

INFORMATION MEMORANDUM

FOR RESTRICTED CIRCULATION ONLY



PING EDGE TECHNOLOGY BERHAD

(Registration No.: 202401013537 (1559387-U))
(Incorporated in Malaysia)

PROPOSED PLACEMENT OF 22,379,000 NEW ORDINARY SHARES IN PING EDGE TECHNOLOGY BERHAD (“ISSUE SHARES”) AT AN ISSUE PRICE OF RM0.23 PER ISSUE SHARE IN CONJUNCTION WITH OUR PROPOSED LISTING ON THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD

Approved Adviser, Placement Agent and Continuing Adviser



AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD

(Registration No.: 197301001467 (14948-M))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET AND MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS (AS DEFINED HEREIN) ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY US. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN US AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION AND IF APPROPRIATE, CONSULTATION WITH THEIR STOCKBROKER, MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.

This Information Memorandum is dated 18 April 2025

IMPORTANT NOTICE

Unless otherwise stated, all defined terms used herein shall carry the same meanings as those defined in the “Definitions” section of this Information Memorandum, except where the context otherwise requires or is otherwise defined herein.

RESPONSIBILITY STATEMENTS

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

TA Securities, being the Approved Adviser and Placement Agent to our Proposed Listing, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Information Memorandum constitutes a full and true disclosure of all material facts concerning our Proposed Listing and Proposed Placement.

STATEMENTS OF DISCLAIMER

This Information Memorandum has been drawn up in accordance with the Listing Requirements for our Proposed Listing and Proposed Placement and is not a prospectus and has not been registered, nor will it be registered as a prospectus under the CMSA. It has been prepared in the context of securities offering under the laws of Malaysia. It does not comply with the laws of any jurisdiction other than Malaysia, and has not and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority of any jurisdiction other than Malaysia. This Information Memorandum is not to be distributed outside Malaysia. A copy of this Information Memorandum has been deposited with the Securities Commission Malaysia (“SC”). This Information Memorandum can be viewed or downloaded from Bursa Securities’ website at www.bursamalaysia.com.

The SC and Bursa Securities take no responsibility for the contents of this Information Memorandum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Information Memorandum. The SC and Bursa Securities do not make any assessment on the suitability, viability or prospects of our Group. You are expected to make your own assessment on our Group or seek appropriate advice before making your investment decisions. TA Securities, as our Approved Adviser, has assessed the suitability of our Group for the admission of our Company to the LEAP Market of Bursa Securities as required under Rule 4.10 of the Listing Requirements.

An application has been made to Bursa Securities for the admission of our Company to the Official List and the listing of and quotation for our Shares on the LEAP Market of Bursa Securities. Our Proposed Placement is subject to the receipt of an approval-in-principle for the Proposed Listing from Bursa Securities. Approval from Bursa Securities of the same is not an indication of the merits of our Proposed Listing and/or investing in our Shares.

You should note that you may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws and regulations including any statement in this Information Memorandum that is false, misleading, or from which there is a material omission, or for any misleading or deceptive act in relation to this Information Memorandum.

This Information Memorandum is intended for circulation only to persons whom an issue of securities would constitute an excluded issue within the meaning of Section 230 of the CMSA and the Guidelines on Categories of Sophisticated Investors issued by the SC.

This Information Memorandum, if furnished to you, is strictly for your own use and is not to be circulated to any other party. Information in this Information Memorandum is subject to change from time to time as we and/or TA Securities shall deem fit.

We and/or TA Securities do not assume any fiduciary responsibilities or liability for any consequences, financial or otherwise, arising from the subscription or acquisition of our Shares.

IMPORTANT NOTICE (CONT'D)

MODE OF COMMUNICATION

In accordance with our Constitution, we may send notices and documents to our securities holders (“**Holders**”) by electronic means to our Holders’ registered email address last maintained with Bursa Depository. Our Holders have a right to request for a hard copy of such notices and documents should they wish to do so. In such event, we will forward a hard copy of the notices and documents to our Holders, as soon as reasonably practicable after the receipt of the request, free of charge by ordinary mail to our Holders’ registered Malaysian address last maintained with Bursa Depository.

We may also publish notices and documents on our website as a form of electronic communication with our Holders. In such event, we will separately and immediately notify our Holders through the following:

- (i) ordinary mail;
- (ii) electronic means to our Holders’ registered email address;
- (iii) advertisements in an English daily newspaper in Malaysia; and/or
- (iv) announcements on Bursa Securities.

