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SBS NEXUS BERHAD
Registration No. 202401038150 (1583997-D))

PROSPECTUS



SBS NEXUS BERHAD

(202401038150 (1583997-D))
(Incorporated in Malaysia)

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH OUR LISTING ON THE ACE MARKET OF BURSA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:

(I) PUBLIC ISSUE OF 122,500,000 NEW ORDINARY SHARES IN OUR COMPANY ("SHARES") IN THE FOLLOWING MANNER:

- 24,500,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 17,150,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP;
- 61,250,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY MINISTRY OF INVESTMENT, TRADE AND INDUSTRY; AND
- 19,600,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;

AND

(II) OFFER FOR SALE OF 49,000,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS, AT AN ISSUE/ OFFER PRICE OF RM0.25 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Adviser, Sponsor, Underwriter and Placement Agent



M & A SECURITIES SDN BHD

(197301001503 (15017-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

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 the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities 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 document, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. No securities will be allotted or issued based on this Prospectus after 6 months from the date of this Prospectus.

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

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 191.

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.

PROSPECTUS

THIS PROSPECTUS IS DATED 23 DECEMBER 2025

Our Directors, Promoters and Selling Shareholders (as defined herein) 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 the Prospectus false or misleading.

M & A Securities Sdn Bhd, being our Adviser, Sponsor, Underwriter and Placement Agent to our IPO (as defined herein), 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.

This Prospectus, together with the Application Form (as defined herein), has also been lodged with the ROC (as defined herein), who takes no responsibility for its contents.

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

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

Approval has been obtained from Bursa Securities for the listing of and quotation for our IPO Shares (as defined herein) on 25 September 2025. Our 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 shall not be 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 whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

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

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

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 countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether our IPO would result in the contravention of any law of such countries or jurisdictions.

Further, it shall also be your sole responsibility to ensure that your application for our IPO Shares would be in compliance with the terms of our IPO as stated in our Prospectus and the Application Form and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected. We will further assume that you had accepted our IPO in Malaysia and will 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.

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither us nor our Adviser 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, avoidable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS

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

You are advised that the internet is not a fully secured medium and that your Internet Share Application (as defined herein) 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 or Participating Securities Firms (as defined herein). These risks cannot be borne by the Internet Participating Financial Institutions or Participating Securities Firms.

If you are in doubt of the validity or integrity of an Electronic Prospectus, you should immediately request from us, our Adviser or Issuing House (as defined herein), a paper printed copy of this Prospectus.

In the event of any discrepancies arising between the contents of the electronic 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:

- (a) We and our 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;
- (b) We and our Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our 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 of any data, information, files or other material provided by such parties; and
- (c) Any data, information, files or other material downloaded from Third Party Internet Sites is done at your own discretion and risk. We and our Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions or Participating Securities Firms, you are advised that:

- (a) The Internet Participating Financial Institutions or Participating Securities Firms 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 or Participating Securities Firms and shall not be responsible in any way 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 or Participating Securities Firms and thereafter communicated or disseminated in any manner to you or other parties; and
- (b) 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 as the internet is not a fully secured medium.

The Internet Participating Financial Institutions or Participating Securities Firms 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 or Participating Securities Firms, 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.

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INDICATIVE TIMETABLE

All terms used are defined under "Definitions" commencing from page vii.

The indicative timing of events leading to our Listing is set out below:

Events	Indicative date
Issuance of this Prospectus/ Opening of Application	23 December 2025
Closing of Application	7 January 2026
Balloting of Application	9 January 2026
Allotment of IPO Shares to successful applicants	16 January 2026
Date of Listing	20 January 2026

In the event there is any change to the indicative timetable, we will advertise the notice of such changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia, and make an announcement on Bursa Securities' website.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All terms used in this section are defined under "Definitions" commencing from page vii.

All references to "**SBS Nexus**" and "**Company**" in this Prospectus are to SBS Nexus Berhad (202401038150 (1583997-D)). Unless otherwise stated, references to "**Group**" are to our Company and our subsidiaries taken as a whole; and references to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company, and save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "**Management**" are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word "**approximately**" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or one decimal place (for percentages) or one sen (for currency). Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in the "**Definitions**" and "**Technical Glossary**" appearing after this section. Words denoting singular shall include plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All reference to dates and times are references to dates and times in Malaysia.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

This Prospectus includes statistical data provided by our management and various third-parties and cites third-party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from the internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, such information can be assumed to originate from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the Independent Market Researcher. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

The information on our website, or any website directly or indirectly linked to such websites do not form part of this Prospectus.

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FORWARD-LOOKING STATEMENTS

All terms used are defined under "Definitions" commencing from page vii.

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

Forward-looking statements can be identified by the use of forward-looking terminology such as "**may**", "**will**", "**would**", "**could**", "**believe**", "**expect**", "**anticipate**", "**intend**", "**estimate**", "**aim**", "**plan**", "**forecast**", "**project**", "**propose**" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:

- (a) demand for our services;
- (b) our business strategies;
- (c) our future plans;
- (d) our future earnings, cash flows and liquidity; and
- (e) our ability to pay future dividends.

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

- (a) the economic, political and investment environment in Malaysia; and
- (b) Government policy, legislation or regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 9 – "Risk Factors" and Section 12 – "Financial Information". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

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

DEFINITIONS

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

COMPANIES WITHIN OUR GROUP:

"SBS Nexus" or "Company" : SBS Nexus Berhad (202401038150 (1583997-D))

"SBS Nexus Group" or "Group" : SBS Nexus and its subsidiaries, collectively

Subsidiaries

"SBS Digital Holdings" : SBS Digital Holdings Sdn Bhd (200901023502 (866601-V))

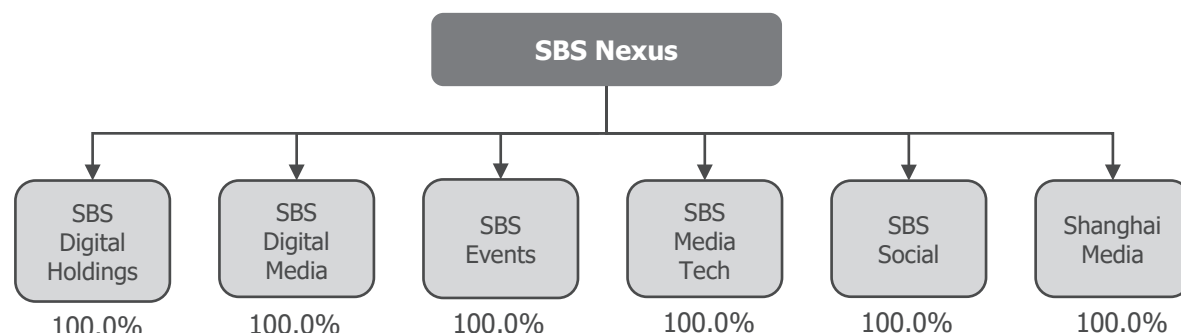
"SBS Digital Media" : SBS Digital Media Sdn Bhd (201701043958 (1258131-X))

"SBS Events" : SBS Events Sdn Bhd (201701034672 (1248843-H))

"SBS Media Tech" : SBS Media Tech Sdn Bhd (formerly known as NextAlpha Solutions Sdn Bhd) (201801020235 (1282254-K))

"SBS Social" : SBS Social Sdn Bhd (201601005287 (1176213-V))

"Shanghai Media" : Shanghai Media Sdn Bhd (202201013745 (1459442-P))



GENERAL:

"ACCA" : Association of Chartered Certified Accountants

"ACE Market" : ACE Market of Bursa Securities

"Acquisition" : Acquisition by SBS Nexus of the entire equity interest of SBS Digital Holdings for a purchase consideration of RM8.7 million which was wholly satisfied by the issuance of 367,499,999 new Shares at an issue price of RM0.0236 per Share, which was completed on 11 November 2025

"Act" : Companies Act 2016

"ADA" : Authorised Depository Agent

DEFINITIONS (*Cont'd*)

"Adviser" or "Sponsor" or "Underwriter" or "Placement Agent"	:	M&A Securities
"AGM"	:	Annual General Meeting
"Alphabets Assets"	:	Alphabets Assets Sdn Bhd (202401030335 (1576184-X))
"Application(s)"	:	Application(s) for IPO Shares by way of Application Form(s), Electronic Share Application(s) or Internet Share Application(s)
"Application Form(s)"	:	Printed application form(s) for the application of our IPO Shares accompanying this Prospectus
"ATM"	:	Automated teller machine
"Board"	:	Board of Directors of SBS Nexus
"Bursa Depository" or "Depository"	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
"CCM"	:	Companies Commission of Malaysia
"CDS"	:	Central Depository System
"CDS Account"	:	Account established by Bursa Depository for a depositor for the recording and dealing in securities by the depositor
"Central Depositories Act" or "SICDA"	:	Securities Industry (Central Depositories) Act 1991
"CMSA"	:	Capital Markets and Services Act 2007
"Constitution"	:	Our constitution
"COVID-19"	:	Coronavirus disease 2019, an infectious disease which affects the respiratory system, and it is a global pandemic
"Customer A"	:	A private limited company incorporated and based in Malaysia, principally involved in all forms of advertising across various media channels, as well as provision of IT consultancy services Our Group is unable to disclose the name of Customer A due to the non-disclosure agreement executed with Customer A, which prohibits the disclosure of information in relation to Customer A without prior written consent. The request for consent to disclose Customer A's name was rejected by Customer A
"DBP"	:	Dewan Bahasa and Pustaka
"Depository Rules" or "Rules of Bursa Depository"	:	Rules of Bursa Depository and any appendices thereto

DEFINITIONS (Cont'd)

"Director(s)"	:	Executive director(s) or non-executive director(s) of our Company within the meaning of Section 2 of the Act
"Distribution"	:	Dividend-in-specie by SBS Digital Holdings of all the shares held in SBS Digital Media, SBS Events, SBS Media Tech, SBS Social and Shanghai Media to SBS Nexus, which was completed on 12 November 2025
"EBIT"	:	Earnings before interest and tax
"EBITDA"	:	Earnings before interest, tax, depreciation and amortisation
"ECL"	:	Expected credit loss
"Electronic Prospectus"	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/ or an electronic storage medium
"Electronic Share Application(s)"	:	Application(s) for IPO Shares through a Participating Financial Institution's ATM
"Eligible Person(s)"	:	Eligible Director(s) and employee(s) of our Group, and person(s) who have contributed to the success of our Group who are eligible to participate in the Pink Form Allocations, collectively
"Entity T"	:	A co-operative society incorporated in Malaysia under the Co-operative Societies Act 1993 which purpose is to improve the economy and take care of the welfare of its members Our Group is unable to disclose the name of Entity T due to confidentiality clause in the agreement executed with Entity T, which prohibits the disclosure of information in relation to Entity T without prior written consent. The request for consent to disclose Entity T's name was rejected by Entity T
"EPS"	:	Earnings per share
"FPE"	:	6-month financial period(s) ended/ ending 30 June, as the case may be
"FYE"	:	Financial year(s) ended/ ending 31 December, as the case may be
"Government"	:	Government of Malaysia
"GP"	:	Gross profit
"GST"	:	Goods and Services Tax
"HRDF"	:	Human Resource Development Fund
"Hyper Media"	:	Hyper Media (M) Sdn Bhd (202101007158 (1407457-T))
"IFRS"	:	International Financial Reporting Standards

DEFINITIONS *(Cont'd)*

"IMR" or "Smith Zander"	:	Smith Zander International Sdn Bhd (201301028298 (1058128-V)), our Independent Market Researcher
"IMR Report"	:	Independent Market Research Report titled "Branding and Marketing Industry in Malaysia"
"Internet Participating Financial Institution(s)" or "Participating Securities Firm(s)"	:	Participating financial institution(s) or Participating Securities Firm(s) for Internet Share Application as listed in Section 16.6
"Initial Public Offering" or "IPO"	:	Our initial public offering comprising the Public Issue and Offer for Sale
"Internet Share Application(s)"	:	Application(s) for IPO Shares through an online share application service provided by Internet Participating Financial Institution(s) or Participating Securities Firm(s)
"IPO Price"	:	Issue/ Offer price of RM0.25 per Share under our Public Issue and Offer for Sale
"IPO Share(s)"	:	Issue Share(s) and Offer Share(s), collectively
"IRB"	:	Inland Revenue Board of Malaysia
"Issue Share(s)"	:	New Share(s) to be issued under our Public Issue
"Issuing House"	:	Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H))
"IT"	:	Information technology
"Listing"	:	Listing of and quotation for our entire enlarged share capital of RM35,623,000 comprising 490,000,000 Shares on the ACE Market
"Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities
"Listing Scheme"	:	Comprising the Public Issue, Offer for Sale and Listing, collectively
"LPD"	:	25 November 2025, being the latest practicable date for ascertaining certain information contained in this Prospectus
"MATRADE"	:	Malaysia External Trade Development Corporation
"M&A Securities"	:	M & A Securities Sdn Bhd (197301001503 (15017-H))
"MAICSA"	:	Malaysian Institute of Chartered Secretaries and Administrators
"Malaysian Public"	:	Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia

DEFINITIONS (*Cont'd*)

"Market Day"	:	A day on which the stock market of Bursa Securities is open for trading in securities, which may include a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
"MBPJ"	:	Petaling Jaya City Council
"MCCG"	:	Malaysian Code on Corporate Governance
"MFRS"	:	Malaysian Financial Reporting Standards
"MIA"	:	Malaysian Institute of Accountants
"MITI"	:	Ministry of Investment, Trade and Industry
"MyIPO"	:	Intellectual Property Corporation of Malaysia
"NA"	:	Net assets
"NBV"	:	Net book value
"Novus Media"	:	Novus Media Sdn Bhd (201101040306 (968428-K))
"Offer for Sale"	:	Offer for sale of 49,000,000 Offer Shares by our Selling Shareholders at our IPO Price
"Offer Share(s)"	:	49,000,000 existing Share(s) to be offered by our Selling Shareholders pursuant to the Offer for Sale
"Official List"	:	A list specifying all securities which have been admitted for listing on the ACE Market
"Participating Financial Institution(s)"	:	Participating financial institution(s) for Electronic Share Application(s) as listed in Section 16.5
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"PE Multiple"	:	Price-to-earnings multiple
"Pink Form Allocations"	:	Allocation of 17,150,000 Issue Shares to Eligible Person(s), which forms part of our Public Issue
"Promoter(s)"	:	Wong Chun Mun, Piah Yee Ling, Warren Cheng and Lai Kian Chuan, collectively
"Prospectus"	:	This prospectus dated 23 December 2025 in relation to our IPO
"Public Issue"	:	Public issue of 122,500,000 Issue Shares at our IPO Price
"ROC"	:	Registrar of Companies

DEFINITIONS (Cont'd)

"SAC"	:	Shariah Advisory Council of SC
"SBS Digital Holdings Vendors"	:	Wong Chun Mun, Piah Yee Ling, Warren Cheng, Lai Kian Chuan, Alphabets Assets and Lim Cheng Yong and collectively
"SC"	:	Securities Commission Malaysia
"Selling Shareholder(s)"	:	Warren Cheng, Lai Kian Chuan and Lim Cheng Yong, collectively
"Share(s)"	:	Ordinary share(s) in SBS Nexus
"SHE"	:	ShangHai Honourable Women Entrepreneur Business Awards
"SHIPBA"	:	ShangHai International Prestige Business Awards
"SIR"	:	ShangHai International Brand Recognition
"SME(s)"	:	Small and medium enterprise(s)
"Specified Shareholder(s)"	:	Wong Chun Mun, Piah Yee Ling and Warren Cheng, collectively
"SPM"	:	Sijil Pelajaran Malaysia
"STPM"	:	Sijil Tinggi Pelajaran Malaysia
"SOC SO"	:	Social Security Organisation
"Soldgo"	:	Soldgo MY Sdn Bhd (201901042690 (1352020-A))
"Supplier F"	:	A private limited company incorporated and based in Malaysia, principally involved in the provision of IT solutions, including software development Our Group is unable to disclose the name of Supplier F due to the non-disclosure agreement executed with Supplier F which prohibits the disclosure of information in relation to Supplier F without prior written consent. The request for consent to disclose Supplier F's name was rejected by Supplier F
"UK"	:	United Kingdom
"Underwriting Agreement"	:	Underwriting agreement dated 25 November 2025 entered into between our Company and M&A Securities for the purpose of our IPO

CURRENCY:

"RM" and "sen"	:	Ringgit Malaysia and sen respectively
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UNIT OF MEASUREMENT:

"sq ft"	:	Square feet
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TECHNICAL GLOSSARY

This glossary contains an explanation of certain terms used throughout this Prospectus in connection with our Group's business. The terminologies and their meanings may not correspond to the standard industry usage of these terms:

"Air-time slots"	:	Specific, scheduled time allocated for businesses to convey their messages, in the form of videos and/ or images, to their target market via digital billboards or indoor digital media platforms
"Bunting"	:	Printed materials that are used by businesses at events or public spaces to advertise their products
"Customer relationship management software"	:	A software that captures and stores comprehensive customer data, including age group, gender, geographic location and sales/ purchases activity. This information can be leveraged for advanced analytics, allowing for more targeted and effective marketing strategies to reach the right audience segments
"e-form"	:	An e-form is where an employee can input all relevant customer details directly into the web-based e-form. Once completed, the form can be generated as a portable document format (PDF), enabling the customer to add their electronic signature
"Electronic direct mail"	:	A type of marketing strategy used by businesses to connect with existing and potential customers by sending targeted promotional messages or advertisements via email
"Embed"	:	The act of incorporating advertisements into a media production with promotional intent
"Influencer marketing"	:	A marketing strategy where businesses collaborate with individuals who have a significant number of online followers to promote products or services
"Inkjet printing"	:	A method of printing on waterproof or synthetic materials such as banners, buntings and wall stickers
"Object code"	:	A machine-readable file that contains a sequence of instructions for a computer to process
"Offset printing"	:	A method of printing for all types of paper products such as flyers, brochures, notebooks, calendars, table stickers, pocket tissues, paper bags and booklets
"Out-of-home media"	:	A form of advertising in public spaces such as highways, shopping malls, sidewalks, parks and transit vehicles
"Search engine optimisation"	:	A type of marketing tool that is used to improve a website's visibility and traffic to the website, by ranking the website higher on search engine results page such as Google
"Source code"	:	A set of programming instructions to create software, using programming languages such as JavaScript, Python and C++

TECHNICAL GLOSSARY (*Cont'd*)

"User interface" or "UI" : The visual elements through which a user interacts with on the application or website such as buttons, icons and visual designs

"User experience" or "UX" : The overall feel and functionality while interacting with the application or website such as the ease of use, navigation and the emotional experience a user has

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Residential address	Nationality/ Profession	Gender
Datuk Seri H'ng Bak Tee	Independent Non-Executive Chairman	10A, Jalan DS Ramanathan 10350 Georgetown Pulau Pinang	Malaysian/ Director	Male
Wong Chun Mun	Managing Director/ Chief Executive Officer	32, Jalan Elitis Danau Valencia 47000 Sungai Buloh Selangor	Malaysian/ Director	Male
Piah Yee Ling	Executive Director	32, Jalan Elitis Danau Valencia 47000 Sungai Buloh Selangor	Malaysian/ Director	Female
Warren Cheng	Executive Director/ Chief Operating Officer	77, Elitis Suria Valencia 47000 Sungai Buloh Selangor	Malaysian/ Director	Male
Wong Maw Chuan	Independent Non-Executive Director	17, Jalan BK8/1F Bandar Kinrara 47100 Puchong Selangor	Malaysian/ Director	Male
Datuk (Dr.) Hafsa binti Hashim	Independent Non-Executive Director	11, Jalan Aminuddin Baki Taman Tun Dr. Ismail 60000 Kuala Lumpur	Malaysian/ Director	Female
Jancy Oh Suan Tin	Independent Non-Executive Director	13, Lengku Rhu 2/KS 6 Bandar Botanic 41200 Klang Selangor	Malaysian/ Director	Female

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Jancy Oh Suan Tin	Chairperson	Independent Non-Executive Director
Wong Maw Chuan	Member	Independent Non-Executive Director
Datuk (Dr.) Hafsa binti Hashim	Member	Independent Non-Executive Director

NOMINATING COMMITTEE

Name	Designation	Directorship
Datuk (Dr.) Hafsa binti Hashim	Chairperson	Independent Non-Executive Director
Wong Maw Chuan	Member	Independent Non-Executive Director
Jancy Oh Suan Tin	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY (Cont'd)

REMUNERATION COMMITTEE

Name	Designation	Directorship
Wong Maw Chuan	Chairperson	Independent Non-Executive Director
Datuk (Dr.) Hafsa binti Hashim	Member	Independent Non-Executive Director
Jancy Oh Suan Tin	Member	Independent Non-Executive Director

COMPANY SECRETARIES : Tan Kah Koon (SSM Practising Certificate No. 201908001500)
(MAICSA 7066666)
(Fellow Member of the MAICSA)

Ng Sue Shen (SSM Practising Certificate No. 202008001941)
(MAICSA 7072288)
(Fellow Member of the MAICSA)

29-2, Level 29, Oval Damansara
685, Jalan Damansara
Taman Tun Dr Ismail
60000 Kuala Lumpur

Telephone number: +603-2770 8163

REGISTERED OFFICE : 29-2, Level 29, Oval Damansara
685, Jalan Damansara
Taman Tun Dr Ismail
60000 Kuala Lumpur

Telephone number: +603-2770 8163

HEAD OFFICE : C-7, Jalan Dataran SD1
PJU 9, Bandar Sri Damansara
52200 Kuala Lumpur

Telephone number: +603-6270 1810

EMAIL ADDRESS AND WEBSITE : Website: www.sbsgroup.com.my
Email address: ask@sbsgroup.com.my

AUDITORS AND REPORTING ACCOUNTANTS FOR OUR LISTING : **TGS TW PLT**
(202106000004 (LLP0026851-LCA)) & (AF002345)

Unit E-16-2B
Level 16, Icon Tower (East)
1, Jalan 1/68F
Jalan Tun Razak
50400 Kuala Lumpur

Partner-in-charge: Teoh Chey Yeat
Approval number: 03447/08/2027 J
(Chartered Accountant of MIA and Fellow Member of ACCA)

Telephone number: +603-9771 4326

1. CORPORATE DIRECTORY (*Cont'd*)

ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT	: M & A Securities Sdn Bhd (197301001503 (15017-H)) 45 & 47, Levels 3 and 7 The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Telephone number: +603-2284 2911
SOLICITORS FOR OUR LISTING	: Ong Eu Jin Partnership Unit 9-1, Level 9, Wisma Mont Kiara 1, Jalan Kiara, Mont Kiara 50480 Kuala Lumpur Wilayah Persekutuan Telephone number: +603-6206 2053
ISSUING HOUSE AND SHARE REGISTRAR	: Tricor Investor and Issuing House Services Sdn Bhd (197101000970 (11324-H)) Unit 32-01, Level 32, Tower A Vertical Business Suite Avenue 3, Bangsar South 8, Jalan Kerinchi 59200 Kuala Lumpur Telephone number: +603-2783 9299
INDEPENDENT MARKET RESEARCHER	: Smith Zander International Sdn Bhd (201301028298 (1058128-V)) 15-01, Level 15 Menara MBMR 1, Jalan Syed Putra 58200 Kuala Lumpur Person-in-charge: Dennis Tan Tze Wen (<i>Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada</i>) Telephone number: +603-2732 7537
LISTING SOUGHT	: ACE Market
SHARIAH STATUS	: Approved by the SAC

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

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

	No. of Shares	(1)%
No. of Shares to be issued under Public Issue	122,500,000	25.0
• For application by the Malaysian Public	24,500,000	5.0
• For Pink Form Allocations	17,150,000	3.5
• For private placement to Bumiputera investors approved by MITI	61,250,000	12.5
• For private placement to selected investors	19,600,000	4.0

No. of Shares to be issued under Offer for Sale

• For private placement to selected investors	49,000,000	10.0
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Enlarged number of Shares upon Listing 490,000,000

IPO Price per Share (RM) 0.25

Market capitalisation (RM) (calculated based on our IPO Price and enlarged number of Shares upon Listing) 122,500,000

Note:

(1) Based on our enlarged share capital of 490,000,000 Shares after our IPO.

Further details of our IPO are set out in Section 4.

In compliance with Rule 3.19(1) of the Listing Requirements, our Specified Shareholders' entire shareholdings after our IPO will be held under moratorium for 6 months from the date of our admission to the ACE Market. Thereafter, their shareholdings amounting to 45.0% of our share capital will remain under moratorium for another 6 months. Our Specified Shareholders 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 upon expiry of the second 6 month period. The moratorium has been fully accepted by our Specified Shareholders, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the moratorium period.

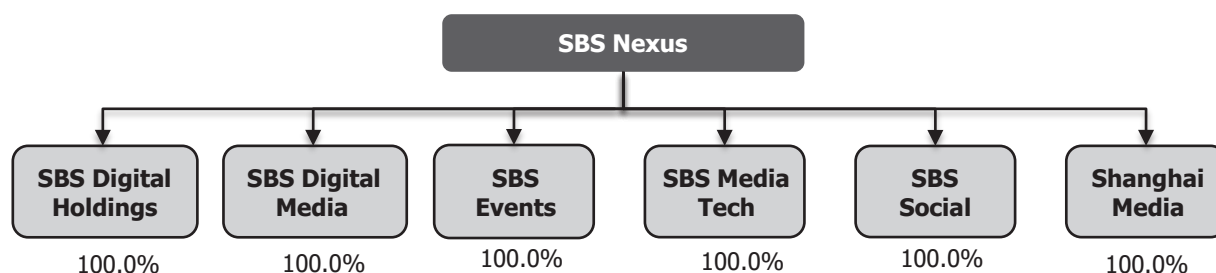
In addition to the moratorium imposed on the Shares held by the Specified Shareholders, our substantial shareholders (i.e. Alphabets Assets, Lai Kian Chuan and Lim Cheng Yong), have also shown their commitment to the future of our Group, by voluntarily providing their written undertaking not to sell, transfer or assign their entire shareholding in our Company, for a period of 6 months from the date of our admission to the ACE Market. Separately, the sole director and shareholder of Alphabets Assets, namely Foo Woon Yew has also undertaken not to sell, transfer or assign his shareholdings in Alphabets Assets during the moratorium period. Further details on the moratorium on our Shares are set out in Section 3.2.

2.2 GROUP STRUCTURE, BUSINESS MODEL AND OPERATIONAL HIGHLIGHTS

Our Company was incorporated in Malaysia under the Act on 10 September 2024 as a public limited company under the name of SBS Nexus Berhad.

2. PROSPECTUS SUMMARY (Cont'd)

Our Group structure as at LPD is as follows:

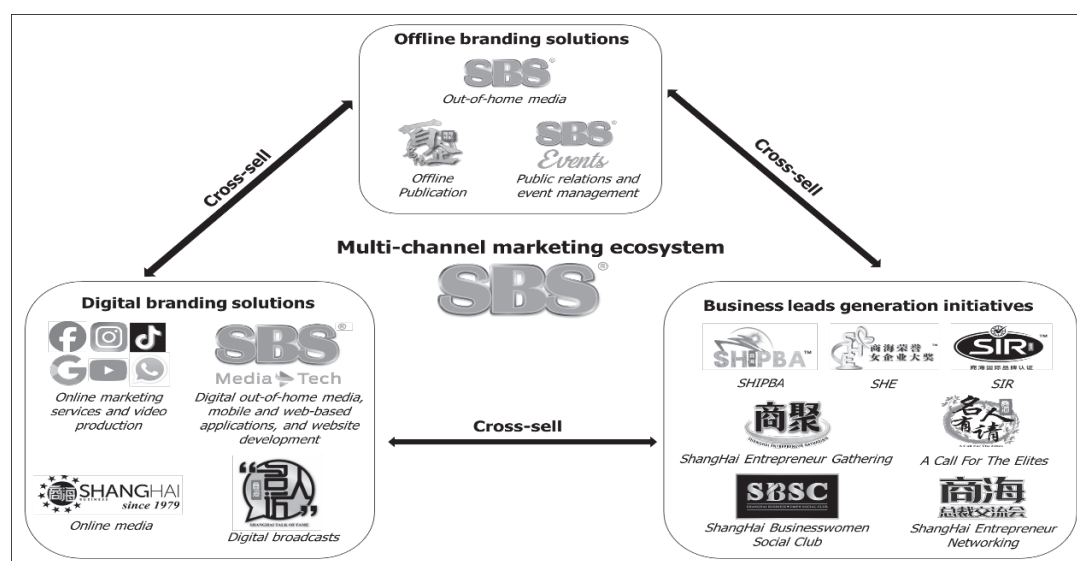


Our Company is an investment holding company. Through our subsidiaries, we are a branding and marketing solution specialist, principally involved in the provision of offline branding solutions and digital branding solutions. Our Group's solutions are aimed at amplifying our customers' business visibility and is driven by our multi-channel marketing ecosystem, as follows:

- (a) Offline branding solutions comprising out-of-home media services, public relations and event management, as well as offline publications; and
- (b) Digital branding solutions comprising online marketing services, digital broadcasts, video production, digital-out-of-home media and online media, as well as mobile and web-based applications, and website development.

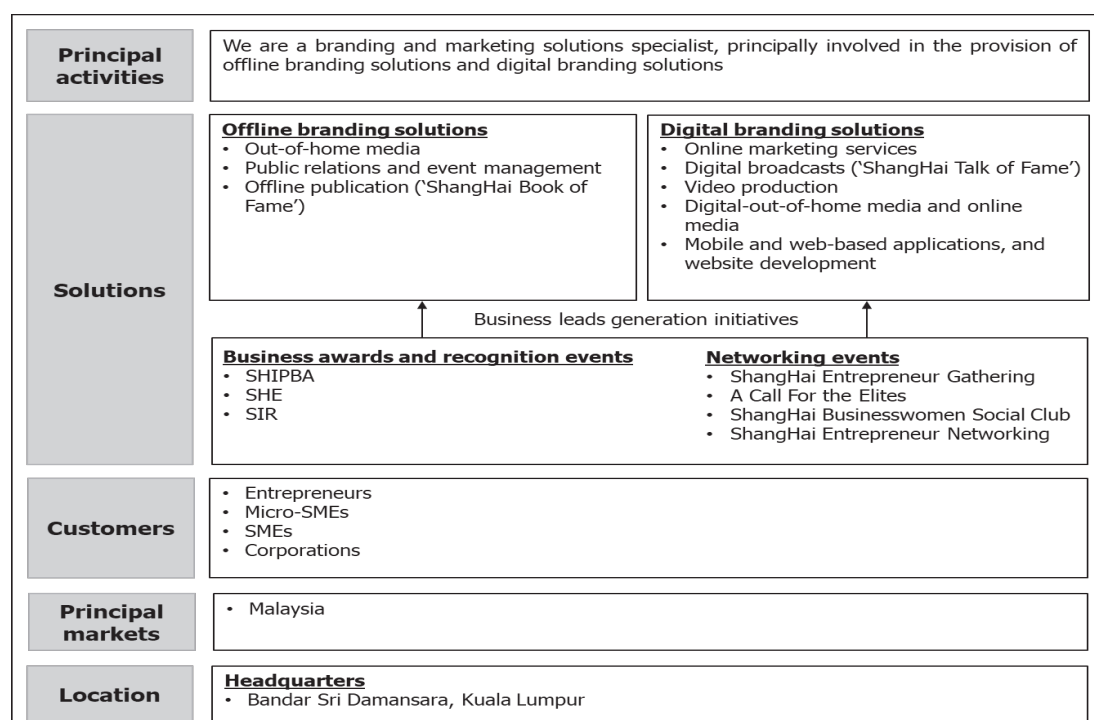
Further, as part of our marketing strategy, we organise and host business awards and recognition events, as well as networking events, as part of our business leads generation initiatives, from which we also derive revenue. These events enable us to generate business leads from potential customers (i.e. entrepreneurs, micro-SMEs, SMEs and corporations) and it also serves as a service that benefits our customers by providing them a platform to drive branding and publicity.

With the wide range of services offered, our Group is positioned as a one-stop solution provider of branding and marketing solutions for customers in various stages of business lifecycle. As early-stage businesses grow into SMEs and subsequently established businesses, our Group's wide range of services can cater to the branding and marketing needs of businesses in their respective stage of business lifecycle. Additionally, our Group is able to propose and cross-sell different branding and marketing solutions to customers to create a seamless and cohesive branding strategy for our customers.



2. PROSPECTUS SUMMARY (Cont'd)

Our Group's business model is as below:



Further details of our Group and our business model are set out in Sections 6 and 7.

We derived our revenue mainly from Malaysia for FYE 2022 to 2024 and FPE 2025. For FYE 2022 to 2024 and FPE 2025, sales from the digital branding solutions segment is our Group's largest revenue contributor as it contributed 58.4%, 50.4%, 57.4% and 59.5% of our Group's total revenue respectively. The breakdown of our Group's revenue by principal services is as follows:

	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Offline branding solutions	2,687	23.2	6,397	32.1	11,164	37.3	8,040	36.9
• Out-of-home media	2,144	18.5	3,491	17.5	6,075	20.3	4,799	22.0
• Public relations and event management	272	2.4	2,700	13.5	4,769	15.9	3,241	14.9
• Offline publication	271	2.3	206	1.1	320	1.1	*	*
Digital branding solutions	6,778	58.4	10,049	50.4	17,162	57.4	12,941	59.5
• Online marketing services	5,039	43.4	1,564	7.8	2,623	8.8	2,235	10.3
• Digital broadcasts	1,047	9.0	788	4.0	220	0.7	92	0.4
• Video production	531	4.6	284	1.4	462	1.6	306	1.4
• Digital-out-of-home media and online media	-	-	3,802	19.1	8,677	29.0	6,489	29.8
• Mobile and web-based applications, and website development	161	1.4	3,611	18.1	5,180	17.3	3,819	17.6
Business leads generation initiatives	2,137	18.4	3,500	17.5	1,598	5.3	779	3.6
• Business awards and recognition events	2,137	18.4	3,487	17.4	1,582	5.2	388	1.8
• Networking events	-	-	13	0.1	16	0.1	391	1.8
	11,602	100.0	19,946	100.0	29,924	100.0	21,760	100.0

2. PROSPECTUS SUMMARY (Cont'd)

Note:

* Represents less than RM1,000 or 0.1%.

Further breakdown of revenue is set out in Sections 7.5 and 12.2.2.

2.3 INTERRUPTIONS TO BUSINESS

Our Group did not experience any interruptions which has significantly affected our business during the past 12 months preceding LPD.

2.4 COMPETITIVE STRENGTHS

Our Directors believe that our business sustainability and future growth is built on the following competitive strengths:

- (a) We have an established history and proven track record, with 22 years of experience in the branding and marketing industry. Our extensive industry knowledge gained throughout the years has allowed us to keep up with the ever-changing industry landscape and demands of customers for branding and marketing solutions. Furthermore, our wide customer base also allows us to keep abreast with developments across various industries which in turn helps us to continue expanding our customer base;
- (b) We offer an extensive range of services as a one-stop branding and marketing solutions provider for local businesses and entrepreneurs in various stages of business lifecycle. Additionally, we are able to propose and cross-sell different branding and marketing solutions to customers to create a seamless and cohesive branding strategy for our customers. As such, the wide range of service offerings, catering to prevalent consumer trend and demand, is expected to support the continued growth of our Group;
- (c) Our house brand 'ShangHai' is a reputable brand that drives the recognition of our services. Since 2017, our Group had leveraged on the brand image and reputation of the 'ShangHai' brand to provide digital broadcast services and offline publication. Our Group had also successfully leveraged on the long-established history and reputation of 'ShangHai' brand amongst the Mandarin-speaking SME community in Malaysia, to host our business awards and recognition events, as well as networking events; and
- (d) Our Group has a qualified and experienced management team headed by our Managing Director/ Chief Executive Officer, Wong Chun Mun, who has contributed to our growth and development. He is supported by our Executive Directors and key senior management who have relevant experience in their respective work scope, or to the branding and marketing industry.

Further details of our competitive strengths are set out in Section 7.16.

2. PROSPECTUS SUMMARY *(Cont'd)*

2.5 BUSINESS STRATEGIES

Our business objectives are to maintain sustainable growth and create long term shareholder value. To achieve our business objectives, we will implement the following business strategies over the period of 24 months from the date of our Listing:

- (a) We intend to relocate to a larger office as our new headquarters in anticipation of our business expansion. Such new headquarters will comprise (i) designated area as event and networking hall to host large-scale meetings and networking events, (ii) conference rooms and board rooms for client meetings and internal discussions, (iii) training room for staff development and training sessions; and (iv) full-fledged production studio for video production and media creation;
- (b) We intend to set up IT and networking infrastructure at our new headquarters as mentioned in (a) above, to support our operational needs which relies on the use of digital technologies. In addition, we intend to purchase higher specification cameras, drones, lenses, backdrop, microphones, tablets, lighting equipment and subscribe to higher tier Adobe subscription plans which has more functions for the set-up of our full-fledged production studio;
- (c) We intend to expand our customer base by offering our branding and marketing services to the Malay-speaking SME community. We will recruit 18 new employees dedicated to penetrate into the Malay-speaking SME community and undertake various marketing activities to promote our services to the Malay-speaking SME community, under a new brand namely 'MyUsahawanMedia';
- (d) We intend to further enhance our brand recognition by increasing our branding and marketing activities in Malaysia as we recognise the importance of continuously enhancing our brand recognition to maintain our competitiveness in the industry and increase our market share. We will recruit 20 new employees to cater to the increased internal needs for more branding and marketing activities and to reduce our dependency on third party service providers; and
- (e) We intend to further grow our mobile and web-based applications, and website development business to capture opportunities arising from the demand for digitalisation. In anticipation of the growing digitalisation needs, we intend to recruit 12 new employees to support the growth of this segment.

Further details of our business strategies are set out in Section 7.17.

2.6 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risk factors as set out in Section 9. Some of the more important risk factors are summarised below:

- (a) Our branding is critical to our success, and the value of our house brand, 'ShangHai' and our reputation may be adversely affected by negative perception. Our success depends on the value of our house brand, 'ShangHai', which is integral to our business. As our house brand 'ShangHai' is integral to our 'ShangHai' branded services, we are reliant on the goodwill of our 'ShangHai' brand. Consequently, any harm to our reputation or house brand could adversely affect our ability to attract and engage customers, and may consequently impact our business, financial condition, and results of operations adversely;

2. PROSPECTUS SUMMARY (Cont'd)

- (b) Absence of long-term contracts with our customers may result in the fluctuation of our Group's financial performance. Our Group has not historically entered into, and presently does not have any, long-term contracts with our customers. The absence of long-term contracts may result in the fluctuation of our Group's sales and overall financial performance;
- (c) We are reliant on third party suppliers for our operations. If we are unable to pass any significant increased costs from our third party suppliers and service providers to our customers in a timely manner, this will negatively impact our profitability. In the event that any of our major suppliers or service providers are unable to provide the required supplies and/ or services to our Group, there is no assurance that we will be able to source the required supplies and/ or services from other suppliers or service providers in a timely manner and at similarly competitive prices. This may also cause delays to the fulfilment of services to our customers which may adversely affect our business reputation and/ or customers raising complaints against our Group;
- (d) We are dependent on our Executive Directors and key senior management team for the continued success and growth of our business. The loss of any of our Executive Directors and/ or key senior management simultaneously, or within a short time span, without suitable and timely replacements, or our inability to attract and retain qualified and competent personnel or integrate new personnel, could adversely affect the business operations, financial performance and the future growth of our Group;
- (e) Our financial performance may be adversely affected in the event of early termination or non-renewal of our exclusive service and management agreement with Entity T. In the event of early termination, or non-renewal of our service and management agreement upon its expiry in 2026, our financial performance may be adversely affected;
- (f) Our intellectual property rights may be infringed and/ or we may inadvertently infringe on third party's intellectual property rights. This would result in the risk of the third party challenging our Group's intellectual property rights or taking legal action against us. In the event that we are unsuccessful in pursuing any action against third party infringers, or a third party has successfully established that we have infringed its intellectual property, we may suffer loss arising from financial penalties and/ or litigation costs;
- (g) We may be exposed to the risk of data security breaches. Our customers who engage our mobile and web-based applications, and website development services may have their personal information, customer information and all data generated stored on third party cloud platform(s). Storage of data electronically may expose our database to external security threats or internal security breaches. While we and third party cloud solution providers have taken the necessary measures to minimise the risk of potential security breaches such as the usage of firewalls and regular vulnerability tests, there can be no assurance that there will not be cases of security breaches in the future which could lead to adverse impact to our Group's business reputation or financial performance; and
- (h) We rely on the availability of creative talents and IT personnel for the provision of our services. A significant loss of such employees and our inability to find suitable replacements in a timely and cost-efficient (i.e. at competitive salary rates which are within our hiring budget) manner may cause disruptions to our deliverables, as well as our ability to secure more sales, which may in turn impact our business reputation and/ or financial performance.

Further details of our risk factors are set out in Section 9.

2. PROSPECTUS SUMMARY (Cont'd)**2.7 DIRECTORS AND KEY SENIOR MANAGEMENT**

Our Directors and key senior management are as follows:

Name	Designation
Directors	
Datuk Seri H'ng Bak Tee	Independent Non-Executive Chairman
Wong Chun Mun	Managing Director/ Chief Executive Officer
Piah Yee Ling	Executive Director
Warren Cheng	Executive Director/ Chief Operating Officer
Wong Maw Chuan	Independent Non-Executive Director
Datuk (Dr.) Hafsa binti Hashim	Independent Non-Executive Director
Jancy Oh Suan Tin	Independent Non-Executive Director
Key senior management	
Lai Kian Chuan	Head of Digital
Tay Mun Kit	Chief Financial Officer
Lim Cheng Yong	Chief Business Officer
Lee Soak Mun	Head of Sales

Further details of our Directors and key senior management are set out in Sections 5.2 and 5.3.

2.8 PROMOTERS AND/ OR SUBSTANTIAL SHAREHOLDERS

The shareholdings of our Promoters and/ or substantial shareholders in our Company before and after IPO are set out below:

Name	Nationality/ Place of incorporation	(1)Before IPO				(2)(3)After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Promoters and substantial shareholders</u>									
Wong Chun Mun	Malaysian	147,000,000	40.0	-	-	147,000,000	30.0	-	-
Piah Yee Ling	Malaysian	58,800,000	16.0	-	-	58,800,000	12.0	-	-
Warren Cheng	Malaysian	36,750,000	10.0	-	-	22,050,000	4.5	-	-
Lai Kian Chuan	Malaysian	73,500,000	20.0	-	-	49,000,000	10.0	-	-
<u>Substantial shareholders</u>									
Alphabets Assets	Malaysia	33,075,000	9.0	-	-	33,075,000	6.7	-	-
Lim Cheng Yong	Malaysian	18,375,000	5.0	-	-	8,575,000	1.8	-	-
Foo Woon Yew	Malaysian	-	-	(4)33,075,000	9.0	-	-	(4)33,075,000	6.7

Notes:

- (1) Based on the share capital of 367,500,000 Shares after the Acquisition but before our IPO.
- (2) After Public Issue and Offer for Sale.
- (3) Based on the enlarged share capital of 490,000,000 Shares after our IPO.
- (4) Deemed interested by virtue of his shareholding in Alphabets Assets pursuant to Section 8(4) of the Act.

Further details of our Promoters and/ or substantial shareholders are set out in Section 5.1.

2. PROSPECTUS SUMMARY (Cont'd)**2.9 UTILISATION OF PROCEEDS**

The gross proceeds to be raised by our Company from the Public Issue of RM30.6 million shall be utilised in the following manner:

Utilisation of proceeds	RM'000	%	⁽¹⁾Estimated timeframe for utilisation
Set-up of our new headquarters	7,100	23.2	Within 24 months
Business expansion	7,250	23.7	Within 24 months
Branding, marketing and promotional activities	740	2.4	Within 18 months
Repayment of borrowings	6,000	19.6	Within 12 months
Working capital	5,035	16.4	Within 12 months
Estimated listing expenses	4,500	14.7	Within 1 month
	30,625	100.0	

Note:

⁽¹⁾ From the date of Listing.

There is no minimum subscription to be raised from IPO.

Detailed information on our utilisation of proceeds is set out in Section 4.9.

The gross proceeds from the Offer for Sale of approximately RM12.3 million shall accrue entirely to the Selling Shareholders.

2.10 FINANCIAL HIGHLIGHTS**2.10.1 Combined statements of profit or loss and other comprehensive income**

The following table sets out the financial highlights based on our combined statements of profit or loss and other comprehensive income for FYE 2022 to 2024 and FPE 2024 to 2025:

	Audited			Unaudited	Audited
	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	11,602	19,946	29,924	12,735	21,760
GP	5,431	11,248	14,955	6,926	7,712
PBT	2,416	7,280	10,078	4,368	6,401
PAT attributable to the owners of our Company	1,583	5,560	7,599	3,390	4,705
GP margin (%) ⁽¹⁾	46.8	56.4	50.0	54.4	35.4
PAT margin (%) ⁽²⁾	13.6	27.9	25.4	26.6	21.6
Diluted EPS (sen) ⁽³⁾	0.3	1.1	1.6	0.7	1.0

Notes:

⁽¹⁾ Calculated based on GP divided by revenue.

⁽²⁾ Calculated based on PAT attributable to the owners of our Company divided by revenue.

2. PROSPECTUS SUMMARY (Cont'd)

- (3) Calculated based on PAT attributable to the owners of our Company over enlarged share capital of 490,000,000 Shares after our IPO.

There were no exceptional items during the financial years/ period under review. Our audited combined financial statements for the past financial years/ period under review were not subject to any audit qualifications. Further details on the financial information are set out in Sections 12 and 13.

2.10.2 Pro forma combined statements of financial position

The following table sets out a summary of the pro forma combined statements of financial position of our Group to show the effects of the Acquisition, Public Issue and utilisation of proceeds. It is presented for illustrative purposes only and should be read together with the pro forma combined statements of financial position as set out in Section 14.

	Audited	I	II	III
	As at 30 June 2025	After Acquisition	After I and Public Issue	After II and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Total non-current assets	5,726	5,726	5,726	5,726
Total current assets	21,562	21,562	52,187	41,631
TOTAL ASSETS	27,288	27,288	57,913	47,357
EQUITY AND LIABILITIES				
Share capital ⁽¹⁾		8,673	39,298	37,702
Invested equities	2,922	-	-	-
Merger reserve/ (deficit)	135	(5,616)	(5,616)	(5,616)
Retained earnings	10,290	10,290	10,290	7,330
TOTAL EQUITY	13,347	13,347	43,972	39,416
Total non-current liabilities	4,353	4,353	4,353	35
Total current liabilities	9,588	9,588	9,588	7,906
TOTAL LIABILITIES	13,941	13,941	13,941	7,941
TOTAL EQUITY AND LIABILITIES	27,288	27,288	57,913	47,357
No. of Shares in issue ('000)	367,500	367,500	490,000	490,000
NA per Share (sen)	3.63	3.63	8.97	8.04
Borrowings	6,984	6,984	6,984	984
Gearing (times)	0.52	0.52	0.16	0.02

Note:

- (1) Represents less than RM1,000.

2. PROSPECTUS SUMMARY (Cont'd)**2.11 DIVIDEND POLICY**

Our Company presently does not have any formal dividend policy. It is our intention to pay dividends to shareholders in the future, however, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board.

During FYE 2022 to 2024 and FPE 2025 and up to LPD, we have declared and paid the following dividends:

	FYE 2022	FYE 2023	FYE 2024	FPE 2025	1 July 2025 up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividends declared and paid	6,200	3,800	5,000	-	-

The dividends declared and paid in FYE 2022 to 2024 were funded via internally generated funds. Further to the above, we do not intend to declare or pay any dividends from LPD up to the point of our Listing.

Further details of our dividend policy are set out in Section 12.17.

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3. APPROVALS AND CONDITIONS**3.1 APPROVALS AND CONDITIONS****3.1.1 Bursa Securities approval**

Bursa Securities had, vide its letter dated 25 September 2025, approved our admission to the Official List of the ACE Market and the listing of and quotation for our entire enlarged issued share capital on the ACE Market. The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(a)	Submission of the following information with respect to the moratorium on the shareholdings of 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.	Complied
(b)	Approvals from other relevant authorities have been obtained for implementation of the Listing;	Complied
(c)	The Bumiputera equity requirements for public listed companies as approved/ exempted by SC including any conditions imposed thereon;	Complied
(d)	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Notes 15 of Listing Requirements;	To be complied
(e)	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire enlarged issued share capital of the Company on the first day of Listing;	To be complied
(f)	In relation to the Public Issue 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; and (iv) Disclosure of placees who become substantial shareholders of the Company arising from the Public Issue, if any.	To be complied
(g)	SBS Nexus/ M&A Securities 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

3. APPROVALS AND CONDITIONS (Cont'd)**3.1.2 SC approval**

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 2 October 2025, approved our application pursuant to our Listing under the Bumiputera equity requirement for public listed companies.

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

No.	Details of conditions imposed	Status of compliance
(a)	SBS Nexus is to allocate Shares equivalent to 12.5% of its enlarged number of issued shares upon Listing to Bumiputera investors to be approved by MITI; and	Complied
(b)	SBS Nexus is to make available at least 50.0% of the Shares offered to the Malaysian public investors via balloting to Bumiputera investors.	Complied

3.1.3 SAC

SAC had, on 12 September 2025, classified our Shares as Shariah-compliant securities based on our audited combined financial statements for FYE 2024.

3.1.4 MITI approval

The MITI had, vide its letter dated 11 July 2025, taken note and has no objection to our Listing.

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3. APPROVALS AND CONDITIONS (Cont'd)

3.2 MORATORIUM ON OUR SHARES

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

- (a) The moratorium applies to the entire shareholdings of our Specified Shareholders for a period of 6 months from the date of our admission to the ACE Market ("**First 6-Month Moratorium**");
- (b) Upon the expiry of the First 6-Month Moratorium, our Company must ensure that our Specified Shareholders' aggregate shareholdings amounting to at least 45.0% of the total number of issued ordinary shares remain under moratorium for another period of 6 months ("**Second 6-Month Moratorium**") and
- (c) On the expiry of the Second 6-Month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight line basis) of those Shares held under moratorium.

Details of our Specified Shareholders and their Shares which will be subject to the abovementioned moratorium, are set out below:

Specified Shareholders	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	
	(1)No. of Shares	(2)%	(1)No. of Shares	(2)%	(1)No. of Shares	(2)%	(1)No. of Shares	(2)%
Wong Chun Mun	147,000,000	30.0	142,258,065	29.0	94,838,710	19.4	47,419,355	9.7
Piah Yee Ling	58,800,000	12.0	56,903,226	11.6	37,935,484	7.7	18,967,742	3.9
Warren Cheng	22,050,000	4.5	21,338,710	4.4	14,225,806	2.9	7,112,903	1.4
	227,850,000	46.5	220,500,001	45.0	147,000,000	30.0	73,500,000	15.0

Notes:

- (1) After Offer for Sale.
- (2) Based on our enlarged share capital of 490,000,000 Shares after our IPO.

3. APPROVALS AND CONDITIONS (Cont'd)

The moratorium has been fully accepted by our Specified Shareholders above, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the abovementioned moratorium period.

The moratorium restrictions are specifically endorsed on the share certificates representing the Shares under moratorium held by our Specified Shareholders to ensure that our Share Registrar does not register any transfer that contravenes with such restrictions.

In addition to the moratorium imposed on the Shares held by the Specified Shareholders, our substantial shareholders (i.e. Alphabets Assets, Lai Kian Chuan and Lim Cheng Yong), have also shown their commitment to the future of our Group, by voluntarily providing their written undertaking not to sell, transfer or assign their entire shareholding in our Company of a total 90,650,000 Shares, representing 18.5% of our enlarged share capital after our Listing, for a period of 6 months from the date of our admission to the ACE Market. Separately, the sole director and shareholder of Alphabets Assets, namely Foo Woon Yew has also undertaken not to sell, transfer or assign his shareholdings in Alphabets Assets for a period of 6 months from the date of our admission to the ACE Market.

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4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 23 December 2025 and will remain open until 5.00 p.m. on 7 January 2026. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Indicative date
Issuance of this Prospectus/ Opening of Application	23 December 2025
Closing of Application	7 January 2026
Balloting of Application	9 January 2026
Allotment of IPO Shares to successful applicants	16 January 2026
Date of Listing	20 January 2026

In the event there is any change to the indicative timetable, we will advertise the notice of such changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia, and make an announcement on Bursa Securities' website.

4.3 DETAILS OF OUR IPO

4.3.1 Listing scheme

(a) Public Issue

A total of 122,500,000 Issue Shares, representing 25.0% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(i) Malaysian Public

24,500,000 Issue Shares, representing 5.0% of our enlarged share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

- (aa) 12,250,000 Issue Shares, representing 2.5% of our enlarged share capital, made available to public investors; and
- (bb) 12,250,000 Issue Shares, representing 2.5% of our enlarged share capital, made available to Bumiputera public investors.

(ii) Eligible Persons

17,150,000 Issue Shares, representing 3.5% of our enlarged share capital, are reserved for our Eligible Persons under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.2.

(iii) Private placement to Bumiputera investors approved by MITI

61,250,000 Issue Shares, representing 12.5% of our enlarged share capital, are reserved for private placement to Bumiputera investors approved by MITI.

4. DETAILS OF OUR IPO (Cont'd)

(iv) Private placement to selected investors

19,600,000 Issue Shares, representing 4.0% of our enlarged share capital, are reserved for private placement to selected investors.

The basis of allocation of the Issue Shares shall take into account our Board's intention to distribute the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements, and to establish a liquid and adequate market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors.

Upon completion of our Public Issue, our share capital will increase from RM8.7 million comprising 367,500,000 Shares to RM39.3 million comprising 490,000,000 Shares. There is no over-allotment or 'greenshoe' option that will increase the number of our IPO Shares.

Our Public Issue is subject to the terms and conditions of this Prospectus.

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4. DETAILS OF OUR IPO (Cont'd)

(b) Offer for Sale

A total of 49,000,000 Offer Shares, representing 10.0% of our enlarged share capital, are offered by our Selling Shareholders to selected investors by way of private placement at our IPO Price.

Our Offer for Sale is subject to the terms and conditions of this Prospectus. The details of our Selling Shareholders and its relationship with our Group are as follows:

Name/ Residential address	Relationship with our Group	As at LPD/ Before IPO ⁽¹⁾		Offer Shares offered			After IPO	
		No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %	⁽³⁾ %	No. of Shares	⁽³⁾ %
Warren Cheng/ 77, Elitis Suria Valencia 47000 Sungai Buloh Selangor	Promoter, substantial shareholder and Executive Director	36,750,000	10.0	14,700,000	4.0	3.0	22,050,000	4.5
Lai Kian Chuan/ B03-05, Dataran Prima Condo Jalan PJU 1/42 47301 Petaling Jaya Selangor	Promoter, substantial shareholder and Head of Digital	73,500,000	20.0	24,500,000	6.7	5.0	49,000,000	10.0
Lim Cheng Yong/ 100, Jalan Datuk Sulaiman 4 Taman Tun Dr Ismail 60000 Kuala Lumpur	Substantial shareholder and Chief Business Officer	18,375,000	5.0	9,800,000	2.7	2.0	8,575,000	1.8

4. DETAILS OF OUR IPO (*Cont'd*)

Notes:

- (1) After completion of the Acquisition but prior to our Public Issue.
- (2) Based on our share capital of 367,500,000 Shares before our IPO.
- (3) Based on our enlarged share capital of 490,000,000 Shares after our IPO.

Further details of our Selling Shareholders, who are also our Promoters, substantial shareholders and/ or key senior management can be found in Section 5.1.

(c) Listing

Upon completion of our IPO, our Company's entire enlarged share capital of RM39.3 million comprising 490,000,000 Shares shall be listed on the ACE Market.

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4. DETAILS OF OUR IPO (Cont'd)**4.3.2 Pink Form Allocations**

We have allocated 17,150,000 Issue Shares under the Pink Form Allocations to our Eligible Persons as follows:

Category	No. of Eligible Persons	Aggregate no. of Issue Shares allocated
Eligible Directors	3	1,200,000
Eligible employees	30	7,112,000
Persons who have contributed to the success of our Group	20	8,838,000
	53	17,150,000

Pink Form Allocations which are not accepted by certain Eligible Persons will be re-allocated among the Eligible Persons in a sequence and priority at the discretion of our Board. After said reallocation, any balance portion of Issue Shares under the Pink Form Allocations will be allocated to the Malaysian Public. Further details are set out in Section 4.3.3.

(a) Allocation to eligible Directors

The criteria for allocation to our eligible Directors (as approved by our Board where the interested Director has abstained from deliberation on their respective allocation) are based on, amongst others, their anticipated contribution to our Group. Wong Chun Mun (our Managing Director/ Chief Executive Officer), Piah Yee Ling (our Executive Director) and Warren Cheng (our Executive Director/ Chief Operating Officer) have opted not to participate in the Pink Form Allocations as Wong Chun Mun and Piah Yee Ling are already our substantial shareholders, while Warren Cheng is undertaking the Offer for Sale. In addition, Jancy Oh Suan Tin (our Independent Non-Executive Director) has opted not to participate in the Pink Form Allocations.

Details of the proposed allocation to our other Directors are as follows:

Name	Designation	No. of Issue Shares allocated
Datuk Seri H'ng Bak Tee	Independent Non-Executive Chairman	600,000
Wong Maw Chuan	Independent Non-Executive Director	300,000
Datuk (Dr.) Hafsa binti Hashim	Independent Non-Executive Director	300,000
		1,200,000

(b) Allocation to our eligible employees

The criteria of allocation to our eligible employees (as approved by our Board) are based on, inter-alia, the following factors:

- (i) Our employees must be an eligible and confirmed employee and on the payroll of our Group;
- (ii) The number of Issue Shares allocated to our eligible employees are based on their seniority, position, length of service and their respective contribution made to our Group as well as other factors deemed relevant to our Board; and

4. DETAILS OF OUR IPO (Cont'd)

(iii) Full time employee of at least 18 years of age.

Lai Kian Chuan (our Head of Digital) and Lim Cheng Yong (our Chief Business Officer) have opted not to participate in the Pink Form Allocations as they are already undertaking the Offer for Sale. Details of the proposed allocation to our key senior management are as follows:

Name	Designation	No. of Issue Shares allocated
Tay Mun Kit	Chief Financial Officer	600,000
Lee Soak Mun	Head of Sales	600,000
		1,200,000

(c) Allocation to persons who have contributed to the success of our Group

Persons who have contributed to the success of our Group include business associates, customers and suppliers.

The number of Issue Shares to be allotted to those persons who have contributed to the success of our Group are based on, amongst others, the nature and terms of their business relationship with us, length of their relationship with us and the level of contribution and support to our Group.

4.3.3 Placement and underwriting arrangement

Our Underwriter will underwrite 41,650,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 80,850,000 Issue Shares and 49,000,000 Offer Shares available for application by way of private placement to Bumiputera investors approved by MITI and selected investors will not be underwritten and will be placed out by our Placement Agent.

Any of our Issue Shares not subscribed by the Malaysian Public and Pink Form Allocations shall be subject to the following clawback and reallocation provisions:

- (a) If any Issue Shares allocated to the Malaysian Public are undersubscribed, the balance portion will be allocated for excess application by the Eligible Persons (subject always that public spread requirements are met). Likewise, any Issue Shares which are not taken up by the Eligible Persons, will be allocated to the Malaysian Public in the event of an oversubscription.
- (b) After (a) above, the remaining portion will be made available for application by way of private placement to selected investors to be identified.
- (c) Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms and conditions of the Underwriting Agreement.

4. DETAILS OF OUR IPO (*Cont'd*)

The allocation of Issue Shares to identified Bumiputera investors shall be subject to the allocation as approved by MITI. Such Issue Shares shall be subject to the following clawback and reallocation provisions:

- (a) Any unsubscribed Issue Shares allocated to Bumiputera investors approved by MITI shall firstly be reallocated to Bumiputera public investors via public balloting. If after the above reallocation, there are still Issue Shares not taken up, the said unsubscribed Issue Shares shall then be offered to Malaysian institutional investors (in the event of an oversubscription).
- (b) After (a) above, the remaining portion will be made available for:
 - (i) Malaysian Public, in the event of an oversubscription; or
 - (ii) application by way of private placement to selected investors to be identified,

the proportion of which will be determined by our Board and Placement Agent.

The clawback and reallocation shall not apply in the event of oversubscription of the Issue Shares allocated to the Malaysian Public, Pink Form Allocations and private placement to Bumiputera investors approved by MITI. Our Board will ensure that any excess IPO Shares will be allocated in a fair and equitable manner.

4.3.4 Minimum and oversubscription

There is no minimum subscription to be raised from our IPO. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of IPO Shares will be the number of IPO Shares required to be held by public shareholders to comply with the public spread requirements as set out in the Listing Requirements or as approved by Bursa Securities.

In the event of an oversubscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Directors. Our Board will ensure that any excess IPO Shares will be allocated on a fair and equitable manner.

Under the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market. In such an event, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

As at LPD, save for the Pink Form Allocations as disclosed in Section 4.3.2, to the extent known to our Company:

- (a) there are no substantial shareholder(s), Directors or key senior management of our Group who have indicated to our Company that they intend to subscribe for the IPO Shares; and
- (b) there are no person(s) who have indicated to our Company that they intend to subscribe for more than 5.0% of the IPO Shares.

4. DETAILS OF OUR IPO (Cont'd)**4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS**

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

Details	No. of Shares	RM
Share capital		
As at date of incorporation	1	1
Issued pursuant to the Acquisition	367,499,999	8,672,999
As at date of this Prospectus	367,500,000	8,673,000
To be issued under our Public Issue	122,500,000	⁽¹⁾ 30,625,000
Enlarged share capital upon our Listing	490,000,000	39,298,000

Note:

- (1) Prior to the capitalisation of estimated listing expenses of approximately RM1.6 million, being the listing expenses that are directly attributable to new issuance of Shares, which will be capitalised against the share capital of our Group.

Our Offer for Sale will not have any effect on our share capital.

As at date of this Prospectus, we have only one class of shares, being ordinary shares, all of which rank equally amongst one another.

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

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

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and any surplus if our Company is liquidated in accordance with our Constitution.

Each of our shareholders shall be entitled to vote at any of our general meetings in person or by proxy or by other duly authorised representative. Every shareholder present in person or by proxy or other duly authorised representative shall have one vote for each ordinary share held.

4.5 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- (a) To enable our Group to raise funds for the purposes specified in Section 4.9 herein;
- (b) To gain recognition through our listing status to enhance our reputation in terms of marketing our services and to retain and attract new employees;
- (c) To provide an opportunity for the Malaysian Public, including our Eligible Persons to participate in our equity; and

4. DETAILS OF OUR IPO (Cont'd)

- (d) To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise.

4.6 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and M&A Securities, as our Adviser, Sponsor, Underwriter and Placement Agent, after taking into consideration the following factors:

- (a) Our pro forma NA per Share of RM0.08, calculated based on our pro forma NA after Acquisition, Public Issue and utilisation of proceeds as at 30 June 2025 of approximately RM39.4 million and enlarged share capital of 490,000,000 Shares upon our Listing;
- (b) The PE Multiple of our IPO Price of 16.1 times, calculated based on our PAT for FYE 2024 of RM7.6 million and market capitalisation of RM122.5 million upon Listing;
- (c) Our historical financial track record as follows:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000
Revenue	11,602	19,946	29,924	21,760
GP	5,431	11,248	14,955	7,712
PAT attributable to the owners of our Company	1,583	5,560	7,599	4,705

- (d) Our competitive strengths as set out in Section 7.16; and
- (e) Our business strategies and prospects as set out in Section 7.17.

You should note that our market price 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 them. You are reminded to carefully consider the risk factors as set out in Section 9 before deciding to invest in our Shares.

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 490,000,000 Shares upon Listing, our total market capitalisation will be RM122.5 million.

4. DETAILS OF OUR IPO (Cont'd)**4.8 DILUTION**

Dilution is the amount by which our IPO Price exceeds our pro forma NA per Share immediately after our IPO. The following table illustrates such dilution on a per Share basis:

	RM
IPO Price	0.25
Pro forma NA per Share as at 30 June 2025 after Acquisition but before Public Issue	0.04
Pro forma NA per Share as at 30 June 2025 after Acquisition, Public Issue and utilisation of proceeds	0.08
Increase in pro forma NA per Share attributable to existing shareholders	0.04
Dilution in pro forma NA per Share to our new public investors pursuant to our IPO	0.17
Dilution in pro forma NA per Share as a percentage of our IPO Price	68.0%

Further details of our pro forma NA per Share as at 30 June 2025 is set out in Section 14.

The following table shows the average effective cost per Share paid by our existing shareholders for our Shares since our incorporation up to the date of this Prospectus:

Shareholders	⁽¹⁾No. of Shares received	Total consideration	Average effective cost per Share
		RM	RM
Wong Chun Mun	146,999,999	3,469,199	0.0236
Piah Yee Ling	58,800,000	1,387,680	0.0236
Warren Cheng	36,750,000	867,300	0.0236
Lai Kian Chuan	73,500,000	1,734,600	0.0236
Alphabets Assets	33,075,000	780,570	0.0236
Lim Cheng Yong	18,375,000	433,650	0.0236
	367,499,999	8,672,999	

Note:

⁽¹⁾ Being Shares issued under the Acquisition.

Save as disclosed above and the Pink Form Allocations to our eligible Directors and key senior management, there has been no acquisition or subscription of any of our Shares by our Directors or key senior management, substantial shareholders or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, in the past 3 years up to LPD.

4. DETAILS OF OUR IPO (Cont'd)**4.9 UTILISATION OF PROCEEDS****4.9.1 Public Issue**

The estimated gross proceeds from our Public Issue of RM30.6 million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	Notes	RM'000	%	⁽¹⁾Estimated timeframe for utilisation
Set-up of our new headquarters	(a)	7,100	23.2	Within 24 months
Business expansion	(b)	7,250	23.7	Within 24 months
Branding, marketing and promotional activities	(c)	740	2.4	Within 18 months
Repayment of borrowings	(d)	6,000	19.6	Within 12 months
Working capital	(e)	5,035	16.4	Within 12 months
Estimated listing expenses	(f)	4,500	14.7	Within 1 month
		30,625	100.0	

Note:

⁽¹⁾ From the date of Listing.

Pending the deployment of the proceeds raised from our Public Issue as aforementioned, the funds will be placed in short-term deposits with financial institutions.

(a) Set-up of our new headquarters

We currently operate from our existing headquarters in Bandar Sri Damansara, Kuala Lumpur, with total built-up area of 10,210 sq ft. With the ongoing expansion of our business, we intend to relocate our existing headquarters to a larger office space (with double the built-up area) to better accommodate our operational needs such as enabling us to host large-scale meetings and networking events, conference rooms and board rooms for client meetings and internal discussions, training room for staff development and training sessions, as well as setting up a full-fledged production studio for video production and media creation.

For information, due to space limitation, the existing headquarters only allows for smaller scale meetings and trainings, and only has a mini in-house production studio which is equipped with a limited range of equipment comprising lower specification cameras and lighting equipment. Our new headquarters will allow us to expand these functions significantly, providing larger space for customer interactions, trainings, events and professional media production.

In addition to serving as our hub to manage our day-to-day operations, our new headquarters will offer several features that our current headquarters could not accommodate due to space limitations, as follows:

- (i) Dedicated, full-fledged production studios for video production and media creation;
- (ii) Events and networking hall for hosting large-scale meetings, client interactions and industry events;
- (iii) Conference rooms and board rooms for client meetings and internal discussions; and
- (iv) Training room for staff development and training sessions.

4. DETAILS OF OUR IPO (Cont'd)

As at LPD, we are in the midst of identifying a suitable semi-detached building located in Klang Valley with a built-up area of approximately 20,000 sq ft to rent as our new headquarters. The exact location and size of the new premise are subject to fluctuations in prevailing property prices and the availability of suitable spaces.

As at LPD, our current headquarters is able to accommodate our 44 employees. The new headquarters is expected to accommodate up to 100 employees, which is in line with our business expansion. Further details on our business expansion are set out in Sections 4.9.1(b), 7.17.3, 7.17.4 and 7.17.5. Upon relocating to the new headquarters, we intend to rent out our existing headquarters once a suitable tenant is identified.

We intend to allocate RM7.1 million, representing 23.2% of our gross proceeds from the Public Issue, towards setting up our new headquarters. The set-up cost of our new headquarters is based on quotations obtained from third party marketplaces and contractors, details of which are as follows:

Description	Estimated cost
	RM'000
Renovation expense ⁽¹⁾	4,400
Rental expense ⁽²⁾	1,440
Acquisition of studio equipment ⁽³⁾	860
Set up of IT and networking infrastructure ⁽⁴⁾	400
	7,100

Notes:

- (1) Comprises mainly curtain installation, tiling works, ceiling works, painting, office partitioning and mechanical and electrical installations, enhanced interior design features utilising higher-quality finishes and materials as well as inclusion of employee facilities such as employees' lounges to support staff welfare and increase operational efficiency.
- (2) Such estimated rental expenses are based on the prevailing market rental rates of similar semi-detached buildings located in Klang Valley and are expected to be utilised over a period of 24 months from the commencement of operations at our new headquarters.
- (3) As at LPD, our existing headquarters has a mini in-house production studio, which is not equipped with the necessary equipment due to space constraint. The full-fledged production studio which we intend to set up in the new headquarters will comprise 2 types of studios to cater to different production needs, as well as 2 make-up and changing rooms. This new studio will enable us to produce high-quality media content for digital marketing and corporate communications such as content creation, internal/ external video production or other media needs. The cost of acquisition of studio equipment includes installation and set-up expenses to ensure that the production studio is fully operational. Details of the studio equipment to be acquired are as follows:

Description	Estimated cost
	RM'000
Studio equipment such as higher specification cameras, drones, lenses, backdrop, microphones, tablets and lighting equipment	538
Subscription of higher tier software and licencing costs for video editing	322
	860

4. DETAILS OF OUR IPO (Cont'd)

- (4) Includes set-up of a server room with air conditioning system and fire suppression system, network cabling, routers, switches, uninterruptible power supply (UPS), networking, security systems, firewall and recovery software to ensure optimal operation and data security. For clarity, this expense represents a one-off capital expenditure incurred to set up our Group's IT and networking infrastructure at our new headquarters.

The indicative timeline to set up our new headquarters is as detailed below:

Timeline	Details
T (from date of our Listing)	Execution of tenancy agreement for our new headquarters
T + 1 month	Submission of renovation building plan to the local council
T + 4 months	Approval obtained from local council
T + 5 months	Commencement of renovation works
T + 11 months	Completion of renovation works
T + 12 months	Relocation from old headquarters to new headquarters

Please refer to Sections 7.17.1 and 7.17.2 for further details.

In the event we have identified a suitable premise for our new headquarters and are required to execute the tenancy agreement prior to our Listing, we will fund the set-up costs using our internally generated funds and/ or bank borrowings. Upon completion of our Listing, we will replenish our internally generated funds and/ or repay the bank borrowings from the earmarked proceeds of the Public Issue. For avoidance of doubt, the relocation of all computer equipment, machinery and other electronic equipment such as photography, video and studio lightings equipment, will be carried out by our own personnel and is not expected to incur any additional cost. The proposed rental term for our new headquarters is expected to be 4 years, with an option to extend for an additional 2 years upon expiry, subject to mutual agreement with the landlord. Further, in the event the allocated proceeds are insufficient for the set-up of our new headquarters, any shortfall will be funded via internally generated funds and/ or bank borrowings. Conversely, if the actual cost is lower than the amount budgeted above, the excess will be allocated for our working capital requirements.

(b) Business expansion

Our house brand, 'ShangHai', was acquired by our Group in 2017 and our business is well known amongst business owners in the Mandarin-speaking SME community in Malaysia. Our Group intends to expand our business to the Malay-speaking market, as we recognise the importance of diversifying our reach beyond the Mandarin-speaking market.

In line with our expansion objectives, our Group intends to allocate approximately RM2.5 million, representing 8.1% of our gross proceeds from the Public Issue, to penetrate the Malay-speaking SME community, by firstly enhancing our workforce. This will involve recruiting 18 new employees dedicated to enhance our marketing and promotional activities. By expanding this division, we aim to expand our market reach to the Malay-speaking SME community, which will ultimately boost our financial performance. Secondly, we will engage in various marketing activities, including participating in trade events, and investing in event sponsorship, social media marketing and advertisements via digital billboards.

4. DETAILS OF OUR IPO (Cont'd)

In addition, we intend to enhance our marketing activities through search engine optimisation to increase visibility and drive traffic to our corporate website. Our sales team will reach out to Malay-speaking SME community, establish business relationships and provide tailored solutions that address the specific needs of this segment. Based on our preliminary engagements and observations, this segment seeks additional support in areas such as (i) brand development and corporate image building, particularly among businesses aiming to expand beyond their local markets; (ii) increased brand visibility through digital channels, including social media and online broadcasts; and (iii) opportunities to connect with potential partners within a trusted ecosystem. In response to these identified needs, we plan to offer tailored solutions such as business networking opportunities and digital broadcast services under a new brand namely 'MyUsahawanMedia' to help them strengthen their brand presence and extend their market reach.

Simultaneously, our content creation and video production team will develop relevant marketing contents, visuals, and videos to effectively communicate with and connect to the Malay-speaking SME community. These materials will support our brand building efforts and further strengthen our market presence.

In addition to penetrate into the Malay-speaking SME community, we intend to allocate RM4.8 million, representing 15.6% of our gross proceeds from the Public Issue, for the following:

- (i) our IT, graphic design and sales departments, by recruiting 12 additional employees, to support the growth of our mobile and web-based applications, and website development segment and to reduce reliance on third party service providers;
- (ii) our sales, video production, content creation and event management departments, by recruiting 20 additional employees as part of our strategy to enhance our offerings to multinational companies and larger corporations as our existing customers are primarily individuals or SMEs. Our new recruits' responsibilities will include planning and executing sales and marketing strategies, responding to inquiries from prospective customers, preparing detailed proposals and presentations and managing tenders and quotations; and
- (iii) purchase additional laptop/ computers, cloud storage, hosting servers and software subscription to support the additional headcount as mentioned above.

The detailed breakdown of the utilisation of RM7.3 million for our business expansion are as follows:

Details of utilisation	RM'000
Set up Malay-speaking SME division	2,488
• Marketing activities ⁽¹⁾	640
• Recruitment of employees ⁽²⁾	1,848
Recruitment of employees to reduce reliance on third party service providers:	4,092
• Support our growth in the mobile and web-based applications, and website development segment ⁽³⁾	1,632
• In line with our initiatives to increase our branding and marketing activities ⁽⁴⁾	2,460
Acquisition of laptops/ computers, cloud storage, hosting servers and software subscription ⁽⁵⁾	670
	7,250

4. DETAILS OF OUR IPO (Cont'd)**Notes:**

- (1) We intend to undertake various marketing activities to promote our services to the Malay-speaking SME community, under a new brand namely 'MyUsahawanMedia', breakdown of which are as follows:

Details	Estimated cost
	RM'000
Participation in exhibitions and events through setting up promotional exhibition booths	200
Third party events' sponsorship – Event advertising which entails placement of brochures, pocket tissues, paper bags and buntings at third party events such as trade seminars, Malay business associations and business magazines	200
Social media marketing through the posting of advertisements on Facebook, Instagram, TikTok, YouTube and Google Ads	60
Advertisement via digital billboards	180
	640

- (2) In order to set up our Malay-speaking SME division, we intend to recruit personnels in sales, content creation, graphic design and video production departments, details of which are as follows:

Position	No. of pax	(aa) Estimated cost
		RM'000
Manager – Sales	3	576
Executive – Sales	8	576
Senior – Content creation	1	120
Executive – Content creation	2	168
Executive – Graphic design	2	168
Senior – Video production	1	144
Executive – Video production	1	96
	18	1,848

Note:

- (aa) To be utilised over a period of 24 months from the commencement of operations of our Malay-speaking SME division.

- (3) We intend to expand our IT, graphic design and sales departments by recruiting additional employees to support the growth of our mobile and web-based applications, and website development segment. Details of the employees we intend to recruit are as follows:

Position	No. of pax	(aa) Estimated cost
		RM'000
Senior web designer – IT	1	192
Web designer – IT	3	360
Graphic designer – Graphic design	1	120
Senior IT developer – IT	1	240
IT developer – IT	3	432
Manager – Sales	1	144
Executive – Sales	2	144
	12	1,632

4. DETAILS OF OUR IPO (Cont'd)**Note:**

(aa) To be utilised over a period of 24 months from the commencement of recruitment.

- (4) We intend to expand our sales, video production, content creation and event management departments by recruiting additional employees in line with our initiatives to increase our branding and marketing activities and cater to our business growth. Details of the employees we intend to recruit are as follows:

Position	No. of pax	(aa) Estimated cost RM'000
Senior – Video production	2	288
Executive – Video production	4	384
Senior – Content creation	2	240
Executive – Content creation	3	252
Manager – Sales	2	384
Executive – Sales	3	360
Manager – Event management	1	192
Executive – Event management	3	360
	20	2,460

Note:

(aa) To be utilised over a period of 24 months from the commencement of recruitment.

- (5) To cater to the increase of the additional 50 employees as stated in Notes (2) to (4) above and our business expansion, we intend to allocate approximately RM0.7 million for the acquisition of the following:

Details	Estimated cost RM'000
Laptops and computers	450
Cloud storage, hosting servers and software subscription ^(aa)	220
	670

Note:

(aa) For clarity, the cloud storage, hosting servers and software subscription refer to recurring operational expenditure to support our Group's day-to-day operations. This includes annual or monthly subscriptions to cloud platforms (e.g. Google Cloud), and productivity software (e.g. Microsoft 365 and Adobe Creative Cloud).

In line with the on-going growth of our Group, we intend to expand the departments mentioned in Notes (2) to (4) to accelerate market penetration and strengthen operational capacity. The basis for recruiting up to 50 new employees is to support our strategic initiatives, including: (i) developing and managing branding and marketing solutions targeting the Malay-speaking SME community; (ii) enhancing overall branding and marketing activities to meet anticipated demand growth and reduce reliance on third party service providers; and (iii) supporting the expansion of our digitalisation initiatives, including mobile and web-based application and website development.

4. DETAILS OF OUR IPO (Cont'd)

This planned headcount increase is necessary to ensure we have sufficient resources to execute our business expansion plans effectively and achieve our long-term growth objectives.

Please refer to Sections 7.17.3 to 7.17.5 for further details.

In the event the allocated proceeds are insufficient for our business expansion, any shortfall will be funded via internally generated funds and/ or bank borrowings. Conversely, if the actual cost is lower than the amount budgeted above, the excess will be allocated for our working capital requirements.

(c) Branding, marketing and promotional activities

Recognising the impact of marketing and promotional activities in attracting a larger customer base, our Group aims to increase our branding and marketing initiatives to enhance our overall brand awareness in the market. We intend to allocate RM0.7 million representing 2.4% of our gross proceeds to be raised from the Public Issue, as detailed below:

Details	Estimated costs RM'000
Participation in exhibitions and events such as business exhibitions and 'Malaysia Halal Expo' ⁽¹⁾	200
Invest in paid advertisements such as search engine optimisation ⁽¹⁾	90
Social media marketing through the posting of advertisements on Facebook, Instagram, TikTok, YouTube and Google Ads ⁽¹⁾	90
Advertisement via digital billboards ⁽¹⁾	270
Third party events' sponsorships ⁽¹⁾⁽²⁾	90
	740

Notes:

- (1) To be utilised over a period of 18 months from the date of our Listing.
- (2) We intend to increase our brand recognition by participating in more third party event' sponsorships to foster greater awareness within the community and boost our financial performance. As sponsors, we will be able to set up booths and buntings at events that cater to SMEs and corporations (such as exhibitions, trade shows, and professional conferences that align with our services), allowing us to promote our services directly to prospective customers.

Please refer to Section 7.17.4 for further details.

In the event the allocated costs for branding, marketing and promotional activities are lower than the amount budgeted, the excess will be allocated for our general working capital requirements. Conversely, in the event the allocated proceeds are insufficient for our branding, marketing and promotional activities, any shortfall will be funded via our Group's internally generated funds and/ or bank borrowings.

4. DETAILS OF OUR IPO (Cont'd)**(d) Repayment of borrowings**

Our Group intends to allocate RM6.0 million, representing 19.6% of our gross proceeds from the Public Issue, for the repayment of our borrowings. Details of which are as follows:

Financier/ Type of facilities	Purpose	Interest rate per annum %	Maturity date	Balance as at LPD RM'000	Amount to be repaid RM'000
CIMB Bank Berhad/ Term loan	Working capital requirements	8.6	January 2028	189	189
Alliance Bank Malaysia Berhad/ Term loan	Working capital requirements	5.4	November 2027	476	476
Alliance Bank Malaysia Berhad/ Term loan	Working capital requirements	7.4	November 2027	241	241
Alliance Bank Malaysia Berhad/ Overdraft	Working capital requirements	7.4	On demand	1,462	1,462
Alliance Bank Malaysia Berhad/ Term loan	Part re-finance the acquisition of our existing headquarters	4.2	March 2045	2,131	1,863
AmBank (M) Berhad/ Term loan	Working capital requirements	8.5	May 2029	732	732
AmBank (M) Berhad/ Term loan	Working capital requirements	7.5	August 2030	656	656
Maybank Berhad/ Term loan	Working capital requirements	7.4	September 2032	381	381
				6,268	6,000

The repayment of the borrowings is expected to result in annual interest savings of RM0.4 million based on the abovementioned interest rates. However, the actual interest savings may vary depending on the then applicable interest rates. For clarity, an one-off early repayment charge of approximately RM56,000 will be incurred for the settlement of a RM1.9 million term loan from Alliance Bank Malaysia Berhad, which was partly used to refinance the acquisition of our existing headquarters. This charge will be funded via our internally generated funds. For avoidance of doubt, save for settlement of a RM1.9 million term loan from Alliance Bank Malaysia Berhad, the early repayment of the other abovementioned facilities utilising our gross proceeds from the Public Issue will not incur any early repayment charges.

