u>5,239,414</u>	<u>6,603,857</u>

- (iv) The following items are added to segment assets to arrive at total assets reported in the combined/consolidated statements of financial position:-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Segment assets	4,523,279	9,303,053	13,300,298	20,734,936
Deferred tax assets	<u>6,000</u>	<u>8,000</u>	<u>134,000</u>	<u>46,000</u>
Total assets	<u>4,529,279</u>	<u>9,311,053</u>	<u>13,434,298</u>	<u>20,780,936</u>

12. ACCOUNTANTS' REPORT (CONT'D)**25. OPERATING SEGMENTS (CONT'D)**

Notes to the nature of adjustments and eliminations to arrive at amount reported in the combined/consolidated financial statements (cont'd):

- (v) Additions to non-current assets other than the financial instruments and deferred tax assets consist of:-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Property, plant and equipment	842,064	2,550,544	3,919,512	5,252,562
Right-of-use assets	<u>21,234</u>	<u>957,169</u>	<u>-</u>	<u>276,888</u>
Total assets	<u>863,298</u>	<u>3,507,713</u>	<u>3,919,512</u>	<u>5,529,450</u>

- (vi) The following items are added to segment liabilities to arrive at total liabilities reported in the combined/consolidated statements of financial position:-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Segment liabilities	2,810,397	2,167,301	1,771,390	1,580,718
Deferred tax liabilities	26,699	72,304	103,366	274,424
Lease liabilities	85,933	833,889	548,721	356,291
Provision of restoration costs	19,165	16,798	17,905	19,086
Borrowings	131,091	194,209	728,815	1,553,051
Tax payable	<u>296,600</u>	<u>1,096,437</u>	<u>894,572</u>	<u>622,773</u>
Total liabilities	<u>3,369,885</u>	<u>4,380,938</u>	<u>4,064,769</u>	<u>4,406,343</u>

12. ACCOUNTANTS' REPORT (CONT'D)**25. OPERATING SEGMENTS (CONT'D)**Business segment**(a) Geographical information**

Revenue and non-current assets information based on geographical location of the customers and assets respectively are as follows:-

	<u>Revenue</u> RM	Non-current <u>assets</u> RM
<u>2022</u>		
Malaysia	<u>5,253,235</u>	<u>1,069,262</u>
<u>2023</u>		
Malaysia	<u>15,302,886</u>	<u>3,630,842</u>
<u>2024</u>		
Malaysia	<u>22,098,489</u>	<u>5,886,954</u>
<u>2025</u>		
Malaysia	<u>29,688,152</u>	<u>8,954,665</u>

Non-current assets information presented above consist of the following items as presented in the combined/consolidated statements of financial position:-

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Property, plant and equipment	981,901	2,821,603	5,299,260	8,599,712
Right-of-use assets	81,361	801,239	453,694	308,953
Deferred tax assets	<u>6,000</u>	<u>8,000</u>	<u>134,000</u>	<u>46,000</u>
	<u>1,069,262</u>	<u>3,630,842</u>	<u>5,886,954</u>	<u>8,954,665</u>

12. ACCOUNTANTS' REPORT (CONT'D)**25. OPERATING SEGMENTS (CONT'D)**Business segment**(b) Information about major customers**

The following are the major customers with revenue equal to or more than ten percent of revenue of the Group:-

	RM	%	Operating segment
<u>2022</u>			
Customer A	2,445,839	47	Toys and collectables
Customer B	1,192,340	23	Family entertainment
Customer C	727,661	14	Family entertainment
	<u>4,365,840</u>	<u>84</u>	
	RM	%	Operating segment
<u>2023</u>			
Customer A	5,318,331	35	Toys and collectables
Customer B	2,836,450	19	Family entertainment
Customer C	2,058,910	13	Family entertainment
	<u>10,213,691</u>	<u>67</u>	
	RM	%	Operating segment
<u>2024</u>			
Customer A	5,576,683	25	Toys and collectables
Customer B	4,793,476	22	Family entertainment
Customer C	2,781,768	13	Toys and collectables
	<u>13,151,927</u>	<u>60</u>	
	RM	%	Operating segment
<u>2025</u>			
Customer A	6,313,386	21	Family entertainment
Customer B	5,884,250	20	Toys and collectables
Customer C	3,059,877	10	Toys and collectables
	<u>15,257,513</u>	<u>51</u>	

12. ACCOUNTANTS' REPORT (CONT'D)**26. CAPITAL COMMITMENTS**

	<u>2022</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2025</u> RM
Capital expenditure commitments				
Property, plant and equipment:				
- Approved but not contracted for	-	-	-	6,219,734
- Contracted but not provided for	-	-	-	109,255
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,328,989</u>

27. CAPITAL MANAGEMENT

Total capital managed at the Group's level are the shareholders' fund as shown in the combined/consolidated statements of financial position.

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 shareholders' value.

The Group manages their capital structure and make adjustments to it, in light of changes in economic conditions including the interest rate movements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, sell assets to reduce debt or issue new share capital. No changes were made in the objective, policies or processes during the financial years 30 June 2022, 30 June 2023 and 30 June 2024 and 30 June 2025.

28. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

The Acquisitions and Pre-listing investor subscription are disclosed in Note 1 to the combined/consolidated financial statements.

12. ACCOUNTANTS' REPORT (CONT'D)

SEMICO CAPITAL BERHAD

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the Financial Information set out on pages 4 to 72 are drawn up in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards so as to give a true and fair view of the financial position of the Group as at 30 June 2022, 30 June 2023, 30 June 2024 and 30 June 2025, 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 Board of Directors.

.....
TAI LEE CHUEN.....
ANG SEW FONG

Kuala Lumpur
24 November 2025

13. ADDITIONAL INFORMATION

13.1 EXTRACT OF OUR CONSTITUTION

The following provisions are extracted from our Constitution. Terms defined in our Constitution shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires.

13.1.1 Changes in share capital and variation of class rights

The provisions in our Constitution dealing with changes in share capital and variation of class rights, which are no less stringent than those required by law, are as follows:

Clause 10 – Authority of Directors to Allot Shares

- (1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to Section 75 of the Act and to the conditions, restrictions and limitations expressed in this Constitution, the Directors shall have the power to issue and allot shares, grant Options over shares, grant rights to subscribe for shares.
- (2) Subject to the Listing Requirements, Constitution and the provision of any resolution of the Company, the Directors are authorised, to:
 - (a) allot shares or grant any rights to subscribe for shares, under an offer made to shareholders in proportion to the shareholders' shareholdings;
 - (b) allot shares or grant any rights to subscribe for shares, on a bonus issue to shareholders in proportion to the shareholders' shareholdings;
 - (c) allot shares to a Promoter of the Company which the Promoter has agreed to take; and
 - (d) allot shares or grant any rights where shares are to be issued as consideration or part consideration for the Company to acquire shares or assets. Shareholders must be notified of the intention to issue such shares at least fourteen(14) days before their issue.

Clause 12 – Power to issue preference shares

The Company shall have power to issue preference shares ranking equally with or in priority to preference shares already issued and the Directors may, subject to the provisions of the Act, redeem such shares on such terms and in such manner as they may think fit.

Clause 13 – Rights of preference shareholders

- (1) Save as otherwise specifically provided for under this Constitution in respect of any particular class of preference shares and subject to the Act, preference shareholders shall have the same right as ordinary shareholders as regards to receiving notices, reports and audited financial statements and attending general meetings of the Company.
- (2) Save as otherwise specifically provided for under this Constitution in respect of any particular class of preference share, preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the share capital of the Company or sanctioning a disposal of the whole of the Company's property, business and undertaking or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months or on a proposal to wind-up the Company or during the winding up of the Company, but shall have no other rights whatsoever.

13. ADDITIONAL INFORMATION (CONT'D)

- (3) The holder of a preference share must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.

Clause 16 – Power to paying commission

In addition to all other powers of paying commissions, the Company (or the Board on behalf of the Company) may exercise the powers conferred by Section 80 of the Act of applying its shares or cash in paying commissions to persons subscribing or procuring subscriptions for shares of the Company, or agreeing so to do whether absolutely or conditionally, provided that the percentage or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act, and shall not exceed ten per cent (10%) of the price at which the shares, in respect whereof the commission is paid, are issued or an amount equivalent thereto. The Company (or the Board on behalf of the Company) may also, on any issue of the shares, pay such brokerage as may be lawful.

Clause 17 – Shares issued for purposes of raising money for the construction of works or building

Subject to Section 130 of the Act and any other conditions and restrictions prescribed by the Act, if any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant or equipment which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period, and may charge the sum so paid by way of interest to capital as part of the costs of construction of the work or building or the provision of plant or equipment.

Clause 20 – Trusts not to be recognised

Except as required by law and as provided under the Rules, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not, even when having notice thereof, be bound or compelled to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by this Constitution otherwise expressly provided or as required by law) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

Clause 21 – Issue of securities

Subject to the provisions of this Constitution and Listing Requirement, and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company shall ensure that it shall not issue any shares or convertible securities if the total number of shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds the allowed threshold by the prevailing rules and regulation issued by the Exchange and/or any other relevant governmental/regulatory authorities from time to time, except where the shares or convertible securities are issued with the prior approval of the members in general meeting of the precise terms and conditions of the issue.

13. ADDITIONAL INFORMATION (CONT'D)

Clause 25 – Modification of rights

If at any time the share capital of the Company, by reason of the issuance of preference shares or otherwise is divided into different classes, the repayment of such preferred capital or all or any of the rights and privileges attached to each class of shares may subject to the provisions of Section 91 of the Act, this Constitution and the provisions of any written law, be varied, modified, commuted, affected, abrogated or dealt with by resolution passed by the holders of at least three-quarters (3/4) of the issued shares of that class at a separate meeting of the holders of that class and all the provisions hereinafter contained as to general meetings shall mutatis mutandis apply to every such meeting except that the quorum hereof shall be two (2) persons at least holding or representing by proxy one-third (1/3) of the issued shares of the class and for an adjourned meeting one (1) person holding shares of such class.

Provided however that in the event of the necessary majority for such a resolution not having been obtained in the manner aforesaid consent in writing may be secured by members holding at least three-quarters (3/4) of the issued shares of the class and such consent if obtained within two (2) months from the date of the separate meeting shall have the force and validity of a resolution duly carried. To every such resolution the provisions of Section 91 of the Act, shall with such adaptations as are necessary apply.

Clause 26 – Special right to any class of share

The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto, the Company purchasing its own shares and the Company redeeming redeemable preference shares.

Clause 60 – Increase of share capital

The Company may, from time to time, whether all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company may direct in the resolution authorising such increase.

Clause 61 – Increase of new shares to existing members

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may, likewise, also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to the shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause.