TERMS AND CONDITIONS BINDING ALL RECIPIENTS OF THIS INFORMATION MEMORANDUM (“RECIPIENTS”)

By accepting this Information Memorandum, you agree and undertake to be bound by the following terms and conditions:

- (i) this Information Memorandum is issued by our Company and distributed by us as well as TA Securities as our Approved Adviser. The distribution of this Information Memorandum shall be in paper/printed copy and/or electronic copy upon request by interested Recipient, free of charge. This Information Memorandum is distributed to interested Recipient for information purposes only and upon the express understanding that such Recipients will use it only for the purposes set forth below;
- (ii) the information contained in this Information Memorandum, including any statement or fact or opinion is solely for use by a limited number of prospective Sophisticated Investors for the purpose of evaluating their interest in investing in our Company (“**Proposed Investment**”). Nothing contained herein shall be taken as a recommendation or invitation by us and/or TA Securities to undertake the Proposed Investment or as a commitment on our part to accept your Proposed Investment;
- (iii) we and TA Securities each reserve the right (without notice or recourse) to alter, amend, terminate or suspend the process in respect of the Proposed Investment (“**Investment Process**”) without providing any reason therefor. All costs incurred by you during the Investment Process are for your account only and under no circumstances will we or TA Securities be responsible for any part of such costs, notwithstanding any alteration, amendment, termination or suspension of the Investment Process or the reasons thereof;
- (iv) subject to the provisions of any laws, regulations, and guidelines (“**Applicable Laws**”), we and TA Securities each reserve the right to negotiate with one or more prospective Sophisticated Investors at any time. Subject to the Applicable Laws, we, and TA Securities each also reserve the right (without notice or recourse) to terminate, at any time, further participation in the Investment Process by all or any prospective Sophisticated Investors without assigning any reasons thereof;
- (v) you are solely responsible for your investment decision and are advised to seek independent financial, legal, tax or such other professional advice at your own cost and expense when making your independent appraisal, assessment, review and evaluation of our business, financial position, financial performance and prospects, the rights and obligations attaching to our Shares, the merits of investing in our Shares, and the extent of the risk involved in doing so;

IMPORTANT NOTICE (CONT'D)

- (vi) this Information Memorandum may include certain statements provided by us or on our behalf with respect to the anticipated future performance of our Group. These statements, although believed to be reasonable, are based on estimates and assumptions made by us that are subject to risks and uncertainties that may cause actual events and our future results to be materially different from that expected or indicated by such statements or estimates and no assurance can be given that any of such statements or estimates will be realised. In light of these and other uncertainties, the inclusion of forward-looking statements in this Information Memorandum should not be regarded as a representation or warranty by us or TA Securities that our plans and strategies as disclosed herein will be achieved;
- (vii) any document in relation to our Proposed Placement and/or Proposed Listing published or issued from time to time after the date hereof shall be deemed to form part of this Information Memorandum;
- (viii) you shall not copy, reproduce, distribute, summarise, excerpt from, publicly refer to or pass on any part of this Information Memorandum to any person at any time without the prior written consent of TA Securities. You shall at all times keep confidential all information contained herein or any other information relating to the Proposed Placement and/or Proposed Listing, whether written, oral or in a visual or an electronic form, transmitted or made available to you;
- (ix) neither the receipt of this Information Memorandum by any Recipient nor any information made available in connection with the Proposed Placement and/or Proposed Listing is to be taken as constituting the giving of investment advice by TA Securities. TA Securities shall not advise you on the merits or risks of the Proposed Placement and/or Proposed Listing; and
- (x) this Information Memorandum will not be distributed in any jurisdiction outside Malaysia except in accordance with the legal requirements applicable in such jurisdiction. No Recipient in any jurisdiction outside Malaysia may take any action upon this Information Memorandum if, in the relevant jurisdiction, such action cannot be taken by the Recipients without contravention of any relevant legal requirements. It is the sole responsibility of any Recipients wishing to take any action upon this Information Memorandum to satisfy themselves as to the full observance of the law of the relevant jurisdiction and/or Malaysia in connection therewith, including without limitation, the receipt of our Shares or cash payment upon the sale of our Shares by the Recipients, the repatriation of any money by the Recipients out of Malaysia, the obtaining of any governmental, exchange control or other consents which may be required, and the payment of any tax or duty due in such jurisdiction. Such Recipients shall be responsible for the payment of any tax or other requisite payment due in such jurisdiction, and we and TA Securities shall be entitled to be fully indemnified by such Recipients for any tax or payment as the Recipients may be required to pay.

PRIVACY NOTICE

The Personal Data Protection Act 2010 (“**PDPA**”) was introduced to regulate the processing of personal data in commercial transactions. The PDPA requires us to inform you of your rights in respect of your personal data that is to be collected and processed by us.

Consequently, please be informed that the personal data and other information (collectively, “**Personal Data**”) that you provide will be used and processed by us in connection with our Proposed Placement and/or Proposed Listing only (“**Purpose**”), and not for any other purpose.