4. DETAILS OF OUR IPO (Cont'd)

Our selection to repay the above financing facilities was determined after taking into consideration the following factors:

- (i) interest cost of such financing facilities; and
- (ii) outstanding loan amount.

Our total outstanding borrowings (including finance lease liabilities of RM0.1 million) as at 30 June 2025 stood at RM7.0 million. After the proposed repayment, our Group's total borrowings will amount to RM1.0 million. The proposed repayment of bank borrowings coupled with the increase in total equity from the issuance of new Shares under our Public Issue will reduce our pro forma gearing level from 0.16 times (after our Public Issue but prior to utilisation of proceeds) to 0.02 times (after the utilisation of proceeds) as set out in Section 12.4.

(e) Working capital

Our working capital requirements are expected to increase in tandem with the growth in our business operations. Our Group intends to allocate RM5.0 million, representing 16.4% of our gross proceeds from the Public Issue, for our working capital requirements, the breakdown of which are as follows:

Details of utilisation	RM'000
Staff costs ⁽¹⁾	1,068
Payment to suppliers for outsourced services ⁽²⁾	3,967
	5,035

Notes:

- (1) We anticipate staff costs to increase due to salary increments and performance bonuses, which are essential for attracting and retaining talent.
- (2) Relates to payment of outsourced services to accommodate the anticipated increase in workload pursuant to our business expansion plan. While we plan to recruit additional employees to strengthen our internal capabilities in the long term, outsourced services remain essential to ensure the quality and timeliness of deliverables, particularly during periods when our internal team are fully occupied or where specialised expertise is required but not available in-house, such as technical crews to support specialised equipment. Accordingly, this approach enables us to maintain operational efficiency and service standards throughout our expansion phase.

Outsourced services include, among others, video production, website and social media management, content creation and management services, influencer marketing and the execution of digital marketing campaigns, distribution and installation services, interviewers and the creation of interview articles, photo shooting, printing of publication, booklets and flyers as well as IT related services such as software development, testing and installation of IT solutions, as it is our largest cost of sales items, contributing between 48.3% and 76.1% in FYE 2022 to 2024 and FPE 2025.

4. DETAILS OF OUR IPO (Cont'd)

Our Group had in the past and currently been funding our working capital requirements through bank borrowings and/ or internally generated funds. Therefore, the above working capital allocation from our Public Issue is expected to enhance our Group's liquidity and cash flow position to support the expected growth in our daily operations.

(f) Estimated listing expenses

An amount of RM4.5 million, representing 14.7% of our gross proceeds from the Public Issue, is allocated to meet the estimated expenses of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Estimated listing expenses	RM'000
Professional fees ⁽¹⁾	2,938
Underwriting, placement and brokerage fees	949
Fees payable to the authorities	106
Printing and contingencies ⁽²⁾	507
	4,500

Notes:

- (1) Includes advisory/ professional fees for, amongst others, our Adviser, solicitors, reporting accountants, IMR, internal control reviewer and Issuing House.
- (2) Other incidental or related expenses in connection with our IPO.

Any variations from the amounts budgeted above, save for item (e), shall be adjusted towards or against, as the case may be, the proceeds allocated for our general working capital requirements. Where applicable and required under Rule 8.24 of the Listing Requirements, we will seek shareholders' approval for any material variation of 25.0% or more in the intended utilisation of proceeds. Any further shortfall shall be funded from our internally generated funds or bank borrowings, at a proportion to be determined at the point of funding.

4.9.2 Offer for Sale

The Offer for Sale is expected to raise gross proceeds of approximately RM12.3 million which will accrue entirely to our Selling Shareholders and we will not receive any of the proceeds.

The Selling Shareholders shall bear all of the expenses relating to the Offer Shares, the aggregate of which is estimated to be approximately RM0.3 million.

4.10 BROKERAGE FEES, PLACEMENT FEES AND UNDERWRITING COMMISSION**4.10.1 Brokerage fees**

Brokerage is payable in respect of the Issue Shares at the rate of 1.0% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or Issuing House.

4.10.2 Placement fees

Our Placement Agent will place out a total of 80,850,000 Issue Shares and 49,000,000 Offer Shares to Bumiputera investors approved by MITI and selected investors.

4. DETAILS OF OUR IPO (*Cont'd*)

We will pay our Placement Agent a placement fee of 2.5% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

The placement fee of 2.5% of the value of those Offer Shares placed out by our Placement Agent will be paid by our Selling Shareholder.

4.10.3 Underwriting commission

Our Underwriter has agreed to underwrite 41,650,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We will pay our Underwriter an underwriting commission of 3.0% of our IPO Price multiplied by the number of Shares underwritten.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 41,650,000 Issue Shares ("**Underwritten Shares**") as set out in Section 4.3.3.

The following are the salient terms in the Underwriting Agreement. The capitalised terms used in this section shall have the respective meanings as ascribed thereto in the Underwriting Agreement.

4.11.1 Conditions precedent

The several obligations of our Underwriter under the Underwriting Agreement shall be conditional upon:

- (a) the acceptance of our listing and the clearance of registrable prospectus from Bursa Securities, and the lodgement of registrable prospectus with the CCM respectively together with copies of all documents required under Section 154 of the Act prior to the issuance of this Prospectus to the public;
- (b) the issuance of this Prospectus (including all procedures, requirements, letters and documents) required under Section 154 of the Act to the public within 3 months from the date of the Underwriting Agreement or such extension as consented by our Underwriter;
- (c) there having been, as at any time hereafter up to and including the date adopted in the Prospectus as the last date for acceptance and receipt of application for the subscription to the Issue Shares or such other later date as our Company and our Underwriter may agree upon ("**Closing Date**"), no material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise of our Group (which in the reasonable opinion of our Underwriter is or will be material in the context of the issue of the Issue Shares) from that set forth in this Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to an extent which is or will be material in any of the representations, warranties and undertakings contained in the Underwriting Agreement, if they are repeated on and as of the Closing Date;

4. DETAILS OF OUR IPO (*Cont'd*)

- (d) the issue, offering and subscription of the Issue Shares in accordance with the provisions of the Underwriting Agreement and this Prospectus not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
- (e) all necessary approvals and consents required in relation to our Public Issue including but not limited to governmental approvals having been obtained and are in full force and effect;
- (f) our Underwriter having been satisfied that arrangements have been made by our Company to ensure payment of the expenses referred to in the Underwriting Agreement;
- (g) the delivery to our Underwriter prior to the date of registration of this Prospectus of:
 - (i) a copy certified as a true copy by an authorised officer of our Company of all the resolutions of the Directors of our Company and the shareholders in general meeting approving the Underwriting Agreement, this Prospectus, our Public Issue and authorising the execution of the Underwriting Agreement and the issuance of this Prospectus; and
 - (ii) a certificate dated the date of this Prospectus signed by duly authorised officers of our Company stating that, after having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in sub-section (c) above;
- (h) the delivery to our Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from our Board as our Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of Group nor the occurrence of any event rendering, untrue or incorrect, to a material extent any representations and/ or warranties contained in the Underwriting Agreement as though they have been given and/ or made on such date; and
- (i) our Underwriter being satisfied that our Company will, following completion of our Public Issue, be admitted to the official list and our issued share capital listed and quoted on the ACE Market without undue delay.

4.11.2 Non-fulfilment of conditions precedent

In the event any of the conditions set forth in Section 4.11.1 are not satisfied by the Closing Date, our Underwriter shall thereupon be entitled, but not bound, to terminate the Underwriting Agreement by notice given to our Company not later than 3 Market Days after the Closing Date. Upon such termination, our Company and our Underwriter shall be released and discharged from our respective obligations under the Underwriting Agreement, save for any surviving obligations, and neither party shall have any claim against the other, save for antecedent breaches by our Company and claims arising therefrom. Each party shall in such event return any and all monies paid to the other party under the Underwriting Agreement within 72 hours of the receipt of such notice (except for monies paid by our Company for the payment of the expenses as provided in the Underwriting Agreement). Our Underwriter reserves the right to waive or modify any of the aforesaid conditions and such waiver or modification shall not prejudice our Underwriter's rights under the Underwriting Agreement.

4. DETAILS OF OUR IPO (*Cont'd*)

4.11.3 Termination

Notwithstanding anything herein contained, our Underwriter may by notice in writing to our Company given at any time on or before the allotment and issuance of the Issue Shares, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if:

- (a) there is any breach by our Company of any of the representations, warranties or undertakings, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to our Company, or by the Closing Date, whichever is earlier, or withholding of information of a material nature from our Underwriter, which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of our Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of our Public Issue, or the distribution of the Issue Shares; or
- (b) there is withholding of information of a material nature from our Underwriter, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to our Company, which, in the opinion of our Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group and the success of our Public Issue, or the distribution of the Issue Shares; or
- (c) there shall have occurred, happened or come into effect in the opinion of our Underwriter any material and/ or adverse change to the business or financial condition of our Group; or
- (d) there shall have occurred, happened or come into effect any of the following circumstances:
 - (i) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (ii) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of our Company and/ or our Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); which, in the reasonable opinion of our Underwriter, would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of our Group and the success of our Public Issue, or the distribution of the Issue Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or
 - (iii) the FTSE Bursa Malaysia KLCI Index ("**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 allotment of the Issue Shares,

4. DETAILS OF OUR IPO (Cont'd)

lower than 90% of the level of the Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to such date and remains at or below that level for at least 3 Market Days; or

- (iv) in the event of national disorder, outbreak of war or the declaration of a state of national emergency;
- (e) there is failure on the part of our Company to perform any of our obligations contained in the Underwriting Agreement; or
- (f) any matter which arose immediately before the date of this Prospectus would have constituted a material and adverse omission in the context of our Public Issue; or
- (g) any event, act or omission which gives or is likely to give rise to any liability which will have a material and adverse effect on our Company pursuant to the indemnities contained under the Underwriting Agreement.

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

Our Shares will be admitted to the Official List of the ACE Market and an official quotation will commence after, among others, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and Depository Rules. We will not issue any share certificates to successful applicants.

Upon our Listing, 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.

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 will trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

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

5.1 PROMOTERS AND/ OR SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and/ or substantial shareholders' shareholdings

The shareholdings of our Promoters and/ or substantial shareholders in our Company before and after our IPO are set out below:

Name	Nationality/ Place of incorporation	⁽¹⁾ Before IPO				⁽²⁾⁽³⁾ After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and substantial shareholders									
Wong Chun Mun	Malaysian	147,000,000	40.0	-	-	147,000,000	30.0	-	-
Piah Yee Ling	Malaysian	58,800,000	16.0	-	-	58,800,000	12.0	-	-
Warren Cheng	Malaysian	36,750,000	10.0	-	-	22,050,000	4.5	-	-
Lai Kian Chuan	Malaysian	73,500,000	20.0	-	-	49,000,000	10.0	-	-
Substantial shareholders									
Alphabets Assets	Malaysia	33,075,000	9.0	-	-	33,075,000	6.7	-	-
Lim Cheng Yong	Malaysian	18,375,000	5.0	-	-	8,575,000	1.8	-	-
Foo Woon Yew	Malaysian	-	-	⁽⁴⁾ 33,075,000	9.0	-	-	⁽⁴⁾ 33,075,000	6.7

Notes:

- (1) Based on our share capital of 367,500,000 Shares after the Acquisition but before our IPO.
- (2) After Public Issue and Offer for Sale.
- (3) Based on our enlarged share capital of 490,000,000 Shares after our IPO.
- (4) Deemed interested by virtue of his shareholding in Alphabets Assets pursuant to Section 8(4) of the Act.

Our Promoters and substantial shareholders do not have different voting rights from other shareholders of our Group and there is no arrangement between our Group and our shareholders with any third parties, the operation of which may at a subsequent date result in a change in control of our Company.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

5.1.2 Profiles of Promoters and/ or substantial shareholders

The profiles of our Promoters and/ or substantial shareholders are set out below:

(a) **Wong Chun Mun**

Promoter, substantial shareholder and Managing Director/ Chief Executive Officer

Wong Chun Mun, a Malaysian male aged 50, is our Promoter, substantial shareholder, Managing Director/ Chief Executive Officer. He was appointed to our Board since incorporation on 10 September 2024. He is responsible for formulating and driving the strategic direction as well as growth of our Group.

He completed his SPM in Sekolah Menengah Katholik Bentong, Pahang in November 1993. After completing SPM, he joined SunLee Enterprise in the same month as a promoter, where he promoted leather products to consumers.

In 1995, he left SunLee Enterprise and moved to Singapore to join Sony Display Device (Singapore) Pte Ltd as a Production Assistant. He was then responsible for performing machine maintenance, compiling production data and ensuring all quality checks on machineries are done according to the necessary procedures.

Upon leaving Sony Display Device (Singapore) Pte Ltd in 1997, he relocated back to Malaysia and joined Yee Lee Trading Co Sdn Bhd as a Sales Personnel where he was responsible for the sale of grocery products. He left Yee Lee Trading Co Sdn Bhd and joined Hau Seng Lee Sdn Bhd in February 1999 as a Sales Executive for 8 months where he was responsible for the sale of used cars. He subsequently left Hau Seng Lee Sdn Bhd and joined Conplant Sdn Bhd in October 1999 as a Sales Executive where he was responsible for the sale of industrial machineries.

In September 2000, he left Conplant Sdn Bhd to set up a sole proprietorship by the name of CMW Industrial Supplies which was principally involved in the sales of water filtration machines. His main responsibility was to promote water filtration machines to consumers together with his spouse, Piah Yee Ling, who subsequently joined as a partner in October 2000. Arising thereto, CMW Industrial Supplies became a partnership.

In 2003, he and Piah Yee Ling ceased the operations of CMW Industrial Supplies and he joined Speed Business Services, a sole proprietorship set up by Piah Yee Ling as Sales Director, where he was in charge of all sales and marketing activities.

In 2009, Wong Chun Mun and Piah Yee Ling co-founded SBS Prints Sdn Bhd (now known as SBS Digital Holdings), refocusing their business operations to SBS Digital Holdings to support the expansion of the printing and flyer distribution business. After SBS Digital Holdings was founded, the business operations of Speed Business Services ceased. Since co-founding SBS Digital Holdings, he assumed the role of Director/ Chief Executive Officer, a role he presently holds.

Kindly refer to Section 5.2.3(b) for his involvement in other business activities outside our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

(b) Piah Yee Ling

Promoter, substantial shareholder and Executive Director

Piah Yee Ling, a Malaysian female aged 48, is our Promoter, substantial shareholder and Executive Director. She was appointed to our Board since incorporation on 10 September 2024. She is responsible for overseeing project operations and the implementation of our Group's business strategies. She plays a key role in our Group's client-facing functions, particularly in business development, client engagement, and commercial strategy. She works closely with our business development and sales teams to drive growth and client satisfaction.

In 1998, she obtained her Diploma in Hotel Operational Management in the Swiss Hotel Management School, Switzerland. Upon obtaining her diploma, she started her career with Lira Media Sdn Bhd as a Membership Ambassador, where she was responsible to promote the company's hotel and golf club membership.

In 2000, she left Lira Media Sdn Bhd and joined CMW Industrial Supplies (principally involved in the sale of water filtration machines) as a partner. Her main responsibility was to promote water filtration machines to consumers together with Wong Chun Mun.

In 2003, she and Wong Chun Mun ceased the operations of CMW Industrial Supplies and she went on to set up a sole proprietorship by the name of Speed Business Services. She was in charge of managing the business operations of Speed Business Services which was involved in printing, designing and distribution of advertising flyers.

In 2009, Piah Yee Ling and Wong Chun Mun co-founded SBS Prints Sdn Bhd (now known as SBS Digital Holdings), refocusing their business operations to SBS Digital Holdings to support the expansion of the printing and flyer distribution business. After SBS Digital Holdings was founded, she ceased the business operations of Speed Business Services. Since co-founding SBS Digital Holdings, she assumed the role of Executive Director, a position she currently holds.

Kindly refer to Section 5.2.3(c) for her involvement in other business activities outside our Group.

(c) Warren Cheng

Promoter, substantial shareholder and Executive Director/ Chief Operating Officer

Warren Cheng, a Malaysian male aged 33, is our Promoter, substantial shareholder, Executive Director/ Chief Operating Officer. He was appointed to our Board on 5 November 2024. He is responsible for managing and overseeing the day-to-day operations of our Group. He is primarily responsible for our Group's internal operations and execution, including day-to-day oversight of marketing, IT, human resource and administration, and event management departments. He ensures operational efficiency, resource planning and cross-functional coordination. He also directly supervises the Head of Digital, to oversee the IT operations and ensure the efficient functioning within and across other departments such as graphic design, video production and content creation.

He received his secondary education in Sekolah Menengah Kebangsaan Jalan Tasek, Ipoh from 2005 to 2009. In 2016, he obtained a certificate in digital marketing from Click Academy Asia Sdn Bhd.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

In 2010, he started his career at an event management and modelling agency, Simones Models, as an Event Coordinator. His then responsibilities involved planning and organising events for the agency.

He left Simones Models in 2011 and joined True Fitness World Sdn Bhd as a gym personal trainer in 2012.

In 2014, he left True Fitness World Sdn Bhd and set up a sole proprietorship by the name of Beat Fitness which was principally involved in fitness coaching and event management. In 2015, he ceased the operations of Beat Fitness.

In 2016, he established SBS Social Group Sdn Bhd (now known as SBS Social) together with Wong Chun Mun and Piah Yee Ling where he was appointed as Director, a position he currently holds in SBS Social, and was also a substantial shareholder upon its incorporation. In addition, he also took up the role of Media Consultant, where he was mainly responsible for managing the company's operations and oversee its sales, marketing and finance functions.

In 2023, he was promoted to Chief Operating Officer of SBS Social, a position he currently holds. As the Chief Operating Officer, his main responsibility is to manage and oversee our Group's operations.

Kindly refer to Section 5.2.3(d) for his involvement in other business activities outside our Group.

(d) **Lai Kian Chuan**

Promoter, substantial shareholder and Head of Digital

Lai Kian Chuan, a Malaysian male aged 43, is our Promoter, substantial shareholder and Head of Digital. He is responsible for spearheading our digital marketing initiatives to elevate brand visibility and drive growth for our Group's clients in the digital landscape.

In 2004, he obtained his Diploma in Mechanical and Manufacturing Engineering from Singapore Polytechnic. Upon obtaining his diploma, he started his career in Singapore with Singapore Epson Industrial Pte Ltd as an Assistant Engineer. His then responsibilities involved carrying out tests on prototypes of new scanners manufactured by the company and preparing evaluation reports.

He left Singapore Epson Industrial Pte Ltd and joined Gamelife Enterprise in 2007 as a Sales Personnel where his responsibilities involved the sale of gaming credits for online games. In 2007, he also set up a sole proprietorship by the name of Fortunevalley Enterprise which was principally involved in the distribution of IT gadgets. He subsequently left Gamelife Enterprise in 2008.

In 2009, he ceased operations of Fortunevalley Enterprise and joined World of Fun n Cheer Sdn Bhd, a company which was principally involved in selling imported goods from China, as a General Manager. His responsibilities then included analysing and negotiating on lease terms for new outlet locations, preparation of operational documents, monitoring and controlling overhead costs and expenses and planning promotional events for the company. He was subsequently appointed as director and took up a stake in World of Fun n Cheer Sdn Bhd in 2011. In 2012, he resigned as director in World of Fun n Cheer Sdn Bhd and was a passive investor until 2015 where he sold off his stake in the company.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

In 2011, he and his cousin established a partnership by the name of Goo Bookstore. His responsibilities then included running the online bookstore which sold books and stationeries as well as magazines.

In 2014, he and his cousin ceased the business operations of Goo Bookstore and he joined SI Portal.Com Sdn Bhd (now known as ShareInvestor Malaysia Sdn Bhd) as a Product Manager. During his tenure, his responsibilities include managing the company's software and events departments.

In 2016, he left ShareInvestor Malaysia Sdn Bhd and joined N2N Advanced Learning Sdn Bhd as a Senior Sales Manager. He was then mainly responsible to promote Bursa Securities' analytic platform to retail investors as well as provide stock analysis training.

In 2018, he left N2N Advanced Learning Sdn Bhd and joined Winvest Global Sdn Bhd as a General Manager, where he was tasked with restructuring the business model and cost control measures of the company's analytic platform as well as setting up a marketing plan for such analytic platform.

In 2020, he left Winvest Global Sdn Bhd and joined Pacific Invesco Capital Ltd in 2021, as a Business Development Manager. During this tenure there, his main responsibility was managing company operations and business development.

In 2022, he left Pacific Invesco Capital Ltd and was appointed as an Executive Director and shareholder of NextAlpha Solutions Sdn Bhd (now known as SBS Media Tech), a position he currently still holds.

Kindly refer to Section 5.3.4(a) for his involvement in other business activities outside our Group.

(e) **Lim Cheng Yong**

Substantial shareholder and Chief Business Officer

Lim Cheng Yong, a Malaysian male, aged 34, is our substantial shareholder and Chief Business Officer. His main responsibilities include driving business development and identifying new business leads for our Group.

He completed his SPM in Sekolah Menengah Kebangsaan Bandar Sri Damansara in 2008. From 2009 to 2011, he pursued a degree in marketing but did not complete it.

In January 2012, he joined Sunrise City Enterprise, his family's stationary shop business, as a Manager where he was involved in overseeing the operations of the business which includes the sales, purchase and marketing functions. He left Sunrise City Enterprise in December 2012 and took a career break.

In 2014, he joined Cermic Marketing as a Sales Executive where he was involved in promoting car spare parts to vehicle workshops. He left the company in the same year. In 2015, he joined SBS Digital Holdings as a Business Development Executive. In 2023, he was transferred to SBS Digital Media where he assumed the position of Chief Business Officer, a position he presently holds.

Kindly refer to Section 5.3.4(c) for his involvement in other business activities outside our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

(f) **Alphabets Assets** *Substantial shareholder*

Alphabets Assets is our substantial shareholder. Alphabets Assets was incorporated in Malaysia on 26 July 2024 under the Act. Alphabets Assets is an investment holding company with investments in SBS Digital Holdings. For information, the 45,000 ordinary shares held by Alphabets Assets in SBS Digital Holdings (representing 9.0% equity interest in SBS Digital Holdings) were previously held by Alphabets Partners Limited.

Alphabets Partners Limited is a company incorporated in Hong Kong on 22 July 2022 under the Hong Kong Companies Ordinance (Cap. 622), in which the sole director and shareholder is Foo Woon Yew (non-related party). The 45,000 ordinary shares of SBS Digital Holdings were transferred from Alphabets Partners Limited to Alphabets Assets on 5 November 2024 for a consideration of RM400,000, being 9.0% of the NA of SBS Digital Holdings for FYE 2023.

As at LPD, the issued share capital of Alphabets Assets is RM1,000 comprising 1,000 ordinary shares.

As at LPD, the director of Alphabets Assets and his respective shareholding in Alphabets Assets is as follows:

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	%	No. of shares	%
Foo Woon Yew	Director	Malaysian	1,000	100.0	-	-

(g) **Foo Woon Yew** *Substantial shareholder*

Foo Woon Yew, a Malaysian male aged 41, is our substantial shareholder by virtue of his interests held through Alphabets Assets. He is the sole director and shareholder of Alphabets Assets.

He obtained his Bachelor in Mechanical Engineering from Universiti Teknologi Malaysia in 2004. In November 2024, he was registered as a Graduate Technologist with the Malaysia Board of Technologists.

Since his graduation till date, he has been involved in his family businesses. Upon graduation in 2005, he was appointed as a Director of Les Valve Technologies (M) Sdn Bhd where he was responsible for managing the company's day-to-day operations. He was a Director of this company until its dissolution in 2017.

In 2012, while concurrently running Les Valve Technologies (M) Sdn Bhd, he was appointed as a Director of Multi Purpose Solutions Sdn Bhd, where he was responsible for managing the company's day-to-day operations as well. He was a director of this company until its dissolution in 2019.

In 2016, he was also appointed as a director of Multi Pipeline Services Sdn Bhd and is responsible for managing the company's day-to-day operations, a position he presently holds.

In 2022, through his shareholdings held in Alphabets Partners Limited, he became an indirect shareholder of NextAlpha Solutions Sdn Bhd (now known as SBS Media Tech). For clarity, he has not been and is not involved in the day-to-day operations of SBS Media Tech.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.1.3 Changes in Promoters' and/ or substantial shareholders' shareholdings

The changes in our Promoters and/ or substantial shareholders' respective shareholdings in our Company since our incorporation on 10 September 2024 are as follows:

Name	As at incorporation				⁽¹⁾ Before IPO				⁽²⁾⁽³⁾ After IPO			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and substantial shareholders												
Wong Chun Mun	1	100.0	-	-	147,000,000	40.0	-	-	147,000,000	30.0	-	-
Piah Yee Ling	-	-	-	-	58,800,000	16.0	-	-	58,800,000	12.0	-	-
Warren Cheng	-	-	-	-	36,750,000	10.0	-	-	22,050,000	4.5	-	-
Lai Kian Chuan	-	-	-	-	73,500,000	20.0	-	-	49,000,000	10.0	-	-
Substantial shareholders												
Alphabets Assets	-	-	-	-	33,075,000	9.0	-	-	33,075,000	6.7	-	-
Lim Cheng Yong	-	-	-	-	18,375,000	5.0	-	-	8,575,000	1.8	-	-
Foo Woon Yew	-	-	-	-	-	-	⁽⁴⁾ 33,075,000	9.0	-	-	⁽⁴⁾ 33,075,000	6.7

Notes:

- (1) Based on our share capital of 367,500,000 Shares after the Acquisition but before our IPO.
- (2) After Public Issue and Offer for Sale.
- (3) Based on our enlarged share capital of 490,000,000 Shares after our IPO.
- (4) Deemed interested by virtue of his shareholdings in Alphabets Assets pursuant to Section 8(4) of the Act.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.1.4 Persons exercising control over the corporation

Save for our Promoters as set out in Section 5.1.1, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company. As at LPD, there is no arrangement between our Company, the Promoters and our substantial shareholders with any third party which may result in a change in control of our Company at a date subsequent to our Listing.

5.1.5 Amounts or benefits paid or intended to be paid or given to our Promoters and/ or substantial shareholders

Save for the issuance of our Shares as consideration for the Acquisition as disclosed in Section 6.2.1, dividends paid to our Promoters and/ or substantial shareholders as disclosed below, and aggregate remuneration and benefits paid or proposed to be paid for services rendered to our Group in all capacities as disclosed in Section 5.2.4, and repayment of advances provided by our Promoters as disclosed in Section 10.1, there are no other amounts or benefits that have been paid or intended to be paid to our Promoters and/ or substantial shareholders within the 2 years preceding the date of this Prospectus:

	Dividends declared and paid				From 1 July 2025 up to the LPD
	FYE 2022	FYE 2023	FYE 2024	FPE 2025	
Promoters and/ or substantial shareholders	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Promoters and substantial shareholders</u>					
Wong Chun Mun	3,130	1,660	1,390	-	-
Piah Yee Ling	2,530	1,628	800	-	-
Warren Cheng	300	80	500	-	-
Lai Kian Chuan	-	160	1,000	-	-
<u>Substantial shareholders</u>					
Alphabets Assets	-	72	450	-	-
Lim Cheng Yong	240	40	250	-	-
	6,200	(1)3,640	(1)4,390	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**Note:**

- (1) During FYE 2023 and 2024, we declared and paid total dividends of RM3.8 million and RM5.0 million, respectively. The details of the remaining dividends declared and paid to SBS Digital Holdings's former shareholders are as follows:

	Dividends declared and paid	
	FYE 2023	FYE 2024
	RM'000	RM'000
Former shareholders		
Low Kok Yew ^(a)	56	350
Next Alphabet Holding Limited ^(b)	104	260
	160	610

Notes:

- (a) Our Promoters, substantial shareholders, Directors or key senior management does not have any relationship with Low Kok Yew. Low Kok Yew had on 9 September 2023 joined SBS Digital Holdings as a 7.0% passive shareholder. Due to health reasons, Low Kok Yew sold his entire 7.0% shareholdings in SBS Digital Holdings to Wong Chun Mun for a purchase consideration of RM700,000 on 21 April 2025. Kindly refer to Note (11) of Section 10.1 for further information.
- (b) Our Promoters, substantial shareholders, Directors or key senior management does not have any relationship with the sole shareholder of Next Alphabet Holding Limited. For avoidance of doubt, Next Alphabet Holding Limited is not related to Alphabets Assets (our substantial shareholder) or Alphabets Partners Limited or SBS Media Tech in any manner. Next Alphabet Holding Limited is a company incorporated in Hong Kong on 14 February 2019 under the Hong Kong Companies Ordinance (Cap. 622), in which the sole shareholder is Chong Kim Chan. This issuance of shares to Next Alphabet Holding Limited was pursuant to an agreement dated 20 July 2023 that was entered into between Wong Chun Mun and Next Alphabet Holding Limited. The consideration for the issuance is for Next Alphabet Holding Limited to assist the expansion of SBS Digital Holdings' business operations into Hong Kong and achieving certain pre-agreed key performance indicators ("**KPI**"). However, Next Alphabet Holding Limited has failed to meet such KPIs and the aforementioned shares were transferred to Wong Chun Mun on 28 July 2024, for a nominal value of RM1.00 as per the terms of the agreement. We currently have no plans to expand into Hong Kong market, as we are focusing on growing our presence within the Malay-speaking SME community in Malaysia, as outlined in Section 4.9.1(b). However, we remain open to exploring potential opportunities in Hong Kong if the opportunity arise in the future.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

5.2 DIRECTORS

Our Board takes note of the recommendations under the MCGG released on April 2021. As at LPD, our Board has adopted all relevant recommendations of the MCGG in respect of our Board composition, which amongst others include the following:

- (a) at least half of our Board comprises independent directors;
- (b) our Chairman is not our Chief Executive Officer, and not a member of our Audit and Risk Management Committee, Nominating Committee and Remuneration Committee;
- (c) our Board comprises at least 30% woman directors; and
- (d) the tenure of an Independent Non-Executive Director shall not exceed a cumulative term limit of 9 years. Upon completion of the 9 years tenure, an Independent Non-Executive Director may continue to serve on our Board as a Non-Independent Non-Executive Director. If our Board intends to retain an Independent Non-Executive Director beyond 9 years, it shall seek annual shareholders' approval through a two-tier voting process.

5.2.1 Directors' shareholdings

The shareholdings of our Directors in our Company before and after our IPO assuming that they will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

Name	Designation/ Nationality	⁽¹⁾ As at LPD/ Before IPO				⁽²⁾⁽³⁾ After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datuk Seri H'ng Bak Tee	Independent Non-Executive Chairman/ Malaysian	-	-	-	-	⁽⁴⁾ 600,000	0.1	-	-
Wong Chun Mun	Managing Director/ Chief Executive Officer/ Malaysian	147,000,000	40.0	-	-	147,000,000	30.0	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Designation/ Nationality	⁽¹⁾ As at LPD/ Before IPO				⁽²⁾⁽³⁾ After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Piah Yee Ling	Executive Director/ Malaysian	58,800,000	16.0	-	-	58,800,000	12.0	-	-
Warren Cheng	Executive Director/ Chief Operating Officer/ Malaysian	36,750,000	10.0	-	-	22,050,000	4.5	-	-
Wong Maw Chuan	Independent Non- Executive Director/ Malaysian	-	-	-	-	⁽⁴⁾ 300,000	<0.1	-	-
Datuk (Dr.) Hafsa binti Hashim	Independent Non- Executive Director/ Malaysian	-	-	-	-	⁽⁴⁾ 300,000	<0.1	-	-
Jancy Oh Suan Tin	Independent Non- Executive Director/ Malaysian	-	-	-	-	-	-	-	-

Notes:

- ⁽¹⁾ Based on our share capital of 367,500,000 Shares after the Acquisition but before our IPO.
- ⁽²⁾ After Public Issue and Offer for Sale.
- ⁽³⁾ Based on our enlarged share capital of 490,000,000 Shares after our IPO.
- ⁽⁴⁾ Assuming he/ she fully subscribes for his/ her entitlement under the Pink Form Allocations.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

5.2.2 Profiles of Directors

The profiles of Wong Chun Mun (our Managing Director/ Chief Executive Officer), Piah Yee Ling (our Executive Director) and Warren Cheng (our Executive Director/ Chief Operating Officer) are set out in Section 5.1.2. The profiles of our other Directors are as follows:

(a) **Datuk Seri H'ng Bak Tee**

Independent Non-Executive Chairman

Datuk Seri H'ng Bak Tee, a Malaysian male aged 66, is the Independent Non-Executive Chairman of our Group. He was appointed to our Board on 5 November 2024.

He obtained his Bachelor of Mathematics (Double Honours) in Computer Science and Combinatoric & Optimisation in 1983. He subsequently obtained his Master of Applied Science (Management Science) from the University of Waterloo, Canada in 1985. He has been an Affiliate Member of the Malaysian Institute of Chartered Secretaries & Administrators since 2005, a Fellow Member of the Institute of Approved Company Secretaries since 2012 as well as a Registered Financial Planner with the Malaysian Financial Planning Council since 2012.

He began his career with IBM World Trade Corporation in Kuala Lumpur in 1985 as an Information Systems Marketing Trainee where he was responsible for amongst others, conducting market research. In 1987, he was transferred to IBM World Trade Asia Corporation (the regional headquarters) in Hong Kong where he assumed the role of Technical Analyst. His responsibilities then included competitor analysis and business planning. He returned to Malaysia in 1989 and joined Leader Cable Industry Berhad as Deputy General Manager. He was subsequently promoted to the position of General Manager in 1992 where his responsibilities included managing all departments.

In 1995, he was transferred to and appointed as the group's Executive Director of Leader Universal Holdings Berhad (holding company of Leader Cable Industry Berhad and Universal Cable (M) Berhad and a then listed company on Main Market of Bursa Securities). He rose through the ranks during his tenure, serving as Managing Director from 1998 to February 2004. Following that, he was appointed as the Executive Vice Chairman of Leader Universal Holdings Berhad until his departure in August 2004.

In September 2004, he was appointed as the Chief Executive Officer/ Group Managing Director of GUH Holdings Berhad (listed on Main Market of Bursa Securities), a position he currently holds.

Kindly refer to Section 5.2.3(a) for his involvement in other business activities outside our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

(b) **Wong Maw Chuan**

Independent Non-Executive Director

Wong Maw Chuan, a Malaysian male aged 61, is our Independent Non-Executive Director. He was appointed to our Board on 5 November 2024. He is the Chairperson of our Remuneration Committee and a member of our Audit and Risk Management as well as Nominating Committee.

In 1987, he obtained his Diploma in Financial Accounting from Tunku Abdul Rahman University College. He subsequently obtained his ACCA professional qualification in 1991. He has been a Member of the MIA since 1992, a Fellow member of the ACCA since 1997 as well as a Certified Financial Planner with the Financial Planning Association of Malaysia since 2004.

In 1988, he started his career as an Audit Assistant in Roger, Yue, Tan & Associate. In 1994, he left Roger, Yue, Tan & Associate and joined KPMG Peat Marwick as an Audit Manager where he was involved in numerous audit assignments, due diligence and mergers and acquisitions exercises.

In 1997, he left KPMG Peat Marwick and joined Analabs Resources Berhad ("**Analabs**") in 1998 as Chief Financial Officer where he was actively involved in the restructuring of the company as well as the listing of Analabs on the Second Board of Bursa Securities in 2000. Upon the listing of Analabs on the Second Board of Bursa Securities, he was appointed as the Executive Director of Analabs where he was in charge of the company's corporate finance and business development. Analabs was subsequently transferred to the Main Board of Bursa Securities in 2002 and thereafter he resigned as the Executive Director of Analabs in the same year. Upon his resignation, he set up Niche & Milestones Sdn Bhd, where he provided corporate advisory and company secretarial services for private limited and public listed companies. In 2007, in order to re-position his business, he set up Niche & Milestones International Sdn Bhd and transferred the business of Niche & Milestones Sdn Bhd to this company. Niche & Milestones Sdn Bhd was subsequently struck off in 2012. He is currently still a director and shareholder of Niche & Milestones International Sdn Bhd.

In 2014, he set up Many Means Consulting Sdn Bhd to provide payroll and accounting outsourcing services. He is currently still a director and shareholder of this company.

He was previously the Independent Non-Executive Director of Signature International Berhad (listed on Main Market of Bursa Securities) from 2007 to 2021.

Kindly refer to Section 5.2.3(e) for his involvement in other business activities outside our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

(c) **Datuk (Dr.) Hafsa binti Hashim** *Independent Non-Executive Director*

Datuk (Dr.) Hafsa binti Hashim, a Malaysian female aged 68, is our Independent Non-Executive Director. She was appointed to our Board on 5 November 2024. She is the Chairperson of our Nominating Committee and a member of our Audit and Risk Management Committee as well as Remuneration Committee.

She obtained her Bachelor in Applied Science from the Universiti Sains Malaysia in 1982. She subsequently obtained her Master of Business Administration ("**MBA**") from Aston University, UK in 1995. In 2015, she obtained her Honorary Doctorate in Management and Entrepreneurship from Universiti Tenaga Nasional. She was admitted as a Fellow of the Institute of Marketing Malaysia from 2016 until 2018.

Upon graduation in 1982, she joined Ministry of Primary Industries (now known as Ministry of Plantation Industries and Commodities), Malaysia as Assistant Secretary where she was primarily involved in overseeing the research institute of the palm oil industry in Malaysia. In 1987, she was transferred to the Ministry of Agriculture, Malaysia to hold the position of Assistant Secretary where she oversaw the strategic planning division of the agriculture sector and was involved in the formulation and implementation of the first National Agricultural Policy (NAP1). In 1993, she took a break to pursue her MBA.

After obtaining her MBA in 1995, she joined Ministry of International Trade and Industry (now known as MITI) as Assistant Director where she oversaw the strategic planning of the bilateral trade between Malaysia and the United States of America. She was also one of the contributors for the Second Industrial Master Plan (1996-2005).

In 1996, she was transferred to Small and Medium Industry Development Corporation (SMIDEC) (now known as SME Corporation Malaysia) as Director of Policy and Planning where she oversaw the formulation of policies and strategic plannings for SMEs in Malaysia, playing a key role in developing initiatives to support SME growth, competitiveness, and sustainability, and ensuring alignment with national economic goals. In 2004, she was promoted to the position of Chief Executive Officer where she oversaw the formulation of policies and programmes for SME development in Malaysia. Under her almost 14 years of leadership until her retirement in 2018, SME Corporation Malaysia formulated the globally renowned SME Masterplan, which charts the direction of SME development until 2020.

In 2018, she was appointed to the position of Independent Non-Executive Director for SIRIM Berhad, a position she held until 2023. From 2019 to 2021, she served as Independent Non-Executive Chairperson of Pharmaniaga Berhad (listed on Main Market of Bursa Securities). In 2019 and 2022, she was appointed as Independent Non-Executive Director of Zurich Takaful Malaysia Berhad and Zurich Life Insurance Malaysia Berhad respectively (both of which are subsidiaries of Zurich Insurance Group Ltd, a company listed on the SIX Swiss Exchange), positions she currently still holds. In 2023, she was appointed as Vice President of the Malaysia-Bosnia and Herzegovina Business Council, a position she currently holds.

Kindly refer to Section 5.2.3(f) for her involvement in other business activities outside our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

(d) Jancy Oh Suan Tin

Independent Non-Executive Director

Jancy Oh Suan Tin, a Malaysian female aged 52, is our Independent Non-Executive Director. She was appointed to our Board on 5 November 2024. She is the Chairperson of our Audit and Risk Management Committee and a member of our Nominating Committee and Remuneration Committee.

She graduated with a Bachelor in Accounting from the University of Malaya in 1997. She became a member of the MIA and qualified as a Chartered Accountant since 2000. She has also been a member of the Chartered Institute of Management Accountants and qualified as a Chartered Global Management Accountant since 2016.

Upon her graduation in 1997, she joined OYL Manufacturing Company Sdn Bhd as Costing Executive. In 1998, she was transferred to OYL Electronics Sdn Bhd as an Accounts Executive where she assisted in the accounting functions and preparation of financial statements. During her tenure, both OYL Manufacturing Sdn Bhd and OYL Electronics Sdn Bhd were part of the Hong Leong Company Berhad group of companies. She left in 2001 to join Du Pont Malaysia Sdn Bhd as Accountant. In 2003, she was promoted to Senior Accountant, where she supervised the preparation of financial statements and was involved in the financial analysis of the company. In 2005, she was further promoted to Regional Business Analyst where her responsibilities were to primarily analyse business processes to support strategic decision-making and enhance operational efficiency.

In 2006, she left Du Pont Malaysia Sdn Bhd to join Palm-Oleo Sdn Bhd as Cost Accountant where she was primarily responsible for managing and analysing financial records, including assets management and reporting. In 2008, she left Palm-Oleo Sdn Bhd and joined LTKM Berhad (listed on Main Market of Bursa Securities) as Group Accountant. She was promoted to the group's Financial Controller in 2022, where she currently oversees financial management and reporting, as well as ensuring accurate financial records, strategic financial planning, and adherence to regulatory requirements.

In 2022, she was appointed as the Independent Non-Executive Director of Kein Hing International Berhad (listed on Main Market of Bursa Securities), a position she currently holds.

Kindly refer to Section 5.2.3(g) for her involvement in other business activities outside our Group.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.3 Principal business performed outside our Group

Save as disclosed below, none of our Directors has any other principal directorship and/ or principal business activities performed outside our Group in the past 5 years up to LPD:

(a) Datuk Seri H'ng Bak Tee

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
<u>Present involvement</u>						
Swift Yin Sdn Bhd	Collection and sale of bird’s nest	Director	29 May 2008	-	-	-
Daya Capital Sdn Bhd	Dormant, previously held investment in subsidiary involved in manufacturing of polyethylene products	Director/ Shareholder	16 April 2009	-	100.0	-
Starwheels Creative Studio Sdn Bhd ⁽¹⁾	Manufacturing of electric scooters and electric bicycles	Director	4 January 2023	-	-	-
Star Wheels Electronic Sdn Bhd ⁽¹⁾	Sales and distribution of electric scooters and electric bicycles	Director	4 January 2023	-	-	-
GUH Electronic Holdings Sdn Bhd ⁽¹⁾	Investment holding in subsidiary involved in manufacturing and sale of printed circuit boards	Director	1 October 2004	-	-	-
GUH Circuit Industry (PG) Sdn Bhd ⁽¹⁾	Manufacturing and sale of printed circuit boards	Director	1 October 2004	-	-	-
GUH Asset Holdings Sdn Bhd ⁽¹⁾	Investment holding in properties	Director	1 October 2004	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
Lizheng Holdings Sdn Bhd	Investment holding in properties	Director/ Shareholder	2 May 1990	-	25.0	-
GUH Properties Sdn Bhd ⁽¹⁾	Property development	Director	1 October 2004	-	-	-
GUH Development Sdn Bhd ⁽¹⁾	Property development	Director	10 October 2014	-	-	-
GUH eVehicle Sdn Bhd ⁽¹⁾	Sales, marketing and assembly of electric motorbikes	Director	1 December 2004	-	-	-
GUH Utilities Holdings Sdn Bhd ⁽¹⁾	Investment holding in subsidiaries involved in utilities and infrastructure projects	Director	19 May 2011	-	-	-
Teknoserv Engineering Sdn Bhd ⁽¹⁾	Project managers and contractors for installation of water and wastewater treatment plant	Director	11 November 2011	-	-	-
GUH Plantations Sdn Bhd ⁽¹⁾	Cultivation of oil palm	Director	1 October 2004	-	-	-
GUH Land Sdn Bhd ⁽¹⁾	Investment holding in properties	Director	9 May 2014	-	-	-
GUH Electrical (BW) Sdn Bhd ⁽¹⁾	Trading in electrical goods and appliances	Director	1 October 2004	-	-	-
GUH Capital Sdn Bhd ⁽¹⁾	Investment holding in subsidiaries involved in development of battery products and electric scooters	Director	28 October 2015	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
GUH Holdings Berhad (listed on Main Market of Bursa Securities)	Investment holding in subsidiaries principally involved in manufacturing of printed circuit boards and property development and provision of management services	Chief Executive Officer/ Group Managing Director/ Shareholder	1 September 2004	-	4.7	⁽²⁾ 0.6
Milan Diamond Sdn Bhd ⁽¹⁾	Property development and investment	Director	5 April 2016	-	-	-
GUH eBattery Sdn Bhd ⁽¹⁾	Design, manufacturing, sales and marketing as well as after market servicing of lithium battery products	Director	1 October 2004	-	-	-
Jeladan Sdn Bhd ⁽¹⁾	Dormant, previously involved in property development	Director	1 October 2004	-	-	-
GUH Realty Sdn Bhd ⁽¹⁾	Property development and investment	Director	1 October 2004	-	-	-
Tecnovac Marketing Sdn Bhd ⁽¹⁾	Dormant, previously trading in electrical goods and appliances	Director	1 October 2004	-	-	-
GUH Centralised Dormitory Sdn Bhd ⁽¹⁾	Provision of workers' accommodation	Director	12 August 2020	-	-	-
GUH HiTech Circuits Sdn Bhd ⁽¹⁾	Manufacturing of printed circuit boards	Director	28 March 2023	-	-	-
GUH Power Sdn Bhd ⁽¹⁾	Manufacturing of batteries	Director	26 October 2023	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
Past involvement						
Daya Tembaga Sdn Bhd	Dissolved on 26 January 2023, previously involved in recycling and trading of scrap wires, cables and other scrap products	Director	19 May 2009	-	-	-
Pioneerfield Capital Sdn Bhd	Dissolved on 24 June 2022, previously involved in investment holding in properties	Director	12 May 2010	-	-	-
Aravista Sdn Bhd	Investment holding in properties	Director	5 June 2013	15 October 2021	-	-
Leader GUH Renewable Energy Sdn Bhd ⁽³⁾	Investment holding in subsidiaries involved in provision of renewable energy solutions	Director	1 December 2004	3 March 2021	-	-
Straits International Education Group Sdn Bhd	Investment holding in private international school and the provision of management services for the operation of private international school	Director	21 March 2016	13 October 2021	-	-
SG Straits International Education Sdn Bhd	Provision of education	Director	21 March 2016	13 October 2021	-	-
KK Straits International Education Sdn Bhd	Provision of education	Director	21 March 2016	13 October 2021	-	-
Kim Straits International Education Sdn Bhd	Dissolved on 12 May 2022, previously involved in education services	Director	21 March 2016	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
SHP International Education Sdn Bhd	Provision of education	Director	21 March 2016	17 August 2020	-	-
Reignhill Assets Sdn Bhd	Dissolved on 9 February 2021, previously involved in property investment	Director/ Shareholder	6 May 2020	-	30.0	-
Supreme Fortress Sdn Bhd	Dissolved on 5 August 2022, previously involved in business management consultancy services	Director	1 April 2021	-	-	-

Notes:

- (1) A subsidiary of GUH Holdings Berhad (listed on Main Market of Bursa Securities).
- (2) Deemed interested by virtue of his spouse's and son's shareholdings in GUH Holdings Berhad, pursuant to Section 59(11)(c) of the Act.
- (3) An associate company of GUH Holdings Berhad (listed on Main Market of Bursa Securities).

(b) Wong Chun Mun

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
<u>Present involvement</u>						
Nil						
<u>Past involvement</u>						
WP Dynasty Sdn Bhd	Property investment	Director/ Shareholder	29 October 2013	24 October 2023	50.0 (Disposed on 14 November 2023)	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
WP Agro Sdn Bhd	Dormant, previously involved in investment holding (held shares in a company involved in agricultural activities)	Director/ Shareholder	6 May 2021	24 October 2023	40.0 (Disposed on 10 November 2023)	-
Speed Pixel Sdn Bhd (formerly known as SBS Pixel Sdn Bhd) ⁽²⁾	Dissolved on 6 March 2025, previously involved in developing printing systems	Director/ Shareholder	28 March 2023	24 October 2023	100.0 (Disposed on 9 November 2023)	-
Danong Group Sdn Bhd	Dormant, previously involved in agricultural activities	Director/ Indirect Shareholder	1 May 2023	31 July 2024	-	100.0 ⁽¹⁾ (Disposed on 10 November 2023)
Danong Management Sdn Bhd	Dissolved on 23 July 2024, previously involved in the export of durians	Director/ Shareholder	7 October 2022	-	100.0 (Disposed on 6 December 2022)	-
SBS Group Holdings Berhad	Dissolved on 9 September 2024, previously involved in investment holding	Director/ Shareholder	3 July 2017	-	50.0	-
MySalary Tech Sdn Bhd	Dissolved on 10 March 2025, previously involved in the provision of human resources services	Director/ Shareholder	3 August 2020	-	100.0	-

Notes:

⁽¹⁾ Deemed interested by virtue of his shareholding in WP Agro Sdn Bhd.

⁽²⁾ SBS Pixel Sdn Bhd changed its name to Speed Pixel Sdn Bhd on 9 September 2024.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)
(c) Piah Yee Ling

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
<u>Present involvement</u>						
AFV Capital Group Berhad	Dormant, previously involved in investment holding	Shareholder	-	-	1.0	-
<u>Past involvement</u>						
WP Dynasty Sdn Bhd	Property investment	Director/ Shareholder	29 October 2013	24 October 2023	50.0 (Disposed on 14 November 2023)	-
WP Agro Sdn Bhd	Dormant, previously involved in investment holding (held shares in a company involved in agricultural activities)	Director/ Shareholder	6 May 2021	24 October 2023	40.0 (Disposed on 10 November 2023)	-
SBS Group Holdings Berhad	Dissolved on 9 September 2024, previously involved in investment holding	Director/ Shareholder	3 July 2017	-	50.0	-
Danong Group Sdn Bhd	Dormant, previously involved in agricultural activities	Indirect Shareholder	-	-	-	100.0 ⁽¹⁾ (Disposed on 10 November 2023)

Note:

⁽¹⁾ Deemed interested by virtue of her shareholding in WP Agro Sdn Bhd.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)
(d) Warren Cheng

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
<u>Present involvement</u>						
Nil						
<u>Past involvement</u>						
WP Agro Sdn Bhd	Dormant, previously involved in investment holding (held shares in a company involved in agricultural activities)	Director/ Shareholder	6 May 2021	24 October 2023	10.0 (Disposed on 10 November 2023)	-
Speed Data Hive Sdn Bhd	Dormant, previously involved in data management activities	Director/ Shareholder	28 March 2023	24 October 2023	100.0 (Disposed on 9 November 2023)	-

(e) Wong Maw Chuan

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
<u>Present involvement</u>						
Niche & Milestones International Sdn Bhd	Provision of secretarial and management services	Director/ Shareholder	20 September 2007	-	99.9	-
Axial Capital Sdn Bhd	Dormant, previously involved in business advisory services	Director	1 August 2008	-	-	-
Genezen Development Corporation Sdn Bhd	Dormant, previously involved in property investment	Director/ Shareholder	24 June 2009	-	33.4	-
Millennium Meadow Sdn Bhd	Property investment	Director/ Shareholder	18 August 2014	-	50.0	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
Many Means Consulting Sdn Bhd	Payroll and accounting outsourcing services	Director/ Shareholder	5 September 2014	-	50.0	-
Metavisory Sdn Bhd	Dormant, intended for business management consultancy services	Director/ Shareholder	13 February 2023	-	50.0	-
Past involvement						
Signature International Berhad (listed on Main Market of Bursa Securities)	Investment holding in subsidiaries involved in (i) design, manufacture and retail of modular kitchen and wardrobe systems; (ii) marketing and distribution of home appliances including white goods; and (iii) interior fitting-out works and installation of modular kitchen and wardrobe systems and furnishings	Independent Non-Executive Director	20 November 2007	8 June 2021	-	-
Stanta Mauser (Malaysia) Sdn Bhd	Manufacturing and trading of drums	Director	21 March 2011	1 January 2022	-	-
Stanta Mauser (Pahang) Sdn Bhd	Dissolved on 19 September 2024, previously involved in manufacturing and trading of drums	Director	21 March 2011	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)
(f) Datuk (Dr.) Hafsa binti Hashim

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
<u>Present involvement</u>						
Zurich Takaful Malaysia Berhad ⁽¹⁾	Provision of takaful products	Independent Non-Executive Director	4 June 2019	-	-	-
Usains Holding Sdn Bhd	Provision of education	Director	15 July 2020	-	-	-
Zurich Life Insurance Malaysia Berhad ⁽¹⁾	Provision of insurance products	Independent Non- Executive Director	1 September 2022	-	-	-
USMC Sdn Bhd	Provision of education	Director	14 December 2022	-	-	-
Yayasan Inovasi Malaysia	Develop and promote creative skills in the fields of science and technology; nurture and support scientific innovation; and conduct educational and awareness programmes	Director	30 October 2024	-	-	-
MARA Corporation Sdn Bhd	Investment holding in subsidiaries involved in education, financing and investment services, airline maintenance, repair and operations, transportation and logistics, property development and management, human capital development, service support, and facilities management	Independent Non-Executive Director	12 September 2025	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
Past involvement						
UPM Consultancy & Services Sdn Bhd	Provision of consultancy and technical professional services	Director	23 November 2019	22 June 2020	-	-
UPM International Sdn Bhd	Food management (cafeteria and food court)	Director	22 June 2020	15 July 2020	-	-
Pharmaniaga Berhad (listed on Main Market of Bursa Securities)	Investment holding in subsidiaries involved in the manufacturing, sales and distribution of pharmaceutical products as well as research and development	Independent Non-Executive Director	17 July 2019	26 February 2021	-	-
Pharmaniaga Lifescience Sdn Bhd (subsidiary of Pharmaniaga Berhad)	Manufacturing and sales of pharmaceutical products	Director	1 September 2020	26 February 2021	-	-
SIRIM Berhad	Provision of strategic and industrial services, technical and consultancy services as well as standardisation and conformity assessment services	Director	15 February 2018	15 February 2023	-	-
SIRIM Tech Venture Sdn Bhd (subsidiary of SIRIM Berhad)	Provision of technology commercialisation services as well as advisory and consultancy services	Director	1 January 2019	15 February 2023	-	-
Serunai Commerce Sdn Bhd	Developer and provider of digital solutions for the Halal industry	Director	1 March 2019	1 April 2023	-	-
Arab Malaysian Chamber of Commerce Berhad	Promotion of bilateral trade between Malaysia and Arab states	Director	21 March 2019	1 April 2023	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
MAIWP Dagang Sdn Bhd	Operates retail stores (Maiwp Mart) offering products from asnaf entrepreneurs	Director	14 February 2020 12 May 2022	5 February 2022 31 December 2023	-	-
Catapult Partners Asia Sdn Bhd	Dissolved on 7 June 2022, previously involved in management consultancy activities	Shareholder	-	-	33.4	-

Note:

(1) A subsidiary of Zurich Insurance Group Ltd (listed on SIX Swiss Exchange).

(g) Jancy Oh Suan Tin

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
<u>Present involvement</u>						
Kein Hing International Berhad (listed on Main Market of Bursa Securities)	Investment holding in subsidiaries involved in sheet metal forming, precision machining, component assembly and manufacture and sale of gas appliances	Independent Non-Executive Director	22 November 2022	-	-	-

Past involvement

Nil

The involvement of our Directors as disclosed above excludes shares in public listed companies which are held by them as minority shareholders (less than 5.0% of the total number of issued shares of a public listed company), and for which they do not hold any directorship. Such shares are held by them only for trading and personal investment purposes.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

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

As at LPD, the involvement of our Directors in those business activities outside our Group does not give rise to any conflict of interest situation with our business. Further, the involvement of our Executive Directors in other businesses or corporations does not preclude them from committing their time and effort to our Group as they do not hold any executive position in the dormant businesses. As the companies that the Executive Directors are currently in are dormant, hence does not affect their ability to fulfil their executive roles and responsibilities to our Group. The involvement of our Independent Non-Executive Directors in other directorships or business activities outside our Group are not expected to affect their contribution to our Group as they are not involved in our Group's day-to-day operations.

5.2.4 Directors' remuneration and benefits

The remuneration of our Directors including fees, salaries, bonuses, other emoluments and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board. The Director's fees and any benefits payable to Directors shall be subject to annual approval by our shareholders pursuant to an ordinary resolution passed at a general meeting in accordance with our Constitution. Please refer to Section 15.3 for further details.

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2023 to 2025 are as follows:

	Directors' fees	Salaries	Bonuses	Other emoluments	Benefits-in-kind	Total
	RM'000					
FYE 2023 (Paid)						
Wong Chun Mun	-	159	-	20	13	192
Piah Yee Ling	⁽¹⁾ 54	159	-	20	19	252
Warren Cheng	-	110	-	11	-	121
FYE 2024 (Paid)						
Wong Chun Mun	-	180	15	24	14	233
Piah Yee Ling	⁽¹⁾ 18	180	15	24	22	259
Warren Cheng	-	130	12	14	-	156

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

	<u>Directors' fees</u>	<u>Salaries</u>	<u>Bonuses</u>	<u>Other emoluments</u>	<u>Benefits-in-kind</u>	<u>Total</u>
	RM'000					
FYE 2025 (Proposed)						
Datuk Seri H'ng Bak Tee	(2)-	-	-	-	3	3
Wong Chun Mun	-	180	-	24	14	218
Piah Yee Ling	-	180	-	24	22	226
Warren Cheng	-	133	7	14	-	154
Wong Maw Chuan	(2)-	-	-	-	2	2
Datuk (Dr.) Hafsah binti Hashim	(2)-	-	-	-	2	2
Jancy Oh Suan Tin	(2)-	-	-	-	2	2

Notes:

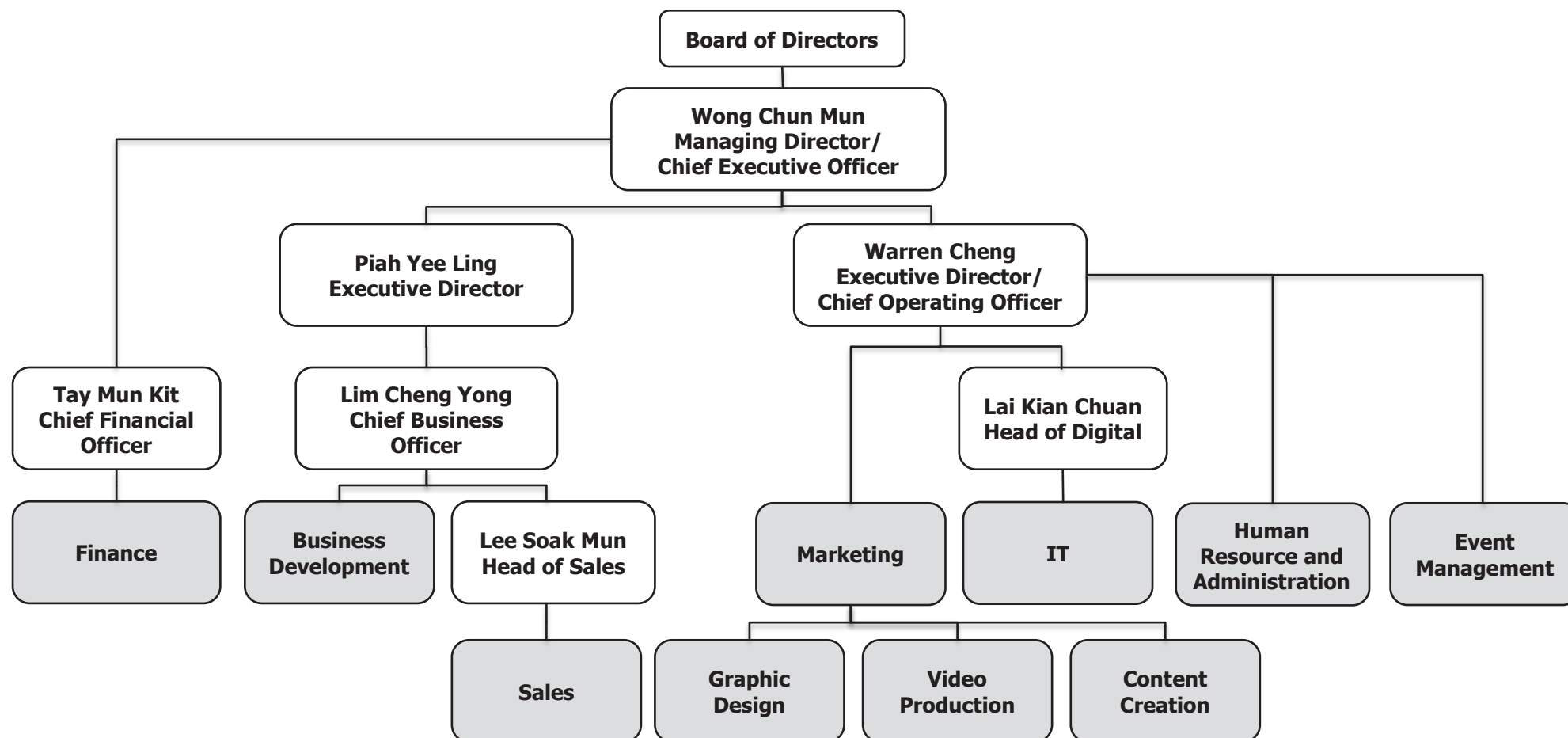
- (1) Piah Yee Ling voluntarily elected not to receive salaries from SBS Digital Media and Shanghai Media as she received directors' fees for SBS Digital Media (for FYE 2023) and Shanghai Media (for FYE 2023 and from January 2024 to June 2024). The arrangement whereby the fees were paid at different times by different subsidiaries commensurate to her varying levels of involvement in each respective subsidiary. In conjunction with our IPO, it was also intended to streamline her remuneration to a single source under our Company. Furthermore, following the formalisation of our Board and our Remuneration Committee in November 2024, our Remuneration Committee has recommended that Piah Yee Ling will be remunerated in salaries instead of directors' fee from November 2024 onwards in view of her capacity as our Executive Director.
- (2) The Independent Non-Executive Directors will be entitled for director's fees after approval for our Listing.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

5.3 KEY SENIOR MANAGEMENT

5.3.1 Management structure

The management reporting structure of our Group is as follows:



5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**5.3.2 Key senior management shareholdings**

The shareholdings of our key senior management in our Group before and after our IPO (assuming they fully subscribe for their Pink Form Allocations), save for Wong Chun Mun, Piah Yee Ling and Warren Cheng (our Promoters and Executive Directors) which are disclosed in Section 5.2.1, are set out below:

Name	Designation/ Nationality	⁽¹⁾ As at LPD/ Before IPO				⁽²⁾⁽³⁾ After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lai Kian Chuan	Head of Digital/ Malaysian	73,500,000	20.0	-	-	49,000,000	10.0	-	-
Tay Mun Kit	Chief Financial Officer/ Malaysian	-	-	-	-	⁽⁴⁾ 600,000	0.1	-	-
Lim Cheng Yong	Chief Business Officer/ Malaysian	18,375,000	5.0	-	-	8,575,000	1.8	-	-
Lee Soak Mun	Head of Sales/ Malaysian	-	-	-	-	⁽⁴⁾ 600,000	0.1	-	-

Notes:

- ⁽¹⁾ Based on our share capital of 367,500,000 Shares after the Acquisition before our IPO.
- ⁽²⁾ After Public Issue and Offer for Sale.
- ⁽³⁾ Based on our enlarged share capital of 490,000,000 Shares after our IPO.
- ⁽⁴⁾ Assuming he/ she fully subscribes for his/ her entitlement under the Pink Form Allocations.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

5.3.3 Profiles of key senior management

Save for the profile of our Executive Directors and Lai Kian Chuan (our Head of Digital) and Lim Cheng Yong (our Chief Business Officer), which are set out in Section 5.1.2, the profile of our other key senior management are as follows:

(a) Tay Mun Kit

Chief Financial Officer

Tay Mun Kit, a Malaysian male, aged 49, is our Chief Financial Officer. He manages and oversees the finance and accounting functions of our Group.

In 1995, He completed his STPM at Sekolah Menengah Kebangsaan Tinggi Setapak, Kuala Lumpur. He completed the ACCA course in 2008 and became a Fellow member of ACCA in 2013. In 2019, he was admitted as a Chartered Accountant of the MIA.

In 1997, he started his career as an Assistant Share Registrar at Insurban Corporate Services Sdn Bhd where he was responsible for managing and overseeing the functions of the share registration department as well as undertaking and overseeing corporate exercises undertaken by clients. In 2008, he left Insurban Corporate Services Sdn Bhd and took a short career break. In 2009, he joined EA Holdings Berhad (listed on ACE Market) as Chief Financial Officer, where he was responsible for managing and overseeing the functions of the finance and accounting department.

In 2021, he left EA Holdings Berhad to set up Dunamis Advisory Sdn Bhd which was principally involved in business and accounting consulting services. In 2023, he joined our Group as Chief Financial Officer, a position he presently holds. Since joining our Group, he no longer held an active role in Dunamis Advisory Sdn Bhd and eventually resigned as director and sold off his shareholdings in early 2024. Before the onboarding of Tay Mun Kit, finance matters were overseen by Wong Ching Yi, our Group's Senior Account Executive, who has since January 2019 joined our Group. She is currently reporting directly to Tay Mun Kit. As she does not hold professional qualifications, in preparation for the Listing, our Group recruited Tay Mun Kit to strengthen the finance team. Together with Wong Ching Yi, there are 3 other finance employees in the team assisting Tay Mun Kit.

In 2012, he was appointed as Independent Non-Executive Director of Vinvest Capital Holdings Berhad, a company listed on ACE Market of Bursa Securities, and was redesignated as a Non-Independent Non-Executive Director on 21 February 2025.

Kindly refer to Section 5.3.4(b) for his involvement in other business activities outside our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

(b) Lee Soak Mun
Head of Sales

Lee Soak Mun, a Malaysian female, aged 39, is our Head of Sales. She is responsible for overseeing and managing the sales department of our Group, implementing sales strategies as well as monitoring the performance of the sales department.

She graduated with a Bachelor in Science (Statistics) from Universiti Kebangsaan Malaysia in 2009. Upon graduation, she started her career as a Marketing Consultant in SBS Prints Sdn Bhd (now known as SBS Digital Holdings) where she was responsible for marketing activities including launching promotional campaigns.

In 2021, she was transferred to SBS Digital Media and assumed the role of Sales Manager where she was responsible for leading and training a team of sales executives as well as implementing sales strategies.

In 2023, she was re-designated as Head of Sales of SBS Digital Media, a position she presently holds.

Kindly refer to Section 5.3.4(d) for her involvement in other business activities outside our Group.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3.4 Principal business performed outside our Group

Save as disclosed in Section 5.2.3 and below, none of our key senior management has any other principal directorship and/ or principal business activities performed outside our Group within the last 5 years up to LPD.

(a) Lai Kian Chuan

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
<u>Present involvement</u>						
Nil						
<u>Past involvement</u>						
Pretopro Global Sdn Bhd	Dissolved on 8 September 2020, previously involved in the sale of a financial analytics platform	Director/ Shareholder	12 March 2018	-	40.0	-

(b) Tay Mun Kit

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
<u>Present involvement</u>						
IP Audio Vision Sdn Bhd	Dormant, previously involved in the trading of audio visual equipment	Director/ Shareholder	12 February 2008	-	90.0	-
Vinvest Capital Holdings Berhad (listed on ACE Market)	Investment holding in subsidiaries involved in the sale and trading of iron or other minerals, provision of civil, engineering and construction, aluminium design and fabrication, telecommunication engineering and property development	Non-Independent Non-Executive Director	18 December 2012 (Redesignated from Independent Non-Executive Director to Non-Independent Non-Executive Director effective 21 February 2025)	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
Stratland Properties Sdn Bhd	Dormant, intended to be investment holding company	Director/ Shareholder	9 April 2015	-	1.0	-
Past involvement						
Wyvern timer Consultancy Sdn Bhd	Provider of project management consultancy services	Director	1 December 2021	21 November 2022	-	-
Everest Auto World Sdn Bhd	Dissolved on 23 July 2024, previously involved in the sale of pre-owned vehicles	Director	29 October 2019	-	-	-
Dunamis Advisory Sdn Bhd	Provider of business management consultancy services	Director/ Shareholder	8 December 2021	16 January 2024	100.0 (Disposed on 30 January 2024)	-
Vivocom Enterprise Sdn Bhd	Construction	Director ⁽¹⁾	11 September 2019	7 November 2025	-	-

Note:

- ⁽¹⁾ Tay Mun Kit served as a non-executive director of Vivocom Enterprise Sdn Bhd (a subsidiary of Vinvest Capital Holdings Berhad), a role that complemented and extended his position as a Non-Independent Non-Executive Director of Vinvest Capital Holdings Berhad.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)
(c) Lim Cheng Yong

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
<u>Present involvement</u>						
Nil						
<u>Past involvement</u>						
WP Agro Sdn Bhd	Dormant, previously involved in investment holding (held shares in a company involved in agricultural activities)	Director/ Shareholder	6 June 2021	24 October 2023	10.0 (Disposed on 10 November 2023)	-
Shanghai Leap Media Sdn Bhd	Dissolved on 2 September 2024, previously was dormant with intended activity of providing advertising services	Director/ Shareholder	28 March 2023	24 October 2023	100.0 (Disposed on 9 November 2023)	-
Ride Right Sdn Bhd	Dormant, intended for car rental services	Director/ Shareholder	12 July 2023	30 November 2024	100.0 (Disposed on 2 December 2024)	-
Auto Perfection Sdn Bhd	Dormant, intended for trading in automotive spare parts	Director/ Shareholder	13 July 2023	30 November 2024	100.0 (Disposed on 2 December 2024)	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(d) Lee Soak Mun

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
<u>Present involvement</u>						
Nil						
<u>Past involvement</u>						
Ahead Hub Empire	Expired on 15 January 2024, previously was dormant with intended activity of event management	Sole Proprietorship	13 January 2023	15 January 2024	-	-

The involvement of our key senior management in those business activities outside our Group does not give rise to any conflict of interest situation with our business as such other companies that our key senior management are involved in does not carry on a similar or related trade as our Group's business nor are they our clients and suppliers. They are not directly involved in the management and day-to-day operations of these business activities which are managed by other shareholders. As such, their involvement in other directorship or business activities outside our Group are not expected to affect their contribution to our Group and does not affect their ability to perform their role and responsibilities to our Group.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

5.3.5 Key senior management remuneration and benefits

The remuneration of our key senior management including salaries, bonuses, other emoluments and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board.

The aggregate remuneration and material benefits-in-kind (in bands of RM50,000) paid and proposed to be paid to our key senior management (save for our Directors which are disclosed in Section 5.2.4) for services rendered in all capacities to our Group for FYE 2023 to 2025 are as follows:

	⁽¹⁾ Remuneration band		
	FYE 2023 (Paid)	FYE 2024 (Paid)	FYE 2025 (Proposed)
	RM'000		
Tay Mun Kit	⁽²⁾ 50 – 100	100 – 150	100 – 150
Lim Cheng Yong	50 – 100	100 – 150	100 – 150
Lai Kian Chuan	200 – 250	200 – 250	200 – 250
Lee Soak Mun	50 – 100	50 – 100	50 – 100

Notes:

- (1) The remuneration for key senior management includes salaries, bonuses, allowances, and other emoluments.
- (2) Our Group's Chief Financial Officer, Tay Mun Kit has joined our Group in July 2023.

5.4 BOARD PRACTICE

5.4.1 Board

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

- Reviewing and adopting a strategic plan for our Company;
- Overseeing the conduct of our Company's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensure the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing of compensation and where appropriate, replacing key senior management;
- Developing and implementing an investor relations programme or shareholder communications policy for our Company; and
- Reviewing the adequacy and the integrity of our Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

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

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

Name	Date of appointment	Date of expiration of the current term in office	Approximate no. of months in office up to LPD
Datuk Seri H'ng Bak Tee	5 November 2024	At our AGM to be held in 2027	1 year
Wong Chun Mun	10 September 2024	At our AGM to be held in 2026	1 year and 2 months
Piah Yee Ling	10 September 2024	At our AGM to be held in 2026	1 year and 2 months
Warren Cheng	5 November 2024	At our AGM to be held in 2027	1 year
Wong Maw Chuan	5 November 2024	At our AGM to be held in 2028	1 year
Datuk (Dr.) Hafsah binti Hashim	5 November 2024	At our AGM to be held in 2028	1 year
Jancy Oh Suan Tin	5 November 2024	At our AGM to be held in 2028	1 year

The members of our Board are set out in Section 5.2. The composition of our Board is in compliance with the MCCG.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

5.4.2 Audit and Risk Management Committee

The members of our Audit and Risk Management Committee are as follows:

Name	Designation	Directorship
Jancy Oh Suan Tin	Chairperson	Independent Non-Executive Director
Wong Maw Chuan	Member	Independent Non-Executive Director
Datuk (Dr.) Hafsa binti Hashim	Member	Independent Non-Executive Director

The main function of our Audit and Risk Management Committee is to assist our Board in fulfilling its oversight responsibilities. Our Audit and Risk Management Committee has full access to internal and external auditors who in turn have access at all times to the Chairperson of our Audit and Risk Management Committee.

The key duties and responsibilities of our Audit and Risk Management Committee include, amongst others, the following:

- (a) Review with the external auditors, the audit scope and plan, including any changes to the scope of the audit plan;
- (b) Review quarterly and annual financial statements of our Company, before submission to our Board, focusing on the going concern assumption, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, significant issues arising from the audit and major judgmental issues;
- (c) Review and assess each year, the suitability, objectivity, and independence of external auditors;
- (d) Review the appointment, re-appointment, decision to not re-appoint, resignation or removal of external auditors and the audit fee before making recommendations to the board;
- (e) Review the assistance given by our Group's employees to the auditors, and any difficulties encountered during the audit work, including any restrictions on the scope of activities or access to required information;
- (f) Review the assistance and co-operative given by our Company's officers to the external auditors;
- (g) Review the adequacy of scope, functions and resources of the internal audit function;
- (h) Review the internal audit programme and results of the internal audit process and where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
- (i) Review the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
- (j) Review and approve any appointment, termination or resignation of the internal auditor;
- (k) Review the assistance and co-operative given by our Company's officers to the external auditors;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

- (l) Review the adequacy of our Group's risk management framework and assess the resources and knowledge of the management and employee involved in the risk management process;
- (m) Review the effectiveness of internal control systems deployed by the management to address those risks;
- (n) Review and further monitor principal risks that may affect our Group directly or indirectly that if deemed necessary, recommend additional course of action to mitigate such risks to safeguard shareholders' investments and our Company's assets; and
- (o) Assess actual and potential impact of any failing or weakness, particularly those related to financial performance or conditions affecting our Company.

5.4.3 Nominating Committee

The members of our Nominating Committee are as follows:

Name	Designation	Directorship
Datuk (Dr.) Hafsa binti Hashim	Chairperson	Independent Non-Executive Director
Wong Maw Chuan	Member	Independent Non-Executive Director
Jancy Oh Suan Tin	Member	Independent Non-Executive Director

Our Nominating Committee undertakes, among others, the following functions:

- (a) Recommend to our Board, the candidates for all directorships to be filled by the shareholders or our Board. In making its recommendations, the Nominating Committee should take into consideration the following objective criteria and merit:
 - (i) Skills, knowledge, expertise, technical competency and experience, age, cultural background, and gender to achieve boardroom diversity;
 - (ii) Professionalism;
 - (iii) Character, competence, integrity, reputation and track record;
 - (iv) In the case of candidates for the position of Independent Non-Executive Directors, the Nominating Committee should also evaluate the candidate's ability to discharge such responsibilities/ functions as expected from Independent Non-Executive Directors and the fulfilment of the independence criteria; and
 - (v) Such other criteria and attributes that may be deemed appropriate or relevant.
- (b) Recommend to our Board, the re-election/ re-appointment of Director pursuant to the provisions in our Company's Constitution;
- (c) Assess on a periodic basis the independence of Independent Directors and that our Directors meet the identified independence criteria and are not disqualified under the relevant regulations;
- (d) Review and recommend the continuation in office of Independent Director(s) who has/ have served a cumulative term of 9 years as an Independent Director at the AGM;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

- (e) Assess annually the effectiveness of our Board as a whole, the committees of our Board and the contribution of each individual Director based on the process implemented by our Board; and
- (f) Review the succession planning for our Board and key senior management.

The recommendations of our Nominating Committee are subject to the approval of our Board.

5.4.4 Remuneration Committee

The members of our Remuneration Committee are as follows:

Name	Designation	Directorship
Wong Maw Chuan	Chairperson	Independent Non-Executive Director
Datuk (Dr.) Hafsa binti Hashim	Member	Independent Non-Executive Director
Jancy Oh Suan Tin	Member	Independent Non-Executive Director

The main function of our Remuneration Committee is to assist our Board in fulfilling its responsibility on matters relating to our Group's compensation, bonuses, incentives and benefits. The Remuneration Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

- (a) Review and recommend the entire individual remuneration packages for each of the Executive Directors, Non-Executive Directors, and key senior management to ensure the levels of remuneration be sufficiently attractive and be able to retain high calibre Directors and key senior management to run our Company successfully;
- (b) Review our remuneration policies and practices such that they appropriately reflect the different roles and responsibilities of Executive Directors, Non-Executive Directors and key senior management;
- (c) Ensure that pursuant to Section 230 of the Act, the fees of our Directors and any benefits payable to our Directors including any compensation for loss of employment of a Director or former Director of our Company be approved at a general meeting;
- (d) Ensure that the detailed disclosure on a named basis the remuneration of our individual Directors, including fees, salary, bonus, benefits in kind and other emoluments in the annual report; and
- (e) Ensure that disclosure on a named basis are made in respect of our top five key senior management's remuneration (including salary, bonus, benefits in-kind and other emoluments) in bands of RM50,000 as and when our Board deems appropriate.

The recommendations of our Remuneration Committee are subject to the approval of our Board.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

5.5 RELATIONSHIPS AND/ OR ASSOCIATIONS

Wong Chun Mun (our Managing Director/ Chief Executive Officer) and Piah Yee Ling (our Executive Director), both of whom are our Promoters and substantial shareholders are spouses.

Lim Cheng Yong, our existing substantial shareholder and Chief Business Officer, is Piah Yee Ling's nephew.

Save for the above, there are no other family relationships (as defined under Section 197 of the Act) or associations between or amongst our Promoters, substantial shareholders, Directors and key senior management as at LPD.

5.6 EXISTING OR PROPOSED SERVICE AGREEMENTS

As at LPD, there are no existing or proposed service agreements entered into between our Company with any Directors or between any companies within our Group with any key senior management which provide for benefits upon termination of employment.

5.7 DECLARATIONS FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

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

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

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

5.7.1 Allegations or complaints

There are no allegations or complaints against our Company, subsidiaries, Promoters, Directors and/ or key senior management of our Group, which may affect our business operations and financial condition.

For information, there was a litigation involving our Group's Chief Financial Officer, Tay Mun Kit, details of which are as follows:

- (a) On 28 July 2023, Vinvest Capital Holdings Berhad ("**Plaintiff**") initiated a suit against EA Holdings Berhad ("**1st Defendant**") and an individual named See Jovin ("**2nd Defendant**") for loss of its shares in the 1st Defendant, contending amongst others that its shares in the 1st Defendant were fraudulently and illegally sold by the 2nd Defendant ("**Suit**"). At that time, Tay Mun Kit is an Independent Non-Executive Director of the Plaintiff and was redesignated as a Non-Independent Non-Executive Director on 21 February 2025.
- (b) Ng Cheng Shin had acquired shares in the 1st Defendant which are the subject matter of the Suit, and he became a substantial shareholder of the 1st Defendant by 14 July 2023. By a special notice dated 21 July 2023, Ng Cheng Shin requisitioned an extraordinary general meeting ("**EGM**") of the 1st Defendant, to *inter alia* reconstitute the board of directors of the 1st Defendant. On 2 August 2023, the 1st Defendant made announcements in relation to, among others, the Suit. The announcements also stated that *ad interim* injunctions were obtained in the Suit, which prohibited the 1st Defendant and 2nd Defendant from transferring, selling and dealing with, among others, the Plaintiff's shares in the 1st Defendant.
- (c) On 10 August 2023, the 1st Defendant further announced that the EGM requisitioned by Ng Cheng Shin would be contrary to the injunction orders it had been served with. On 21 August 2023, Ng Cheng Shin applied to intervene and be made a co-defendant in the Suit, and Ng Cheng Shin was made the 3rd Defendant in the Suit on 10 October 2023.
- (d) On 6 November 2023, the 3rd Defendant initiated a counterclaim ("**Counterclaim**") against the Plaintiff and the 1st Defendant and added another 11 other individuals as parties to the counterclaim ("**Counterclaim Defendants**"). The 3rd Defendant's contention is that the Counterclaim Defendants have abused the court's process and are conspiring to injure him in commencing the Suit, which he claimed were for a collateral purpose to frustrate the EGM he requisitioned on 21 July 2023.
- (e) The 11 individuals named in the Counterclaim comprise the directors of the Plaintiff and the 1st Defendant. Tay Mun Kit, who was a director of the Plaintiff, was named as the 9th Defendant in the Counterclaim.
- (f) On 30 January 2024, Tay Mun Kit filed an application to strike out the Counterclaim.
- (g) On 22 July 2024, the Kuala Lumpur High Court ("**KLHC**") allowed the striking out application filed by Tay Mun Kit ("**Striking Out Decision**") as the KLHC found that there was no reasonable cause of action against Tay Mun Kit due to amongst others, the following reasons:
 - (i) Ng Cheng Shin failed to prove the elements of abuse of process;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

- (ii) The doctrine of separate legal personality applies and therefore, Tay Mun Kit as director of the Plaintiff should not be liable for the actions done by the Plaintiff as the Counterclaim does not contain a specific plea for the corporate veil to be lifted; and
 - (iii) Ng Cheng Shin failed to sufficiently plead the key elements of the tort of conspiracy.
- (h) On 13 August 2024, Ng Cheng Shin filed an appeal against the Striking Out Decision ("**Appeal**"). The hearing date for the Appeal was fixed on 29 September 2025. However, before the hearing of the Appeal, both the Appeal as well as the Counterclaim were discontinued by Ng Cheng Shin on 4 August 2025.