13. ADDITIONAL INFORMATION (*CONT'D*)

For the avoidance of doubt, where approval of the Members is obtained in a general meeting for any issuance of shares or convertible Securities, including approvals obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable. In any case and in respect of any issuance of shares or convertible Securities, the pre-emptive rights of members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of the pre-emptive rights to the new Shares shall not apply.

Subject to the Act and Listing Requirements, the Board is authorised, without a resolution of the Company, to:

- (a) allot shares or grant any rights to subscribe for shares, under an offer made to shareholders in proportion to the shareholders' shareholdings;
- (b) allot shares or grant any rights to subscribe for shares on a bonus issue to shareholders in proportion to the shareholders' shareholdings; or
- (c) allot shares or grant any rights where shares are to be issued as consideration or part consideration for the Company to acquire shares or assets. Shareholders must be notified of the intention to issue such shares at least fourteen (14) days before their issue.

Clause 63 – Alteration of share capital

Subject to the Statutes, the Company may from time to time alter its share capital by passing a special resolution to:

- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share, shall be the same as it was in the case of the share from which the subdivided share is derived;
- (b) convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares;
- (c) subdivide its shares or any of the shares, whatever is in the subdivision, the proportions between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (d) cancel any shares, which at the date of the passing of the resolution, which have not been taken or agreed to be taken by any person or which have been forfeited, and diminish the amount of its share capital by the amount of the shares so cancelled; or
- (e) subject to the provisions of this Constitution and the Act, convert and/or reclassify any class of shares into any other class of shares.

Clause 64 – Capital reduction

The Company may by special resolution, reduce its share capital in accordance with Section 115 of the Act.

13. ADDITIONAL INFORMATION (*CONT'D*)

13.1.2 Borrowing and voting powers of the directors

The provisions in our Constitution dealing with voting and borrowing powers of our Directors including voting powers in relation to proposals, arrangements or contracts in which they are interested are as follows:

Clause 121 – Directors' borrowing powers

- (1) To the extent that the Act, the Listing Requirements and the Constitution allow, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other Securities whether outright or as security for any debt, liability or obligation of the Company or of any related third party (as defined in Section 7 of the Act), PROVIDED ALWAYS that nothing contained in this Constitution shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other Securities whether outright or as security for any debt, liability or obligation of an unrelated third party. Provided also that the Directors shall not issue any debt Securities convertible to ordinary shares without the prior approval of the Company in meeting of members.
- (2) The Directors shall cause a proper register to be kept in accordance with Section 60 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified or otherwise.
- (3) Subject to the Act, if the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors, or persons so becoming liable as aforesaid, from any loss in respect of such liability.

Clause 134 – Chairman has casting vote

In case of equality of votes, the Chairman shall have a second or casting vote, except where only two (2) Directors are competent to vote on the question at issue or at the meeting where only two (2) Directors form the quorum.

Clause 138 – Disclosure of interest in contracts, property, officers, etc

Every Director shall comply with the provisions of Sections 219 and 221 of the Act in connection with the disclosure of his shareholding and interest in any contract or proposed contract with the Company.

Clause 139 – Directors refrained from voting in interested transactions

A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest. Without prejudice to the generality of the foregoing, a Director shall also not vote in regard to any contract or proposed contract or arrangement with any other company in which he is interested, either as an Director of that other company or as a holder of shares or other Securities in that other company.

13. ADDITIONAL INFORMATION (*CONT'D*)

Clause 141 – Director may vote on the giving of security or indemnity where he is interested

Subject to Clause 138, a Director may vote in respect of:

- (a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.

By an ordinary resolution of the Company, the provisions of this Clause may at any time be suspended or relaxed to any extent and, either generally or in respect of any particular contract, arrangement or transaction, and any particular contract, arrangement or transaction carried out in contravention of this Clause, may be ratified.

13.1.3 Remuneration of directors

The provisions in our Constitution dealing with the remuneration of Directors are as follows:

Clause 116 – Remuneration of directors

The fees and any benefits payable to the Directors from time to time, be subject to annual shareholder approval at general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, except that any Director, who shall hold office for part only of the period in respect of which such fees are payable, shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office, PROVIDED ALWAYS that:

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) salaries payable to executive Directors shall not include a commission on or percentage of turnover;
- (c) fees and any benefits payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of that Director.

13.1.4 Transfer of Shares

The provisions in our Constitution dealing with transfer of Shares are as follows:

Clause 49 – Transfer of securities

The transfer of any Deposited Securities or class of Deposited Securities in the Company shall be by way of book entry by Bursa Depository in accordance with the Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of Listed Security.

13. ADDITIONAL INFORMATION (CONT'D)Clause 50 – Instrument of transfer

- (1) Every instrument of transfer (for any share not being a Deposited Security) must be left for registration at the office of the Company's Registrar accompanied by the certificate of the shares comprised therein (if any) and such evidence as the Directors may reasonably require to prove the right of the transferor to make the transfer and the due execution by him of the instrument of transfer which is executed in accordance with the Statutes, and subject to the power vested in the Directors by this Constitution or the provisions of any other written law and if required, to reasonable evidence of nationality, the Company shall register the transferee as shareholder.
- (2) A fee not exceeding RM3 (excluding the stamp duty) or any amount as shall be determined from time to time by the Exchange may be charged for each transfer and shall if required by the Directors be paid before the registration thereof.

Clause 51 – Pension under disability

No share shall in any circumstances be transferred to any minor, bankrupt or person of unsound mind.

Clause 52 – Refusal to transfer and notice of refusal

- (1) Subject to Section 106 and any other relevant provisions of the Act, the Directors may refuse or delay to register the transfer of a share, not being a Deposited Security, to a person of whom they shall not approve.
- (2) If the Directors passed a resolution to refuse or delay the registration of a transfer, they shall, within seven (7) days of the resolution being passed, give to the lodging broker, transferor and the transferee written notice of the resolution setting out the precise reasons thereof.

Clause 53 – Non-liability of the Company, its Directors and officers in respect of transfer

Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

13.2 LIMITATION ON THE RIGHT TO OWN SECURITIES AND/OR EXERCISE VOTING RIGHTS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his/her/its Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his/her/its Shares to the MOF 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.

13. ADDITIONAL INFORMATION (*CONT'D*)

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares will be deemed to be our shareholder and will 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.

Subject to the above, there is no limitation on the right to own our Shares, including limitations on non-resident or foreign shareholders' right to hold or exercise voting rights on our Shares imposed by Malaysian law or by our Constitution.

13.3 SHARE CAPITAL

- (i) As at the date of this Prospectus, we have only 1 class of shares, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (ii) The details of the share capital of our Company and our subsidiaries together with their respective changes for the Financial Years Under Review and up to the LPD are disclosed in Sections 5.1.3 and 5.2 of this Prospectus respectively.
- (iii) Save as disclosed in Section 5 of this Prospectus, there is no more than 10% of share capital of our Company or our subsidiaries has been paid for with assets other than cash, within the past 3 years from the LPD.
- (iv) Save for the issuance of our subscribers' Shares upon our incorporation, the new Shares issued for the Acquisitions and Pre-Listing Investor Subscription, and to be issued for the Public Issue as disclosed in Sections 5.1.1, 5.1.2, 5.1.3 and 3.3.1 of this Prospectus, no Shares, debentures, warrants, options, convertible securities or uncalled capital of our Company have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise than in cash, within the Financial Years Under Review and up to the date of this Prospectus.
- (v) As at the date of this Prospectus, neither our Company nor our subsidiaries have any outstanding warrant, option, convertible security or uncalled capital.
- (vi) Save for the Pink Form Allocations as disclosed in Section 3.3.1(ii) of this Prospectus, there is no other scheme involving our Directors and employees in the capital of our Group.
- (vii) No Shares will be allotted, issued or offered on the basis of this Prospectus later than 6 months after the date of this Prospectus.

13.4 EXCHANGE CONTROLS

As at the date of this Prospectus, we do not have any foreign subsidiary or associated company which requires repatriation of capital and remittance of profits by or to our Group.

13. ADDITIONAL INFORMATION (*CONT'D*)

13.5 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contract (not being contracts in the ordinary course of business) during the Financial Years Under Review and up to the date of this Prospectus:

- (i) Share Sale Agreement dated 28 February 2025 between our Company (as purchaser) and MARC Experience (as vendor) for the acquisition of the entire equity interest in Semico for a purchase consideration of RM4,536,330.75 which was fully satisfied via the issuance of 144,010,500 new Shares to MARC Experience, which was completed on 14 March 2025;
- (ii) Share Sale Agreement dated 28 February 2025 between our Company (as purchaser) and MARC Experience (as vendor) for the acquisition of the entire equity interest in De Pop for a purchase consideration of RM3,471,901.65 which was as fully satisfied via the issuance of 110,219,100 new Shares to MARC Experience, which was completed on 14 March 2025;
- (iii) Share Sale Agreement dated 28 February 2025 between our Company (as purchaser) and MARC Experience (as vendor) for the acquisition of the entire equity interest in Minexport for a purchase consideration of RM1.00 which was fully satisfied via cash, which was completed on 14 March 2025;
- (iv) Subscription agreement dated 24 March 2025 between our Company and the Pre-Listing Investor for the subscription of 13,099,100 Shares for a total consideration of RM2,021,191.13 which was completed on 27 March 2025; and
- (v) Underwriting Agreement dated 24 November 2025 between our Company and Affin Hwang IB for the underwriting of 32,996,000 Issue Shares for an underwriting commission of 2.50% of the IPO Price multiplied by the number of Issue Shares underwritten.

13.6 PUBLIC TAKE-OVER

None of the following has occurred during the last financial year up to the LPD:

- (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 company's shares.

13.7 CONSENTS

- (i) Our Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter, Company Secretaries, Solicitors, Share Registrar and Issuing House have given their respective written consents for the inclusion in this Prospectus of their names and all references in the form and context in which such names appear before the issue of this Prospectus, and such consents have not subsequently been withdrawn.
- (ii) Our Auditors and Reporting Accountants have given their written consent for the inclusion in this Prospectus of their name, Accountants' Report, Reporting Accountants' Report on the Compilation of Pro Forma Consolidated Statements of Financial Position as at 30 June 2025, and all references thereto in the form and context in which they are contained in this Prospectus before the issue of this Prospectus, and such consent has not subsequently been withdrawn.

13. ADDITIONAL INFORMATION (*CONT'D*)

- (iii) Our IMR has given their written consent for the inclusion in this Prospectus of their name, IMR Report and all references thereto in the form and context in which they are contained in this Prospectus before the issue of this Prospectus, and such consent has not subsequently been withdrawn.