If required for the Purpose, you hereby give consent that your Personal Data may be transferred to locations outside Malaysia or disclosed to our related corporations or our vendor, agent, contractor, service provider, consultant or adviser who provide services to us, who may be located within or outside Malaysia. Save for the foregoing, your Personal Data will not be knowingly disclosed to any other third party.

IMPORTANT NOTICE (CONT'D)

Without prejudice to the terms and conditions of our Proposed Placement and/or Proposed Listing as contained in this Information Memorandum, you may at any time hereafter make inquiries, complaints and upon payment of a prescribed fee, request in writing to access to, or correction of, your Personal Data or limit the processing of your Personal Data by submitting such request to the following:

Postal address : Ping Edge Technology Berhad
Lot 3210, Jalan Balakong, Kawasan Perindustrian Kampung Baru Balakong, 43300 Seri
Kembangan, Selangor Darul Ehsan

Kindly be informed that we will assume that you have consented and we will continue to process your Personal Data in accordance with this privacy notice unless we hear otherwise from you. You may exercise your rights in respect of Personal Data in the manner described above.

This privacy notice may be amended from time to time and would be in effect on the date as determined by us. Any amendment to this privacy notice shall be published on any medium as we deem fit.

PRESENTATION OF INFORMATION

All references to “our Company” and “Ping Edge” in this Information Memorandum are to Ping Edge Technology Berhad. All references to “our Group” and “Ping Edge Group” in this Information Memorandum are to our Company and our subsidiary taken as a whole and references to “we”, “us”, “our” and “ourselves” are to our Company and where the context requires, shall include our subsidiary. Unless the context otherwise requires, references to “management” are to our Executive Directors and key senior management as disclosed in this Information Memorandum and statements as to our beliefs, expectations, estimates and opinions are those of our management.

Certain abbreviations, acronyms and technical terms used are defined in the “Definitions” and “Glossary of technical terms” sections of this Information Memorandum. Words denoting the singular will, where applicable, include the plural and vice versa and words denoting the masculine gender will, where applicable, include the feminine and neuter genders and vice versa. Reference to persons will include companies and corporations.

Unless otherwise stated, any reference to dates and times in this Information Memorandum are references to dates and times in Malaysia.

Any reference in this Information Memorandum to any statutory legislation is a reference to that statutory legislation as for the time being amended, modified or re-enacted.

In particular, certain information in this Information Memorandum is extracted or derived from the report prepared by Providence, an independent market researcher. We believe that the statistical data and projections cited in this Information Memorandum are useful in helping you to understand the major trends in the industries in which we operate. Third party projections cited in this Information Memorandum are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We give no assurance that the projected figures will be achieved and you should not place undue reliance on the third party projections cited in this Information Memorandum.

You should not rely on the information on our website or any website directly or indirectly linked to our website as it does not form part of this Information Memorandum.

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IMPORTANT NOTICE (*CONT'D*)

FORWARD-LOOKING STATEMENTS

This Information Memorandum contains forward-looking statements, which include all statements other than those of historical facts including, among others, those regarding our financial position, business strategies, prospects, plans and objectives of our management for future operations. Some of these statements can be identified by the use of forward-looking terminology such as the words “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast” or similar expressions. Such forward-looking statements involve known or unknown risks, uncertainties and other important factors beyond our control that could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. As such, we cannot assure you that the forward-looking statements in this Information Memorandum will be realised.

Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate. Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in **Section 7** of this Information Memorandum. We cannot give any assurance that the forward-looking statements made in this Information Memorandum will be realised.

These forward-looking statements are based on information available to us as at the date of this Information Memorandum. Subject to the provisions of Section 238 of the CMAA, we expressly disclaim any obligation or undertaking to release publicly any update or revision to any forward-looking statement contained in this Information Memorandum to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

You will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forward-looking statements that are contained in this Information Memorandum.

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INDICATIVE TIMETABLE AND SUMMARY OF PROPOSED PLACEMENT

The indicative timing of the events leading up to the listing of and quotation for our entire enlarged issued shares on the LEAP Market of Bursa Securities are set out below:

Events	Tentative date
Date of this Information Memorandum	18 April 2025
Allotment of the Issue Shares	End May 2025*
Listing of our Company on the LEAP Market of Bursa Securities	End May 2025*

Note:

- * Subject to receipt of approval-in-principle from Bursa Securities for our Proposed Listing. An announcement for the relevant key dates will be made after obtaining Bursa Securities' approval-in-principle for our Proposed Listing.

These dates are indicative and are subject to changes which may be necessary to facilitate the implementation procedures. Our Directors and Promoters may, in their absolute discretion, decide to extend the dates for allotment of the Issue Shares and our Proposed Listing on the LEAP Market of Bursa Securities. We will inform you in writing of any changes to these dates.