In relation to the matter involving Tay Mun Kit, our Board believes that such matter in question pertains solely to the affair of key senior management outside our Group and is unrelated to his roles and responsibilities within our Group. In addition, the matter does not have any impact on our operations and financial condition and does not affect Tay Mun Kit's ability or suitability to serve our Group. Further, the matter has been discontinued as of 4 August 2025.

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6. INFORMATION ON OUR GROUP**6.1 INFORMATION ON OUR COMPANY**

Our Company was incorporated under our present name in Malaysia on 10 September 2024 as a public limited company under the Act.

Our Company was incorporated to facilitate our Listing and is principally an investment holding company. There has been no material change in the manner in which we conduct our business or activities since our incorporation and up to LPD. Through our subsidiaries, we are principally involved in the provision of offline branding solutions and digital branding solutions. Please refer to Section 7.1 for detailed information of our Group's history.

As at LPD, our share capital is RM8,673,000 comprising 367,500,000 Shares, which have been issued and fully paid-up. The movements in our share capital since the date of our incorporation are set out below:

Date of allotment	No. of Shares allotted	Consideration/ Types of issue	Cumulative share capital RM
10 September 2024	1	RM1/ Subscribers' share	1
11 November 2025	367,499,999	RM8,672,999/ Consideration for the Acquisition	8,673,000

As at LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Upon completion of our IPO, our enlarged share capital will increase to RM39.3 million comprising 490,000,000 Shares.

6.2 DETAILS OF OUR ACQUISITION AND DISTRIBUTION**6.2.1 Acquisition**

In preparation for our Listing, we have undertaken the Acquisition. On 28 May 2025, we entered into a conditional share sale agreement with SBS Digital Holdings Vendors to acquire the entire equity interest in SBS Digital Holdings comprising 500,000 ordinary shares for a purchase consideration of RM8.7 million which was satisfied by the issuance of 367,499,999 new Shares to SBS Digital Holdings Vendors at an issue price of RM0.0236 each.

Details of SBS Digital Holdings Vendors and the number of Shares issued to them under the Acquisition are set out below:

SBS Holdings Vendors	Digital	Shareholdings in SBS Digital Holdings		Purchase consideration RM	No. of Shares issued
		No. of shares acquired	% of share capital		
Wong Chun Mun		200,000	40.0	3,469,199	146,999,999
Piah Yee Ling		80,000	16.0	1,387,680	58,800,000
Warren Cheng		50,000	10.0	867,300	36,750,000
Lai Kian Chuan		100,000	20.0	1,734,600	73,500,000
Alphabets Assets		45,000	9.0	780,570	33,075,000
Lim Cheng Yong		25,000	5.0	433,650	18,375,000
		500,000	100.0	8,672,999	367,499,999

6. INFORMATION ON OUR GROUP (Cont'd)

The purchase consideration for the Acquisition of RM8.7 million was arrived at a “willing-buyer willing-seller” basis after taking into consideration the audited NA of SBS Digital Holdings as at 31 December 2024 of RM8.7 million.

The Acquisition was completed on 11 November 2025. Thereafter, SBS Digital Holdings became our wholly-owned subsidiary.

The new Shares issued under the Acquisition rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/ or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

6.2.2 Distribution

Concurrent with the Acquisition, and immediately after its completion, SBS Digital Holdings declared a dividend-in-specie comprising all the shares held in SBS Digital Media, SBS Events, SBS Media Tech, Shanghai Media and SBS Social based on its cost of investments, which collectively amounts to RM3.3 million as at 31 December 2024.

The Distribution is conditional upon the Acquisition. The Distribution was completed on 12 November 2025. Arising therefrom, SBS Digital Media, SBS Events, SBS Media Tech, Shanghai Media and SBS Social became our wholly-owned subsidiaries.

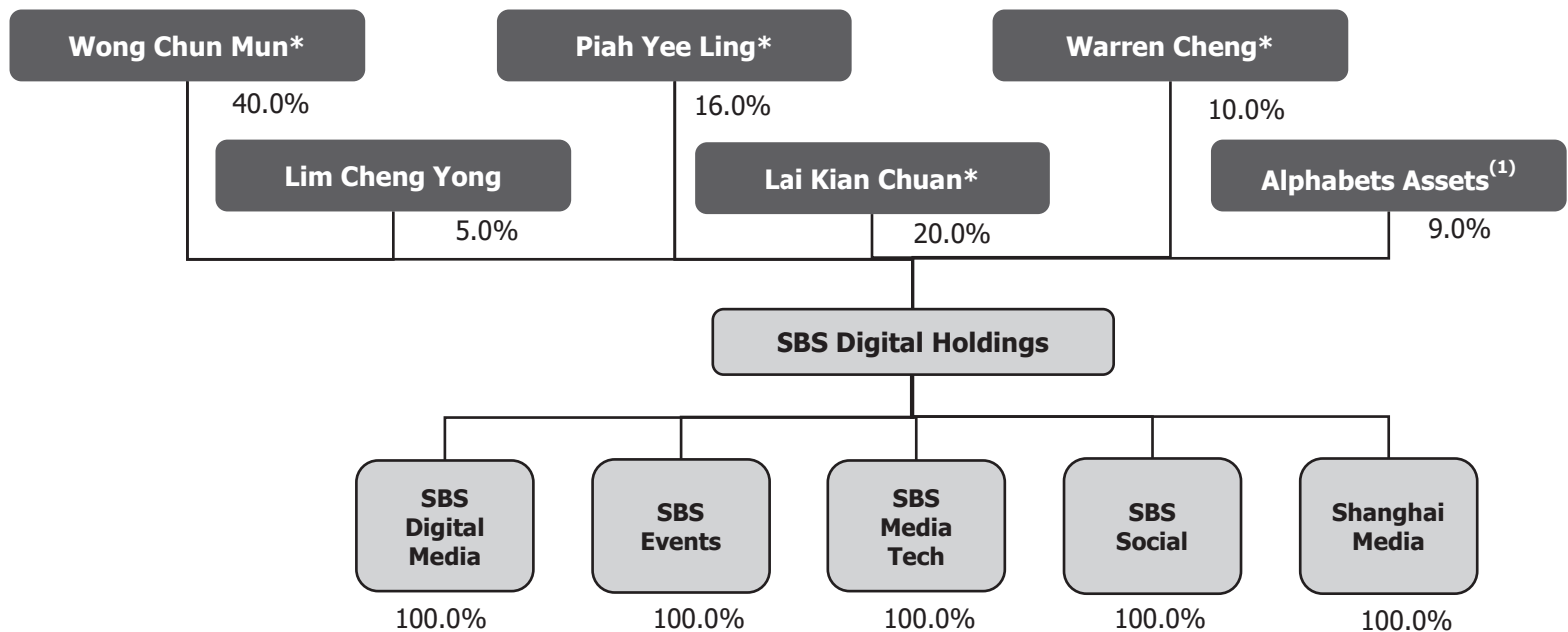
The Distribution does not involve the issuance of any new Shares by our Company.

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6. INFORMATION ON OUR GROUP (Cont'd)

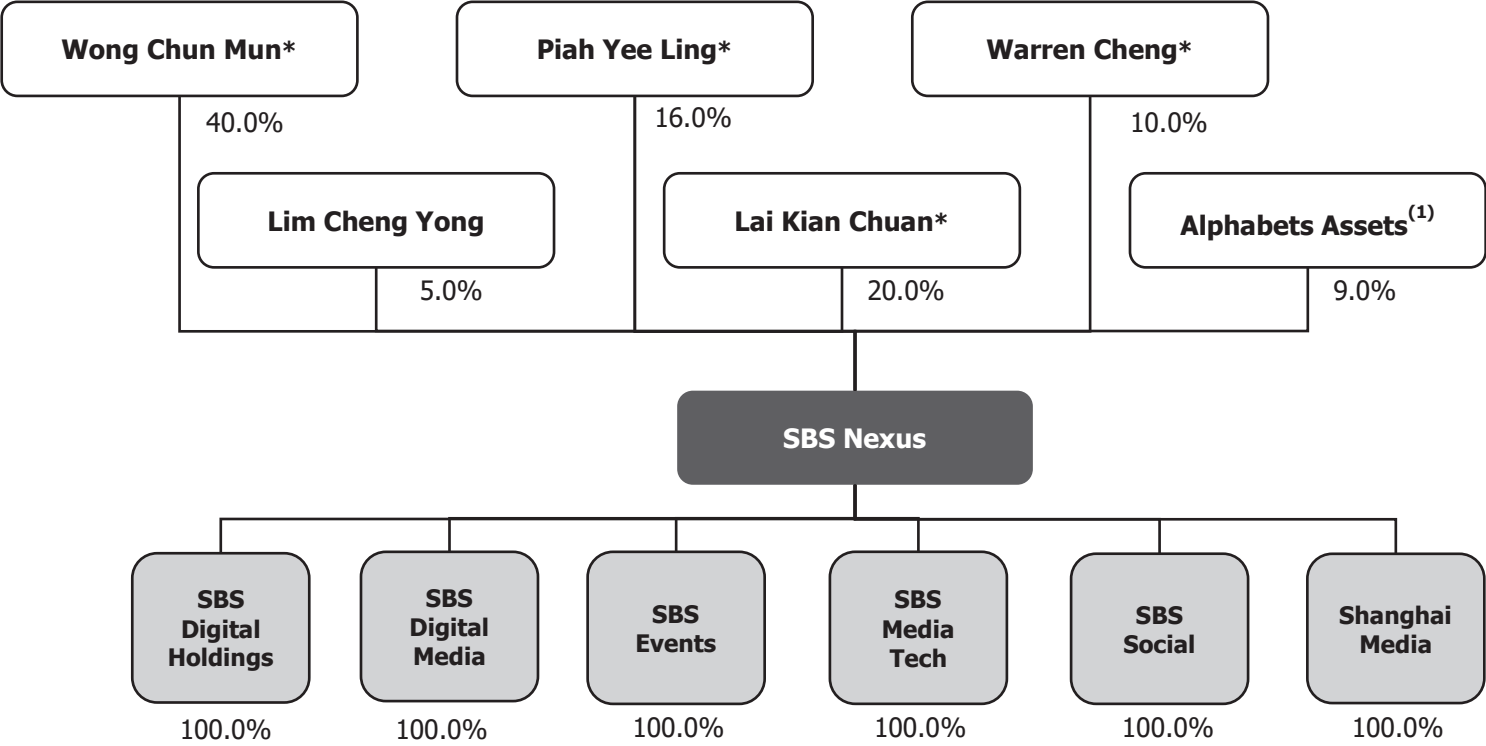
6.3 GROUP STRUCTURE

Before the Acquisition and Distribution



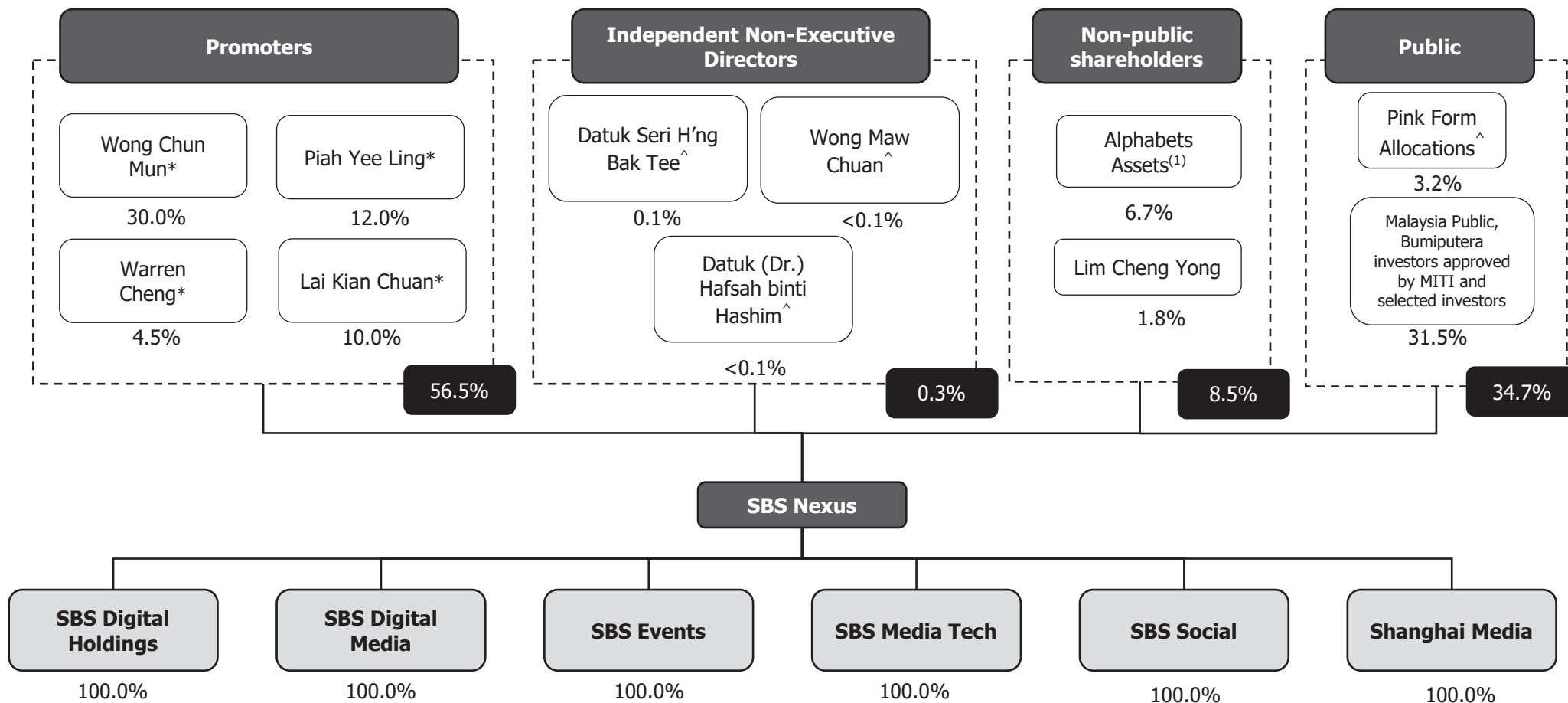
6. INFORMATION ON OUR GROUP (Cont'd)

After Acquisition and Distribution but before our IPO



6. INFORMATION ON OUR GROUP (Cont'd)

After Acquisition, Distribution and our IPO



6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- * Promoters of our Group.
- ^ Assuming that all Eligible Persons will subscribe for their entitlements under the Pink Form Allocations.
- (1) Alphabets Assets was incorporated in Malaysia on 26 July 2024 under the Act as a private company limited by shares. Alphabets Assets is an investment holding company with investment in SBS Digital Holdings. Further details are set out in Section 5.1.2(f).

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6. INFORMATION ON OUR GROUP (Cont'd)

6.4 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATED COMPANY

Details of our subsidiaries as at LPD are summarised as follows:

Company/ Registration No.	Date/ Place of incorporation	Principal place of business	Issued share capital RM	Effective equity interest %	Principal activities
SBS Digital Holdings/ 200901023502 (866601-V)	30 July 2009/ Malaysia	Malaysia	2,921,700	100.0	Provision of out-of-home media services
SBS Digital Media/ 201701043958 (1258131-X)	30 November 2017/ Malaysia	Malaysia	200,000	100.0	Provision of digital broadcast, offline publication, online marketing services ⁽¹⁾ as well as digital out-of-home media ⁽²⁾ and online media
SBS Events/ 201701034672 (1248843-H)	28 September 2017/ Malaysia	Malaysia	100	100.0	Provision of public relations and event management
SBS Media Tech/ 201801020235 (1282254-K)	4 June 2018/ Malaysia	Malaysia	100,000	100.0	Provision of digital out-of-home media ⁽³⁾ as well as mobile and web-based applications, and website development
SBS Social/ 201601005287 (1176213-V)	19 February 2016/ Malaysia	Malaysia	400,000	100.0	Provision of online marketing services ⁽⁴⁾ and video production
Shanghai Media/ 202201013745 (1459442-P)	14 April 2022/ Malaysia	Malaysia	100	100.0	Organising business awards and recognition events, and networking events

6. INFORMATION ON OUR GROUP (*Cont'd*)

Notes:

- (1) Relates to media editorial services.
- (2) Relates to management of advertising on digital billboards in public spaces such as sidewalks and streets.
- (3) Relates to management of advertising space or airtime slots on indoor digital media platforms. At this juncture, such services are only extended to all outlets of a statutory body related to Entity T.
- (4) Relates to digital content creation and management of digital media advertisements.

Details of the share capital of our subsidiaries are set out in Section 15.2.

As at LPD, we do not have any joint venture or associated company.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.5 MATERIAL CONTRACTS**

Save as disclosed below, there were no contracts which are or may be material (not being contracts entered into in the ordinary course of business) entered into by our Group during FYE 2022 to 2024, FPE 2025 and up to LPD:

- (a) Conditional share sale agreement dated 29 December 2022 entered into between Lim Yent Lan (as vendor) and SBS Digital Holdings (as purchaser) for the acquisition of entire shareholdings in Soldgo MY Sdn Bhd for a cash consideration of RM0.3 million. As the condition precedent for this agreement was not met, this agreement was terminated on 30 September 2023 (further details of such termination are set out in Note (5) of Section 10.1). For information purposes, Lim Yent Lan is the mother of Piah Yee Ling, our Executive Director, Promoter and substantial shareholder;
- (b) Sale and purchase agreement dated 6 January 2023 between SBS Digital Holdings (as vendor) and Estino Aluminium Sdn Bhd (as purchaser) for the disposal of a piece of freehold land measuring approximately 5,996 sq ft together with a 1½-storey semi-detached factory erected thereon located at 1, Jalan Perdagangan 10, Taman Universiti, 81300 Skudai, Johor for a cash consideration of RM1.2 million, which was completed on 31 March 2023;
- (c) Share sale agreement dated 11 January 2023 between Lai Kian Chuan and Alphabets Partners Limited (as vendors) and SBS Digital Holdings (as purchaser) for the acquisition of entire shareholdings in SBS Media Tech for a consideration of RM2.0 million (satisfied by way of 145,000 new shares issued by SBS Digital Holdings), which was completed on 11 January 2023;
- (d) Sale and purchase agreement dated 18 September 2024 between SBS Digital Holdings (as vendor) and Gan Pei Fern and Gan Pei Boon (as purchasers) for the disposal of a double-storey shop office with built-up area of approximately 4,564 sq ft located at 12, Jalan Kristal AR7/ AR Seksyen 7, 40000 Shah Alam, Selangor for a cash consideration of RM2.0 million, which was completed on 1 December 2024;
- (e) Conditional share sale agreement dated 28 May 2025 entered into between our Company and SBS Digital Holdings Vendors for the Acquisition, which was completed on 11 November 2025; and
- (f) Underwriting agreement dated 25 November 2025 between our Company and M&A Securities for the underwriting of 41,650,000 Issue Shares for an underwriting commission of 3.0% of the IPO Price multiplied by the number of Issue Shares underwritten.

6.6 PUBLIC TAKE-OVERS

During the last financial year and the current financial year up to LPD, there were:

- (a) No public take-over offers by third parties in respect of our Shares; and
- (b) No public take-over offers by our Company in respect of other companies' shares.

6. INFORMATION ON OUR GROUP (Cont'd)

6.7 MAJOR APPROVALS AND LICENCES

As at LPD, there are no other major approvals, licences and permits issued to our Group in order for us to carry out our operations other than those disclosed below:

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Licences/ Nature of approval	Equity and/ or major conditions imposed	Status of compliance
(a)	SBS Digital Holdings	MBPJ	13 November 2025/ 31 December 2026	<u>Registration No.</u> L950000162905 <u>Nature of licence</u> Business premise licence for office and signboard licence/ C-7, Jalan Dataran SD 1, PJU 9, Bandar Sri Damansara, 52200 Kuala Lumpur	1. This licence should be displayed at all times in the premises and shown, if necessary, to the relevant officer from MBPJ. 2. The licensee is not allowed to employ foreign workers without permission. 3. The licensee shall ensure that there is no misuse of the licence issued to him other than the original purpose of the licence. 4. Planning permission from the development planning department and building permit approval from the MBPJ building control department must be obtained first for any building renovation, additional buildings or change of building/ land use status.	Complied Complied Complied Noted

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Licences/ Nature of approval	Equity and/ or major conditions imposed	Status of compliance
(b)	SBS Digital Media	MBPJ	13 November 2025/ 31 December 2026	<u>Registration No.</u> L2540000604164 <u>Nature of licence</u> Business premise licence for office/ C-7, Jalan Dataran SD 1, PJU 9, Bandar Sri Damansara, 52200 Kuala Lumpur	1. This licence should be displayed at all times in the premises and shown, if necessary, to the relevant officer from MBPJ. 2. The licensee is not allowed to employ foreign workers without permission. 3. The licensee shall ensure that there is no misuse of the licence issued to him other than the original purpose of the licence. 4. Planning permission from the development planning department and building permit approval from the MBPJ building control department must be obtained first for any building renovation, additional buildings or change of building/ land use status.	Complied Complied Complied Noted
(c)	SBS Events	MBPJ	13 November 2025/ 31 December 2026	<u>Registration No.</u> L2540000607081 <u>Nature of licence</u> Business premise licence for office/ C-7, Jalan Dataran SD 1, PJU 9, Bandar Sri Damansara, 52200 Kuala Lumpur	1. This licence should be displayed at all times in the premises and shown, if necessary, to the relevant officer from MBPJ. 2. The licensee is not allowed to employ foreign workers without permission. 3. The licensee shall ensure that there is no misuse of the licence issued to him other than original purpose of the licence.	Complied Complied Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Licences/ Nature of approval	Equity and/ or major conditions imposed	Status of compliance
					4. Planning permission from the development planning department and building permit approval from the MBPJ building control department must be obtained first for any building renovation, additional buildings or change of building/ land use status.	Noted
(d)	SBS Social	MBPJ	13 November 2025/ 31 December 2026	<u>Registration No.</u> L2540000604163 <u>Nature of licence</u> Business premise licence for office/ C-7, Jalan Dataran SD 1, PJU 9, Bandar Sri Damansara, 52200 Kuala Lumpur	1. This licence should be displayed at all times in the premises and shown, if necessary, to the relevant officer from MBPJ. 2. The licensee is not allowed to employ foreign workers without permission. 3. The licensee shall ensure that there is no misuse of the licence issued to him other than the original purpose of the licence. 4. Planning permission from the development planning department and building permit approval from the MBPJ building control department must be obtained first for any building renovation, additional buildings or change of building/ land use status.	Complied Complied Complied Noted

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Licences/ Nature of approval	Equity and/ or major conditions imposed	Status of compliance
(e)	Shanghai Media	MBPJ	13 November 2025/ 31 December 2026	<u>Registration No.</u> L2540000646505 <u>Nature of licence</u> Business premise licence for office/ C-7, Jalan Dataran SD 1, PJU 9, Bandar Sri Damansara, 52200 Kuala Lumpur	1. This licence should be displayed at all times in the premises and shown, if necessary, to the relevant officer from MBPJ. 2. The licensee is not allowed to employ foreign workers without permission. 3. The licensee shall ensure that there is no misuse of the licence issued to him other than the original purpose of the licence. 4. Planning permission from the development planning department and building permit approval from the MBPJ building control department must be obtained first for any building renovation, additional buildings or change of building/ land use status.	Complied Complied Complied Noted
(f)	SBS Media Tech	MBPJ	13 November 2025/ 31 December 2026	<u>Registration No.</u> L2540000671283 <u>Nature of licence</u> Business premise licence for office/ C-7, Jalan Dataran SD 1, PJU 9, Bandar Sri Damansara, 52200 Kuala Lumpur	1. This licence should be displayed at all times in the premises and shown, if necessary, to the relevant officer from MBPJ. 2. The licensee is not allowed to employ foreign workers without permission. 3. The licensee shall ensure that there is no misuse of the licence issued to him other than the original purpose of the licence.	Complied Complied Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Licences/ Nature of approval	Equity and/ or major conditions imposed	Status of compliance
					4. Planning permission from the development planning department and building permit approval from the MBPJ building control department must be obtained first for any building renovation, additional buildings or change of building/ land use status.	Noted

Our Group is required to maintain business premise and signboard licences for our premises where we conduct our business activities. These business premise and signboard licences are renewed on an annual basis. The application and renewal process is an ongoing process and at one point in time, there will be premises which are in the midst of applying for or renewing business premise and signboard licences. As at LPD, all our business premise and signboard licences are valid and subsisting and our Group has not faced any issues in relation to renewal of our approvals, licences and permits in the past. For avoidance of doubt, save for the business and signboard licence and publishing permit, our Group does not require any licence from governmental agencies such as Malaysian Communications and Multimedia Commission (MCMC) for its business activities.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.8 TRADEMARKS

Save as disclosed below, our Group has not registered any other brand names, patents, trademarks or intellectual property rights:

No.	Design	Registered owner/ Trademark no.	Approving authority/ Place of registration	Class/ Description	Status	Validity period
(a)		SBS Digital Holdings/ 2012016605	MyIPO/ Malaysia	35/ ⁽¹⁾	Registered	1 October 2012 to 1 October 2032
(b)		SBS Digital Holdings/ 2012016606	MyIPO/ Malaysia	40/ Printing; print finishing services; pattern printing; offset printing; all included in class 40	Registered	1 October 2012 to 1 October 2032
(c)		SBS Digital Media/ TM2023032385	MyIPO/ Malaysia	35/ ⁽²⁾	Registered ⁽³⁾	24 October 2023 to 24 October 2033
(d)		SBS Digital Media/ TM2023032386	MyIPO/ Malaysia	35/ ⁽²⁾	Registered	24 October 2023 to 24 October 2033
(e)		SBS Digital Media/ TM2023032391	MyIPO/ Malaysia	35/ ⁽²⁾	Registered	24 October 2023 to 24 October 2033

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Design	Registered owner/ Trademark no.	Approving authority/ Place of registration	Class/ Description	Status	Validity period
(f)		SBS Digital Media/ TM2023032388	MyIPO/ Malaysia	35/ ⁽²⁾	Registered	24 October 2023 to 24 October 2033
(g)		SBS Digital Holdings/ TM2024032495	MyIPO/ Malaysia	35/ ⁽⁴⁾	Registered	18 October 2024 to 18 October 2034
(h)		SBS Digital Holdings/ TM2024032496	MyIPO/ Malaysia	40/ Printing services; offset printing; pattern printing and digital printing	Registered	18 October 2024 to 18 October 2034

Notes:

- ⁽¹⁾ Services of dissemination of advertisements and advertising materials, namely, flyers, brochures, leaflets, and samples; inserting of printed matter into newspapers and envelopes; provision of advertising space on printed booklet for advertising of goods and services; preparation and publication of advertising matter; all included in class 35.

6. INFORMATION ON OUR GROUP (Cont'd)

- (2) Corporate branding services; brand marketing services; brand positioning services; brand strategy services; corporate branding services; business marketing; business consultation services; business consulting and information services; business management consulting with relation to strategy, marketing, production, personnel and retail sale matters; consultancy relating to business advertising; business organisation consultancy; business networking services; business strategic planning services; business strategy development services; creating advertising material; development of advertising and marketing concepts; developing promotional campaigns for businesses; preparation of advertising matter; advertising via electronic media; preparation of audiovisual presentations for use in advertising; preparing and placing of advertisements for others; presentation of companies on the internet and other media; press advertising consultancy; press advertising services; provision of advertising space on electronic media; rental of advertising time on communication media; sales promotion using audiovisual media; product marketing services; production of advertisements; professional business research; professional business consulting services; promoting the goods and services of others by distributing advertising materials through a variety of methods; distribution and dissemination of advertising materials (leaflets, prospectuses, printed material, samples); promoting the sale of goods and services of others through promotional events; promotion of business opportunities; promotion of special events; arranging and conducting promotional and marketing events; organisation of events, exhibitions, fairs and shows for commercial, promotional and advertising purposes; business services, namely, matching potential private investors with entrepreneurs needing funding; arranging and conducting of promotional and marketing events; promotion of the commercial interests of professionals and businesses in the field of mobile software application development provided by an association to its members; promotion, advertising and marketing of on-line websites; digital advertising services; promotional and advertising services; promotional marketing services; providing business and commercial advice and information; providing marketing consultancy in the field of social media; providing searchable online advertising guides; publication of printed matter for advertising purposes; publication of advertising materials; publication of publicity materials; publicity and sales promotion services; publicity and sales promotion relating to goods and services; social media marketing; social media strategy and marketing consultancy; sponsorship advertising; sponsorship search consultancy services; administration of incentive award programmes to promote the sale of the goods and services of others; business intermediary and advisory services; business intermediary services relating to the matching of potential private investors with entrepreneurs needing funding; media relations services; providing business information in the field of social media; promoting the goods and services of others by preparing and placing advertisements in electronic magazines; providing advertising space in magazines; assistance, advisory services and consultancy with regard to business analysis; business advice relating to advertising; business information; business advice relating to marketing; business and marketing research; interviewing for market research purposes; internet marketing; marketing and promotional services; online marketing; providing marketing information via websites.
- (3) Our Group has been building on the 'ShangHai' brand since 2017. As such, our Group's business and profitability is dependent on this trademark as our Group principally carries out its business and/ or obtains business leads with this trademark.

6. INFORMATION ON OUR GROUP (Cont'd)

- (4) Providing commercial information and advice for consumers in the choice of products and services; providing consumer product information; advertising and marketing services; advertising via electronic media; telemarketing services; dissemination of advertisements and of advertising material (flyers, brochures, leaflets and samples); presentation and demonstration of goods; presentation of companies on the internet and other media; providing user reviews for commercial or advertising purposes; business and market research; compilation of information into computer databases; compiling indexes of information for commercial or advertising purposes; computerised file management; creating and updating advertising material; publication of advertising materials; data processing, systematisation and management; compilation of statistics; business networking; public relations; administrative processing of orders; appointment scheduling and reminder services; business management services relating to e-commerce; billing services; business information and inquiries; business development, business administration; computerised office management.

Save as disclosed below, our Group has not applied for the registration of any other intellectual properties, the registration of which is pending as at LPD:

No.	Design	Application no./ Place of application	Applicant/ Approving authority	Class/ Description	Date of application	Status
(a)		TM2023032387/ Malaysia	SBS Digital Media/ MyIPO	35/ ⁽¹⁾	24 October 2023	Provisional Refusal (Objected) ⁽²⁾
(b)		TM2023032392/ Malaysia	SBS Digital Media/ MyIPO	35/ ⁽¹⁾	24 October 2023	Provisional Refusal (Objected) ⁽²⁾
(c)		TM2024032618/ Malaysia	SBS Digital Holdings/ MyIPO	35/ ⁽³⁾	22 October 2024	Provisional Refusal (Raised Requirements) ⁽⁴⁾

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Design	Application no./ Place of application	Applicant/ Approving authority	Class/ Description	Date of application	Status
(d)		TM2024032620/ Malaysia	SBS Digital Holdings/ MyIPO	40/ ⁽⁵⁾	22 October 2024	Provisional Refusal (Raised Requirements) ⁽⁴⁾
(e)		TM2025017664/ Malaysia	SBS Digital Media/ MyIPO	35/ ⁽⁶⁾	30 May 2025 ⁽⁷⁾	Provisional Refusal (Objection) ⁽⁸⁾
(f)		TM2025017666/ Malaysia	SBS Digital Media/ MyIPO	38/ ⁽⁹⁾	30 May 2025 ⁽⁷⁾	Provisional Refusal (Objection) ⁽⁸⁾
(g)		TM2025017667/ Malaysia	SBS Digital Media/ MyIPO	41/ ⁽¹⁰⁾	30 May 2025 ⁽⁷⁾	Provisional Refusal (Objection) ⁽⁸⁾

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6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) Corporate branding services; brand marketing services; brand positioning services; brand strategy services; corporate branding services; business marketing; business consultation services; business consulting and information services; business management consulting with relation to strategy, marketing, production, personnel and retail sale matters; consultancy relating to business advertising; business organisation consultancy; business networking services; business strategic planning services; business strategy development services; creating advertising material; development of advertising and marketing concepts; developing promotional campaigns for businesses; preparation of advertising matter; advertising via electronic media; preparation of audiovisual presentations for use in advertising; preparing and placing of advertisements for others; presentation of companies on the internet and other media; press advertising consultancy; press advertising services; provision of advertising space on electronic media; rental of advertising time on communication media; sales promotion using audiovisual media; product marketing services; production of advertisements; professional business research; professional business consulting services; promoting the goods and services of others by distributing advertising materials through a variety of methods; distribution and dissemination of advertising materials (leaflets, prospectuses, printed material, samples); promoting the sale of goods and services of others through promotional events; promotion of business opportunities; promotion of special events; arranging and conducting promotional and marketing events; organisation of events, exhibitions, fairs and shows for commercial, promotional and advertising purposes; business services, namely, matching potential private investors with entrepreneurs needing funding; arranging and conducting of promotional and marketing events; promotion of the commercial interests of professionals and businesses in the field of mobile software application development provided by an association to its members; promotion, advertising and marketing of on-line websites; digital advertising services; promotional and advertising services; promotional marketing services; providing business and commercial advice and information; providing marketing consultancy in the field of social media; providing searchable online advertising guides; publication of printed matter for advertising purposes; publication of advertising materials; publication of publicity materials; publicity and sales promotion services; publicity and sales promotion relating to goods and services; social media marketing; social media strategy and marketing consultancy; sponsorship advertising; sponsorship search consultancy services; administration of incentive award programmes to promote the sale of the goods and services of others; business intermediary and advisory services; business intermediary services relating to the matching of potential private investors with entrepreneurs needing funding; media relations services; providing business information in the field of social media; promoting the goods and services of others by preparing and placing advertisements in electronic magazines; providing advertising space in magazines; assistance, advisory services and consultancy with regard to business analysis; business advice relating to advertising; business information; business advice relating to marketing; business and marketing research; interviewing for market research purposes; internet marketing; marketing and promotional services; online marketing; providing marketing information via websites.
- (2) MyIPO has issued a provisional refusal against these trademark registrations on 29 August 2024 on the grounds that the trademarks applied for have no distinctive features as they are combination of words that are commonly used in the course of commerce. SBS Digital Media via its trademark agent had filed written appeals to MyIPO on 29 October 2024 and has yet to receive a decision from MyIPO in relation to the written appeals. According to our trademark agent, the decision from MyIPO is expected to be issued within 18 to 24 months from the date of submission of the appeal.

6. INFORMATION ON OUR GROUP (Cont'd)

- (3) Providing commercial information and advice for consumers in the choice of products and services; providing consumer product information; advertising and marketing services; advertising via electronic media; telemarketing services; dissemination of advertisements and of advertising material (flyers, brochures, leaflets and samples); presentation and demonstration of goods; presentation of companies on the internet and other media; providing user reviews for commercial or advertising purposes; business and market research; compilation of information into computer databases; compiling indexes of information for commercial or advertising purposes; computerised file management; creating and updating advertising material; publication of advertising materials; data processing, systematisation and management; compilation of statistics; business networking; public relations; administrative processing of orders; appointment scheduling and reminder services; business management services relating to e-commerce; billing services; business information and inquiries; business development, business administration; computerised office management.
- (4) MyIPO has issued provisional refusals against the trademark registrations on 10 February 2025 and 12 February 2025 respectively. MyIPO has stated that the trademarks can be registered if SBS Digital Holdings is agreeable to the proposed amendments to the voluntary disclaimer. SBS Digital Holdings via its trademark agent had responded to MyIPO on 8 April 2025 agreeing to the proposed amendments. According to our trademark agent, the decision from MyIPO is expected to be issued within 18 to 24 months from the date of submission of the appeal.
- (5) Printing services, offset printing, pattern printing and digital printing.
- (6) Business advisory, consultancy and information services; assistance, advisory services and consultancy with regard to business management; assistance, advisory services and consultancy with regard to business organisation; assistance, advisory services and consultancy with regard to business planning; assistance, advisory services and consultancy with regard to business analysis; advertising, marketing and promotional consultancy, advisory and assistance services; professional business consultancy services; business consultancy for digital transformation; strategic business consultancy; business development services; organisation of events, exhibitions, fairs and shows for commercial, promotional and advertising purposes; advertising and marketing services; advertising and commercial information services provided via the internet; dissemination of advertisements and of advertising material (flyers, brochures, leaflets and samples); preparation of audiovisual presentations for use in advertising; compiling indexes of information for commercial or advertising purposes; creating and updating advertising material; providing user reviews for commercial or advertising purposes; updating and maintenance of information in registries; computerised file management; data processing, systematisation and management; compilation of information into computer databases; compilation of statistics; business networking; public relations; business and market research; business information and inquiries; business development; business administration; computerised office management.
- (7) The application for registration of these trademarks was submitted after LPD.

6. INFORMATION ON OUR GROUP (*Cont'd*)

- (8) MyIPO has issued a provisional refusal against these trademark registrations on 6 November 2025 on the grounds that the trademarks applied for have no distinctive features as the representation of the letter "M" is not represented in a unique or distinctive manner, and the words "MYUSAHAWAN MEDIA" consist of common words that merely describe a media platform for entrepreneurs in Malaysia. SBS Digital Media via its trademark agent has filed an application for hearing on 19 November 2025 and the hearing date has not been fixed as at LPD. According to our trademark agent, the hearing date is expected to be held within 12 to 24 months from the date of application for hearing.
- (9) Audio streaming; video streaming; data streaming; electronic transmission and streaming of digital media content for others via global and local computer networks; streaming of audio; streaming of audio and video material on the internet; streaming of audio material on the internet; streaming of audio, visual and audiovisual material via a global computer network; transmission of data, audio, video and multimedia files, including downloadable files and files streamed over a global computer network; transmitting streamed sound and audiovisual recordings via the internet; audio and video broadcasting services over the internet; audio broadcasting; audio, video and multimedia broadcasting via the internet and other communications networks; broadcasting of audiovisual and multimedia content via the internet; broadcasting of video and audio content via the internet; digital audio broadcasting; digital transmission services for audio and video data; electronic transmission of audio, video and other data and documents among computers; electronic transmission of audio, video and other data and documents via a peer-to-peer network; internet and digital transmission services for audio, video, or graphical data; provision of telecommunication access to audio content provided via the internet; provision of telecommunication access to video and audio content; transmission and distribution of data or audiovisual images via a global computer network or the internet; transmission of audio content; transmission of audio content via the internet; transmission of audio data; transmission of audio data via the internet; transmission of digital audio and video broadcasts over a global computer network; transmission of information in the audiovisual field; transmission of videos, movies, pictures, images, text, photos, games, user-generated content, audio content, and information via the internet; transmission, broadcasting and reception of audio, still and moving images, text and data by computer; transmission, broadcasting and reception of audio, still and moving images, text and data via computer networks; transmission, broadcasting and reception of audio, video, still and moving images, text and data; transmission, broadcasting and reception of audio, video, still and moving images, text and data in real time; interactive transmission of video via digital networks; providing access to a video sharing portal; providing facilities and equipment for video conferencing; rental of video conferencing equipment; transmission of information through video communication systems; transmission of sound, video and information; transmission of video content via the internet; transmission of video data; transmission of video data via the internet; video broadcasting; video broadcasting via the internet and other communications networks; video transmission; video transmission via digital networks; integrated services digital network services; automatic transfer of digital data using telecommunications channels; digital data transfer; digital transmission of data; digital transmission of data via the internet; digital transmission of images; digital transmission of messages; electronic and digital transmission of voice, data, images, signals and messages; transmission of advertising programs and media advertising communications via digital communications networks; transmission of digital files and electronic mail; transmission of digital information; transmission of information via wireless or cable networks; wireless transfer of data via the internet; transmission of sound and images between mobile telecommunications devices; providing access to a blog, chatroom, bulletin board or discussion service.

6. INFORMATION ON OUR GROUP (*Cont'd*)

- (10) Business education services; business training services; industrial relations training; transfer of business knowledge and knowhow (training); education and training in the field of business management; conducting of training courses relating to business management; adult education services; life coaching services (training or education services); vocational education services; practical training (demonstration); providing facilities for educational training; organisation of cultural events for charitable purposes; organisation, production and presentation of events for educational, cultural or entertainment purposes; arranging, organising and conducting of educational events; organisation of exhibitions for cultural or educational purposes; arranging for ticket reservations for shows and other entertainment events; arranging and conducting of conferences, congresses, concerts and symposiums, seminars, training courses, classes and lectures; organisation of in-person forums; providing educational information; dissemination of educational material; multimedia learning; audio, video and multimedia program production services; multimedia publishing of magazines, journals and newspapers; publication and editing of printed matter and texts, other than publicity texts; publication of multimedia material online relating to books, magazines, journals, software, games, music, and electronic publications; production and distribution of radio and television programmes; production of radio and television programmes for the internet and other media; consultancy and information services relating to arranging, conducting and organisation of training workshops.

Our Group's business is not dependent on any of the above-mentioned trademarks which registration is pending as at LPD. Although the trademarks in the table above have not been granted registration, we are still entitled as proprietor of the unregistered trademarks to continue using them in the ordinary course of our Group's business. In addition, while we are not entitled to initiate legal action under the Trademarks Act 2019 to prevent any unauthorised use of any trademark which is similar or identical to the abovementioned unregistered trademarks, we may still initiate legal action under common law against any third party for passing off or misrepresenting their goods and services as those of our Group and causing damage to the goodwill and reputation of our Group's business. As such, in the event that these trademarks are not granted registration, our Group's operations will not be materially affected.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.9 PROPERTY, PLANT AND EQUIPMENT

6.9.1 Properties owned by our Group

Save as disclosed below, our Group does not own any properties as at LPD:

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Land area/ Built-up area sq ft	Date of purchase/ Date of Certificate of Completion and Compliance	Encumbrance/ Express conditions/ Restriction-in-interest	Audited NBV as at 30 June 2025 RM'000
(a)	SBS Digital Holdings/ C-7, Jalan Dataran SD 1 PJU 9, Bandar Sri Damansara 52200 Kuala Lumpur/ Pajakan Negeri 18574, Lot 62519 Bandar Sri Damansara Daerah Petaling Negeri Selangor	5-storey terraced shop office/ Our headquarters/ Leasehold of 99 years expiring on 27 August 2102 (approximately 77 years remaining as at LPD)/ Building	2,045/ 10,210	26 December 2012/ 5 January 2006	Encumbrances: Charge registered in favour of Alliance Bank Malaysia Berhad on 10 February 2025 Private caveat registered in favour of Alliance Bank Malaysia Berhad on 20 June 2024 Express Condition: Commercial building Restriction-in-interest: This land shall not be transferred, leased or charged without the prior permission of the state authority	2,046

The property owned by our Group is not in breach of any land use conditions, statutory requirements, land rules or building regulations/ by-laws, which will have material adverse impact on our operations as at LPD. Our property has obtained all the necessary licences and certificates.

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.9.2 Properties rented by our Group

Our Group does not rent any properties as at LPD.

6.9.3 Acquisition of properties

Our Group has not acquired nor entered into any agreements to acquire any properties during FYE 2022 to 2024, FPE 2025 and up to LPD.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.9.4 Material capital expenditures and divestitures****(a) Material capital expenditures**

Save for the expenditures disclosed below, there were no other capital expenditures made by us for FYE 2022 to 2024, FPE 2025 and up to LPD:

	At cost				1 July 2025 up to LPD
	FYE 2022	FYE 2023	FYE 2024	FPE 2025	
Capital expenditures	RM'000	RM'000	RM'000	RM'000	RM'000
Computer and software	27	21	⁽³⁾ 159	25	24
Furniture and fittings	11	4	-	-	-
Motor vehicles	-	⁽¹⁾ 405	-	-	-
Office equipment	14	8	-	1	14
Renovation	-	⁽²⁾ 60	-	-	-
	52	498	159	26	38

Notes:

- (1) Relates to the acquisition of new passenger car for Wong Chun Mun, our Managing Director/ Chief Executive Officer.
- (2) Being renovation cost incurred for our existing headquarters.
- (3) Being purchase of new servers and laptops.

The above capital expenditures were primarily financed by a combination of bank borrowings and internally generated funds. Our capital expenditures are mainly driven by our business growth as well as for replacement purposes.

(b) Material capital divestitures

Save for the divestitures disclosed below, there were no other capital divestitures made by us for FYE 2022 to 2024, FPE 2025 and up to LPD:

	FYE 2022	FYE 2023	FYE 2024	FPE 2025	1 July 2025 up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Capital divestitures					
Motor vehicles	-	-	⁽²⁾ 511	-	-
Investment property	-	⁽¹⁾ 1,119	⁽³⁾ 1,810	-	-
	-	1,119	2,321	-	-

Notes:

- (1) Relates to disposal of a 1½-storey semi-detached factory on a freehold land located at Skudai, Johor. Further details are set out in Section 6.5(b).
- (2) Relates to disposal of 3 units of motor vehicles that are no longer in use.
- (3) Relates to disposal of a double-storey shop office located at Shah Alam, Selangor. Further details are set out in Section 6.5(d).

6. INFORMATION ON OUR GROUP (Cont'd)

All our capital divestitures were carried out in the ordinary course of business to realise our investments in the investment properties or as part of the periodic review of our fixed asset register to identify and eliminate those assets which have been fully depreciated or no longer in use or obsolete or surpassed their useful life.

Moving forward, other than the proposed utilisation of proceeds from our Public Issue for our capital expenditure as disclosed in Section 4.9 and the material capital commitment as set out in Section 12.6, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia.

6.9.5 Material equipment and machinery

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

6.9.6 Material plans to construct, expand or improve our property, plant and equipment

Save for the proposed utilisation of proceeds from our Public Issue to finance the capital expenditure as set out in Section 4.9, our Group does not have any other immediate plans to construct, expand or improve our property, plant and equipment as at LPD.

6.10 RELEVANT LAWS, REGULATIONS, RULES OR REQUIREMENTS

The following is an overview of the major laws, regulations, rules and requirements governing the conduct of our Group's business and environmental issue which may materially affect our business operations:

(a) 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.

As we operate in Selangor, our Group's operations fall under the purview of the MBPJ. The relevant by-laws governing the conduct of our business are as follows:

(i) Trade Licensing, Business and Industry (MBPJ) By-Laws 2007 ("Petaling Jaya Business By-Laws 2007")

Petaling Jaya Business By-Laws 2007 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 provisions the Petaling Jaya Business By-Laws 2007 shall be guilty of an offence and shall upon conviction be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or 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.

As at LPD, our Company and all our subsidiaries hold and maintain valid business premise licences for our headquarters. For FYE 2022 to 2024, FPE 2025 and up to LPD, our Company and all our subsidiaries have not been issued with any penalties pursuant to Petaling Jaya Business By-Laws 2007.

6. INFORMATION ON OUR GROUP (Cont'd)**(ii) Advertisement (MBPJ) By-Laws 2007 ("Petaling Jaya Advertisement By-Laws 2007")**

Petaling Jaya Advertisement By-Laws 2007 provides that no person shall exhibit or cause or permit to be exhibited any advertisement without a licence granted by the licencing authority under the Petaling Jaya Advertisement By-Laws 2007. Any person who contravenes any of the provisions of these by-laws shall be guilty of an offence and shall, upon conviction, be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or both such fine and imprisonment 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.

As at LPD, SBS Digital Holdings holds and maintains a valid signboard licence. For FYE 2022 to 2024, FPE 2025 and up to LPD, SBS Digital Holdings has not been issued with any penalties pursuant to Petaling Jaya Advertisement By-Laws 2007. Our Group's other subsidiaries do not put up signboards and as such do not require signboard licences.

(b) Employment Act 1955 ("EA 1955")

The EA 1955 regulates all labour related matters including contracts of service, payment of wages, employment of women, maternity protection, rest days, hours of work, holidays, termination, lay-off and retirement benefits, employment of foreign employees and keeping of registers of employees.

Any person who commits any offence under, or contravenes any provision of the EA 1955, or any regulations, order or other subsidiary legislation whatsoever made thereunder, in respect of which no penalty is provided, shall be liable, on conviction, to a fine not exceeding RM50,000.

As at LPD, our Group complies with the relevant requirements under the EA 1955. For FYE 2022 to 2024, FPE 2025 and up to LPD, SBS Digital Holdings has not been issued with any penalties pursuant to Petaling Jaya Advertisement By-Laws 2007.

6.10.1 Late filing of tax returns and late payment of tax

The tax returns of SBS Digital Holdings, SBS Social and Shanghai Media for year of assessment ("YA") 2023 were supposed to be filed by 31 July 2024. However, such tax returns were only filed on 8 November 2024. The delay in filing of tax returns was due to the change in auditors of SBS Digital Holdings, SBS Social and Shanghai Media which took place on 12 July 2024. The change was made to leverage the broader expertise and enhanced resources of the newly appointed auditors, whose capabilities are better aligned with our Group's audit requirements. Pursuant to the change in auditors, the new auditors required additional time to complete and furnish the audited financial statements of SBS Digital Holdings, SBS Social and Shanghai Media for FYE 2023. In this regard, applications for extension of time to file the tax returns were submitted by SBS Digital Holdings, SBS Social and Shanghai Media to the IRB but were rejected.

The audited financial statements were only lodged with CCM on 30 October 2024 and as a result, the filing of tax returns and consequently payment of tax payable for YA 2023 by SBS Digital Media, SBS Social and Shanghai Media were late.

6. INFORMATION ON OUR GROUP (Cont'd)

The following penalties were imposed by the IRB for the late filing of tax returns and late payment of tax:

SBS Digital Holdings – RM28,643.61

SBS Social – RM54,347.39

Shanghai Media – RM10,001.64

SBS Media Tech's tax return for YA 2023 was filed within the statutory timeframe. However, SBS Media Tech did not make payment of the balance tax payable for YA 2023 but instead opted to submit an instalment plan application in relation to its balance tax payable for YA 2023 on 6 December 2024. Based on IRB's standard practice, late payment penalty under Subsection 103(1) of the Income Tax Act 1967 will still be imposed notwithstanding the approval of an instalment plan. As a result, late payment penalty of RM91,701.72 was imposed on SBS Media Tech.

As at LPD, all the abovementioned penalties have been fully settled.

The abovementioned past non-compliances have no material impact to our Group's business operations as the penalties imposed are not deemed to be material to our Group. Further to prevent the recurrence of similar non-compliance, our Group has established a guideline on the preparation, revision and submission of corporate tax, the compliance of which will be monitored and overseen by our Group's Chief Financial Officer. This guideline sets out our Group's compliance with the IRB's regulations on corporate tax filings with the aim of ensuring timely and accurate submissions.

6.11 ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") PRACTICES

Our Group acknowledges the importance of having a good ESG framework and its significance to our Group's future development. Our Group has implemented, and is in the midst of implementing, the following practices:

(a) Environmental

Our Group is committed to embracing sustainable practices in response to environmental challenges. The following practices are among the measures that we have adopted and are in the midst of implementing:

- (i) Energy conservation practices in our workplace, such as purchase and use of energy-saving electrical appliances. Our employees are also encouraged to switch off the lights, air conditioning, and other electrical appliances when they are not in use. Our office is lighted up with light-emitting diodes, which consumes up to 90% less energy than traditional incandescent bulbs.
- (ii) In our efforts to promote responsible paper usage, we are gradually moving towards digitalising our operations and fostering a culture of responsible paper use such as avoiding unnecessary printing, reusing scrap paper and recycling used paper products.
- (iii) Prioritising the selection of printers providers who practice sustainable paper sourcing, use eco-friendly production processes and adhere to environmental laws. We undertake pre-qualification assessments which helps us identify vendors that align with our sustainability goals.

6. INFORMATION ON OUR GROUP (Cont'd)

(b) Social

Our Group recognises our employees as valuable assets and is committed to fostering a conducive environment that promotes their well-being and personal growth. To achieve this, we focus on the following practices:

- (i) We are committed to providing a safe and conducive work environment for all our employees. To support this, we have implemented a health and safety policy that prioritises the well-being of our workforce.
- (ii) We offer continuous training and development programmes aimed at enhancing skills, fostering leadership and supporting career progression. Each head of department proposes their team's annual training program to ensure they meet the specific needs of the respective departments.
- (iii) We are dedicated to promoting equal opportunity and fostering a diverse and inclusive workplace. By embracing diversity, we believe we enhance creativity, innovation and collaboration, leading to better outcomes for both our employees and our business. With a team of 44 employees, comprising 15 males (34.1%) and 29 females (65.9%), we actively work to create an environment where individuals are valued for their unique perspectives and contributions, regardless of gender or background.
- (iv) We prioritise work-life balance by offering a supportive environment that encourages employees to maintain a healthy separation between their professional and personal lives. Every year, we organise festive events for major holidays such as Chinese New Year, Hari Raya and Christmas, bringing everyone together to celebrate and share in the joy of these special occasions. These events help strengthen bonds among colleagues and create a more inclusive, engaging workplace culture.
- (v) We provide students and recent graduates with valuable opportunities to gain real-world experience and develop their skills. In recognition of our supportive work environment, we were honoured to receive the "Most Supporting Employer Award" from UCSI University in 2022. As part of our ongoing efforts to engage with the community and attract new talent, we regularly post internship vacancies on our social media platforms, allowing us to reach a wider audience and support the growth of future professionals.

(c) Governance

Our Group is committed to conduct our business ethically and in compliance with all relevant laws, regulations, rules and requirements as disclosed in Section 6.10. In maintaining high standards of corporate governance, our Board and employees uphold a high standard of integrity, transparency and accountability in our business dealings and conduct.

As at LPD, our Board adopted all the principles and practices as promulgated in the MCCG. This commitment encompasses achieving and sustaining high standards of corporate governance and ethical conduct, high corporate accountability, transparency and integrity.

6. INFORMATION ON OUR GROUP (Cont'd)

In maintaining high standards of corporate governance, our Group has established the following policies:

- (i) Code of Conduct and Business Ethics Policy outlines our internal control procedures, addressing issues such as managing conflicts of interest, preventing money laundering, combating bribery and corruption as well as avoiding insider trading;
- (ii) Anti-Bribery and Corruption Policy sets our procedures to ensure compliance with applicable anti-bribery and corruption laws and regulations, including the Malaysian Anti-Corruption Commission Act 2009;
- (iii) Whistleblowing Policy to ensure and promote fairness in business dealings; and
- (iv) Personal Data Protection Act Policy serves as guidance for processing personal data in commercial transactions and for employment purposes, in compliance with the Personal Data Protection Act 2010.

Our Board acknowledges that the business environment in which our Group operates in changes rapidly and is competitive, requiring our ESG practices to continuously evolve in response to these challenges. Therefore, our Board will, as needed, guide and develop initiatives and action plans to enhance our Group's ESG practices.

Moving forward, our Group's ESG practices will be disclosed through the Sustainability Statement in our annual report, which will be prepared in accordance with the standards and requirements outlined in the Sustainability Reporting Guide issued by Bursa Securities.

6.12 EMPLOYEES

As at LPD, we have a total workforce of 44 employees. All our employees are local and are hired on a permanent basis.

The breakdown of our employees as at 30 June 2025 and LPD are as follows:

	As at 30 June 2025	As at LPD
Directors ⁽¹⁾	4	4
Key senior management	4	4
Department		
Finance	4	4
Human resource and administration	5	8
Marketing	1	1
Sales	14	⁽²⁾ 10
Business development	1	1
Graphic design	4	4
Content creation	2	2
Video production	2	2
Event management	2	2
IT	2	2
	45	44

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) Includes the executive director of our subsidiaries.
- (2) The substantial decrease in the number of sales department employees as at the LPD was primarily due to performance-based assessment against established key performance indicators (KPIs). Accordingly, while the turnover rate within the sales department is higher than of other departments, our Group's business operations remain uninterrupted and are not materially affected.

None of our employees belong to any labour union and over FYE 2022 to 2024, FPE 2025 and up to LPD, there has been no labour dispute between our management and our employees. Additionally, over FYE 2022 to 2024, FPE 2025 and up to LPD, there has not been any incident of work stoppage or labour disputes that has materially affected our operations.

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7. BUSINESS OVERVIEW

7.1 HISTORY AND MILESTONES OF OUR GROUP

The table below sets out the history and milestones of our business.

Year	Key events and milestones
2003	- Speed Business Services, a sole proprietorship, was established on 6 February 2003 by Piah Yee Ling, our Executive Director, to provide flyer distribution services as well as the distribution of other offset printed materials such as brochures, notebooks, calendars, table stickers, pocket tissues, paper bags and booklets, which is part of our Group's offline branding solutions. - We commenced operations from a rented shop office in Batu Caves, Selangor.
2004	We expanded our service offerings to include the provision of offset printing services for paper-based marketing materials to complement our flyer distribution services.
2008	Due to the need for larger office space to cater for our expansion, we relocated to a new rented shop office in Setapak, Kuala Lumpur, and subsequently ceased the rental of our Batu Caves shop office.
2009	- As our business continued to expand, SBS Prints Sdn Bhd was incorporated by our Managing Director and Chief Executive Officer, Wong Chun Mun, and Executive Director, Piah Yee Ling, on 30 July 2009 to carry on our business of flyer distribution services and offset printing services. SBS Prints Sdn Bhd subsequently underwent a name change to SBS Digital Holdings on 21 March 2021. - Pursuant to the incorporation of SBS Prints Sdn Bhd, we ceased our operations under Speed Business Services and the business was left dormant until the business licence expired in 2012. - We expanded our service offerings to include the provision of inkjet printing services for marketing materials such as banners, buntings and wall stickers.
2010	We began offering installation services for inkjet printed materials to complement our inkjet printing services.
2012	As our business grew and our workforce continued to expand, we had on 26 December 2012 entered into an agreement to acquire our existing headquarters in Bandar Sri Damansara, Kuala Lumpur. Subsequently, we relocated our operations to this new location in Bandar Sri Damansara in 2014 and it remains as our headquarters to-date. Pursuant to the relocation, we ceased the rental of the shop office in Setapak, Kuala Lumpur.
2016	In line with our Group's strategy to expand into the digital branding solutions business, we began offering online marketing services comprising the provision of digital content creation and managing of customer's digital media advertisements (e.g. influencer marketing).
2017	Driven by our Group's marketing strategy to have our in-house branded services, we had on 28 December 2017, acquired the intellectual property rights of the brand 'ShangHai' from Shang Hai Publishing Sdn Bhd.

7. BUSINESS OVERVIEW (Cont'd)

Year	Key events and milestones
	- We expanded the offerings of our digital branding solutions business to include website development services. We initially outsourced the development works to third party website developers before transitioning to in-house development upon the acquisition of NextAlpha Solutions Sdn Bhd (now known as SBS Media Tech) in 2023. - We further expanded our offerings to include the management of customers' digital media advertisements (e.g. social media advertisements, Google marketing and electronic direct mail), as well as the provision of media editorial services and video production services.
2018	- We continued expanding our offline branding solution offerings to include the provision of public relations and event management services. - We launched our first 'ShangHai' branded service, namely our digital broadcast services, as part of our digital branding solutions business. Our digital broadcast services comprise entrepreneur interviews and digital broadcasting of these interviews, in Mandarin-language, under the name of 'ShangHai Talk of Fame'. Our first episode of 'ShangHai Talk of Fame' was aired online on our 'ShangHai Business' website on 29 June 2018.
2020	We began offering 'ShangHai Book of Fame', which is our second 'ShangHai' branded service, as part of our offline branding solutions. The first edition of the publication was published in January 2022.
2022	We commenced our business leads generation initiatives, whereby we held our first business award event, namely SHIPBA in October 2022.
2023	- On 11 January 2023, SBS Digital Holdings entered into an agreement to acquire 100,000 ordinary shares in NextAlpha Solutions Sdn Bhd (now known as SBS Media Tech), for a consideration of RM2.0 million which is satisfied by way of 145,000 new shares issued by SBS Digital Holdings. Pursuant to the acquisition, we transitioned to in-house development for our website development services. Further, we also expanded our services to include web-based applications development services. - Through SBS Media Tech, we also began offering digital-out-of-home media services for indoor digital media platforms. SBS Media Tech had previously entered into a service and management arrangement with Entity T for the development, preparation, administration, management and maintenance of indoor digital media platforms, as well as to carry out the activities of media advertising through the management of advertising space or air-time slots of the indoor digital media platforms in all outlets of a statutory body related to Entity T ("Statutory Body") nationwide. On 3 April 2023, we entered into a formal service and management agreement with Entity T for the exclusive provision of the aforementioned services. Please refer to Section 7.3.1(b) for further details of our service and management agreement with Entity T. - We further expanded our service offerings to include the provision of digital billboard marketing services as well as provision of advertisement placement on our 'ShangHai Business' website under our online media services. - In 2023, we also organised and hosted two new business award and recognition events, namely SIR (business recognition programme) in January 2023 and SHE (business award event) in December 2023.
2025	- We expanded our services to include mobile applications development services. - In July 2025, our Group, via SBS Social obtained the 'Malaysia Digital Status' from Malaysia Digital Economy for the provision of artificial intelligence (AI) video production services.

7. BUSINESS OVERVIEW (Cont'd)

Year	Key events and milestones
	By having the 'Malaysia Digital Status', it allows us to enhance our market presence through the listing of our company in their directory, leveraging on their ecosystem to generate potential business leads as well as to facilitate business matching. There is no expiry for our 'Malaysia Digital Status'. We are currently not accorded any form of tax incentive arising from our 'Malaysia Digital Status'. Nevertheless, we may, subject to meeting the relevant eligibility criteria, apply for tax incentive that is available for 'Malaysia Digital Status' companies in the future.

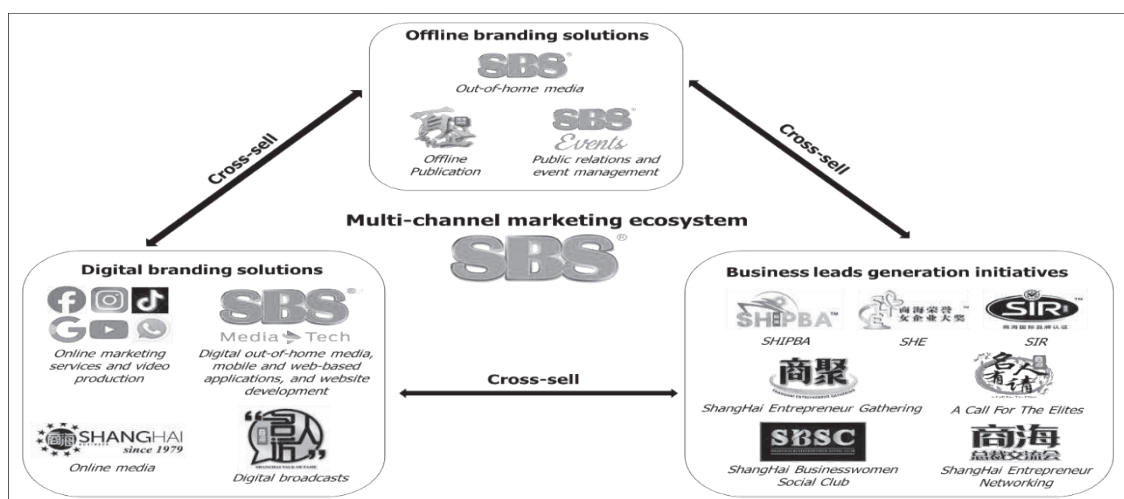
7.2 PRINCIPAL BUSINESS ACTIVITIES AND BUSINESS MODEL

We are a branding and marketing solutions specialist, principally involved in the provision of offline branding solutions and digital branding solutions. Our solutions are aimed at amplifying our customers' business visibility and is driven by our multi-channel marketing ecosystem, as follows:

- Offline branding solutions comprising out-of-home media services, public relations and event management, as well as offline publications; and
- Digital branding solutions comprising online marketing services, digital broadcasts, video production, digital-out-of-home media and online media, as well as mobile and web-based applications, and website development.

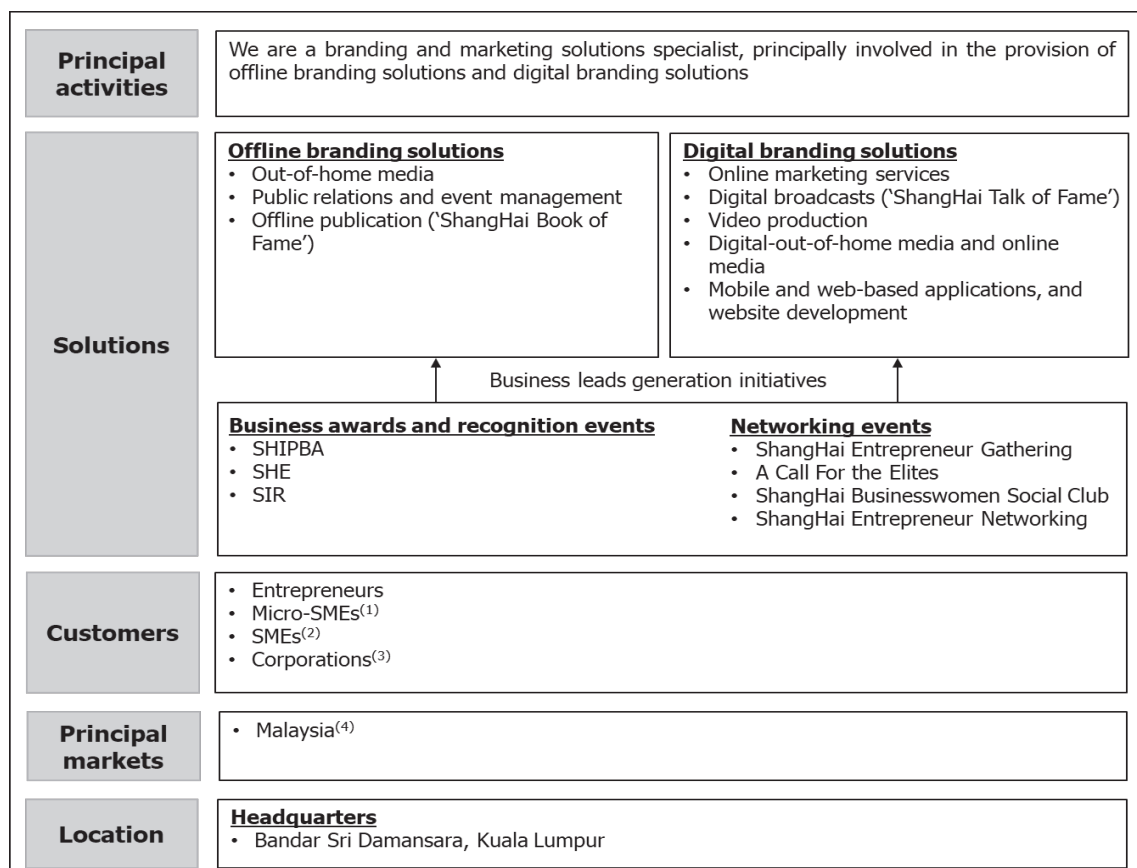
Further, as part of our marketing strategy, we organise and host business awards and recognition events, as well as networking events, as part of our business leads generation initiatives, from which we also derive revenue. These events enable us to generate business leads from potential customers (i.e. entrepreneurs, micro-SMEs, SMEs and corporations) and it also serves as a service that benefits our customers by providing them a platform to drive branding and publicity.

With the wide range of services offered, our Group is positioned as a one-stop solution provider of branding and marketing solutions for customers in various stages of business lifecycle. As early-stage businesses grow into SMEs and subsequently established businesses, our Group's wide range of services can cater to the branding and marketing needs of businesses in their respective stage of business lifecycle. Additionally, our Group is able to propose and cross-sell different branding and marketing solutions to customers to create a seamless and cohesive branding strategy for our customers.



7. BUSINESS OVERVIEW (Cont'd)

Our business model is summarised below:

**Notes:**

- (1) Micro-SMEs comprise entities with sales turnover not exceeding RM0.3 million or number of full-time employees not exceeding 5 employees.
- (2) SMEs comprise entities with sales turnover between RM0.3 million and RM50.0 million or number of full-time employees between 5 and 200 employees for manufacturing sector, and sales turnover between RM0.3 million and RM20.0 million or number of full-time employees between 5 and 75 employees for services and other sectors. SMEs exclude entities that are public-listed companies (including their subsidiaries), multinational corporations, government-linked companies, 'Syarikat Menteri Kewangan Diperbadankan' and state-owned enterprises.
- (3) Entities that do not fall under the definition of Notes (1) and (2) above, are deemed as corporations.
- (4) Our revenue from overseas is minimal whereby revenue from Indonesia, Singapore and Taiwan, collectively contributed less than 1.0% of our Group's total revenue for FYE 2022 to 2024, as well as revenue from Hong Kong contributed 3.9% and 1.0% of our Group's total revenue for FYE 2023 and FYE 2024 respectively. For FPE 2025, revenue from Hong Kong and Singapore collectively contributed 0.1% to our Group's total revenue.

7. BUSINESS OVERVIEW (Cont'd)

7.3 OUR SOLUTIONS

7.3.1 Our branding and marketing solutions

Our solutions are aimed at creating high brand awareness and loyalty, and establishing the desired brand image for our customers, whereby we provide a variety of services to suit their business needs and growth objectives in relation to growing their brands and/ or product recognition.

Our customers comprise entrepreneurs, micro-SMEs, SMEs and corporations, and may be from any industry. Our customers are not concentrated in any specific industry.

Some of our offerings also include services under our house brand, namely 'ShangHai'.



Our 'ShangHai' brand, which we acquired from Shang Hai Publishing Sdn Bhd in 2017, is a long-established printed Mandarin-language business media brand that has been in the market for 46 years as at LPD and it is well known among the Mandarin-speaking SME community in Malaysia. For FYE 2022 to 2024 and FPE 2025, our Group has recorded a collective 3.2 million, 3.4 million, 4.7 million and 10.0 million⁽¹⁾ viewership respectively, for our 'ShangHai' Facebook and YouTube pages. Since its beginning, 'ShangHai' has been a brand that shares entrepreneurs' success stories to inspire and encourage entrepreneurship. Following the acquisition of the 'ShangHai' brand, we began offering our 'ShangHai' branded services, targeting entrepreneurs, to drive entrepreneurial branding. Our Group's 'ShangHai' branded services comprise offline publication ('ShangHai Book of Fame') and digital broadcasts ('ShangHai Talk of Fame') which are further detailed in the tables below, as well as business awards and recognition events (SHIPBA, SHE and SIR) and networking events which are further detailed in Section 7.3.2 below.

Note:

- ⁽¹⁾ The substantial increase in viewership in FPE 2025 was due to the shift from targeted ads to a broader audience outreach, which expanded our visibility and significantly increased overall viewership.

Our offline branding solutions and digital branding solutions are further detailed below:

(a) Offline branding solutions

Services	Description
Out-of-home media	: Our out-of-home media services comprise the provision of offset and inkjet printing services, distribution and installation services, and billboard marketing services as detailed below:

7. BUSINESS OVERVIEW (Cont'd)

Services	Description
	• Offset printing refers to printing on paper-based materials such as flyers, brochures, notebooks, calendars, table stickers, pocket tissues, paper bags and booklets. Inkjet printing refers to printing on synthetic materials such as banners, buntings and wall stickers. The design of the marketing materials is carried out in-house based on our customers' requirements. We outsource the printing of all marketing materials, save for pocket tissues, to third party printing companies in Malaysia. For pocket tissues, we outsource the printing and production to third party printing companies in China. • We provide distribution services for offset printing materials, and installation services for inkjet printing materials, which are both outsourced to third party service providers as at LPD. This service can be provided as a standalone service, or with our offset and inkjet printing services. • We also provide billboard marketing services whereby we will identify suitable billboard locations based on our customer's target advertising area; provide design services for billboard visuals; and manage our customers' advertising needs and requirements with our network of billboard owners and agencies.
Public relations and event management	Public relations and event management are services comprising planning, coordinating, procurement and managing events for customers such as press releases, product launching, company/appreciation dinners, and corporate activities (e.g. team building and corporate training (i.e. sessions where a structured program is designed according to our customer's requirement to teach specific skills or knowledge through interactive, hands-on activities. The training sessions are conducted by our in-house trainers)). Further, as at LPD, we have 3 trainers (out of which 2 are our Executive Director and key senior management respectively, namely, Warren Cheng and Lim Cheng Yong) who are certified by the Human Resource Development Corporation ("HRD"), allowing us to also provide trainings which are HRD claimable. Our HRD claimable trainings are solely provided to our customers (i.e. micro-SMEs, SMEs and corporations) and customers may claim the training fees from HRD or bear the fees themselves, depending on their preference. The overall planning and coordination of these events are carried out in-house whereby we will work closely with our customers to understand their requirements such as event objective, concept, themes, decorations, venue layout, lighting, number of participants, location and food and drinks requirement. Upon setting out the plan, we will assist our customers in sourcing the venue and procuring the required supplies for their events. For events that involve the participation of members of the media, we will assist our customers to contact and invite the relevant media members to the events. Our in-house team manages and supervises the entire flow of each event to ensure smooth execution of the event.

7. BUSINESS OVERVIEW (Cont'd)**Services**

Offline publication

Description

:

*ShangHai Book of Fame*

Offline publication is a service that is offered under our Group's house brand, 'ShangHai'. It comprises entrepreneurial interviews, creation and publication of entrepreneur interview articles, in Mandarin-language, in our Group's hardcopy 'ShangHai Book of Fame'.

Our 'ShangHai Book of Fame' is a book of record where we document the business experience and journey to success of various entrepreneurs, with the objective to inspire future entrepreneurship amongst readers.

The design of the publication is carried out in-house. We also carry out marketing research (e.g. research through online articles, websites, social media pages and LinkedIn, amongst others) to identify potential entrepreneurs to be featured in our 'ShangHai Book of Fame', all of which are done in-house. Entrepreneurs are identified on the basis that they operate a sustainable business (i.e. the business is not short-term in nature and that they have been in operations for at least 18 months), and that they have identifiable market presence and reputation (i.e. the brand and company is known within their industry, and that they have online presence with positive reviews). We will then market our offline publication service to these entrepreneurs upon identification. We outsource the interviewing of entrepreneurs and creation of interview articles to a third party media company, photo shooting to a third party photography company, and printing of the publication to a third party printing company.

Our 'ShangHai Book of Fame' is published once a year, and we generally organise a 'ShangHai Book of Fame' presentation ceremony to present the publication to the entrepreneurs. As at LPD, we have published the 3rd edition of our 'ShangHai Book of Fame'. Our 4th edition is scheduled to be published in mid-December 2025. We also upload a digital copy of our 'ShangHai Book of Fame' on our *bookoffame.biz* website which can be permanently accessed for free by the public.

7. BUSINESS OVERVIEW (Cont'd)**Services****Description**

As we derive fees from our customers for the interview, photography, content creation and publication of customers' interview articles in our 'ShangHai Book of Fame', we intend to state in these publications moving forward in our next publication of 4th edition of 'ShangHai Book of Fame' that our customers are sponsors for these publications, to be in line with the Malaysian Code of Advertising Practice which is published by the Advertising Standards Malaysia (an independent body) and not pursuant to any legislation, and serves as an industry self-regulatory framework for printed media. As at LPD, the fees for our 'ShangHai Book of Fame' service ranges from RM6,800 to RM23,800, for both members and non-members:

- Package 1 – RM6,800
 - 1 offline publication service, comprising 4 pages of entrepreneurial writeup
 - 1 photography session
 - 2 copies of 'ShangHai Book of Fame' with customised book cover
- Package 2 – RM 13,800
 - 1 offline publication service, comprising 4 pages of entrepreneurial writeup
 - 1 photography session
 - 2 copies of 'ShangHai Book of Fame' with customised book cover
 - 1 session of digital broadcast service ('ShangHai Talk of Fame')
- Package 3 – RM23,800
 - 1 offline publication service, comprising 6 pages of entrepreneurial writeup
 - 1 photography session
 - 4 copies of 'ShangHai Book of Fame' with customised book cover
 - 1 session of digital broadcast service ('ShangHai Talk of Fame')
 - 1 session of third-party radio broadcast

7. BUSINESS OVERVIEW (Cont'd)**(b) Digital branding solutions**

Services	Description
Online marketing services	Our online marketing services comprise the provision of digital content creation, media editorial and management of our customers' digital media advertisements as detailed below: • Digital content creation is the creation of marketing content and designing artworks for posting on digital platforms such as social media platforms. Our services include proposing ideas, creating content and graphic design, which is carried out in-house and may be outsourced. In addition, our services also include managing social media marketing for our customers whereby we assist our customers to manage the scheduled posting of contents on their social media platforms. • Media editorial services comprise the creation of content and publishing media articles such as product launches, new branch openings, exhibitions, events, seminars, forums, in Mandarin-language, on our 'ShangHai Business' website. The publication of media articles are done in-house, whereas the content creation of media articles is carried out in-house and may be outsourced as and when required. • We also provide the service of managing our customers' digital media advertisements through social media advertisements, Google marketing, influencer marketing and electronic direct mail, which are carried out in-house and may be outsourced as and when required.

Digital broadcasts ('ShangHai Talk of Fame')



Our digital broadcasts is a service that is offered under our house brand, 'ShangHai'. It comprises the services of conducting entrepreneur interviews and digital broadcasting of these interviews, in Mandarin-language, under the name of 'ShangHai Talk of Fame'. As with our 'ShangHai Book of Fame', our 'ShangHai Talk of Fame' is a recording where we

document the business experience and journey to success of various entrepreneurs, with the objective to inspire future entrepreneurship amongst viewers.

We carry out marketing research (e.g. research through online articles, websites, social media pages and LinkedIn, amongst others) to identify potential entrepreneurs to be featured in our 'ShangHai Talk of Fame', all of which are done in-house.

Entrepreneurs are identified on the basis that they operate a sustainable business (i.e. the business is not short-term in nature and that they have been in operations for at least 18 months), and that they have identifiable market presence and reputation (i.e. the brand and company is known within their industry, and that they have online presence with positive reviews). We will then market our digital broadcasts service to these entrepreneurs upon identification.

7. BUSINESS OVERVIEW (Cont'd)

Services	Description
	The recording of the interviews is carried out in our production studio and we engage external hosts to conduct the interviews. We also carry out video and effects editing, and broadcasting in-house. Our 'ShangHai Talk of Fame' digital broadcasts are aired in seasons in which each season generally range from 50 to 100 episodes. From time to time, we may broadcast special edition seasons which generally have 20 to 30 episodes per season. For each episode, we will broadcast interviews of different entrepreneurs. As at LPD, we are airing the 11th season of our 'ShangHai Talk of Fame'. Our digital broadcasts are primarily broadcasted on our 'ShangHai Business' website, 'ShangHai' social media platforms (i.e. YouTube, TikTok and Facebook) and Spotify channel. Our customers may also post their interviews on their preferred channel or platform of their selection. As we derive production fees from our digital broadcasts, we intend to disclose in such digital broadcasts moving forward in our next broadcast of 12th season of 'Shanghai Talk of Fame' that our customers are sponsors for these digital broadcasts to be in line with the Content Code 2022 published by Communications and Multimedia Content Forum of Malaysia, which sets out best practices for content disseminated via electronic media.
Video production	: Video production are services comprising creative video production works for our customers' branding and marketing purposes. Our services include proposing ideas and video conceptualisation. Video shoots, animation production, as well as video and effects editing are generally carried out in-house, and may be outsourced to third party production company as and when required. Video shoots are carried out in our production studio, external premises or public area depending on the content required.
Digital-out-of-home media and online media	: Digital-out-of-home media is a service where we manage advertisements of our customers' products and services on digital billboards or indoor digital media platforms through the purchase of air-time slots. Air-time slots are 'slots of time' for businesses to convey their messages, in the form of videos and/ or images, to their target market via digital billboards or indoor digital media platforms. For digital billboard services, we will identify suitable digital billboard locations based on our customers' target area, to put up their advertisements. We will manage the purchase of air-time slots from our network of digital billboard owners and agencies for our customers, as well as manage the communication between our customers and digital billboard owners/ agencies. We may also provide artwork design and content creation services for our customers' digital billboard advertisements, upon request.

7. BUSINESS OVERVIEW (Cont'd)**Services****Description**

In addition, we had, in April 2023, entered into an exclusive service and management agreement⁽¹⁾ with Entity T for the development, preparation, administration, management and maintenance of indoor digital media platforms, as well as to carry out the activities of media advertising through the management of advertising space or air-time slots of the indoor digital media platforms in all outlets of the Statutory Body nationwide. There is no fixed basis on the yearly sales increase indicated in the agreement. Our Group is only required to achieve sales results that are higher than the previous year to meet the requirement. In the event that we are unable to achieve increasing sales/ revenue every year, the renewal of the agreement would be at Entity T's discretion.

The indoor digital media platforms are digital screens used by the Statutory Body for their queuing system at their outlets whereby these screens are also used concurrently as the media to showcase advertisements and other related content. The indoor digital media platforms are installed by Entity T and our Group's primary responsibility is to manage the display of advertisements. All advertisements will be submitted to Entity T's committee for approval before being uploaded via our Group's back-end portal, which manages the display of advertisements on the indoor digital media platforms across all Entity T's outlets. The display package that we offer is for a minimum period of 1 month where the total display duration is determined by the customer based on their needs. We also offer seasonal packages where advertisements are displayed during festive periods such as Hari Raya. As at LPD, there are 107 outlets nationwide, and we manage the media advertising space and air-time slots of the indoor digital media platforms of all outlets. Our advertising system is integrated with the Statutory Body's existing queue system for the concurrent display of advertisements and queue numbering, as well as for remote management of advertisements on the indoor digital media platforms for all outlets.

Further, we also provide online media services which comprise the provision of advertising space on our 'ShangHai Business' website for advertisement placements.

Mobile and web-based applications, and website development

: We provide mobile and web-based applications development and website development services as part of our digital branding solutions. These software are designed to complement our Group's offering of branding and marketing solutions by providing customers a platform or tool to enhance their brand presence and corporate identity. Mobile and web-based applications, and websites are valuable assets for businesses, acting as a channel to communicate brand messages, marketing information, engage with customers and improve a specific task or function of businesses.

7. BUSINESS OVERVIEW (Cont'd)**Services****Description**

Mobile and web-based applications function as front-end interfaces that are designed for user interaction with the underlying system and performing specific tasks. The interfaces for mobile application are designed to be compatible with mobile devices such as smartphones whereas the interfaces for web-based applications are designed to be compatible with personal computer such as laptops and desktops.