13.8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No.1, Medan Syed Putra Utara, 59200 Kuala Lumpur during normal office hours for a period of 6 months from the date of this Prospectus:

- (i) our Constitution;
- (ii) the audited financial statements of Semico Capital for the financial period from 14 October 2024 to 30 June 2025;
- (iii) the audited financial statements of each of our subsidiaries for the Financial Years Under Review;
- (iv) the IMR Report as included in Section 7 of this Prospectus;
- (v) the Reporting Accountants' Report on the Compilation of Pro Forma Consolidated Statements of Financial Position as at 30 June 2025 as included in Section 11.8 of this Prospectus;
- (vi) the Accountants' Report as included in Section 12 of this Prospectus;
- (vii) the material contracts referred to in Section 13.5 of this Prospectus; and
- (viii) the letters of consent referred to in Section 13.7 of this Prospectus.

13.9 RESPONSIBILITY STATEMENTS

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

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

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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 ISSUE SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT 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 our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

14.1 OPENING AND CLOSING OF APPLICATION

Application for our Issue Shares will be accepted and closed at the time and date stated as below:

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 15 DECEMBER 2025

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 2 JANUARY 2026

If there is any change to the indicative timetable above, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper within Malaysia and announce it on Bursa Securities' website accordingly. The dates for the balloting of the applications for our Issue Shares, the allotment of our Issue Shares and our Listing would then be extended accordingly.

Late Applications will not be accepted.

14.2 METHODS OF APPLICATION

Application must accord with the terms of our Prospectus and our Constitution. You agree to be bound by our Constitution. The submission of an Application Form does not mean that your Application will succeed.

14.2.1 Application for our Issue Shares by the Malaysian Public and the Eligible Persons

Types of Application and category of investors	Application method
Applications by the Malaysian Public:	
(i) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(ii) Non-Individuals	White Application Form only
Applications by the Eligible Persons	Pink Application Form only

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*CONT'D*)

14.2.2 Application for our IPO Shares via private placement

Selected investors who have been allocated our IPO Shares will be contacted directly by our Sole Placement Agent and should follow the instructions as communicated by our Sole Placement Agent.

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, where applicable.

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 as stated in the list of 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 **1** Application Form for **each category** from each applicant will be considered and **APPLICATION MUST BE FOR AT LEAST 100 ISSUE SHARES OR MULTIPLES OF 100 ISSUE 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.

AN APPLICANT WHO WISHES TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATIONS TO ENSURE THAT THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT. THIS STEP MINIMISES THE RISK OF REJECTION OF IPO APPLICATIONS DUE TO NAME DISCREPANCIES. OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREAFTER.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*CONT'D*)

14.3.2 Application by the Malaysian Public

You can only apply for our Issue 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 Issue Shares;
 - (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 the Application by using only 1 of the following methods:
 - (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

14.3.3 Application by the Eligible Persons

Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation. All duly completed Pink Application Forms should be submitted to our Group through the Human Resources or Finance Department.

The Eligible Persons who have made applications using the Pink Application Form may still apply for our Issue Shares allocated to the Malaysian Public using the White Application Form or through the Electronic Share Application or the Internet Share Application.

14.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions printed therein or which are illegible will not be accepted.

The FULL amount payable is RM0.25 for each Issue Share.

Payment must be made out in favour of “**MIH SHARE ISSUE ACCOUNT NO. 692**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Method below is relevant for White Form Application Form only whereas for Pink Application Form, kindly direct the submission of the form to our Company, through the Human Resources or Finance Department.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Each completed Application Form accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd
 (Registration No. 199301003608 (258345-X))
 11th Floor, Menara Symphony
 No. 5, Jalan Prof. Khoo Kay Kim
 Seksyen 13
 46200 Petaling Jaya
 Selangor Darul Ehsan

or

P.O. Box 00010
 Pejabat Pos Jalan Sultan
 46700 Petaling Jaya
 Selangor Darul Ehsan

- (ii) or **DELIVERED BY HAND AND DEPOSITED** in the Drop-in Boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan,

so as to arrive not later than 5.00 p.m. on 2 January 2026 or by such other time and date specified in any change to the time or date for the closing of the applications for our Issue Shares.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your 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 Issue Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Application may be made through the ATMs of these 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 Issue Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of these Internet Participating Financial Institutions or Participating Securities Firms, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd, Hong Leong Investment Bank Berhad, iFAST Capital Sdn Bhd, Kenanga Investment Bank Berhad, Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (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 or Participating Securities Firms.

14.7 AUTHORITY OF OUR BOARD AND THE 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 our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 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 Issue 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.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

The basis of allocation of Issue Shares and the balloting results in connection therewith will be furnished by our Issuing House to the SC, Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on our Issuing House's website at www.mih.com.my within 1 market day after the balloting event.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.00% 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 Issue Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions as set out in Section 3.3.4 of this Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by our Sole 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 Forms

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the 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 registered or correspondence address last 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 National Registration Identity Card ("NRIC") or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by 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 the issuance of banker's draft sent by ordinary/registered post to your registered or correspondence address last 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 or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) 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 Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot.
- (iv) For Applications that are held in reserve and subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms 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 Issue 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 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. Consequently, our Issue Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealing 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 security held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)**14.11 ENQUIRIES**

Enquiries in respect of the Application may be directed as follows:

Mode of Application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services Telephone at telephone no. +603-7890 4700
Electronic Share Application	The relevant Participating Financial Institutions
Internet Share Application	The relevant Internet Participating Financial Institutions or Participating Securities Firms or Authorised Financial Institutions

You may also check the status of your Application at the Issuing House's website at www.mih.com.my, by entering your CDS Account Number on the site after the allotment date. The status of your Application will be available by 3:00 pm. Alternatively, you may contact any of the ADAs set out in Section 11 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

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ANNEXURE A: OUR MATERIAL PROPERTIES

A.1 MATERIAL PROPERTIES OWNED BY OUR GROUP

As at the LPD, we do not have any material property owned by our Group.

A.2 MATERIAL PROPERTIES RENTED BY OUR GROUP

As at the LPD, the details of the material properties rented by our Group are as follows:

No.	Postal address	Landlord/ Tenant	Description/ Existing use	Land area/ Built-up area (sq ft)	Date of issuance of CCC or CF	Period of tenancy/ Option to renew	Monthly rental (RM) / Basis of rental
1.	Unit No. L4-01C (P), Level 4, The Mines Jalan Dulang, Mines Resort City, 43300 Seri Kembangan, Selangor	MTrustee Berhad / De Pop	Retail parcel on the 4th floor of the retail podium known as "The Mines" / Storage and distribution centre for toys and collectables	N/A / 7,866.78	3 January 2004	1 March 2025 to 28 February 2026/ Nil	Calculated based on base rent ⁽ⁱ⁾
2.	Unit No. L4-02 (P), Level 4, The Mines Jalan Dulang, Mines Resort City, 43300 Seri Kembangan, Selangor	MTrustee Berhad / Minexport	Retail parcel on the 4th floor of the retail podium known as "The Mines" / Operation of family entertainment centre consisting of arcade and amusement machines, skating rink and pool tables	N/A / 18,261.13	3 January 2004	1 December 2025 to 30 November 2028/ Nil	Calculated based on base rent and/or a percentage of the tenant's gross turnover per month ⁽ⁱ⁾

ANNEXURE A: OUR MATERIAL PROPERTIES (CONT'D)

No.	Postal address	Landlord/ Tenant	Description/ Existing use	Land area/ Built-up area (sq ft)	Date of issuance of CCC or CF	Period of tenancy/ Option to renew	Monthly rental (RM) / Basis of rental
3.	G-31, Eco Sky, No. 972, Batu 6 1/2, Jalan Ipoh, 68100 Kuala Lumpur	Zaki Bin Azmi and Razif Azmi bin Zaki / Semico	A unit of office space on the ground floor of a commercial building / Office	N/A / 1,528.00	16 November 2016	1 April 2025 to 31 March 2026/ 1 year at a new rental rate to be based on the then prevailing market rate to be mutually agreed by both parties	RM7,500

Note:

- (i) Our Group is bound by the confidentiality clause in the tenancy agreement. We have requested for our landlord's consent to disclose the monthly rental but we have only obtained the approval for the aforementioned limited disclosure.

As at the LPD, save as disclosed below, all the properties disclosed above are not in breach of any land use condition or current regulatory requirements, land rules, building regulations or environmental issues which may materially affect our operations and the utilisation of the said properties. Additionally, there are valid CCCs issued for our rented properties.

Our landlord for The Mines is currently in the process of renewing the fire certificate for our rented retail units, which house our storage and distribution centre for toys and collectables as well as our family entertainment centre, as the certificate has expired in September 2025. As the obligation to renew the fire certificate rests with our landlord, the landlord has informed our Group that the renewal process is expected to be completed by December 2025. Our Board is of the view that the non-renewal of the fire certificate is not deemed as material non-compliance to our Group as the affected premise is a rented property.

ANNEXURE B: OUR MAJOR LICENCES AND PERMITS

As at the LPD, the details of our major licences and permits for our operations, together with the main conditions imposed and the corresponding status of compliance, are as follows:

[illegible]

ANNEXURE B: OUR MAJOR LICENCES AND PERMITS (CONT'D)

No.	Licensee	Approving authority/ Issuer	Licence No. / Reference No.	Description of licence/ Permit	Effective date/ Date of expiry	Major conditions imposed	Status of compliance
4.	Minexport	MBSJ	MPSJ/LES/600/03/12861-23	Business and advertising licence in respect of Unit L4-02 (P), The Mines, for the following: (a) Licence for place of entertainment (Family entertainment centre); and (b) Illuminated advertisement.	17 December 2024/ 31 December 2025 ⁽¹⁾	(i) Licence shall be displayed at the business premise; and (ii) Save for temporary status licence, to renew the licence within 3 months prior to the expiry date of the licence.	Complied Noted
5.	Minexport	MBSJ	MPSJ/LES/600/03/12098-23	Advertising licence in respect of the Mines for 2 outdoor advertisements.	12 November 2025/ 30 November 2026	(i) Licence shall be displayed at the business premise; and (ii) Save for temporary status licence, to renew the licence within 3 months prior to the expiry date of the licence.	Complied Noted
6.	Minexport	MBSJ	2320180100008	Business licence in respect of Unit L4-02 (P), The Mines, for the following: (a) Licence for place of entertainment; and (b) Amusement machines.	27 November 2025/ 31 December 2026	(i) Licence shall be displayed at the business premise; and (ii) Save for temporary status licence, to renew the licence within 3 months prior to the expiry date of the licence.	Complied Noted

ANNEXURE B: OUR MAJOR LICENCES AND PERMITS (CONT'D)

No.	Licensee	Approving authority/ Issuer	Licence No. / Reference No.	Description of licence/ Permit	Effective date/ Date of expiry	Major conditions imposed	Status of compliance
7.	Semico	MOF	MOF.PAM(S)70 0-19/4/1 Jld. 51 (4)	Letter of approval to import 149 units of amusement machines⁽²⁾. The types of machines permitted for import are as follows: (a) 12 units of Dead Heat Unleashed (Asia Version); (b) 10 units of Nascar Pitstop; (c) 8 units of Top Gun Maverick (d) 80 units of Initial D – The Arcade; (e) 2 units of Amber Bus; (f) 2 units of Helly Copter; (g) 2 units of Roy Fireman; (h) 2 units of Poli Car; (i) 4 units of Goldstorm Pirate; (j) 2 units of Flamestone Cannon (4P); (k) 2 units of Master Hunter (4P); (l) 7 units of Marksman Max; (m) 6 units of Skull of Shadow (4PL); and (n) 10 units of Chunithm Super Star.	14 August 2025/ 9 February 2026	(i) Inform in writing (via email) the arrival date of each amusement machine that is imported within a period of 7 days before the arrival date; and (ii) Maintain proper records of the imported amusement machines for inspection purposes by MOF officers to ensure compliance with any conditions and instructions issued by the relevant authorities in accordance with the current regulations in force.	Complied⁽³⁾ Noted

ANNEXURE B: OUR MAJOR LICENCES AND PERMITS (CONT'D)

No.	Licensee	Approving authority/ Issuer	Licence No. / Reference No.	Description of licence/ Permit	Effective date/ Date of expiry	Major conditions imposed	Status of compliance
8.	Semico	MOF	MOF.PAM(S)70 0-19/4/1 Jld. 59 (3)	Letter of approval to import 31 units of amusement machines ⁽²⁾ . The types of machines permitted for import are as follows: (a) 3 units of Angry Bird Arcade Game 3 DOF motion platform; (b) 1 unit of Master Sniper; (c) 1 unit of Shooting Gallery (2 Players); (d) 1 unit of Shooting Range II; (e) 1 unit of Thunder Attack; (f) 1 unit of Shark 4P; (g) 9 units of Astrology 2P; and (h) 14 units of MAI MAI DX.	10 November 2025/ 8 May 2026	(i) Inform in writing (via email) the arrival date of each amusement machine that is imported within a period of 7 days before the arrival date; and (ii) Maintain proper records of the imported amusement machines for inspection purposes by MOF officers to ensure compliance with any conditions and instructions issued by the relevant authorities in accordance with the current regulations in force.	Noted ⁽³⁾ Noted

Notes:

- (1) Our Group is in the midst of renewing the business and advertising licence with MBSJ and expects to obtain the renewed licence by 31 December 2025.
- (2) Prior to 2023, our Group had engaged the services of procurement agents to facilitate the import of arcade and amusement machines. These procurement agents were responsible for obtaining the necessary import permits on our behalf. In addition to handling logistics and regulatory compliance, our Group also remitted payment for the arcade and amusement machines directly to the procurement agents who acted as intermediaries in the procurement process. Since 2023, due to our Group's intention to import arcade and amusement machines from specific suppliers in Japan, who required direct billing arrangements, our Group began applying for import permits independently where necessary, instead of fully relying on procurement agents. As such, our Group requires a letter of approval to directly import arcade and amusement machines and we have complied with the same.
- (3) Our Group will inform the MOF in writing of the arrival dates of each amusement machine 7 days prior to its arrival upon being aware of the arrival dates.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF SEMICO CAPITAL BERHAD ("SEMICO CAPITAL" OR THE "COMPANY") DATED 15 DECEMBER 2025 ("PROSPECTUS").

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

1. Opening and closing of Applications

Opening of the application period: 10.00 a.m., 15 December 2025

Closing of the application period: 5.00 p.m., 2 January 2026

Applications for our Issue Shares will open and close at the times and dates stated above. 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.

Late Applications will not be accepted.

2. Methods of Application

2.1 Application for our Issue Shares by the Malaysian Public and Eligible Persons

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that your Application will succeed. You agree to be bound by our Constitution.

Types of Application and category of investors	Application method
Applications by the Malaysian Public:	
(i) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(ii) Non-Individuals	White Application Form only
Applications by the Eligible Persons	Pink Application Form only

2.2 Application for our IPO Shares via private placement

Selected investors who have been allocated our IPO Shares will be contacted directly by our Sole Placement Agent and should follow the instructions as communicated by our Sole Placement Agent.

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, where applicable.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

3. Eligibility**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 11** of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 ISSUE SHARES OR MULTIPLES OF 100 ISSUE 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.

AN APPLICANT WHO WISHES TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATIONS TO ENSURE THAT THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT. THIS STEP MINIMIZES THE RISK OF REJECTION OF IPO APPLICATIONS DUE TO NAME DISCREPANCIES. OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREAFTER.

3.2 Application by the Malaysian Public

You can only apply for our Issue 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 Issue 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

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

- (iii) You must submit an Application by using only one of the following methods:
 - (a) White Application Form; or
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated Issue Shares. Applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus. All duly completed Pink Application Forms should be submitted to our Group through the Human Resources or Finance Department.

The Eligible Persons who have made applications using the Pink Application Form may still apply for our Issue Shares allocated to the Malaysian Public using the White Application Form or through the Electronic Share Application or the Internet Share Application.

4. Procedures for Application by way of Application Forms

Each application for our Issue Shares must be made using the correct type of Application Form. The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted. The Malaysian Public must follow the following procedures in making their applications through the **White Application Form**:

- (i) Obtain the relevant Application Form together with the Official “A” and “B” envelopes and our Prospectus.

The **White Application Form** together with our Prospectus, can be obtained subject to availability from (Investment Bank), participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association, the Issuing House and our Company.

- (ii) In accordance with Section 232(2) of the CMSA, the **White Application Form** is accompanied by our Prospectus. You are advised to read and understand our Prospectus before making your Application.
- (iii) Complete the **White Application Form** legibly and **STRICTLY** in accordance with the notes and instructions printed on it and in our Prospectus, including:
 - (a) ensuring that your personal particulars submitted in your Application are identical with the records maintained by Bursa Depository. You are required to inform Bursa Depository promptly of any change to your personal particulars as the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository;
 - (b) stating your CDS Account number in the space provided in the **White Application Form**. Invalid or nominee or third-party CDS Accounts will **not** be accepted;

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*CONT'D*)

- (c) Stating the details of your payment in the appropriate boxes provided in the **White Application Form**; and
- (d) Stating the number of shares applied. Applications must be for at least 100 Issue Shares or multiples of 100 Issue Shares.
- (iv) Prepare the appropriate form of payment in RM for the FULL amount payable based on the IPO Price of RM0.25 for each Issue Share.

Method below is relevant for White Form Application Form only whereas for Pink Application Form, kindly direct the submission of the form to our Company, through the Human Resources or Finance Department.

Payment must be made out in favour of “**MIH SHARE ISSUE ACCOUNT NO. 692**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Only Banker's Draft or Cashier's Order drawn on a bank in Kuala Lumpur, Money or Postal Orders (for applicants from Sabah and Sarawak only) and Guaranteed Giro Order from Bank Simpanan Nasional Malaysia Berhad will be accepted.

We will not accept Applications with excess or insufficient remittances or inappropriate forms of payment. Remittances must be completed in the appropriate boxes provided in the **White Application Form**.

- (v) Insert the **White Application Form** together with payment and a legible photocopy of your identification document (national registration identity card (“**NRIC**”) or 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) or certificate of incorporation or the certificate of change of name for corporate or institutional applicant (where applicable)) into the Official “A” envelope and seal it. You must write your name and address on the outside of the Official “A” and “B” envelopes.

Affix an RM1.50 stamp on the Official “A” envelope and insert the Official “A” envelope into the Official “B” envelope.

The name and address written must be identical to your name and address as in your 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) for individual applicant; or certificate of incorporation or the certificate of change of name for corporate or institutional applicant (where applicable).

- (vi) Each completed **White Application Form**, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

1. despatched by **ORDINARY POST** in the official envelopes provided to the following address:

Malaysian Issuing House Sdn Bhd
 (Registration No. 199301003608 (258345-X))
 11th Floor, Menara Symphony
 No. 5, Jalan Prof. Khoo Kay Kim
 Seksyen 13
 46200 Petaling Jaya
 Selangor Darul Ehsan

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

or

P.O. Box 00010
 Pejabat Pos Jalan Sultan
 46700 Petaling Jaya
 Selangor Darul Ehsan

2. **DELIVERED BY HAND AND DEPOSITED** in the Drop-in Boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan so as to arrive not later than **5.00 p.m.** on **2 January 2026** 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.

Application by way of Electronic Share Application**4.1 Participating Financial Institutions**

Only Malaysian individuals may apply for our Issue Shares offered to the Malaysian Public through the ATMs of the following Participating Financial Institutions and their branches. The following processing fee for each Electronic Share Application will be charged by the respective Participating Financial Institutions (unless waived) as follows:

Participating Financial Institutions	Charges
Affin Bank Berhad	Free
Alliance Bank Malaysia Berhad	RM1.00
AmBank (M) Berhad	RM1.00
CIMB Bank Berhad	RM2.50
Malayan Banking Berhad	RM1.00
Public Bank Berhad	RM2.00
RHB Bank Berhad	RM2.50

Please note that these processing fees may be varied or waived from time to time at the discretion of the respective Participating Financial Institutions. Please contact the relevant Participating Financial Institutions for further enquiries.

4.2 Procedures for Electronic Share Application

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions.

PLEASE READ THE TERMS OF OUR PROSPECTUS, THE TERMS AND CONDITIONS AND PROCEDURES FOR ELECTRONIC SHARE APPLICATIONS SET OUT BELOW AND AT THE RESPECTIVE ATMS CAREFULLY PRIOR TO MAKING AN ELECTRONIC SHARE APPLICATION.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

If you encounter any problems in your Application, you may refer to the respective Participating Financial Institutions.

You must have an account with a Participating Financial Institutions and an ATM card issued by that Participating Financial Institutions to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for our Issue Shares at an ATM belonging to other Participating Financial Institutions.

You are to submit at least the following information through the ATM, where the instructions on the ATM screen require you to do so:

- Personal Identification Number (“**PIN**”);
- MIH Share Issue Account No. 692;
- Your CDS Account number;
- Number of Issue Shares applied for and the RM amount to be debited from the account; and
- Confirmation of several mandatory statements as set out in **Section 4.3** below. Upon the completion of your Electronic Share Application transaction at the ATM, you will receive a computer-generated transaction slip (“**Transaction Record**”), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or the Issuing House. The Transaction Record is for your records and should not be submitted with any Application Form.