These interfaces handle user input and display outputs, while the application logic and data management are handled by back-end systems. The back-end system is responsible for processing requests, executing business logic and storing data. For example, the mobile and web-based applications that our Group develops comprise customer relationship management software and e-form software.

A customer relationship management software is used by businesses to manage and optimise interactions with customers, such as to store customer information and tracks sales performance which helps businesses to perform analytics to plan their marketing strategies, segment customers and send targeted marketing emails, as well as track customer issues, services request and feedback which helps businesses to provide better customer experience. An e-form software is used by businesses to digitally collect customer data which improves operational efficiency and provides better user experience. By digitising and optimising certain operations, these software help to improve customer services and user experience, which in turn drive overall operational efficiency of a business. With improved operational efficiency, it elevates a brand's image which, in turn, supports business growth.

On the other hand, a website primarily serves to display information, focusing on delivering content with minimal user interaction. Website is an important digital platform for businesses to communicate their products and marketing campaigns, providing online presence and visibility which allows businesses to cross geographical boundaries. Websites also aid in reinforcing brand identity through design, messaging and content, as well as provides a platform for feedback, live chat and support to improve customer experience. Further, a modern and functional website often provides better brand image and sets businesses apart from their competitors who have poor online presence or less modernised website.

7. BUSINESS OVERVIEW (Cont'd)

Services	Description
	We develop mobile and web-based applications, as well as websites, that can be used internally (i.e. by employees of a business organisation) or externally (i.e. by customers of a business organisation or the general public). The mobile applications, web-based applications, and websites can be developed as a standalone or in combination based on customer's request, and it needs to be supported by back-end systems which our Group also develops. Hence, the solutions that we develop are primarily for our customers' marketing purposes, i.e. to convey branding, marketing and product information of our customers. For clarification, our Group does not develop systems on a standalone basis. Our services comprise in-house software development and design of user interface/ user experience (UI/ UX). The development works are primarily carried out in-house, and may be outsourced to third party developers in the event of limited resources or we do not have the required technical capabilities to develop certain modules. We provide maintenance services to our customers, with a minimum duration of 1-year post-development which can be extended upon customer request. The developed mobile and web-based applications, and websites belong to the respective customers.

Note:

- (1) Salient terms of the exclusive service and management agreement are as follows:

Terms	Details
Scope of agreement	Entity T engages SBS Media Tech for the development, preparation, administration, management and maintenance of indoor digital media platforms, as well as to carry out the activities of media advertising through the management of advertising space or air-time slots of the indoor digital media platforms in all outlets of the Statutory Body nationwide.
Term	3 years commencing from 13 April 2023, which is renewable for another 3 years upon expiry if the sales/ revenue increases every year.
Exclusivity	Entity T agrees not to enter into a similar agreement with a third party during the term of the exclusive service and management agreement. This exclusive obligation applies solely to Entity T and does not restrict SBS Media Tech from entering into similar arrangements with other parties.
Consideration	The allocation of consideration between Entity T and SBS Media Tech varies depending on which party facilitates the advertisement sales. The allocation percentages are subject to periodic review every 3 years or at any other time mutually agreed by both parties. Any revision to the allocation will require mutual agreement between Entity T and SBS Media Tech.

7. BUSINESS OVERVIEW (Cont'd)

Terms	Details
Termination by Entity T	Entity T has the right to terminate this agreement by giving written notice to SBS Media Tech in the following circumstances: (a) if SBS Media Tech breaches any terms and conditions of this agreement and fails to remedy such breach or fails to remedy such breach to the satisfaction of Entity T within 90 days from the date Entity T gives written notice of the breach to SBS Media Tech. In such case, Entity T may terminate the agreement by giving 6 months prior written notice to SBS Media Tech; (b) if SBS Media Tech becomes bankrupt or has any actions involving debt or is voluntarily or involuntarily wound up and SBS Media Tech fails to remedy the same after 30 days written notice is given by Entity T; or (c) if SBS Media Tech commits any wrongdoing which could cause harm to or affect the interests of Entity T and SBS Media Tech fails to remedy after 30 days written notice is given by Entity T.
Termination by SBS Media Tech	SBS Media Tech has the right to terminate this agreement by giving written notice to Entity T if Entity T breaches any terms and conditions of this agreement and fails to remedy such breach or fails to remedy such breach to the satisfaction of SBS Media Tech within 90 days from the date SBS Media Tech gives written notice of the breach to Entity T. In such case, SBS Media Tech may terminate the agreement by giving 6 months prior written notice to Entity T.
Mutual termination	This Agreement may be terminated at any time by either party giving 6 months' notice or more (if required), provided that the reason for termination is mutually agreed upon by both parties. Any disputes arising from such termination must first be resolved amicably for the benefit of both parties.
Consequences of termination	In the event that this Agreement is terminated prior to expiry of the term, Entity T shall be responsible for any costs/ losses incurred by customers who still have an active advertisement subscription for the indoor digital media platforms, in the following manner: (a) Entity T has to pay for any costs/ losses for the remaining of the advertisement subscription period; or (b) Entity T may continue with the advertisement until the expiry of the advertisement subscription period. Termination of this agreement will not affect and is without prejudice to any rights or obligations accrued by either party for any past breaches.

7. BUSINESS OVERVIEW (Cont'd)

Our Group's business or profitability may be adversely affected in the event of early termination or non-renewal of our exclusive service and management agreement with Entity T if we are unable to redirect our customers to other services offered by our Group. Notwithstanding that, we will actively propose to our customers other services offered by our Group such as using digital billboard and online marketing for their advertising needs, for which these modes of advertisements are more public in nature which will equally be able to reach out to the Malay community, which is the target audience of Entity T. Digital billboards are strategically placed along busy public roads and that we are able to select locations or neighbourhood with larger Malay community. Meanwhile, online marketing involves promoting content through social media platforms and websites with broad user reach, where we can further refine our target audience by selecting users who prefer the Malay language. These approaches will also allow us to target similar consumer group required by the same pool of customers. Through this agreement, we generated revenue of RM3.3 million, RM4.4 million and RM2.9 million in FYE 2023, FYE 2024 and FPE 2025 respectively. Of this amount, RM0.3 million in FYE 2023, RM0.6 million in FYE 2024 and RM0.2 million in FPE 2025 was directly contributed from Entity T from advertisement sales facilitated by them. Thus, our Group is not materially dependent on the exclusive service with Entity T.

7.3.2 Our business leads generation initiatives

We organise and host business awards and recognition events, as well as networking events, which enable us to generate business leads from potential customers (i.e. entrepreneurs, micro-SMEs, SMEs and corporations). These events serve as a service that benefits our customers by providing them a platform to drive branding and publicity, from which we also derive revenue. We organise and host these events under our 'ShangHai' brand.

(a) Business awards and recognition events

Our business awards and recognition events are aimed at providing branding and recognition, via awards and recognitions respectively, to entrepreneurs and businesses who meet our criteria. As at LPD, we organise business awards and recognition events, namely SHIPBA and SHE, which are business awards events, and SIR, which serves as a business recognition programme.



Please refer to Section 7.4.2(a) for further details on the process flow and qualifying criteria of our business awards and recognition events.

7. BUSINESS OVERVIEW (Cont'd)

Each of our business awards and recognition events are organised once a year. The planning of the events is carried out in-house whereby we will plan the decorations, venue layout, lighting, number of guests, location, food and drinks requirement accordingly. We will then source the required supplies accordingly based on our planning schedule. Further, we will also invite members of the media to our business awards and recognition events to create publicity for our customers.

The number of attendees in each event (comprising award finalists and their guests, guest of honours, brand partners, sponsorship partners, associations and medias) may range from approximately 300 persons to 600 persons, and attendees are invited by way of invitations extended by the award finalists or by our Group.

Notes:

- (1) The SHIPBA business award and SHE business award are awarded to businesses and entrepreneurs who have demonstrated notable accomplishments, in which the criteria are as set out in Section 7.4.2(a).
- (2) The SIR certification recognition for businesses is a private initiative by our Group designed to acknowledge and promote businesses based on criteria determined internally by our Group. It is recognition-focused in nature and does not constitute official accreditation, licensing or certification by any governmental agency or authority. Accordingly, no licence or regulatory approval is required for our Group to issue SIR recognitions. We had organised events for SIR in 2023 and 2024. The last SIR event was held in September 2024 and, as at LPD, our Group does not intend to organise any further SIR events. Instead, the business recognition under SIR will be conferred to eligible applicants via e-certificates. The change from physical award presentations to e-certificates is not expected to have any material impact on our Group's financial performance.

(b) Networking events

Our networking events are aimed at creating networking opportunities for participants (i.e. our 'ShangHai' members and their business associates, and potential customers) to build business networks and drive business collaboration opportunities. As at LPD, we organise the following networking events, namely 'ShangHai Entrepreneur Gathering', 'A Call For The Elites', 'ShangHai Businesswomen Social Club' and 'ShangHai Entrepreneur Networking'.



ShangHai Entrepreneur Gathering



A Call For The Elites

7. BUSINESS OVERVIEW (Cont'd)



ShangHai Businesswomen Social Club



ShangHai Entrepreneur Networking

Each of these networking event has their own objective which are detailed below:

- ShangHai Entrepreneur Gathering – A casual gathering and networking session for entrepreneurs to build business network and foster relationship;
- A Call For The Elites – A workshop for the sharing of selected topics between entrepreneurs, in which there will be key speaker(s) to lead the workshop;
- ShangHai Businesswomen Social Club – An event solely for women entrepreneurs whereby it comprises a rotation of workshop session and corporate visits and sharing session; and
- ShangHai Entrepreneur Networking – A corporate visit and sharing session where entrepreneurs are invited to have a tour of the offices of successful businesses and be engaged in sharing sessions.

Our networking events are small-scale networking sessions of up to 50 participants per event. Our networking events are generally held on a monthly basis, and may include light refreshments for participants. We may, from time to time, invite guest speakers to our networking events for sharing sessions on various business-related topics. Our members may invite their business associates to participate in our networking events which, in turn, could lead to potential business leads.

7.3.3 Our revenue model

The revenue for our branding and marketing solutions is derived based on the following manner:

(a) Out-of-home media

Revenue is derived from the provision of design services, printing services, distribution services, management of billboard advertisements, as well as banners and buntings installation services.

(b) Public relations and event management

Revenue is derived from fees charged for planning, coordinating, procurement and managing the events.

(c) Offline publication

Revenue is derived from fees received from our customers for interview, photography, content creation, publication of customers' interview articles in our 'ShangHai Book of Fame', as well as from the presentation event which comprise the purchase of publicity packages which are similar to Section 7.3.3(iii) below.

7. BUSINESS OVERVIEW (Cont'd)**(d) Online marketing services**

Revenue for (i) digital content creation services is derived from content creation and artwork fees as well as posting fees; (ii) media editorial services is derived from fees received from our customers for content creation, publication of our customers' articles on our 'ShangHai Business' website; and (iii) management of our customers' digital media advertisements is derived from fees received for management of our customers' advertisements.

(e) Digital broadcasts

Revenue is primarily derived from digital broadcasts production fees received from our customers (i.e. the interviewees). We also derive revenue from advertising fees received from advertisers (i.e. advertising customers) whereby we embed banner advertisements in our digital broadcasts.

(f) Video production

Revenue is derived from video production fees received from our customers.

(g) Digital-out-of-home media and online media

Revenue for our digital billboard services is derived from fees received from our customers for the management of billboard advertisements and/ or providing digital billboard design artwork and content, as well as fees for the rental of billboard space which is subsequently paid to billboard owners or agencies.

For our arrangement with Entity T, revenue is derived from advertising fees received from advertisers (e.g. advertising customers) for the sale of air-time slots on the indoor digital media platforms in all outlets of the Statutory Body nationwide.

Revenue for our online media is derived from advertising fees received from advertisers (e.g. advertising customers) for advertisement placements on our 'ShangHai Business' website.

(h) Mobile and web-based applications, and website development

Revenue for our mobile and web-based applications, and website development services is derived from one-time development fee for each mobile applications, web-based applications or websites that we develop for our customers. For our maintenance services, we receive a minimum 1 year maintenance fees post development and subsequent monthly or yearly maintenance fees upon request from our customers for website development. We also receive maintenance fees post development of mobile and web-based applications in the event that such maintenance service is requested by customers.

7. BUSINESS OVERVIEW (Cont'd)

Further, we derive revenue from our business awards and recognition events through the following manner:

(i) Application fee

Payments received from applicants (i.e. entrepreneurs, micro-SMEs, SMEs and corporations) for nomination.

(ii) Sponsorships packages

Payments received from customers to advertise their brands, products and/ or services in our events such as advertisements through banner and bunting displays, setting up of booths in selected events to market products/ services, and through the distribution of sample products in goodie bags. Our sponsorship packages may comprise the marketing and advertisement of customers' brands, products and/ or services in multiple events (including networking events) throughout the year, or may comprise just a single event.

(iii) Publicity packages

Payments received from applicants who have been shortlisted as award finalists, for the purchase of bundled services comprising event tickets to the award ceremony, as well as a combination of our branding and marketing solutions mentioned in Section 7.3.1. Our publicity packages comprise 3 tiers of packages with different pricing and combinations of branding and marketing solutions, to cater to customers of different needs and budgets. Examples of our publicity packages, as at LPD, is as follows:

Services	Tier 1 package	Tier 2 package	Tier 3 package
Award ceremony event ticket	Included	Included	Included
Media coverage on newspapers, 'ShangHai Business' website and 'ShangHai' social media platforms	Included	Included	Included
Offline publication and/ or digital broadcasts	Not included	Either one	Included
Personal photographer and videographer	Not included	Not included	Included

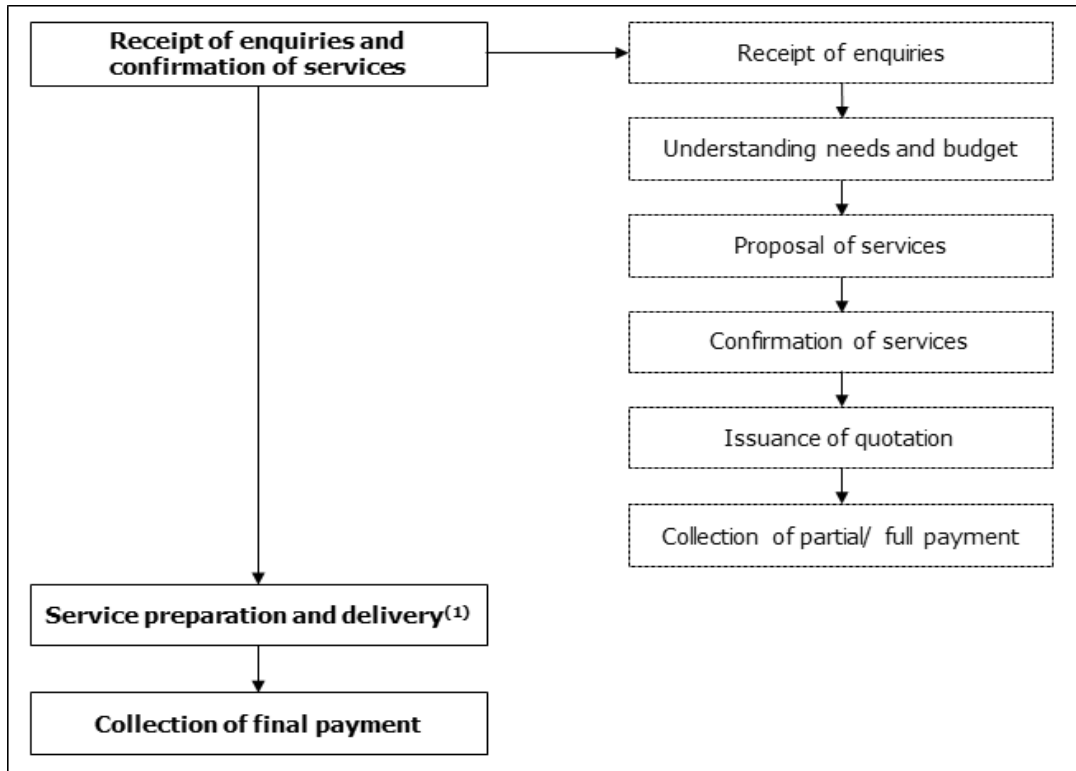
We derive revenue from our networking events through sponsorship packages of which further details on sponsorship packages are as detailed in (ii) above.

7. BUSINESS OVERVIEW (Cont'd)

7.4 OUR BUSINESS AND OPERATIONAL PROCESS

7.4.1 Branding and marketing solutions

The process flow of our branding and marketing solutions is as detailed below:



Note:

- ⁽¹⁾ Please refer to the respective diagrams below for the process flow of service preparation and delivery of the respective services.

Receipt of enquiries and confirmation of services

Upon receiving enquiries from customers, we will reach out to the customer to understand their needs and/ or budget, and propose suitable services to the customer. We may also reach out to potential customers through direct approach to present our service offerings. Once the customer agrees to proceed with using our services, we will then issue a quotation for our customer's acceptance and confirmation of services. For customers on credit terms, we will generate and issue a credit term form for the customer, in which credit terms may range from 30 to 90 days from invoicing date. For cash term customers, we will issue invoices and collect full or partial payment, depending on timeline and size of project, prior to commencing the provision of our services. For public relations and event management services, we will issue invoices and collect partial payment from the customers to initiate the planning process.

7. BUSINESS OVERVIEW (Cont'd)

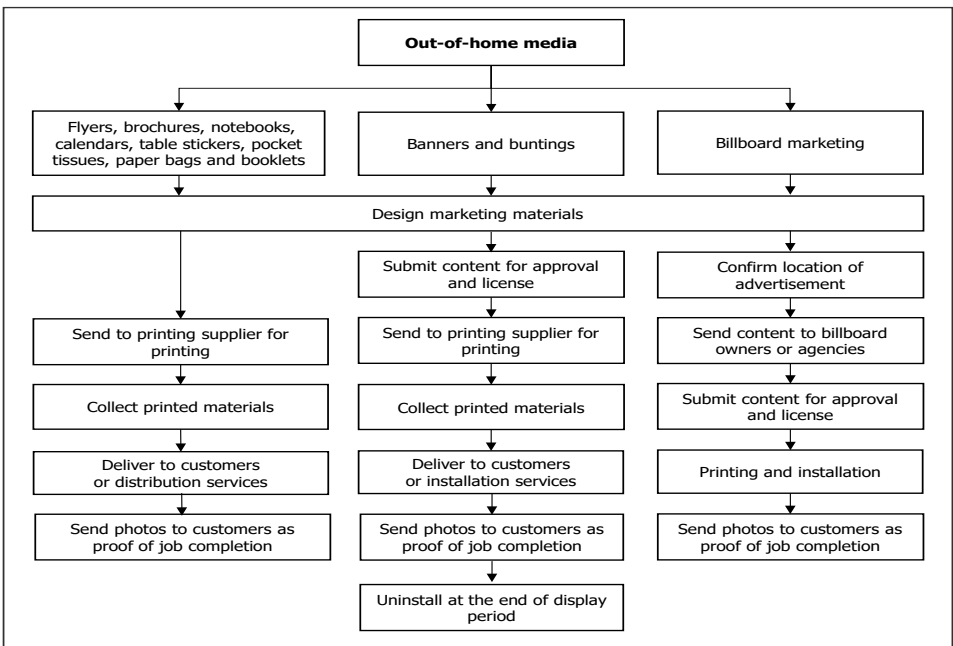
For mobile and web-based applications, and website development services, we will send a draft proposal detailing the flow, features, function and design of the customised mobile applications, web-based applications or website upon understanding our customers' requirements. Once the customer agrees to proceed with using our services, we will then issue a quotation for our customer's acceptance and confirmation of service prior to commencing work. For customised projects, payments are collected upon the completion of each milestone, whereas for projects with standard templates, we collect payment on credit terms or via cash payment.

Services preparation and delivery

The preparation of our respective services for delivery to customers are as detailed below:

(a) Offline Branding Solutions

(i) Out-of-home media



We commence work by proposing design ideas to our customers and designing marketing materials according to our customer's requirement. Then, we will send the designs to our printing supplier for printing on the materials chosen by our customers such as flyers, brochures, notebooks, calendars, table stickers, pocket tissues, paper bags and booklets. We will conduct quality checks on the printed materials to ensure that there are no defects and are printed according to our customer's requirements. Defective printed materials will be replaced by our printing supplier. The finished materials will be collected from printing suppliers and delivered to our customers, or distributed or installed by our third party service providers.

For customers who engage our distribution services, we will prepare job sheets detailing the distribution schedule and area of distribution. We will then engage third party service providers to carry out the distribution of marketing materials (including affixation of table stickers) according to our job sheets. Photos of the distribution will be sent to our customers as proof of job completion. No advertising licence is required for the distribution of flyers or affixing of table stickers at private premises.

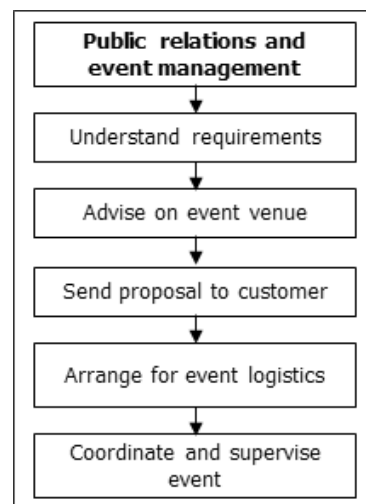
7. BUSINESS OVERVIEW (Cont'd)

For table stickers, we also engage third party service providers to remove the table stickers upon the end of the display period.

For banners and buntings, we will confirm the location of installation with our customers. Following confirmation, our third party service providers will submit the marketing designs to DBP for content approval, and to the relevant municipal council to obtain the council licence for the installation and public display of street bunting and banners. Once the content has been approved and council licence is obtained, we will send the banner and bunting designs to our printing suppliers for printing. We will conduct quality checks on the banners and buntings to ensure that there are no defects and are printed according to our customer's requirements. Defective banners and buntings will be replaced by our printing supplier. We will prepare job sheets detailing the schedule and location of banners and buntings installation for our third party service providers to carry out installation works. Photos of the installed banners and buntings will be sent to our customers as proof of job completion. At the end of the display period, the banners and buntings will be uninstalled by our third party service providers.

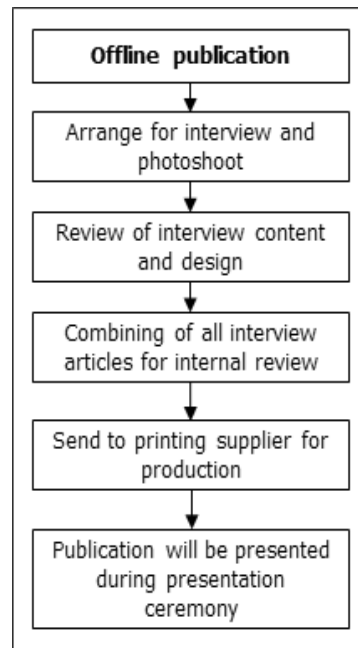
For billboard marketing, we will confirm the location of installation with our customers and billboard owners or agencies. Following confirmation, we will send the billboard design to billboard owners or agencies for their onward submission to DBP for content approval, and to the relevant municipal council to obtain the council licence for the installation and public display of billboard. Once the content has been approved and council licence is obtained, the billboard owners or agencies will carry out the printing and installation of advertisements on billboards. Billboard owners or agencies will conduct quality checks on the printed advertisements to ensure that there are no defects and are printed according to our customer's requirements. Photos of the billboards will be sent to our customers as proof of job completion.

(ii) Public relations and event management



We will communicate with customers to understand the event concept, theme and estimated number of attendees to provide advice on the options of event venue. Upon the finalisation of event details, a final proposal will be sent to our customer for confirmation.

Then, we will commence the arrangement of event logistics which includes coordinating with vendors and suppliers to obtain the required supplies, securing venues and arranging event crews for the event. On the day of the event, our employees will also be stationed at the event venue to manage and supervise event logistics to ensure smooth execution of the event.

7. BUSINESS OVERVIEW (Cont'd)**(iii) Offline publication ('ShangHai Book of Fame')**

We will arrange third party journalists and professional photographers accordingly to conduct customer interview and photo shooting. Once the interview content, images and design of the article is ready, it will be presented to our customers for their review. Upon obtaining approval from our customers, we will request for our customers' consent for the publication of the interview articles. All interview articles for the publication will be combined, and the overall writeup, design, printing materials and finishing of the book will be reviewed internally before production.

Then, it will be sent to our printing supplier for production. Once the production of the publication is completed and the physical copies are received, we will conduct quality checks to ensure that the publication received are in good condition and is printed according to our requirements.

During the inception of our first 'ShangHai Book of Fame', our Group obtained an International Standard Book Number (ISBN) from the ISBN National Centre for Malaysia, which facilitates identification, tracking and access to the publication. Upon deciding to publish the 'ShangHai Book of Fame' annually, our Group subsequently obtained the publishing permit from the Ministry of Home Affairs in November 2022 for the annual publication of the 'ShangHai Book of Fame'. For clarity, a publishing permit is only required for serial publications and not one-off publications. Further to that, while not mandatory, our Group has obtained an International Standard Serial Number (ISSN) from the ISSN National Centre for Malaysia for the subsequent editions which facilitates identification, tracking and access to the publication. For avoidance of doubt, approval from DBP is not required for the publication of ShangHai Book of Fame.

Defective publication will be sent back to our printing supplier for replacement. The publication will be presented to our customers during the presentation ceremony. The process flow of organising our in-house presentation ceremony is similar to the process as detailed in Section 7.4.1(a)(ii) above.

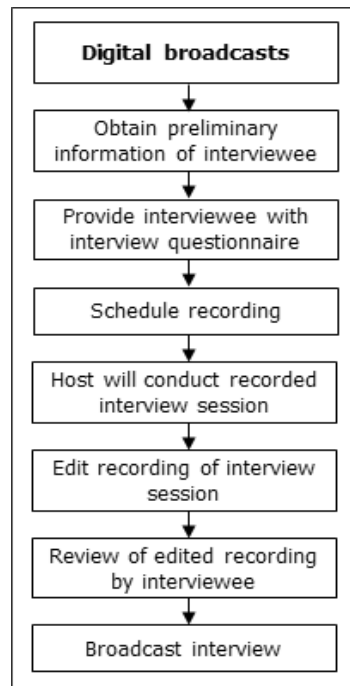
7. BUSINESS OVERVIEW (Cont'd)**(b) Digital Branding Solutions****(i) Online marketing services**

For digital content creation services, we will propose content scripts and design ideas to customers which are tailored to their brand and objectives. We will work closely with our customers to finalise the content script and graphic design to ensure alignment with their vision and messaging objective.

Upon finalising the details and obtaining approval from our customers, we will post the content on behalf of our customers on their social media platforms.

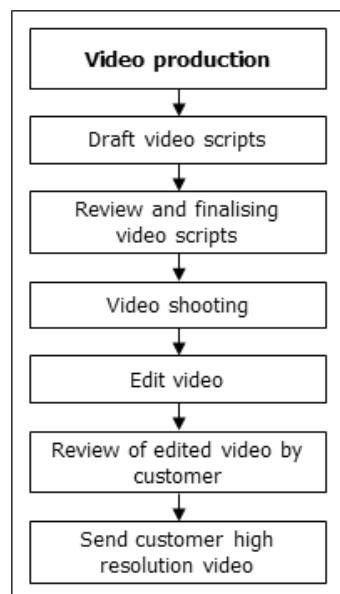
For media editorial services, we will obtain the necessary information from our customers and understand their requirement before assisting them to create article content. Upon finalising the details and obtaining approval from our customers, we will post their content on our 'ShangHai Business' website and 'ShangHai' social media pages.

For the management of our customers' digital media advertisements, we will communicate with our customers to understand their products and services, objective and target audience. Based on their offerings and requirements, we will advise and strategise the method of advertisements through social media advertisements, Google marketing, influencer marketing and/ or electronic direct mail. We will also monitor the performance of key metrics of the advertisement such as user impression (how often the advertisement is seen by users), number of engagement (number of users who liked, commented or shared the advertisement), number of leads (users that expressed interest in the product or service) obtained and campaign demographics (age, gender and location of users), and generate monthly performance report for our customer.

7. BUSINESS OVERVIEW (Cont'd)**(ii) Digital broadcasts ('ShangHai Talk of Fame')**

We will contact our interviewees to obtain preliminary information about themselves which will be passed to our interview host for the host to prepare the interview questionnaire. Once the interview questionnaire is ready, we will send it to the interviewees to prepare them on the topics to be discussed during the recording. We will then schedule a date with our interviewees for the interview recording, and arrange for the host and makeup artists for the session.

On the scheduled recording date, we will prepare our production studio for the interview session. Our host will lead the interview session with the interviewee, and the entire session will be recorded. Following that, we will edit the recordings accordingly and present the final edited recordings to the interviewee. Once we obtain the interviewee's consent, we will broadcast the interview on our 'ShangHai Business' website, 'ShangHai' social media pages and podcast platform (i.e. Spotify).

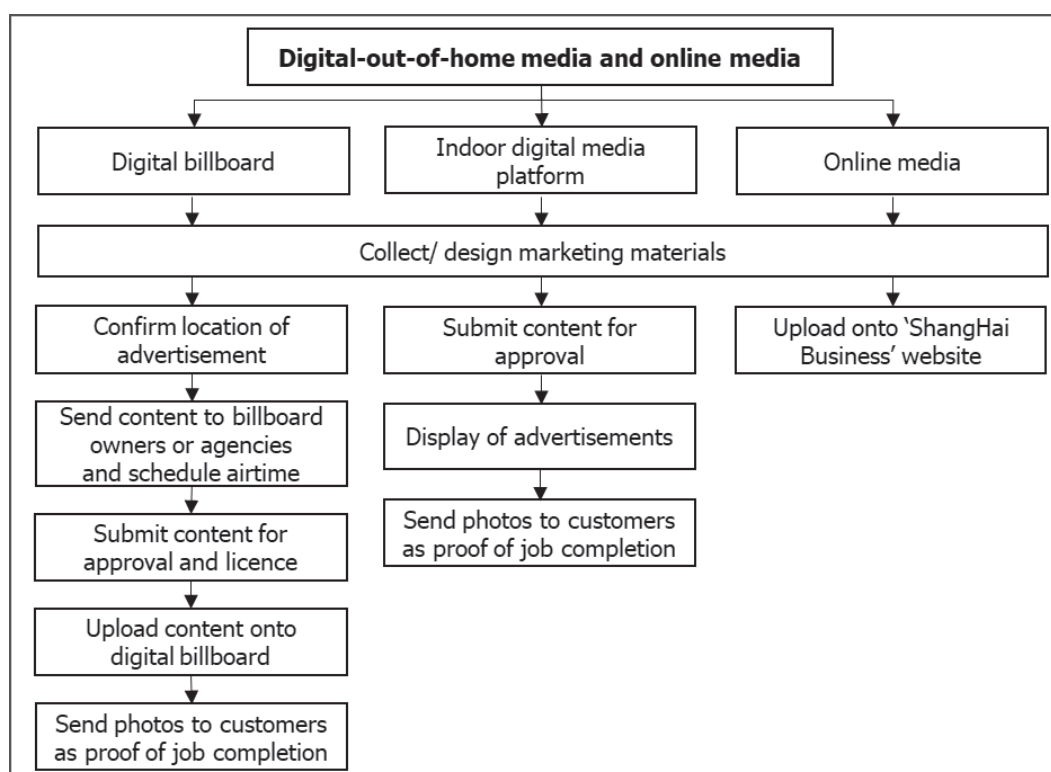
(iii) Video production

We commence work by drafting and sending video scripts to customers for review. The video script may include the story board, presentation of the customer's products and/ or services, venue of the video shoot, equipment required to carry out video shooting, and actors/ actresses (if required). We will work closely with our customers to finalise the video script. Upon finalising the video script and obtaining approval from our customers, we will proceed with the production of the video. Further, we will also source suitable actors and/ or actresses that suit the profile of our customer's video when required.

Then, we will prepare the schedule to undertake video shooting. Following that, we will edit the video accordingly and present the final edited video to our customers. Once customers are satisfied with the video, we will obtain customers' confirmation to confirm the completion of project. We will send our customers the high-resolution video upon the collection of full payment.

7. BUSINESS OVERVIEW (Cont'd)

(iv) Digital-out-of-home media and online media



Marketing materials for advertising on digital billboards and indoor digital media platforms will be collected from customers. For customers without their own marketing material, we may provide our design services to produce the marketing material upon request.

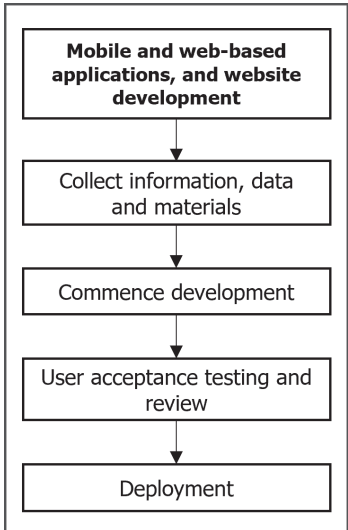
For digital billboards, we will identify and advise our customers on the available advertising location based on our network of digital billboard owners and agencies as well as customer's target area. Upon obtaining confirmation from our customers on the selected location, we will send the content and schedule the airtime of advertisements with digital billboard owners or agencies. The digital billboard owners or agencies will submit the content to DBP for content approval, and to the relevant municipal council to obtain the council licence for the public display of the advertisement. Once the content has been approved and council licence is obtained, the digital billboard owners or agencies will upload the content onto their digital billboards. Photos of the digital billboards will be sent to our customers as proof of job completion.

For advertisements on the Statutory Body's indoor digital media platforms, we will submit our customer's advertisements to the Statutory Body to obtain their approval. Upon approval, the advertisements will be uploaded onto our in-house system for display on the Statutory Body's indoor digital media platforms. Photos and videos of the aired advertisements on the Statutory Body's indoor digital media platforms will be sent to our customers as proof of job completion.

7. BUSINESS OVERVIEW (Cont'd)

For online media services, we will collect the advertisement materials from our customers and upload onto our 'ShangHai Business' website. For customers without their own marketing material, we may provide our design services to produce the marketing material upon request.

(v) Mobile and web-based applications, and website development

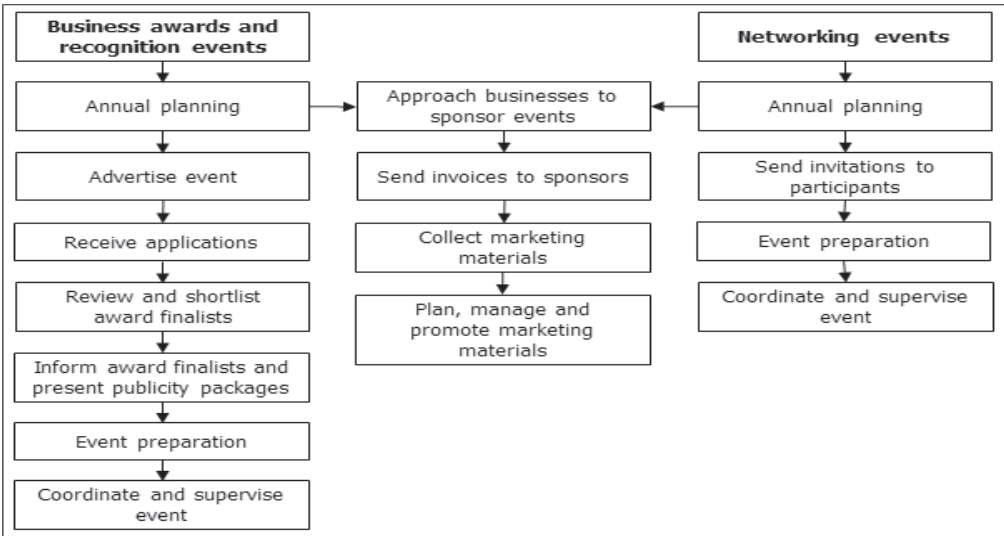


We commence work with the collection of information, data and materials from our customer in preparation for development works. Then, we will start to develop the mobile applications, web-based applications and/ or website, as well as begin integrating the information, data and materials received where required. We will engage continuously with our customer throughout the development process to ensure that the mobile applications, web-based applications and/ or website is developed in accordance with our customer’s requirements. Prior to deployment, we will conduct User Acceptance Testing (UAT) with our customers to thoroughly review all functionalities and the User Interface/ User Experience (UI/ UX) design. Upon our customer’s satisfaction and approval, we will deploy the mobile applications, web-based applications and/ or website.

Collection of final payment

Upon the delivery of our services, we will proceed to collect the final payment from our customers in accordance with the payment collection procedure of our respective services and our customers’ term of payment collection.

7.4.2 Business leads generation initiatives



7. BUSINESS OVERVIEW (Cont'd)**(a) Business awards and recognition events**

We will plan our business awards events and budget annually. Based on the respective business awards events to be held, we will advertise the event through event posters, social media platforms, electronic direct mail and networking events. Applicants (i.e. entrepreneurs, micro-SMEs, SMEs and corporations) will submit their relevant information through an online registration form, together with payment of the application fee to our Group. There are also instances where we will invite businesses and entrepreneurs to apply for our awards or recognition nomination. We will then issue invoices to applicants for payment of the application fee.

Similarly, for business recognition, we promote the programmes through the same channels, and applicants (i.e. micro-SMEs, SMEs and corporations) submit their information and application fee online, after which we issue the invoice.

Following that, we will review the information provided by applicants such as their latest audited financial report, credit report and business licence, to shortlist applicants that met the criteria for the awards or recognition that they have applied.

Depending on the award/ recognition category and procedures, the information of the shortlisted list of applicants will be forwarded to third party panel of judges (i.e. judges are selected on the basis that they have extensive business/ industry knowledge and practical experience, have the integrity to conduct fair and unbiased evaluation of the applicants, and have identifiable and good reputation in the market) and/ or audit firm for another round of independent audit to verify the results and affirm the list of shortlisted award finalists, in which further details are as set out in the disclosure below for SHIPBA, SHE and SIR respectively.

The qualifying criteria for the respective awards and recognition are as detailed below:

- **SHIPBA**

SHIPBA is an award for businesses and entrepreneurs. For SHIPBA, the information of the shortlisted applicants will be forwarded to third party judges and audit firm for another round of independent audit to verify the results and affirm the lists of shortlisted award finalists.

A summary of the evaluation criteria for SHIPBA as at LPD, by award categories, is as follows:

Business category

<u>Award categories</u>	<u>Evaluation criteria</u>	
	<u>Length of operations</u>	<u>Annual revenue⁽¹⁾</u>
Signature outstanding business	More than 3 years	More than RM20 million

7. BUSINESS OVERVIEW (Cont'd)

Award categories	Evaluation criteria	
	Length of business operations	Annual revenue⁽¹⁾
Leading excellence business	More than 3 years	Between RM10 million and RM20 million
Emerging magnificent business	More than 1 year	Between RM1 million and RM10 million
Rising star business	More than 1 year	Below RM1 million

Industry category

Award categories	Evaluation criteria		
	Length of business operations	Annual revenue⁽¹⁾	Special requirement
Superb export business	More than 1 year	More than RM3 million	The company exports at least one product or service, and export income accounts for at least 50% of its total revenue
Innovation technology business	More than 1 year	More than RM500,000	The company must have incorporated, adopted, or adapted at least 1 technology into its business strategies
Successful automation business	More than 1 year	More than RM500,000	Using at least 1 advanced technology to carry out business processes or systems with minimal human intervention
Excellence F&B business	More than 1 year	More than RM500,000	Obtained business license and 'Sijil Penarafan Kebersihan Premis Makanan' from local authorities, and has social media reviews
Master agency award	More than 1 year	More than RM500,000	The company's primary business activity is representing the parent company's products or services, which contribute at least 50% of its total revenue

7. BUSINESS OVERVIEW (Cont'd)**Entrepreneur⁽²⁾ category**

Award categories	Evaluation criteria		
	Length of business operations	Annual revenue⁽²⁾	Age
Outstanding entrepreneur	More than 3 years	More than RM5 million	Any
Prominent entrepreneur	More than 3 years	More than RM300,000	Any
Young entrepreneur	More than 1 year	More than RM300,000	Below 40 years old
Excellent entrepreneur	More than 1 year	More than RM300,000	Any

Notes:

- (1) Registered company must be profit making.
- (2) Entrepreneur must be a shareholder of the company and the company has to achieve the revenue target set out for the respective category. There is no minimum shareholding requirement for an entrepreneur to qualify for the award.

- **SHE**

SHE is an award for women entrepreneurs. For SHE, the information of the shortlisted applicants will be forwarded to third party judges and/ or audit firm for another round of independent audit to verify the results and affirm the list of shortlisted award finalists.

A summary of the evaluation criteria for SHE as at LPD, by award categories, is as follows:

Award categories	Evaluation criteria	
	Length of business operations	Annual revenue⁽¹⁾
Distinctive women	3 years and above	More than RM25 million
Outstanding women	1 year and above	Between RM10 million and RM25 million
Prominent women	1 year and above	Between RM1 million and RM10 million
Aspiring star women	6 months and above	More than RM500,000

7. BUSINESS OVERVIEW (Cont'd)

Award categories	Evaluation criteria	
	Length of business operations	Annual revenue⁽¹⁾
International iconic women	3 years and above	More than USD1 million
Marvellous leader women	1 year and above	Personal income more than RM300,000 ⁽²⁾
Excellence women in allyship	1 year and above	Personal income more than RM300,000 ⁽²⁾

Notes:

- (1) Entrepreneur must be a shareholder of the company and the company has to achieve the revenue target set out for the respective category. Further, the registered company must be profit making. There is no minimum shareholding requirement for an entrepreneur to qualify for the award.
- (2) The Marvellous leader women award and Excellence women in allyship award is awarded to women leader or branch director who does not own a business (i.e. employed under a company) but demonstrated exceptional sales achievement, measured based on annual personal income.

- **SIR**

SIR is a certification recognition for businesses. For SIR, the selection of finalists that meets the certification criteria is carried out by third party judges.

A summary of the evaluation criteria for SIR as at LPD, by certification categories, is as follows:

Certification categories	Evaluation criteria
SIR trustworthy brand	• Length of business operations of more than 10 years • Brand's reputation and recognition in the market • Quality, reliability and consistency of brand's offering • Practises integrity, transparency and ethical conduct of business • Brand's contribution to society and environment through sustainable practices, community support and corporate social responsibility initiatives • Brand's ability to cater to diverse markets, particularly in international markets
SIR trustworthy food and beverage	• Length of business operations of more than 6 months • Ability to consistently maintain product quality • Compliance with food safety regulations, cleanliness of premise(s) and proper food handling practices

7. BUSINESS OVERVIEW (Cont'd)

Certification categories	Evaluation criteria
	• Creativity in food offerings and adaptability to market trends • Practises integrity, transparency and ethical conduct of business • Brand reputation and industry recognition
SIR trustworthy product	• Length of business operations of more than 6 months • Ability to consistently produce quality products • Durability and maintenance requirements of products • Adherence to local and international safety regulations and holds valid certifications • Quality, functionality and aesthetic appeal of the product's packaging • Practises integrity, transparency and ethical conduct of business
SIR trustworthy services	• Length of business operations of more than 6 months • Quality, reliability and consistency of services provided • Competence, knowledge and professionalism of service team • Commitment to sustainable practices and contribution to the community or social causes • Practises integrity, transparency and ethical conduct of business • Ease of access to services by customers and speed of response to enquiries or issues
SIR trustworthy academy	• Length of business operations of more than 6 months • Ability to deliver impactful and relevant educational content or training • Having qualified and experienced educators • Ability to incorporate innovation in education • Practises integrity, transparency and ethical conduct of business • Contribution to the community through creating community impact and corporate social responsibility initiatives
SIR trustworthy manufacturing	• Length of business operations of more than 6 months. • Ability to consistently produce quality products • Adherence to local and international safety regulations in manufacturing processes • Adoption of advanced manufacturing technologies and processes to enhance efficiency, reduce waste and drive innovation • Effort in minimising environmental impact through sustainable practices

7. BUSINESS OVERVIEW (Cont'd)**Certification categories****Evaluation criteria****SIR trustworthy halal brand**

- Practises ethical conduct of business such as fair labour practices, employee welfare and supply chain transparency
- Length of business operations of more than 6 months
- Holds valid halal certification
- Products, services and processes adherence to Halal requirements
- Consistency of product quality and safety
- Brand's commitment to integrity, transparency and ethical conduct of business
- Brand's effort in integrating sustainable practices into its operations
- Brand's ability to cater to diverse markets, particularly in international markets

Once the award finalists have been concluded, we will inform them of the results as well as the event date (for SHIPBA and SHE) to present the awards or recognition to the award finalists. We will also present to the award finalists the type of publicity packages for the event that they can purchase. Publicity packages include event tickets as well as a combination of our branding and marketing solutions. Award finalists that are unable to attend our events will receive an e-certificate of their award. Despite not being able to attend the events, our Group still receives application fees from award finalists. Further, publicity packages purchased by award finalists are non-refundable in the event that they are unable to attend our events.

Then, we will begin preparing for the event which includes securing venue, coordinating with vendors to secure all event necessities such as food and beverages, lighting, decorations, sound systems, award trophies and certificates, as well as arranging event crews for the event. We will follow up with the award finalists to confirm their participation as well as the number of guests that they are inviting to the event. Reminder emails will be sent to all participants a day before the event is held. On the day of the event, we will coordinate and supervise the entire event flow to ensure smooth execution of the event.

Prior to the event, we will also approach businesses for sponsorships. Sponsors are able to promote their brands such as through the inclusion of their brand logo in the event flyer, posters and banners as an event sponsor, through promotional merchandise distributed to event participants, and/ or setting a booth to sell and promote their products. Invoices will then be issued to customers who purchased our sponsorship packages. We will collect the marketing materials from our customers to be promoted at our events, as well as through WhatsApp, electronic direct mail and our social media platforms.

For SIR, we will present the business recognition to applicants via e-certificates.

7. BUSINESS OVERVIEW (Cont'd)

(b) Networking events

We will plan our networking events and budget on a yearly basis and will approach businesses for sponsorships. Sponsors are able to promote their brands such as through the inclusion of their brand logo in events' flyers, posters and banners as an event sponsor, through promotional merchandise distributed to event participants, and/ or setting up a booth to sell and promote their products. Invoices will then be issued to customers who purchased our sponsorship packages. We will collect the marketing materials from our customers to be promoted at our networking events, as well as through WhatsApp, electronic direct mail and our social media platforms. We will plan and manage the promotion of the marketing materials at our networking events accordingly based on the sponsorship packages purchased by customers.

For our networking events, we will source the venue and prepare the event's necessities, including our customers' marketing materials for promotional purposes. Invitations will be sent to invited participants (i.e. our ShangHai members and their business associates, and potential customers) to inform them of the venue and date of the events. We will also follow up with the invited participants to confirm their participation in our networking events. Upon obtaining the final confirmed number of participants, we will make the necessary arrangements to ensure that the necessities and supplies for our networking events are adequately prepared. On the day of the event, we will coordinate and supervise the entire event flow to ensure smooth execution of the event.

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7. BUSINESS OVERVIEW (Cont'd)**7.5 PRINCIPAL BUSINESS SEGMENTS AND MARKETS**

We derive our revenue mainly from Malaysia for FYE 2022 to 2024 and FPE 2025. We also derive revenue from Indonesia, Singapore and Taiwan, which collectively contributed less than 1.0% of our Group's total revenue for FYE 2022 to 2024, as well as a customer from Hong Kong which contributed 3.9% and 1.0% of our Group's total revenue for FYE 2023 and FYE 2024 respectively. For FPE 2025, revenue from Hong Kong and Singapore collectively contributed 0.1% to our Group's total revenue.

For FYE 2022 to 2024 and FPE 2025, sales from our digital branding solutions segment is the largest revenue contributor as it contributed 58.4%, 50.4%, 57.4% and 59.5% of our Group's total revenue respectively. The breakdown of our Group's revenue by principal services is as follows:

	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Offline branding solutions	2,687	23.2	6,397	32.1	11,164	37.3	8,040	36.9
• Out-of-home media	2,144	18.5	3,491	17.5	6,075	20.3	4,799	22.0
• Public relations and event management	272	2.4	2,700	13.5	4,769	15.9	3,241	14.9
• Offline publication	271	2.3	206	1.1	320	1.1	*	*
Digital branding solutions	6,778	58.4	10,049	50.4	17,162	57.4	12,941	59.5
• Online marketing services	5,039	43.4	1,564	7.8	2,623	8.8	2,235	10.3
• Digital broadcasts	1,047	9.0	788	4.0	220	0.7	92	0.4
• Video production	531	4.6	284	1.4	462	1.6	306	1.4
• Digital-out-of-home media and online media	-	-	3,802	19.1	8,677	29.0	6,489	29.8
• Mobile and web-based applications, and website development ⁽¹⁾	161	1.4	3,611	18.1	5,180	17.3	3,819	17.6
Business leads generation initiatives	2,137	18.4	3,500	17.5	1,598	5.3	779	3.6
• Business awards and recognition events	2,137	18.4	3,487	17.4	1,582	5.2	388	1.8
• Networking events	-	-	13	0.1	16	0.1	391	1.8
	11,602	100.0	19,946	100.0	29,924	100.0	21,760	100.0

7. BUSINESS OVERVIEW (Cont'd)**Notes:**

* Represents less than RM1,000 or 0.1%.

(1) Further breakdown of revenue is as set out below:

	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000
Mobile and web-based applications, and website development:				
- Web-based applications development	-	3,567	3,850	3,064
- Website development	161	44	1,330	255
- Mobile applications	-	-	-	500
	161	3,611	5,180	3,819

Mobile and web-based applications, and website may be developed as a standalone or in combination, depending on our customer's request. During FYE 2022 to 2024, our Group only provided services for the development of website, as well as web-based applications on a standalone basis. As we only develop mobile applications in 2025, such revenue contribution has been reflected in FPE 2025. As a branding and marketing solutions specialist, we focus on developing mobile and web-based applications, and websites for businesses' branding and marketing needs, which is supported by the development of systems. Despite our capabilities, we do not develop standalone systems (e.g. enterprise resource planning system, supply chain management system, human resource management system, and accounting and financial system) in the FYE 2022 to 2024 and FPE 2025. Please refer to Section 7.3.1(b) for further clarification on the basis of classifying mobile and web-based applications, and website development under the digital branding solutions segment.

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7. BUSINESS OVERVIEW (Cont'd)**7.6 SALES AND MARKETING**

Our Group has a dedicated team to manage the sales and marketing activities for our services, to enhance our brand presence and recognition in the market. We actively engage in the following sales and marketing strategies.

(a) Business awards and recognition events

We organise and host business awards and recognition events which aid in generating business leads from potential customers (i.e. entrepreneurs, micro-SMEs, SMEs and corporations). We organise and host these events under our 'ShangHai' brand. Please refer to Section 7.3.2 for further details on the type of business awards and recognition events organised by our Group. We generate business leads from potential customers through the sale of publicity packages for our business awards and recognition events whereby award finalists will be provided with the option to purchase our bundled services comprising event tickets as well as a combination of our branding and marketing solutions as detailed in Section 7.3.1.

The table below sets out the business awards and recognition events held by our Group during FYE 2022 to 2024, FPE 2025 and up to LPD:

Year	Event name	Location	Number of participants, by events
October 2022	SHIPBA	One World Hotel, Selangor	94
January 2023	SIR ⁽¹⁾	Grand Imperial Restaurant @ The Club, Selangor	70
June 2023	SHIPBA	Majestic Hotel, Kuala Lumpur	116
July 2023	SIR ⁽¹⁾	Grand Imperial Restaurant @ The Club, Selangor	99
October 2023	SIR ⁽¹⁾	Park Royal Collection Kuala Lumpur Hotel, Kuala Lumpur	46
December 2023	SHE	EQ Hotel, Kuala Lumpur	46
December 2023	SRODA ⁽²⁾	Park Royal Collection Kuala Lumpur Hotel, Kuala Lumpur	30
May 2024	SHIPBA	One World Hotel, Selangor	70
September 2024	SIR ⁽¹⁾	Park Royal Collection Kuala Lumpur Hotel, Kuala Lumpur	29
November 2024	SHE	EQ Hotel, Kuala Lumpur	54
June 2025	SHIPBA	Mandarin Oriental Hotel, Kuala Lumpur	43
October 2025	SHE	Mandarin Oriental Hotel, Kuala Lumpur	53

Notes:

- ⁽¹⁾ We had organised events for SIR in 2023 and 2024. The last SIR event was held in September 2024 and, as at LPD, our Group does not intend to organise any further SIR events. Instead, the business recognition under SIR will be conferred to eligible applicants via e-certificates. The change from physical award presentations to e-certificates is not expected to have any material impact on our Group's financial performance.

7. BUSINESS OVERVIEW (Cont'd)

- (2) SRODA – ShangHai Rekatone Outstanding Design Award. A one-off event held by our Group.

(b) Membership and networking events

Our ShangHai Business Club is a membership programme that was launched in 2018. For FYE 2022 to 2024, FPE 2025 and as at LPD, we have 593 members, 1,058 members, 1,192 members, 1,347 members and 1,350 members respectively under this programme. Our ShangHai Business Club serves as a collaborative and networking platform between entrepreneurs, affiliated sponsors and our Group. Members will be invited to participate in our networking events to build their business networks and drive collaboration opportunities to aid in the growth of their businesses. Customers who purchased any of our 'ShangHai' branded service (i.e. 'ShangHai Book of Fame', 'ShangHai Talk of Fame', 'ShangHai' business awards and recognition events, and sponsorship packages for 'ShangHai' networking events) will automatically be registered as our member, on a lifetime basis, and we do not collect separate membership fees.

Our networking events, comprise 'ShangHai Entrepreneur Gathering', 'A Call For The Elites', 'ShangHai Businesswomen Social Club' and 'ShangHai Entrepreneur Networking', which are small-scale networking sessions of up to 50 participants per event and are generally held on a monthly basis.

Through this platform, we are able to foster business relationship with entrepreneurs and build brand awareness for our 'ShangHai' brand. Our Group believes that by fostering strong business relationships with our members, it will aid in attracting members to continue using our branding and marketing solutions, thus driving the continued demand for our services. In addition, we also encourage members to invite their business associates to participate in our networking events which, in turn, could lead to potential business leads for our Group.

Our Group's ShangHai members are expected to uphold professional business conduct in the course of their business operations. Notwithstanding that there is no formal written code of conduct imposed by our Group as at LPD, our Group reserves the right to disassociate from or revoke the membership of any individual or business that are found to have engaged in misconduct or actions that may negatively impact the image of 'ShangHai' brand. Our Group remains committed to safeguarding the goodwill and credibility associated with the 'ShangHai' brand. For FYE 2022 to 2024, FPE 2025 and up to LPD, there has not been any individual or business that our Group had disassociated from or revoked their membership due to any misconduct or actions that has negatively impact the image of our 'ShangHai' brand.

In the early years, Shanghai-based events such as SIR and the Shanghai Awards operated with relatively loose admission criteria, resulting in a significant increase in membership as a large number of individuals were granted access. Over time, our Group recognised the need to prioritise quality over quantity. Accordingly, we refined our approach by restricting participant numbers, enhancing the quality of content, and repositioning Shanghai-branded events as premium, value-driven experiences. While this strategic shift led to a short-term decline in revenue, it is intended to strengthen long-term brand equity and unlock greater monetisation potential through more curated and impactful engagements.

7. BUSINESS OVERVIEW (Cont'd)**(c) Exhibition and events**

We identify and participate in business-focused exhibitions and events, that attracts business and corporate participants, as part of our marketing effort in building brand recognition among entrepreneurs, micro-SMEs, SMEs and corporations. As we provide offline branding solutions and digital branding solutions, any exhibitions and events that involves participation of entrepreneurs, micro-SMEs, SMEs and corporations are opportunities for our Group to build customer relations and establish contact with potential customers while promoting our market presence. Exhibitions and events are one of our avenues for developing initial contact with potential customers. Exhibitions and events that we have participated as an exhibitor during FYE 2022 to 2024, FPE 2025 and up to LPD are as follows:

Year	Exhibitions and events	Organiser	Location
July 2022	Malaysia International Retail and Franchise Exhibition (MIRF)	Malaysia Retail Chain Association (MRCA)	Kuala Lumpur Convention Centre, Kuala Lumpur
June 2024	Malaysia Halal Expo	HQC Commerce Sdn Bhd	Mines International Exhibition & Convention Centre, Selangor
October 2024	The 2nd East Asia Women Entrepreneurs Conference	Malaysia-China Chamber of Commerce	Wyndham Grand Hotel, Kuala Lumpur
April 2025	SEA Healthcare and Pharma Show	Qube Integrated Malaysia Sdn Bhd	Malaysia International Trade and Exhibition Centre

(d) Digital marketing and social media advertising

We generate promotional contents for our service offerings on our social media platforms comprising Facebook, YouTube and Instagram as well as through digital billboards, to expand our outreach and increase awareness for our brand and service offerings. Our social media pages also allow us to showcase our past work, customer testimonials and success stories to generate engagement and interest from potential customers.

We utilise Google marketing and targeted keywords to expand our visibility and brand awareness to the public and potential customers. We also run targeted paid advertisement campaigns to reach specific target demographics, regions and industries to generate business leads.

7. BUSINESS OVERVIEW (Cont'd)**(e) Corporate website**

We have established our primary website at <https://sbsgroup.com.my> and <https://www.sbsprint.com>, which provides immediate searchable information on our Group and our services offerings. In addition, we have also established microsites to provide additional information for the following services:

Microsites	Services
www.flyeradvertising.asia	Out-of-home media – Flyer distribution
www.sbstissue.com	Out-of-home media – Pocket tissue
www.sbsbanner.com	Out-of-home media – Banners and buntings
www.sbsflyer.com	Out-of-home media – Flyer advertisement
www.bookoffame.biz	Offline publication
www.shanghai.com.my	Online media
www.sbsmediatech.com	Mobile and web-based applications, and website development
www.sheaward.biz	Business award and recognition events
www.shipba.biz	Business award and recognition events

The current widespread use of the internet as a source of information enables us to cross geographical borders and facilitates access from any part of the country, thus enhancing our potential market reach and exposure.

(f) Direct approach and referrals

We secure new customers through direct contact to potential customers. Our sales and marketing team also constantly observes the market development to keep our Group up to date with latest trends and consumer behaviours, as well as collects market information to identify potential customers. In addition, we have obtained the 'Malaysia Digital Status' which allows us to enhance our market presence through the listing of our company in Malaysia Digital Economy's directory, leveraging on their ecosystem to generate potential business leads as well as to facilitate business matching. There is no expiry for our 'Malaysia Digital Status'. We are currently not accorded any form of tax incentive arising from our 'Malaysia Digital Status'. Nevertheless, we may, subject to meeting the relevant eligibility criteria, apply for tax incentive that is available for 'Malaysia Digital Status' companies in the future.

In addition, our sales and marketing team continuously maintains good business relationships with existing customers to identify opportunities to cross-sell our services based on customers' changing needs from time to time. Our Group also believes that by maintaining good business relationships with our existing customers, it provides our customers with the confidence in our services, thus encouraging them to refer potential customers to our Group.

7. BUSINESS OVERVIEW (Cont'd)

7.7 TECHNOLOGY USED

Our Group adopts the following system/ software for our business operations:

Type of system/ software adopted	Description
Business management system	A system that is used to manage our internal business operations such as to record sales order, generate quotation and invoices, create customer profile, organise operation workflow, compute commission for our sales department and record payment collection. The system is also used to analyse our customers' record such as their purchase history. The system can be used to perform analysis on the collected data and provide insights to our customers' purchasing trend and suggest services that suit their prevalent business needs.
Advertisement management system	A system that is used to streamline and manage the display and airtimes of advertisements. This system is integrated with the Statutory Body's queue management system to display our customers' advertisement contents alongside the queue numbers on the Statutory Body's indoor digital media platforms. Further, this system allows for remote management of advertisements on the indoor digital media platforms for all the Statutory Body's outlets nationwide.
Computer programming software	Software that are used for our internal business operations to write the source code and object code for our development of mobile and web-based applications, and websites.
Creative software	Software that are used for our internal business operations, by our graphic design team to undertake creative design works for marketing materials such as flyers, brochures, notebooks, calendars, table stickers, pocket tissues, paper bags, booklets, banners, buntings, wall stickers, billboard visuals, publications and online advertisements. Our production team also uses creative software to edit videos, effects and subtitles for our video production and digital broadcasts.

7.8 INTERRUPTIONS TO BUSINESS AND OPERATIONS

Our Group has not experienced any interruption in our operations which had a significant effect on our operations during the past 12 months preceding the LPD.

7.9 SEASONALITY

We do not experience any material seasonality or cyclicity in our business as the demand for our products and services are neither subject to seasonal fluctuations or cyclical variations. We do not experience any cyclicity in our business.

7. BUSINESS OVERVIEW (Cont'd)**7.10 MAJOR CUSTOMERS**

Our Group's top 5 major customers by revenue during FYE 2022 to 2024 and FPE 2025 are as follows:

FYE 2022

	Customer	Country of incorporation	Services provided	Revenue (RM'000)	Contribution to the total revenue (%)	Length of relationship (years)⁽¹⁾
1.	Hyper Media	Malaysia	Online marketing services	1,211	10.4	1
2.	Hotpaper Media	Malaysia	Out-of-home media and online marketing services	467	4.0	6
3.	Soldgo	Malaysia	Online marketing services	363	3.1	<1
4.	D Vision Fundamentals Sdn Bhd	Malaysia	Online marketing services	158	1.4	<1
5.	BJ Twenty One Marketing	Malaysia	Online marketing services, business awards and recognition event, and website development	148	1.3	<1
Sub-total				2,347	20.2	
Total revenue				11,602	100.0	

FYE 2023

	Customer	Country of incorporation	Services provided	Revenue (RM'000)	Contribution to the total revenue (%)	Length of relationship (years)⁽¹⁾
1.	Customer A	Malaysia	Digital-out-of-home media and web-based applications development	3,191	16.0	1
2.	Paradise Group ⁽²⁾	Malaysia	Online marketing services, out-of-home media, public relations and event management, business awards and recognition event, digital-out-of-home media and video production	1,087	5.4	3

7. BUSINESS OVERVIEW (Cont'd)

	Customer	Country of incorporation	Services provided	Revenue (RM'000)	Contribution to the total revenue (%)	Length of relationship (years)⁽¹⁾
3.	Berkat Najah Sdn Bhd (formerly known as Magnus Media Sdn Bhd)	Malaysia	Digital-out-of-home media	1,008	5.1	<1
4.	Soldgo	Malaysia	Online marketing services, digital-out-of-home media, video production, public relations and event management, and website development	793	4.0	1
5.	General Reserve of Digital Assets Limited ⁽³⁾	Hong Kong	Web-based applications and website development	770	3.9	<1
Sub-total				6,849	34.4	
Total revenue				19,946	100.0	

FYE 2024

	Customer	Country of incorporation	Services provided	Revenue (RM'000)	Contribution to the total revenue (%)	Length of relationship (years)⁽¹⁾
1.	Christy Ng Sdn Bhd	Malaysia	Online marketing services, out-of-home media, business awards and recognition event, and website development	2,164	7.2	<1
2.	Customer A	Malaysia	Digital-out-of-home media and web-based applications development	1,600	5.3	2
3.	DagangAsia Network Holding Sdn Bhd	Malaysia	Online marketing services, website development, and business awards and recognition event	1,419	4.7	<1

7. BUSINESS OVERVIEW (Cont'd)

	Customer	Country of incorporation	Services provided	Revenue (RM'000)	Contribution to the total revenue (%)	Length of relationship (years)⁽¹⁾
4.	Berkat Najah Sdn Bhd (formerly known as Magnus Media Sdn Bhd)	Malaysia	Digital-out-of-home media	1,008	3.4	1
5.	Big Onion Food Caterer Sdn Bhd	Malaysia	Out-of-home media, digital-out-of-home media, online marketing services, public relations and event management, and business awards and recognition event	685	2.3	4
Sub-total				6,876	22.9	
Total revenue				29,924	100.0	

FPE 2025

	Customer	Country of incorporation	Services provided	Revenue (RM'000)	Contribution to the total revenue (%)	Length of relationship (years)⁽¹⁾
1.	Christy Ng Sdn Bhd	Malaysia	Out-of-home media, digital-out-of-home media, online marketing services, public relations and event management, and video production	2,994	13.8	1
2.	Customer A	Malaysia	Digital-out-of-home media and web-based applications development	618	2.8	3
3.	Xuen Marketing Hub Sdn Bhd	Malaysia	Public relations and event management, out-of-home media, digital-out-of-home media	541	2.5	<1

7. BUSINESS OVERVIEW (Cont'd)

	Customer	Country of incorporation	Services provided	Revenue (RM'000)	Contribution to the total revenue (%)	Length of relationship (years)⁽¹⁾
4.	Berkat Najah Sdn Bhd (formerly known as Magnus Media Sdn Bhd)	Malaysia	Digital-out-of-home media	504	2.3	2
5.	Big Onion Food Caterer Sdn Bhd	Malaysia	Digital-out-of-home media, online marketing services, out-of-home media and public relations and event management	488	2.2	5
Sub-total				5,145	23.6	
Total revenue				21,760	100.0	

Notes:

- (1) Length of business relationship as at the respective FYE.
- (2) Paradise Group comprises Kung Fu Paradise Sdn Bhd, Paradise Dynasty Sdn Bhd, Paradise Inn (M) Sdn Bhd, Paradise (F&B) Malaysia Sdn Bhd and Le Shrimp Sdn Bhd.
- (3) A customer based in Hong Kong.

For FYE 2022 to 2024 and FPE 2025, our Group's top 5 major customers collectively contributed 20.2%, 34.4%, 22.9% and 23.6% to our Group's total revenue respectively. In FYE 2022, 2023 and 2024, Hyper Media contributed 10.4%, 2.9% and 1.0% to our Group's revenue respectively. Separately, in FYE 2023 and 2024 and FPE 2025, Customer A contributed 16.0%, 5.3% and 2.8% to our Group's revenue respectively. Customer A acts as an agent to refer their customers to our Group. In the event that Customer A no longer acts as an agent to our Group, the customers of Customer A would still be able to approach our Group directly for their branding and advertising needs. Similarly, our Group is also able to approach these entrepreneurs/ businesses directly. Further, in FYE 2023, FYE 2024 and FPE 2025, RM1.2 million (out of RM3.2 million), RM1.3 million (out of RM1.6 million) and RM0.6 million (out of RM0.6 million) respectively were derived from Customer A through such referral for digital-out-of-home media services whereas the remaining were revenue derived from web-based applications development services used by Customer A themselves. Hence, our Group is not dependent on Customer A. For FYE 2023, FYE 2024 and FPE 2025, our Group has 7, 20 and 20 customers respectively that act as agents who refer their customers to us. Our Group does not enter into formal agreement with these customers.

7. BUSINESS OVERVIEW (Cont'd)

In FYE 2024 and FPE 2025, Christy Ng Sdn Bhd contributed 7.2% and 13.8% to our Group's revenue respectively. There is no formal agreement entered into with Christy Ng Sdn Bhd and our other customers (save for Entity T), which are predominantly small and medium enterprises that do not typically enter into formal contracts with agencies. Instead, we engage with our customers on a flexible, campaign-by-campaign basis, with the continuation of such arrangements largely driven by proven results. Our Group is not dependent on Christy Ng Sdn Bhd given that Christy Ng Sdn Bhd may not necessarily allocate the same amount of budget for their yearly branding and marketing activities. Further, our Group serve a wide pool of customers for which our Group will actively cross-sell our services to this existing pool of customers. Our Group will also continuously secure new customers through our various sales and marketing strategies as set out in Section 7.6 to market and sell our services.

In conclusion, we are of the view that our Group is not dependent on Hyper Media, Customer A and Christy Ng Sdn Bhd as the revenue contributed by these customers fluctuates from year to year, and our Group continues to record increasing revenue which demonstrates that our Group is able to continue securing new customers or cross-sell our services to other existing customers. Further, it is common that customers' annual spending on branding and marketing solutions are subject to their prevalent business needs, growth objectives and budget and as such, customers may not necessarily allocate the same amount of budget for their yearly branding and marketing activities. Hence, our Group's top 5 major customers may vary from year to year. Given the abovementioned, our Group is not dependent on any of our major customers. Further, as our Group serves customers from a diverse range of industries, our revenue will not be adversely impacted by the downturn of any specific industry.

For FYE 2022 to 2024 and FPE 2025, our Group served a total of 1,678, 1,431, 1,054 and 555 customers respectively. The higher number of customers served in FYE 2022 was due to 732 customers utilising the matching grant of up to RM5,000 per entity, provided by the Ministry of Finance Malaysia through Bank Simpanan Nasional to micro-SMEs and SMEs, under the SME Digitalisation Initiative (an initiative by the Ministry of Finance Malaysia to assist micro-SMEs and SMEs to adopt digitalisation in their business operations). In December 2022, our Group decided to cease providing services to customers applying through the SME Digitalisation Initiative, and focus on streamlining and cross-selling services to customers with broader service requirement in order to cross sell more services from our Group. Accordingly, the total number of customers served recorded a decline in FYE 2023.

In FYE 2024, the further decline in the total number of customers served was mainly attributed by the decline in number of customers in the online marketing services segment and business awards and recognition events segment. The decline in the number of customers in the online marketing service segment was due to our Group's strategy to transition towards acquiring customers with higher budget for branding and marketing solutions. Further, the decline in the number of customers in the business awards and recognition events segment was due to our Group organising SHIPBA and SIR events on a smaller scale in FYE 2024. Our Group has scaled down the size of participants and frequency of events to (a) optimise resources and better align with our overall business strategies; and (b) address customers' feedback regarding the previous events' duration and scale. Moving forward, our Group will reposition our business leads generation initiatives by focusing on smaller-scale events intended to better support our offline and digital branding solutions. This is expected to yield more qualified business prospects and enhance customer engagement. Despite the decline in number of customers in FYE 2023 and 2024, our Group's revenue increased by RM8.3 million for FYE 2023, and RM10.0 million for FYE 2024, reflecting our transition towards a more value-driven customers base.

7. BUSINESS OVERVIEW (Cont'd)**7.11 MAJOR SUPPLIERS**

Our Group's top 5 major suppliers by purchases during FYE 2022 to 2024 and FPE 2025 are as follows:

FYE 2022

Supplier	Country of incorporation	Products/ services sourced	Purchases (RM'000)	Contribution to total purchases (%)	Length of relationship (years)⁽¹⁾
1. Enigo (Malaysia) Sdn Bhd	Malaysia	Printing services	383	8.6	16
2. Hyper Media	Malaysia	Tele-marketing services	353	7.9	1
3. Royal Selangor International Sdn Bhd	Malaysia	Business awards' trophies	216	4.8	<1
4. Wellcept Enterprise	Malaysia	Bunting and banner licence application services	191	4.3	3
5. Ants Technology Venture Sdn Bhd	Malaysia	Event catering services	166	3.7	<1
Sub-total			1,309	29.3	
Total purchases			4,462	100.0	

FYE 2023

Supplier	Country of incorporation	Products/ services sourced	Purchases (RM'000)	Contribution to total purchases (%)	Length of relationship (years)⁽¹⁾
1. Nextgamma Technologies Sdn Bhd	Malaysia	Indoor digital media platform maintenance services	830	13.0	1
2. Supplier F	Malaysia	Software development services for e-Form, customer registration and content management system, and purchase of hardware comprising server, network switches and cables	713	11.2	1
3. TDG Marketing PLT	Malaysia	Sound and lighting services	338	5.3	1

7. BUSINESS OVERVIEW (Cont'd)

	Supplier	Country of incorporation	Products/ services sourced	Purchases (RM'000)	Contribution to total purchases (%)	Length of relationship (years)⁽¹⁾
4.	Enigo (Malaysia) Sdn Bhd	Malaysia	Printing services	305	4.8	17
5.	YTL Majestic Hotel Sdn Bhd	Malaysia	Rental of event venue	283	4.4	<1
			Sub-total	2,469	38.7	
			Total purchases	6,387	100.0	

FYE 2024

	Supplier	Country of incorporation	Products/ services sourced	Purchases (RM'000)	Contribution to total purchases (%)	Length of relationship (years)⁽¹⁾
1.	Nextgamma Technologies Sdn Bhd	Malaysia	Indoor digital media platform maintenance services and purchase of hardware comprising server, network switches and cables	1,857	14.1	2
2.	Supplier F	Malaysia	Software development services for e-Form, customer registration and content management system, and purchase of hardware comprising servers, routers, network switches and cables	895	6.8	2
3.	McCann Sdn Bhd	Malaysia	Rental of digital billboard	640	4.9	<1
4.	Wellcept Enterprise	Malaysia	Bunting and banner licence application services	549	4.2	5
5.	Netpartners Sdn Bhd	Malaysia	Software development services for e-Form, customer registration, content management system and data management solutions	381	2.9	<1
			Sub-total	4,322	32.9	
			Total purchases	13,158	100.0	

7. BUSINESS OVERVIEW (Cont'd)**FPE 2025**

	Supplier	Country of incorporation	Products/ services sourced	Purchases (RM'000)	Contribution to total purchases (%)	Length of relationship (years)⁽¹⁾
1.	Nextgamma Technologies Sdn Bhd	Malaysia	Indoor digital media platform maintenance services and purchase of hardware comprising server, network switches and cables	924	7.0	3
2.	Wellcept Enterprise	Malaysia	Bunting and banner licence application services	894	6.8	6
3.	Supplier F	Malaysia	Software development services for e-Form, customer registration and content management system	609	4.6	3
4.	McCann Sdn Bhd	Malaysia	Rental of digital billboard	460	3.5	1
5.	Netpartners Sdn Bhd	Malaysia	Software development services for e-Form, customer registration, content management system and data management solutions	407	3.1	1
Sub-total				3,294	25.1	
Total purchases				13,110	100.0	

Note:

⁽¹⁾ Length of business relationship as at the respective FYE.

For FYE 2022 to 2024 and FPE 2025, our Group's top 5 major suppliers collectively accounted for 29.3%, 38.7%, 32.9% and 25.1% of our Group's total purchases respectively. For FYE 2023 and 2024 and FPE 2025, Nextgamma Technologies Sdn Bhd contributed 13.0%, 14.1% and 7.0% to our Group's purchases respectively, whereas Supplier F contributed 11.2%, 6.8% and 4.6% to our Group's purchases respectively. The services provided by Nextgamma Technologies Sdn Bhd and Supplier F can be easily sourced from other suppliers in the event of disruption in the procurement of services. The relatively higher purchase contribution recorded for Nextgamma Technologies Sdn Bhd and Supplier F was due to the business relationship that our Group had established with Nextgamma Technologies Sdn Bhd and Supplier F, whereby they have been able to satisfactorily meet our Group's requirement.

7. BUSINESS OVERVIEW (Cont'd)

Notwithstanding that, our Group had also purchased software development services from other suppliers in FYE 2023, FYE 2024 and FPE 2025, and as such we are not dependent on Supplier F. We began offering indoor digital media platform services in 2023 and since then up to LPD, we have engaged 1 service provider namely Nextgamma Technologies Sdn Bhd for our indoor digital media platform maintenance services to ensure the consistency of service quality. Despite that, we are not dependent on Nextgamma Technologies Sdn Bhd as the maintenance works primarily involves basic hardware support such as screen replacements or television installations, which do not require specialised skills. Hence, we are able to easily source for such maintenance services from other suppliers.

Further, our Group is also not dependent on any of the other major suppliers as the products and services that we require can be easily sourced from other suppliers.

7.12 TYPES, SOURCES AND AVAILABILITIES OF SUPPLIES

Our purchases primarily comprise outsourced services and other purchases for our operations as follows:

Purchases	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Online marketing services ⁽¹⁾	1,241	27.8	364	5.7	3,102	23.6	3,728	28.4
Event supplies and services ⁽²⁾	671	15.0	1,210	18.9	2,828	21.5	2,304	17.6
Printing and related services ⁽³⁾	1,108	24.8	1,536	24.0	2,391	18.2	2,694	20.6
Software development services ⁽⁴⁾	150	3.4	1,479	23.2	2,019	15.3	2,182	16.6
IT equipment ⁽⁵⁾	-	-	400	6.3	1,365	10.4	1,300	9.9
Photography and videography services	199	4.5	144	2.3	490	3.7	478	3.7
Rental of event venues	128	2.9	558	8.7	316	2.4	121	0.9
Online advertisements placement fees ⁽⁶⁾	417	9.3	287	4.5	300	2.3	119	0.9
Trophies and certificates	338	7.6	247	3.9	192	1.4	124	0.9
Flyers and bunting licences ⁽⁷⁾	19	0.4	65	1.0	103	0.8	13	0.1
External hosts services ⁽⁸⁾	191	4.3	97	1.5	52	0.4	47	0.4
	4,462	100.0	6,387	100.0	13,158	100.0	13,110	100.0

7. BUSINESS OVERVIEW (Cont'd)

Notes:

- (1) Comprise outsourced services such as content creation services, advertisement management services and influencer marketing services.
- (2) Comprise materials and outsourced services such as event decorations, backdrops, sound and lighting services, event performers, make-up artists, event videographers, event crews and food catering services.
- (3) Comprise outsourced services such as printing services, distribution and installation services, banner and bunting licence application services as well as rental of billboards.
- (4) Comprise development services for e-Form, customer registration, content management system and data management solutions, amongst others.
- (5) Comprise equipment purchased for the provision of our web-based applications development services.
- (6) Comprise fees paid for Google marketing and social media advertisements.
- (7) Comprise licensing fees paid directly to municipal councils and DBP.
- (8) Comprise fees paid to third party hosts to undertake interviews for our digital broadcasts and as event emcee.

Our Group's business operations are dependent on the services of third party suppliers and service providers. The increase in our Group's purchases from FYE 2022 to 2024 and FPE 2025 was mainly attributable to the increase in sales for our offline branding solutions and digital branding solutions segments, which necessitated higher outsourcing to support increased demand for our services. Notwithstanding that, our purchase of supplies and services to support our offerings are readily available in the market and can be easily sourced from alternative suppliers and services providers.

7. BUSINESS OVERVIEW (Cont'd)**7.13 OPERATING CAPACITIES, OUTPUT AND UTILISATION RATE**

Due to the nature of our business, measures of operating capacities, output and utilisation rate are not applicable to our Group.

7.14 QUALITY ASSURANCE AND QUALITY CONTROL

Our Group places emphasis on the quality of the services that we offer to our customers. We are committed to ensuring that the quality control procedures that we have put in place fulfil the requirements of our customers. As a testament to our on-going commitment to quality, we have received the following certifications:

Standard	Certification body	Subsidiary awarded	Date first awarded	Current validity period	Scope of certification
ISO 9001:2015	Certification Partner Global	SBS Digital Holdings	15 August 2012	18 January 2023 to 18 January 2026 ⁽¹⁾	Quality management system for the provision of printing media, flyer distribution, banner and bunting printing and installation
ISO 9001:2015	Certification Partner Global	SBS Social	16 August 2019	16 August 2025 to 16 August 2028	Quality management system for the provision of online marketing services

Note:

⁽¹⁾ We are in the midst of renewing the certification in which we expect to obtain the renewed certification by early January 2026.

7.15 RESEARCH AND DEVELOPMENT

We do not conduct any research and development activities and we do not have any specific research and development policy.

7.16 COMPETITIVE STRENGTHS**7.16.1 We have an established history and proven track record, with 22 years of experience in the branding and marketing industry**

Having established our business for over 22 years, we have a proven track record in the branding and marketing industry. Our extensive industry knowledge gained throughout the years has allowed us to keep up with the ever-changing industry landscape and demands of customers for branding and marketing solutions.

7. BUSINESS OVERVIEW (Cont'd)

We commenced business providing flyer distribution services, and gradually expanded to provide a wide range of services under our offline branding solutions, and subsequently expanded into the provision of digital branding solutions. As part of our Group's effort to continue growing the range of services provided under our digital branding solutions, we acquired the 'ShangHai' brand and NextAlpha Solutions Sdn Bhd (now known as SBS Media Tech) in 2017 and 2023 respectively which allowed us to expand our service offerings to include in-house branded services as well as mobile and web-based applications, and website development services. Our extensive industry experience gained through our 22 years of business operations had enabled our Group to continuously keep up-to-date with prevalent consumer trends and customer needs for branding and marketing solutions, thus supporting the continued growth of our Group.

Our proven track record is further attested by the wide customer base that we have built over the years. For FYE 2024 and FPE 2025, we have serviced a total of 1,054 customers and 555 customers respectively. Our wide and diverse pool of customers has allowed us to collect and compile valuable business data/ insights and information into our database for our business analytics purposes, thus driving enhanced adaptability of our offerings to meet customers' needs as well as supporting business and strategic planning for the continued growth of our Group. Furthermore, our wide customer base also allows us to keep abreast with developments across various industries which in turns helps us to continue expanding our customer base.

7.16.2 We offer an extensive range of services as a one-stop branding and marketing solutions provider for local businesses and entrepreneurs

Over the years, we have grown our business from providing flyer distribution services to offering a wide range of services to meet the branding and marketing needs of various customers with different requirements, budgets and target demographics. Our offline branding solutions comprise out-of-home media, public relations and event management. Further, in line with our Group's strategy to expand into digital branding solutions business, we also began offering online marketing services since 2016 and continued to expand our offerings to include video production, digital-out-of-home media and online media, as well as mobile and web-based applications, and website development services.

Pursuant to the acquisition of the 'ShangHai' brand in 2017, we also began offering services under our house brand 'ShangHai', namely our digital broadcasts and offline publication services. In addition, we had successfully hosted business awards and recognition events, and networking events under our 'ShangHai' brand. Further details on the range of services offered by our Group are as set out in Section 7.3.1. Leveraging on the brand image of 'ShangHai', our Group believes that this had further bolstered our reputation as a one-stop branding and marketing solutions provider for local businesses.