4.3 Terms and conditions for Electronic Share Application

You must have a CDS Account to be eligible to use the Electronic Share Application. Invalid, nominee or third-party CDS Accounts will not be accepted.

YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTIONS, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE ABOVE.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:

- (i) The Electronic Share Application shall be made in relation to and subject to the terms of our Prospectus and our Company's Constitution.
- (ii) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:
 - (a) You are at least 18 years old as at the date of the application for our Issue Shares;
 - (b) You are a Malaysian citizen residing in Malaysia;
 - (c) You have read our Prospectus and understood and agreed with the terms and conditions of the Application;

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*CONT'D*)

- (d) The Electronic Share Application is the only application that you are submitting for our Issue Shares offered to the Malaysian Public; and
- (e) You give consent to the disclosure by the relevant Participating Financial Institutions and/or Bursa Depository, as the case may be, of your information, your Electronic Share Application or your account with the Participating Financial Institutions and Bursa Depository, to the Issuing House and other relevant authorities.

Your Application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, it is considered that you have confirmed each of the above statements as well as given consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of the Financial Services Act, 2013 and Section 45 of SICDA) to the disclosure by the relevant Participating Financial Institutions and/or Bursa Depository, as the case may be, of your information to the Issuing House or any relevant authority.

- (iii) You confirm that you are not applying for our Issue Shares offered to the Malaysian Public as a nominee of any other person and your Electronic Share Application is made in your name, as the beneficial owner. You shall only make one Electronic Share Application and shall not make any other application for our Issue Shares offered to the Malaysian Public.
- (iv) You must have sufficient funds in your account with the relevant Participating Financial Institutions at the time the Electronic Share Application, to cover and pay for our Issue Shares and the relating processing fees, charges and expenses, if any, to be incurred, failing which your Electronic Share Application will not be deemed complete. Any Electronic Share Application which does not conform strictly to the instructions set out in our Prospectus or any instruction displayed on the screens of the ATM through which the Electronic Share Application is being made, will be rejected.
- (v) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of Issue Shares applied for as stated in the Transaction Record or any lesser number of Issue Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate a lesser number of such Issue Shares or not to allot or allocate any Issue Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation of the number of Issue Shares applied for (by your action of pressing the designated keys or buttons on the ATM keyboard) shall be deemed to signify, and shall be treated as,
 - (a) your acceptance of the number of Issue Shares that may be allotted or allocated to you in the event that your Electronic Share Application is successful or successful in part, as the case may be; and
 - (b) your agreement to be bound by our Constitution.
- (vi) The Issuing House, on the authority of our Board, reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in whole or in part only without the need to give any reason. Due consideration will be given to the desirability of allotting or allocating our Issue Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*CONT'D*)

- (vii) You request and authorise us:-
- (a) to credit our Issue Shares allotted or allocated to you into your CDS Account; and
 - (b) to issue share certificate(s) representing such Issue Shares or jumbo certificates which represent, amongst others, such Issue Shares, allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (viii) You acknowledge that your Electronic Share Application is subject to risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond our control or the control of the Issuing House, Bursa Depository or the Participating Financial Institutions, and irrevocably agree that if:
- (a) our Company or the Issuing House does not receive your Electronic Share Application and/or payment; or
 - (b) any data relating to your Electronic Share Application is wholly or partially lost, corrupted, or otherwise inaccessible, or not transmitted or communicated to our Company or the Issuing House,
- you will be deemed not to have made an Electronic Share Application and will not make any claim whatsoever against our Company, the Issuing House and/or the relevant Participating Financial Institutions for our Issue Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.
- (ix) All of your particulars in the records of the relevant Participating Financial Institutions at the time of making the Electronic Share Application shall be deemed to be true and correct, and our Company, the Issuing House and the relevant Participating Financial Institutions, and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information, shall be entitled to rely on the accuracy thereof.
- (x) You must ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institutions are correct and identical. Otherwise, your Electronic Share Application will be rejected. You must inform Bursa Depository promptly of any change in your address, failing which the notification letter of successful allotment will be sent to your registered or correspondence address last maintained with Bursa Depository.
- (xi) By making and completing an Electronic Share Application, you agree that:
- (a) in consideration of us agreeing to allow and accept the application for our Issue Shares through the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
 - (b) we, the Participating Financial Institutions, Bursa Depository and the Issuing House shall not be liable for any delay, failure or inaccuracy in the processing of data relating to your Electronic Share Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our or the control of any of them;

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*CONT'D*)

- (c) notwithstanding the receipt of any payment by or on behalf of our Company, the acceptance of your offer to subscribe for and purchase our Issue Shares for which the Electronic Share Application has been successfully completed shall be constituted by the issue of notices of allotment in respect of the said Issue Shares;
 - (d) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renouncee any instrument of transfer and other documents required for the issue or transfer of our Issue Shares allotted or allocated to you; and
 - (e) you agree that in relation to any legal action, proceedings or disputes arising out of or in relation to the contract between the parties and/or the Electronic Share Application and/or any terms of our Prospectus, all rights, obligations and liabilities of the parties shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies of Malaysia and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (xii) the Issuing House, acting on the authority of our Board, reserves the right to reject Applications which do not conform to these instructions.

5. Application by way of Internet Share Application

5.1 Internet Participating Financial Institutions or Participating Securities Firms

Applications for our Issue Shares by the Malaysian Public Individuals may be made through the internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms.

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DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

The following processing fee for each Internet Share Application will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) as follows:

YOU ARE ADVISED NOT TO APPLY FOR OUR ISSUE SHARES THROUGH ANY WEBSITE OTHER THAN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS.

Internet Participating Financial Institutions or Participating Securities Firms	Website address	Fees charged
Affin Bank Berhad	https://rib.affinalways.com	Free
Alliance Bank Malaysia Berhad	www.allianceonline.com.my	RM1.00
CGS International Securities Malaysia Sdn Bhd	eipo.cgsi.com.my	RM2.00 for payment through CIMB Bank Berhad or Malayan Banking Berhad
Hong Leong Investment Bank Berhad	https://www.hlebroking.com/v3/	RM1.00
iFAST Capital Sdn. Bhd.	https://www.fsmone.com.my	Free
Kenanga Investment Bank Berhad	https://kentrade.com.my/	Free
Malacca Securities Sdn Bhd	https://eipo.mplonline.com	Free
Malayan Banking Berhad	www.maybank2u.com.my	RM1.00
Moomoo Securities Malaysia Sdn. Bhd.	https://www.moomoo.com/my	Free
Public Bank Berhad	www.pbepbank.com	RM2.00
RHB Bank Berhad	https://www.rhbgroup.com/index.html	RM2.50

Please note that these fees may be varied or waived from time to time at the discretion of the respective Internet Participating Financial Institutions or Participating Securities Firms. Please contact the relevant Internet Participating Financial Institutions or Participating Securities Firms for further enquiries.

PLEASE READ THE TERMS OF OUR PROSPECTUS, THE TERMS AND CONDITIONS AND PROCEDURES FOR INTERNET SHARE APPLICATIONS SET OUT BELOW AND AT THE INTERNET FINANCIAL SERVICES WEBSITE OF THE RESPECTIVE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS CAREFULLY PRIOR TO MAKING AN INTERNET SHARE APPLICATION.

If you encounter any problems in your Application, you may refer to the respective Internet Participating Financial Institutions or Participating Securities Firms.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*CONT'D*)

5.2 Terms and conditions for Internet Share Application

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE RESPECTIVE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS.

An Internet Share Application shall be made on and subject to the following terms and conditions:

- (i) You can make an Internet Share Application if you fulfill all of the following:
 - (a) You are an individual with a CDS Account and in the case of a joint account, an individual CDS Account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS Account registered in the joint account holder's name;
 - (b) You have an existing account with access to internet financial services facilities with an Internet Participating Financial Institutions or Participating Securities Firms. You must have your user identification ("**User ID**") and Personal Identification Numbers ("**PIN**")/password for the relevant Internet financial services facilities; and
 - (c) You are a Malaysian citizen and have a mailing address in Malaysia.

You are advised to note that a User ID and PIN/password issued by one of the Internet Participating Financial Institutions or Participating Securities Firms cannot be used to apply for our Issue Shares at internet financial service websites of other Internet Participating Financial Institutions or Participating Securities Firms.
- (ii) An Internet Share Application shall be made on and subject to the terms of our Prospectus and our Company's Constitution.
- (iii) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the Internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms) and to undertake that the following information given are true and correct:
 - (a) You are at least 18 years old as at the date of the application for our Issue Shares;
 - (b) You are a Malaysian citizen residing in Malaysia;
 - (c) You have read our Prospectus and understood and agreed with the terms and conditions of the Application;
 - (d) The Internet Share Application is the only application that you are submitting for our Issue Shares offered to the Malaysian Public;
 - (e) You authorise the Internet Participating Financial Institutions or Participating Securities Firms or the Authorised Financial Institutions to deduct the full amount payable for our Issue Shares from your account with the Internet Participating Financial Institutions or Participating Securities Firms or the Authorised Financial Institutions;

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*CONT'D*)

- (f) You give consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of the Financial Service Act, 2013 and Section 45 of SICDA) to the disclosure by the relevant Internet Participating Financial Institutions or Participating Securities Firms, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of your information, your Internet Share Application or your account with the Internet Participating Financial Institutions or Participating Securities Firms, to the Issuing House, the Authorised Financial Institutions, and any other relevant authorities;
- (g) You are not applying for our Issue Shares offered to the Malaysian Public as a nominee of any other person and your Internet Share Application is made in your own name, as the beneficial owner and subject to the risks referred to in our Prospectus; and
- (h) You authorise the Internet Participating Financial Institutions or Participating Securities Firms to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, our Company, Bursa Securities or other relevant parties in connection with our IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institutions or Participating Securities Firms, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with our IPO. Further, the Internet Participating Financial Institutions or Participating Securities Firms will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institutions or Participating Securities Firms in connection with the use of the Internet Share Application services.
- (iv) Your Application will not be successfully completed and cannot be recorded as a completed application unless you have paid for our Issue Shares through the website of the Authorised Financial Institutions and completed all relevant application steps and procedures for the Internet Share Application which would result in the internet financial services website displaying the Confirmation Screen.

For the purposes of our Prospectus, “**Confirmation Screen**” shall mean the screen which appears or is displayed on the internet financial services website, which confirms that your Internet Share Application has been completed and states the details of your Internet Share Application, including the number of Issue Shares applied for which you can print out for your records.