With the wide range of services offered, we are positioned as a one-stop solution provider of branding and marketing solutions for customers in various stages of business lifecycle. As early-stage businesses grow into SMEs and subsequently established businesses, our Group's wide range of services can cater to the branding and marketing needs of businesses in their respective stage of business lifecycle. Additionally, we are able to propose and cross-sell different branding and marketing solutions to customers to create a seamless and cohesive branding strategy for our customers. As such, the wide range of service offerings, catering to prevalent consumer trend and demand, is expected to support the continued growth of our Group.

7. BUSINESS OVERVIEW (Cont'd)**7.16.3 Our house brand 'ShangHai' is a reputable brand that drives the recognition of our services**

Our house brand 'ShangHai' was acquired by our Group in 2017. It is a printed Mandarin-language business media brand that was established in 1979. The 'ShangHai' brand is well known among business owners in the Mandarin-speaking SME community in Malaysia. Since its inception, 'ShangHai' has focused on sharing local entrepreneur success stories to inspire and encourage entrepreneurship.

Since 2017, our Group had leveraged on the brand image and reputation of the 'ShangHai' brand to provide digital broadcast services and offline publication. Our Group had also successfully leveraged on the long-established history and reputation of 'ShangHai' brand amongst the Mandarin-speaking SME community in Malaysia, to host our business awards and recognition events, as well as networking events. While our 'ShangHai' events provide our customers a platform to gain brand equity and publicity, it also serves as a channel for our Group to drive brand recognition and subsequently generate business leads from potential customers. As such, we believe that the brand image and reputation of our 'ShangHai' brand will aid in driving the continued growth of our Group.

7.16.4 We have an experienced and hands-on management team

Our Group is led by our management team that has accumulated years of experience in their respective field and key expertise, industry experience and/ or in-depth knowledge of business operations.

Our Managing Director/ Chief Executive Officer, Wong Chun Mun, has 22 years of experience in the branding and marketing industry. His vast industry experience, drive and passion for our business has been instrumental in steering overall strategic direction and business development of our Group. Further, his experience and knowledge have guided our Group in implementing various business and marketing strategies to solidify our position and reputation in the branding and marketing industry.

He is supported by our Executive Directors and key senior management team, as follows:

Name	Designation	Years of relevant working experience⁽¹⁾
Piah Yee Ling	Executive Director	22
Warren Cheng	Executive Director/ Chief Operating Officer	9
Lai Kian Chuan	Head of Digital	11
Tay Mun Kit	Chief Financial Officer	16
Lim Cheng Yong	Chief Business Officer	10
Lee Soak Mun	Head of Sales	16

Note:

- ⁽¹⁾ The years of relevant working experience reflect the experience relevant to their respective work scope, or to the branding and marketing industry, whichever is relevant, up to LPD.

7. BUSINESS OVERVIEW (Cont'd)

7.17 BUSINESS STRATEGIES AND PROSPECTS

7.17.1 We intend to relocate to a larger office as our new headquarters in anticipation of our business expansion

As at LPD, we are operating from our existing headquarters in Bandar Sri Damansara, Kuala Lumpur. Our existing headquarters has a total built-up area of 10,210 sq ft and comprises our management and administrative office, a meeting room, a training room and a production studio with video recording room, waiting room and make-up room. To support the continued growth of our business, we intend to relocate to a larger office with built-up area of approximately 20,000 sq ft, to enable our Group to undertake following expansion:

- (a) To allocate designated area as event and networking hall to host large-scale meetings and networking events, conference rooms and board rooms for client meetings and internal discussions, and training room for staff development and training sessions, in which we currently do not have these designated areas in our existing headquarters due to space limitation. By hosting events, meetings and training sessions in-house, we are able to reduce our operational costs as we currently rent space to host larger scale meetings and networking events. Further, it also provides our Group with the convenience of presenting our service offerings to customers.

The artist impression for the abovementioned designated areas in our new headquarters as well as the estimated floor space allocated is as shown below:



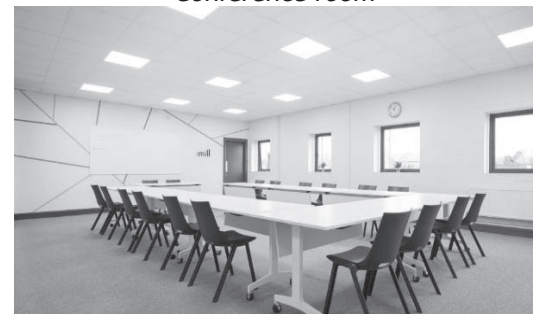
Event and networking hall



Conference room



Board room



Training room

- Allocation for an event and networking hall with an approximate size of 2,000 sq ft;
- Allocation for 6 conference rooms in which the sizes of the rooms may range from approximately 100 sq ft to 500 sq ft each;

7. BUSINESS OVERVIEW (Cont'd)

- Allocation for 3 board rooms in which the sizes of the rooms may range from approximately 200 sq ft to 600 sq ft each;
 - Allocation for a training room measuring approximately 900 sq ft; and
 - Save for the production studio as detailed below, the remaining space will be allocated for our management and administrative office, reception area, lounge and waiting area.
- (b) To set up a full-fledged production studio for video production and media creation, as our existing headquarters currently has a mini in-house production studio which is equipped with a limited range of equipment comprising lower specification cameras and lighting equipment. As we intend to set up a full-fledged production studio, a larger space will be required to house additional equipment that we intend to purchase for our production studio with further details as set out in Section 7.17.2 below.

The artist impression for our full-fledged production studio is as shown below:



Production studio for digital broadcast interviews



Production studio for video shooting and photo shooting

An approximate 1,500 to 2,000 sq ft of area will be allocated for our full-fledged production studio which comprises 2 types of studios to cater to different production needs, and 2 make-up and changing rooms.

- (c) To house the expected increase in workforce capacity in anticipation of the increase in demand for our services as we continue to secure more sales. We intend to recruit a total of 50 additional employees with further details as set out in Sections 7.17.3, 7.17.4 and 7.17.5 below.

According to the IMR Report, our Group captured a market share of 0.34% and 0.31% in FYE 2024 in the offline branding solutions market and the digital branding solutions market in Malaysia, respectively, indicating ample growth opportunities for our Group. Further, the growth of the branding and marketing industry will continue to be driven by businesses' needs to grow and maintain their brand visibility, growing number of businesses, digitalised consumer behaviour and attachment to mobile devices by the general public, and economic growth and government incentives. Given the prospects of the branding and marketing industry, our Group believes that by enhancing our service offerings and expanding our business operations, we will be able to boost our competitiveness to compete with other industry players and to capture opportunities arising from the demand for branding and marketing solutions.

7. BUSINESS OVERVIEW (Cont'd)

As at LPD, we are in the midst of identifying a suitable semi-detached building located in Klang Valley to be rented as our new headquarters. The indicative timeline to set up our new office is as detailed below:

Timeline	Details
T (from date of our Listing)	• Execution of tenancy agreement for our new headquarters
T + 1 month	• Submission of renovation building plan to the local council
T + 4 months	• Approval obtained from local council
T + 5 months	• Commencement of renovation works
T + 11 months	• Completion of renovation works
T + 12 months	• Relocation from old headquarters to new headquarters

The exact location and size of the new premises are subject to fluctuations in prevailing property prices and the availability of suitable spaces. Nevertheless, we intend to allocate RM5.8 million from our gross proceeds from the Public Issue, to fully fund the setting up of our new office which comprise renovation expenses, as well as rental expenses to be utilised over a period of 24 months from the commencement of operations at our new headquarters. Further details on the utilisation of the proceeds are as set out in Section 4.9.1(a). Upon relocating to the new headquarters, we intend to rent out our existing headquarters in Bandar Sri Damansara once a suitable tenant is identified.

7.17.2 We intend to purchase new equipment as part of our new headquarters expansion plan

In line with the planned expansion and relocation to a new headquarters as detailed in Section 7.17.1 above, we intend to purchase new equipment for our headquarters.

Firstly, we will need to set up the IT and networking infrastructure at our new headquarters to support our operational needs which relies on the use of digital technologies. This will include the set-up of a server room with air conditioning system and fire suppression system, network cabling, routers, switches, uninterruptible power supply, networking, security systems, firewall and recovery software to ensure optimal operation and data security for our operations. We will be purchasing an additional set of IT equipment to upgrade our existing IT and networking infrastructure in order to accommodate more users, which is in line with our planned increase in workforce capacity to support our business expansion. The cost for setting up our IT and networking infrastructure is estimated at RM0.4 million (represents a one-off capital expenditure incurred to set up our Group's IT and networking infrastructure at our new headquarters), which will be fully funded via gross proceeds from the Public Issue and to be utilised within 24 months from the date of Listing.

In addition, to set up our full-fledged production studio as detailed in Section 7.17.1, we intend to purchase drones, backdrop, microphones, tablets as well as higher specification cameras, lenses and lighting equipment (our production studio is currently equipped with lower specification cameras, lenses and lighting equipment), and subscribe to higher tier Adobe subscription plans which has more functions for our existing Adobe user licences to enhance our design, content creation and video production works. The cost to purchase the aforementioned equipment and software licences is estimated at RM0.9 million, which will be fully funded via gross proceeds from the Public Issue and to be utilised within 24 months from the date of Listing.

7. BUSINESS OVERVIEW (Cont'd)

Further, as we intend to recruit 50 additional employees in total to support our planned expansion, we will need to purchase additional laptops, computers, cloud storage and hosting servers, and subscribe to additional Adobe user licences to cater to the increased headcount. The cost for the purchase of these equipment and software licences is estimated at RM0.7 million, which will be fully funded via gross proceeds from the Public Issue and to be utilised within 24 months from the date of Listing. For clarity, the cloud storage, hosting servers and software subscription refer to recurring operational expenditure to support our Group's day-to-day operations. This includes annual or monthly subscriptions to cloud platforms (e.g. Google Cloud), and productivity software (e.g. Microsoft 365 and Adobe Creative Cloud).

Please refer to Sections 4.9.1(a) and (b) for the respective breakdown of costs.

7.17.3 We intend to expand our customer base by offering our branding and marketing solutions to the Malay-speaking SME community

In line with our on-going expansion plan, we intend to expand our customer base by offering our branding and marketing solutions to the Malay-speaking SME community, covering a wider pool of customers as we recognise the importance of diversifying our reach beyond our existing Mandarin-speaking market. To achieve this, we intend to set up a new division and hire new employees (who are familiar with the preferences of the Malay-speaking SME community) dedicated to manage the operations of offering branding and marketing solutions to the Malay-speaking SME community. This will involve the recruitment of 18 new employees under our sales, content creation, graphic design and video production departments, dedicated to develop and penetrate into the Malay-speaking SME community. We intend to allocate RM1.8 million from our gross proceeds from the Public Issue, to fund the salary cost over a period of 24 months from the commencement of recruitment, with further details as set out in Section 4.9.1(b).

In addition, we also intend to undertake various marketing activities to promote our services to the Malay-speaking SME community, under a new brand namely 'MyUsahawanMedia', through the following initiatives:

- participation in exhibitions and events through setting up of promotional exhibition booths;
- invest in event sponsorship for third party events such as trade seminars, Malay business associations and business magazines by advertising through placement of brochures, pocket tissues, paper bags and buntings;
- invest in social media marketing through the posting of advertisements on Facebook, Instagram, TikTok, YouTube and Google Ads;
- invest in advertisements via digital billboards in major cities such as Kuala Lumpur, Selangor, Johor Bahru and Penang; and
- inviting prominent Malay individuals to attend existing events, such as SHE.

Our new brand "MyUsahawanMedia" will adopt similar sales and marketing concept as with our 'ShangHai' brand, but dedicated to the Malay-speaking SME community.

We intend to allocate RM0.6 million from our gross proceeds from the Public Issue, to carry out the abovementioned marketing activities to expand our branding and marketing solutions to the Malay-speaking SME community within 24 months from the date of Listing, with further details as set out in Section 4.9.1(b). As at LPD, our Group has yet to commence the abovementioned marketing activities for our expansion into the Malay-speaking SME community, save for the invitation of prominent Malay individuals to attend our existing events.

7. BUSINESS OVERVIEW (Cont'd)

We have since 2022 been inviting Malay entrepreneurs and prominent personnel to participate in our business awards events, as well as networking events to build brand awareness among the Malay-speaking SME community. Since 2022 and up to LPD, a total of 27 Malay entrepreneurs and prominent personnel had participated in our business awards events.

Through the hiring of dedicated employees, undertaking marketing activities, as well as leveraging on our 22 years of experience in the branding and marketing industry, our Group believes that we will be able to penetrate into the Malay-speaking SME community and establish our market presence within the community. Consequently, this is expected to aid in the continued growth of our Group.

7.17.4 We intend to further enhance our brand recognition by increasing our branding and marketing activities in Malaysia

We recognise the importance of continuously enhancing our brand recognition to maintain our competitiveness in the industry and increase our market share. To achieve this, we intend to allocate RM0.7 million from our gross proceeds from the Public Issue, to increase our branding and marketing activities to further enhance our brand recognition and service offerings among entrepreneurs and businesses within 18 months from the date of Listing. The branding and marketing initiatives that we intend to undertake are as follows:

- participation in exhibitions and events through setting up of promotional exhibition booths;
- invest in paid advertisements to boost visibility and increase traffic to our corporate website;
- invest in social media marketing through the posting of advertisements on Facebook, Instagram, TikTok, YouTube and Google Ads;
- invest in advertisements via digital billboards in major cities such as Kuala Lumpur, Selangor, Johor Bahru and Penang; and
- invest in event sponsorships for third party events such as trade seminars and business association events by advertising through placement of brochures, pocket tissues, paper bags and buntings.

In line with our initiatives to increase our branding and marketing activities, we intend to recruit 20 new employees under our sales, video production, content creation and event management departments, to cater to the increased internal needs for more branding and marketing activities. Further, these employees will also be able to cater to the anticipated increase in demand for our services as we continue to secure more sales to grow our business, as well as to reduce our dependency on third party service providers. We intend to allocate RM2.5 million from our gross proceeds from the Public Issue, to fund the salary cost over a period of 24 months from the commencement of recruitment, with further details as set out in Section 4.9.1(b).

7.17.5 We intend to further grow our mobile and web-based applications, and website development business to capture opportunities arising from the demand for digitalisation

Given the current widespread use of the internet and digitalised consumer behaviour, businesses are seeking to digitalise their operations to enhance their brand image. This includes leveraging on creating new business websites or revamping existing websites to stay up-to-date with consumer trend and preference for modern website design, to enhance their brand image and to attract new customers. Further, it also includes digitalising operational processes to enhance efficiency and productivity, thus allowing businesses to provide better services to their customers which in turn leads to enhanced brand image.

7. BUSINESS OVERVIEW (*Cont'd*)

In anticipation of the growing digitalisation needs, we intend to recruit 12 new employees under our IT, graphic design and sales department to support the growth of our mobile and web-based applications, and website development business segment as we continue to secure more sales, as well as to reduce our dependency on third party service providers. We intend to allocate RM1.6 million from our gross proceeds from the Public Issue, to fund the salary cost over a period of 24 months from the commencement of recruitment, with further details as set out in Section 4.9.1(b).

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8. IMR REPORT

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SMITH ZANDER

Date: 05 DEC 2025

The Board of Directors

SBS Nexus Berhad

C-7, Jalan Dataran SD1
PJU 9, Bandar Sri Damansara
52200 Kuala Lumpur

Dear Sirs / Madams,

Independent Market Research Report on the Branding and Marketing Industry in Malaysia ("IMR Report")

This IMR Report has been prepared by SMITH ZANDER INTERNATIONAL SDN BHD ("SMITH ZANDER") for inclusion in the Prospectus in conjunction with the listing of SBS Nexus Berhad on the ACE Market of Bursa Malaysia Securities Berhad.

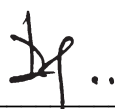
The objective of this IMR Report is to provide an independent view of the industry in which SBS Nexus Berhad and its subsidiaries ("SBS Nexus Group") operate and to offer a clear understanding of the industry dynamics. SBS Nexus Group is a branding and marketing solutions specialist, principally involved in the provision of offline branding solutions and digital branding solutions. Hence, the scope of work for this IMR Report will address the following areas:

- (i) Branding and marketing industry in Malaysia;
- (ii) Key demand drivers, risks and challenges of the branding and marketing industry in Malaysia; and
- (iii) Competitive landscape of the branding and marketing industry in Malaysia.

The research process for this study has been undertaken through secondary or desktop research, as well as detailed primary research when required, which involves discussing the status of the industry with leading industry participants. Quantitative market information could be sourced from interviews by way of primary research and therefore, the information is subject to fluctuations due to possible changes in business, industry and economic conditions.

SMITH ZANDER has prepared this IMR Report in an independent and objective manner and has 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 limitations of, amongst others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective and may not necessarily reflect the performance of individual companies in this IMR Report. SMITH ZANDER shall not be held 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 mentioned in this report.

For and on behalf of SMITH ZANDER:



DENNIS TAN
MANAGING PARTNER

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The research for this IMR Report was completed on 5 December 2025.

For further information, please contact:

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About SMITH ZANDER INTERNATIONAL SDN BHD

SMITH ZANDER is a professional independent market research company based in Kuala Lumpur, Malaysia, offering market research, industry intelligence and strategy consulting solutions. SMITH ZANDER is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other fund-raising and corporate exercises.

Profile of the signing partner, Dennis Tan Tze Wen

Dennis Tan is the Managing Partner of SMITH ZANDER. Dennis Tan has over 27 years of experience in market research and strategy consulting, including over 22 years in independent market research and due diligence studies for capital markets throughout the Asia Pacific region. Dennis Tan has a Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada.

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SMITH ZANDER

1 BRANDING AND MARKETING INDUSTRY IN MALAYSIA**Overview**

Branding and marketing strategies are employed by brand owners to create brand awareness and communicate their brands as well as product offerings and services to their target market, with the goal of driving sales, customer interest and customer engagement. Consumers are regularly exposed to countless brands and products in the market. In order for brands to stand out and remain relevant, it is vital that brand owners continuously enhance their brand awareness through branding and marketing strategies to keep their customers engaged with their brands, as well as maintain and expand their market share in the industry.

Branding and marketing strategies can include any form of platform, tool or activity that involve exposing the brand to the market to ensure that the target audience is aware of the brand's existence, values, products and services, as well as making the brand more recognisable and familiar to the target audience. The various forms of branding and marketing channels are as segmented below:

Segmentation of the branding and marketing channels

Segments of branding and marketing channels		Examples of branding and marketing tools/platforms		
Out-of-home ("OOH") media	Traditional OOH media (i.e. print media)	Outdoor and indoor media: • <u>Static billboards, banners, buntings, wall stickers</u> , posters, etc.	Transit media: • Wrap advertising on trains, buses, taxis and e-hailing vehicles, etc.	Handouts and merchandise: • <u>Flyers, brochures, notebooks, calendars, table stickers, pocket tissues, paper bags, booklets</u> , pens, keychains, water bottles and tumblers, magnets, mousepads, tote bags, etc.
	Digital OOH media	Outdoor and indoor media: • <u>Digital billboards, television/digital screens</u> , interactive display screens/kiosks, cinema advertising, etc.	Transit media: • Digital screens in trains, vehicle rooftop digital screens, etc.	Not applicable.
Digital media		<u>Social media marketing, digital articles, social media advertising, search engine marketing, influencer marketing, email advertising, digital broadcasts, video advertising, advertisement on websites</u> , digital news and magazine websites, search engine optimisation, podcast advertising, etc.		
Public relations and event management		<u>Press releases, product launching, networking events</u> , roadshows, etc.		
Mobile and web-based applications, and website development		<u>Internal mobile and web-based applications and websites (i.e. used by employees of a business organisation), consumer mobile and web-based applications and websites (i.e. used by customers of a business organisation or the general public)</u> , gaming applications, etc.		
Offline publications		<u>Print magazines</u> , newspapers, journals, etc.		
Television and radio networks		Air-time advertisement slots		
Others		Direct marketing (e.g. telemarketing, short message service (SMS) advertising and door-to-door marketing), experiential marketing (e.g. live demonstrations and product sampling), etc.		

Notes:

- Examples in **bold, italicised and underlined font** denote the forms of branding and marketing tools/platforms offered by SBS Nexus Group.
- The examples listed are not exhaustive.

Source: SMITH ZANDER

OOH media refers to forms of advertising that target consumers when they are outside of their home (i.e. public places). OOH media can be further segmented into traditional OOH media (i.e. print media) and digital OOH media. On the other hand, digital media refers to content distributed through electronic devices such as smartphones, computers and tablets in various digital formats such as text, audio, video and images.

Public relations events are essential in communicating a brand's positive image through media coverage, thus enhancing the brand's recognition and position. Furthermore, public relations events can be an effective platform for direct engagement with customers by enabling personal interactions between brand owners and

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target customers as well as attracting media attention and social media sharing, thus boosting a brand's visibility.

Consumer mobile and web-based applications and websites are key tools in modern branding and marketing strategies as they can enhance customer engagement and brand accessibility. Mobile and web-based applications and websites enable a direct and convenient line of communication between the brand owners and customers anytime and anywhere as customers can access the mobile applications and websites on their electronic devices. Furthermore, internal mobile and web-based applications and websites enable efficient project management and workflow processes, translating to higher quality work and faster delivery of services, which boosts the company's professional image, and in turn, elevates customer experiences and satisfaction.

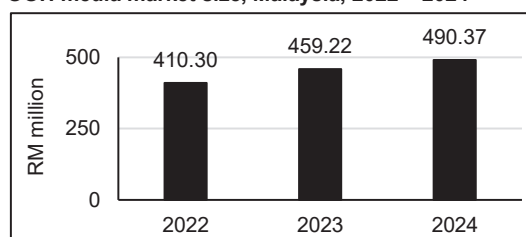
Various other forms of media include offline publications such as print magazines and newspapers, television and radio networks, direct marketing and experiential marketing.

Market performance, size and growth

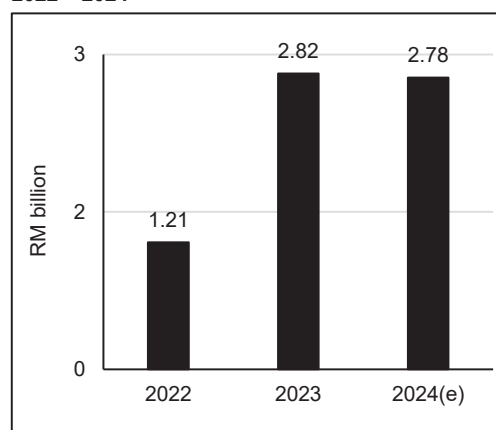
SBS Nexus Group offers branding and marketing solutions comprising offline branding solutions and digital branding solutions. Offline branding solutions comprise OOH media services, public relations and event management, and offline publications. Digital branding solutions comprise online marketing services, digital broadcasts, video production, digital OOH media and online media, as well as mobile and web-based applications, and website development. Hence, this section focuses on the market performances of the abovementioned solutions.

(a) Offline branding solutions**(i) OOH media**

The market size of OOH media, as represented by traditional OOH advertising expenditure (comprising advertising expenditure on billboards, street furniture, transit and transportation, and place-based media (e.g. ambient media at point of sale and posters in restrooms)), grew from RM410.30 million in 2022 to RM490.37 million in 2024 at a compound annual growth rate ("CAGR") of 9.32%.

OOH media market size, Malaysia, 2022 – 2024

Source: Statista

(ii) Public relations and event management**EEI contributed by business events, Malaysia, 2022 – 2024****Notes:**

- (e) – estimate. Actual data is not publicly available.
- Comprises estimated economic impact ("EEI") contributed by business events supported by the MyCEB. These figures exclude EEI contributed by business events that are not supported by the MyCEB as complete data for EEI contributed by business events not supported by the MyCEB is not publicly available.
- Economic impact refers to the financial effects of business events on a destination or region, which includes direct and indirect impact. Direct impact includes spending by attendees, exhibitors and organisers on accommodation, transportation, food and event-related services. Indirect impact occurs when businesses that directly serve the business events (e.g. venues, hotels and transportation companies) purchase goods and services from other industries to meet increased demand.

Source: Malaysia Convention and Exhibition Bureau ("MyCEB")

Growing demand for business events drives the demand for services that manage these events, including public relations and event management services.

8. IMR REPORT (Cont'd)**SMITH ZANDER**

As public relations activities and events are forms of business events, the size of the public relations and event management market is represented by the EEI contributed by business events which are supported by the MyCEB in Malaysia ("EEI").

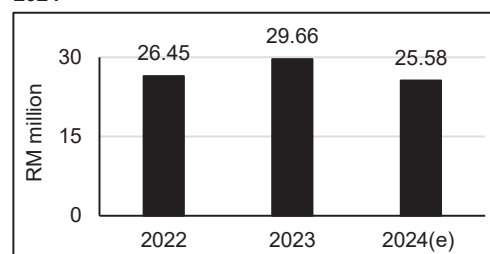
The growth of EEI indicates growing demand for business events, demonstrating how much businesses are willing to spend on events related to branding and marketing. This in turn reflects the demand for public relations and event management services to manage these business events.

The low EEI in 2022 was due to the outbreak of the COVID-19 pandemic in 2020, whereby lockdown measures implemented by the Government of Malaysia to curb the spread of the virus led to steep declines in business events organised during the period of 2020 to 2022. Following the gradual subsidence of the COVID-19 pandemic, the EEI recovered at a CAGR of 51.58%, from RM1.21 billion in 2022 to an estimated RM2.78 billion in 2024, exceeding pre-COVID-19 pandemic levels in 2019.

(iii) Offline publication

Offline publications include print magazines, newspapers and journals. As SBS Nexus Group is involved in offline publication, specifically the publication of print magazine, magazine advertising expenditure is used to represent the market size of the offline publication market. From 2022 to 2023, the offline publication market size, as represented by magazine advertising expenditure, grew year-on-year (YOY) by 12.14% from RM26.45 million to RM29.66 million. From 2023 to 2024, the offline publication market size is expected to decrease by 13.76% to RM25.58 million, due to the rising adoption of digital branding and marketing solutions.

Offline publication market size, Malaysia, 2022 – 2024



Note: (e) – estimate. Actual data is not publicly available.

Sources: Malaysian Communications and Multimedia Commission ("MCMC"), SMITH ZANDER

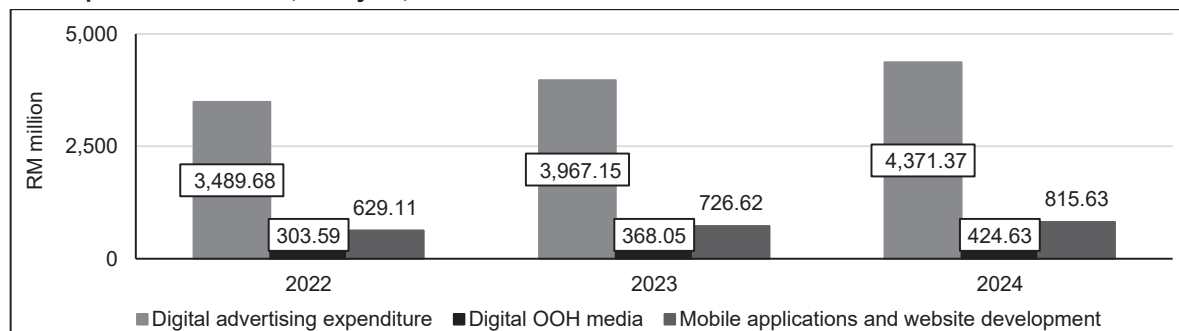
(b) Digital branding solutions

The market size of online marketing solutions, digital broadcasts, video production and online media solutions collectively, is represented by digital advertising expenditure as these services are digital forms of branding and marketing tools/platforms. From 2022 to 2024, digital advertising expenditure rose from RM3.49 billion to RM4.37 billion at a CAGR of 11.90%, demonstrating growing demand for online marketing solutions, digital broadcasts, video production and online media solutions.

Further, the market size of digital OOH media, as represented by digital OOH advertising expenditure, grew from RM303.59 million in 2022 to RM424.63 million in 2024 at a CAGR of 18.27%.

Additionally, the market size of the mobile and web-based applications, and website development solutions, as represented by the mobile applications and website development market size, grew from RM629.11 million in 2022 to RM815.63 million in 2024 at a CAGR of 13.86%.

Digital advertising expenditure, digital OOH media market size, and mobile applications and website development market size, Malaysia, 2022 – 2024



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Notes:

- Digital advertising expenditure comprises advertising expenditure on online banner advertising, influencer advertising, search engine advertising, video advertising and social media advertising.
- Digital OOH media market size comprises advertising expenditure on digital billboards, digital street furniture, digital transit and transportation media and digital place-based media (e.g. digital ambient media at point of sale). Digital OOH media is not part of OOH media shown above in (a)(i).

Sources: Statista, SMITH ZANDER

As consumers become more digital savvy due to the rising use of internet as well as smartphones, tablets and laptops, time spent online by consumers are increasing. In order to reach consumers and maintain customer engagement, businesses are increasingly seeking digital branding solutions to capture their target market's attention. As a result, the demand for digital branding solutions is on an increasing trend, and it is expected to continue to rise in the long run as the use of internet, smartphones, tablets and laptops become more widespread in this increasingly digitised era, driven by rapid advancements in technology and shifting consumer behaviour towards preference for the convenience of digital devices. Please refer to Section 2 of this IMR Report for more information on the demand drivers of the branding and marketing industry in Malaysia.

2 KEY DEMAND DRIVERS, RISKS AND CHALLENGES OF THE BRANDING AND MARKETING INDUSTRY IN MALAYSIA

Key demand drivers

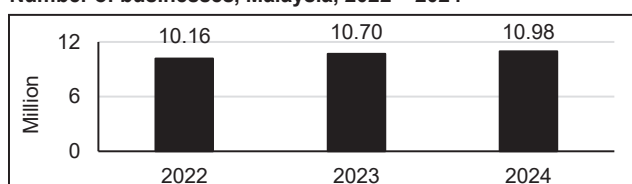
► Businesses' need to grow and maintain their brand visibility drive the demand for branding and marketing solutions

- Strong brand visibility and presence in the market are pivotal in attracting new customers, creating customer loyalty and having satisfactory customer retention in order to ensure business growth and competitiveness. Branding and marketing activities enable businesses to expose and communicate the strengths and values of their products, services and capabilities to existing and potential customers, serving as a powerful influence to create, associate and leave a positive impression and image of their brands.
- By helping customers to understand their strengths and values, businesses can establish their brand identities, differentiate themselves from their competitors and create memorability of their brand, which can amplify brand awareness. Higher brand awareness in the market keeps existing and potential customers engaged and draws their attention towards the brand, leading to familiarity with the brand amongst consumers, which can be associated with greater trust in the brand when coupled with positive impressions. This may subsequently allure customers to make a particular brand the preferred option over one that is lesser known and thus, enhancing said brand's competitiveness in the long run.
- As such, to consistently remain competitive and stand out amongst competitors, businesses will continuously seek branding and marketing solutions to elevate their brand presence and value. This, in turn, will drive the growth of the branding and marketing industry.

► Growing number of businesses signify growth potential for branding and marketing solutions

- Businesses' need for branding and marketing solutions to stand out from their competitors will become more prevalent as the number of businesses continue to grow over time.

Number of businesses, Malaysia, 2022 – 2024



Source: Companies Commission of Malaysia ("CCM")

- The number of businesses (i.e. companies, sole proprietorships and partnerships) in Malaysia increased from 10.16 million in 2022 to 10.98 million in 2024, at a CAGR of 3.96%, which indicates the growth potential for the branding and marketing industry in Malaysia.

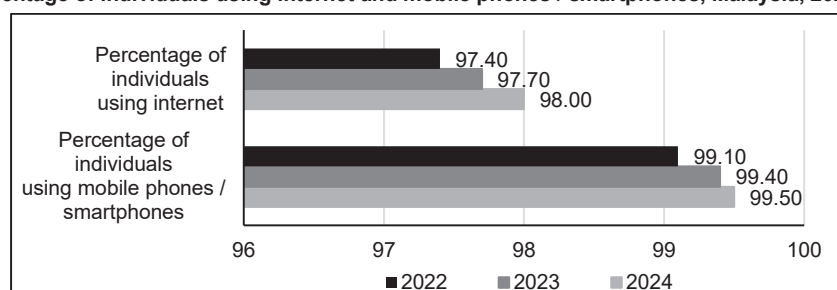
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- Regardless of the size of the business, businesses in general can benefit from employing various types of branding and marketing strategies to boost the strength of their brand visibility and presence among consumers. As such, the demand for branding and marketing services is expected to continue to grow in the long term as the number of businesses continues to rise.

► **Digitalised consumer behaviour and attachment to mobile devices by the general public leads to businesses adopting digital branding solutions**

- Internet and mobile devices such as smartphones and tablets have become an essential part of everyday lives, and the general public is becoming dependent on mobile devices to perform daily activities such as communications, social networking, information searches, online shopping, gaming, entertainment, handling work-related tasks and studying.
- This is evident by the growth in the percentage of individuals using the internet from 97.40% in 2022 to 98.00% in 2024, as well as the growth in the percentage of individuals using mobile phones / smartphones from 99.10% in 2022 to 99.50% in 2024.

Percentage of individuals using internet and mobile phones / smartphones, Malaysia, 2022 – 2024



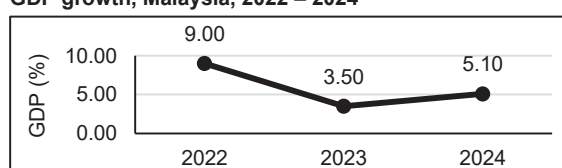
Source: Department of Statistics Malaysia ("DOSM")

- The proliferation and wide acceptance of internet and mobile devices have led businesses to adopt digital branding solutions, as most Malaysians use internet and mobile phones / smartphone, and thus, businesses' target audience are likely to be online, enabling them to capture a wider market share with efficacy. This will subsequently drive the demand for digital branding solutions and in turn, lead to the growth of the branding and marketing industry.
- Furthermore, the preference for mobile and web-based applications and websites is due to minimal effort required to drive users to use mobile and web-based applications and websites as many are already mobile device users, and are familiar with using mobile and web-based applications and websites. With the increasing trend of digitalisation, it has led to retail business investing in mobile and web-based applications and/or website development, as part of their branding and marketing strategy, to drive brand recognition and expand their market outreach. As businesses continue to improve or integrate new functionalities based on the latest technological trends to stay connected with users and enhance user experience, it also aids in increasing the stickiness of their customers to their brand. Hence, this leads to the increasing demand for digital branding solutions.

► **Economic growth spurs the demand for branding and marketing solutions**

- Economic growth drives greater revenue for businesses and thus, boosts their profitability. Increased profitability enables businesses to expand their marketing expenditure and allocate higher budgets to implement branding and marketing activities to further drive sales. This will, in turn, lead to the increase in demand for branding and marketing solutions.

GDP growth, Malaysia, 2022 – 2024



Source: DOSM

- Economic growth is represented by gross domestic product ("GDP") growth. In 2023, Malaysia's GDP normalised to 3.50% after experiencing a steep rebound in 2022 due to economic recovery as Malaysia reopened its borders in April 2022 subsequent to the gradual subsidence of the COVID-19 pandemic.

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- In 2024, Malaysia's GDP grew by 5.10%, primarily driven by the services and manufacturing sectors.
- The International Monetary Fund has projected Malaysia's GDP to grow by 4.50% in 2025 and by 4.00% in 2026. Moving forward, the growth of the economy is expected to support businesses' financial performance, enabling greater investments in branding and marketing strategies which in turn, will continue to drive the demand for branding and marketing solutions.

Key industry risks and challenges**► Changing consumer behaviour leads to the need for continuous creative innovation, including in branding and marketing solutions**

- With increasing digital connectivity, consumer behaviour and preferences are being shaped by social media trends which are constantly changing at rapid rates. As such, branding and marketing materials and strategies must be continuously updated in line with shifting consumer behaviour and trends in order to reach target audiences and keep them engaged with the brand.
- For example, as new social media platforms are introduced to the market, industry players need to be able to create content that leverages on the functions of the social media platform which appeals to the user demographics of the platform. Industry players also need to keep abreast of the latest media trends and innovate new branding and marketing solutions in order to maintain customer engagement.
- Further, for media whereby advertising revenue is dependent on web traffic or views attracted, it is crucial for industry players to consistently produce new and relevant content to avoid losing audience interest, which would result in a decrease in advertising revenue. The inability of industry players to create new, exciting and relevant content may impact their ability to retain or secure customers, which in turn, may affect their financial performance.

► Adverse economic conditions may impact the demand for branding and marketing solutions

- As the demand for branding and marketing solutions is dependent upon businesses investing in branding and marketing strategies, the performance of the branding and marketing industry is subject to the economic conditions of the country.
- A slowdown in economic growth may affect business performance and in turn, affect the propensity of businesses to invest in branding and marketing strategies. With the aim of maintaining the sustainability of business and in anticipation of weaker market demand during periods of adverse economic conditions, businesses may prioritise cost-saving measures and, consequently, limit the budget for branding and marketing activities. As such, the demand for branding and marketing solutions may be impacted during periods of economic downturn.

► Dependence on the availability of experienced branding and marketing talent as well as related skilled technical personnel in the market

- Industry players require branding and marketing talent that possess relevant experience and fundamental knowledge such as marketing analytics, content creation and storytelling, as well as graphic design and visual branding, amongst others, to provide suitable branding and marketing strategies according to the customer's branding objectives.
- Further, industry players may also require skilled technical personnel for various services related to branding and marketing activities such as filming and video shooting, as well as video editing and effects, amongst others, as part of their branding and marketing strategy service offerings.
- Failure to hire and/or retain talents with suitable skills and capabilities may adversely affect an industry player's ability to secure new customers and/or sustain revenue growth, which could lead to challenges in improving their financial performance.

8. IMR REPORT (Cont'd)

SMITH ZANDER

3 COMPETITIVE LANDSCAPE OF THE BRANDING AND MARKETING INDUSTRY IN MALAYSIA**Overview**

The branding and marketing industry comprises the following types of key industry players:

- (1) **Branding and marketing solutions specialists:** These companies specialise in assisting brand owners to craft effective branding and marketing strategies, with the goal to create high brand awareness and loyalty, and establishing the desired brand image. This includes managing brand owners' advertising needs and requirements (e.g. sourcing for suitable advertising spaces from media owners, managing air-time slots and scheduling the posting of content), design of marketing materials, proposing content, content creation, editorial services and event management, amongst other solutions. These companies may also own some media assets such as online/digital media and print media. SBS Nexus Group is an example of branding and marketing solutions specialist.
- (2) **Media owners that also offer branding and marketing solutions:** These companies primarily own and operate media assets, including newspapers, magazines, television networks, radio stations, digital media, OOH media and/or digital OOH media, amongst others. In addition to monetising their media platforms through the sale of advertising spaces, these companies may also offer branding and marketing solutions such as content creation to deliver end-to-end advertising solutions. They leverage their proprietary audience data and content production capabilities to deliver targeted and impactful advertising campaigns for their customers. Furthermore, such integration allows these companies to offer broader market reach, especially for brand owners seeking exposure across multiple media channels. While SBS Nexus Group is not primarily a media owner, SBS Nexus Group can compete with media owners that also offer similar branding and marketing solutions. Examples of these media owners include Media Prima Berhad, Media Chinese International Limited and Star Media Group Berhad.

There are other types of industry players in the broader branding and marketing industry that are not deemed as similar to SBS Nexus Group in terms of their scope of services such as media owners that do not offer branding and marketing solutions, advertising agencies and media brokers.

The branding and marketing industry in Malaysia is competitive and fragmented due to large number of industry players. The barriers to entry within the branding and marketing industry is low, whereby a new industry player may enter the market with low capital investment and small range of branding and marketing solutions. However, to remain competitive in the branding and marketing industry in the long term requires industry players to expand their product and service offerings such as providing a broad range of branding and marketing solutions on various forms of media and platforms, investing in skilled technical personnel and prevalent technologies to provide versatile branding and marketing solutions. These improvements are crucial for industry players to retain their customers or to attract new customers, as customers' branding and marketing requirements change over time.

Industry players compete in terms of pricing, quality of solutions, range of offerings and portfolio of media partners such as media owners and media brokers for the distribution of branding and marketing content.

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8. IMR REPORT (Cont'd)**SMITH ZANDER****Key Industry Players**

As SBS Nexus Group is principally involved in the provision of offline branding solutions (comprising OOH media services, public relations and event management, and offline publication), and digital branding solutions (comprising online marketing services, digital broadcasts, video production, digital OOH media, online media services, as well as mobile and web-based applications, and website development), the basis for selection of the key industry players are as follows:

- Companies that are involved in the provision of a range of branding and marketing solutions (i.e. at least 3 types) such as OOH media services, public relations and event management, offline publication, online marketing solutions, digital broadcasts, video production, digital OOH media, online media services, and/or mobile and web-based applications, and website development. These companies may also be involved in the provision of other types of branding and marketing solutions as part of their range of offerings;
- Companies that are branding and marketing solutions specialists or media owners that also offer branding and marketing solutions; and
- Companies with total revenue above RM5.00 million in their latest available financial year.

Companies that offer a single type of branding and marketing solution such as mobile and web-based applications, and website development or event management are excluded from consideration as key industry players in this IMR Report, as these companies do not compete in terms of range of offerings with SBS Nexus Group. The selection of key industry players includes companies that offer a broader range of branding and marketing solutions, encompassing at least 3 types of branding and marketing solutions that are similar to the offerings of SBS Nexus Group. Evaluating industry players with a broad range of solutions allows for more accurate comparison of close competitors in terms of range of offerings and competitive positioning in the market.

The key industry players identified are as listed below:

Company name ⁽¹⁾	A ⁽²⁾	B ⁽³⁾	Examples of solutions offered	Latest available financial year	Total revenue ⁽⁴⁾ (RM million)	Segmental revenue ⁽⁵⁾ (RM million)	GP / (GL) (RM million)	GP / (GL) margin (%)	PAT / (LAT) (RM million)	PAT / (LAT) margin (%)
Media Prima Berhad ⁽⁶⁾		✓	Commercial television and radio broadcasting, publishing; printing, sale and distribution of newspapers; home shopping network; provision of internet and digital-based media; provision of outdoor advertising space and related production services; media content production and distribution; property investment; and other media industry related services	30 June 2025	857.01	672.96	N/A ⁽⁷⁾	N/A	20.69	2.41
Media Chinese International Limited ⁽⁶⁾		✓	Publishing, printing and distribution of newspapers, magazines, books and digital contents; and provision of travel and travel related services	31 March 2025	709.89	167.59	178.54	25.15	(38.44)	(5.41)
Star Media Group Berhad ⁽⁶⁾		✓	Publication, printing and/or distribution of newspapers, magazines, journals and periodicals in print or electronic form; digital content services and managers; promoters and organisers of events and investment in real properties; operating wireless radio broadcasting stations; online advertising; provision of property exhibition services; and provision of shared services and property development	31 December 2024	247.63	171.70	137.92	55.70	66.81	26.98
Seni Jaya Corporation Berhad ⁽⁶⁾		✓	OOH media ownership; provision of production and media advertising; event and promotion services; general advertising; and information technology services	30 June 2025	69.71	8.89	28.95	41.53	10.07	14.45
Innity Sdn Bhd ⁽⁹⁾	✓		Display advertising; mobile advertising; premium publishers marketplace; programmatic media buying solution; video	31 December 2024	45.63	43.95	N/A ⁽⁷⁾	N/A	(1.64)	(3.59)

8. IMR REPORT (Cont'd)

SMITH ZANDER

Company name ⁽¹⁾	A ⁽²⁾	B ⁽³⁾	Examples of solutions offered	Latest available financial year	Total revenue ⁽⁴⁾ (RM million)	Segmental revenue ⁽⁵⁾ (RM million)	GP / (GL) (RM million)	GP / (GL) margin (%)	PAT / (LAT) (RM million)	PAT / (LAT) margin (%)
			advertising; influencer marketing; content marketing; and social commerce solution							
SBS Nexus Group	✓		OOH media solutions; public relations and event management; offline publications; online marketing solutions; digital broadcasts; video production; digital OOH media and online media; as well as mobile and web-based applications, and website development	31 December 2024	29.92	28.33	14.96	50.00	7.60	25.40
Kingdom Digital Solutions Sdn Bhd ⁽¹⁰⁾	✓		Integrated marketing; social media and content marketing; video production; and media strategy	31 December 2024	23.76	23.76	N/A ⁽⁷⁾	N/A	2.08	8.75
Business Media International Sdn Bhd ⁽¹¹⁾		✓	Digital and print media ownership; advertisement placement services; content marketing packages; organisation of exhibition and conferences; business impact assessment and recognition; and growth analytics	31 December 2022 ⁽¹²⁾	15.00	15.00	9.03	60.20	4.25	28.33
Sym World Innovation Sdn Bhd	✓		Creative services; social media services; digital services; and media services	31 March 2025	9.52	9.52	2.64	27.73	(0.43)	(4.52)
MMM Group Berhad ⁽⁶⁾		✓	Digital OOH media ownership; branding and identity development; marketing strategy; creative content development; digital marketing; public relations; and event marketing	31 March 2025	7.97	7.97	3.48	43.66	(0.62)	(7.78)
SG Activamedia (M) Sdn Bhd	✓		Search engine marketing; search engine optimisation; and social media marketing	30 June 2024	6.31	6.31	N/A ⁽⁷⁾	N/A	0.74	11.73

Notes:

- Latest available information as at the research completion date of this IMR Report.
 - GP / (GL) – Gross profit / (Gross loss); PAT / (LAT) – Profit after tax / (Loss after tax); N/A – Not available.
 - The identified key industry players include all industry players that were identified by SMITH ZANDER based on available sources, such as the internet, published documents and industry directories. However, there may be companies that have no online and/or published media presence, or are operating with minimal public advertisement, and hence SMITH ZANDER is unable to state conclusively that the list of key industry players is exhaustive.
- (1) These companies may be involved in the provision of other types of solutions in addition to the provision of OOH media services, public relations and event management, offline publication, online marketing solutions, digital broadcasts, video production, digital OOH media, online media services, and/or mobile and web-based applications, and website development.
- (2) A = Branding and marketing solutions specialists.
- (3) B = Media owners that also offer branding and marketing solutions.
- (4) May include revenue derived from other businesses that are not related to the provision of OOH media services, public relations and event management, offline publication, online marketing solutions, digital broadcasts, video production, digital OOH media, online media services, and/or mobile and web-based applications, and website development.
- (5) Segmental revenue which comprises revenue derived from provision of OOH media services, public relations and event management, offline publication, online marketing solutions, digital broadcasts, video production, digital OOH media, online media services, and/or mobile and web-based applications, and website development are disclosed where such information is publicly available. Segmental revenue may also include revenue from the provision of other types of branding and marketing solutions.
- (6) Listed on the Main Market of Bursa Malaysia Securities Berhad.
- (7) This information is not reported in the latest financial statements.
- (8) Dually listed on The Stock Exchange of Hong Kong Limited and the Main Market of Bursa Malaysia Securities Berhad.
- (9) A subsidiary of Innity Corporation Berhad. Innity Corporation Berhad is listed on the ACE Market of Bursa Malaysia Securities Berhad. Innity Corporation Berhad and its group of companies are principally involved in the business of online advertising solutions, computer and mobile software applications development, operation of promotional and sales event information website, software production and development of content and influencer marketing.

8. IMR REPORT (Cont'd)

SMITH ZANDER

- (10) A subsidiary of Hakuholdo DY Holdings Inc. Hakuholdo DY Holdings Inc. is a company incorporated and domiciled in Japan, and is listed on the Prime Market of Tokyo Stock Exchange. Hakuholdo DY Holdings Inc. and its group of companies are principally involved in the provision of marketing and advertising services.
- (11) A subsidiary of Audience Analytics Limited. Audience Analytics Limited is a company incorporated and domiciled in Singapore, and is listed on the Catalist of the Singapore Exchange Securities Trading Limited. Audience Analytics Limited and its group of companies are principally involved in the provision of business impact assessment and recognition services, organisation of exhibitions services, and business media and analytics services.
- (12) The latest available financial information is as at 31 December 2022 based on the search conducted on CCM's website as at the research completion date of this IMR Report.

Sources: SBS Nexus Group, Bursa Malaysia Securities Berhad, CCM, various company websites, SMITH ZANDER

Large players such as Media Prima Berhad, Media Chinese International Limited and Star Media Group Berhad have substantially higher revenue as they are primarily media owners that also offer branding and marketing solutions. These players have many media channels on which they leverage to offer advertising spaces as well as the provision of branding and marketing solutions such as content creation to deliver end-to-end advertising solutions. While these large players are not comparable to SBS Nexus Group in terms of revenue size and their primary business operations materially deviate from that of SBS Nexus Group (i.e. primarily own and operate media assets), these large players are considered as competitors to SBS Nexus Group in terms of the provision of branding and marketing solutions.

Market share

SBS Nexus Group's market shares, Malaysia, 2024



Sources: SBS Nexus Group, SMITH ZANDER

In 2024, the size of the offline branding solutions market, which encompasses OOH media, public relations and event management, and offline publication, was recorded at RM3.30 billion. For the financial year ended 2024, the revenue for SBS Nexus Group derived from offline branding solutions was recorded at RM11.16 million, and thereby SBS Nexus Group captured a market share of 0.34% in the offline branding solutions market in Malaysia.

In 2024, the size of the digital branding solutions market, which encompasses digital advertising, digital OOH media, and mobile applications and website development, was recorded at RM5.61 billion. For the financial year ended 2024, the revenue for SBS Nexus Group derived from digital branding solutions was recorded at RM17.16 million, and thereby SBS Nexus Group captured a market share of 0.31% in the digital branding solutions market in Malaysia.

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9. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO ALL OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

9.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

9.1.1 Our branding is critical to our success, and the value of our house brand, 'ShangHai' and our reputation may be adversely affected by negative perception

Our success depends on the value of our house brand, 'ShangHai', which is integral to our business. For FYE 2022 to 2024 and FPE 2025, revenue from our 'ShangHai' branded services (comprising offline publication, digital broadcasts, business awards and recognition events as well as networking events) collectively contributed RM3.5 million (29.7%), RM4.5 million (22.6%), RM2.1 million (7.1%) and RM0.9 million (4.0%) of our total revenue respectively. The decline in revenue from FYE 2023 to 2024 was due to the lower revenue from our SIR and SHIPBA events as our Group organised these events on a smaller scale in FYE 2024 and the absence of revenue from a one-off business awards and recognition event, namely "ShangHai Rekatone Outstanding Design Award" of RM0.3 million. Further, the decline in revenue in FPE 2025 was mainly due to the lower revenue from our SHIPBA events, primarily due to lower approval rates for nominations as a result of stricter vetting processes as well as fewer publicity packages being taken up by participants. Please refer to Section 12.2.2(a) for further details.

'ShangHai' brand is a long-established printed Mandarin-language business media brand that has been in the market for 46 years as at LPD and it is well known among the Mandarin-speaking SME community in Malaysia. Public perception of our Group's branding is vital in building trust and confidence towards our Group's overall services. Despite the relatively lower contribution directly from our Group's 'ShangHai' branded services in FYE 2024 and FPE 2025, the recognition of the brand plays a pivotal role in enhancing awareness of our Group's presence, thus creating spillover effect that may drive the demand for other branding and marketing services offered by our Group comprising out-of-home media, public relations and event management, online marketing services, video production, digital-out-of-home media and online media, as well as mobile and web-based applications, and website development services.

Maintaining and promoting our house brand will depend largely on the success of our marketing activities and our ability to provide consistent quality services. The reputation of our house brand could be adversely affected if we fail to achieve these objectives or if our public image or reputation were to be tarnished by negative publicity through social media platforms, including negative publicity about our services, customer service, personnel, or marketing efforts. Content that is averse to our interests, whether or not accurate or truthful, could be posted on social media platforms and immediately disseminated to broad audiences without any verification of such content. Isolated incidents involving us, our customers or other business partners, or the services we sell, could also erode the trust and confidence of our customers and damage the reputation of our house brand, especially if such incidents result in adverse publicity. For instance, we may be wrongly faulted and subject to market rumours based on unfounded claims for poor quality services when in reality, such issues may stem from misunderstanding or miscommunication. We are unable to guarantee that our brand development strategies will prevent or mitigate the occurrence of such incidents, accelerate the recognition of our house brand, or increase revenue.

9. RISK FACTORS (Cont'd)

We may also be subject to liabilities resulting from actions by our employees and/ or customers which may be beyond our control. As our house brand, 'ShangHai' is integral to our 'ShangHai' branded services, we are reliant on the goodwill of our 'ShangHai' brand. Consequently, if the activities of our employees and/ or customers result in negative publicity which adversely affects our 'ShangHai' brand, our reputation may be affected, and the value of our house brand may be harmed. Any harm to our reputation or house brand could adversely affect our ability to attract and engage customers, and may consequently impact our business, financial condition, and results of operations adversely.

For FYE 2022 to 2024, FPE 2025 and up to LPD, we have not experienced any incidents of malicious sabotage or rumours which led to an adverse impact on our house brand and reputation. Nevertheless, there can be no assurance that any negative perception or publicity on our house brand and reputation will not occur in the future and that it would not have a material adverse impact on our business and financial performance.

9.1.2 Absence of long-term contracts with our customers may result in the fluctuation of our Group's financial performance

Our Group has not historically entered into, and presently does not have any, long-term contracts with our customers. The lack of long-term contracts with our customers is in line with the dynamics of our business, which is subject to rapid changes in consumer behaviour, business needs, marketing strategies and market trends. Therefore, our customers purchase our services on an as-needed basis.

The absence of long-term contracts may result in the fluctuation of our Group's sales and overall financial performance. It poses risks to our Group as any business decisions made by our customers resulting in the reduction of purchases of our services may affect our financial performance. Should our existing customers cease, or substantially reduce purchasing our services, and if we are unable to replace these customers with new customers, or substantially increase purchases from other existing customers, in a timely manner, our financial performance may be adversely affected.

Further, our revenue from the delivery of the development projects is recognised upon issuance of invoices based on project delivery milestones over the tenure of the projects. As such, the timing of project delivery will affect our billing schedule which will in turn affect our revenue recognition and may cause our profit and operating cash flow to fluctuate. Our development projects generally range for a period of 2 to 6 months depending on the complexity of the project.

Our Group's inability to continuously secure new projects and customers for this business segment may adversely affect our Group's financial performance. Since the acquisition of SBS Media Tech in 2023 and up to LPD, our Group has not experienced any shortage of projects that has adversely affected the revenue of our Group. However, the non-recurrent nature of our mobile and web-based applications, and website development projects secured from customers may cause our revenue, profit and operating cash flow to fluctuate.

9.1.3 We are reliant on third party suppliers for our operations

The offerings of our services require the sourcing of supplies from various third party suppliers and service providers. For example, our services of out-of-home media and offline publication require the printing of marketing materials which we do not carry out in-house. Hence, we rely on third party printing suppliers to print the marketing materials for our out-of-home media and offline publication services. For FYE 2022 to 2024 and FPE 2025, the printing of marketing materials for our out-of-home media and offline publication services were fully outsourced to third party printing suppliers in Malaysia, whereas the printing and production of pocket tissues were outsourced to a supplier in China.

9. RISK FACTORS (Cont'd)

Aside from printing supplies, our Group also procures supplies and services for our in-house events (i.e. business awards and recognition events, and networking events) from third party suppliers and service providers for event venue, event decorations, backdrops, sound and lighting services, event performers, make-up artists, event videographers, event crews and food catering services. We also rely on other third party suppliers and service providers for the provision of our other services such as hosts, videographers, photographers, journalists, software providers, equipment rental providers, billboard owners and agencies.

As such, our Group's business operations are dependent on the services of our third party suppliers and service providers. For FYE 2022 to 2024 and FPE 2025, the contribution of purchases from third party suppliers were recorded at RM1.2 million (19.8%), RM1.9 million (22.2%), RM3.4 million (22.7%) and RM3.2 million (22.9%) respectively, whereas the remaining RM3.2 million (52.6%), RM4.5 million (51.2%), RM9.8 million (65.2%) and RM9.9 million (70.4%) were contribution of purchases from service providers. Any significant increase in operating costs due to increase in prices from our third party suppliers and service providers may impact our cost of sales. If we are unable to pass the increased costs to our customers in a timely manner, this will negatively impact our profitability.

For FYE 2022 to 2024 and FPE 2025, our Group's overall GP margin was recorded at 46.8%, 56.4%, 50.0% and 35.4% respectively. For FYE 2024, our Group chose not to pass on increased cost to customers in order to maintain our competitiveness which led to a decline in our Group's overall GP margin. For FPE 2025, our Group's GP margin declined mainly due to higher outsourced services costs. Further details on our analysis of GP margin by business segment are as set out in Section 12.2.2(b).

In addition, as we do not enter into any long-term contracts with our suppliers and service providers, there is no assurance that they will be able to continuously provide supplies and services to our Group at commercially viable prices or that our Group can maintain our relationship with them in the future. In the event that any of our major suppliers or service providers are unable to provide the required supplies and/ or services to our Group, there is no assurance that we will be able to source the required supplies and/ or services from other suppliers or service providers in a timely manner and at similarly competitive prices. This may also cause delays to the fulfilment of services to our customers which may adversely affect our business reputation and/ or customers raising complaints against our Group. Consequently, our financial performance may be adversely affected. For FYE 2022 to 2024, FPE 2025 and up to LPD, we have not encountered any major incidences where third party suppliers and service providers failed to deliver their supplies and/ or services to our Group which had materially affected our business operations and financial performance.

9.1.4 We are dependent on our Executive Directors and key senior management team for the continued success and growth of our business

Our Group's continued success, future business growth and expansion are, to a significant extent, dependent on our management's experience, expertise and continuous efforts. Our Executive Directors and key senior management are critical to our Group's operations. Coupled with their long service and in-depth knowledge of the branding and marketing industry, they play a pivotal role in our daily business operations as well as formulating and implementing strategies to drive the growth and expansion of our Group.

Please refer to Sections 5.1.2 and 5.3.3 for further details on the profiles of our Executive Directors and key senior management respectively.

9. RISK FACTORS (Cont'd)

The loss of any of our Executive Directors and/ or key senior management simultaneously, or within a short time span, without suitable and timely replacements, or our inability to attract and retain qualified and competent personnel or integrate new personnel, could adversely affect the business operations, financial performance and the future growth of our Group. For FYE 2022 to 2024, FPE 2025 and up to LPD, we have not encountered any unexpected incidence of loss of personnel from our management team simultaneously or within a short period of time. However, there can be no assurance that the loss of members of our management team simultaneously or within a short period of time may not occur in the future and that we will be able to find a suitable replacement in a timely manner, which may in turn have a material adverse impact on our operations, financial performance and the future growth of our business.

9.1.5 Our financial performance may be adversely affected in the event of early termination or non-renewal of our exclusive service and management agreement with Entity T

We had on 3 April 2023, entered into an exclusive service and management agreement with Entity T for the development, preparation, administration, management and maintenance of indoor digital media platforms, as well as to carry out the activities of media advertising through the management of advertising space or air-time-slots of the indoor digital media platforms in all outlets of the Statutory Body related to Entity T nationwide. As at LPD, there are 107 outlets nationwide, and we manage the media advertising space and air-time-slots of the indoor digital media of all outlets. Our current agreement with Entity T is effective for a period of 3 years from 13 April 2023, and is renewable for another 3 years upon expiry depending on the performance of the advertising revenue received. Entity T agrees not to enter into a similar agreement with a third party during the term of the exclusive service and management agreement. This exclusive obligation applies solely to Entity T and does not restrict our Group from entering into similar arrangements with other parties.

Through this agreement, we generated revenue of RM3.3 million, RM4.4 million and RM2.9 million in FYE 2023, FYE 2024 and FPE 2025, representing 16.6%, 14.8% and 13.3% of our total revenue respectively. Of this amount, RM0.3 million in FYE 2023, RM0.6 million in FYE 2024 and RM0.2 million in FPE 2025, was directly contributed by Entity T from advertisement sales facilitated by them, while the remaining RM3.0 million in FYE 2023, RM3.8 million in FYE 2024 and RM2.7 million in FPE 2025 was derived from advertising fees collected from various customers for air-time slots on the indoor digital media platforms located in all outlets of the Statutory Body related to Entity T nationwide. In the event of early termination, or non-renewal of our service and management agreement upon its expiry in 2026, our financial performance may be adversely affected.

Further, our financial performance may also be affected should there be any revision in the allocation of consideration between Entity T and our Group pursuant to the expiry and renewal of our agreement. For illustration, assuming our allocation of consideration from Entity T is reduced by 10% for FPE 2025, our GP would decrease by approximately RM7,800. This represents a reduction of approximately 0.1% of our Group's total GP for FPE 2025, and a marginal decline in our GP margin from 35.44% to 35.41%.

9. RISK FACTORS (Cont'd)**9.1.6 Our intellectual property rights may be infringed and/ or we may inadvertently infringe on third party's intellectual property rights**

We retain the ownership rights of our 'SBS' and 'ShangHai' brand. There are possibilities that the intellectual property rights of our 'SBS' and 'ShangHai' brand and services may be infringed by third party(ies). Further, as our services involve creative works, there are also possibilities that we could inadvertently infringe intellectual property rights held by third party(ies). This would result in the risk of the third party challenging our Group's intellectual property rights or taking legal action against us.

There is no assurance that any of the above incidents will be resolved in our favour. In the event that we are unsuccessful in pursuing any action against third party infringers, or a third party has successfully established that we have infringed its intellectual property, we may suffer loss arising from financial penalties and/ or litigation costs. We may also be exposed to other risks such as adverse reputation which may impact our financial performance. For FYE 2022 to 2024, FPE 2025 and up to LPD, our Group has not encountered any incidences relating to the infringement of our intellectual property rights, or our Group infringing on the intellectual property rights held by third party(ies).

9.1.7 We may be exposed to the risk of data security breaches

Our customers who engage our mobile and web-based applications, and website development services may have their personal information, customer information and all data generated stored on third party cloud platform(s). Storage of data electronically may expose our database to external security threats such as malware attacks, hacking, espionage or cyber intrusions, as well as internal security breaches which include unauthorised access to restricted information by our employees.

Further, under the Personal Data Protection Act 2010, any service provider that collects customer information has the responsibility to adopt and implement a policy that protects the privacy of identifiable information. Failure to protect our customers' information from security breaches may result in the termination of services by our customers as well as exposure to legal action by the customers for breach of confidentiality including, but not limited to, lawsuits for damages arising from such breaches, which could adversely affect our business reputation.

While we and third party cloud solution providers have taken the necessary measures to minimise the risk of potential security breaches such as the usage of firewalls and regular vulnerability tests, there can be no assurance that there will not be cases of security breaches in the future which could lead to adverse impact to our Group's business reputation or financial performance. Since the commencement of our business and up to LPD, we have not encountered any incidences of data security breaches which led to leakages of customers' information.

9. RISK FACTORS *(Cont'd)*

9.1.8 We rely on the availability of creative talents and IT personnel for the provision of our services

The provision of our services is dependent on the availabilities of creative talents with the relevant expertise comprising graphic design, content creation and video production, as well as IT personnel. As at LPD, we have a total of 8 creative talents with the abovementioned expertise and 3 IT personnel (including Lai Kian Chuan, our Head of Digital), which accounted for 25.0% of our workforce. Further, as we continue to grow our business, we will be required to hire more creative talents and IT personnel to cater to the demand for our services. As detailed in Sections 4.9.1(b) and 7.17.1(c), we intend to hire 50 additional new employees, of which 27 of them comprise employees with expertise in content creation, graphic design, video production or IT.

Hence, our ability to retain and attract competent creative talents and IT personnel is crucial for our continued success, future business growth and expansion, as well as to reduce our dependency on third party services providers. A significant loss of such employees and our inability to find suitable replacements in a timely and cost-efficient (i.e. at competitive salary rates which are within our hiring budget) manner may cause disruptions to our deliverables, as well as our ability to secure more sales. Further, delays to our delivery schedules may lead to dissatisfaction from our customers and may impact our business reputation and ability to secure sales from these customers in the future. Additionally, we may lose our competitive edge if we are unable to recruit competent creative talents and IT personnel to support our planned expansion.

For FYE 2022 to 2024, FPE 2025 and up to LPD, our Group has not encountered instances whereby we face resource constraints of creative talents and IT personnel, or that we are unable to hire creative talents and IT personnel in a timely manner, which led to delays in the delivery, and/ or quality, of our services to customers. Nevertheless, there is no assurance that such incidence will not occur in the future, and that it will not impact our business reputation and/ or financial performance.

9.1.9 We may not be able to successfully implement our business strategies

Our business strategies are as follows:

- (a) We intend to relocate to a larger office as our new headquarters in anticipation of our business expansion;
- (b) We intend to purchase new equipment as part of our new headquarters expansion plan;
- (c) We intend to expand our customer based through offering our branding and marketing solutions to the Malay-speaking SME community;
- (d) We intend to further enhance our brand recognition through increasing our branding and marketing activities in Malaysia; and
- (e) We intend to further grow our mobile and web-based applications, and website development business to capture opportunities arising from the demand for digitalisation.

Please refer to Section 7.17 for further information on our business strategies and prospects.

9. RISK FACTORS (Cont'd)

The implementation of our business strategies may require higher capital expenditures, operational expenditures and other working capital requirements than initially planned or anticipated, which will increase our Group's overall operational cost, including overhead costs. We may also not be able to secure sufficient funding and/ or bank borrowings in addition to the gross proceeds from the Public Issue. This may result in an adverse impact to our profitability if we are unable to gain sufficient revenue following the execution of our business strategies. In addition, if our existing and proposed expansion plans are not completed within budget, this may adversely affect our Group's financial performance as well as our ability to pursue other growth opportunities.

There can be no assurance that the effort and expenditure spent on the execution of our business strategies will yield expected results in expanding our business. We are also not able to guarantee the successful implementation of our business strategies, nor can we assure that we will be able to anticipate the business and operational risks arising from our future plans and strategies. In the event of such failure, our business operations and financial performance may be adversely impacted.

9.1.10 We are exposed to credit risks and default payment by customers

We generally grant our customers credit periods ranging from cash term to 90 days from the date of invoice. Our customers have varying degrees of credit risk profiles which exposes us to the risk of default in payment by them. In the event that payment is not received within the credit period or there is a default in payment by our customers, we may provide impairment loss on trade receivables or write off trade receivables as bad debts, which may adversely affect our financial performance.

Our net loss/ reversal on impairment of financial assets for FYE 2022 to 2024 and FPE 2025 are as follows:

	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000
Net (loss)/ reversal on impairment of financial assets	(613)	12	(491)	631

As at LPD, trade receivables past due but not impaired amounted to approximately RM27,000 or 0.2% of our total trade receivables as at 30 June 2025. Please refer to Section 12.2.2(e) for further details on our impairment loss on trade receivables.

Save for a bad debt amounting to RM20,000 that was written off in FYE 2022 which mainly arose from a non-refundable deposit paid by our Group for a deliverable that was subsequently cancelled, there was no other trade receivables that was written off as bad debts for FYE 2022 to 2024 and FPE 2025. Nevertheless, there can be no assurance that any delay or failure in receiving payments from our customers in the future may not result in trade receivables being written off as bad debts, which could adversely impact our financial performance.

9. RISK FACTORS (Cont'd)

9.1.11 We are subject to the risk of inadequate insurance coverage

As at LPD, our Group maintains fire insurance to protect against losses and liabilities to our existing headquarters in Bandar Sri Damansara.

For FYE 2022 to 2024, FPE 2025 and up to LPD, we have not encountered any incidence for which our insurance coverage is insufficient to cover the damages, losses and liabilities incurred which resulted in material adverse impact on our financial performance. However, there is no assurance that our insurance coverage may be adequate in all circumstances to cover the losses, damages or liabilities that may arise in connection with our Group's operations, or that we will be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. Further, we do not have insurance coverage for certain risks such as political risks, terrorism or war. Moreover, we are subject to the risk that, in future, we may not be able to maintain or obtain insurance of the type and amount we desire at reasonable rates. If we suffer a loss or incur a liability arising from insufficiently insured risk or any uninsured risk, the costs incurred may adversely affect our financial performance.

9.2 RISKS RELATING TO OUR INDUSTRY

9.2.1 We face competition within the branding and marketing industry

We operate in a competitive industry and we face competition from existing industry players and new market entrants, in terms of service quality, pricing, range of service offerings, technical competence, brand name, customer service and timely delivery, among others. In addition, industry players are continuously seeking ways to compete with one another, often by improving service quality and range of service offerings.

According to the IMR report, our Group captured a market share of 0.34% and 0.31% in FYE 2024 in the offline branding solutions market and the digital branding solutions market in Malaysia, respectively. Failure to remain competitive in the industry may lead to reduced sales, as well as the ability to attract new customers, which may adversely impact our Group's financial performance. Whilst we strive to remain competitive, there can be no assurance that any changes in the competitive environment would not have any material and adverse impact on our business and financial performance.

9.2.2 We are subject to risk relating to the economic, political and/ or legal environment in the markets in which we operate

Any development in the political, economic and regulatory environment in Malaysia could materially or adversely affect our business operations and financial performance. Such developments include, but are not limited to, changes in political leadership, general economic and business conditions, fluctuations in foreign exchange rates and interest rates, acts of terrorism, riots, expropriation, nationalisation, changes in fiscal and monetary policies of the Government such as inflation, deflation, methods of taxation, tax policies (including sales and services tax, excise duties and tariffs), foreign worker levy and exchange control measures, unemployment trends, deterioration of international bilateral relationships, outbreak of diseases and other matters that influence consumer confidence and spending. Further, our Group could also be affected by new laws, regulations, and guidelines that are introduced to govern business activities whether in general or specific to the branding and marketing industry.

Any unfavourable changes or adverse developments in one or more of the abovementioned developments and/ or conditions may have a material adverse effect on our business operations and financial performance.

9. RISK FACTORS (Cont'd)

9.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

9.3.1 There is no prior market for our Shares

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

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

9.3.2 There may be a potential delay to or cancellation of our Listing

Our Listing may be aborted or delayed due to possible occurrences of certain events, which include, among others, the following:

- (a) the selected investors fail to subscribe for the portions of our IPO Shares;
- (b) our Underwriter exercises its rights under the Underwriting Agreement to discharge itself from its obligations therein;
- (c) we are unable to meet the minimum public shareholding spread requirement under the Listing Requirements, whereby at least 25.0% of our total number of Shares for which our Listing is sought must be held by a minimum number of 200 public shareholders each holding not less than 100 Shares at the point of our Listing; and/ or
- (d) the revocation of the approvals from the relevant authorities for our Listing for whatever reason.

If any of these events occur, 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 10.0% 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 and/ or terminated, and our Shares have been allotted to the investors, a return of monies to the investors could only be achieved by way of cancellation of share capital as provided under Sections 116 or 117 of the Act and its related rules. Such cancellation requires the approval of shareholders by special resolution in a general meeting, with sanction of the High Court of Malaya or with notice to be sent to the Director General of the IRB and ROC within 7 days of the date of the special resolution, and us 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.

9. RISK FACTORS (Cont'd)

9.3.3 The trading and performance of our Shares following our Listing is subject to fluctuations

Upon completion of our Listing, the trading price of our Shares could be subject to significant fluctuation due to factors specific to our Group or industry in which our Group is operating. Some factors may not be within our control and are unrelated or disproportionate to our financial results. These factors may include, among others, variations in the results of our operations, changes in analyst's recommendations or projections, changes in general market conditions and broad market fluctuations.

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

9.4 OTHER RISKS
9.4.1 Our Promoters will be able to exert significant influence over our Company

Our Promoters will collectively hold approximately 56.5% of our enlarged share capital upon Listing. As a result, they will be able to effectively control the business direction and management of our Group and as such there can be no assurance that the interests of our Promoters will be aligned with those of our other shareholders. The interests of our Promoters may differ from the interests of our other shareholders and they may be able to exercise significant influence over the vote of our Shares. Our Promoters could also have significant influence in determining the outcome of any corporate transactions or other matters submitted to our shareholders for approval. This includes the election of Directors, approval of business ventures and having substantial voting control over our Group. As such, our Promoters will have a deciding vote on the outcome of any ordinary resolution (which requires a simple majority of 50% plus 1 voting share) to be tabled at general meeting, unless they are required to abstain from voting by law, relevant guidelines or regulations.

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10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

Save for the Acquisition, Distribution and as disclosed below, there were no transactions, existing and/ or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our Directors, substantial shareholders and/ or persons connected with them which are material to our Group during FYE 2022 to 2024, FPE 2025 and up to LPD:

Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										1 July 2025 up to LPD	
					FYE 2022		FYE 2023		FYE 2024		FPE 2025					
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
Hyper Media ⁽⁴⁾	SBS Digital Holdings, SBS Events, SBS Social and Shanghai Media	Piah Yee Ling	Lim Yent Lan, mother of Piah Yee Ling, was a director and shareholder of Hyper Media	Provision of out-of-home media services and online marketing services such as social media marketing and Google marketing	1,211	⁽¹⁾ 10.4	121	⁽¹⁾ 0.6	-	-	-	-	-	-		
	SBS Digital Holdings, SBS Events and Shanghai Media		Piah Yee Ling is our Executive Director, Promoter and substantial shareholder	Tele-marketing fees	(353)	⁽²⁾ 5.7	-	-	-	-	-	-	-	-		
	SBS Digital Media			Advances from Hyper Media to SBS Digital Media	200	⁽³⁾ 13.7	80	⁽³⁾ 1.3	-	-	-	-	-	-		
	SBS Digital Media			Repayment to Hyper Media from SBS Digital Media	-	-	(120)	⁽³⁾ 2.0	-	-	-	-	-	-		

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Transacting company in our Group	Interested person		Nature of relationship	Nature of transaction	Transaction value								1 July 2025 up to LPD	
						FYE 2022		FYE 2023		FYE 2024		FPE 2025			
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Hotpaper Media ⁽⁴⁾	SBS Digital Holdings, SBS Digital Media and SBS Social	Piah Ling	Yee	Lim Yent Lan, mother of Piah Yee Ling, was the owner of Hotpaper Media	Provision of out-of-home media services	467	(1)4.0	261	(1)1.3	-	-	-	-	-	-
	SBS Social			Piah Yee Ling is our Executive Director, Promoter and substantial shareholder	Provision of sticker installation services	-	-	(8)	(2)0.1	-	-	-	-	-	-
	SBS Social				Advances from Hotpaper Media to SBS Social	-	-	2	(3)<0.1	-	-	-	-	-	-
	SBS Digital Holdings				Repayment from Hotpaper Media to SBS Digital Holdings	14	(3)1.0	-	-	-	-	-	-	-	-
	SBS Digital Holdings				Expenses paid on behalf of Hotpaper Media by SBS Digital Holdings for administrative expenses	(5)	(3)0.3	-	-	-	-	-	-	-	-
Soldgo ⁽⁵⁾	SBS Digital Media, SBS Media Tech and SBS Social	Piah Ling	Yee	Lim Yent Lan, mother of Piah Yee Ling, was a director and shareholder of Soldgo	Provision of online marketing services such as social media marketing and Google marketing	363	(1)3.1	560	(1)2.8	-	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value								1 July 2025 up to LPD	
					FYE 2022		FYE 2023		FYE 2024		FPE 2025			
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
	SBS Digital Media		Piah Yee Ling is our Executive Director, Promoter and substantial shareholder	Advances from Soldgo to SBS Digital Media	-	-	80	(3)1.3	-	-	-	-	-	-
Felement Sdn Bhd ⁽¹³⁾	SBS Digital Holdings, SBS Digital Media, SBS Media Tech, SBS Social and Shanghai Media	Datin Cheah Siew Ling	Datin Cheah Siew Ling, is a director and shareholder of Felement Sdn Bhd	Provision of out-of-home media services and website development services	8	(1)<0.1	208	(1)1.0	12	(1)<0.1	(12)6	(1)<0.1	-	-
	Shanghai Media		Datin Cheah Siew Ling, is a director and was a shareholder of Shanghai Media	Purchase of event materials	-	-	(3)	(2)<0.1	-	-	-	-	-	-
MK Magnet Sdn Bhd ⁽¹⁴⁾	SBS Digital Holdings, SBS Digital Media and SBS Social	Piah Ling Yee	Piah Ken Fatt, brother of Piah Yee Ling, is a director and shareholder of MK Magnet Sdn Bhd	Provision of out-of-home media services ⁽¹⁰⁾	101	(1)0.9	10	(1)0.1	12	(1)<0.1	6	(1)<0.1	-	-
	SBS Digital Holdings, SBS Digital Media, SBS Events and Shanghai Media			Purchase of magnets and event materials ⁽¹⁰⁾	(2)	(2)<0.1	(5)	(2)0.1	(8)	(2)<0.1	(7)	(2)<0.1	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value								1 July 2025 up to LPD	
					FYE 2022		FYE 2023		FYE 2024		FPE 2025			
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
	SBS Digital Media		Piah Yee Ling is our Executive Director, Promoter and substantial shareholder	Advances from MK Magnet Sdn Bhd to SBS Digital Media	9	(3)0.6	-	-	-	-	-	-	-	-
	SBS Digital Holdings and SBS Digital Media			Repayment to MK Magnet Sdn Bhd from SBS Digital Holdings and SBS Digital Media	(8)	(3)0.5	(2)	(3)<0.1	-	-	-	-	-	-
GUH Properties Sdn Bhd	SBS Digital Holdings	Datuk H'ng Tee	Seri Bak	Datuk Seri H'ng Bak Tee is our Independent Non-Executive Chairman and Chief Executive Officer/ Group Managing Director of GUH Holdings Berhad	-	-	-	-	3	(1)<0.1	-	-	-	-
				GUH Properties Sdn Bhd is a wholly-owned subsidiary of GUH Holdings Berhad										

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Transacting company in our Group	Interested person		Nature of relationship	of	Nature of transaction	Transaction value								1 July 2025 up to LPD		
							FYE 2022		FYE 2023		FYE 2024		FPE 2025				
							RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	
WP Dynasty Sdn Bhd ⁽⁶⁾	SBS Digital Holdings and SBS Digital Media	Wong Mun Pia	Chun and Yee Ling	Wong and Pia	Chun and Yee	Mun Yee were directors and shareholders of WP Dynasty Sdn Bhd	Advances to WP Dynasty Sdn Bhd by SBS Digital Holdings and SBS Digital Media	(34)	(3)2.3	(13)	(3)0.2	-	-	-	-	-	-
	SBS Digital Holdings and SBS Digital Media			Wong and Pia	Chun and Yee	Mun Yee are our Managing/Executive Directors, Promoters and substantial shareholders	Repayment from WP Dynasty Sdn Bhd to SBS Digital Holdings and SBS Digital Media	1,006	(3)68.8	18	(3)0.3	-	-	-	-	-	-
	SBS Digital Holdings and SBS Digital Media						Expenses paid on behalf of WP Dynasty Sdn Bhd by SBS Digital Holdings and SBS Digital Media for professional fees	(20)	(3)1.4	(5)	(3)0.1	-	-	-	-	-	-
SBS Group Holdings Berhad ⁽⁷⁾	SBS Events and SBS Social	Wong Mun Pia	Chun and Yee Ling	Wong and Pia	Chun and Yee	Mun Yee were directors and shareholders of SBS Group Holdings Berhad	Repayment to SBS Group Holdings Berhad by SBS Events and SBS Social	-	-	(107)	(3)1.8	-	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value								1 July 2025 up to LPD	
					FYE 2022		FYE 2023		FYE 2024		FPE 2025		RM'000	%
					RM'000	%	RM'000	%	RM'000	%	RM'000	%		
	SBS Digital Holdings and SBS Digital Media		Wong Chun Mun and Piah Yee Ling are our Managing/ Executive Directors, Promoters and substantial shareholders	Repayment from SBS Group Holdings Berhad to SBS Digital Holdings and SBS Digital Media	*	(3)<0.1	95	(3)1.6	-	-	-	-	-	-
	SBS Digital Media			Expenses paid on behalf of SBS Group Holdings Berhad by SBS Digital Media for professional fees	(6)	(3)0.4	-	-	-	-	-	-	-	-
WP Agro Sdn Bhd ⁽⁸⁾	SBS Social	Wong Chun Mun, Piah Yee Ling, Warren Cheng and Lim Cheng Yong ⁽⁹⁾	Wong Chun Mun, Piah Yee Ling, Warren Cheng and Lim Cheng Yong were directors and shareholders of WP Agro Sdn Bhd	Advances to WP Agro Sdn Bhd by SBS Social	(29)	(3)2.0	-	-	-	-	-	-	-	-
	SBS Digital Media and SBS Social			Repayment from WP Agro Sdn Bhd to SBS Digital Media and SBS Social	87	(3)6.0	-	-	-	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										1 July 2025 up to LPD	
					FYE 2022		FYE 2023		FYE 2024		FPE 2025					
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
			Wong Chun Mun, Piah Yee Ling and Warren Cheng are our Managing/ Executive Directors, Promoters and substantial shareholders													
			Lim Cheng Yong is our Chief Business Officer and substantial shareholder													
Novus Media	SBS Social and SBS Digital Media	Low Kok Yew	Low Kok Yew is the director and shareholder of Novus Media	Billboard rental fees paid to Novus Media	-	-	-	-	(201)	⁽²⁾ 1.8	-	-	-	-		
	SBS Media Tech		Low Kok Yew was SBS Digital Holdings' substantial shareholder ⁽¹¹⁾	Provision of website development to Novus Media	-	-	-	-	20	⁽¹⁾ 0.1	-	-	-	-		

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value								1 July 2025 up to LPD	
					FYE 2022		FYE 2023		FYE 2024		FPE 2025			
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Wong Chun Mun	SBS Digital Holdings, SBS Digital Media, SBS Events and SBS Social	Wong Chun Mun	Wong Chun Mun is our Managing Director/ Chief Executive Officer, Promoter and substantial shareholder	Advances from Wong Chun Mun to SBS Digital Holdings, SBS Digital Media, SBS Events and SBS Social	3,445	(3)235.6	3,399	(3)56.2	590	(3)6.8	-	-	-	-
	SBS Digital Holdings, SBS Digital Media and SBS Events			Advances to Wong Chun Mun by SBS Digital Holdings, SBS Digital Media and SBS Events	(628)	(3)43.0	(1,738)	(3)28.8	(2,469)	(3)28.6	-	-	-	-
	SBS Digital Holdings, SBS Digital Media, SBS Events and SBS Social			Repayment from Wong Chun Mun to SBS Digital Holdings, SBS Digital Media, SBS Events and SBS Social	1,552	(3)106.2	2,785	(3)46.1	2,471	(3)28.6	-	-	-	-
	SBS Digital Holdings, SBS Digital Media, SBS Events and SBS Social			Repayment to Wong Chun Mun by SBS Digital Holdings, SBS Digital Media, SBS Events and SBS Social	(1,641)	(3)112.2	(5,442)	(3)90.0	(596)	(3)6.9	-	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value								1 July 2025 up to LPD		
					FYE 2022		FYE 2023		FYE 2024		FPE 2025				
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	
	SBS Digital Media and SBS Social			Expenses paid on behalf of Wong Chun Mun by SBS Digital Media and SBS Social for administrative expenses	-	-	(45)	(3)0.7	(2)	(3)<0.1	-	-	-	-	
	SBS Digital Holdings, SBS Digital Media and SBS Social			Expenses paid on behalf by Wong Chun Mun to SBS Digital Holdings, SBS Digital Media and SBS Social for administrative expenses	35	(3)2.4	-	-	5	(3)<0.1	-	-	-	-	
Piah Yee Ling	SBS Digital Holdings, SBS Digital Media, SBS Social, SBS Events and Shanghai Media	Piah Ling	Yee	Piah Yee Ling is our Executive Director, Promoter and substantial shareholder	Advances from Piah Yee Ling to SBS Digital Holdings, SBS Digital Media, SBS Social, SBS Events and Shanghai Media	2,542	(3)173.9	2,438	(3)40.3	121	(3)1.4	-	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value								1 July 2025 up to LPD	
					FYE 2022		FYE 2023		FYE 2024		FPE 2025			
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
	SBS Digital Holdings, SBS Digital Media, SBS Events and SBS Social			Advances to Piah Yee Ling by SBS Digital Holdings, SBS Digital Media, SBS Events and SBS Social	(120)	(3)8.2	(653)	(3)10.8	(2,040)	(3)23.6	-	-	-	-
	SBS Digital Holdings, SBS Digital Media and SBS Events			Repayment from Piah Yee Ling to SBS Digital Holdings, SBS Digital Media and SBS Events	687	(3)47.0	492	(3)8.1	2,090	(3)24.2	-	-	-	-
	SBS Digital Holdings, SBS Digital Media, SBS Social and Shanghai Media			Repayment to Piah Yee Ling from SBS Digital Holdings, SBS Digital Media, SBS Social and Shanghai Media	(1,211)	(3)82.8	(3,675)	(3)60.8	(124)	(3)1.4	-	-	-	-
	SBS Digital Media, SBS Social and SBS Events			Expenses paid on behalf of Piah Yee Ling by SBS Digital Media, SBS Social and SBS Events for administrative expenses	(56)	(3)3.8	(27)	(3)0.4	(50)	(3)0.6	-	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										1 July 2025 up to LPD	
					FYE 2022		FYE 2023		FYE 2024		FPE 2025					
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
	SBS Social			Expenses paid on behalf by Piah Yee Ling to SBS Social for payment to suppliers	-	-	792	(3)13.1	-	-	-	-	-	-		
Warren Cheng	SBS Social	Warren Cheng	Warren Cheng is our Promoter, Executive Director/ Chief Operating Officer and substantial shareholder	Advances from Warren Cheng to SBS Social	300	(3)20.5	-	-	5	(3)<0.1	-	-	-	-		
	SBS Social			Advances to Warren Cheng by SBS Social	(295)	(3)20.2	(6)	(3)0.1	(7)	(3)<0.1	-	-	-	-		
	SBS Social			Repayment from Warren Cheng to SBS Social	-	-	255	(3)4.2	-	-	-	-	-	-		
	SBS Social			Repayment to Warren Cheng by SBS Social	(6)	(3)0.4	(220)	(3)3.6	(5)	(3)<0.1	-	-	-	-		
	SBS Social			Expenses paid on behalf by Warren Cheng to SBS Social for purchase of laptop	-	-	9	(3)0.1	-	-	-	-	-	-		

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

Notes:

* Represents less than RM1,000.

(1) Calculated based on our Group's revenue for each of the respective financial years/ period under review.

(2) Calculated based on our Group's cost of sales for each of the respective financial years/ period under review.

(3) Calculated based on the Group's NA for each of the respective financial years/ period under review.

(4) On 1 March 2021, Hyper Media was incorporated under the Act by Lim Yent Lan (held 100.0% shareholding) and is principally involved in online marketing services and digital-out-of-home media services. Upon incorporation, she was appointed as the sole director of Hyper Media and was responsible for the day-to-day operations.

On 1 March 2022, Lim Yent Lan set up a sole proprietorship namely Hotpaper Media to undertake provision of out-of-home media services and was responsible for the day-to-day operations of the company.

As she sought to transition into retirement, she disposed both Hyper Media and Hotpaper Media on 23 August 2023 and 16 August 2023 respectively to Chew Ee Hun (a non-related party) for a nominal disposal consideration of RM1 respectively, based on the adjusted net liabilities after deduction of bank balances of Hyper Media as at 30 June 2022 of RM182,890, and based on net liabilities of Hotpaper Media as at 31 December 2022 of RM206,366. Pursuant to the disposals, she (i) resigned as a director of Hyper Media on 23 August 2023; and (ii) transferred ownership of Hotpaper Media to Chew Ee Hun on 16 August 2023. Thereafter, Hyper Media and Hotpaper Media ceased to be our related party.

(5) On 31 May 2021, Lim Yent Lan acquired 100.0% shareholdings in Soldgo (then dormant) from its subscriber shareholders. Upon acquisition, the company commenced operations with the provision of digital-out-of-home media services. Lim Yent Lan was responsible for the day-to-day operations of Soldgo.

On 29 December 2022, SBS Digital Holdings entered into a conditional share sale agreement to purchase the entire shareholdings of Soldgo from Lim Yent Lan, for a purchase consideration of RM300,000. The purchase consideration was arrived at based on inter-alia, guaranteed PAT of at least RM300,000 for FYE 30 April 2023. The purchase consideration would be paid conditional upon Soldgo achieving the guaranteed PAT of RM300,000. However, as Soldgo was unable to meet the guaranteed PAT of RM300,000, the acquisition of Soldgo was terminated on 30 September 2023. On 5 October 2023, Lim Yent Lan disposed her entire shareholdings to Chew Ee Xuen (a non-related party), for a nominal disposal consideration of RM1, based on net liabilities of Soldgo as at 30 April 2023 of RM167,927. On even date, Lim Yent Lan resigned as director of Soldgo. Thereafter, Soldgo ceased to be our related party.

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

- (6) Principally involved in property investment.
- (7) Dissolved on 9 September 2024, was dormant prior to its dissolution. This company was intended to be a property investment holding company.
- (8) A dormant company, previously principally involved in investment holding of shares in a company involved in agricultural activities.
- (9) Wong Chun Mun, Piah Yee Ling, Warren Cheng and Lim Cheng Yong resigned as directors of WP Agro Sdn Bhd on 24 October 2023 and subsequently disposed of their entire shareholdings on 10 November 2023 in WP Agro Sdn Bhd to Law Chun Keong @ Wong Chun Keong (brother of Wong Chun Mun). The disposal consideration of RM4 was arrived based on WP Agro Sdn Bhd's shareholders deficit of RM9,855 as at 30 June 2023. Subsequently, WP Agro Sdn Bhd has been dissolved on 21 April 2025.
- (10) This transaction is expected to continue to subsist after our Listing.
- (11) Low Kok Yew had on 9 September 2023 joined SBS Digital Holdings shareholdings as a 7.0% passive shareholder. Due to health reasons, Low Kok Yew sold his entire 7.0% shareholdings in SBS Digital Holdings to Wong Chun Mun for a purchase consideration of RM700,000 on 21 April 2025. The purchase consideration was arrived at a "willing-buyer willing-seller" based on a 15.3% premium of the audited NA of SBS Digital Holdings as at 31 December 2024 of RM8.7 million.
- (12) The last transaction with Felement Sdn Bhd was on 17 March 2025 and will not subsist after our Listing.
- (13) Principally involved in the retail and distribution of perfumes, cosmetics and other skin products.
- (14) Principally involved in manufacturing and printing of magnets.

Save for the provision of out-of-home media services to MK Magnet Sdn Bhd and the purchase of magnets and event materials from MK Magnet Sdn Bhd which are recurrent and will continue to subsist after our Listing as stated in Note (10) above, the other related party transactions as set out above will not subsist after our Listing.

The transactions in relation to advances and payments on behalf between our Group and our related parties were not conducted on arm's length basis as they were interest free. However, all such transactions have been fully settled as at LPD. Moving forward, we will not receive any advances/ payment on behalf from/ to our related parties, nor provide any advances/ payment on behalf to our related parties.

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

Save for the above, our Board is of the view that all our Group's related party transactions were conducted on an arm's length basis and on competitive commercial terms not more favourable to our Group's related parties, on the following basis:

- (a) Provision of out-of-home media services, online marketing services and website development services by our Group were based on comparable rates charged to other third party customers;
- (b) Procurement of tele-marketing services were based on the comparable quotations obtained from third parties;
- (c) Procurement of sticker installation services were based on the comparable quotations obtained from third parties;
- (d) Procurement of billboard rental fees were based on the comparable quotations obtained from third parties;
- (e) Purchase of magnets and event materials was based on the prevailing market rates at the time of purchase; and
- (f) Provision of banner installation services were based on comparable rates charged to other third parties.

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10. RELATED PARTY TRANSACTIONS (Cont'd)

Moving forward, in order to ensure that related party transactions are undertaken on arm's length basis and on normal commercial terms, we have established the following procedures:

(a) Recurrent related party transactions

- (i) at least 2 other contemporaneous transactions with third parties for similar products and/ or quantities will be used as comparison, wherever possible, to determine if the price and terms offered by related parties are fair and reasonable and comparable to those offered by other third parties for the same or substantially similar type of products/ services and/ or quantities; or
- (ii) if quotation or comparative pricing from third parties cannot be obtained, the transaction price will be determined by our Group based on those offered by other third parties for substantially similar type of transaction to ensure that the recurrent related party transactions are not detrimental to us.

Our Board shall seek mandate from shareholders to enter into any recurrent related party transactions at a general meeting. Due to its time-sensitive nature, the shareholders' mandate will enable us to enter into such recurrent transactions which are transacted in our ordinary course of business without having to convene numerous general meetings to approve such recurrent transactions as and when they are entered into.

(b) Other related party transactions

- (i) whether the terms of the related party transaction are fair and on arm's length basis to our Group and would apply on the same basis if the transaction did not involve a related party;
- (ii) the rationale for our Group to enter into the related party transaction and the nature of alternative transactions, if any; and
- (iii) whether the related party transaction would present a conflict of interest between our Group and the related parties, taking into account the size of the transaction and the nature of the related parties' interest in the transaction.

Where required under the Listing Requirements, a related party transaction may require prior approval of shareholders at a general meeting to be convened. An independent adviser may be appointed to comment as to whether the related party transaction is fair and reasonable so far as the shareholders are concerned; and whether the transaction is to the detriment of minority shareholders. In such instances, the independent adviser shall also advise minority shareholders on whether they should vote in favour of the transaction.

For related party transactions that require shareholders' approval, our Directors, major shareholders and/ or persons connected with such Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/ or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or major shareholder concerned will also abstain from voting in respect of his direct and/ or indirect shareholdings. Such interested Directors and/ or major shareholders will also undertake that he shall ensure that the persons connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting. The relevant directors who are deemed interested or conflicted in such transactions shall also abstain from our Board deliberations and voting on the Board resolutions relating to these transactions.

10. RELATED PARTY TRANSACTIONS (Cont'd)

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Management Committee will, amongst others, supervise and monitor any related party transaction and the terms thereof and report to our Board for further action. If a member of our Audit and Risk Management Committee has an interest in any related party transaction, he is to abstain from participating in the review and approval process in relation to that transaction. Where necessary, our Board would make appropriate disclosures in our annual report with regard to any related party transaction entered into by us.

10.2 OTHER TRANSACTIONS**10.2.1 Transactions entered into that are unusual in their nature or conditions**

There were no transactions that were unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party for FYE 2022 to 2024, FPE 2025 and up to LPD.

10.2.2 Outstanding loans (including guarantees of any kind)**(a) Outstanding loans and/ or balances**

As at LPD, there are no outstanding loans made by our Group to/ for the benefit of a related party or granted by the related parties for the benefit of our Group.

(b) Guarantees

As at LPD, the following individuals have jointly and severally provided personal guarantees and SBS Digital Holdings has provided corporate guarantees for the banking and hire purchase facilities extended by the following financial institutions ("**Financiers**"):

Financiers	Type of facilities	Outstanding balance as at	Facility limit	Guarantor
		LPD		
		RM'000	RM'000	
CIMB Bank Berhad	• 1 term loan	189	500	• Wong Chun Mun • Piah Yee Ling
CIMB Islamic Bank Berhad	• 1 term loan	243	565	• Wong Chun Mun • Piah Yee Ling
Alliance Bank Malaysia Berhad	• 1 overdraft	1,462	1,500	• Wong Chun Mun
	• 1 term loan	2,131	2,175	• Piah Yee Ling • Warren Cheng • Lim Cheng Yong
	• 1 term loan	476	1,000	• Wong Chun Mun • Piah Yee Ling • Lim Cheng Yong
	• 1 term loan	241	500	• Wong Chun Mun • Piah Yee Ling • Warren Cheng

10. RELATED PARTY TRANSACTIONS (Cont'd)

Financiers	Type of facilities	Outstanding balance as at LPD	Facility limit	Guarantor
		RM'000	RM'000	
Maybank Berhad	Islamic • 1 term loan	381	500	• Wong Chun Mun • Piah Yee Ling • Warren Cheng
AmBank (M) Berhad	• 1 term loan	732	1,000	• Wong Chun Mun • Lim Cheng Yong • Warren Cheng • SBS Digital Holdings
	• 1 term loan	656	900	• Wong Chun Mun • Piah Yee Ling • SBS Digital Holdings
		6,511	8,640	

In conjunction with our Listing, we have applied to the Financiers to obtain a conditional consent for the release and/ or discharge of the personal guarantees by substituting the same with a corporate guarantee from our Company and/ or other securities from our Group acceptable to the Financiers. Until such release and/ or discharge are obtained from the respective Financiers, our Promoters and substantial shareholders will continue to guarantee the banking and hire purchase facilities extended to our Group.

We have obtained consent from all Financiers for the substitution of the said personal guarantees with corporate guarantees from our Company, to be completed as soon as practicable after our Listing.

10.2.3 Financial assistance provided for the benefit of a related party

As at LPD, there is no financial assistance provided by us for the benefit of any related party.

10.2.4 Transactions entered into with M&A Securities

Save as disclosed below, we have not entered into any transactions with M&A Securities who is the Adviser, Sponsor, Underwriter and Placement Agent for our Listing:

- (a) Agreement dated 4 August 2024 between SBS Digital Holdings and M&A Securities for the appointment of M&A Securities as Adviser, Sponsor, Underwriter and Placement Agent for our Listing; and
- (b) Underwriting Agreement dated 25 November 2025 entered into between our Company and M&A Securities for the underwriting of 41,650,000 Issue Shares.

11. CONFLICT OF INTEREST

11.1 INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND SUPPLIERS

As at LPD, none of our Directors and substantial shareholders has any interest, direct or indirect, in:

- (a) other businesses and corporations which are carrying on a similar trade as our Group; and
- (b) the business of our customers and suppliers.

It is our Directors' fiduciary duty to avoid conflict and in order to mitigate any possible conflict of interest situation, in the future, our Directors will declare to our Audit and Risk Management Committee and our Board their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our Audit and Risk Management Committee will then first evaluate if such Director's involvement gives rise to an actual or potential conflict of interest with our Group's business after the disclosure provided by such Director. After a determination has been made on whether there is an actual or potential conflict of interest of a Director, our Audit and Risk Management Committee will then:

- (a) immediately inform our Audit and Risk Management Committee and Board of the conflict of interest situation;
- (b) after deliberation with our Audit and Risk Management Committee, to make recommendations to our Board to direct the conflicted Director to:
 - (i) withdraw from all his executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director is an Executive Director); and
 - (ii) abstain from all Board deliberation and voting in the matter that has given rise to the conflict of interest.

In relation to (b)(ii) above, the conflicted Director and persons connected to him (if applicable) shall be absent from any Board discussion relating to the recommendation of our Audit and Risk Management Committee and the conflicted Director and persons connected to him (if applicable) shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may however at the request of the Chairman of our Board, be present at our Board meeting to answer any questions.

In circumstances where a Director is determined to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his fiduciary responsibility to our Group, our Audit and Risk Management Committee may determine that a resignation of the conflicted Director from our Board is appropriate and necessary.

Where there are related party transactions between our Group with our Directors (or person connected to them) or companies in which our Directors (or person connected to them) have an interest, our Audit and Risk Management Committee will, amongst others, supervise and monitor such related party transaction and the terms thereof and report to our Board for further action. Please refer to Section 10.1 for the procedures to be taken to ensure that related party transactions (if any) are undertaken on arm's length basis.

11. CONFLICT OF INTEREST (Cont'd)

11.2 DECLARATIONS OF CONFLICT OF INTEREST BY OUR ADVISERS

- (a) M&A Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Adviser, Sponsor, Placement Agent and Underwriter for our Listing;
- (b) Ong Eu Jin Partnership has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Solicitors for our Listing;
- (c) TGS TW PLT has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Auditors and Reporting Accountants for our Listing; and
- (d) Smith Zander has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as IMR for our Listing.

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12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

Our historical financial information throughout FYE 2022 to 2024 and FPE 2024 to 2025 have been prepared in accordance with MFRS and IFRS. The selected financial information included in this Prospectus is not intended to predict our Group's financial position, results and cash flows.

Our Group (other than SBS Media Tech, which was acquired in FYE 2023) are assumed under common control during FYE 2022 to 2024 and FPE 2024 and 2025 and are regarded as continuing entities. As such, the historical financial information of our Group for FYE 2022 to 2024 and FPE 2024 and 2025 is presented based on the combined financial statements of our Group. The financial statements of SBS Media Tech have been fully consolidated into our Group since the completion of its acquisition on 11 January 2023.

12.1.1 Combined statements of profit and loss and other comprehensive income

The following table sets out a summary of our combined statements of profit and loss and other comprehensive income for FYE 2022 to 2024 and FPE 2024 and 2025, which have been extracted from the Accountants' Report as set out in Section 13. It should be read with the "Management's Discussion and Analysis of Results of Operations and Financial Condition" and Accountants' Report set out in Sections 12.2 and 13 respectively.

	Audited			Unaudited	Audited
	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	11,602	19,946	29,924	12,735	21,760
Cost of sales	(6,171)	(8,698)	(14,969)	(5,809)	(14,048)
GP	5,431	11,248	14,955	6,926	7,712
Other income	556	337	548	56	1
Administrative expenses	(2,594)	(3,853)	(4,424)	(1,952)	(1,756)
Net (loss)/ reversal on impairment of financial assets	(613)	12	(491)	(420)	631
Other expenses	(20)	(16)	-	-	-
Profit from operations	2,760	7,728	10,588	4,610	6,588
Finance costs	(344)	(448)	(510)	(242)	(187)
PBT	2,416	7,280	10,078	4,368	6,401
Taxation	(646)	(1,720)	(2,479)	(978)	(1,696)
PAT/ Total comprehensive income	1,770	5,560	7,599	3,390	4,705
PAT/ Total comprehensive income attributable to:					
- Owners of our Company	1,583	5,560	7,599	3,390	4,705
- Non-controlling interests	187	-	-	-	-
	1,770	5,560	7,599	3,390	4,705
EBIT ⁽¹⁾	2,758	7,722	10,586	4,609	6,589
EBITDA ⁽¹⁾	2,914	8,484	10,953	4,765	6,692
GP margin (%) ⁽²⁾	46.8	56.4	50.0	54.4	35.4
PBT margin (%) ⁽³⁾	20.8	36.5	33.7	34.3	29.4
PAT margin (%) ⁽³⁾	13.6	27.9	25.4	26.6	21.6
Effective tax rate (%) ⁽⁴⁾	26.7	23.6	24.6	22.4	26.5
Basic EPS (sen) ⁽⁵⁾	0.4	1.5	2.1	0.9	1.3
Diluted EPS (sen) ⁽⁶⁾	0.3	1.1	1.6	0.7	1.0

12. FINANCIAL INFORMATION (Cont'd)**Notes:**

(1) EBIT and EBITDA are computed as follows:

	Audited			Unaudited	Audited
	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
PAT	1,770	5,560	7,599	3,390	4,705
Less:					
Interest income	(2)	(6)	(2)	(1)	*
Add:					
Finance costs	344	448	510	242	187
Taxation	646	1,720	2,479	978	1,697
EBIT	2,758	7,722	10,586	4,609	6,589
Add:					
Depreciation and amortisation	156	762	367	156	103
EBITDA	2,914	8,484	10,953	4,765	6,692

Note:

* Represents less than RM1,000.

- (2) Computed based on GP over revenue.
- (3) PBT and PAT margin are computed based on PBT and PAT attributable to the owners of our Company over revenue, respectively.
- (4) Computed based on taxation over PBT.
- (5) Computed based on PAT attributable to the owners of our Company over enlarged share capital of 367,500,000 Shares before our IPO.
- (6) Computed based on PAT attributable to the owners of our Company over enlarged share capital of 490,000,000 Shares after our IPO.

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12. FINANCIAL INFORMATION (Cont'd)**12.1.2 Combined statements of financial position**

The following table sets out the combined statements of financial position of our Group as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Results of Operations and Financial Condition" and Accountants' Report set out in Sections 12.2 and 13 respectively.

	Audited			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Assets				
Non-current assets				
Property, plant and equipment	2,296	2,656	2,285	2,258
Investment properties ⁽¹⁾	2,766	1,611	-	-
Intangible assets ⁽²⁾	150	1,098	1,000	950
Goodwill ⁽³⁾	-	2,397	2,397	2,397
Deferred tax assets	217	-	196	121
Total non-current assets	5,429	7,762	5,878	5,726
Current assets				
Trade receivables	6,149	3,829	7,166	11,209
Other receivables ⁽⁴⁾	177	424	1,716	3,101
Tax recoverable	92	94	119	25
Fixed deposit with a licensed bank	-	-	1	1
Cash and bank balances	2,467	5,068	5,131	7,226
Total current assets	8,885	9,415	14,133	21,562
Total assets	14,314	17,177	20,011	27,288
Equity and liabilities				
Equity				
Share capital	-	-	(6)	(6)
Invested equities ⁽⁵⁾	100	2,922	2,922	2,922
Merger reserve	135	135	135	135
Retained earnings	1,227	2,987	5,585	10,290
Total equity	1,462	6,044	8,642	13,347
Liabilities				
Non-current liabilities				
Borrowings	5,440	5,366	3,954	4,318
Lease liabilities	396	587	48	35
Deferred tax liabilities	-	47	-	-
Total non-current liabilities	5,836	6,000	4,002	4,353

12. FINANCIAL INFORMATION (Cont'd)

	Audited			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Current liabilities				
Borrowings	1,874	940	1,326	2,606
Lease liabilities	58	109	25	25
Trade payables	491	749	305	396
Other payables	1,283	1,472	1,868	2,410
Contract liabilities	999	293	847	85
Amount due to Directors	⁽⁷⁾ 1,651	⁽⁸⁾ 15	-	-
Tax payable	660	1,555	2,996	4,066
Total current liabilities	7,016	5,133	7,367	9,588
Total liabilities	12,852	11,133	11,369	13,941
Total equity and liabilities	14,314	17,177	20,011	27,288

Notes:

- (1) Comprise a 1½-storey semi-detached factory on freehold land located at Skudai, Johor which was disposed in FYE 2023 and a double-storey shop office located at Shah Alam, Selangor which was disposed in FYE 2024.
- (2) Comprises trademark namely "ShangHai Business Media" and software acquired for our mobile and web-based applications, and website development services under our digital branding solutions segment arising from the acquisition of SBS Media Tech in FYE 2023.
- (3) Arising from the acquisition of SBS Media Tech.
- (4) Comprises, amongst others, non-trade receivables, deposits, prepayments and withholding tax refundable. The increase in other receivables by RM1.3 million or 325.0% to RM1.7 million as at 31 December 2024 (31 December 2023: RM0.4 million) was mainly due to higher prepayments related to IPO expenses and insurance expenses amounting to approximately RM1.5 million. The IPO-related prepayment was made in advance to secure professional services essential to our Listing, while insurance premiums were paid upfront to ensure continuous coverage for our Group's operations. As these payments cover periods extending beyond FYE 2024, they are recognised as prepayments under other receivables. The increase in other receivables by RM1.4 million or 82.4% to RM3.1 million as at 30 June 2025 (31 December 2024: RM1.7 million) was mainly due to higher prepayment related to IPO expenses and advance payments made to suppliers for various services, including but not limited to billboard advertising, amounting to RM2.8 million as at 30 June 2025 (31 December 2024: RM1.4 million), partly arising from timing differences in project execution and supplier billing cycles.

12. FINANCIAL INFORMATION (Cont'd)

- (5) Represents the share capital of SBS Digital Holdings. For information, SBS Digital Holdings had on 11 January 2023 entered into a share sale agreement with Lai Kian Chuan and Alphabets Partners Limited to acquire the entire shareholdings in SBS Media Tech by way of issuance of 145,000 new ordinary shares of SBS Digital Holdings at RM13.79 each for a total consideration of RM2.0 million. However, according to Paragraph 33 of MFRS 3 Business Combination, the consideration transferred should be measured at fair value, of which has been determined to be RM19.46 per share, for a total fair value consideration of RM2,821,700. Consequently, the invested equity increased from RM100,000 as at 31 December 2022 to RM2.9 million as at 31 December 2023.
- (6) Represents less than RM1,000.
- (7) Arising from dividends declared by our Group that were pending payment, and subsequently settled in June 2023.
- (8) Arising from administrative expenses and the purchase of a laptop by our Directors on behalf of our Group, which was subsequently repaid in June 2024.

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12. FINANCIAL INFORMATION (Cont'd)**12.1.3 Combined statements of cash flows**

The following table sets out the combined statements of cash flows of our Group for FYE 2022 to 2024 and FPE 2025, which have been extracted from the Accountants' Report as set out in Section 13. It should be read with the "Management's Discussion and Analysis of Results of Operations and Financial Condition" and Accountants' Report set out in Sections 12.2 and 13 respectively.

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before tax	2,416	7,280	10,078	6,401
Adjustments for:				
Amortisation of intangible assets	-	571	99	49
Allowance for ECL on:				
- Trade receivables	612	322	1,068	115
- Other receivables	3	-	-	-
Bad debts written off	20	-	-	-
Depreciation of property, plant and equipment	124	171	252	53
Depreciation of investment properties	32	20	16	-
Gain on disposal of property, plant and equipment	-	-	(233)	-
Interest income	(2)	(6)	(2)	(1)
Interest expenses	344	448	510	187
Loss/ (Gain) on disposal of an investment property	-	16	(215)	-
Reversal of ECL on:				
- Trade receivables	(1)	(322)	(577)	(746)
- Other receivables	(2)	(12)	-	-
Waiver of deposits	(3)	-	-	-
Waiver of debts from other payables	(1)	(1)	-	-
Operating profit before working capital changes	3,544	8,487	10,996	6,059
Changes in working capital:				
Contract liabilities	999	(706)	554	(762)
Receivables	(2,976)	4,402	(5,120)	(4,797)
Payables	883	(1,555)	(47)	633
Cash generated from operations	2,450	10,628	6,383	1,133
Tax paid	(943)	(1,181)	(1,359)	(477)
Tax refunded	-	-	53	19
Net cash from operating activities	1,507	9,447	5,077	675

12. FINANCIAL INFORMATION (Cont'd)

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Acquisition of intangible assets	-	(990)	-	-
Acquisition of shares from non-controlling interests	(1)	-	-	-
Acquisition of subsidiaries under common control ⁽²⁾	(1)	-	-	-
Acquisition of a subsidiary, net of cash acquired ⁽³⁾	-	176	-	-
Interest received	2	6	2	(1)
Proceeds from disposal of an investment property	-	1,120	1,810	-
Proceeds from disposal of property, plant and equipment	-	-	511	-
Proceeds from issuance of shares by a subsidiary under common control	(1)	-	-	-
Purchase of property, plant and equipment	(52)	(167)	(159)	(26)
Repayment from Directors	2,958	-	-	-
Net cash from/ (used in) investing activities	2,908	145	2,164	(26)
Cash flows from financing activities				
Dividends paid	(6,200)	(3,800)	(5,000)	-
Interest paid	(344)	(448)	(510)	(187)
Proceeds from issuance of shares ⁽⁴⁾	-	-	(1)	-
Net drawdown/ (repayment) of term loans	1,232	(1,009)	(1,027)	135
Advances from/ (Repayment to) Directors	1,651	(1,646)	(15)	-
Repayment of lease liabilities	(53)	(88)	(624)	(12)
Net cash used in financing activities	(3,714)	(6,991)	(7,176)	(64)
Net changes in cash and cash equivalents	701	2,601	65	585
Cash and cash equivalents at beginning of year/ period	1,766	2,467	5,068	5,133
Cash and cash equivalents at end of year/ period	2,467	5,068	5,133	5,718
Fixed deposit with a licensed bank	-	-	1	1
Cash and bank balances	2,467	5,068	5,132	7,226
Less: Bank overdraft	-	-	-	(1,509)
Cash and cash equivalents at end of year/ period	2,467	5,068	5,133	5,718

12. FINANCIAL INFORMATION (Cont'd)**Notes:**

- (1) Represents less than RM1,000.
- (2) Refers to the acquisition of SBS Digital Media, SBS Social, SBS Events and Shanghai Media.
- (3) Refers to the acquisition of SBS Media Tech.
- (4) Represents our Company's paid-up share capital of RM1.00 comprising 1 ordinary share, that was subscribed as a subscriber's share on the date of incorporation (i.e. 10 September 2024).

12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following discussion and segmental analysis of our combined financial statements for FYE 2022 to 2024 and FPE 2024 and 2025 should be read with the Accountants' Report set out in Section 13.

12.2.1 Overview of our operations**(a) Principal activities**

Our Group is a branding and marketing solutions specialist, principally involved in the provision of offline branding solutions; and digital branding solutions, which core business activities are segmented as follows:

- (i) offline branding solutions comprising out-of-home media services, public relations and event management as well as offline publications; and
- (ii) digital branding solutions comprising online marketing services, digital broadcasts, video production, digital out-of-home media and online media, as well as mobile and web-based applications, and website development.

In addition, we also organise and host business awards and recognition events, as well as networking events, as part of our business leads generation initiatives, from which we also derive revenue. These events enable us to generate business leads from potential customers (i.e. entrepreneurs, micro-SMEs, SMEs and corporations) and it also serves as a service that benefits our customers by providing them a platform to drive branding and publicity.

For further details, please refer to Section 7.3 for our Group's detailed business overview.

(b) Revenue

We derive our revenue mainly from Malaysia for FYE 2022 to 2024 and FPE 2024 and 2025, save for revenue generated from Indonesia, Singapore and Taiwan, which collectively contributed less than 1.0% of our Group's total revenue for FYE 2022 to 2024 and FPE 2024 and 2025 as well as from Hong Kong which contributed 3.9%, 1.0%, 2.4% and 0.1% of our Group's total revenue for FYE 2023, FYE 2024, FPE 2024 and FPE 2025 respectively.

12. FINANCIAL INFORMATION (Cont'd)

Our Group generally receives sales orders from our customers for the provision of offline branding solutions and digital branding solutions. Our revenue from these segments is recognised:

- (i) at the point in time when the goods and/ or services are rendered to the customers, which coincides with the delivery and acceptance of the goods and/ or services by the customers;
- (ii) at the point in time when the advertisements are displayed on the respective platforms; or
- (iii) at the point in time when the relevant events occur for public relations and event management services under the offline branding solutions segment.

Revenue generated from business leads generation initiatives is recognised on a one-off basis, at the point in time when the relevant events occur.

For information, if our Group receives any advance consideration from customers for services where the performance obligations have not yet been satisfied, and such revenue is expected to be recognised within one year, we will recognise the advance consideration as contract liabilities. It will only be recognised as revenue once the performance obligations have been satisfied.

Please refer to Notes (17) and (19) of the Accountants' Report, as set out in Section 13 for further information.

(c) Cost of sales

Our Group's cost of sales comprises the following:

(i) Hardware and materials

The hardware and materials costs mainly comprise the following:

- (aa) IT equipment such as digital signage display screens, media players, servers, firewalls, networking equipment (i.e. routers, switches, and cables), computer/ laptops and other accessories; and
- (bb) event materials such as trophies, plaques, frames and other recognition products.

(ii) Outsourced services

The fees payable for outsourced services comprise the costs associated with certain scopes of work which we outsourced to third party service providers. These include video production, website and social media management, content creation and management services, influencer marketing and the execution of digital marketing campaigns such as running advertisements and managing digital platforms. Additionally, these fees encompass distribution and installation services, interviewers and the creation of interview articles, photo shooting, printing of publication, booklets and flyers (which include printing materials costs such as paper, ink, toner, printing plates and other consumables). IT related services such as software development, testing and installation of IT solutions are also included. Other costs comprise services for bunting and banner licence application services, telemarketing and fees paid to advertising agencies and costs of renting billboards from third party providers.

12. FINANCIAL INFORMATION *(Cont'd)*

(iii) Staff costs

Staff costs mainly comprise staff salaries, bonuses, allowances and statutory contributions for our employees who are directly involved in our Group's revenue generating business activities.

(iv) Overhead and other costs

The overhead and other costs mainly comprise expenses associated with hosting press releases, product launching, company/ appreciation dinners, and corporate activities under our offline branding solutions segment and networking events and business award ceremonies under our business leads generation initiatives. These include hotel and restaurant bookings, venue rental fees, catering services, decorations, music licences, makeup artists, props, event crew, sound system rentals, transportation and any other associated event management expenses.

(d) Other income

Other income mainly comprises wages subsidies, rental income, interest income and gain on disposal of property, plant and equipment as well as of an investment property.

(e) Administrative expenses

Administrative expenses are expenses not directly attributable to the generation of revenue, which mainly comprises staff costs, Directors' remuneration, upkeep and maintenance, office expenses and utilities, professional fees, depreciation and amortisation as well as marketing expenses.

(f) Net (loss)/ reversal on impairment of financial assets

Being the provision for impairment losses on our trade and other receivables based on assessment on the ECL made on the trade and other receivables in accordance with MFRS 9.

(g) Other expenses

Other expenses comprise loss on disposal of an investment property, deposits written off and bad debts written off.

(h) Finance costs

Finance costs comprise interest expenses on our term loans and lease liabilities.

(i) Recent developments

Save as disclosed below, there were no other significant events subsequent to our Group's audited combined financial statements for FPE 2025:

- (i) Acquisition; and
- (ii) Distribution.

12. FINANCIAL INFORMATION (Cont'd)

(j) Exceptional and extraordinary items

There were no exceptional or extraordinary items for FYE 2022 to 2024 and FPE 2025. In addition, our audited combined financial statements for FYE 2022 to 2024 and FPE 2025 were not subject to any audit qualifications.

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12. FINANCIAL INFORMATION (Cont'd)

12.2.2 Review of our results of operations

(a) Revenue

Analysis of revenue by business segment

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Offline branding solutions	2,687	23.2	6,397	32.1	11,164	37.3	4,400	34.6	8,040	36.9
• Out-of-home media	2,144	18.5	3,491	17.5	6,075	20.3	2,446	19.2	4,799	22.0
• Public relations and event management	272	2.4	2,700	13.5	4,769	15.9	1,735	13.7	3,241	14.9
• Offline publication	271	2.3	206	1.1	320	1.1	219	1.7	*	*
Digital branding solutions	6,778	58.4	10,049	50.4	17,162	57.4	7,366	57.8	12,941	59.5
• Online marketing services	5,039	43.4	1,564	7.8	2,623	8.8	1,162	9.1	2,235	10.3
• Digital broadcasts	1,047	9.0	788	4.0	220	0.7	77	0.6	92	0.4
• Video production	531	4.6	284	1.4	462	1.6	151	1.2	306	1.4
• Digital-out-of-home media and online media	-	-	3,802	19.1	8,677	29.0	3,471	27.2	6,489	29.8
• Mobile and web-based applications, and website development ⁽¹⁾	161	1.4	3,611	18.1	5,180	17.3	2,505	19.7	3,819	17.6
Business leads generation initiatives	2,137	18.4	3,500	17.5	1,598	5.3	969	7.6	779	3.6
• Business awards and recognition events	2,137	18.4	3,487	17.4	1,582	5.2	706	5.5	388	1.8
• Networking events	-	-	13	0.1	16	0.1	263	2.1	391	1.8
	11,602	100.0	19,946	100.0	29,924	100.0	12,735	100.0	21,760	100.0

12. FINANCIAL INFORMATION (Cont'd)**Notes:**

* Represents less than RM1,000 or 0.1%.

(1) Further breakdown of revenue is as set out below:

	Audited			Unaudited	Audited
	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Mobile and web-based applications, and website development:					
- Web-based applications development	-	3,567	3,850	1,488	3,064
- Website development	161	44	1,330	1,017	255
- Mobile applications	-	-	-	-	500
	161	3,611	5,180	2,505	3,819

Mobile and web-based applications, and website may be developed as a standalone or in combination, depending on our customer's request. During FYE 2022 to 2024, our Group only provided services for the development of website, as well as web-based applications on a standalone basis. As we only develop mobile applications in 2025, such revenue contribution has been reflected in FPE 2025. As a branding and marketing solutions specialist, we focus on developing mobile and web-based applications, and websites for businesses' branding and marketing needs, which is supported by the development of systems. Despite our capabilities, we do not develop standalone systems (e.g. enterprise resource planning system, supply chain management system, human resource management system, and accounting and financial system) in the FYE 2022 to 2024 and FPE 2025. Please refer to Section 7.3.1(b) for further clarification on the basis of classifying mobile and web-based applications, and website development under the digital branding solutions segment.

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12. FINANCIAL INFORMATION (Cont'd)**Analysis of revenue by geographical location**

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	11,592	99.9	19,166	96.1	29,539	98.7	12,381	97.2	21,737	99.9
Hong Kong	-	-	770	3.9	302	1.0	302	2.4	18	0.1
Others ⁽¹⁾	10	0.1	10	*	83	0.3	52	0.4	5	*
	11,602	100.0	19,946	100.0	29,924	100.0	12,735	100.0	21,760	100.0

Notes:

* Less than 0.1%.

⁽¹⁾ Comprising Indonesia, Singapore and Taiwan.

Comparison between FYE 2022 and FYE 2023

Our Group's total revenue increased by RM8.3 million or 71.6%, to RM19.9 million in FYE 2023 (FYE 2022: RM11.6 million), mainly attributable to the increase in revenue across all our business segments. Our revenue from digital branding solutions segment contributed RM10.0 million or 50.4% of our total revenue in FYE 2023 (FYE 2022: RM6.8 million or 58.4%), while our offline branding solutions segment and business leads generation initiatives contributed RM6.4 million or 32.1% and RM3.5 million or 17.5% respectively in FYE 2023 (FYE 2022: RM2.7 million or 23.2% and RM2.1 million or 18.4% respectively).

Offline branding solutions

Our revenue from the offline branding solutions segment increased by RM3.7 million or 137.0% to RM6.4 million in FYE 2023 (FYE 2022: RM2.7 million) mainly attributable to the following:

- (i) higher revenue from our public relations and event management by RM2.4 million to RM2.7 million in FYE 2023 (FYE 2022: RM0.3 million) as (a) our Group ventured into training workshops organised on behalf of our customers in FYE 2023, which generated RM1.0 million (FYE 2022: nil); and (b) organised more events on behalf of our customers (i.e. 23 events in FYE 2023 as compared to 12 events in FYE 2022); and

12. FINANCIAL INFORMATION (*Cont'd*)

- (ii) higher revenue from out-of-home media services by RM1.4 million to RM3.5 million (FYE 2022: RM2.1 million). Notwithstanding the number of customers for these services decreased to 433 in FYE 2023 (FYE 2022: 468 customers), the increase in revenue was mainly attributable to a rebound in spending from customers who were willing to spend more on advertising following the reopening of the economy.

Digital branding solutions

Our revenue from the digital branding solutions segment increased by RM3.2 million or 47.1%, to RM10.0 million in FYE 2023 (FYE 2022: RM6.8 million), which was mainly attributable to the following:

- (i) new revenue stream from digital out-of-home media services for management of advertisements on indoor digital media platforms, pursuant to a service and management agreement with Entity T entered in April 2023, which contributed RM3.3 million in FYE 2023 (FYE 2022: nil). For clarification, out of the RM3.3 million, RM0.3 million was contributed from Entity T directly (relates to advertisements sales brought in by Entity T), while the balance of RM3.0 million was derived from advertising fees collected from various customers (relates to advertisements sales brought in by our Group) for the sale of air-time slots on the indoor digital media platforms located in all outlets of a Statutory Body affiliated with Entity T nationwide; and
- (ii) higher revenue from mobile and web-based applications, and website development by RM3.4 million to RM3.6 million for FYE 2023 (FYE 2022: RM0.2 million) mainly attributable to 15 new projects undertaken and delivered. For information purposes, out of the 15 new projects undertaken and delivered during FYE 2023, 7 projects were related to web-based applications development and 8 projects were related to website development.

However, the aforementioned increase in the digital branding solutions segment was partially offset by the decrease in revenue from online marketing services by RM3.4 million to RM1.6 million in FYE 2023 (FYE 2022: RM5.0 million). The decrease in revenue from online marketing services was mainly due to the absence of revenue from customers who were previously eligible for the matching grant of up to RM5,000 per entity under the SME Digitalisation Initiative, provide by the Ministry of Finance Malaysia through Bank Simpanan Nasional (FYE 2022: RM3.7 million). This was due to our Group's decision in FYE 2023 to discontinue services to customers applying through the SME Digitalisation Initiative. For information, our Group had served 732 such customers in FYE 2022.

12. FINANCIAL INFORMATION *(Cont'd)*

Business leads generation initiatives

Our revenue from business leads generation initiatives increased by RM1.4 million or 66.7%, to RM3.5 million in FYE 2023 (FYE 2022: RM2.1 million), which was attributable to the following:

- (i) higher revenue from our SIR event by RM0.9 million to RM1.3 million in FYE 2023 (FYE 2022: RM0.4 million) as a result of higher application fees, sales of publicity and sponsorship packages as more customers sought event visibility. For information, the number of participants increased to 145 in FYE 2023 (FYE 2022: 70 participants). The number of participants is based on the invoicing date, with invoices issued prior to the events. Invoicing and payments for the SIR event held in January 2023 were partially collected and recognised in FYE 2022, while the awards event was held in January 2023;
- (ii) new revenue stream contributed from our first SHE event of RM0.4 million in FYE 2023 (FYE 2022: nil); and
- (iii) revenue contributed from a one-off business awards and recognition event, namely "ShangHai Rekatone Outstanding Design Award" of RM0.3 million in FYE 2023 (FYE 2022: nil). For clarification, this "ShangHai Rekatone Outstanding Design Award" is similar to initiatives like SHE/ SHIPBA. The award was launched in collaboration with a technology company focused on providing a one-stop service for interior designers, architects, and property owners in FYE 2023, with the aim of recognising excellence in interior design. However, after assessing the overall profitability of the initiative, we decided not to continue with the award in the subsequent financial year.

The aforementioned increase was partially offset by the lower revenue contribution from our SHIPBA event by RM0.2 million to RM1.4 million in FYE 2023 (FYE 2022: RM1.6 million). Although the number of participants rose to 116 in FYE 2023 (FYE 2022: 94 participants), majority of the participants opted for lower value packages, resulting in the decreased revenue.

Comparison between FYE 2023 and FYE 2024

Our Group's total revenue increased by RM10.0 million or 50.3%, to RM29.9 million in FYE 2024 (FYE 2023: RM19.9 million), mainly due to the increase in revenue from digital branding solutions segment as well as offline branding solutions segment which contributed RM17.2 million or 57.4% (FYE 2023: RM10.0 million or 50.4%) and RM11.2 million or 37.3% (FYE 2023: RM6.4 million or 32.1%) in FYE 2024 respectively. The increase in revenue from these 2 segments was partially offset by the decrease in revenue from our business leads generation initiatives which contributed RM1.6 million or 5.3% in FYE 2024 (FYE 2023: RM3.5 million or 17.5%).

12. FINANCIAL INFORMATION (*Cont'd*)

Offline branding solutions

Our revenue from the offline branding solutions segment increased by RM4.8 million or 75.0%, to RM11.2 million in FYE 2024 (FYE 2023: RM6.4 million) mainly attributable to the following:

- (i) higher revenue from out-of-home media services by RM2.6 million to RM6.1 million in FYE 2024 (FYE 2023: RM3.5 million). This was primarily attributable to higher number of customers of 478 in FYE 2024 (FYE 2023: 433 customers) as well as a continued increase in orders for printed materials, such as flyers and brochures; and
- (ii) higher revenue from our public relations and event management by RM2.1 million to RM4.8 million in FYE 2024 (FYE 2023: RM2.7 million) as a result of higher number of events being organised on behalf of our customers in FYE 2024. There was a total of 34 events organised on behalf of our customers in FYE 2024 (FYE 2023: 23 events). In addition, for information purposes, revenue from our training workshops decreased by RM0.5 million to RM0.5 million in FYE 2024 (FYE 2023: RM1.0 million). This decline follows the strong initial demand in FYE 2023 when the workshops were newly launched and attracted considerable interest. The revenue in FYE 2024 reflect a more typical level of customer engagement as the initial surge of interest subsided.

Digital branding solutions

Our revenue from the digital branding solutions segment increased by RM7.2 million or 72.0%, to RM17.2 million in FYE 2024 (FYE 2023: RM10.0 million) which was attributable to the following:

- (i) higher revenue from digital out-of-home media and online media by RM4.9 million to RM8.7 million in FYE 2024 (FYE 2023: RM3.8 million). This was primarily attributable to larger budgets allocated for these services by the majority of customers, driven by the growing interest in digital billboard advertisements, which many customers sought to incorporate into their marketing strategies. For information, customers who place digital billboard advertisements with us contributed significantly, generating RM4.2 million for FYE 2024 (FYE 2023: RM0.4 million). In addition, we generated RM4.4 million in FYE 2024 (FYE 2023: RM3.3 million) pursuant to a service and management agreement with Entity T entered in April 2023. Of this amount, RM0.6 million (FYE 2023: RM0.3 million) was contributed from Entity T directly (relates to advertisements sales brought in by Entity T) while the balance of RM3.8 million (FYE 2023: RM3.0 million) was derived from advertising fees collected from various customers (relates to advertisements sales brought in by our Group) for the sale of air-time slots on the indoor digital media platforms located in all outlets of a Statutory Body affiliated with Entity T nationwide;

12. FINANCIAL INFORMATION *(Cont'd)*

- (ii) higher revenue from mobile and web-based applications, and website development by RM1.6 million to RM5.2 million in FYE 2024 (FYE 2023: RM3.6 million). This was primarily attributable to higher number of customers in FYE 2024 (FYE 2024: 39 customers as compared to FYE 2023: 28 customers), along with larger budgets allocated for these services by the majority of them. For information purposes, there were 12 projects related to web-based applications development (FYE 2023: 7 projects) and 15 projects related to website development in FYE 2024 (FYE 2023: 8 projects); and
- (iii) higher revenue from online marketing services by RM1.0 million to RM2.6 million in FYE 2024 (FYE 2023: RM1.6 million). This was primarily attributable to the onboarding of new customers during FYE 2024, namely Christy Ng Sdn Bhd and DagangAsia Network Holding Sdn Bhd.

Business leads generation initiatives

Our revenue from business leads generation initiatives decreased by RM1.9 million or 54.3%, to RM1.6 million in FYE 2024 (FYE 2023: RM3.5 million) mainly due to the following:

- (i) lower revenue from our SIR and SHIPBA events by RM1.6 million or 59.3% to RM1.1 million in FYE 2024 (FYE 2023: RM2.7 million) as our Group organised these events on a smaller scale in FYE 2024. Our Company has scaled down the size of participants and frequency of events to (a) optimise resources and better align with our overall business strategies; and (b) address customers' feedback regarding the previous events' duration and scale. Moving forward, our Group will reposition our business leads generation initiatives by focusing on smaller-scale events intended to better support our offline and digital branding solutions. While these events may contribute lower direct revenue, they are expected to yield more qualified business prospects and enhance customer engagement. For information, the number of participants for SIR and SHIPBA events was 29 and 70 in FYE 2024 respectively (FYE 2023: 145 and 116 respectively). For information, the number of participants is based on the invoicing date, with invoices issued prior to the events. Invoicing and payments for the SIR event held in January 2023 were partially collected and recognised in FYE 2022, while the awards event was held in January 2023; and
- (ii) the absence of revenue from a one-off business awards and recognition event, namely "ShangHai Rekatone Outstanding Design Award" that was organised in FYE 2023 of RM0.3 million, which did not take place in FYE 2024.

12. FINANCIAL INFORMATION *(Cont'd)*

Comparison between FPE 2024 and FPE 2025

Our Group's total revenue increased by RM9.1 million or 71.7%, to RM21.8 million in FPE 2025 (FPE 2024: RM12.7 million), mainly attributable to the increase in revenue from digital branding solutions segment as well as offline branding solutions segment which contributed RM12.9 million or 59.5% (FPE 2024: RM7.4 million or 57.8%) and RM8.0 million or 36.9% (FPE 2024: RM4.4 million or 34.6%) in FPE 2025 respectively. The increase in revenue from these 2 segments was partially offset by the decrease in revenue from our business leads generation initiatives which contributed RM0.8 million or 3.6% in FPE 2025 (FPE 2024: RM1.0 million or 7.6%).

Offline branding solutions

Our revenue from the offline branding solutions segment increased by RM3.6 million or 81.8%, to RM8.0 million in FPE 2025 (FPE 2024: RM4.4 million) mainly attributable to the following:

- (i) higher revenue from out-of-home media services by RM2.4 million to RM4.8 million in FPE 2025 (FPE 2024: RM2.4 million). This was primarily attributable to a higher average order value per customer in FPE 2025, despite the number of customers decreased to 208 in FPE 2025 (FPE 2024: 241 customers). The increase in average order value per customer was driven by continued increase in orders with larger budgets for offset and inkjet and digital printing services including, amongst others, brochures, notebooks, banners, table stickers and buntings; and
- (ii) higher revenue from our public relations and event management by RM1.5 million to RM3.2 million in FPE 2025 (FPE 2024: RM1.7 million) as a result of higher number of events being organised on behalf of our customers in FPE 2025. For information, there were a total of 27 events organised on behalf of our customers in FPE 2025 (FPE 2024: 16 events),

which was partially offset by lower revenue from offline publication services by RM0.2 million to less than RM1,000 for the FPE 2025 (FPE 2024: RM0.2 million). The decrease was due to the different production and launch timing of the 4th edition, which is scheduled for mid-December 2025, whereas the 3rd edition was launched in July 2024. As a result, only minimal revenue (i.e. less than RM1,000) were recognised during the FPE 2025.

12. FINANCIAL INFORMATION *(Cont'd)*

Digital branding solutions

Our revenue from the digital branding solutions segment increased by RM5.5 million or 74.3%, to RM12.9 million in FPE 2025 (FPE 2024: RM7.4 million) which was attributable to the following:

- (i) higher revenue from digital out-of-home media and online media by RM3.0 million to RM6.5 million in FPE 2025 (FPE 2024: RM3.5 million). This was primarily attributable to increase in revenue by RM1.7 million to RM3.5 million (FPE 2024: RM1.8 million) as a result of higher spending on digital billboard advertisements services by our customers, which led to an increase in the average order value per customer in FPE 2025. In addition, the higher revenue from digital out-of-home media and online media was also driven by an increase in revenue by RM1.2 million to RM2.9 million in FPE 2025 (FPE 2024: RM1.7 million) under the exclusive service and management agreement with Entity T;
- (ii) higher revenue from mobile and web-based applications, and website development by RM1.3 million to RM3.8 million in FPE 2025 (FPE 2024: RM2.5 million). This was mainly attributable to higher number of customers in FPE 2025 (FPE 2025: 27 customers as compared to FPE 2024: 19 customers), along with larger budgets allocated for these services by the majority of them. For information purposes, there were 13 projects related to web-based applications development, 2 projects related to website development and 2 projects related to mobile applications development in FPE 2025 compared to 7 projects were related to web-based applications development and 5 projects were related to website development in FPE 2024; and
- (iii) higher revenue from online marketing services by RM1.0 million to RM2.2 million in FPE 2025 (FPE 2024: RM1.2 million). This was primarily attributable to the increase in number of customers to 76 in FPE 2025 (FPE 2024: 29) as a result of growing demand for online marketing services among businesses.

Business leads generation initiatives

Our revenue from business leads generation initiatives decreased by RM0.2 million or 20.0%, to RM0.8 million in FPE 2025 (FPE 2024: RM1.0 million) mainly due to the lower revenue from our SHIPBA events by RM0.2 million. This was primarily due to lower approval rates for nominations as a result of stricter vetting processes as well as fewer publicity packages being taken up by participants. For information, the number of participants for SHIPBA events was 43 in FPE 2025 (FPE 2024: 70).

12. FINANCIAL INFORMATION (Cont'd)

(b) Cost of sales, GP and GP margin

Analysis of cost of sales by components

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Hardware and materials	755	12.2	934	10.7	1,857	12.4	371	6.4	1,541	11.0
Outsourced services	2,978	48.3	4,263	49.0	9,576	64.0	3,398	58.5	10,689	76.1
Staff costs	1,710	27.7	2,310	26.6	1,812	12.1	1,035	17.8	939	6.7
Overhead and other costs	728	11.8	1,191	13.7	1,724	11.5	1,005	17.3	879	6.2
	6,171	100.0	8,698	100.0	14,969	100.0	5,809	100.0	14,048	100.0

Analysis of cost of sales by business segment

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Offline branding solutions	2,193	35.5	2,983	34.3	5,444	36.4	2,156	37.1	4,887	34.8
Digital branding solutions	2,937	47.6	3,798	43.7	8,180	54.6	2,880	49.6	8,410	59.9
Business leads generation initiatives	1,041	16.9	1,917	22.0	1,345	9.0	773	13.3	751	5.3
	6,171	100.0	8,698	100.0	14,969	100.0	5,809	100.0	14,048	100.0

12. FINANCIAL INFORMATION (Cont'd)

Analysis of GP and GP margin by business segment

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Offline branding solutions	494	18.4	3,414	53.4	5,720	51.2	2,244	51.0	3,153	39.2
Digital branding solutions	3,841	56.7	6,251	62.2	8,982	52.3	4,486	60.9	4,531	35.0
Business leads generation initiatives	1,096	51.3	1,583	45.2	253	15.8	196	20.2	28	3.6
	5,431	46.8	11,248	56.4	14,955	50.0	6,926	54.4	7,712	35.4

(i) Hardware and materials

Our hardware and materials costs increased by RM0.1 million or 12.5% to RM0.9 million in FYE 2023 (FYE 2022: RM0.8 million), mainly attributable to increased purchase costs of IT equipment for our customers in connection with our mobile and web-based applications, and website development projects.

Our hardware and materials costs increased by RM1.0 million or 111.1% to RM1.9 million in FYE 2024 (FYE 2023: RM0.9 million), mainly due to the increased purchase costs of IT equipment for our customers, driven by the different project requirements related to our mobile and web-based applications, and website development projects.

Our hardware and materials costs increased by RM1.1 million or 275.0% to RM1.5 million in FPE 2025 (FPE 2024: RM0.4 million), mainly due to the increased purchase costs of IT equipment for our customers, driven by the different project requirements related to our mobile and web-based applications, and website development projects.

(ii) Outsourced services

Our outsourced services costs increased by RM1.3 million or 43.3% to RM4.3 million in FYE 2023 (FYE 2022: RM3.0 million), mainly attributable to the increased revenue for our offline branding solutions and digital branding solutions segments, which necessitated higher outsourcing to support our increased revenue and expanded service offerings (i.e. digital out-of-home media services for indoor digital media).

12. FINANCIAL INFORMATION *(Cont'd)*

Our outsourced services costs increased by RM5.3 million or 123.3% to RM9.6 million in FYE 2024 (FYE 2023: RM4.3 million), mainly due to increased revenue for our offline branding solutions and digital branding solutions segments, which necessitated higher outsourcing to support our increased revenue.

Our outsourced services costs increased by RM7.3 million or 214.7% to RM10.7 million in FPE 2025 (FPE 2024: RM3.4 million), mainly due to increased revenue for our offline branding solutions and digital branding solutions segments, which necessitated higher outsourcing to support our increased revenue as both our internal manpower levels remained largely unchanged between the two periods.

(iii) Staff costs

Our staff costs increased by RM0.6 million or 35.3% to RM2.3 million in FYE 2023 (FYE 2022: RM1.7 million), mainly attributable to the additional 4 headcounts following the inclusion of SBS Media Tech into our Group as well as annual salary adjustment.

Our staff costs decreased by RM0.5 million or 21.7% to RM1.8 million in FYE 2024 (FYE 2023: RM2.3 million), mainly attributable to the decrease in headcounts across various departments, including marketing, videographer, event management and IT from 32 as at 31 December 2023 to 28 as at 31 December 2024. Additionally, 2 new joiners hired in FYE 2024 joined in June 2024 and October 2024 respectively, to replace the loss in headcount over the years. Since these new hires joined midway through the year, their salaries were only partially reflected in the staff costs for FYE 2024. Furthermore, the Senior IT who resigned in January 2024 was not replaced throughout the remainder of FYE 2024 (i.e. February 2024 to December 2024), which also contributed to the decrease in staff costs.

Our staff costs decreased slightly by RM0.1 million or 10.0% to RM0.9 million FPE 2025 (FPE 2024: RM1.0 million), remaining relatively consistent overall.

(iv) Overhead and other costs

Our overhead and other costs increased by RM0.5 million or 71.4% to RM1.2 million in FYE 2023 (FYE 2022: RM0.7 million), mainly attributable to the increased event-related expenses. These costs were associated with hosting press releases, product launching, company/ appreciation dinners, and corporate activities on behalf of our customers under our offline branding solutions segment as well as for events under our business lead generation initiatives. These costs include hotel and restaurant bookings, venue rental fees, catering services, decorations, music licences, makeup artists, event crews, sound system rentals, transportation and any other associated event management expenses.

12. FINANCIAL INFORMATION *(Cont'd)*

Our overhead and other costs increased by RM0.5 million or 41.7% to RM1.7 million in FYE 2024 (FYE 2023: RM1.2 million), mainly attributable to increased event-related expenses incurred for organising events such as press releases, product launching, company/ appreciation dinners, and corporate activities on behalf of our customers under our offline branding solutions segment. These costs include hotel and restaurant bookings, venue rental fees, catering services, decorations, music licences, makeup artists, event crews, sound system rentals, transportation and any other associated event management expenses.

Our overhead and other costs decreased by RM0.1 million or 10.0% to RM0.9 million in FPE 2025 (FPE 2024: RM1.0 million), mainly due to lower costs resulting from a smaller-scale SHIPBA event held in FPE 2025, which had 43 participants (FPE 2024: 70 participants). While certain overhead costs associated with organising these events such as decorations, music licences, sound system rental, props, and photo or video shooting, are relatively fixed regardless of event size, whilst other components such as venue size, number of tables, catering and consumables remain variable.

Comparison between FYE 2022 and FYE 2023

Our Group's total cost of sales increased by RM2.5 million or 40.3% to RM8.7 million in FYE 2023 (FYE 2022: RM6.2 million). The cost of sales for each of our business segments increased, mainly due to the following:

- (i) outsourced services, which increased by RM1.3 million or 43.3% to RM4.3 million in FYE 2023 (FYE 2022: RM3.0 million);
- (ii) staff costs, which increased by RM0.6 million or 35.3% to RM2.3 million in FYE 2023 (FYE 2022: RM1.7 million);
- (iii) overhead and other costs, which increased by RM0.5 million or 71.4% to RM1.2 million (FYE 2022: RM0.7 million); and
- (iv) hardware and materials costs, which increased by RM0.1 million or 12.5% to RM0.9 million (FYE 2022: RM0.8 million).

All of these increases are explained in earlier sections above for each cost component, which is in tandem with the increase in revenue across our respective business segments.

Our Group recorded an increase in GP by RM5.8 million or 107.4% to RM11.2 million in FYE 2023 (FYE 2022: RM5.4 million), and our overall GP margin improved to 56.4% in FYE 2023 (FYE 2022: 46.8%), mainly due to the increased GP and improved GP margin from our offline branding solutions and digital branding solutions segments.

Our GP for the offline branding solutions segment increased by RM2.9 million or 580.0% to RM3.4 million in FYE 2023 (FYE 2022: RM0.5 million), mainly attributable to higher revenue achieved for the said segment as explained above. Our GP margin for the offline branding solutions segment improved to 53.4% in FYE 2023 (FYE 2022: 18.4%) mainly due to the following:

12. FINANCIAL INFORMATION *(Cont'd)*

- (i) higher revenue from public relations and event management (i.e. training workshops) which yielded higher margins as the majority of these trainings are conducted virtually by our in-house trainers; and
- (ii) cost efficiency achieved through increased sales in out-of-home media services (i.e. inkjet and offset printing), resulting from economies of scale as suppliers generally offer lower prices for larger orders.

Our GP for the digital branding solutions segment increased by RM2.5 million or 65.8% to RM6.3 million in FYE 2023 (FYE 2022: RM3.8 million), mainly attributable to higher revenue achieved for the said segment as explained above. Our GP margin for the digital branding solutions segment improved to 62.2% for FYE 2023 (FYE 2022: 56.7%) mainly attributable to higher revenue from digital out-of-home media and online media services (i.e. advertisements on indoor digital media platforms), and mobile and web-based applications, and website development which typically yield higher margins. These services are scalable due to relatively low staff costs.

Our GP for the business leads generation initiatives increased by RM0.5 million or 45.5% to RM1.6 million in FYE 2023 (FYE 2022: RM1.1 million), mainly attributable to higher revenue achieved for the said segment as explained above. Notwithstanding the above, our GP margin for the business leads generation initiatives decreased to 45.2% in FYE 2023 (FYE 2022: 51.3%) mainly due to increase in staff costs as more staffs were assigned to support the revenue growth of this segment.

Comparison between FYE 2023 and FYE 2024

Our Group's total cost of sales increased by RM6.3 million or 72.4% to RM15.0 million in FYE 2024 (FYE 2023: RM8.7 million). This was mainly due to the digital branding solutions and offline branding solutions segments, where the cost of sales increased by RM6.8 million to RM13.6 million in FYE 2024 (FYE 2023: RM6.8 million), as a result of the following:

- (i) outsourced services which increased by RM5.2 million or 126.8% to RM9.3 million in FYE 2024 (FYE 2023: RM4.1 million);
- (ii) overhead and other costs which increased by RM0.5 million or 71.4% to RM1.2 million in FYE 2024 (FYE 2023: RM0.7 million), and
- (iii) hardware and materials costs which increased by RM1.0 million or 142.9% to RM1.7 million in FYE 2024 (FYE 2023: 0.7 million),

which is in tandem with the increase in revenue from the digital branding solutions and offline branding solutions segments.

Our Group recorded an increase in GP by RM3.8 million or 33.9% to RM15.0 million in FYE 2024 (FYE 2023: RM11.2 million), mainly attributable to the increased GP from our digital branding solutions as well as offline branding solutions segments by RM5.0 million or 51.5% to RM14.7 million in FYE 2024 (FYE 2023: RM9.7 million) as a result of higher revenue generated from the said segments as explained above. The increase in GP from these 2 segments was partially offset by the decrease in GP from our business leads generation initiatives by RM1.3 million or 81.3% to RM0.3 million in FYE 2024 (FYE 2023: RM1.6 million) as a result of lower revenue generated in FYE 2024 as explained above.

12. FINANCIAL INFORMATION *(Cont'd)*

Our overall GP margin decreased to 50.0% in FYE 2024 (FYE 2023: 56.4%), mainly due to the decrease in GP margin across all the business segments.

Our GP margin for the offline branding solutions segment decreased marginally to 51.2% in FYE 2024 (FYE 2023: 53.4%) mainly due to higher outsourced services costs as well as overhead and other costs. The higher outsourced services costs was mainly due to our Group's reliance on outsourcing while awaiting the recruitment of new staff. In addition, both outsourced services costs as well as overhead and other costs were also impacted by inflationary pressures leading to increased costs for materials and services required. Despite these challenges, our Group chose not to pass on the additional costs to customers in order to maintain our competitiveness.

Our GP margin for the digital branding solutions segment decreased to 52.3% in FYE 2024 (FYE 2023: 62.2%) mainly due to higher proportion of revenue from digital out-of-home media and online media services, particularly digital billboard advertisements, which generally yielded lower margin compared to advertisements on indoor digital media platforms, which generally yielded higher margin. Additionally, there were higher outsourced services costs as well as hardware and materials costs. This was mainly attributable to the varying project requirements related to our mobile and web-based applications, and website development projects undertaken in FYE 2024. In FYE 2024, several projects had significant hardware and materials requirements, and as hardware was typically supplied without markup and generated no margin, this contributed to higher direct costs and reduced the segment's profitability.

Furthermore, due to the increase in project volume, our Group had to engage third-party developers to support delivery, as internal manpower levels remained largely unchanged from the previous year. This reliance on external resources further contributed to the lower GP margin.

Our GP margin for the business leads generation initiatives decreased to 15.8% in FYE 2024 (FYE 2023: 45.2%) mainly due to lower revenue resulting from a reduced number of participants at events held in FYE 2024 as compared to FYE 2023 as explained in Section 12.2.2(a) above. Since most of the outsourced costs as well as overhead and other costs associated with organising these events (i.e. decorations, music licences, sound system rental and props as well as photo or video shooting) are fixed, the decline in revenue impacted our GP margin.

Comparison between FPE 2024 and FPE 2025

Our Group's total cost of sales increased by RM8.2 million or 141.4% to RM14.0 million in FPE 2025 (FPE 2024: RM5.8 million). This was mainly due to the digital branding solutions and offline branding solutions segments, where the cost of sales increased by RM8.3 million to RM13.3 million in FPE 2025 (FPE 2024: RM5.0 million), as a result of the following:

- (i) outsourced services, which increased by RM7.0 million or 205.9% to RM10.4 million in FPE 2025 (FPE 2024: RM3.4 million); and
- (ii) hardware and materials costs, which increased by RM1.2 million or 400.0% to RM1.5 million in FPE 2025 (FPE 2024: RM0.3 million).

12. FINANCIAL INFORMATION (Cont'd)

The increases in outsourced services as well as hardware and materials costs were mainly due to the increase in revenue from the digital branding solutions and offline branding solutions segments. However, the increase in cost of sales outpaced revenue growth, resulting in margin compression during the period.

Our Group recorded an increase in GP by RM0.8 million or 11.6% to RM7.7 million in FPE 2025 (FPE 2024: RM6.9 million), mainly attributable to the increased GP from our offline branding solutions segment by RM1.0 million or 45.5% to RM3.2 million in FPE 2025 (FPE 2024: RM2.2 million) and increase in GP from our digital branding solution segment marginally by approximately RM45,000 to RM4.5 million in FPE 2025 (FPE 2024: RM4.5 million) as a result of higher revenue generated from the said segment as explained above. The increase in GP from these segments was partially offset by the decrease in GP from our business leads generation initiatives by RM0.2 million to approximately RM28,000 in FPE 2025 (FPE 2024: RM0.2 million) as a result of lower revenue generated from the said segment as explained above.

Our overall GP margin decreased to 35.4% in FPE 2025 (FPE 2024: 54.4%), mainly due to the decrease in GP margin across all the business segments.

Our GP margin for the offline branding solutions segment decreased to 39.2% in FPE 2025 (FPE 2024: 51.0%) mainly due to higher outsourced services costs. The higher outsourced services costs was mainly due to our Group's reliance on outsourcing while awaiting the recruitment of new staff.

Our GP margin for the digital branding solutions segment decreased to 35.0% in FPE 2025 (FPE 2024: 60.9%) mainly due to higher outsourced services costs as well as hardware and materials costs. This was mainly attributable to the varying project requirements related to our mobile and web-based applications, and website development projects undertaken in FPE 2025. In FPE 2025, several projects had significant hardware and materials requirements, and as hardware was typically supplied without markup and generated no margin, this contributed to higher direct costs and reduced the segment's profitability. Furthermore, due to the increase in project volume, our Group had to engage third-party developers to partially support the delivery and implementation of the projects, as our internal manpower levels remained largely unchanged between the two periods. This reliance on external resources further contributed to the lower GP margin, as reflected in the reduction of the GP margin for digital billboard from 59.0% to 46.5% in FPE 2025.

Our GP margin for the business leads generation initiatives decreased to 3.6% in FPE 2025 (FPE 2024: 20.2%) mainly due to lower revenue resulting from a reduced number of participants at events held in FPE 2025 as compared to FPE 2024 as explained in Section 12.2.2(a) above.

12. FINANCIAL INFORMATION (Cont'd)

(c) Other income

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Wages subsidies	307	55.2	89	26.4	1	0.2	1	1.8	-	-
Rental income	174	31.3	149	44.2	97	17.7	53	94.6	-	-
Gain on disposal of property, plant and equipment	-	-	-	-	233	42.5	-	-	-	-
Gain on disposal of an investment property	-	-	-	-	215	39.2	-	-	-	-
Government grants/ incentives ⁽¹⁾	60	10.8	39	11.6	-	-	-	-	-	-
Delivery service fees ⁽²⁾	3	0.5	-	-	-	-	-	-	-	-
Waiver of debts from other payables	(3)	(3)	1	0.3	-	-	-	-	-	-
Ad hoc services	-	-	53	15.7	-	-	-	-	-	-
Others ⁽⁴⁾	12	2.2	6	1.8	2	0.4	2	3.6	1	100.0
	556	100.0	337	100.0	548	100.0	56	100.0	1	100.0

Notes:

- (1) Comprising amongst others, interest income, claims from HRDF, grants from Malaysia Digital Economy Corporation, incentives from MATRADE and SME Corporation Malaysia.
- (2) Our Group's core business does not involve delivery services. However, during the COVID-19 pandemic, we adapted to changing market conditions by partnering with an e-commerce platform to offer delivery services on a part-time basis, which allowed us to generate one-off additional revenue stream. We have halted these services since FYE 2023 and do not intend to continue such services in the future.
- (3) Less than RM1,000 or 0.1%.
- (4) Comprising amongst others, waiver of deposits, one-off income for Google advertisement and interest income.

12. FINANCIAL INFORMATION *(Cont'd)*

Comparison between FYE 2022 and FYE 2023

Our other income decreased by RM0.3 million or 50.0% to RM0.3 million in FYE 2023 (FYE 2022: RM0.6 million), mainly due to the lower wages subsidies by RM0.2 million to approximately RM89,000 in FYE 2023 (FYE 2022: RM0.3 million). For information, the wages subsidies for FYE 2022 of RM0.3 million were under Program Subsidi Upah from SOCSO, while the wages subsidies amounting to approximately RM89,000 for FYE 2023 were under the Skim Jaminan Penajaan Pekerjaan from SOCSO.

Comparison between FYE 2023 and FYE 2024

Our other income increased by RM0.2 million or 66.7% to RM0.5 million in FYE 2024 (FYE 2023: RM0.3 million), mainly due to the gain of RM0.4 million from the disposal of property, plant and equipment (i.e. 3 units of motor vehicles) as well as disposal of an investment property (i.e. a double-storey shop office located at Shah Alam, Selangor) in FYE 2024 (FYE 2023: nil).

The gain on disposal of property, plant and equipment as well as an investment property was partially offset by the following:

- (i) lower wages subsidies by approximately RM88,000 to approximately RM1,000 in FYE 2024 (FYE 2023: approximately RM89,000) due to absence of Skim Jaminan Penajaan Pekerjaan from SOCSO in FYE 2024;
- (ii) absence of ad hoc services for our customer such as urgent delivery, replacements and extra copies, in FYE 2024 (FYE 2023: approximately RM53,000). For information, our Group has reclassified the income received from ad hoc services from other income to revenue, effective 1 January 2024;
- (iii) lower rental income by approximately RM52,000 to approximately RM97,000 in FYE 2024 (FYE 2023: approximately RM149,000) mainly due to the disposal of a 1½-storey semi-detached factory on a freehold land located at Skudai, Johor which was generating rental income in FYE 2023; and
- (iv) absence of Government grants/ incentives in FYE 2024 (FYE 2023: approximately RM39,000). For information, the Government grants/ incentives of approximately RM39,000 in FYE 2023 were claimed from HRDF on behalf of our customers. In FYE 2024, such Government grants/ incentives were claimed directly by our customers.

Comparison between FPE 2024 and FPE 2025

Our other income decreased by RM55,000 to RM1,000 in FPE 2025 (FPE 2024: RM56,000) mainly due to the absence of rental income of approximately RM53,000 following the disposal of a double-storey shop office located at Shah Alam, Selangor which was completed on 1 December 2024.

12. FINANCIAL INFORMATION (Cont'd)**(d) Administrative expenses**

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff costs	660	25.5	1,022	26.5	1,121	25.3	533	27.3	622	35.4
Other staff related costs ⁽¹⁾	99	3.8	194	5.0	91	2.0	26	1.3	69	3.9
Depreciation and amortisation	156	6.0	762	19.8	367	8.3	156	8.0	103	5.9
Directors' remuneration	594	22.9	534	13.9	614	13.9	332	17.0	284	16.2
Commission ⁽²⁾	59	2.3	203	5.3	255	5.8	168	8.6	161	9.2
Upkeep and maintenance	353	13.6	234	6.1	127	2.9	64	3.3	38	2.2
Professional fees	90	3.5	215	5.6	669	15.1	304	15.6	99	5.6
Office expenses and utilities	154	5.9	213	5.5	216	4.9	101	5.2	106	6.0
Marketing expenses	97	3.7	167	4.3	345	7.8	120	6.1	134	7.6
Travelling and accommodation	115	4.4	96	2.5	119	2.7	59	3.0	20	1.1
Insurance and tax	49	1.9	85	2.2	157	3.5	66	3.4	29	1.7
Licensing and regulatory expenses	20	0.8	54	1.4	58	1.3	3	0.2	6	0.3
Rental	3	0.1	11	0.3	3	0.1	-	-	-	-
Penalty charges ⁽³⁾	60	2.3	34	0.9	224	5.1	*	*	14	0.8
Others ⁽⁴⁾	85	3.3	29	0.7	58	1.3	20	1.0	71	4.1
	2,594	100.0	3,853	100.0	4,424	100.0	1,952	100.0	1,756	100.0

Notes:

* Represents less than RM1,000 or 0.1%.

(1) Comprise, amongst others, training expenses, staff uniforms, staff refreshments and staff welfare expenses.

(2) Refers to incentives awarded to our sales and marketing employees for successfully achieving their performance target.

(3) Refers to penalty charges related to the late filing of tax return, late payment of tax and underestimation of tax payable.

(4) Comprise, amongst others, bank charges and recruitment advertisement for employment.

12. FINANCIAL INFORMATION *(Cont'd)*

Comparison between FYE 2022 and FYE 2023

Our administrative expenses increased by RM1.3 million or 50.0% to RM3.9 million in FYE 2023 (FYE 2022: RM2.6 million), mainly due to the following:

- (i) increase in depreciation and amortisation by RM0.6 million or 300.0% to RM0.8 million in FYE 2023 (FYE 2022: RM0.2 million). This was primarily due to a one-off amortisation of customers' contract of RM0.5 million arising from the acquisition of SBS Media Tech;
- (ii) increase in staff costs by RM0.3 million or 42.9% to RM1.0 million in FYE 2023 (FYE 2022: RM0.7 million). This was primarily due to net additional 4 headcounts from 31 December 2022 to 31 December 2023 due to amongst others, the inclusion of SBS Media Tech into our Group, as well as annual salary adjustment of our existing employees;
- (iii) increase in commission by RM0.1 million or 239.0% to RM0.2 million in FYE 2023 (FYE 2022: approximately RM59,000). This was primarily due to higher staff incentives awarded for meeting performance targets, aligning with the overall increase in revenue during the same financial year; and
- (iv) increase in professional fees by RM0.1 million or 122.2% to RM0.2 million in FYE 2023 (FYE 2022: approximately RM90,000). This was primarily due to professional fees incurred in connection with the IPO.

Comparison between FYE 2023 and FYE 2024

Our administrative expenses increased by RM0.5 million or 12.8% to RM4.4 million in FYE 2024 (FYE 2023: RM3.9 million), mainly attributable to the following:

- (i) increase in professional fees by RM0.5 million or 250.0% to RM0.7 million in FYE 2024 (FYE 2023: RM0.2 million). This was primarily due to professional fees incurred in connection with the IPO;
- (ii) increase in penalty charges by RM0.2 million or 488.2% to RM0.2 million in FYE 2024 (FYE 2023: RM34,000). This was mainly due to late filing of tax return, late payment of tax and underestimation of tax payable for the year of assessment 2023. To prevent the late filing of tax returns and late payment of tax in the future, our Group has established a policy and procedure for the preparation, revision and submission of corporate tax returns to ensure timely and accurate tax submissions; and
- (iii) increase in marketing expenses by RM0.1 million or 50.0% to RM0.3 million in FYE 2024 (FYE 2023: RM0.2 million) as a result of increased sales in FYE 2024. The marketing expenses mainly consist of digital marketing expenses, including payments for Google services such as Google Ads, Google Analytics, Google Search Console as well as search engine optimisation services.

12. FINANCIAL INFORMATION (Cont'd)

The increase in professional fees and marketing expenses was partially offset by the decrease in depreciation and amortisation expenses by RM0.4 million or 50.0% to RM0.4 million in the FYE 2024 (FYE 2023: RM0.8 million). The decrease in depreciation and amortisation expenses was mainly due to the absence of a one-off amortisation of customers' contract of RM0.5 million, which arose from the acquisition of SBS Media Tech and was recognised in FYE 2023.

Comparison between FPE 2024 and FPE 2025

Our administrative expenses decreased by RM0.2 million or 10.0% to RM1.8 million in FPE 2025 (FPE 2024: RM2.0 million), mainly due to the decrease in professional fees by RM0.2 million to approximately RM0.1 million in FPE 2025 (FPE 2024: RM0.3 million) as IPO-related professional fees incurred in FPE 2024 were not capitalised as they were not directly related to an equity transaction.

(e) Net (loss)/ reversal on impairment of financial assets

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Impairment losses:										
Trade receivables										
- Reversal of ECL	(1)	-	322	2,683.3	559	(113.8)	73	(17.4)	746	118.2
- Allowance for ECL	(612)	99.8	(322)	(2,683.3)	(1,050)	213.8	(493)	117.4	(115)	(18.2)
Other receivables										
- Reversal of ECL	2	(0.3)	12	100.0	-	-	-	-	-	-
- Allowance for ECL	(3)	0.5	-	-	-	-	-	-	-	-
Net (loss)/ reversal on impairment of financial assets	(613)	100.0	12	100.0	(491)	100.0	(420)	100.0	631	100.0

Note:

(1) Represents less than RM1,000.

Our Group recognises allowance for impairment losses for trade receivables based on the simplified approach in accordance with MFRS 9 Financial Instruments and measures the allowance for impairment loss based on a lifetime ECL from initial recognition while using the three-stage general approach within MFRS 9 using the forward-looking ECL model for allowance for impairment losses for other receivables.

12. FINANCIAL INFORMATION (Cont'd)

Our Group uses an allowance matrix to measure the ECL of trade receivables from past due ageing. Expected loss rates are determined by the probability of the non-collection from the trade receivables multiplied by the amount of the expected loss arising from default. Trade receivables have been grouped based on shared credit risk characteristics – the days past due.

During the process, the probability of non-payment by the trade receivables is adjusted by forward-looking information affecting the ability of the customers to settle the receivables and multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables.

Comparison between FYE 2022 and FYE 2023

We recorded a net reversal on impairment of financial assets of approximately RM12,000 in FYE 2023 (FYE 2022: net loss on impairment of financial assets of RM0.6 million), mainly due to reversal of ECL allowance on trade and other receivables as a result of improved credit quality of trade and other receivables.

Comparison between FYE 2023 and FYE 2024

We recorded a net loss on impairment of financial assets of RM0.5 million in FYE 2024 (FYE 2023: net reversal in impairment of financial assets of approximately RM12,000), mainly due to higher ECL allowance on trade receivables related to outstanding debts which exceeded our credit period of 90 days. While these debts remain uncollected, they are primarily timing issues, and we do not anticipate any substantial collection problems.

Comparison between FPE 2024 and FPE 2025

We recorded a net reversal on impairment of financial assets of approximately RM0.6 million in FPE 2025 (FPE 2024: net loss on impairment of financial assets of RM0.4 million), mainly due to the following:

- (i) higher reversal of ECL allowance on trade receivables in FPE 2025 as a result of improved subsequent collections from customers and overall enhancement in the credit quality of trade receivables; and
- (ii) lower ECL allowance on trade receivables in FPE 2025 which was primarily driven by improved collections and a reduction in outstanding debts exceeding our credit period of 90 days.

12. FINANCIAL INFORMATION (Cont'd)**(f) Other expenses**

	Audited				Unaudited				Audited			
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025			
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
Loss on disposal of an investment property	-	-	16	100.0	-	-	-	-	-	-		
Bad debts written off	20	100.0	-	-	-	-	-	-	-	-		
	20	100.0	16	100.0	-	-	-	-	-	-		

Our other expenses remained consistent from FYE 2022 to FYE 2023.

In FYE 2022, we recorded a bad debt written off, which mainly arose from a non-refundable deposit paid by our Group for a deliverable that was subsequently cancelled.