Upon the display of the Confirmation Screen, you will be deemed to have confirmed the truth of the statements set out in **Section 6.2(iii)** above. The Confirmation Screen is only a record of the completed transaction with an Internet Participating Financial Institutions or Participating Securities Firms and not a record of the receipt of the Internet Share Application or any data relating to such an Internet Share Application by our Company or the Issuing House. The Confirmation Screen is for your record and should not be submitted with any Application Form.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

- (v) You must have sufficient funds in your account with the relevant Internet Participating Financial Institutions or Participating Securities Firms or the Authorised Financial Institutions at the time of making your Internet Share Application, to cover and pay for our Issue Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which your Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not conform strictly to the instructions set out in our Prospectus or any instructions displayed on the screens of the internet financial services website through which the Internet Share Application is made will be rejected.

- (vi) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of Issue Shares applied for as stated on the Confirmation Screen or any lesser number of Issue Shares that may be allotted or allocated to you in respect of your Internet Share Application. In the event that we decide to allot or allocate lesser number of such Shares or not to allot or allocate any Issue Shares to you, you agree to accept any such decision as final.

In the course of completing your Internet Share Application on the website of the Internet Participating Financial Institutions or Participating Securities Firms, your confirmation of the number of Issue Shares applied for (by way of your action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:-

- (a) Your acceptance of the number of Issue Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and
- (b) Your agreement to be bound by the Constitution.
- (vii) You are fully aware that multiple or suspected multiple Internet Share Applications for our Issue Shares will be rejected. **A PERSON WHO SUBMITS MULTIPLE INTERNET SHARE 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.** Our Company reserves the right to reject any Internet Share Application or accept any Internet Share Application in whole or in part only without the need to give any reason. Due consideration will be given to the desirability of allotting or allocating our Issue Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.
- (viii) An Internet Share Application is deemed to be received only upon its completion, which is when the Confirmation Screen is displayed on the internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for reference and record purposes. Late Internet Share Applications will not be accepted.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

- (ix) You acknowledge that your Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, and other events beyond our control or the control of the Internet Participating Financial Institutions or Participating Securities Firms, the Authorised Financial Institutions, the Issuing House, Bursa Depository and our Company and irrevocably agree that if:-
 - (a) our Company, the Issuing House, the Internet Participating Financial Institutions or Participating Securities Firms and/or the Authorised Financial Institutions do not receive your Internet Share Application and/or payment; and
 - (b) any data relating to your Internet Share Application or the tape or any other devices containing such data and/or payment is wholly or partly lost, corrupted, destroyed or otherwise not accessible, and for any reason whatsoever,

you will be deemed not to have made an Internet Share Application and you will not make any claim whatsoever against our Company, the Issuing House, the Internet Participating Financial Institutions or Participating Securities Firms and/or the Authorised Financial Institution for our Issue Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.
- (x) All of your particulars in the records of the relevant Internet Participating Financial Institutions or Participating Securities Firms at the time of making your Internet Share Application shall be deemed to be true and correct, and our Company, the Issuing House, the relevant Internet Participating Financial Institutions or Participating Securities Firms and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information, shall be entitled to rely on the accuracy thereof.
- (xi) You must ensure that your personal particulars as recorded by both Bursa Depository and the Internet Participating Financial Institutions or Participating Securities Firms are correct and identical. Otherwise, your Internet Share Application will be rejected. You must inform Bursa Depository promptly of any change in your address, failing which the notification letter on successful allotment will be sent to your registered or correspondence address last maintained with Bursa Depository.

6. Authority of our Board and Issuing House

Your Application will be selected in a manner to be determined by our Board. Due consideration will be given to the desirability of allotting and allocating our Issue Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares. 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 our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

- (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), by:
 - (a) ordinary post through the self-addressed and stamped Official "A" envelope which you have provided to the Issuing House;
 - (b) crediting into your bank account for the purposes of cash dividend/distribution if you have provided such bank account information to Bursa Depository; or
 - (c) ordinary/registered post to your registered or correspondence address last maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository.

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.

7. 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 Issue 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 shares and the balloting results in connection therewith will be furnished by our Issuing House to the SC, Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on our Issuing House's website www.mih.com.my within 1 market day after the balloting event.

Pursuant to the Listing Requirements we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our Issue Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions as set out in **Section 3.3.4** of our Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

8. 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:-

8.1 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 registered or correspondence address last 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 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 registered or correspondence address last 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).

8.2 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 or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (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.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

- (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 Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

9. Successful applicants

If you are successful in your Application:

- (i) Our Issue 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 Issue Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our 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.

10. Enquiries

Enquiries in respect of your Applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services Telephone at telephone no. +603-7890 4700
Electronic Share Application	The relevant Participating Financial Institutions
Internet Share Application	The relevant Internet Participating Financial Institutions or Participating Securities Firms or Authorised Financial Institutions

You may also check the status of your Application at the Issuing House's website at www.mih.com.my, by entering your CDS Account Number on the site after the allotment date. The status of your Application will be available by 3:00 PM. Alternatively, you may contact any of the ADAs set out in Section 11 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)**11. List of ADAs**

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

Name	Address and telephone number	Broker Code
<u>KUALA LUMPUR</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No. : 03 – 7710 6688	068-019
AFFIN HWANG INVESTMENT BANK BERHAD	Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No. : 03 – 2143 8668	068-018
AFFIN HWANG INVESTMENT BANK BERHAD	38A & 40A, Jalan Midah 1 Taman Midah 56000 Cheras Kuala Lumpur Tel No. : 03 – 9130 8803	068-018
AMINVESTMENT BANK BERHAD	8-9, 11-18, 21-25th Floor Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No. : 03 – 2031 0102	086-001
BIMB SECURITIES SDN BHD	Level 34, Menara Bank Islam 22, Jalan Perak Kuala Lumpur 50450 Kuala Lumpur Tel No : 03 – 2613 1700	024-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	3rd Floor 2 & 4 Jalan Mutiara Timur Satu Taman Mutiara Cheras 56100 Kuala Lumpur Tel No. : 03 – 9132 7424/7428/7429	065-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
KUALA LUMPUR (cont'd)		
CIMB SECURITIES SDN BHD (formerly known as Kaf Equities Sdn Bhd)	14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel. No. : 03 – 2171 0216	053-001
FA SECURITIES SDN BHD	A-10-1 & A-10-17 Level 10, Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel No. : 03 – 2288 1676	021-001
HONG LEONG INVESTMENT BANK BERHAD	Mezzanine Floor Level 3A, Block B, HP Towers No. 12, Jalan Gelenggang 60000 Kuala Lumpur Tel No. : 03 – 2080 8777	066-002
HONG LEONG INVESTMENT BANK BERHAD	Level 27 & 28, Menara Hong Leong No. 6, Jalan Damanela Bukit Damansara 50490 Kuala Lumpur Tel No. : 03 – 2083 1800	066-008
BERJAYA SECURITIES SDN BHD (formerly known as Inter-Pacific Securities Sdn Bhd)	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No. : 03 – 2117 1888	054-001
BERJAYA SECURITIES SDN BHD (formerly known as Inter-Pacific Securities Sdn Bhd)	Ground Floor, 7-0-8, Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel No. : 03 – 7984 7796	054-003
IFAST CAPITAL SDN BHD	Level 28, Menara AIA Sentral No. 30, Jalan Sultan Ismail Kuala Lumpur Tel No. : 03 2149 0660	039-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
KUALA LUMPUR (cont'd)		
KENANGA INVESTMENT BANK BERHAD	Level 17, Kenanga Tower 237 Jalan Tun Razak 50400 Kuala Lumpur Tel No. : 03 – 2172 2888	073-001
M & A SECURITIES SDN BHD	Level 1-3, No. 45 & 47 and 43-6 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel No. : 03 – 2282 1820	057-002
M & A SECURITIES SDN BHD	22A-1 Jalan Kuchai Maju 1 Kuchai Entrepreneurs' Park Off Jalan Kuchai Lama 58200 Kuala Lumpur Tel No. : 03 – 7983 9890	057-004
MALACCA SECURITIES SDN BHD	B-M-10, Block B Plaza Arkadia Jalan Intisari Perdana Desa Park City 52200 Kuala Lumpur Tel No. : 03 – 2733 9782	012-001
MALACCA SECURITIES SDN BHD	B01-A-13A Level 13A, Menara 2 No.3, Jalan Bangsar KL ECO City 59200 Kuala Lumpur Tel No. : 03-2201 2100	012-001
MAYBANK INVESTMENT BANK BERHAD	Level 5, Tower C Dataran Maybank No.1, Jalan Maarof 59000 Kuala Lumpur Tel No. : 03 – 2297 8888	098-001
MAYBANK INVESTMENT BANK BERHAD	27, 31 to 33 Floor Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Tel No. : 03 – 2059 1888	098-007

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
KUALA LUMPUR (cont'd)		
MERCURY SECURITIES SDN BHD	L-7-2, No. 2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel No. : 03 – 6203 7227	093-002
MOOMOO SECURITIES MALAYSIA SDN BHD	Level 9, Menara Khuan Choo 75A Jalan Raja Chulan Bukit Bintang 50200 Kuala Lumpur Tel No. : 03 – 9212 0718	062-001
PHILLIP CAPITAL SDN BHD	B-3-6, Block B, Level 3 Megan Avenue II No.12, Jalan Yap Kwan Seng 50450 Kuala Lumpur Tel No. : 03 – 2783 0361	076-001
NEWPARADIGM SECURITIES SDN BHD	Level 12, EXSIM Tower (Block D) Millerz Square @ Old Klang Road Megan Legasi, No. 357, Jalan Klang Lama 58000 Kuala Lumpur Tel No. : 03 – 2054 8000	064-001
PUBLIC INVESTMENT BANK BERHAD	27 th Floor, Menara Public Bank 2 No. 78, Jalan Raja Chulan 50200 Kuala Lumpur Tel No. : 03 – 2268 3000	051-001
RHB INVESTMENT BANK BERHAD	Level 1, Tower 3 RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No. : 03 – 9280 2233/2354	087-001
RHB INVESTMENT BANK BERHAD	Level 5, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No. : 03 – 9280 2453	087-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
KUALA LUMPUR (cont'd)		
RHB INVESTMENT BANK BERHAD	No. 62, 62-1, 64 & 64-1, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No. : 03 – 6257 5869	087-028
RHB INVESTMENT BANK BERHAD	No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No. : 03 – 4280 4798	087-054
RHB INVESTMENT BANK BERHAD	Ground Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No. : 03 – 9058 7222	087-058
TA SECURITIES HOLDINGS BERHAD	Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No. : 03 – 2072 1277	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No. : 03 – 6205 6000	078-004
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 19th Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No. : 03 – 2147 1888	078-010

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
<u>SELANGOR DARUL EHSAN</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	Suite B 3A1, East Wing 3Ath Floor Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No. : 03 – 5635 6688	068-019
AFFIN HWANG INVESTMENT BANK BERHAD	4th Floor, Wisma Meru 1 Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No. : 03 – 3343 9999	068-019
AFFIN HWANG INVESTMENT BANK BERHAD	No.79-1, Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No. : 03 – 3322 1999	068-019
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No. : 03 – 7710 6613	086-001
APEX SECURITIES BERHAD (formerly known as JF Apex Securities Berhad)	Level 5, Menara UAC No.12, Jalan PJU7/5 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No. : 03 – 7890 8899 ext 2012/2007	079-001
APEX SECURITIES BERHAD (formerly known as JF Apex Securities Berhad)	16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No. : 03 – 7620 1118	079-002

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
SELANGOR DARUL EHSAN (cont'd)		
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	No. A-07-01 & A-07-02 Empire Office Tower Empire Subang Jalan SS16/1 47500 Subang Jaya Selangor Darul Ehsan Tel. No. : 03 – 5631 7934/7892	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor (No. 11A) Jalan Kenari 1 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel. No. : 03 – 5891 6852	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, No. 26A(F), 26A(M) & 26A(B) Jalan SJ6, Taman Selayang Jaya 68100 Batu Caves Selangor Darul Ehsan Tel. No. : 03 – 6137 1680	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	2nd Floor (No. 26-2) Lorong Batu Nilam 4B Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel. No. : 03 – 3325 7105/7106	065-001
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No. : 03 – 7725 9095	073-001
KENANGA INVESTMENT BANK BERHAD	Level 1 East Wing Wisma Consplant 2 No. 7 Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No. : 03 – 5621 2118	073-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
<u>SELANGOR DARUL EHSAN (cont'd)</u>		
KENANGA INVESTMENT BANK BERHAD	35 (Ground, 1st & 2nd Floor) Jalan Tiara 3, Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No. : 03 – 3348 8080	073-001
MALACCA SECURITIES SDN BHD	No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03 – 5636 1533	012-001
MALACCA SECURITIES SDN BHD	No. 54M, Mezzanine Floor Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel No. : 03 – 7876 1533	012-001
MBSB INVESTMENT BANK BERHAD (Formerly known as MIDF Amanah Investment Bank Berhad)	Level 21, Menara MBSB Bank, PJ Sentral, Lot 12, Persiaran Barat, Seksyen 52 46200 Petaling Jaya Selangor Darul Ehsan Tel No. : 03 – 2173 8888	026-001
NEWPARADIGM SECURITIES SDN BHD	1st Floor, 157- A, Jalan Kenari 23A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No. : 03 – 8074 7094	064-003
NEWPARADIGM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No. : 03 – 3341 5300	064-007
RHB INVESTMENT BANK BERHAD	1,3 & 5, Tingkat 2 Jalan 52/18 New Town Centre 46200 Petaling Jaya Selangor Darul Ehsan Tel No. : 03 – 7873 6366/7875 8428	087-011

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
<u>SELANGOR DARUL EHSAN</u> <u>(cont'd)</u>		
RHB INVESTMENT BANK BERHAD	First Floor, 10 & 11 Jalan Maxwell 48000, Rawang Selangor Darul Ehsan Tel No. : 03 – 6092 8916	087-047
RHB INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No. : 03 – 3343 9180	087-048
RHB INVESTMENT BANK BERHAD	Unit 1B, 2B & 3B Jalan USJ 10/1J USJ 10, 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No. : 03 – 8022 1888	087-059
SJ SECURITIES SDN BHD	26, Jalan Pendaftar U1/54 Temasya Glenmarie 40150 Shah Alam Selangor Darul Ehsan Tel No. : 03 – 5567 3000	096-001
TA SECURITIES HOLDINGS BERHAD	2nd Floor, Wisma TA 1A Jalan SS20/1, Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No. : 03 – 7729 5713	058-007
<u>MELAKA</u>		
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Ground, 1st & 2nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No. : 06 – 289 8800	065-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
<u>MELAKA (cont'd)</u>		
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang 75250 Melaka Tel No. : 06 – 337 1533	012-001
MERCURY SECURITIES SDN BHD	81, 81A & 81B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No. : 06 – 2921 898	093-003
KENANGA INVESTMENT BANK BERHAD	71 (Ground, A&B) & 73 (Ground, A&B) Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No. : 06 – 2881 720	073-001
NEWPARADIGM SECURITIES SDN BHD	No 6-1, Jalan Lagenda 2 Taman 1 Lagenda 75400 Melaka Tel No. : 06 – 288 0050	064-006
RHB INVESTMENT BANK BERHAD	19, 21, 23, level 2, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No. : 03 – 2330 8450/ 03-2330 8451	087-026
TA SECURITIES HOLDINGS BERHAD	59, 59A, 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No. : 06 – 286 2618	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	7-2 Jalan PPM8 Malim Business Park 75250 Melaka Tel No. : 06 – 335 2511	078-014

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
<u>PERAK DARUL RIDZUAN</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	21, Jalan Stesen Ground Floor, 1, 2 & 3 34000 Taiping Perak Darul Ridzuan Tel No. : 05 – 806 6688	068-003
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Ground, 1st, 2nd & 3rd Floor No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No. : 05 – 208 8688	065-001
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No. : 05 – 2530 888	066-003
KENANGA INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 4th Floor No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No. : 05 – 242 2828	073-022
M & A SECURITIES SDN BHD	5th and 6th Floor and Unit 8A M&A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No. : 05 – 241 9800	057-001
MALACCA SECURITIES SDN BHD	No 3, 1st Floor Persiaran Greenhill 30450, Ipoh Perak Darul Ridzuan Tel No. : 012-618 4998	012-013

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
PERAK DARUL RIDZUAN (cont'd)		
MAYBANK INVESTMENT BANK BERHAD	No. 47, Hala Pusat Perdagangan Canning I Pusat Perdagangan Canning II 30350, Ipoh, Perak Tel No. : 05 – 245 3457	098-002
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No. : 05 – 623 6498	087-014
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No. : 05 – 692 1228	087-016
RHB INVESTMENT BANK BERHAD	Unit E-2-2A, E-3-2A, E-4-2A & E-5-2A SOHO Ipoh 2, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel. No. : 05 – 241 5100	087-023
RHB INVESTMENT BANK BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No. : 05 – 808 8229	087-034
RHB INVESTMENT BANK BERHAD	No 1&3, 1st Floor Jalan Wawasan Satu Taman Wawasan Jaya 34200 Parit Buntar Perak Darul Ridzuan Tel No. : 05 – 717 0888	087-052

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
PERAK DARUL RIDZUAN (cont'd)		
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No. : 05 – 253 1313	058-001
UOB KAY HIAN SECURITIES (M) SDN BHD	153A Jalan Raja Musa Aziz 30300 Ipoh Perak Darul Ridzuan Tel No. : 05 – 241 1290	078-002
<u>PULAU PINANG</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 2, 3, 4, 5, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No. : 04 – 263 6996	068-001
AFFIN HWANG INVESTMENT BANK BERHAD	1st, 2nd & 3rd Floor No. 2 & 4, Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No. : 04 – 537 2882	068-001
AMINVESTMENT BANK BERHAD	3rd Floor, Menara Liang Court 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No. : 04 – 226 1818	086-001
APEX SECURITIES BERHAD (formerly known as JF Apex Securities Berhad)	368-2-5 Jalan Burmah Belissa Row 10350 Pulau Tikus Pulau Pinang Tel No. : 04 – 228 9118	079-005
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Level 2, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No. : 04 – 238 5900	065-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
PULAU PINANG (cont'd)		
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	No. 20-1 & 20-2 Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Nayan Lepas Pulau Pinang Tel No. : 04 – 641 2881	065-001
MALACCA SECURITIES SDN BHD	28, Lorong Tangling Indah 3 Taman Tangling Indah 14100 Simpang Ampat Pulau Pinang Tel. No. : 04 – 506 0967	012-001
MALACCA SECURITIES SDN BHD	No.11A-1, Persiaran Bayan Indah Taman Bayan Indah 11900 Bayan Lepas Pulau Pinang Tel. No. : 04 – 642 1533	012-001
MAYBANK INVESTMENT BANK BERHAD	Ground Floor, Bangunan KWSP No. 38, Jalan Sultan Ahmad Shah 10050 Georgetown Pulau Pinang Tel No. : 04 – 219 6888	098-006
MERCURY SECURITIES SDN BHD	Ground, 1st & 2nd floor, No. 1, Jalan Todak 5, Pusat Bandar Seberang Jaya, 13700 Prai, Penang Tel No. : 04 – 332 2123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor, Standard Chartered Bank Chambers, 2, Lebuhr Pantai 10300 Pulau Pinang Tel No. : 04 – 263 9118	093-004
BERJAYA SECURITIES SDN BHD (formerly known as Inter-Pacific Securities Sdn Bhd)	Canton Square Level 2 (Unit 1) & Level 3 No. 56, Cantontment Road 10250 Pulau Pinang Tel. No. : 04 – 226 8288	054-002

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
PULAU PINANG (cont'd)		
KENANGA INVESTMENT BANK BERHAD	7th, 8th & 16th Floor Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel.No. : 04 – 228 3355	073-023
PHILLIP CAPITAL SDN BHD	29A, Ground Floor Beach Street 10300 Pulau Pinang Tel No. : 04 – 261 6363	076-015
NEWPARADIGM SECURITIES SDN BHD	56B, 1st Floor Jalan Perak, Perak Plaza 10150 Pulau Pinang Tel. No. : 04 – 227 3000	064-004
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Pulau Pinang Tel No. : 04 – 390 0022	087-005
RHB INVESTMENT BANK BERHAD	64 & 64-D Ground Floor-3rd Floor & 5th-8th Floor Lebuh Bishop 10200 Pulau Pinang Tel No. : 04 – 263 4222	087-033
RHB INVESTMENT BANK BERHAD	1st Floor No. 15-1-5, 15-1-6, 15-2-5, 15-2-6 & 15-2-24 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No. : 04 – 640 4888	087-042
TA SECURITIES HOLDINGS BERHAD	3rd Floor, Bangunan Heng Guan No. 171, Jalan Burmah 10050 Pulau Pinang Tel No. : 04 – 227 2339	058-010

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
PULAU PINANG (cont'd)		
UOB KAY HIAN SECURITIES (M) SDN BHD	1st Floor, Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No. : 04 – 229 9318	078-002
UOB KAY HIAN SECURITIES (M) SDN BHD	21, Jalan Bayu Mutiara 2 Taman Bayu Mutiara 14000 Bukit Mertajam Pulau Pinang Tel No. : 04 – 504 7313 / 7316	078-003
<u>PAHANG DARUL MAKMUR</u>		
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Ground, 1st & 2nd Floor No. A-27, Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No. : 09 – 505 7800	065-001
KENANGA INVESTMENT BANK BERHAD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No. : 09 – 517 1698	073-001
MALACCA SECURITIES SDN BHD	P11-3, Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No. : 09 – 222 0993	012-001
PHILLIP CAPITAL SDN BHD	Ground, Mezzanine & 1st Floor B400, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No. : 09 – 566 0800	076-002
RHB INVESTMENT BANK BERHAD	No. 12 Ground Floor, 1st and 2nd Floor Jalan Putra Square 1 Putra Square 25300 Pahang Darul Makmur Tel. No. : 09 – 517 3811	087-007