In FYE 2023, our Group recorded a marginal loss on the disposal of an investment property as the disposal consideration received for the disposal of a 1½-storey semi-detached factory on a freehold land located at Skudai, Johor was lower than the carrying value. This disposal was aimed to monetise the investment property and reduce capital commitments of our Group.

(g) Finance costs

	Audited				Unaudited				Audited			
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025			
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
Term loans	320	93.0	416	92.9	482	94.5	225	93.0	185	98.9		
Lease liabilities	24	7.0	32	7.1	28	5.5	17	7.0	2	1.1		
	344	100.0	448	100.0	510	100.0	242	100.0	187	100.0		

Comparison between FYE 2022 and FYE 2023

Our finance costs increased by RM0.1 million or 33.3% to RM0.4 million in FYE 2023 (FYE 2022: RM0.3 million), mainly due to higher term loan interest as a result of drawdown of term loans amounting to RM0.9 million in FYE 2023 for our working capital requirements.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2023 and FYE 2024

Our finance costs increased marginally by approximately RM0.1 million or 25.0% to approximately RM0.5 million in FYE 2024 (FYE 2023: RM0.4 million), mainly due to higher term loan interest resulting from early repayment charges of RM45,000 arising from the settlement of term loan in relation to the disposal of a double-storey shop office located at Shah Alam, Selangor.

Comparison between FPE 2024 and FPE 2025

Our finance costs decreased by approximately RM55,000 or 22.7% to RM0.2 million in FPE 2025 (FPE 2024: RM0.2 million), mainly due to lower average borrowings during the period, as total borrowings at the beginning of FPE 2025 stood at approximately RM5.4 million compared to RM7.0 million at the beginning of FPE 2024, following a net repayment of approximately RM1.6 million between 1 January 2024 and 1 January 2025.

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12. FINANCIAL INFORMATION (Cont'd)**(h) PBT and PBT margin**

	Audited			Unaudited	Audited
	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
PBT (RM'000)	2,416	7,280	10,078	4,368	6,401
PBT margin (%)	20.8	36.5	33.7	34.3	29.4
PAT (RM'000)	1,770	5,560	7,599	3,390	4,705
PAT margin (%)	13.6	27.9	25.4	26.6	21.6

Comparison between FYE 2022 and FYE 2023

We recorded an increase in PBT of RM4.9 million or 204.2% in FYE 2023, which was mainly attributable to the following:

- (i) increase in GP as explained in Section 12.2.2(b) above; and
- (ii) recorded a net reversal on impairment of financial assets of approximately RM12,000 (FYE 2022: net loss on impairment of financial assets of RM0.6 million) as explained in Section 12.2.2(e) above,

which was partially offset by an increase in administrative expenses by RM1.3 million to RM3.9 million in FYE 2023 (FYE 2022: RM2.6 million) and decrease in other income by RM0.3 million to RM0.3 million in FYE 2023 (FYE 2022: RM0.6 million) as explained in Sections 12.2.2(d) and 12.2.2(c) above respectively.

Our PBT margin increased from 20.8% in FYE 2022 to 36.5% in FYE 2023. Such increase was mainly attributable to the increase in GP margin as explained in Section 12.2.2(b) above and the net reversal on impairment of financial assets recorded for the FYE 2023. This was partially offset by the lower other income as explained above.

Correspondingly, we recorded an increase in PAT of RM3.8 million or 211.1% in FYE 2023 and our PAT margin improved from 13.6% in FYE 2022 to 27.9% in FYE 2023. The improvement was mainly attributable to higher PBT and PBT margin in FYE 2023.

Comparison between FYE 2023 and FYE 2024

We recorded an increase in PBT of RM2.8 million or 38.4% in FYE 2024, which was mainly attributable to our higher GP by RM3.8 million for FYE 2024 as explained in Section 12.2.2(b) which was partially offset by higher administrative expenses by RM0.5 million to RM4.4 million in FYE 2024 (FYE 2023: RM3.9 million) and net loss on impairment of financial assets of RM0.5 million (FYE 2023: net reversal in impairment of financial assets of approximately RM12,000) as explained in Sections 12.2.2(d) and 12.2.2(e) above, respectively.

Our PBT margin decreased from 36.5% in FYE 2023 to 33.7% in FYE 2024. Such decrease was mainly due to the decrease in GP margin and net loss on impairment of financial assets as explained in Sections 12.2.2(b) and 12.2.2(e) above, respectively, which was partially offset by the lower administrative expenses as a percentage of revenue.

As a result, our PAT increased by RM2.0 million or 35.7% in FYE 2024, while our PAT margin decreased from 27.9% in FYE 2023 to 25.4% in FYE 2024. The fluctuation in our PAT and PAT margin for the FYE 2024 was mainly due to the factors as explained above regarding PBT, PBT margin, with tax expenses explained in the section below.

12. FINANCIAL INFORMATION (Cont'd)**Comparison between FPE 2024 and FPE 2025**

We recorded an increase in PBT of RM2.0 million or 45.5% in FPE 2025, which was mainly attributable to the following:

- (i) net reversal on impairment of financial assets of RM0.6 million in FPE 2025 (FPE 2024: net loss on impairment of financial assets of RM0.4 million) as explained in Section 12.2.2(e) above;
- (ii) increase in GP as explained in Section 12.2.2(b) above; and
- (iii) decrease in administrative expenses by RM0.2 million to RM1.8 million in FPE 2025 (FPE 2024: RM2.0 million) as explained in Sections 12.2.2(d).

Our PBT margin decreased from 34.3% in FPE 2024 to 29.4% in FPE 2025. Such decrease was mainly due to the decrease in GP margin as explained in Section 12.2.2(b) above, which was partially offset by the net reversal on impairment of financial assets and lower administrative expenses as a percentage of revenue for the FPE 2025 as well as lower finance cost as explained in Section 12.2.2(g).

As a result, our PAT increased by RM1.3 million or 38.2% in FPE 2025 while our PAT margin decreased from 26.6% in FPE 2024 to 21.6% in FPE 2025. The fluctuation in our PAT and PAT margin for the FPE 2025 was mainly due to the factors as explained above regarding PBT, PBT margin, with tax expenses explained in the section below.

(i) Taxation

	Audited			Unaudited	Audited
	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
Taxation (RM'000)	646	1,720	2,479	978	1,696
Statutory tax rate (%)	24.0	24.0	24.0	24.0	24.0
Effective tax rate (%)	26.7	23.6	24.6	22.4	26.5

Comparison between FYE 2022 and FYE 2023

Our tax expenses increased by RM1.1 million or 183.3% to RM1.7 million in FYE 2023 (FYE 2022: RM0.6 million), mainly attributable to higher PBT recorded for FYE 2023.

Our effective tax rate of 26.7% for the FYE 2022 was higher than the statutory tax rate of 24.0% mainly due to the following:

- (i) non-deductible expenses incurred totalling RM0.3 million, which comprise amongst other, the depreciation expenses and net loss on impairment of financial assets; and
- (ii) movement of deferred tax assets not recognised of approximately RM43,000.

However, the higher effective tax rate due to the above was partially offset by the following:

- (i) over provision of deferred tax in prior financial year of RM0.1 million;
- (ii) tax saving from first tranche of chargeable income of RM0.1 million; and

12. FINANCIAL INFORMATION (Cont'd)

- (iii) non-taxable income of approximately RM33,000, which comprise rental income, interest income and wages subsidies.

Our effective tax rate of 23.6% for FYE 2023 was fairly consistent with the statutory tax rate of 24.0%.

Comparison between FYE 2023 and FYE 2024

Our tax expenses increased by RM0.8 million or 47.1% to RM2.5 million in FYE 2024 (FYE 2023: RM1.7 million), mainly attributable to higher PBT recorded for FYE 2024.

Our effective tax rate of 24.6% for FYE 2024 was fairly consistent with the statutory tax rate of 24.0%.

Comparison between FPE 2024 and FPE 2025

Our tax expenses increased by RM0.7 million or 70.0% to RM1.7 million in FPE 2025 (FPE 2024: RM1.0 million), mainly attributable to higher PBT recorded for FPE 2025.

Our effective tax rate of 26.5% for FPE 2025 was higher than the statutory tax rate of 24.0% mainly due to the following:

- (i) under provision of current tax in prior financial year of RM0.2 million; and
- (ii) under provision of deferred tax in prior financial year of RM0.1 million,

which was partially offset by non-taxable income of approximately RM0.1 million, which comprise interest income and net reversal on impairment of trade receivables.

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12. FINANCIAL INFORMATION (Cont'd)**12.2.3 Review of cash flows**

The table below sets out the summary of our historical audited combined statements of cash flows for FYE 2022 to 2024 and FPE 2025.

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000
Net cash from operating activities	1,507	9,447	5,077	675
Net cash from/ (used in) investing activities	2,908	145	2,164	(26)
Net cash used in financing activities	(3,714)	(6,991)	(7,176)	(64)
Net cash increase in cash and cash equivalents	701	2,601	65	585
Cash and cash equivalents at the beginning of the financial year/ period	1,766	2,467	5,068	5,133
Cash and cash equivalents at the end of the financial year/ period	2,467	5,068	5,133	5,718

FYE 2022**Net cash for operating activities**

For FYE 2022, we recorded net operating cash inflow of RM1.5 million after taking into consideration our operating profit of RM3.5 million and the following working capital changes:

- (a) increase in receivables by RM3.0 million mainly due to slower collection from our customers who were utilising the matching grant under the SME Digitalisation Initiative; and
- (b) tax paid amounting to RM0.9 million.

The above was partially offset by:

- (a) increase in contract liabilities by RM1.0 million mainly attributable to advance payments received from our customers for our digital branding solutions (i.e. digital broadcasts, video production and online marketing services) that have yet to be delivered as at 31 December 2022; and
- (b) increase in payables by RM0.9 million mainly due to higher trade payable as a result of increased business activities toward the end of the year and higher accrued expenses arising from expenses incurred by our Group.

Net cash for investing activities

Our Group recorded a net cash inflow of RM2.9 million from investing activities, mainly due to full repayment of amount owing from our Directors (i.e. Wong Chun Mun and Piah Yee Ling) to our Group.

12. FINANCIAL INFORMATION (Cont'd)**Net cash for financing activities**

Our Group recorded a net cash outflow of RM3.7 million from financing activities, mainly due to dividends declared and paid of RM6.2 million in respect of FYE 2022, which was partially offset by the following:

- (a) net drawdown of term loans of RM1.2 million for our Group's working capital requirements; and
- (b) amount due to our Directors (i.e. Wong Chun Mun and Piah Yee Ling) of RM1.7 million, resulting from dividends declared for FYE 2022 that were pending payment. Such amount was subsequently settled in FYE 2023.

FYE 2023**Net cash for operating activities**

For FYE 2023, we recorded net operating cash inflow of RM9.4 million after taking into consideration our operating profit of RM8.5 million and the following working capital changes:

- (a) decrease in receivables by RM4.4 million mainly as a result of the collection from our customers under the digital branding solutions segment, where our Group had initiated various steps to improve collection such as sending timely reminders and closely following up on outstanding payment.

The above was partially offset by the following:

- (a) decrease in payables by RM1.6 million mainly due to repayment to our suppliers and non-trade creditors;
- (b) tax paid amounting to RM1.2 million; and
- (c) decrease in contract liabilities by RM0.7 million mainly due to the delivery of services to our customers for which we have collected advance payments.

Net cash for investing activities

Our Group recorded a net cash inflow of RM0.1 million from investing activities, mainly due to the net proceeds from the disposal of a 1½-storey semi-detached factory on a freehold land located at Skudai, Johor of RM1.1 million after deducting the associated disposal costs. This inflow was substantially offset by the acquisition of intangible assets in the form of software, amounting to RM1.0 million, which includes the source code and object code for our mobile and web-based applications, and website development services under our digital branding solutions segment.

Net cash for financing activities

Our Group recorded a net cash outflow of RM7.0 million from financing activities, mainly due to:

- (a) dividends declared and paid of RM3.8 million in respect of FYE 2023;
- (b) repayment of amount owing to our Directors of RM1.6 million;
- (c) net repayment of term loan of RM1.0 million; and

12. FINANCIAL INFORMATION (Cont'd)

(d) interest paid on our borrowings of RM0.4 million.

FYE 2024

Net cash for operating activities

For FYE 2024, we recorded net operating cash inflow of RM5.1 million after taking into consideration our operating profit of RM11.0 million and the following working capital changes:

- (a) increase in receivables by RM5.1 million mainly due to higher revenue recognised towards the end of the year; and
- (b) tax paid of RM1.4 million,

which was partially offset by the increase in contract liabilities by RM0.6 million attributable to advance payments received from our customers for our offline branding solutions and digital branding solutions (i.e. offset printing and online marketing services) that have yet to be delivered as at 31 December 2024.

Net cash for investing activities

Our Group recorded a net cash inflow of approximately RM2.2 million from investing activities, mainly due to the following:

- (a) proceeds from disposal of a double-storey shop office located at Shah Alam, Selangor of RM1.8 million; and
- (b) proceeds from disposal of property, plant and equipment (i.e. 3 units of motor vehicles) of RM0.5 million,

which was partially offset by the purchase of servers and computers/ laptops of RM0.1 million.

Net cash for financing activities

Our Group recorded a net cash outflow of RM7.2 million from financing activities, mainly attributable to:

- (a) dividends declared and paid of RM5.0 million in respect of FYE 2024;
- (b) net repayment of term loans of RM1.0 million;
- (c) repayment of lease liabilities of RM0.6 million; and
- (d) interest paid on our borrowings of RM0.5 million.

FPE 2025

Net cash for operating activities

For FPE 2025, we recorded net operating cash inflow of RM0.7 million after taking into consideration our operating profit of RM6.1 million and the following working capital changes:

- (a) increase in receivables by RM4.8 million mainly due to higher revenue recognised towards the end of the period as well as prepaid expenses related to our IPO;

12. FINANCIAL INFORMATION (Cont'd)

- (b) decrease in contract liabilities by RM0.8 million mainly due to the delivery of services to our customers for which we have collected advance payments;
- (c) increase in payables by RM0.6 million mainly due to accrued expenses related to our IPO as well as higher trade payable resulting from increased business activities towards the end of the financial period; and
- (d) tax paid amounting to RM0.5 million.

Net cash for investing activities

Our Group recorded a net cash outflow of approximately RM26,000 from investing activities, mainly due to the purchase of accounting software, laptops, monitor and other accessories for our business operations.

Net cash for financing activities

Our Group recorded a net cash outflow of approximately RM64,000 from financing activities, mainly attributable to the interest paid on our borrowings of RM0.2 million, which was partially offset by the net drawdown of borrowings amounting to RM0.1 million for our Group's working capital requirements.

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12. FINANCIAL INFORMATION (Cont'd)

12.3 LIQUIDITY AND CAPITAL RESOURCES**12.3.1 Working capital**

We finance our operations with cash generated from operations, credit extended by trade payables and/ or financial institutions and existing cash and bank balances. Our facilities from financial institutions comprise term loans and hire purchase.

The decision to utilise either internally generated funds or borrowings for our business operations depends on, amongst others, our cash and bank balances, expected cash inflows, future working capital requirements, future capital expenditure requirements and interest rates on borrowings. We carefully consider our cash position and ability to obtain further financing before making significant capital commitments.

Our Board confirms that we have sufficient funds for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus, taking into consideration the following:

- (a) Our cash and bank balances of approximately RM5.7 million as at LPD;
- (b) Our expected future cash flows from operations;
- (c) Our total banking facilities (excluding hire purchases) as at LPD up to a total limit of RM8.6 million, of which RM6.5 million has been utilised; and
- (d) The proceeds to be raised from our Public Issue.

At this juncture, we do not foresee any circumstances which may materially affect our liquidity. Our Group has not encountered any major disputes with our debtors. We carefully consider our cash position and ability to obtain further financing before making significant capital commitments.

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12. FINANCIAL INFORMATION (Cont'd)

12.4 BORROWINGS

All of our borrowings are interest-bearing and denominated in RM. Our total outstanding borrowings as at 30 June 2025 stood at RM7.0 million, details of which are set out below:

Purpose		Security	Tenure of the facility	Effective interest rate %	As at 30 June 2025 RM'000
Interest bearing short-term borrowings, payable within 1 year:					
Term loans	Acquisition of (a) our existing headquarters; and (b) working capital requirements	(a) Legal charge over our existing headquarters; (b) Corporate guarantee by SBS Digital Holdings; and (c) Joint and several guarantee by our substantial shareholders, namely Wong Chun Mun, Piah Yee Ling, Warren Cheng and Lim Cheng Yong	60 to 240 months	3.5 to 10.4	2,606
Hire purchases	Acquisition of motor vehicles	Guarantee by Wong Chun Mun	72 to 120 months	4.8 to 4.9	25
Total current borrowings					2,631
Interest bearing long-term borrowings, payable after 1 year:					
Term loans	Acquisition of (a) our existing headquarters; and (b) working capital requirements	(a) Legal charge over our existing headquarters; (b) Corporate guarantee by SBS Digital Holdings; and (c) Joint and several guarantee by our substantial shareholders, namely Wong Chun Mun, Piah Yee Ling, Warren Cheng and Lim Cheng Yong	60 to 240 months	3.5 to 10.4	4,318
Hire purchases	Acquisition of motor vehicles	Guarantee by Wong Chun Mun	72 to 120 months	4.8 to 4.9	35
Total non-current borrowings					4,353
Total borrowings					6,984
Gearing (times)					
After Acquisition but before Public Issue and utilisation of proceeds ⁽¹⁾					0.5
After Acquisition, Public Issue and utilisation of proceeds ⁽²⁾					0.02

12. FINANCIAL INFORMATION (Cont'd)**Notes:**

- (1) Computed based on our pro forma total equity of RM13.3 million in the pro forma combined statements of financial position after the Acquisition but before Public Issue and utilisation of proceeds.
- (2) Computed based on our pro forma total equity of RM39.4 million in the pro forma combined statements of financial position after Acquisition, Public Issue and utilisation of proceeds.

As at LPD, we do not have any borrowings which are non-interest bearing and/ or in foreign currency. We do not encounter seasonality in the trend of our borrowings and there is no restriction on the use of our committed banking facilities, save for prior consents from the licensed banks before using the banking facilities, where necessary.

We have not defaulted on payments of principal sums and/ or interests in respect of any of our borrowings throughout FYE 2022 to 2024, FPE 2025 and up to LPD.

As at LPD, our Group is not in breach of any terms and conditions or covenants associated with the credit arrangement or bank loan, which can materially affect (a) our financial position and results; (b) business operations; or (c) the investments by holders of our securities. During FYE 2022 to 2024 and FPE 2025, we did not experience any claw back or reduction in the facilities limit granted to us by our lenders.

In conjunction with our Listing, we have applied to the financiers to obtain a release and/ or discharge of the guarantees by substituting the same with a corporate guarantee from our Company and/ or other securities from our Group acceptable to the financiers. Until such release and/ or discharge are obtained from the respective financiers, our Promoters and/ or substantial shareholders, Wong Chun Mun, Piah Yee Ling, Warren Cheng and Lim Cheng Yong will continue to guarantee the banking facilities extended to our Group.

We have obtained consent from all Financiers for the substitution of the said personal guarantees with corporate guarantees from our Company, to be completed as soon as practicable after our Listing.

12.5 TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES

As at LPD, save as disclosed in Section 12.4 above, we do not have nor utilise any other financial instruments or have any other treasury policies. We finance our operations mainly through cash generated from our operations, credit extended by our suppliers and external sources of funds comprising borrowings. The principal usages of these bank borrowings are for the purchase of property, plant and equipment and our working capital requirements.

As at LPD, save for our hire purchase which are based on fixed interest rates, all other borrowings bear variable interest rates based on the financial institution's cost of fund rate plus a rate, which varies depending on the type of facility.

12. FINANCIAL INFORMATION (Cont'd)**12.6 MATERIAL CAPITAL COMMITMENTS**

As at LPD, save as disclosed below, we do not have any other material capital commitments:

	To be funded from proceeds of our Public Issue
	RM'000
Approved but not contracted for:	
• Renovation expenses, acquisition of studio equipment and set up of IT and networking infrastructure for our new headquarters ⁽¹⁾	5,660
• Acquisition of laptops/ computers, cloud storage, hosting servers and software subscription ⁽²⁾	670
	6,330

Notes:

⁽¹⁾ Further details are set out in Section 4.9.1(a).

⁽²⁾ Further details are set out in Section 4.9.1(b).

12.7 MATERIAL LITIGATION AND CONTINGENT LIABILITIES

We are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant. There is no proceeding pending or threatened or any fact likely to give rise to any proceeding, which might materially or adversely affect our position or business as at LPD.

As at LPD, there are no material contingent liabilities incurred by our Group, which upon becoming enforceable, may have a material effect on our business, financial results or position.

12.8 KEY FINANCIAL RATIOS

The key financial ratios of our Group for FYE 2022 to 2024 and FPE 2025 are as follows:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FPE 2025
Trade receivables turnover (days) ⁽¹⁾	138	91	67	77
Trade payables turnover (days) ⁽²⁾	19	26	13	5
Current ratio (times) ⁽³⁾	1.3	1.8	1.9	2.2
Gearing ratio (times) ⁽⁴⁾	5.3	1.2	0.6	0.5

Notes:

⁽¹⁾ Computed based on the average trade receivables and net of allowances for impairment loss as at financial year/ period end over revenue for the respective financial years/ period, multiplied by 365 days for FYE 2022 and 2023 and 366 days for FYE 2024 and 182 days for FPE 2025.

12. FINANCIAL INFORMATION (Cont'd)

- (2) Computed based on the average trade payables as at financial year/ period end over cost of sales for the respective financial years/ period, multiplied by 365 days for FYE 2022 and 2023 and 366 days for FYE 2024 and 182 days for the FPE 2025.
- (3) Computed based on current assets over current liabilities as at the end of each financial year/ period.
- (4) Computed based on total interest-bearing borrowings over total equity as at the end of each financial year/ period.

12.8.1 Trade receivables turnover

The key financial ratios of our Group for FYE 2022 to 2024 and FPE 2025 are as follows:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000
Opening trade receivables	2,596	6,149	3,829	7,166
Closing trade receivables	6,149	3,829	7,166	11,209
Average trade receivables	4,373	4,989	5,498	9,188
Revenue	11,602	19,946	29,924	21,760
Trade receivables turnover period (days)	138	91	67	77

The normal payment term granted by our Group to our customers ranges from cash term to credit term of 90 days (FPE 2025, FYE 2024 and FYE 2023: cash term to 90 days; FYE 2022: cash term to 60 days), which is determined on a case-by-case basis taking into consideration various factors such as our business relationship with our customers and the credit history of our customers, while new customers are subject to our credit verification and assessment process. Credit term will commence from the date of invoice. For information, our Group extended our credit term from 60 days in FYE 2022 to 90 days in FYE 2023, mainly to standardise the credit periods within our Group and to adapt to evolving customer payment practices resulting from amongst others, economic conditions (i.e. COVID-19).

As our Group does not hold any collateral, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position. Our Group uses ageing analysis to monitor the credit quality of the trade receivables.

Our trade receivables turnover periods for FYE 2022 and FYE 2023 were 138 days and 91 days respectively, all of which exceeded our normal trade credit period. However, for FYE 2024, our trade receivables turnover period improved to 67 days, which is within our normal trade credit period. Despite the increase in our trade receivables turnover period from 67 days for FYE 2024 to 77 days for FPE 2025, such days remained within the normal trade credit period of 90 days granted to our customers.

Our trade receivables turnover period decreased from 138 days for FYE 2022 to 91 days for FYE 2023 as a result of the collection from our customers under digital branding solutions segment, where our Group had initiated various steps to improve collection such as sending timely reminders and closely following up on outstanding payment. For information, the higher trade receivables turnover period of 138 days for FYE 2022 was mainly due to slower collection from our customers who were utilising the matching grant under the SME Digitalisation Initiative.

12. FINANCIAL INFORMATION (Cont'd)

Our trade receivables turnover period decreased from 91 days for FYE 2023 to 67 days for FYE 2024 mainly attributable to better credit monitoring and more proactive actions, such as follow-ups by our Group's sales and finance departments.

Our trade receivables turnover period increased from 67 days for FYE 2024 to 77 days for FPE 2025 mainly due to higher trade receivables resulting from higher revenue recognised towards the end of the financial period.

The ageing analysis of our trade receivables as at 30 June 2025 is as follows:

	Trade receivables as at 30 June 2025		Collection from 1 July 2025 to LPD	Balance trade receivables as at LPD
	Percentage of trade receivables			
	RM'000	(a)/total of (a)	RM'000	RM'000
	(a)		(b)	(c) = (a)-(b)
Neither past due nor impaired	9,344	83.4	7,016	2,328
Past due but not impaired:				
- less than 30 days	1,300	11.6	1,286	14
- 31 to 60 days	482	4.3	476	6
- 61 to 90 days	70	0.6	63	7
- over 90 days	13	0.1	13	-
	1,865	16.6	1,838	27
	11,209	100.0	8,854	2,355

As at LPD, RM8.9 million or 79.0% of our total trade receivables as at 30 June 2025 has been collected. As at LPD, the remaining RM2.4 million or 21.0% of our total trade receivables as at 30 June 2025 is still outstanding.

Our Group has not encountered any major disputes with our trade receivables.

12.8.2 Trade payables turnover

Our average trade payables turnover period for FYE 2022 to 2024 and FPE 2025 is as follows:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000
Opening trade payables	164	491	749	305
Closing trade payables	491	749	305	396
Average trade payables	328	620	527	351
Cost of sales	6,171	8,698	14,969	14,048
Trade payables turnover period (days)	19	26	13	5

The normal payment terms granted to our Group by our suppliers ranges from cash term to credit term of 30 days from the date of invoice depending on the suppliers and type of products or services procured. To maintain good working relationship with our suppliers, we pay them within the respective credit periods.

12. FINANCIAL INFORMATION (Cont'd)

Our trade payables turnover period for FYE 2022 to 2024 and FPE 2025 were 19 days, 26 days, 13 days and 5 days respectively, all of which were within the normal credit terms granted by our suppliers.

Our trade payables turnover period increased from 19 days for FYE 2022 to 26 days for FYE 2023 as our Group was optimising its cash management strategy which allows our Group to hold onto cash longer and strengthen our Group's ability to meet short-term obligations. Our trade payables turnover period decreased from 26 days for FYE 2023 to 13 days for FYE 2024 mainly due to our ability to make quicker payments following improved collections from trade receivables in FYE 2023. Our trade payables turnover period decreased from 13 days for FYE 2024 to 5 days for FPE 2025 mainly due to improved internal cash flow, which enabled quicker settlement of payments. Accordingly, the improved payment helped maintain good relationships with our suppliers.

The ageing analysis of our trade payables as at 30 June 2025 is as follows:

	Trade payables as at 30 June 2025		Payment from 1 July 2025 to LPD	Balance trade payables as at LPD
	RM'000	Percentage of trade payables	RM'000	RM'000
	(a)	(a)/total of (a)	(b)	(c) = (a)-(b)
Within credit period	85	21.5	83	2
Exceeding credit period:				
- less than 30 days	61	15.4	61	-
- 31 to 60 days	106	26.8	29	77
- over 60 days	144	36.3	97	47
	311	78.5	187	124
	396	100.0	270	126

As at LPD, RM0.3 million or 68.2% of our trade payables as at 30 June 2025 has been settled. As at LPD, the remaining approximately RM0.1 million or 31.8% of our total trade payables as at 30 June 2025 is still outstanding.

As at LPD, we do not have any material disputes in respect of our trade payables and no material legal proceedings to demand for payment have been initiated by our suppliers against us.

12.8.3 Current ratio

Our current ratio throughout FYE 2022 to 2024 and FPE 2025 is as follows:

	Audited			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Current assets	8,885	9,415	14,133	21,562
Current liabilities	7,016	5,133	7,367	9,588
Net current assets	1,869	4,282	6,766	11,974
Current ratio (times)	1.3	1.8	1.9	2.2

12. FINANCIAL INFORMATION (Cont'd)

Our Group's current ratio ranges from 1.3 times to 2.2 times for FYE 2022 to 2024 and FPE 2025. This indicates that our Group is capable of meeting short-term obligations as our current assets such as trade and other receivables are readily converted to cash, and together with our cash in bank, are enough to meet the current liabilities.

Our Group's current ratio increased to 1.8 times as at 31 December 2023 (as at 31 December 2022: 1.3 times). This was mainly attributable to the decrease in current liabilities following the repayment of amount owing to our Directors of RM1.6 million in FYE 2023.

Our Group's current ratio of 1.9 times as at 31 December 2024 was fairly consistent with the current ratio of 1.8 times as at 31 December 2023.

The current ratio increased from 1.9 times as at 31 December 2024 to 2.2 times as at 30 June 2025, mainly due to higher current assets by RM7.5 million to RM21.6 million as at 30 June 2025 (31 December 2024: RM14.1 million) as a result of:

- (a) higher trade and other receivables by RM5.4 million to RM14.3 million as at 30 June 2025 (31 December 2024: RM8.9 million) due to higher revenue recognised towards the end of the financial period as well as prepaid expenses related to our IPO; and
- (b) higher cash and bank balances by RM2.1 million to RM7.2 million as at 30 June 2025 (31 December 2024: RM5.1 million).

12.8.4 Gearing ratio

Our gearing ratio throughout FYE 2022 to 2024 and FPE 2025 is as follows:

	Audited			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Total borrowings ⁽¹⁾	7,768	7,002	5,353	6,984
Total equity	1,462	6,044	8,642	13,347
Gearing ratio (times)	5.3	1.2	0.6	0.5

Note:

- ⁽¹⁾ Computed based on total interest-bearing borrowings and lease liabilities over total equity as at the end of the respective financial years/ period.

As at 31 December 2023, our gearing ratio decreased to 1.2 times (as at 31 December 2022: 5.3 times), mainly attributable to the increase in total equity as a result of PAT achieved for FYE 2023 of RM5.6 million and fair value of RM2.8 million arising from the acquisition of SBS Media Tech in FYE 2023. This was partially offset by dividends declared in FYE 2023 of RM3.8 million.

Our gearing ratio decreased to 0.6 times as at 31 December 2024 (as at 31 December 2023: 1.2 times), mainly attributable to the following:

- (a) increase in total equity as a result of PAT achieved for FYE 2024 of RM7.6 million, which was partially offset by dividends declared in FYE 2024 of RM5.0 million; and

12. FINANCIAL INFORMATION (Cont'd)

- (b) decrease in total borrowings following the net repayment of borrowings of RM1.7 million in FYE 2024.

Our gearing ratio decreased to 0.5 times as at 30 June 2025 (as at 31 December 2024: 0.6 times), mainly attributable to the increase in total equity arising from the PAT of RM4.7 million achieved for FPE 2025. This was partially offset by an increase in total borrowings following a net drawdown of term loan of RM1.6 million.

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12. FINANCIAL INFORMATION (Cont'd)**12.9 SIGNIFICANT FACTORS AFFECTING OUR BUSINESS**

Section 9 details the risk factors relating to our business and the industry in which we operate. Some of these risk factors have an impact on our revenue and financial performance. The main factors which affect revenues and profits include but are not limited to the following:

(a) Our branding is critical to our success, and the value of our house brand, 'ShangHai' and our reputation may be adversely affected by negative perception

Our success relies on the value of our house brand, 'ShangHai', which is integral to our business. For FYE 2022 to 2024 and FPE 2025, revenue from our 'ShangHai' branded services (comprising offline publication, digital broadcasts, business awards and recognition events as well as networking events) collectively contributed RM3.5 million (29.7%), RM4.5 million (22.6%), RM2.1 million (7.1%) and RM0.9 million (4.0%) of our total revenue respectively. The decline in revenue from FYE 2023 to 2024 was due to the lower revenue from our SIR and SHIPBA events as our Group organised these events on a smaller scale in FYE 2024 and the absence of revenue from a one-off business awards and recognition event, namely "ShangHai Rekatone Outstanding Design Award" of RM0.3 million. Further, the decline in revenue in FPE 2025 was mainly due to the lower revenue from our SHIPBA events, primarily due to lower approval rates for nominations as a result of stricter vetting processes as well as fewer publicity packages being taken up by participants. Please refer to Section 12.2.2(a) for further details.

'ShangHai' brand is a long-established printed Mandarin-language business media brand that has been in the market for 46 years as at LPD and it is well known among the Mandarin-speaking SME community in Malaysia. Public perception of our Group's branding is vital in building trust and confidence towards our Group's overall services. Despite the relatively lower contribution directly from our Group's 'ShangHai' branded services in FYE 2024 and FPE 2025, the recognition of the brand plays a pivotal role in enhancing awareness of our Group's presence, thus creating spillover effect that may drive the demand for other branding and marketing services offered by our Group comprising out-of-home media, public relations and event management, online marketing services, video production, digital-out-of-home media and online media, as well as mobile and web-based applications, and website development services.

Our house brand's reputation depends on marketing and consistent service quality. The reputation of our house brand could be adversely affected if we fail to achieve these objectives or if our public image or reputation were to be tarnished by negative publicity through social media platforms, including negative publicity about our services, customer service, personnel, or marketing efforts. Misunderstandings or unfounded claims could tarnish our image, and actions by employees or customers beyond our control may also result in adverse publicity. We are unable to guarantee that our brand development strategies will prevent or mitigate the occurrence of such incidents, accelerate the recognition of our house brand, or increase revenue. While we have not faced incidents of malicious sabotage or rumours impacting our house brand's reputation from FYE 2022 to 2024, FPE 2025 and up to LPD, we cannot guarantee such issues will not arise in the future, potentially affecting our business and financial performance.

Please refer to Section 9.1.1 for further details.

12. FINANCIAL INFORMATION (Cont'd)**(b) Absence of long-term contracts with our customers may result in the fluctuation of our Group's financial performance**

Our Group does not have long-term contracts with customers, as services are purchased on an as-needed basis due to the dynamic nature of our industry, which is influenced by changes in consumer behaviour, business needs, marketing strategies and market trends. This lack of long-term contracts may result in fluctuating sales and overall financial performance, as reductions in purchases by existing customers could adversely affect our revenue if not offset by new or increased purchases from other customers in a timely manner.

Revenue from the delivery of the development projects is recognised upon issuance of invoices based on project delivery milestones over the tenure of the projects. As such, the timing of project delivery will affect our billing schedule which will in turn affect our revenue recognition and may cause our profit and operating cash flow to fluctuate. Our development projects generally range from 2 to 6 months, depending on complexity of the project.

Our Group's inability to continuously secure new projects and customers for this business segment may adversely affect our Group's financial performance. Since the acquisition of SBS Media Tech in 2023 and up to LPD, our Group have not experienced project shortages affecting revenue. However, the non-recurrent nature of mobile and web-based applications, and website development projects may still cause our revenue, profit and operating cash flow to fluctuate.

Please refer to Section 9.1.2 for further details.

(c) We are reliant on third party suppliers for our operations

Our services rely on third party suppliers and service providers for various supplies and tasks, such as printing of marketing materials for out-of-home media and offline publication, which are fully outsourced to Malaysian suppliers, except for pocket tissues' printing and production, which is outsourced to a supplier in China. Additionally, we depend on third party suppliers for our in-house event requirements such as event venue, event decorations, backdrops, sound and lighting services, event performers, make-up artists, event videographers, event crews and food catering services. We also procure services from hosts, videographers, photographers, journalists, software providers, equipment rental providers, billboard owners, and agencies to support our other services.

The absence of long-term contracts with suppliers poses risks, as we cannot guarantee the continuity of services at commercially viable prices. Significant cost increases from suppliers could impact our profitability if not passed to customers promptly. Moreover, the inability of our major suppliers or service providers to deliver the required services could cause delays to the fulfilment of services to our customers which may adversely affected our business reputation and/ or customers raising complaints against our Group, adversely affecting our financial performance. Despite these risks, from FYE 2022 to 2024 and FPE 2025, we have not experienced any significant disruptions from third party suppliers that materially impacted our business operations and financial performance.

Please refer to Section 9.1.3 for further details.

12. FINANCIAL INFORMATION (Cont'd)**(d) Our financial performance may be adversely affected in the event of early termination or non-renewal of our exclusive service and management agreement with Entity T**

On 3 April 2023, we entered into an exclusive service and management agreement with Entity T for the development, preparation, administration, management and maintenance of indoor digital media platforms, as well as to carry out the activities of media advertising through the management of advertising space or air-time-slots of the indoor digital media platforms in all outlets of a Statutory Body related to Entity T nationwide. Our current agreement with Entity T is effective for a period of 3 years from 13 April 2023, which includes an option to renew for an additional 3 years upon expiry, subject to the performance of advertising revenue. Entity T agrees not to enter into a similar agreement with a third party during the term of the exclusive service and management agreement. This exclusive obligation applies solely to Entity T and does not restrict our Group from entering into similar arrangements with other parties.

Through this agreement, we generated revenue of RM3.3 million, RM4.4 million and RM2.9 million in FYE 2023, FYE 2024 and FPE 2025, representing 16.6%, 14.8% and 13.3% of our total revenue respectively. Of this amount, RM0.3 million in FYE 2023, RM0.6 million in FYE 2024 and RM0.2 million in FPE 2025 was directly contributed by Entity T from advertisement sales facilitated by them, while the remaining RM3.0 million in FYE 2023, RM3.8 million in FYE 2024 and RM2.7 million in FPE 2025 was derived from advertising fees collected from various customers for air-time slots on the indoor digital media platforms located in all outlets of a Statutory Body related to Entity T nationwide. In the event of early termination or non-renewal of the agreement upon its expiry in 2026, our financial performance could be adversely affected.

Further, our financial performance may also be affected should there be any revision in the allocation of consideration between Entity T and our Group pursuant to the expiry and renewal of our agreement. For illustration, assuming our allocation of consideration from Entity T is reduced by 10% for FPE 2025, our GP would decrease by approximately RM7,800. This represents a reduction of approximately 0.1% of our Group's total GP for FPE 2025, and a marginal decline in our GP margin from 35.44% to 35.41%.

(e) We may be exposed to the risk of data security breaches

Our mobile and web-based applications, and website development services may involve storing customer data on third party cloud platform(s), which poses risks of external threats such as malware attacks, hacking, espionage or cyber intrusions, as well as internal security breaches like unauthorised employee access. Under the Personal Data Protection Act 2010, we are obligated to safeguard customer information, and failure to do so could lead to service terminations, legal actions, reputational damage, and financial losses. Although we and our third party cloud solution providers have taken the necessary measures to minimise the risk of potential security breaches such as firewalls and regular vulnerability tests, there can be no assurance that there will not be cases of security breaches in the future which could lead to adverse impact to our Groups business reputation or financial performance. Since commencement of our business and up to LPD, we have not encountered any incidences of data security breaches resulting in leakages of customers' information.

Please refer to Section 9.1.7 for further details.

12. FINANCIAL INFORMATION (Cont'd)**(f) We rely on the availability of creative talents and IT personnel for the provision of our services**

Our services rely on the availability of skilled creative talents in graphic design, content creation, video production, and IT personnel, who currently make up 25.0% of our workforce as at LPD. As we expand, we plan to hire 50 additional employees, including 27 with expertise in content creation, graphic design, video production or IT. Retaining and attracting competent personnel is essential for our growth, reducing reliance on third party service providers, and ensuring timely delivery of services. The loss of key employees and difficulty in finding suitable replacements could disrupt operations, delay delivery schedules, impact customer satisfaction, damage our reputation, and hinder future sales. While we have not faced significant resource constraints or recruitment delays from FYE 2022 to 2024, FPE 2025 and up to LPD, there is no guarantee that such issues will not arise in the future and potentially affect our business reputation and/ or financial performance.

Please refer to Section 9.1.8 for further details.

(g) We are exposed to credit risks and default payment by customers

We generally offer our customers credit periods ranging from cash term to 90 days from the invoice date, exposing us to varying degrees of credit risk and the potential for payment defaults. If payments are not received within the credit period, we may need to recognise impairment losses or write off trade receivables as bad debts, negatively affecting our financial performance. For FYE 2022 to 2024 and FPE 2025, our net (loss)/ reversal on impairment of financial assets were as follows:

	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000
Net (loss)/ reversal on impairment of financial assets	(613)	12	(491)	631

Please refer to Section 12.2.2(e) for further details on our impairment loss on trade receivables for the FYE 2022 to 2024 and FPE 2025. As at LPD, trade receivables past due but not impaired amounted to approximately RM27,000 or 0.2% of our total trade receivables as at 30 June 2025.

Save for a bad debt amounting to RM20,000 that was written off in FYE 2022 which mainly arose from a non-refundable deposit paid by our Group for a deliverable that was subsequently cancelled, there was no other trade receivables that was written off as bad debts for FYE 2022 to 2024 and FPE 2025. Nevertheless, there can be no assurance that any delay or failure in receiving payments from our customers in the future may not result in trade receivables being written off as bad debts, which could adversely impact our financial performance.

12.10 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 9.

12. FINANCIAL INFORMATION (Cont'd)**12.11 IMPACT OF INFLATION**

During FYE 2022 to 2024 and FPE 2025, our financial performance was not materially affected by inflation. However, there is no assurance that our financial performance will not be adversely affected by inflation moving forward. Any significant increase in our costs of sales in the future may adversely affect our operations and performance if we are unable to pass on the higher costs to our customers through an increase in selling prices.

12.12 IMPACT OF INTEREST RATES

Interest coverage ratio measures the number of times a company can make its interest payments with its EBIT. Our interest coverage ratio for FYE 2022 to 2024 and FPE 2025 is as follows:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000
EBIT	2,758	7,722	10,586	6,589
Finance costs	344	448	510	187
Interest coverage ratio (times) ⁽¹⁾	8.0	17.2	20.8	35.2

Note:

⁽¹⁾ Computed based on EBIT over finance costs for the respective financial years/ period.

Our interest coverage ratios range from 8.0 times to 35.2 times during FYE 2022 to 2024 and FPE 2025, indicating that our Group has been able to generate sufficient profits from operations to meet our interest-serving obligations.

Our financial results for FYE 2022 to 2024 and FPE 2025 were not materially affected by fluctuations in interest rates. However, any major increase in interest rates would raise the cost of our borrowings and our finance costs, which may have an adverse effect on the performance of our Group.

12.13 IMPACT OF FOREIGN EXCHANGE RATE

Our transactions are solely denominated in RM.

12.14 ORDER BOOK

We do not enter into long-term contracts with our customers as our sales are transacted based on purchase orders from our customers on an ongoing basis. Due to the nature of our business, we do not maintain an order book.

12.15 DIRECTORS' STATEMENT ON OUR GROUP'S FINANCIAL PERFORMANCE

Our Board is of the opinion that:

- (a) our revenue will remain sustainable with an upward growth trend, in line with the anticipated growth in the branding and marketing industry as set out in the IMR Report in Section 8;

12. FINANCIAL INFORMATION (Cont'd)

- (b) our liquidity will improve further subsequent to our Public Issue given the additional funds to be raised for our Group to carry out our business strategies as stated in Section 7.17; and
- (c) our capital resources will strengthen, taking into account the amount to be raised from the Public Issue as well as internally generated funds. We may consider debt or equity funding for our capital expansion should the need arise.

In addition to the above, our Board confirms that there are no circumstances which would result in a significant decline in our revenue and GP margin or know of any factors that are likely to have a material impact on our liquidity, revenue or profitability.

12.16 TREND INFORMATION

Based on our track record for FYE 2022 to 2024 and FPE 2025, including our segmental analysis of revenue and profitability, the following trends may continue to affect our business:

- (a) during FYE 2022 to 2024 and FPE 2025, revenue contribution from digital branding solutions segment has been the main revenue contributor for our business. We expect this segment to continue contributing significantly to our revenue in future;
- (b) during FYE 2022 to 2024 and FPE 2025, the main components of our cost of sales were outsourced services and staff costs which constituted approximately 75.6% to 82.8% of our total cost of sales. We expect this trend to continue. Notwithstanding our Group's plan to recruit additional employees and reduce reliance on third party service providers as stated in Section 4.9.1(b), the successful implementation of this strategy may result in a shift of some outsourced service costs to in-house staff costs. However, the overall proportion of combined outsourced services and staff costs as a percentage of total cost of sales may remain within a similar range, unless other significant changes in cost structure occur such as a reduced need for manual labour; and
- (c) our Group achieved a GP margin of 46.8%, 56.4% and 50.0% for FYE 2022 to 2024 respectively and 35.4% for FPE 2025. We aim to improve and stabilise our GP margin to within our historical range of 47.0% and 56.0% in the future, subject to our continued ability to manage our costs efficiently.

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

- (a) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, position and operations, save as disclosed in Sections 7.8, 12.2, 12.9, 12.10, 12.11, 12.12 and 12.13;
- (b) material capital commitments as disclosed in Section 12.6;
- (c) 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 Sections 7.8, 12.2, 12.9, 12.10, 12.11, 12.12 and 12.13;
- (d) known trends, demands, commitments, events or uncertainties that have resulted in a substantial increase in our Group's revenue save as disclosed in Sections 7.8, 12.2, 12.9, 12.10, 12.11, 12.12 and 12.13; and

12. FINANCIAL INFORMATION (Cont'd)

- (e) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our historical combined financial statements not necessarily indicative of the future financial performance and position save as disclosed in Sections 7.8, 12.2, 12.9, 12.10, 12.11, 12.12 and 12.13.

Based on the above, our Board is optimistic about the future prospects of our Group given our competitive strengths as set out in Section 7.16, the outlook of the branding and marketing industry in Malaysia as set out in the IMR Report in Section 8 and our commitment to implement the business strategies and prospects as set out in Section 7.17.

12.17 DIVIDEND POLICY

Our Group presently does not have any formal dividend policy and the declaration of dividends and other distribution are subject to the discretion of our Board. It is our Board's policy to recommend dividends to allow our shareholders to participate in the profits of our Group. However, our ability to pay dividends or make other distributions to our shareholders in the future years is subject to various factors such as having profits and excess funds, which are not required to be retained to fund our business.

As we are a holding company, our ability to declare and pay dividends or make other distributions to our shareholders are dependent upon the dividends we receive from our subsidiaries, present and future. Our subsidiaries will require its financiers' consent as set out in the respective facility agreements to pay dividends to our Company. Save for compliance with the solvency requirement under the Act, which is applicable to all Malaysian companies, there are no legal, financial, or economic restrictions on the ability of our existing subsidiaries to transfer funds in the form of cash dividends, loans or advances to us. Moving forward, the payment of dividends or other distributions by our subsidiaries will depend on their distributable profits, operating results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective boards of directors deem relevant. Save for certain restrictive covenants from our credit facilities, which our subsidiaries are subject to, there is no other dividend restriction imposed on our subsidiaries as at LPD.

Our Board will consider the following factors (which may not be exhaustive) when recommending dividends for approval by our shareholders or when declaring any interim dividends:

- (a) the level of cash and level of indebtedness;
- (b) required and expected interest expense, cash flows, profits, return on equity and retained earnings;
- (c) our expected results of operations and future level of operations;
- (d) our projected levels of capital expenditure and other investment plans; and
- (e) the prior consent from our lenders, if any.

The payment and amount of any dividends or distributions to our shareholders will be at the discretion of our Board, and will depend on factors stated above (which may not be exhaustive). There is no assurance as to whether the dividend distribution will occur as intended, the amount of dividend payment or timing of such payment.

Our Company may from time to time approve dividend or other distribution. However, no dividend or distribution shall be declared in excess of the amount recommended by our Board.

12. FINANCIAL INFORMATION (Cont'd)

Further, under the Act, our Company may not declare or pay dividend if there are reasonable grounds for believing that:

- (a) our Company is, or would after the payment be unable to pay its liabilities as they become due; or
- (b) the realisable value of the Company's assets would thereby be less than its liabilities.

For FYE 2022 to 2024, FPE 2025 and up to LPD, we declared and paid the following dividends:

	Audited				Unaudited
	FYE 2022	FYE 2023	FYE 2024	FPE 2025	1 July 2025 up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividends declared and paid	6,200	3,800	5,000	-	-
PAT	1,770	5,560	7,599	-	-
Dividend payout ratio (%)	350.3	68.3	65.8	-	-

The dividends declared and paid in FYE 2022 to 2024 were funded via internally generated funds. Although our Group has consistently paid dividends during FYE 2022 to 2024, we have not adopted a formal dividend policy to preserve financial flexibility. This approach allows our Board to make prudent decisions based on our Group's performance, cash flow, and capital requirements. As we are currently in a growth phase, profits may be prioritised for reinvestment to support expansion plans. The absence of a fixed policy enables our Board to assess and declare dividends at its discretion, taking into account the best interests of our Group and our shareholders.

Any dividends declared will be at the discretion of our Board and any final dividends declared will be subject to approval of our shareholders at our AGM.

As at LPD, there is no outstanding dividends declared and unpaid. Subsequent to LPD, no dividends was declared, made or paid by our Group. Further to the above, we do not intend to declare or pay any dividends from LPD up to the point of our Listing.

No inference should or can be made from any of the above statements as to our actual future profitability or our ability to pay dividends in the future.

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12. FINANCIAL INFORMATION (Cont'd)

12.18 CAPITALISATION AND INDEBTEDNESS

The table below summarises our capitalisation and indebtedness as at 31 October 2025 and after adjusting for the effects of Acquisition, Public Issue and utilisation of proceeds.

	Unaudited	I	II	III
	⁽¹⁾ As at 31 October 2025	After Acquisition	After I and Public Issue	After II and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
Capitalisation				
Shareholders' equity	13,241	13,241	43,866	39,310
Total capitalisation	13,241	13,241	43,866	39,310
Indebtedness⁽¹⁾				
Current				
Borrowings	2,583	2,583	2,583	598
Lease liabilities	25	25	25	25
	2,608	2,608	2,608	623
Non-current				
Borrowings	4,015	4,015	4,015	-
Lease liabilities	27	27	27	27
	4,042	4,042	4,042	27
Total indebtedness	6,650	6,650	6,650	650
Total capitalisation and indebtedness	19,891	19,891	50,516	39,960
Gearing ratio (times)⁽²⁾	0.50	0.50	0.15	0.02

Notes:

(1) All of our indebtedness are secured and/ or guaranteed.

(2) Calculated based on total indebtedness divided by total capitalisation.

13. ACCOUNTANTS' REPORT

SBS NEXUS BERHAD
[Registration No: 202401038150 (1583997-D)]
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT
FOR THE FINANCIAL YEARS ENDED
31 DECEMBER ("FYE") 2022, 2023 AND 2024
AND 6 MONTHS FINANCIAL PERIODS ENDED
30 JUNE ("FPE") 2024 AND 2025

TGS TW PLT
CHARTERED ACCOUNTANTS

13. ACCOUNTANTS' REPORT (*Cont'd*)



Date: 4 December 2025

The Board of Directors
SBS Nexus Berhad
C-7, Jalan Dataran SD 1
PJU 9, Bandar Sri Damansara
52200 Kuala Lumpur

Dear Sirs,

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants
Unit E-16-2B,
Level 16, Icon Tower (East)
No.1, Jalan 1/68F, Jalan Tun Razak
50400 Kuala Lumpur.
Tel : +603 9771 4326
Email: tgsaudit@tgs-tw.com
www.tgs-tw.com

Reporting Accountants' Opinion on the Financial Information (as defined herein) Contained in the Accountants' Report of SBS Nexus Berhad ("the Company" or "SBS")

Opinion

We have audited the accompanying combined financial statements ("Financial Information") of the Company and of its subsidiaries (collectively known as "the combining entities" or "SBS Group") which comprise the combined statements of financial position as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the combining entities for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 and financial period ended 30 June 2025, and material accounting policy information and other explanatory notes, as set out on pages 4 to 45.

This Financial Information has been prepared for inclusion in the prospectus for SBS Group 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.

In our opinion, the accompanying Financial Information gives a true and fair view of the combined financial position of the combining entities as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, and of their financial performance and cash flows for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 and financial period ended 30 June 2025 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Paragraph 10.04 of Chapter 10, Part II Division 1, Equity of the Prospectus Guidelines as issued by the Securities Commission Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the 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 combining entities in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Financial Information

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

13. ACCOUNTANTS' REPORT (Cont'd)**Responsibilities of the Directors for the Financial Information (Cont'd)**

In preparing the Financial Information of the combining entities, the Directors are responsible for assessing the combining entities' 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 combining entities or 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 combining entities as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 combining entities, 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 combining entities' 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 combining entities' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our accountants' report to the related disclosures in the Financial Information of the combining entities or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the combining entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Information of the combining entities, including the disclosures, and whether the Financial Information of the combining entities represent 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 activities within the combining entities as a basis for forming an opinion on the Financial Information of the combining entities. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

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

13. ACCOUNTANTS' REPORT (Cont'd)



Restriction on Distribution and Use

This report is made solely to the Company and for inclusion in the prospectus of the Company to be issued in relation to the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon for no other purposes. We do not assume responsibility to any other person for the content of this report.

Other Matters

1. The comparative information for the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows and related explanatory notes for the financial period ended 30 June 2024 has not been audited.
2. The significant events occurring after the end of the financial period ended 30 June 2025 have been disclosed in Note 1(d) to the combined financial statements.

A handwritten signature in black ink, appearing to be 'TGS TW PLT'.

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

A handwritten signature in black ink, appearing to be 'TEOH CHEY YEAT'.

TEOH CHEY YEAT
03447/08/2027 J
Chartered Accountant

KUALA LUMPUR
4 December 2025

13. ACCOUNTANTS' REPORT (Cont'd)

SBS NEXUS BERHAD
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022,
31 DECEMBER 2023, 31 DECEMBER 2024 AND 30 JUNE 2025**

	Note	Audited 30.6.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	2,257,950	2,284,924	2,655,678	2,295,652
Investment properties	4	-	-	1,610,717	2,766,289
Intangible assets	5	950,083	999,583	1,098,583	150,000
Goodwill	6	2,396,619	2,396,619	2,396,619	-
Deferred tax assets	7	121,149	196,272	-	217,317
		<u>5,725,801</u>	<u>5,877,398</u>	<u>7,761,597</u>	<u>5,429,258</u>
Current assets					
Trade receivables	8	11,208,459	7,165,604	3,829,020	6,149,179
Other receivables	9	3,101,284	1,716,221	424,148	176,297
Tax recoverable		25,408	118,891	93,992	91,830
Fixed deposit with a licensed bank	10	1,000	1,000	-	-
Cash and bank balances		7,226,192	5,131,543	5,068,133	2,467,217
		<u>21,562,343</u>	<u>14,133,259</u>	<u>9,415,293</u>	<u>8,884,523</u>
Total assets		<u>27,288,144</u>	<u>20,010,657</u>	<u>17,176,890</u>	<u>14,313,781</u>
EQUITY					
Share capital	11	1	1	-	-
Invested equities	12(a)	2,921,700	2,921,700	2,921,700	100,000
Merger reserve	12(b)	135,103	135,103	135,103	135,103
Retained earnings		10,289,907	5,585,387	2,986,890	1,227,160
Total equity		<u>13,346,711</u>	<u>8,642,191</u>	<u>6,043,693</u>	<u>1,462,263</u>
LIABILITIES					
Non-current liabilities					
Borrowings	13	4,318,115	3,953,620	5,365,490	5,440,229
Hire purchase liabilities	14	35,306	48,017	587,454	395,675
Deferred tax liabilities	7	-	-	46,921	-
		<u>4,353,421</u>	<u>4,001,637</u>	<u>5,999,865</u>	<u>5,835,904</u>
Current liabilities					
Borrowings	13	2,605,475	1,325,822	940,429	1,874,456
Hire purchase liabilities	14	25,123	24,527	109,284	58,375
Trade payables	15	396,348	305,411	749,101	490,474
Other payables	16	2,410,485	1,868,188	1,471,764	1,282,477
Contract liabilities	17	84,588	846,810	292,822	999,426
Amount due to Directors	18	-	-	15,141	1,650,818
Tax payable		4,065,993	2,996,071	1,554,791	659,588
		<u>9,588,012</u>	<u>7,366,829</u>	<u>5,133,332</u>	<u>7,015,614</u>
Total liabilities		<u>13,941,433</u>	<u>11,368,466</u>	<u>11,133,197</u>	<u>12,851,518</u>
Total equity and liabilities		<u>27,288,144</u>	<u>20,010,657</u>	<u>17,176,890</u>	<u>14,313,781</u>

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

13. ACCOUNTANTS' REPORT (Cont'd)

SBS NEXUS BERHAD
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2022, 31 DECEMBER 2023, AND
31 DECEMBER 2024 AND FINANCIAL PERIOD ENDED 30 JUNE 2025**

	Note	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
Revenue	19	21,760,322	12,734,654	29,924,094	19,945,630	11,602,384
Cost of sales		(14,048,108)	(5,808,348)	(14,969,365)	(8,697,606)	(6,170,887)
Gross profit		7,712,214	6,926,306	14,954,729	11,248,024	5,431,497
Other income		697	55,760	548,274	336,647	555,574
Administrative expenses		(1,755,970)	(1,952,334)	(4,424,009)	(3,852,713)	(2,593,852)
Net reversal/(loss) on impairment of financial assets		631,188	(420,041)	(491,232)	12,346	(612,671)
Other expenses		-	-	-	(16,446)	(20,000)
Profit from operations		6,588,129	4,609,691	10,587,762	7,727,858	2,760,548
Finance costs	20	(186,744)	(241,331)	(510,356)	(447,828)	(344,359)
Profit before tax	21	6,401,385	4,368,360	10,077,406	7,280,030	2,416,189
Taxation	22	(1,696,865)	(978,593)	(2,478,909)	(1,720,300)	(645,755)
Profit for the financial period/year, representing total comprehensive income for the financial period/year		4,704,520	3,389,767	7,598,497	5,559,730	1,770,434
Profit for the financial period/year, representing total comprehensive income for the financial period/year attributable to:						
Owners of the combining entities		4,704,520	3,389,767	7,598,497	5,559,730	1,582,797
Non-controlling interests ("NCI")		-	-	-	-	187,637
		4,704,520	3,389,767	7,598,497	5,559,730	1,770,434
Earnings per share:						
Basic (sen)	23	1.28	0.92	2.07	1.51	0.43
Diluted (sen)	23	1.28	0.92	2.07	1.51	0.43

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

13. ACCOUNTANTS' REPORT (Cont'd)

SBS NEXUS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2022, 31 DECEMBER 2023, AND 31 DECEMBER 2024
AND FINANCIAL PERIOD ENDED 30 JUNE 2025

	Note	Attributable to owners of the combining entities				Total RM	NCI RM	Total equity RM
		Share capital RM	Invested equities RM	Merger reserve RM	Retained earnings RM			
Audited								
At 1 January 2022		-	235,060	-	5,196,113	5,431,173	460,567	5,891,740
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	1,582,797	1,582,797	187,637	1,770,434
Transactions with owners:								
Issuance of shares by a subsidiary under common control	1(d)	-	50	-	-	50	50	100
Acquisition of shares from NCI	1(d)	-	-	-	108,250	108,250	(108,254)	(4)
Acquisition of subsidiaries under common control	1(d)	-	(135,110)	135,103	-	(7)	-	(7)
Dividends	24	-	-	-	(5,660,000)	(5,660,000)	-	(5,660,000)
Dividends to NCI		-	-	-	-	-	(540,000)	(540,000)
At 31 December 2022		-	100,000	135,103	1,227,160	1,462,263	-	1,462,263
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	5,559,730	5,559,730	-	5,559,730
Transactions with owners:								
Issuance of shares by a subsidiary under common control	1(d)	-	2,821,700	-	-	2,821,700	-	2,821,700
Dividends	24	-	-	-	(3,800,000)	(3,800,000)	-	(3,800,000)
At 31 December 2023		-	2,921,700	135,103	2,986,890	6,043,693	-	6,043,693
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	7,598,497	7,598,497	-	7,598,497
Transactions with owners:								
Issuance of share	11	1	-	-	-	1	-	1
Dividends	24	-	-	-	(5,000,000)	(5,000,000)	-	(5,000,000)
At 31 December 2024		<u>1</u>	<u>2,921,700</u>	<u>135,103</u>	<u>5,585,387</u>	<u>8,642,191</u>	<u>-</u>	<u>8,642,191</u>

13. ACCOUNTANTS' REPORT *(Cont'd)*

SBS NEXUS BERHAD
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2022, 31 DECEMBER 2023, AND 31 DECEMBER 2024
AND FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONT'D)**

		Attributable to owners of the combining entities						
		Non-distributable		Distributable				
	Note	Share capital RM	Invested equities RM	Merger reserve RM	Retained earnings RM	Total RM	NCI RM	Total equity RM
Unaudited								
At 1 January 2024		-	2,921,700	135,103	2,986,890	6,043,693	-	6,043,693
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	3,389,767	3,389,767	-	3,389,767
Transaction with owners:								
Dividends	24	-	-	-	(2,000,000)	(2,000,000)	-	(2,000,000)
At 30 June 2024		-	2,921,700	135,103	4,376,657	7,433,460	-	7,433,460
Audited								
At 1 January 2025		1	2,921,700	135,103	5,585,387	8,642,191	-	8,642,191
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	4,704,520	4,704,520	-	4,704,520
At 30 June 2025		1	2,921,700	135,103	10,289,907	13,346,711	-	13,346,711

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

13. ACCOUNTANTS' REPORT (Cont'd)

SBS NEXUS BERHAD
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024
AND FINANCIAL PERIOD ENDED 30 JUNE 2025**

Note	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
Cash flows from operating activities					
Profit before tax	6,401,385	4,368,360	10,077,406	7,280,030	2,416,189
Adjustments for:					
Amortisation of intangible assets	49,500	49,500	99,000	570,441	-
Allowance for expected credit losses on:					
- trade receivables	114,732	493,222	1,068,199	322,085	611,507
- other receivables	-	-	-	-	3,233
Bad debts written off	-	-	-	-	20,000
Depreciation of property, plant and equipment	53,175	95,939	252,121	171,306	124,095
Depreciation of investment properties	-	9,820	15,551	19,644	32,339
Gain on disposal of property, plant and equipment	-	-	(233,473)	-	-
Interest income	(259)	(1,303)	(1,672)	(5,526)	(2,256)
Interest expenses	186,744	241,331	510,356	447,828	344,359
(Gain)/Loss on disposal of an investment property	-	-	(214,658)	16,446	-
Reversal of expected credit losses on:					
- trade receivables	(745,920)	(73,181)	(576,967)	(321,806)	(289)
- other receivables	-	-	-	(12,625)	(1,780)
Waiver of deposits	-	-	-	-	(3,300)
Waiver of debts from other payables	-	-	-	(500)	(429)
Operating profit before working capital changes	6,059,357	5,183,688	10,995,863	8,487,323	3,543,668
Changes in working capital:					
Contract liabilities	(762,222)	(173,707)	553,988	(706,604)	999,426
Receivables	(4,796,730)	(4,133,370)	(5,119,889)	4,402,162	(2,976,258)
Payables	633,234	90,528	(47,266)	(1,555,178)	882,619
Cash generated from operations	1,133,639	967,139	6,382,696	10,627,703	2,449,455
Tax paid	(477,218)	(467,150)	(1,358,936)	(1,181,187)	(943,001)
Tax refunded	18,881	34,215	53,215	-	-
Net cash from operating activities	675,302	534,204	5,076,975	9,446,516	1,506,454
Cash flows from investing activities					
Acquisition of intangible assets	-	-	-	(990,000)	-
Acquisition of shares from NCI	-	-	-	-	(4)
Acquisition of subsidiaries under common control	-	-	-	-	(7)
Acquisition of a subsidiary, net of cash acquired	-	-	-	176,457	-
Interest received	259	1,303	1,672	5,526	2,256
Proceeds from disposal of an investment property	-	-	1,809,824	1,119,482	-
Proceeds from disposal of property, plant and equipment	-	-	511,406	-	-
Proceeds from issuance of shares by a subsidiary under common control	-	-	-	-	100
Purchase of property, plant and equipment	A (26,201)	(9,301)	(159,300)	(166,501)	(51,872)
Repayment from Directors	-	-	-	-	2,957,594
Net cash (used in)/from investing activities	(25,942)	(7,998)	2,163,602	144,964	2,908,067

13. ACCOUNTANTS' REPORT (Cont'd)**SBS NEXUS BERHAD**
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024
AND FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONT'D)**

	Note	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
Cash flows from financing activities						
Dividends paid		-	(2,000,000)	(5,000,000)	(3,800,000)	(6,200,000)
Interest paid		(186,744)	(241,331)	(510,356)	(447,828)	(344,359)
Proceeds from issuance of share		-	-	1	-	-
Net drawdown/(repayment) of term loans		134,772	1,015,380	(1,026,477)	(1,008,766)	1,232,573
(Repayment to)/Advances from Directors		-	(11,784)	(15,141)	(1,645,560)	1,650,818
Repayment of hire purchase liabilities	B	(12,115)	(53,888)	(624,194)	(88,410)	(52,752)
Net cash from/(used in) financing activities		(64,087)	(1,291,623)	(7,176,167)	(6,990,564)	(3,713,720)
Net changes in cash and cash equivalents		585,273	(765,417)	64,410	2,600,916	700,801
Cash and cash equivalents at the beginning of the financial period/year		5,132,543	5,068,133	5,068,133	2,467,217	1,766,416
Cash and cash equivalents at the end of the financial period/year		5,717,816	4,302,716	5,132,543	5,068,133	2,467,217
Cash and cash equivalents at the end of the financial period/year comprise:						
Fixed deposit with a licensed bank	10	1,000	-	1,000	-	-
Cash and bank balances		7,226,192	4,302,716	5,131,543	5,068,133	2,467,217
Less: Bank overdraft	13	(1,509,376)	-	-	-	-
		5,717,816	4,302,716	5,132,543	5,068,133	2,467,217

NOTES TO THE COMBINED STATEMENTS OF CASH FLOWS**A. Purchase of property, plant and equipment**

	Note	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
Total additions	3	26,201	9,301	159,300	497,599	51,872
Less: Acquisition by means of hire purchase liabilities	26	-	-	-	(331,098)	-
Total cash payment		26,201	9,301	159,300	166,501	51,872

13. ACCOUNTANTS' REPORT (Cont'd)

SBS NEXUS BERHAD
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024
AND FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONT'D)**

NOTES TO THE COMBINED STATEMENTS OF CASH FLOWS (CONT'D)**B. Cash outflows for leases as a lessee**

	Note	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
<u>Included in net cash from operating activities:</u>						
Payment relating to short-term leases	21	-	-	2,880	11,000	2,500
<u>Included in net cash from/(used in) financing activities:</u>						
Payment of hire purchase liabilities		12,115	53,888	624,194	88,410	52,752
Payment of interest on hire purchase liabilities	20	1,565	16,540	28,069	32,290	24,252
		13,680	70,428	652,263	120,700	77,004
		13,680	70,428	655,143	131,700	79,504

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

13. ACCOUNTANTS' REPORT (Cont'd)**SBS NEXUS BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED FINANCIAL STATEMENTS****1. Corporate information****(a) Introduction**

This report has been prepared solely to comply with the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia and for inclusion in the prospectus of SBS Nexus Berhad ("the Company" or "SBS") 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") and should not be relied upon for any other purposes.

(b) Background

The Company was incorporated in Malaysia on 10 September 2024 as a public limited liability company under the name of SBS Nexus Berhad.

The registered office of the Company is located at 29-2, Level 29, Oval Damansara, 685, Jalan Damansara, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.

The principal place of business of the Company is located at C-7, Jalan Dataran SD 1, PJU 9, Bandar Sri Damansara, 52200 Kuala Lumpur.

(c) Principal activities

The principal activity of the Company is investment holding.

The details of the subsidiaries as of the date of this report are as follow:

Name of company	Place of business /Country of incorporation	Date of incorporation	Effective interest %	Principal activities
SBS Digital Holdings Sdn. Bhd. ("SDH")	Malaysia	30 July 2009	100	Provision of out-of-home media services.
SBS Digital Media Sdn. Bhd. ("SBSM")	Malaysia	30 November 2017	100	Provision of digital broadcast, offline publication, online marketing services as well as digital out-of-home media and online media.
SBS Social Sdn. Bhd. ("SBSS")	Malaysia	19 February 2016	100	Provision of online marketing services and video production.
SBS Events Sdn. Bhd. ("SBSE")	Malaysia	28 September 2017	100	Provision of public relations and event management.

13. ACCOUNTANTS' REPORT (Cont'd)**1. Corporate information (Cont'd)****(c) Principal activities (Cont'd)**

The details of the subsidiaries as of the date of this report are as follow: (Cont'd)

Name of company	Place of business /Country of incorporation	Date of incorporation	Effective interest %	Principal activities
Shanghai Media Sdn. Bhd. ("SHM")	Malaysia	14 April 2022	100	Organising business awards and recognition events, and networking events.
SBS Media Tech Sdn. Bhd. ("SMT")	Malaysia	4 June 2018	100	Provision of digital out-of-home media as well as mobile and web-based applications, and website development.

(d) Acquisition and Distribution

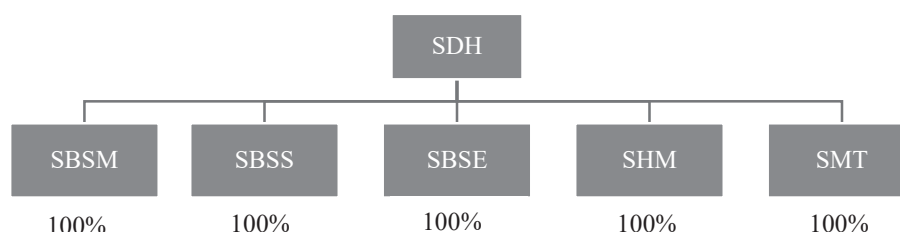
The Group will be formed pursuant to the completion of the acquisition and distribution of SDH and its subsidiaries by the Company prior to the listing and quotation on the ACE Market of Bursa Malaysia Securities Berhad.

The Company entered into a conditional Share Sale Agreement on 28 May 2025 to acquire the entire equity interest in SDH for a purchase consideration of RM8,672,999 to be satisfied by the issuance of 367,499,999 new ordinary shares in the Company at an issue price of RM0.0236 per share. ("Acquisition")

Concurrent with the acquisition, and immediately after its completion, SDH proposes to declare dividend-in-specie to the Company comprising the entire equity interest it holds in SBSM, SBSS, SBSE, SHM and SMT which collectively amounts to RM3,271,711. ("Distribution")

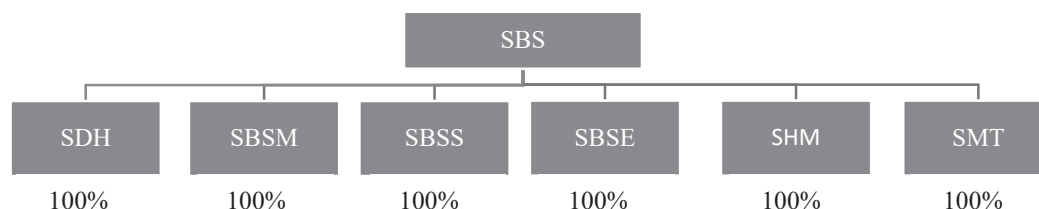
The Acquisition and Distribution were completed on 11 November 2025 and 12 November 2025 respectively and consolidated using merger method of accounting.

The group structure before and after completion of the acquisition and distribution are as follows:

Before the acquisition and distribution

13. ACCOUNTANTS' REPORT (Cont'd)**1. Corporate information (Cont'd)****(d) Acquisition and Distribution (Cont'd)**

The group structure before and after completion of the acquisition and distribution are as follows:
(Cont'd)

After the acquisition and distributionAcquisition of subsidiaries

- (i) On 22 December 2022, SDH acquired 3,000,000 newly issued ordinary shares of SBSM, at RM0.05 each, representing 75% equity interest in SBSM, for total cash consideration of RM150,000.

On 29 December 2022, SDH acquired the remaining 25% equity interest in SBSM, comprising 1,000,000 shares for total cash consideration of RM3. The acquisition consists of 900,000 (22.5%) ordinary shares acquired from the Company's existing common shareholders for RM2 and 100,000 (2.5%) ordinary shares acquired from another shareholder for RM1.

- (ii) On 22 December 2022, SDH acquired 3,000,000 newly issued ordinary shares of SBSS, at RM0.10 each, representing 75% equity interest in SBSS, for total cash consideration of RM300,000.

On 29 December 2022, SDH acquired the remaining 25% equity interest in SBSS, comprising 1,000,000 shares for total cash consideration of RM3. The acquisition consists of 900,000 (22.5%) ordinary shares acquired from the Company's existing common shareholders for RM2 and 100,000 (2.5%) ordinary shares acquired from another shareholder for RM1.

- (iii) On 29 December 2022, SDH acquired 100% equity interest in SBSE, comprising 100 ordinary shares for total cash consideration of RM3. The acquisition consists of 60 (60%) ordinary shares acquired from the Company's existing common shareholders for RM2 and 40 (40%) ordinary shares acquired from another shareholder for RM1.

- (iv) On 29 December 2022, SDH acquired 100% equity interest in SHM which was incorporated on 14 April 2022, comprising 100 ordinary shares for total cash consideration of RM2. The acquisition consists of 50 (50%) ordinary shares acquired from the Company's existing common shareholder for RM1 and 50 (50%) ordinary shares acquired from another shareholder for RM1.

The acquisition of SBSM, SBSS, SBSE and SHM was consolidated using merger method of accounting. Under the merger method of accounting, the results of these subsidiaries are presented as if the merger has taken effect throughout the current and previous financial years.

- (v) On 11 January 2023, SDH acquired 100% equity interest in SMT, comprising 100,000 ordinary shares satisfied via issuance of 145,000 new ordinary shares of SDH at RM13.79 each for total consideration of RM2,000,000. However, according to Paragraph 33 of MFRS 3 Business Combination, the consideration transferred should be measured at fair value, of which determined to be RM19.46 per share, for a total fair value consideration of RM2,821,700.

13. ACCOUNTANTS' REPORT (Cont'd)**1. Corporate information (Cont'd)****(d) Acquisition and Distribution (Cont'd)****Consideration, assets recognised and liabilities assumed**

The following summarises the major classes of consideration and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	RM
Fair value of consideration	<u>2,821,700</u>
Fair value of identifiable net assets	
Property, plant and equipment	33,733
Intangible assets - customer contracts	529,024
Trade receivables	2,317,508
Cash and bank balances	176,457
Deferred tax liabilities	(121,962)
Trade payables	(692,171)
Other payables	(1,311,421)
Amount due to a Director	(9,883)
Tax payable	(496,204)
Total identifiable net assets	<u><u>425,081</u></u>

Goodwill arising from business combination

	RM
Fair value of consideration	2,821,700
Fair value of identifiable net assets	(425,081)
Goodwill	<u><u>2,396,619</u></u>

Net cash inflow from acquisition of a subsidiary

	RM
Cash and cash equivalents acquired	<u><u>176,457</u></u>

(e) Auditors

The relevant financial period/years of the audited financial statements used for the purpose of the combined financial statements ("Relevant Financial Period/Years") and the auditors are as follows:

Company	Relevant Financial Period/Years	Statutory Auditors
SBS	30 June 2025 10 September 2024 (Date of incorporation) to 31 December 2024	TGS TW PLT TGS TW PLT
SDH	30 June 2025 31 December 2024 31 December 2023 31 December 2022*	TGS TW PLT TGS TW PLT TGS TW PLT STYL ASSOCIATES PLT
SBSM	30 June 2025 31 December 2024 31 December 2023 31 December 2022*	TGS TW PLT TGS TW PLT TGS TW PLT STYL ASSOCIATES PLT

13. ACCOUNTANTS' REPORT (Cont'd)**1. Corporate information (Cont'd)****(e) Auditors (Cont'd)**

The relevant financial period/years of the audited financial statements used for the purpose of the combined financial statements ("Relevant Financial Period/Years") and the auditors are as follows: (Cont'd)

Company	Relevant Financial Period/Years	Statutory Auditors
SBSS	30 June 2025	TGS TW PLT
	31 December 2024	TGS TW PLT
	31 December 2023	TGS TW PLT
	31 December 2022*	STYL ASSOCIATES PLT
SBSE	30 June 2025	TGS TW PLT
	31 December 2024	TGS TW PLT
	31 December 2023	TGS TW PLT
	31 December 2022*	STYL ASSOCIATES PLT
SHM	30 June 2025	TGS TW PLT
	31 December 2024	TGS TW PLT
	31 December 2023	TGS TW PLT
	14 April 2022 (Date of incorporation) to 31 December 2022*	STYL ASSOCIATES PLT
SMT	30 June 2025	TGS TW PLT
	31 December 2024	TGS TW PLT
	31 December 2023	TGS TW PLT

*Reaudited by TGS TW PLT for the purposes of this Financial Information

The audited financial statements of SBS, SDH, SBSM, SBSS, SBSE, SHM and SMT for the relevant financial period/years reported above were not subject to any qualification or modification.

2. Basis of preparation**(a) Statement of compliance**

The combined financial statements of the combining entities have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs").

The combined financial statements consist of the financial statements of combining entities as disclosed in Note 1(c) to this report, which were under common control throughout the reporting periods/years by virtue of common controlling shareholders.

The combined financial statements have been prepared using financial information obtained from the records of the combining entities during the reporting periods/years.

The combined financial statements of the combining entities have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policy information in the respective notes.

The combining entities have consistently applied the accounting policies throughout all periods presented in the combined financial statements unless otherwise stated.

13. ACCOUNTANTS' REPORT (Cont'd)

2. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

(i) Adoption of new and amended standards

During the financial period, the combining entities have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for the current financial period:

Amendments to MFRS 121	Lack of Exchangeability
------------------------	-------------------------

The adoption of the amendments to MFRSs did not have any significant impact on the combined financial statements of the combining entities.

(ii) Standards issued but not yet effective

The combining entities have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the combining entities:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements - Volume 11	Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature- dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The combining entities intend to adopt the above new and amendments to MFRSs when they become effective.

The initial applications of the above-mentioned new and amendments to MFRSs are not expected to have any significant impact on the combined financial statements of the combining entities.

(b) Functional and presentation currency

These combined financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to nearest RM except when otherwise stated.

13. ACCOUNTANTS' REPORT (Cont'd)

2. Basis of preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions

The preparation of the combining entities' combined financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

There are no significant areas of critical judgements made by management in applying the accounting policies that have the most significant effect on the amounts recognised in the combined financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment, investment properties and intangible assets

The combining entities regularly review the estimated useful lives of property, plant and equipment, investment properties and intangible assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, investment properties and intangible assets would increase the recorded depreciation and decrease the value of property, plant and equipment, investment properties and intangible assets. The carrying amounts at the reporting date for property, plant and equipment, investment properties and intangible assets are disclosed in Notes 3, 4 and 5 to the combined financial statements respectively.

Recoverability of goodwill

The combining entities determine whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use amount requires the combining entities to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value-in-use is disclosed in Note 6 to the combined financial statements.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences 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. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 7 to the combined financial statements.

Determination of transaction prices

The combining entities are required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the combining entities assess the impact of any variable consideration in the contract due to discounts or penalties in the contract.

13. ACCOUNTANTS' REPORT (Cont'd)

2. Basis of preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Determination of transaction prices (Cont'd)

There is no estimation required in determining the transaction price, as revenue from sale of goods or rendering of services are based on invoiced values. Discounts are not considered as they are only given in rare circumstances.

Provision for expected credit loss of financial assets at amortised cost

The combining entities review the recoverability of its receivables at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The combining entities use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the combining entities' past history and existing market conditions as well as forward looking estimates.

The combining entities use a provision matrix to calculate expected credit loss for receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the combining entities' historical observed default rates. The combining entities will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The carrying amounts at the reporting date for receivables are disclosed in Notes 8 and 9 to the combined financial statements respectively.

Income taxes

Judgement is involved in determining the 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 combining entities recognise liabilities for expected tax issues 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 differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

13. ACCOUNTANTS' REPORT (Cont'd)

3. Property, plant and equipment

	Computer and software RM	Furniture and fittings RM	Leasehold shoplot RM	Machinery and tools RM	Motor vehicles RM	Office equipment RM	Renovation RM	Total RM
Audited								
Cost								
At 1 January 2022	343,664	287,787	2,380,000	145,000	860,578	299,041	184,036	4,500,106
Additions	26,837	10,630	-	-	-	14,405	-	51,872
At 31 December 2022	370,501	298,417	2,380,000	145,000	860,578	313,446	184,036	4,551,978
Acquisition of a subsidiary	36,800	-	-	-	-	-	-	36,800
Additions	20,816	3,998	-	-	405,000	7,785	60,000	497,599
At 31 December 2023	428,117	302,415	2,380,000	145,000	1,265,578	321,231	244,036	5,086,377
Additions	159,300	-	-	-	-	-	-	159,300
Disposal	-	-	-	-	(984,523)	-	-	(984,523)
At 31 December 2024	587,417	302,415	2,380,000	145,000	281,055	321,231	244,036	4,261,154
Additions	24,701	-	-	-	-	1,500	-	26,201
At 30 June 2025	612,118	302,415	2,380,000	145,000	281,055	322,731	244,036	4,287,355
Accumulated depreciation								
At 1 January 2022	293,457	281,924	240,674	116,000	747,296	278,268	174,612	2,132,231
Charge for the financial year	20,763	4,192	26,741	14,500	37,760	16,999	3,140	124,095
At 31 December 2022	314,220	286,116	267,415	130,500	785,056	295,267	177,752	2,256,326
Acquisition of a subsidiary	3,067	-	-	-	-	-	-	3,067
Charge for the financial year	24,947	4,392	26,741	14,498	88,586	8,002	4,140	171,306
At 31 December 2023	342,234	290,508	294,156	144,998	873,642	303,269	181,892	2,430,699
Charge for the financial year	85,752	4,105	26,743	-	114,000	6,381	15,140	252,121
Disposal	-	-	-	-	(706,590)	-	-	(706,590)
At 31 December 2024	427,986	294,613	320,899	144,998	281,052	309,650	197,032	1,976,230
Charge for the financial period	29,416	1,723	13,370	-	-	2,666	6,000	53,175
At 30 June 2025	457,402	296,336	334,269	144,998	281,052	312,316	203,032	2,029,405
Carrying amount								
At 30 June 2025	154,716	6,079	2,045,731	2	3	10,415	41,004	2,257,950
At 31 December 2024	159,431	7,802	2,059,101	2	3	11,581	47,004	2,284,924
At 31 December 2023	85,883	11,907	2,085,844	2	391,936	17,962	62,144	2,655,678
At 31 December 2022	56,281	12,301	2,112,585	14,500	75,522	18,179	6,284	2,295,652

13. ACCOUNTANTS' REPORT (Cont'd)**3. Property, plant and equipment (Cont'd)****(a) Material accounting policy information**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of property, plant and equipment is recognised in the profit or loss on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Computer and software	10% - 20%
Furniture and fittings	10% - 20%
Leasehold shoplot	89 years
Machinery and tools	10%
Motor vehicles	20%
Office equipment	10% - 20%
Renovation	20%

(b) Including in net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Audited 30.6.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Leasehold shoplot	2,045,731	2,059,101	2,085,844	2,112,585
Motor vehicles	3	3	391,936	75,522
	<u>2,045,734</u>	<u>2,059,104</u>	<u>2,477,780</u>	<u>2,188,107</u>

(c) Depreciation charges of right-of-use assets are as follows:

	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
Leasehold shoplot	13,370	13,370	26,743	26,741	26,741
Motor vehicles	-	57,000	114,000	88,586	37,760
	<u>13,370</u>	<u>70,370</u>	<u>140,743</u>	<u>115,327</u>	<u>64,501</u>

(d) Additions of right-of-use assets are as follows:

	Audited 30.6.2025 RM	Unaudited FPE 2024 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Motor vehicles	-	-	-	405,000	-

13. ACCOUNTANTS' REPORT (Cont'd)**3. Property, plant and equipment (Cont'd)**

- (e) The combining entities have pledged the following property, plant and equipment to a licensed bank as securities for banking facilities granted to the combining entities as disclosed in Note 13 to the combined financial statements:

	Audited 30.6.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Leasehold shoplot	<u>2,045,731</u>	<u>2,059,101</u>	<u>2,085,844</u>	<u>2,112,585</u>

- (f) Included in the carrying amounts of the combining entities' motor vehicles amounted to RMNil (31.12.2024: RMNil, 31.12.2023: RM391,934 and 31.12.2022: RM75,519) are held in trust in the name of a Director.

4. Investment properties

	Freehold land and building RM	Leasehold shoplot RM	Total RM
Audited Cost			
At 1 January 2022/31 December 2022	1,224,798	1,826,790	3,051,588
Disposal	<u>(1,224,798)</u>	<u>-</u>	<u>(1,224,798)</u>
At 31 December 2023	-	1,826,790	1,826,790
Disposal	<u>-</u>	<u>(1,826,790)</u>	<u>(1,826,790)</u>
At 31 December 2024/30 June 2025	<u>-</u>	<u>-</u>	<u>-</u>
Accumulated depreciation			
At 1 January 2022	76,175	176,785	252,960
Charge for the financial year	<u>12,695</u>	<u>19,644</u>	<u>32,339</u>
At 31 December 2022	88,870	196,429	285,299
Charge for the financial year	<u>-</u>	<u>19,644</u>	<u>19,644</u>
Disposal	<u>(88,870)</u>	<u>-</u>	<u>(88,870)</u>
At 31 December 2023	-	216,073	216,073
Charge for the financial year	<u>-</u>	<u>15,551</u>	<u>15,551</u>
Disposal	<u>-</u>	<u>(231,624)</u>	<u>(231,624)</u>
At 31 December 2024/30 June 2025	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount			
At 31 December 2024/30 June 2025	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2023	<u>-</u>	<u>1,610,717</u>	<u>1,610,717</u>
At 31 December 2022	<u>1,135,928</u>	<u>1,630,361</u>	<u>2,766,289</u>
Fair value			
At 31 December 2024/30 June 2025	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2023	<u>-</u>	<u>1,976,548</u>	<u>1,976,548</u>
At 31 December 2022	<u>1,200,000</u>	<u>1,767,768</u>	<u>2,967,768</u>

- (a) Material accounting policy information

Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and accumulated impairment losses.

13. ACCOUNTANTS' REPORT (Cont'd)**4. Investment properties (Cont'd)****(a) Material accounting policy information (Cont'd)**

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rate is:

Freehold land and building	2%
Leasehold shoplot	Over the remaining lease period

The freehold land of the combining entities was not separable from its freehold building and hence, depreciation was charged at the aggregate amount of freehold land and building.

(b) The investment properties of the combining entities are leased to customers under operating leases with monthly rental payments. The leases contain initial non-cancellable periods ranging from 1 to 2 years.

	Audited 30.6.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Within 1 year	-	-	105,600	31,500
Between 1 and 2 years	-	-	8,800	16,000
	<u>-</u>	<u>-</u>	<u>114,400</u>	<u>47,500</u>

(c) Investment properties of the combining entities amounting to RMNil (31.12.2024: RMNil, 31.12.2023: RM1,610,717 and 31.12.2022: RM2,766,289) have been pledged to licensed banks as securities for banking facilities granted to the combining entities as disclosed in Note 13 to the combined financial statements.**(d) Fair value of investment properties was estimated by the Directors based on internal appraisal of market values of comparable properties. The fair values are within Level 3 of the fair value hierarchy.****(e) Income and expenses recognised in profit or loss**

The following are recognised in profit or loss in respect of investment properties:

	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
Rental income	-	52,800	96,800	127,300	150,000
Direct operating expenses	<u>-</u>	<u>4,114</u>	<u>6,617</u>	<u>9,597</u>	<u>13,148</u>

5. Intangible assets

	Customer contracts RM	Software RM	Trademark RM	Total RM
Audited Cost				
At 1 January 2022/31 December 2022	-	-	150,000	150,000
Acquisition of a subsidiary	529,024	-	-	529,024
Additions through separately acquired	-	990,000	-	990,000
At 31 December 2023	<u>529,024</u>	<u>990,000</u>	<u>150,000</u>	<u>1,669,024</u>
Written off	<u>(529,024)</u>	<u>-</u>	<u>-</u>	<u>(529,024)</u>
At 31 December 2024/30 June 2025	<u>-</u>	<u>990,000</u>	<u>150,000</u>	<u>1,140,000</u>

13. ACCOUNTANTS' REPORT (Cont'd)**5. Intangible assets (Cont'd)**

	Customer contracts RM	Software RM	Trademark RM	Total RM
Audited (Cont'd)				
Accumulated amortisation				
At 1 January 2022/31 December 2022	-	-	-	-
Charge for the financial year	529,024	41,417	-	570,441
At 31 December 2023	529,024	41,417	-	570,441
Charge for the financial year	-	99,000	-	99,000
Written off	(529,024)	-	-	(529,024)
At 31 December 2024	-	140,417	-	140,417
Charge for the financial period	-	49,500	-	49,500
At 30 June 2025	-	189,917	-	189,917
Carrying amount				
At 30 June 2025	-	800,083	150,000	950,083
At 31 December 2024	-	849,583	150,000	999,583
At 31 December 2023	-	948,583	150,000	1,098,583
At 31 December 2022	-	-	150,000	150,000

Customer contracts represent agreements made with customers acquired through the acquisition of a subsidiary. Customer contracts are fully amortised during the previous financial year corresponding to their expiration.

Software represents computer programmes in the form of source code and object code that have been acquired for use in developing and selling of digital products. The software was fully operational during the previous financial year and is assessed to have a useful life of 10 years.

Trademark is associated with the business product named Shanghai Business Media and is assessed to have indefinite useful life.

(a) Material accounting policy information

Intangible assets with finite useful lives that are acquired separately are carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over its estimated useful lives.

Intangible assets are amortised based on the useful lives of the assets as follow:

Customer contracts	Over the contract period
Software	10%

Intangible assets with indefinite useful lives that are acquired separately are carried at cost and not amortised, but are tested for impairment annually.

(b) Impairment testing for cash-generating units ("CGU")

Management has carried out a review of the recoverable amounts of the intangible assets based on value-in-use calculations. The key assumptions for the value-in-use calculations are regarding the discount rates and using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU to which the asset belongs. The growth rates are based on past results and budgets done by management.

The combining entities prepare cash flows forecasts derived from the most recent financial forecasts approved by management for the next 5 years. The rate used to discount the forecast cash flows is 5% (31.12.2024: 4% to 5%, 31.12.2023 and 31.12.2022: 5% to 6%).

13. ACCOUNTANTS' REPORT (Cont'd)**5. Intangible assets (Cont'd)****(b) Impairment testing for cash-generating units ("CGU") (Cont'd)**

As at 30 June 2025, any reasonably possible change to the key assumptions applied not likely to cause the recoverable amounts to be below the carrying amounts of the intangible assets.

Having considered the above, management is of the view that there is no impairment of the intangible assets as at 30 June 2025.

6. Goodwill

	RM
Cost	
At 1 January 2023	-
Addition	2,396,619
At 31 December 2023/31 December 2024/30 June 2025	<u>2,396,619</u>

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying amount may be impaired.

The recoverable amount of the goodwill is determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates and growth rates during the reporting period. Management estimates discount rates using pre-tax rates that reflect the current market assessments of the time value of money and the risks specific to the goodwill. The growth rates are based on past results and budgets done by management.

The combining entities prepare cash flows forecasts derived from the most recent financial forecasts approved by management for the next 5 years. The rate used to discount the forecast cash flows is 5%. (31.12.2024: 4% to 5%, 31.12.2023 and 31.12.2022: 5% to 6%).

As at 30 June 2025, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amount to be below the carrying amount of the goodwill.

Having considered the above, the management is of the view that there is no impairment of goodwill as at 30 June 2025.

7. Deferred tax assets/(liabilities)

	Audited FPE 2025 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
At beginning of the financial period/year	196,272	(46,921)	217,317	328,128
Acquisition of a subsidiary	-	-	(121,962)	-
Recognised in profit or loss	(75,123)	243,193	(142,276)	(110,811)
At end of the financial period/year	<u>121,149</u>	<u>196,272</u>	<u>(46,921)</u>	<u>217,317</u>

The components of deferred tax assets/(liabilities) are as follows:

	Audited 30.6.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Property, plant and equipment	(26,074)	2,363	(75,659)	3,713
Provisions	90,999	126,276	24,859	19,164
Contract liabilities	-	-	3,879	5,440
Unutilised business losses	144	67,537	-	189,000
Unutilised capital allowances	56,080	96	-	-
	<u>121,149</u>	<u>196,272</u>	<u>(46,921)</u>	<u>217,317</u>

13. ACCOUNTANTS' REPORT (Cont'd)**7. Deferred tax assets/(liabilities) (Cont'd)**

Deferred tax assets (stated at gross) have not been recognised in respect of the following items:

	Audited 30.6.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Property, plant and equipment	-	(61,780)	(21,582)	(23,253)
Provisions	-	214,187	433,972	217,029
	<u>-</u>	<u>152,407</u>	<u>412,390</u>	<u>193,776</u>

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiaries that have a recent history of losses.

8. Trade receivables

	Audited 30.6.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Trade receivables	11,749,903	8,338,236	4,528,641	6,816,016
Less: Allowance for expected credit losses ("ECLs")	(541,444)	(1,172,632)	(699,621)	(666,837)
	<u>11,208,459</u>	<u>7,165,604</u>	<u>3,829,020</u>	<u>6,149,179</u>

Trade receivables are non-interest bearing and are generally on credit terms of 90 (31.12.2024 and 31.12.2023: cash term to 90 and 31.12.2022: cash term to 60) days. They are recognised at their original invoice amounts which represent their values on initial recognition.

Included in trade receivables of the combining entities is RMNil (31.12.2024: RMNil, 31.12.2023: RM106,000 and 31.12.2022: RMNil) due from a company in which a Directors of a subsidiary has interest.

Included in trade receivables of the combining entities is RMNil (31.12.2024: RMNil, 31.12.2023: RM765,801 and 31.12.2022: RM1,555,691) due from companies in which a person connected to a Director has interest.

Movements in the allowance for ECLs of trade receivables are as follows:

	Audited FPE 2025 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
At beginning of the financial period/year	1,172,632	699,621	666,837	55,619
Acquisition of a subsidiary	-	-	32,505	-
Charge for the financial period/year	114,732	1,049,978	322,085	611,507
Reversal for the financial period/year	(745,920)	(558,746)	(321,806)	(289)
Written off for the financial period/year	-	(18,221)	-	-
At end of the financial period/year	<u>541,444</u>	<u>1,172,632</u>	<u>699,621</u>	<u>666,837</u>

13. ACCOUNTANTS' REPORT (Cont'd)**8. Trade receivables (Cont'd)**

The following table provides information about the exposure to credit risk and allowance for ECLs for trade receivables:

	Gross amount RM	ECLs RM	Net amount RM
Audited 30.6.2025			
Not past due	9,582,316	(238,389)	9,343,927
Past due:			
Less than 30 days	1,334,340	(34,555)	1,299,785
31 to 60 days	497,414	(15,795)	481,619
61 to 90 days	77,337	(7,259)	70,078
More than 90 days	258,496	(245,446)	13,050
	<u>11,749,903</u>	<u>(541,444)</u>	<u>11,208,459</u>
Audited 31.12.2024			
Not past due	3,289,160	(46,417)	3,242,743
Past due:			
Less than 30 days	552,254	(26,334)	525,920
31 to 60 days	2,192,729	(107,309)	2,085,420
61 to 90 days	1,412,226	(149,999)	1,262,227
More than 90 days	891,867	(842,573)	49,294
	<u>8,338,236</u>	<u>(1,172,632)</u>	<u>7,165,604</u>
Audited 31.12.2023			
Not past due	516,619	(1,821)	514,798
Past due:			
Less than 30 days	560,101	(6,707)	553,394
31 to 60 days	527,065	(10,277)	516,788
61 to 90 days	681,695	(23,849)	657,846
More than 90 days	2,243,161	(656,967)	1,586,194
	<u>4,528,641</u>	<u>(699,621)</u>	<u>3,829,020</u>
Audited 31.12.2022			
Not past due	1,031,543	(4,946)	1,026,597
Past due:			
Less than 30 days	587,323	(29,524)	557,799
31 to 60 days	382,857	(6,254)	376,603
61 to 90 days	180,790	(25,321)	155,469
More than 90 days	4,633,503	(600,792)	4,032,711
	<u>6,816,016</u>	<u>(666,837)</u>	<u>6,149,179</u>

13. ACCOUNTANTS' REPORT (Cont'd)**9. Other receivables**

	Audited 30.6.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Non-trade receivables	295,105	2,052	70,719	166,828
Less: Allowance for ECLs	(210)	(210)	(210)	(12,835)
	<u>294,895</u>	<u>1,842</u>	<u>70,509</u>	<u>153,993</u>
Deposits	5,944	6,943	6,943	21,423
Prepayments	2,795,496	1,703,723	346,018	881
Withholding tax refundable	4,949	3,713	678	-
	<u><u>3,101,284</u></u>	<u><u>1,716,221</u></u>	<u><u>424,148</u></u>	<u><u>176,297</u></u>

Included in non-trade receivables of the combining entities is RMNil (31.12.2024 and 31.12.2023: RMNil and 31.12.2022: RM95,243) due from companies in which Directors have interests.

Included in prepayments is an amount of RM1,812,545 (31.12.2024: RM1,226,970, 31.12.2023: RM331,901 and 31.12.2022: RMNil) in relation to the listing expenses.

Movements in the allowance for ECLs of other receivables are as follows:

	Audited FPE 2025 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
At beginning of the financial period/year	210	210	12,835	11,382
Charge for the financial period/year	-	-	-	3,233
Reversal for the financial period/year	-	-	(12,625)	(1,780)
At end of the financial period/year	<u><u>210</u></u>	<u><u>210</u></u>	<u><u>210</u></u>	<u><u>12,835</u></u>

10. Fixed deposit with a licensed bank

The interest rate of fixed deposit with a licensed bank of the combining entities is 2.65% (31.12.2024: 2.75%). The maturity of fixed deposit of the combining entities is 12 months (31.12.2024: 6 months).

11. Share capital

	Number of ordinary share Unit	Amount RM
Audited		
Issued and fully paid:		
At 10 September 2024 (date of incorporation)/		
At 31 December 2024/30 June 2025	<u><u>1</u></u>	<u><u>1</u></u>

The Company was incorporated with paid-up share capital of RM1 comprising 1 ordinary share that was subscribed as subscriber's share on the date of incorporation.

The holder of ordinary share is entitled to receive dividends as declared from time to time, and is entitled to one vote per share at meetings of the Company.

13. ACCOUNTANTS' REPORT (Cont'd)**12. Invested equities, merger reserve and non-controlling interests****(a) Invested equities**

	Audited FPE 2025 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
At beginning of the financial period/year	2,921,700	2,921,700	100,000	235,060
Issuance of shares by a subsidiary under common control	-	-	2,821,700	50
Acquisition of subsidiaries under common control	-	-	-	(135,110)
At end of the financial period/year	<u>2,921,700</u>	<u>2,921,700</u>	<u>2,921,700</u>	<u>100,000</u>

In the financial year ended 31 December 2023, SDH entered into agreement to acquire SMT by way of issuance of 145,000 new ordinary shares of SDH at RM13.79 each for a total consideration of RM2,000,000. However, according to Paragraph 33 of MFRS 3 Business Combination, the consideration transferred should be measured at fair value, of which has been determined to be RM19.46 per share for a total fair value consideration of RM2,821,700.

The group structure arising from the restructuring of the combining entities is disclosed in Note 1(d) to the combined financial statements.

(b) Merger reserve

The combined financial statements have been prepared using the merger method to account for the acquisition of SBSM, SBSS, SBSE, and SHM. Merger reserve is determined as the difference between the cost of merger and the nominal value of the share capital of the subsidiaries acquired and is recognised in statements of financial position.

The merger reserve at the acquisition date is derived as follows:

	RM
Nominal value of the subsidiaries' share capital	135,110
Less: Total consideration paid	<u>(7)</u>
Merger reserve	<u>135,103</u>

(c) Non-controlling interests

The subsidiaries which have non-controlling interests are not material individually or in aggregate to the financial position, financial performance and cash flows of the combining entities.

13. ACCOUNTANTS' REPORT (Cont'd)**13. Borrowings**

	Audited 30.6.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Secured				
Non-current				
Term loans	4,318,115	3,953,620	5,365,490	5,440,229
Current				
Bank overdraft	1,509,376	-	-	-
Term loans	1,096,099	1,325,822	940,429	1,874,456
	2,605,475	1,325,822	940,429	1,874,456
	6,923,590	5,279,442	6,305,919	7,314,685

The borrowings are secured by the following:

- (i) Legal charge over the properties of the combining entities as disclosed in Notes 3 and 4 to the combined financial statements;
- (ii) Corporate guarantee by SBS Digital Holdings Sdn. Bhd.; and
- (iii) Joint and several guarantee by the Directors of the Company.

The repayment terms of the borrowings are as follows:

- (i) Bank overdrafts are repayable on demand.
- (ii) Term loans are repayable by 60 to 240 (31.12.2024, 31.12.2023 and 31.12.2022: 60 to 240) months.

The interest rate for the borrowings is as follow:

	Audited 30.6.2025 %	Audited 31.12.2024 %	Audited 31.12.2023 %	Audited 31.12.2022 %
Bank overdraft	7.67	-	-	-
Term loans	3.50 - 10.35	3.50 - 10.35	3.50 - 10.35	3.40 - 10.10

14. Hire purchase liabilities

	Audited 30.6.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Non-current	35,306	48,017	587,454	395,675
Current	25,123	24,527	109,284	58,375
	60,429	72,544	696,738	454,050

The maturity analysis of hire purchase liabilities at the end of the reporting period is as follows:

	Audited 30.6.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Within 1 year	27,360	27,360	140,856	80,388
Between 2 to 5 years	36,589	50,271	444,524	241,164
More than 5 years	-	-	214,196	215,535
	63,949	77,631	799,576	537,087
Less: Future finance charges	(3,520)	(5,087)	(102,838)	(83,037)
Present value of hire purchase liabilities	60,429	72,544	696,738	454,050

13. ACCOUNTANTS' REPORT (Cont'd)**14. Hire purchase liabilities (Cont'd)**

The combining entities lease motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

15. Trade payables

The normal trade credit terms granted to the combining entities range from 30 (31.12.2024 and 31.12.2023: cash term to 30 and 31.12.2022: cash term to 30) days.

Included in trade payables of the combining entities is RMNil (31.12.2024: RMNil, 31.12.2023: RM7,700 and 31.12.2022: RM263,900) due to companies in which a person connected to a Director has interest.

16. Other payables

	Audited 30.6.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Non-trade payables	886,118	816,496	738,703	432,420
Accruals	387,026	285,620	289,356	478,291
Deposits received	630	630	27,030	38,130
Sales and Services Tax payable	1,136,711	765,442	416,675	333,636
	<u>2,410,485</u>	<u>1,868,188</u>	<u>1,471,764</u>	<u>1,282,477</u>

Included in non-trade payables of the combining entities is RMNil (31.12.2024 and 31.12.2023: RMNil and 31.12.2022: RM107,152) due to companies in which the Directors of the Company have interests.

Included in non-trade payables of the combining entities is RMNil (31.12.2024: RMNil, 31.12.2023: RM242,300 and 31.12.2022: RM201,680) due to companies in which a person connected to a Director has interest.

Included in non-trade payables of the combining entities is RMNil (31.12.2024: RM540, 31.12.2023: RMNil and 31.12.2022: RMNil) due to a company in which a Director of a subsidiary has interest.

17. Contract liabilities

	Audited 30.6.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Current				
Advance received from customers	<u>84,588</u>	<u>846,810</u>	<u>292,822</u>	<u>999,426</u>

The contract liabilities primarily relate to advance consideration received from customers for services of which the combining entities have not satisfied the performance obligation and are expected to be recognised as revenue within one year.

The revenue recognised in the current financial period/years that was included in the contract liabilities balance at the beginning of the financial period/year of the combining entities is RM846,810 (FYE 2024: RM292,822, FYE 2023: RM999,426 and FYE 2022: RMNil).

18. Amount due to Directors

Amount due to Directors is unsecured, non-trade in nature, non-interest bearing and repayable on demand.

13. ACCOUNTANTS' REPORT (Cont'd)**19. Revenue**

	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
Revenue from contracts with customers:					
Offline branding solutions	8,040,634	4,399,042	11,163,521	6,396,500	2,687,474
Digital branding solutions	12,941,083	7,366,361	17,162,416	10,048,618	6,778,008
Business leads generation initiatives	778,605	969,251	1,598,157	3,500,512	2,136,902
	<u>21,760,322</u>	<u>12,734,654</u>	<u>29,924,094</u>	<u>19,945,630</u>	<u>11,602,384</u>
Timing of revenue recognition:					
At a point in time	<u>21,760,322</u>	<u>12,734,654</u>	<u>29,924,094</u>	<u>19,945,630</u>	<u>11,602,384</u>

The combining entities recognise revenue from the following major sources:

Offline branding solutions

Revenue from offline branding solutions primarily arises from traditional advertising mediums, including flyer distribution, newspaper inserts, banner installations, pocket tissue distribution, offset printing and table stickers. Revenue is recognised at a point in time when the goods or services are transferred to the customers, which coincides with the delivery and acceptance of the goods or services by the customers.

The combining entities also offer corporate branding event management services for events such as press releases, product launching and corporate activities. Revenue is recognised at a point in time based on the occurrence of the events.

Digital branding solutions

Revenue from digital branding solutions includes advertisements on social media and digital platforms. Revenue is recognised at a point in time when the advertisements are displayed on the respective platforms.

The combining entities also provide mobile and web-based applications, and website development as part of its digital growth solutions. Revenue is recognised at a point in time when the products or services are delivered and accepted by the customers.

Business leads generation initiatives

Revenue from business leads generation initiatives consists of hosting networking events, including investor relations events, campaigns and business awards and recognition ceremonies. Revenue is recognised at a point in time based on the occurrence of the events.

13. ACCOUNTANTS' REPORT (Cont'd)**20. Finance costs**

	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
Interest expenses on:					
- Hire purchase liabilities	1,565	16,540	28,069	32,290	24,252
- Term loans	185,179	224,791	482,287	415,538	320,107
	<u>186,744</u>	<u>241,331</u>	<u>510,356</u>	<u>447,828</u>	<u>344,359</u>

21. Profit before tax

Profit before tax is determined after charging/(crediting), amongst others, the following items:

	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
Auditors' remuneration					
- current financial period/year	55,000	65,000	110,000	100,000	49,833
- under provision in prior financial period/year	-	33,000	182,000	10,000	-
Amortisation of intangible assets	49,500	49,500	99,000	570,441	-
Allowance for ECLs on:					
- trade receivables	114,732	493,222	1,068,199	322,085	611,507
- other receivables	-	-	-	-	3,233
Bad debts written off	-	-	-	-	20,000
Depreciation of property, plant and equipment	53,175	95,939	252,121	171,306	124,095
Depreciation of investment properties	-	9,820	15,551	19,644	32,339
Gain on disposal of property, plant and equipment	-	-	(233,473)	-	-
Interest income	(259)	(1,303)	(1,672)	(5,526)	(2,256)
Lease expenses related to short-term lease (a)	-	-	2,880	11,000	2,500
(Gain)/Loss on disposal of an investment property	-	-	(214,658)	16,446	-
Reversal of ECLs on:					
- trade receivables	(745,920)	(73,181)	(576,967)	(321,806)	(289)
- other receivables	-	-	-	(12,625)	(1,780)
Rental income	-	(52,800)	(96,800)	(149,300)	(174,000)
Wages subsidy	-	(1,200)	(1,200)	(89,080)	(306,862)
Waiver of deposits	-	-	-	-	(3,300)
Waiver of debts from other payables	-	-	-	(500)	(429)

13. ACCOUNTANTS' REPORT (Cont'd)
21. Profit before tax (Cont'd)

- (a) The combining entities lease equipment and premises with contract terms of not more than one year. These leases are short-term. The combining entities have elected not to recognise right-of-use assets and lease liabilities for these leases.

22. Taxation

	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
Tax expenses recognised in profit or loss					
Current tax					
Current financial period/ year provision	1,428,593	1,096,008	2,625,123	1,533,896	651,401
Under/(Over) provision in prior financial period/year	193,149	-	96,979	44,128	(116,457)
	<u>1,621,742</u>	<u>1,096,008</u>	<u>2,722,102</u>	<u>1,578,024</u>	<u>534,944</u>
Deferred tax					
Origination and reversal of temporary differences	1,088	(117,415)	(178,853)	142,276	110,811
Under/(Over) provision in prior financial period/year	74,035	-	(64,340)	-	-
	<u>75,123</u>	<u>(117,415)</u>	<u>(243,193)</u>	<u>142,276</u>	<u>110,811</u>
	<u>1,696,865</u>	<u>978,593</u>	<u>2,478,909</u>	<u>1,720,300</u>	<u>645,755</u>

13. ACCOUNTANTS' REPORT (Cont'd)**22. Taxation (Cont'd)**

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective income tax rate of the combining entities are as follows:

	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
Profit before tax	6,401,385	4,368,360	10,077,406	7,280,030	2,416,189
At Malaysian statutory tax rate 24%	1,536,332	1,048,406	2,418,577	1,747,207	579,885
Tax savings from first tranche of chargeable income	-	(189,192)	(225,000)	(247,823)	(99,215)
Expenses not deductible for tax purposes	61,040	105,001	527,945	220,861	271,642
Income not subject to tax	(131,113)	(13,760)	(212,856)	(96,540)	(33,340)
Movement of deferred tax assets not recognised	(36,578)	28,138	(62,396)	52,467	43,240
Under/(Over) provision of current tax in prior financial period/year	193,149	-	96,979	44,128	(116,457)
Under/(Over) provision of deferred tax in prior financial period/year	74,035	-	(64,340)	-	-
	<u>1,696,865</u>	<u>978,593</u>	<u>2,478,909</u>	<u>1,720,300</u>	<u>645,755</u>

The combining entities have unutilised business losses and unutilised capital allowances for carry forward to offset future taxable profits as follows:

	Audited 30.6.2025 RM	Unaudited 30.06.2024 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Unutilised business losses	233,668	241,325	281,404	-	787,743
Unutilised capital allowances	600	200	400	-	-
	<u>234,268</u>	<u>241,525</u>	<u>281,804</u>	<u>-</u>	<u>787,743</u>

Based on the current legislation, any unutilised business losses shall be carried forward for a maximum period of ten consecutive years of assessment immediately following that year of assessment, whereas the unutilised capital allowances are allowed to be carried forward indefinitely.

13. ACCOUNTANTS' REPORT (Cont'd)**23. Earnings per share****(a) Basic earnings per share**

The basic earnings per share is calculated based on the combined profit for the financial year attributable to the owners of the combining entities and the number of ordinary shares as follows:

	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
Profit attributable to owners of the combining entities	<u>4,704,520</u>	<u>3,389,767</u>	<u>7,598,497</u>	<u>5,559,730</u>	<u>1,582,797</u>
Number of ordinary shares*	<u>367,500,000</u>	<u>367,500,000</u>	<u>367,500,000</u>	<u>367,500,000</u>	<u>367,500,000</u>
Basic earnings per share (sen)	<u>1.28</u>	<u>0.92</u>	<u>2.07</u>	<u>1.51</u>	<u>0.43</u>

* It is assumed to be the number of ordinary shares before public issue

(b) Diluted earnings per share

The combining entities have no dilution in their earnings per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares outstanding as at the end of the reporting period.

24. Dividends

	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
<u>In respect of the financial year ended</u> <u>31 December 2022</u>					
Interim single-tier dividend of RM8.00 per ordinary share, declared and payable on 16 December 2022 ^	-	-	-	-	800,000
Interim single-tier dividend of RM3.00 per ordinary share, declared and payable on 16 December 2022 *	-	-	-	-	2,700,000
Interim single-tier dividend of RM2.40 per ordinary share, declared and payable on 16 December 2022 #	-	-	-	-	2,160,000
<u>In respect of the financial year ended</u> <u>31 December 2023</u>					
Interim single-tier dividend of RM30.00 per ordinary share, declared and payable on 6 January 2023 ^	-	-	-	3,000,000	-
Interim single-tier dividend of RM1.60 per ordinary share, declared and payable on 18 November 2023 ^	-	-	-	800,000	-

13. ACCOUNTANTS' REPORT (Cont'd)**24. Dividends (Cont'd)**

	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
<u>In respect of the financial year ended</u> <u>31 December 2024</u>					
Interim single-tier dividend of RM4.00 per ordinary share, declared and payable on 18 June 2024 ^	-	2,000,000	2,000,000	-	-
Interim single-tier dividend of RM6.00 per ordinary share, declared and payable on 31 December 2024 ^	-	-	3,000,000	-	-
	<u>-</u>	<u>2,000,000</u>	<u>5,000,000</u>	<u>3,800,000</u>	<u>5,660,000</u>

* Paid by SBSS to common control shareholders

Paid by SBSM to common control shareholders

^ Paid by SDH to common control shareholders

The Board of Directors does not recommend any final dividend for the current financial period.

25. Staff costs

	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
Salaries, fees and other emoluments	1,643,161	1,695,741	3,157,832	3,458,239	2,702,982
Defined contribution plans	181,383	185,410	349,968	364,798	232,539
Social security contributions	20,405	18,472	38,437	42,418	28,795
	<u>1,844,949</u>	<u>1,899,623</u>	<u>3,546,237</u>	<u>3,865,455</u>	<u>2,964,316</u>

26. Reconciliation of liabilities arising from financing activities

The table below shows the detailed changes in the liabilities of the combining entities arising from financing activities, including both cash and non-cash changes:

	At 1.1.2025 RM	Financing cash flows (i) RM	At 30.6.2025 RM
Hire purchase liabilities	72,544	(12,115)	60,429
Term loans	5,279,442	134,772	5,414,214
	<u>5,351,986</u>	<u>122,657</u>	<u>5,474,643</u>

13. ACCOUNTANTS' REPORT (Cont'd)**26. Reconciliation of liabilities arising from financing activities (Cont'd)**

The table below shows the detailed changes in the liabilities of the combining entities arising from financing activities, including both cash and non-cash changes: (Cont'd)

	At 1.1.2024 RM	Financing cash flows (i) RM	At 30.6.2024 RM
Hire purchase liabilities	696,738	(53,888)	642,850
Term loans	6,305,919	1,015,380	7,321,299
Amount due to Directors	15,141	(11,784)	3,357
	<u>7,017,798</u>	<u>949,708</u>	<u>7,967,506</u>

	At 1.1.2024 RM	Financing cash flows (i) RM	At 31.12.2024 RM
Hire purchase liabilities	696,738	(624,194)	72,544
Term loans	6,305,919	(1,026,477)	5,279,442
Amount due to Directors	15,141	(15,141)	-
	<u>7,017,798</u>	<u>(1,665,812)</u>	<u>5,351,986</u>

	At 1.1.2023 RM	New lease RM	Financing cash flows (i) RM	Acquisition of a subsidiary RM	At 31.12.2023 RM
Hire purchase liabilities	454,050	331,098	(88,410)	-	696,738
Term loans	7,314,685	-	(1,008,766)	-	6,305,919
Amount due to Directors	<u>1,650,818</u>	<u>-</u>	<u>(1,645,560)</u>	<u>9,883</u>	<u>15,141</u>
	<u>9,419,553</u>	<u>331,098</u>	<u>(2,742,736)</u>	<u>9,883</u>	<u>7,017,798</u>

	At 1.1.2022 RM	Financing cash flows (i) RM	At 31.12.2022 RM
Lease liabilities	506,802	(52,752)	454,050
Term loans	6,082,112	1,232,573	7,314,685
Amount due to Directors	-	1,650,818	1,650,818
	<u>6,588,914</u>	<u>2,830,639</u>	<u>9,419,553</u>

- (i) The cash flows from term loans make up the net amount of proceeds from or repayments of borrowings in the combined statements of cash flows.

27. Related party disclosures

- (a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the combining entities if the combining entities have the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the combining entities and the party are subject to common control. Related parties may be individuals or other entities.

13. ACCOUNTANTS' REPORT (Cont'd)**27. Related party disclosures (Cont'd)****(a) Identifying related parties (Cont'd)**

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the combining entities either directly or indirectly. The key management personnel comprise the Directors and management personnel of the combining entities, having authority and responsibility for planning, directing and controlling the activities of the combining entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the combining entities are as follows:

	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
Transactions with Directors					
- Dividends paid	-	720,000	2,190,000	3,288,000	5,660,000
- Advances to	-	1,025,458	4,515,652	2,397,061	1,043,090
- Advances from	-	317,578	716,486	5,836,442	6,286,564
- Repayments to	-	325,811	725,193	9,336,956	2,858,456
- Repayments from	-	1,061,368	4,560,921	3,532,780	2,239,392
- Expenses paid on behalf of	-	52,226	52,226	72,177	55,554
- Expenses paid on behalf by	-	-	5,474	801,295	34,606
Transactions with companies in which a person connected to a Director has interest					
- Rental income	-	-	-	22,000	24,000
- Purchases	6,690	4,584	7,604	12,270	354,507
- Sales	11,830	8,381	12,383	951,167	2,142,554
- Advances from	-	-	-	162,300	209,000
- Repayments to	-	-	-	121,680	8,040
- Repayments from	-	-	-	-	13,683
- Expenses paid on behalf by	-	-	-	-	4,700
Transactions with a company in which a Director of a subsidiary has interest					
- Purchases	-	-	-	2,588	-
- Sales	-	16,660	11,966	207,710	8,356
Transactions with companies in which Directors have interests					
- Sales	-	3,000	3,000	-	-
- Advances to	-	-	-	13,390	63,165
- Repayments to	-	-	-	107,152	-
- Repayments from	-	-	-	113,325	1,092,637
- Expenses paid on behalf by	-	-	-	4,692	26,155

13. ACCOUNTANTS' REPORT (Cont'd)

27. Related party disclosures (Cont'd)

(b) Significant related party transactions (Cont'd)

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the combining entities are as follows: (Cont'd)

	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
Transactions with a company in which a shareholder has interest					
- Sales	-	-	20,000	-	-
- Purchases	-	-	201,000	-	-

(c) Compensation of key management personnel

The fees and remuneration of Directors and other members of key management personnel are as follows:

	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
<u>Directors of the Company</u>					
Fees	-	12,000	18,000	54,000	120,000
Salaries and other emoluments	253,004	285,504	532,008	428,341	427,647
Defined contribution plans	28,500	32,400	60,120	47,688	43,200
Social security contributions	2,088	1,737	3,651	3,477	3,006
	<u>283,592</u>	<u>331,641</u>	<u>613,779</u>	<u>533,506</u>	<u>593,853</u>
<u>Other key management personnel</u>					
Fees	12,000	12,000	24,000	4,000	-
Salaries and other emoluments	199,891	215,020	419,148	328,903	179,703
Defined contribution plans	23,532	25,332	49,428	38,676	8,640
Social security contributions	2,088	1,737	3,651	2,897	1,002
	<u>237,511</u>	<u>254,089</u>	<u>496,227</u>	<u>374,476</u>	<u>189,345</u>
	<u>521,103</u>	<u>585,730</u>	<u>1,110,006</u>	<u>907,982</u>	<u>783,198</u>

28. Segment information

Segmental reporting is not presented as the combining entities are principally engaged in advertising, marketing and media solutions, which is substantially within a single business segment and operates predominantly in Malaysia.

13. ACCOUNTANTS' REPORT (Cont'd)

28. Segment information (Cont'd)

Geographical information

Revenue information based on the geographical location of customers is as follows:

	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
Malaysia	21,737,722	12,381,294	29,539,318	19,165,778	11,592,484
Hong Kong	18,000	302,000	302,000	770,000	-
Others*	4,600	51,360	82,776	9,852	9,900
	<u>21,760,322</u>	<u>12,734,654</u>	<u>29,924,094</u>	<u>19,945,630</u>	<u>11,602,384</u>

The non-current assets are entirely located in Malaysia.

* Others for this purpose consists of Singapore, Indonesia and Taiwan.

Major customers

	Audited FPE 2025 RM	Unaudited FPE 2024 RM	Audited FYE 2024 RM	Audited FYE 2023 RM	Audited FYE 2022 RM
Customer A	618,000	982,000	1,600,000	3,190,943	-
Customer B	-	284,500	284,500	83,800	1,211,457
Customer C	<u>2,994,288</u>	<u>898,600</u>	<u>2,164,000</u>	<u>-</u>	<u>-</u>

29. Financial instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost.

The following table analyses the financial assets and liabilities in the combined statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Audited 30.6.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
At amortised cost				
Financial assets				
Trade receivables	11,208,459	7,165,604	3,829,020	6,149,179
Other receivables	300,839	8,785	77,452	175,416
Fixed deposit with a licensed bank	1,000	1,000	-	-
Cash and bank balances	<u>7,226,192</u>	<u>5,131,543</u>	<u>5,068,133</u>	<u>2,467,217</u>
	<u>18,736,490</u>	<u>12,306,932</u>	<u>8,974,605</u>	<u>8,791,812</u>

13. ACCOUNTANTS' REPORT (Cont'd)**29. Financial instruments (Cont'd)****(a) Classification of financial instruments**

The following table analyses the financial assets and liabilities in the combined statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Audited 30.6.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
At amortised cost (Cont'd)				
Financial liabilities				
Borrowings	6,923,590	5,279,442	6,305,919	7,314,685
Trade payables	396,348	305,411	749,101	490,474
Other payables	1,273,774	1,102,746	1,055,089	948,841
Amount due to Directors	-	-	15,141	1,650,818
	<u>8,593,712</u>	<u>6,687,599</u>	<u>8,125,250</u>	<u>10,404,818</u>

(b) Financial risk management objectives and policies

The combining entities' financial risk management policy is to ensure that adequate financial resources are available for the development of the combining entities' operations whilst managing its credit, liquidity and market risks. The combining entities operate within clearly defined guidelines that are approved by the Board and the combining entities' policy is not to engage in speculative transactions.

The following sections provide details regarding the combining entities' exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the combining entities if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The combining entities' exposure to credit risk arises principally from trade receivables, other receivables, fixed deposit with a licensed bank and cash and bank balances. There are no significant changes as compared to the previous financial years.

The combining entities have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date, the combining entities assess whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the combining entities determine 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, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the combined statements of financial position as at the reporting date represent the combining entities' maximum exposure to credit risk.

There are no significant changes as compared to previous financial period/years.

13. ACCOUNTANTS' REPORT (Cont'd)**29. Financial instruments (Cont'd)****(b) Financial risk management objectives and policies (Cont'd)****(i) Credit risk (Cont'd)***Credit risk concentration*

As at the end of the financial year, the combining entities had 1 (31.12.2024, 31.12.2023 and 31.12.2022: 1) major customer and accounted for approximately 11% (31.12.2024: 17%, 31.12.2023: 17% and 31.12.2022: 16%) of the trade receivables outstanding

(c) Financial risk management objectives and policies (Cont'd)**(ii) Liquidity risk (Cont'd)**

Liquidity risk refers to the risk that the combining entities will encounter difficulty in meeting its financial obligations as they fall due. The combining entities' exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The combining entities' funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The combining entities finance their liquidity through internally generated cash flows and minimise liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the combining entities can be required to pay.

	On demand or within 1 year RM	2 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amounts RM
Audited					
30.6.2025					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Borrowings	2,918,854	3,094,660	2,518,268	8,531,782	6,923,590
Hire purchase liabilities	27,360	36,589	-	63,949	60,429
Trade payables	396,348	-	-	396,348	396,348
Other payables	1,273,774	-	-	1,273,774	1,273,774
	4,616,336	3,131,249	2,518,268	10,265,853	8,654,141

Audited					
31.12.2024					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Borrowings	1,651,375	3,172,652	1,605,296	6,429,323	5,279,442
Hire purchase liabilities	27,360	50,271	-	77,631	72,544
Trade payables	305,411	-	-	305,411	305,411
Other payables	1,102,746	-	-	1,102,746	1,102,746
	3,086,892	3,222,923	1,605,296	7,915,111	6,760,143

13. ACCOUNTANTS' REPORT (Cont'd)**29. Financial instruments (Cont'd)****(b) Financial risk management objectives and policies (Cont'd)****(ii) Liquidity risk (Cont'd)**

The following table analyses the remaining contractual maturity for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the combining entities can be required to pay. (Cont'd)

	On demand or within 1 year RM	2 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amounts RM
Audited					
31.12.2023					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Borrowings	1,325,575	4,557,512	1,953,095	7,836,182	6,305,919
Hire purchase liabilities	140,856	444,524	214,196	799,576	696,738
Trade payables	749,101	-	-	749,101	749,101
Other payables	1,055,089	-	-	1,055,089	1,055,089
Amount due to Directors	15,141	-	-	15,141	15,141
	<u>3,285,762</u>	<u>5,002,036</u>	<u>2,167,291</u>	<u>10,455,089</u>	<u>8,821,988</u>

Audited					
31.12.2022					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Borrowings	2,143,242	4,635,276	2,382,134	9,160,652	7,314,685
Hire purchase liabilities	80,388	241,164	215,535	537,087	454,050
Trade payables	490,474	-	-	490,474	490,474
Other payables	948,841	-	-	948,841	948,841
Amount due to Directors	1,650,818	-	-	1,650,818	1,650,818
	<u>5,313,763</u>	<u>4,876,440</u>	<u>2,597,669</u>	<u>12,787,872</u>	<u>10,858,868</u>

(iii) Market riskInterest rate risk

The combining entities' fixed rate deposit and hire purchase liabilities are exposed to a risk of change in their fair value due to changes in interest rates. The combining entities' variable rate borrowings is exposed to a risk of change in cash flows due to changes in interest rates.

The combining entities manage their interest rate risk exposure from interest-bearing borrowings by obtaining financing with the most favourable interest rates in the market. The combining entities constantly monitor their interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The combining entities do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

13. ACCOUNTANTS' REPORT (Cont'd)**29. Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

Interest rate risk (Cont'd)

The interest rate profile of the combining entities' significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Audited 30.6.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Fixed rate instruments				
Fixed deposit with a licensed bank	1,000	1,000	-	-
Hire purchase liabilities	(60,429)	(72,544)	(696,738)	(454,050)
	<u>(59,429)</u>	<u>(71,544)</u>	<u>(696,738)</u>	<u>(454,050)</u>
Floating rate instrument				
Borrowings	<u>(6,923,590)</u>	<u>(5,279,442)</u>	<u>(6,305,919)</u>	<u>(7,314,685)</u>

Interest rate risk sensitivity analysisFair value sensitivity analysis for fixed rate instruments

The combining entities do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the combining entities' profit before tax by RM69,236 (31.12.2024: RM52,794, 31.12.2023: RM63,059 and 31.12.2022: RM73,147), arising mainly as a result of lower/higher interest expense on floating rate borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair value of financial instruments

The carrying amounts of short-term receivables, payables, cash and cash equivalents and short-term borrowings approximately their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

30. Capital management

The combining entities' objective when managing capital are to safeguard the combining entities' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the combining entities may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

13. ACCOUNTANTS' REPORT (Cont'd)
30. Capital management (Cont'd)

The combining entities monitor capital using a net gearing ratio. The combining entities' policy is to maintain a prudent level of net gearing ratio that complies with debt covenants and regulatory requirements. The net gearing ratios at end of the reporting period are as follows:

	Audited 30.6.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Borrowings	6,923,590	5,279,442	6,305,919	7,314,685
Hire purchase liabilities	60,429	72,544	696,738	454,050
Less: Fixed deposit with a licensed bank	(1,000)	(1,000)	-	-
Less: Cash and bank balances	(7,226,192)	(5,131,543)	(5,068,133)	(2,467,217)
Net (cash)/debts	<u>(243,173)</u>	<u>219,443</u>	<u>1,934,524</u>	<u>5,301,518</u>
 Total equity	 <u>13,346,711</u>	 <u>8,642,191</u>	 <u>6,043,693</u>	 <u>1,462,263</u>
 Net gearing ratio (times)	 <u>N/A</u>	 <u>0.03</u>	 <u>0.32</u>	 <u>3.63</u>

There were no changes in the combining entities' approach to capital management during the financial period.

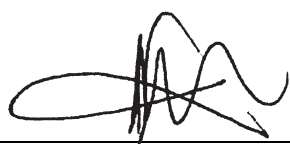
13. ACCOUNTANTS' REPORT (Cont'd)

SBS NEXUS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the combined financial statements set out on pages 4 to 45 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the combined financial position of the combining entities as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 and of their combined financial performance and cash flows for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 and financial periods ended 30 June 2024 and 30 June 2025.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 4 December 2025.



WONG CHUN MUN



PIAH YEE LING

KUALA LUMPUR

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION

SBS NEXUS BERHAD
[Registration No.: 202401038150 (1583997-D)]
(Incorporated in Malaysia)

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025

TGS TW PLT
CHARTERED ACCOUNTANTS

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)



Date: 4 December 2025

The Board of Directors
SBS Nexus Berhad
C-7, Jalan Dataran SD 1
PJU 9, Bandar Sri Damansara
52200 Kuala Lumpur

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants
Unit E-16-2B,
Level 16, Icon Tower (East)
No.1, Jalan 1/68F, Jalan Tun Razak
50400 Kuala Lumpur.
Tel : +603 9771 4326
Email: tgsaudit@tgs-tw.com
www.tgs-tw.com

Dear Sirs,

**SBS NEXUS BERHAD (“SBS” OR “THE COMPANY”)
REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF
FINANCIAL POSITION AS AT 30 JUNE 2025**

We have completed our assurance engagement to report on the compilation of Pro Forma Combined Statements of Financial Position of SBS Nexus Berhad and its subsidiaries (collectively known as “the combining entities” or “the Group”) as at 30 June 2025.

The Pro Forma Combined Statements of Financial Position have been compiled by the Directors based on the applicable criteria as specified in the Prospectus Guidelines issued by the Securities Commission Malaysia (“Prospectus Guidelines”) and described in the notes as set out in Basis of Preparation of Pro Forma Combined Statements of Financial Position (“Applicable Criteria”).

The Pro Forma Combined Statements of Financial Position have been compiled by the Directors for illustrative purposes only and for inclusion into the Prospectus of the Group 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”).

As part of this process, information about the combining entities’ combined financial position has been extracted by the Directors from the audited statements of financial position of the combining entities as at 30 June 2025, on which was reported by us to the members of the combining entities on 4 December 2025 without any modification.

Directors’ Responsibility for the Pro Forma Combined Statements of Financial Position

The Board of Directors is solely responsible for compiling the Pro Forma Combined Statements of Financial Position on the basis set out in the notes to the Pro Forma Combined Statements of Financial Position on the Applicable Criteria.

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (*Cont'd*)



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 ("ISQM") 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express an opinion as required by the Prospectus Guidelines, about whether the Pro Forma Combined Statements of Financial Position have been properly compiled, in all material respects, by the Directors on the basis of the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements ("ISAE") 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by 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 Combined Statements of Financial Position on the basis of the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Combined 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 Combined Statements of Financial Position.

The purpose of the Pro Forma Combined 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 entity 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 would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Combined 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 Board of Directors of the Company in the compilation of the Pro Forma Combined 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 Combined Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)



Our Responsibility (Cont'd)

The procedures selected depend on our judgement, having regard to our understanding of the nature of the combining entities, the event or transaction in respect of which the Pro Forma Combined Statements of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Combined 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 Combined Statements of Financial Position have been compiled, in all material respects, on the basis of the Applicable Criteria.

Other matters

This report has been prepared solely for the purpose of inclusion in the Prospectus of SBS Nexus Berhad 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 letter contrary to the aforesaid purpose.

Yours faithfully,

A stylized, handwritten signature in black ink, appearing to be 'TGS' followed by a large, sweeping flourish.

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

A stylized, handwritten signature in black ink, appearing to be 'Teoh' followed by a large, sweeping flourish.

TEOH CHEY YEAT
03447/08/2027 J
Chartered Accountant

Kuala Lumpur
4 December 2025

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)

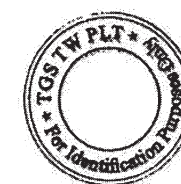
SBS NEXUS BERHAD

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

The Pro Forma Combined 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 2 to the Pro Forma Combined Statements of Financial Position on the assumption that these transactions were completed on 30 June 2025, and should be read in conjunction with the notes accompanying to the Pro Forma Combined Statements of Financial Position.

	Note	As at 30.6.2025*	Adjustments for Acquisition	Pro Forma I After Acquisition	Adjustments for Public Issue	Pro Forma II After Public Issue	Adjustments for Utilisation of Proceeds	Pro Forma III After Utilisation of Proceeds
		RM	RM	RM	RM	RM	RM	RM
ASSETS								
Non-current assets								
Property, plant and equipment		2,257,950		2,257,950		2,257,950		2,257,950
Intangible assets		950,083		950,083		950,083		950,083
Goodwill		2,396,619		2,396,619		2,396,619		2,396,619
Deferred tax assets		121,149		121,149		121,149		121,149
Total non-current assets		5,725,801		5,725,801		5,725,801		5,725,801
Current assets								
Trade receivables		11,208,459		11,208,459		11,208,459		11,208,459
Other receivables	3.01	3,101,284		3,101,284		3,101,284	(1,812,545)	1,288,739
Tax recoverable		25,408		25,408		25,408		25,408
Fixed deposit with a licensed bank		1,000		1,000		1,000		1,000
Cash and bank balances	3.02	7,226,192		7,226,192	30,625,000	37,851,192	(8,743,455)	29,107,737
Total current assets		21,562,343		21,562,343		52,187,343		41,631,343
Total assets		27,288,144		27,288,144		57,913,144		47,357,144

* Extracted from the Group's audited combined financial statements for the financial period ended 30 June 2025

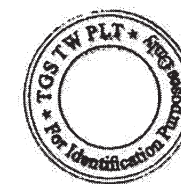


14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)**SBS NEXUS BERHAD****PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)**

The Pro Forma Combined 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 2 to the Pro Forma Combined Statements of Financial Position on the assumption that these transactions were completed on 30 June 2025, and should be read in conjunction with the notes accompanying to the Pro Forma Combined Statements of Financial Position. (Cont'd)

	Note	As at 30.6.2025*	Adjustments for Acquisition	Pro Forma I After Acquisition	Adjustments for Public Issue	Pro Forma II After Public Issue	Adjustments for Utilisation of Proceeds	Pro Forma III After Utilisation of Proceeds
		RM	RM	RM	RM	RM	RM	RM
EQUITY								
Equity attributable to owners of								
SBS Nexus Berhad:-								
Share capital	3.03	1	8,672,999	8,673,000	30,625,000	39,298,000	(1,596,438)	37,701,562
Invested equities	3.04	2,921,700	(2,921,700)	-		-		-
Merger reserve/(deficit)	3.05	135,103	(5,751,299)	(5,616,196)		(5,616,196)		(5,616,196)
Retained earnings	3.06	10,289,907		10,289,907		10,289,907	(2,959,562)	7,330,345
Total equity		13,346,711		13,346,711		43,971,711		39,415,711
LIABILITIES								
Non-current liabilities								
Borrowings	3.07	4,318,115		4,318,115		4,318,115	(4,318,115)	-
Hire purchase liabilities		35,306		35,306		35,306		35,306
Total non-current liabilities		4,353,421		4,353,421		4,353,421		35,306

* Extracted from the Group's audited combined financial statements for the financial period ended 30 June 2025



14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)**SBS NEXUS BERHAD****PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)**

The Pro Forma Combined 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 2 to the Pro Forma Combined Statements of Financial Position on the assumption that these transactions were completed on 30 June 2025, and should be read in conjunction with the notes accompanying to the Pro Forma Combined Statements of Financial Position. (Cont'd)

	Note	As at 30.6.2025*	Adjustments for Acquisition	Pro Forma I After Acquisition	Adjustments for Public Issue	Pro Forma II After Public Issue	Adjustments for Utilisation of Proceeds	Pro Forma III After Utilisation of Proceeds
		RM	RM	RM	RM	RM	RM	RM
LIABILITIES (CONT'D)								
Current liabilities								
Borrowings	3.07	2,605,475		2,605,475		2,605,475	(1,681,885)	923,590
Hire purchase liabilities		25,123		25,123		25,123		25,123
Trade payables		396,348		396,348		396,348		396,348
Other payables		2,410,485		2,410,485		2,410,485		2,410,485
Contract liabilities		84,588		84,588		84,588		84,588
Tax payable		4,065,993		4,065,993		4,065,993		4,065,993
Total current liabilities		9,588,012		9,588,012		9,588,012		7,906,127
Total liabilities		13,941,433		13,941,433		13,941,433		7,941,433
Total equity and liabilities		27,288,144		27,288,144		57,913,144		47,357,144
Number of ordinary shares		367,500,000 #		367,500,000 #	122,500,000	490,000,000		490,000,000
Net assets per share attributable to owners of SBS Nexus Berhad (sen)		3.63		3.63		8.97		8.04
Hire purchase liabilities and Borrowings		6,984,019		6,984,019		6,984,019		984,019
Gearing ratio (times)		0.52		0.52		0.16		0.02

* Extracted from the Group's audited combined financial statements for the financial period ended 30 June 2025

It is assumed to be the number of shares before public issue



14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)

SBS NEXUS BERHAD

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)

1. BASIS OF PREPARATION

The Pro Forma Combined Statements of Financial Position of the Group has been prepared for illustrative purposes and on the assumptions that all the events and transactions mentioned as per Note 2 to the Pro Forma Combined Statements of Financial Position had taken place on 30 June 2025.

The Pro Forma Combined Statements of Financial Position have been prepared based on accounting policies and basis which are consistent with those disclosed in the audited combined financial statements of the combining entities for the financial period ended 30 June 2025 and in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Prospectus Guidelines.

2. LISTING SCHEME

(i) Pro Forma I: Acquisition and Distribution

The Acquisition entails acquiring the entire equity interest of SBS Digital Holdings Sdn. Bhd., for a purchase consideration of RM8,672,999 to be satisfied by the issuance of 367,499,999 new ordinary shares at an issue price of RM0.0236 per share.

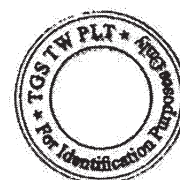
Concurrent with the acquisition, and immediately after its completion, SBS Digital Holdings Sdn. Bhd. proposes to declare dividend-in-specie to the Company comprising the entire equity interest it holds in SBS Digital Media Sdn. Bhd., SBS Social Sdn. Bhd., SBS Events Sdn. Bhd., Shanghai Media Sdn. Bhd. and SBS Media Tech Sdn. Bhd. which collectively amounts to RM3,271,711.

The Distribution has no impact on the Pro Forma Combined Statement of Financial Position.

(ii) Pro Forma II: Public Issue

The Public Issue involves a public issue of 122,500,000 new ordinary shares in SBS Nexus Berhad at an indicative issue price of RM0.25 per share.

In conjunction with the IPO, the Company would seek the listing and quotation of its entire enlarged issued share capital comprising 490,000,000 ordinary shares in SBS Nexus Berhad on the ACE Market of Bursa Malaysia Securities Berhad.



14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)**SBS NEXUS BERHAD****NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)****2. LISTING SCHEME (CONT'D)****(iii) Pro Forma III: Utilisation of Proceeds**

Gross proceeds from the Public Issue of RM30,625,000 are expected to be utilised as follows:

Details of use of proceeds	Estimated timeframe for the use of proceeds upon Listing	RM	% of total gross proceeds from the Public Issue
Set-up of our new headquarters ⁽²⁾	24 months ⁽¹⁾	7,100,000	23.2%
Business expansion ⁽²⁾	24 months ⁽¹⁾	7,250,000	23.7%
Branding, marketing and promotional activities ⁽²⁾	18 months ⁽¹⁾	740,000	2.4%
Repayment of borrowings ⁽³⁾	12 months ⁽¹⁾	6,000,000	19.6%
Working capital ⁽²⁾	12 months ⁽¹⁾	5,035,000	16.4%
Estimated listing expenses ⁽⁴⁾	1 month ⁽¹⁾	4,500,000	14.7%
Total estimated proceeds		30,625,000	100.0%

⁽¹⁾ From the date of listing of the shares.

⁽²⁾ The utilisation of proceeds earmarked for the abovementioned purposes are not reflected in the pro forma combined statements of financial position, as the Group has not yet entered into any contractually binding agreements, including sales and purchase agreements or purchase orders. Thus, the proceeds will be included in the cash and bank balances. The actual deployment of funds will take place over time and is expected to contribute to increased operating expenses and capital investments, which will be reflected in future financial periods.

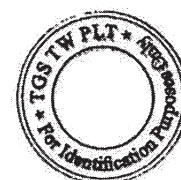
⁽³⁾ The repayment of the borrowings is expected to result in annual interest savings of approximately RM0.4 million based on the current interest rates and is not reflected in because these savings are prospective in nature and subject to fluctuation in future interest rates, which are inherently uncertain. On the other hand, there will be a one-off early repayment charge of RM56,000 for the settlement of a RM1.9 million term loan from Alliance Bank Malaysia Berhad and this will be reflected in as it represents a quantifiable cost incurred at the point of loan settlement.

⁽⁴⁾ If the actual listing expenses are higher than budgeted, the deficit will be funded by internally generated funds. Conversely, if the actual listing expenses are lower than amount budgeted, the excess will be used for the general working capital requirements.

The listing expenses are estimated at RM4,500,000 and will be set off against the share capital and profit or loss accordingly. The apportionment is disclosed in Notes 3.03 and 3.06.

(iv) Listing

The Listing of and quotation for the entire enlarged issue share capital on the ACE Market of Bursa Malaysia Securities Berhad ("Listing").



14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)
SBS NEXUS BERHAD
NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)
3. EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION
3.01 OTHER RECEIVABLES

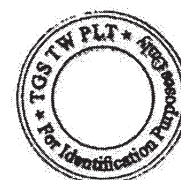
The movements in other receivables are as follows:

	RM
As at 30 June 2025/Pro Forma I to II	3,101,284
Pursuant to Utilisation of Proceeds	
- Estimated listing expenses	<u>(1,812,545)</u>
As per Pro Forma III	<u><u>1,288,739</u></u>

3.02 CASH AND BANK BALANCES

The movements in cash and bank balances are as follows:

	RM
As at 30 June 2025/Pro Forma I	7,226,192
Pursuant to Public Issue	<u>30,625,000</u>
As per Pro Forma II	37,851,192
Pursuant to Utilisation of Proceeds	
- Estimated listing expenses	(2,687,455)
- Repayment of borrowings	(6,000,000)
- Payment of penalty for early repayment of borrowings	<u>(56,000)</u>
As per Pro Forma III	<u><u>29,107,737</u></u>



14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)

SBS NEXUS BERHAD

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)

3. EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.03 SHARE CAPITAL

The movements in share capital are as follows:

	RM
As at 30 June 2025	1
Pursuant to Acquisition	<u>8,672,999</u>
As per Pro Forma I	8,673,000
Pursuant to Public Issue	<u>30,625,000</u>
As per Pro Forma II	39,298,000
Pursuant to Utilisation of Proceeds	
- Estimated listing expenses*	<u>(1,596,438)</u>
As per Pro Forma III	<u><u>37,701,562</u></u>

* The estimated listing expenses of RM1,596,438 directly attributable to the Public Issue will be offset against share capital and the remaining estimated listing expenses of RM2,903,562 that attributable to the Listing will be expensed off to profit or loss.

3.04 INVESTED EQUITIES

	RM
As at 30 June 2025	2,921,700
Pursuant to Acquisition	<u>(2,921,700)</u>
As per Pro Forma I to III	<u><u>-</u></u>

3.05 MERGER RESERVE/(DEFICIT)

The movements in merger reserve/(deficit) are as follows:

	RM
As at 30 June 2025	135,103
Pursuant to Acquisition	<u>(5,751,299)</u>
As per Pro Forma I to III	<u><u>(5,616,196)</u></u>



14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)
SBS NEXUS BERHAD
NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)
3. EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)
3.06 RETAINED EARNINGS

The movements in retained earnings are as follows:

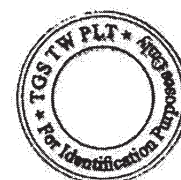
	RM
As at 30 June 2025/Pro Forma I to II	10,289,907
Pursuant to Utilisation of Proceeds	
- Estimated listing expenses*	(2,903,562)
- Payment of penalty for early repayment of borrowings	<u>(56,000)</u>
As per Pro Forma III	<u><u>7,330,345</u></u>

* The estimated listing expenses of RM1,596,438 directly attributable to the Public Issue will be offset against share capital and the remaining estimated listing expenses of RM2,903,562 that attributable to the Listing will be expensed off to profit or loss.

3.07 BORROWINGS

The movements in borrowings are as follows:

	RM
As at 30 June 2025/Pro Forma I to II	6,923,590
Pursuant to Utilisation of Proceeds	
- Repayment of borrowings	<u>(6,000,000)</u>
As per Pro Forma III	<u><u>923,590</u></u>



14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)

SBS NEXUS BERHAD

**PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025
(CONT'D)**

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution date 4 December 2025.

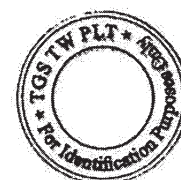
On behalf of the Board of Directors



Wong Chun Mun
Director



Piah Yee Ling
Director



15. STATUTORY AND OTHER INFORMATION**15.1 SHARE CAPITAL**

- (a) As at the date of this Prospectus, we only have one class of shares, namely, ordinary shares, all of which rank equally with one another.
- (b) Save for the Pink Form Allocations as disclosed in Section 4.3.2:
 - (i) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiaries; and
 - (ii) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.
- (c) Save for the new Shares issued for the Acquisition and to be issued for the Public Issue as disclosed in Sections 6.2.1 and 4.3.1 respectively, no shares of our Company have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past 2 years immediately preceding the date of this Prospectus.
- (d) Other than our Public Issue as disclosed in Section 4.3.1, there is no intention on the part of our Directors to further issue any Shares on the basis of this Prospectus.
- (e) As at the date of this Prospectus, we do not have any outstanding convertible debt securities.

15.2 SHARE CAPITAL OF OUR SUBSIDIARIES

Details of our Company's share capital are as set out in Section 6.1. Details of the share capital of our subsidiaries are as set out below.

15.2.1 SBS Digital Holdings

SBS Digital Holdings' issued share capital as at LPD is RM2,921,700 comprising 500,000 ordinary shares. The movements in its issued share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital RM
30 July 2009	2	RM2/ Subscribers' shares	2
15 August 2012	99,998	RM99,998/ Cash	100,000
9 September 2023	145,000	RM2,821,700/ Otherwise than cash ⁽¹⁾	2,921,700
9 September 2023	255,000	N/A/ Bonus Issue ⁽²⁾	2,921,700

15. STATUTORY AND OTHER INFORMATION (Cont'd)**Notes:**

- (1) On 11 January 2023, SBS Digital Holdings entered into a share sale agreement with Lai Kian Chuan and Alphabets Partners Limited to acquire the entire shareholdings in SBS Media Tech by way of issuance of 145,000 new ordinary shares of SBS Digital Holdings at RM13.79 each for a total consideration of RM2,000,000. However, according to Paragraph 33 of MFRS 3 Business Combination, the consideration transferred should be measured at fair value, of which has been determined to be RM19.46 per share, for a total fair value consideration of RM2,821,700.
- (2) Relates to bonus issue of 255,000 shares in SBS Digital Holdings. The number of cumulative shares of SBS Digital Holdings were 500,000 ordinary shares as at 9 September 2023.

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in SBS Digital Holdings. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.2 SBS Digital Media

SBS Digital Media's issued share capital as at LPD is RM200,000 comprising 4,000,000 ordinary shares. The movements in its issued share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital RM
30 November 2017	10	RM10/ Subscribers' shares	10
9 March 2020	49,990	RM49,990/ Cash	50,000
5 March 2021	-	N/A/ Share split ⁽¹⁾	50,000
22 December 2022	3,000,000	RM150,000/ Cash	200,000

Note:

- (1) Relates to subdivision of every 1 existing ordinary share held in SBS Digital Media into 20 ordinary shares by each of the shareholders of the company. The number of cumulative shares of SBS Digital Media were 1,000,000 ordinary shares as at 5 March 2021.

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in SBS Digital Media. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.3 SBS Events

SBS Events' issued share capital as at LPD is RM100 comprising 100 ordinary shares. The movements in its issued share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital RM
28 September 2017	100	RM100/ Subscribers' shares	100

15. STATUTORY AND OTHER INFORMATION (Cont'd)

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in SBS Events. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.4 SBS Media Tech

SBS Media Tech's issued share capital as at LPD is RM100,000 comprising 100,000 ordinary shares. The movements in its issued share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital RM
4 June 2018	100	RM100/ Subscribers' shares	100
20 July 2022	86,900	RM86,900/ Otherwise than cash	87,000
21 July 2022	13,000	RM13,000/ Cash	100,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in SBS Media Tech. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.5 SBS Social

SBS Social's issued share capital as at LPD is RM400,000 comprising 4,000,000 ordinary shares. The movements in its issued share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital RM
19 February 2016	1,000	RM1,000/ Subscribers' shares	1,000
13 March 2020	49,000	RM49,000/ Cash	50,000
5 March 2021	-	N/A/ Share split ⁽¹⁾	50,000
24 March 2021	500,000	RM50,000/ Cash	100,000
12 October 2021	-	N/A/ Share consolidation ⁽²⁾	100,000
22 December 2022	3,000,000	RM300,000/ Cash	400,000

Notes:

- ⁽¹⁾ Relates to subdivision of every 1 existing ordinary share held in SBS Social into 20 ordinary shares by each of the shareholders of the company. The number of cumulative shares of SBS Social were 1,000,000 ordinary shares as at 5 March 2021.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

- (2) Relates to consolidation of every 2 existing ordinary shares in SBS Social into 1 ordinary share. For clarification, the shares that were consolidated were the 1,000,000 ordinary shares with issue price of RM0.05 each held by SBS Social's shareholders as at 5 March 2021. Upon completion of such share consolidation, the number of cumulative shares of SBS Social decreased from 1,500,000 ordinary shares as at 24 March 2021 to 1,000,000 ordinary shares as at 12 October 2021.

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in SBS Social. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.6 Shanghai Media

Shanghai Media's issued share capital as at LPD is RM100 comprising 100 ordinary shares. The movements in its issued share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital RM
14 April 2022	100	RM100/ Subscribers' shares	100

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Shanghai Media. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.3 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.

15.3.1 Changes to share capital and variation of class rights**Clause 15.1 – Company may alter its capital in certain ways**

"Subject to the Applicable Laws, the Company may from time to time by Ordinary Resolution:

- (a) consolidate and divide all or any of its share capital into Shares of larger amount than its existing shares;
- (b) subdivide its share capital or any part thereof into shares of smaller amount than is fixed by this Constitution by subdivision of its existing shares or any of them, subject nevertheless to the provisions of the Act and so that as between the resulting shares, 1 or more of such shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividends, return of capital, voting or otherwise over the others or any other of such shares;
- (c) cancel Shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled;

15. STATUTORY AND OTHER INFORMATION (*Cont'd*)

- (d) convert all or any of its issued Shares into stock and reconvert that stock into paid up Shares; and
- (e) subject to the provisions of this Constitution and the Act, convert and/ or reclassify any class of Shares into any other class of Shares."

Clause 15.2 – Power to reduce capital

"The Company may by Special Resolution, reduce its share capital in any manner permitted or authorised under and in compliance with the Applicable Laws."

Clause 15.4 – Purchase of own Shares

"Subject to the provisions of the Act and/ or the Applicable Laws, the Company may, with the sanction of an Ordinary Resolution of the Members in meeting of Members, purchase its own Shares and make payment in respect of the purchase and/ or give financial assistance to any person for the purpose of purchasing its own Shares on such date(s), terms and manner as may be determined from time to time by the Directors. Any Shares in the Company so purchased by the Company shall be dealt with in accordance with the Act and/ or the Applicable Laws. The provision of Clauses 15.1 and 15.2 hereof shall not affect the power of the Company to cancel any Shares or reduce its share capital pursuant to any exercise of the Company's power under this Clause."

Clause 16.1 – Increase of share capital

"Subject to all Applicable Laws, the Company may from time to time, whether all the Shares for the time being issued shall have been fully called up or not, by Ordinary Resolution increase its share capital by the creation of new Shares, such new capital to be of such amount and to be divided into Shares of such respective amounts and (subject to any special rights for the time being attached to any existing class of shares) to carry such preferential, deferred or other special rights (if any) or to be subject to such conditions or restrictions (if any), in regard to dividend, return of capital, voting or otherwise, as the Company by the resolution authorising such increase may direct."

Clause 17 – Variation on rights

"If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of 75.0% of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the Shares of that class. To every such separate meeting the provisions of this Constitution relating to meeting of Members shall mutatis mutandis apply so that the necessary quorum shall be 2 persons at least holding or representing by proxy at least 1/3 of the issued shares of the class and that any holder of Shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 292 of the Act shall apply with such adaptations as are necessary."

15. STATUTORY AND OTHER INFORMATION *(Cont'd)*

15.3.2 Transfer of Securities

Clause 11.1 – Transfer in writing and to be left at the Office

"For the purpose of registration of a transfer of Shares that are not Deposited Securities, every instrument of transfer which is executed in accordance with the Applicable Laws, shall be left at the Office together with such fee not exceeding RM3.00 or as the Directors may determine, where a share certificate has been issued for the Share to be transferred, the certificate of the Shares and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the Shares, and thereupon the Company shall subject to the powers vested in the Directors by this Constitution register the transferee as the Member within 30 days from receipt of such duly executed and stamped instrument of transfer."

Clause 11.2 – Transfer of Securities

"The transfer of any Deposited Security shall be by way of book entry by the Central Depository in accordance with the Rules of the Central Depository and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of Deposited Security."

Clause 11.5 – Directors may refuse registration of transfers

"Subject to the provisions of the Act, the SICDA, the Listing Requirements and the Rules of the Central Depository, the Directors may, in their discretion and without assigning any reason therefor, refuse to register, the transfer of any Share, not being a fully paid share, and whether or not the Company claims lien on the same."

Clause 11.6 – Closing of registration of transfers

"The registration of transfers may be closed at such times and for such periods as the Directors may from time to time determine but not exceeding in the whole 30 days in any calendar year. In relation to the closure, the Company shall give written notice in accordance with the Rules of the Central Depository to issue the relevant appropriate Record of Depositors.

The Company shall before close such register:

- (a) give notice of such intended book closure (in the case of the register) in accordance with Section 55 of the Act; and
- (b) give notice of such intended closure to the Bursa Securities for such period as prescribed by the Exchange or the Applicable Laws before the intended date of such closure including in such notice, such date, the reason for such closure and the address of the share registry at which documents will be accepted for registration."

15. STATUTORY AND OTHER INFORMATION (Cont'd)**Clause 11.7 – Limitation of liability**

"Neither the Company nor the Directors nor any of its officers shall incur any liability for authorising or causing the registering or acting upon a transfer of securities apparently made by sufficient parties, although the same may by reason of any fraud or other cause not known to the Company or the Directors or other officers be legally inoperative or insufficient to pass the property in the securities proposed or professed to be transferred, and although transferred, the transfer may, as between the transferor and the transferee, be liable to be set aside, and notwithstanding that, the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee of the particulars of the Securities transferred, or otherwise in defective manner. In every such case, the person registered as the transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such securities and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto."

15.3.3 Remuneration of Directors**Clause 21.4 – Remuneration**

"The Directors shall be paid by way of remuneration for their services such fixed sum as shall from time to time be determined by the Company in meeting of Members, and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that:

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover and which shall not exceed the amount approved by the shareholders in general meeting;
- (b) remuneration and other emoluments (including bonus, benefits or any other emoluments) payable to executive Directors may not include a commission on or percentage of turnover;
- (c) fees payable to Directors and any benefits payable to Directors shall be subject to annual approval by an Ordinary Resolution at a meeting of Members;
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and
- (e) the fees and/ or benefits payable to non-executive Directors who is also Director of the subsidiary(ies) includes fees, meeting allowances, travelling allowances, benefits, gratuity and compensation for loss of employment of Director or former Director of the Company provided by the Company and subsidiary(ies), but does not include insurance premium or any issue of Securities."

Clause 21.5 – Reimbursement

"In addition to the remuneration provided under Clause 21.4, each Director shall be paid such reasonable travelling, hotel and other expenses as he shall incur in attending and returning from meetings of the Directors or any committee of the Directors or meeting of Members or which they may otherwise incur in connection with the business of the Company."

15. STATUTORY AND OTHER INFORMATION (Cont'd)

Clause 22.3 – Remuneration of Managing Director

"The remuneration of a Managing Director or Managing Directors shall be fixed by the Directors, and may be by way of fixed salary or commission or participation in profits or by any or all of those modes, but shall not include a commission on or percentage of turnover but it may be a term of his appointment that he shall receive pension, gratuity or other benefits upon his retirement."

15.3.4 Voting and borrowing powers of the Directors

Clause 23.2 – Directors' borrowing powers

"The Directors may from time to time at their discretion raise or borrow such sums of money as they think proper and may secure the repayment of such sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable, debentures or debenture stock or any mortgage or guarantee, charge or security on the undertaking of the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being and borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of any subsidiary, associated or other companies or persons. Provided that the Directors shall not issue any debt securities convertible to ordinary shares without the prior approval of the Company in meeting of members.

- (a) Any debentures, debenture stock, bonds or other securities may be issued with any special privileges as to redemption, surrender, drawings, allotment of Shares, attending and voting at meeting of members of the Company, appointment of Directors and otherwise.
- (b) If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company in its ordinary course of business, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.
- (c) The Directors shall cause a proper register to be kept in accordance with Section 362 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 352 of the Act as regards the registration of mortgages and charges therein specified or otherwise."

Clause 23.3 – Guarantee "The Directors may exercise all the powers of the Company to guarantee payment of money payable under contract obligations of any subsidiary company or companies with or without securities."

Clause 24.7 – Proceedings of meeting

"A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretion by or under this Constitution vested in or exercisable by the Directors generally. Subject to this Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes of the Directors present and each Director having 1 vote and determination by a majority of Directors shall for all purposes deemed as a decision from the Board."

15. STATUTORY AND OTHER INFORMATION (Cont'd)

Clause 24.8 – Chairman’s casting vote

“In case of an equality of votes, the chairman shall have a second or casting vote provided always that the chairman of a meeting at which only 2 Directors form a quorum or at which only 2 Directors are competent to vote on the questions at issue, shall not have a second or casting vote.”

15.4 GENERAL INFORMATION

- (a) Save for the dividends paid to our shareholders in FYE 2022 to 2024, FPE 2025 and up to LPD and remuneration of our Directors and key senior management as disclosed in Sections 5.1.5, 5.2.4 and 5.3.5 respectively, issuance of our Shares as consideration for the Acquisition as disclosed in Section 6.2.1 and repayment of advances provided by our Promoters as disclosed in Section 10.1, there are no other amount or benefit which has been paid or given within the past 2 years immediately preceding the date of this Prospectus, nor is it intended to be paid or given, to any of our Promoters, Directors or substantial shareholders.
- (b) Save as disclosed in Section 10.1, none of our Promoters, Directors and/ or substantial shareholders have any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.
- (c) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the details of the summarised procedures for application of our Shares are set out in Section 16.
- (d) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.
- (e) Our Group has not established any other place of business outside of Malaysia and is not subject to governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and remittance of profits by or to our Group.

15.5 CONSENTS

- (a) The written consents of our Adviser, Sponsor, Underwriter, Placement Agent, Solicitors, Share Registrar, Company Secretaries and Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn;
- (b) The written consents of our Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants’ Report and report relating to the pro forma combined financial information in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn; and
- (c) The written consent of our IMR to the inclusion in this Prospectus of its name and the IMR Report, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not been subsequently withdrawn.

15. STATUTORY AND OTHER INFORMATION *(Cont'd)*

15.6 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

- (a) Constitution;
- (b) Audited financial statements of SBS Nexus Berhad since the date of incorporation up to 31 December 2024 and FPE 2025;
- (c) Audited financial statements of SBS Digital Holdings, SBS Digital Media, SBS Events, SBS Media Tech, SBS Social and Shanghai Media for FYE 2022 to 2024, where applicable;
- (d) Accountants' Report as set out in Section 13;
- (e) Reporting Accountants' Report relating to our pro forma combined financial information as set out in Section 14;
- (f) IMR Report as set out in Section 8;
- (g) Material contracts as set out in Section 6.5; and
- (h) Letters of consent as set out in Section 15.5.

15.7 RESPONSIBILITY STATEMENTS

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

M&A Securities acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC 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.

16.1 OPENING AND CLOSING OF APPLICATION PERIOD

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 23 DECEMBER 2025

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 7 JANUARY 2026

In the event of any changes to the date or time for closing, we will advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia, and make an announcement on Bursa Securities' website.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATIONS**16.2.1 Retail Offering**

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors	Application Method
Applications by Eligible Persons	Pink Application Form only
Applications by the Malaysian Public:	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

16.2.2 Placement

Types of Application	Application Method
Applications by selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**Types of Application**

Applications by Bumiputera investors approved by MITI

Application Method

MITI will contact the Bumiputera investors directly. They should follow MITI's instructions

Eligible Persons, selected investors and Bumiputera investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

16.3 ELIGIBILITY**16.3.1 General**

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. **Invalid, nominee or third party CDS accounts will not be accepted for the Application.**

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

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.

16.3.2 Application by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

- (a) You must be one of the following:
 - (i) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ii) 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
 - (iii) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (b) 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
- (c) You must submit Applications by using only one of the following methods:
 - (i) White Application Form; or
 - (ii) Electronic Share Application; or
 - (iii) Internet Share Application.

16.3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated IPO shares. Applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus.

16.4 APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.25 for each IPO Share.

Payment must be made out in favour of "**TIIH SHARE ISSUE ACCOUNT NO. 815**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (a) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
 (Registration No. 197101000970 (11324-H))
 Unit 32-01, Level 32, Tower A
 Vertical Business Suite
 Avenue 3, Bangsar South
 No. 8, Jalan Kerinchi
 59200 Kuala Lumpur

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (b) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,

so as to arrive not later than 5.00 p.m. on 7 January 2026 or by such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

16.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

16.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, Malayan Banking Berhad, Public Bank Berhad, RHB Bank Berhad, CGS International Securities Malaysia Sdn Bhd, Hong Leong Investment Bank Berhad, Kenanga Investment Bank Berhad, Malacca Securities Sdn Bhd, Moomoo Securities Malaysia Sdn Bhd, TA Securities Holdings Berhad and UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd). 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.

16.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

- (a) reject Applications which:

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (i) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
- (ii) are illegible, incomplete or inaccurate; or
- (iii) are accompanied by an improperly drawn up or improper form of remittance; or
- (b) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (c) bank in all Application monies (including those from unsuccessful/ partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of 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.

16.8 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.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by the issuing house to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the issuing house's website at <https://srmy.vistra.com> within 1 market day after the balloting date.

Under the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing. In such an event, we will return in full, without interest, all monies paid in respect of all Applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

In the event of an under-subscription of our Issue Shares by the Malaysian Public and/ or Eligible Persons, subject to the underwriting arrangements and reallocation as set out in Section 4.3.3, any of the abovementioned Issue Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.9 UNSUCCESSFUL/ PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/ partially successful in your Application, your Application Monies (without interest) will be refunded to you in the following manner.

16.9.1 For applications by way of Application Forms

- (a) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/ distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/ registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (b) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary/ registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (c) 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 (a) and (b) above (as the case may be).
- (d) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/ distribution) or by issuance of banker's draft sent by ordinary/ registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (b) above (as the case may be).

16.9.2 For applications by way of Electronic Share Application and Internet Share Application

- (a) 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 Institution or Internet Participating Financial Institution or Participating Securities Firms (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.
- (b) You may check your account on the 5th Market Day from the balloting date.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions or 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 Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

- (a) Our IPO Shares allotted to you will be credited into your CDS Account.
- (b) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (c) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/ offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (d) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. 03-2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution or Participating Securities Firms and Authorised Financial Institution

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at <https://srmy.vistra.com>, **one Market Day** after the balloting date.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

You may also check the status of your Application at the above website, **5 Market Days** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

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