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
<u>KELANTAN</u>		
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Level 4 Wisma TCH (formerly known as Wisma Square Point) Jalan Pengkalan Chepa 15400 Kota Bharu Kelantan Darul Naim Tel. No. : 09 - 741 9050/9051/9052/9053	065-001
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No. : 09 – 743 0077	087-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No. : 09 – 7432 288/3388	058-004
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1st Floor Lot 712, Sek 9, PT 62 Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No. : 09 – 747 3906	078-004
<u>TERENGGANU DARUL IMAN</u>		
PHILLIP CAPITAL SDN BHD	No. 46, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Tel No. : 09 – 6317 922	076-009
RHB INVESTMENT BANK BERHAD	1st Floor, 59 Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No. : 09 – 626 1816	087-055
UOB KAY HIAN SECURITIES (M) SDN BHD	37-B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No. : 09 – 622 4766	078-016

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
<u>KEDAH DARUL AMAN</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	No. 70 & 70A, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No. : 04 – 425 6666	068-011
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	2nd Floor, No. 102 Kompleks Persiaran Sultan Abdul Hamid Jalan Pegawai 05050 Alor Setar Kedah Darul Aman Tel. No. : 04 – 777 4400/4401	065-001
MALACCA SECURITIES SDN BHD	No. 9, First Floor Kompleks Perniagaan LITC Jalan Putra Mergong 05150 Alor Setar Kedah Darul Aman Tel No. : 04 – 735 0888	012-001
PHILLIP CAPITAL SDN BHD	Lot T-30, 2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No. : 04 – 731 7088/8270	076-004
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor 214-A, 214-B, 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No. : 04 – 720 9888	087-021
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 4, 5 & 5A, 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No. : 04 – 732 2111	078-007

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
<u>NEGERI SEMBILAN DARUL KHUSUS</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	No. 26-2, Jalan S2 B16 Pusat Dagangan Seremban 2 70300 Seremban Negeri Sembilan Darul Khusus Tel No. : 06 – 603 7408	068-019
AFFIN HWANG INVESTMENT BANK BERHAD	6, Upper Level, Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No. : 06 – 455 3188	068-019
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, No 21, Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No. : 06 – 455 3166/3266	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	2nd Floor, Lot 3110 Jalan Besar, Lukut 71010 Port Dickson Negeri Sembilan Darul Khusus Tel No. : 06 – 651 5385	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	No. 38, 1st Floor Jalan S2 B18 Biz Avenue Seremban 2 70300 Seremban Negeri Sembilan Darul Khusus Tel No. : 06 – 761 4651	065-001
KENANGA INVESTMENT BANK BERHAD	1C & 1D, Ground & 1st Floor Jalan Tunku Munawir 70000 Seremban, Negeri Sembilan Tel No. : 06 – 765 5998	073-001
MAYBANK INVESTMENT BANK BERHAD	Wisma HM No. 43, Jalan Dr Krishnan 70000 Seremban Negeri Sembilan Tel No. : 06 – 766 9555	098-005

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
<u>NEGERI SEMBILAN DARUL KHUSUS (cont'd)</u>		
NEWPARADIGM SECURITIES SDN BHD	1st-3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No. : 06 – 762 3131	064-002
NEWPARADIGM SECURITIES SDN BHD	Ground & 1st Floor No. 3, Jalan Dato Abdullah 71200 Kuala Klawang Negeri Sembilan Darul Khusus Tel No. : 06 – 613 7767	064-002
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 32 & 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No. : 06 – 764 1641	087-024
<u>JOHOR DARUL TAKZIM</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No. : 07 – 222 2692	068-004
AFFIN HWANG INVESTMENT BANK BERHAD	2nd Floor, No 11 & 12 BP Avenue Jalan Abdul Rahman Bandar Penggaram 83000 Batu Pahat Johor Darul Takzim Tel No. : 07 – 431 1081	068-004
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No. : 07 – 434 2282	086-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
<u>JOHOR DARUL TAKZIM (cont'd)</u>		
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	No 73, Ground Floor No 73A & 79A, First Floor Jalan Kuning Dua, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No. : 07 – 340 5888	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, No. 384A Jalan Simbang, Taman Perling 81200 Johor Bahru Johor Darul Takzim Tel No. : 07 – 232 9673	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	2nd Floor, 113 & 114 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No. : 07 – 931 1509/1523	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, 101 Jalan Gambir 8 Bandar Baru Bukit Gambir 84800 Muar Johor Darul Takzim Tel No. : 06 – 976 4559/4560	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor No. 8A Jalan Dedap 20 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No. : 07 – 353 7669/7959	065-001
BERJAYA SECURITIES SDN BHD (formerly known as Inter-Pacific Securities Sdn Bhd)	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No. : 07 – 223 1211	054-004
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No. : 07 – 333 3600	073-004

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
<u>JOHOR DARUL TAKZIM (cont'd)</u>		
KENANGA INVESTMENT BANK BERHAD	57, 59 and 61 Jalan Ali 84000 Muar Johor Darul Takzim Tel No. : 06 – 953 1222	073-001
M & A SECURITIES SDN BHD	Suite 5.3A, Level 5, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No. : 07 – 338 1233	057-003
JOHOR DARUL TAKZIM (cont'd) MALACCA SECURITIES SDN BHD	No. 40A, Jalan Perang Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No. : 07 – 335 1533	012-001
MALACCA SECURITIES SDN BHD	1735-B, Jalan Sri Putri 4 Taman Putri Kulai 81000 Kulaijaya Johor Darul Takzim Tel No. : 07 – 663 8877	012-001
MALACCA SECURITIES SDN BHD	Lot 880, 3 ½ Mile Jalan Salleh 84000 Muar Johor Darul Takzim Tel No. : 06 – 953 6948	012-001
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No. : 07 – 331 6992	093-005
PHILLIP CAPITAL SDN BHD	No. 73, 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No. : 07 – 771 7922	076-006

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
<u>JOHOR DARUL TAKZIM (cont'd)</u>		
NEWPARADIGM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No. : 07 – 433 3608	064-008
RHB INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No. : 07 – 438 0288	087-009
RHB INVESTMENT BANK BERHAD	No. 33-1, 1st & 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No. : 06 – 953 8262	087-025
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No. : 07 – 557 7628	087-029
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No. : 07 – 932 1543	087-030
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 40 Jalan Haji Manan 86000 Kluang Johor Darul Takzim Tel No. : 07 – 776 9655	087-031

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
<u>JOHOR DARUL TAKZIM (cont'd)</u>		
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No. : 07 – 662 6288	087-035
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor, No. 21 & 23 Jalan Molek 1/30, Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No. : 07 – 352 2293	087-043
TA SECURITIES HOLDINGS BERHAD	7A, Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel No. : 07 – 943 5278	058-009
TA SECURITIES HOLDINGS BERHAD	15, Jalan Molek 1/5A Taman Molek 81000 Johor Bahru Tel No. : 07 – 364 7388	058-011
TA SECURITIES HOLDINGS BERHAD	No. 29-03, Jalan Sri Pelangi Taman Pelangi 80400 Johor Bahru Tel No. : 07 – 336 4672	058-013
UOB KAY HIAN SECURITIES (M) SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No. : 07 – 333 2000	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No. : 07 – 663 5651	078-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
<u>SARAWAK</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	2nd Floor, Lot No. 27, NBX 2 The Northbank Off Kuching-Samarahan Expressway 93350 Kuching Sarawak Tel No. : 082 – 50 1007	068-005
AMINVESTMENT BANK BERHAD	1st, 2nd, & 3rd Floor No. 162, 164, 166 & 168 Jalan Abell 93100 Kuching Sarawak Tel No. : 082 – 24 4791	086-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel No. : 084 – 36 7700	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Level 1 (North), Wisma STA 26, Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No. : 082 – 35 8688	065-001
KENANGA INVESTMENT BANK BERHAD	Lot 1866, Jalan MS 2/5 Marina Square 2 Marina Parkcity 98000 Miri Sarawak Tel No. : 085 – 43 5577	073-001
KENANGA INVESTMENT BANK BERHAD	Level 2-4, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No. : 082 – 33 8000	073-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
<u>SARAWAK (cont'd)</u>		
KENANGA INVESTMENT BANK BERHAD	11-12, Ground & 1st Floor Lorong Kampung Datu 3 96000 Sibu Sarawak Tel No. : 084 – 31 3855	073-001
MERCURY SECURITIES SDN BHD	1st Floor 16, Jalan Getah 96100 Sarikei Sarawak Tel No. : 084 – 65 6281	093-001
RHB INVESTMENT BANK BERHAD	Tingkat Bawah dan Tingkat 1 No. 221, Parkcity Commerce Square Phase III Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No. : 086 – 31 7678	087-053
RHB INVESTMENT BANK BERHAD	Yung Kong Abell Units No. 1-10, 2nd Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No. : 082 – 25 0888	087-008
RHB INVESTMENT BANK BERHAD	No. 102, Pusat Pedada Jalan Dr Wong Soon Kai 96000 Sibu Sarawak Tel No. : 084 – 32 9100	087-008
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Tel No. : 084 – 31 9998	058-002

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
<u>SARAWAK (cont'd)</u>		
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 1265, 1st Floor Centre Point Commercial Centre Jalan Melayu 98000, Miri Sarawak Tel No. : 085 – 32 4128	078-017
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1st Floor No 16, Lorong Intan 6 96000 Sibu Sarawak Tel No. : 084 – 25 2737	078-018
<u>SABAH</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	No. 2 & 3 Block A Level 2, Luyang Commercial Centre Damai Plaza PH3 Jalan Damai, 88300 Kota Kinabalu Sabah Tel No. : 088 – 31 1688	068-005
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st & 2nd Floor Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No. : 088 – 32 8878	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, Lot 12 Block A3, Phase 2 Utama Place Mile 6, Northern Road 90000 Sandakan Sabah Tel No. : 089 – 21 5578	065-001
KENANGA INVESTMENT BANK BERHAD	Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No. : 088 – 23 6188	073-032

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Name	Address and telephone number	Broker Code
<u>SABAH (cont'd)</u>		
RHB INVESTMENT BANK BERHAD	2nd Floor 81 & 83, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No. : 088 – 26 9788	087-010
UOB KAY HIAN SECURITIES (M) SDN BHD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No. : 088 – 23 4099	078-004

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