	No. of Shares	RM
Existing issued share capital	201,405,000	4,028,100
New Shares to be issued pursuant to our Proposed Placement	22,379,000	5,147,170
Enlarged issued share capital upon our Proposed Listing	223,784,000	9,175,270

Issue Price **0.23**

Gross proceeds of the Proposed Placement **5,147,170**

Market capitalisation at the Issue Price upon our Proposed Listing **51,470,320**

Further details of the proposed utilisation of proceeds from our Proposed Placement are set out in **Section 2.5.2** of this Information Memorandum.

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DEFINITIONS

The following terms shall apply throughout this Information Memorandum unless the term is defined otherwise or the context requires otherwise:

“4M-FPE”	:	4-month financial period ended 28 February, as the case may be
“Acquisition”	:	Acquisition by Ping Edge of the entire equity interest of PESB for a purchase consideration of RM2,028,000 satisfied via the issuance of 101,400,000 new Shares to the PESB Vendors at an issue price of RM0.02 per Share, which was completed on 11 September 2024
“Act”	:	Companies Act 2016
“Board”	:	Board of Directors of our Company
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“CAGR”	:	Compound annual growth rate
“CEO”	:	Chief Executive Officer
“CMSA”	:	Capital Markets and Services Act 2007
“Constitution”	:	Constitution of our Company
“COVID-19”	:	Novel coronavirus disease 2019, an infectious respiratory disease
“Director”	:	A natural person who holds directorship in our Company and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
“EBITDA”	:	Earnings before interest, taxation, depreciation and amortisation
“EPS”	:	Earnings per Share
“Financial Review”	Periods Under	FYE 2023, FYE 2024, 4M-FPE 2024 and 4M-FPE 2025 collectively
“FYE”	:	Financial year ended/ending 31 October, as the case may be
“GP”	:	Gross profit
“IMR Report”	:	Independent market research report on the consumer foodservice and kitchen equipment industry dated 14 April 2025 prepared by Providence
“Information Memorandum”	:	This Information Memorandum dated 18 April 2025 in relation to our Proposed Placement and Proposed Listing
“Issue Price”	:	RM0.23 per Issue Share, being the issue price of each Issue Share
“Issue Shares”	:	New Shares to be issued pursuant to our Proposed Placement
“LEAP Market”	:	Leading Entrepreneur Accelerator Platform Market
“Listing Requirements”	:	LEAP Market Listing Requirements of Bursa Securities
“LPD”	:	4 April 2025, being the latest practicable date prior to the date of this Information Memorandum

DEFINITIONS (CONT'D)

“Main Market”	:	Main Market of Bursa Securities
“MFRS”	:	Malaysian Financial Reporting Standards
“MCO”	:	The nationwide movement control order imposed by the Government of Malaysia under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of the COVID-19
“MSM group of companies”	:	MSM International Limited (a public company listed on the Catalist of Singapore Exchange Securities Trading Limited) and its subsidiary corporations
“MyIPO”	:	The Intellectual Property Corporation of Malaysia
“NA”	:	Net assets
“Official List”	:	The list specifying all securities listed on Bursa Securities
“PAT”	:	Profit after taxation attributable to the owners of our Company
“PBT”	:	Profit before taxation
“PESB”	:	Ping Edge Sdn Bhd
“PESB Vendors”	:	Vendors of the ordinary shares in PESB pursuant to the Acquisition, namely Choong Wai Hon and Soh Yeow Seng, collectively
“Ping Edge” or “Company”	:	Ping Edge Technology Berhad
“Ping Edge Group” or “Group”	:	Our Company and PESB, collectively
“Ping Edge Share(s)” or “Share(s)”	:	Ordinary share(s) in our Company
“Pre-Listing Restructuring”	:	Share Split, Pre-Listing Subscription and Acquisition, collectively
“Pre-Listing Subscribers”	:	Subscribers of new Shares issued pursuant to the Pre-Listing Subscription
“Pre-Listing Subscription”	:	Subscription of 100,000,000 new Shares at the subscription price of RM0.02 per Share by Pre-Listing Subscribers, which was completed on 16 August 2024
“Promoters”	:	Promoters of our Company, namely Choong Wai Hon and Soh Yeow Seng, collectively
“Proposed Listing”	:	Proposed admission to the Official List and the listing of and quotation for our entire enlarged issued Shares comprising 223,784,000 Shares on the LEAP Market of Bursa Securities
“Proposed Placement”	:	Proposed placement of 22,379,000 Issue Shares at the Issue Price to Sophisticated Investors within the meanings given in Section 230 of the CMSA
“Providence”	:	Providence Strategic Partners Sdn Bhd

DEFINITIONS (*CONT'D*)

“Public”	:	All persons or members of the public but excluding directors of our Group, our substantial shareholders and persons associated with them (as defined in the Listing Requirements)
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Share Split”	:	Subdivision of every 1 existing Share into 50 new subdivided Shares
“Sophisticated Investors”	:	Person(s) who is specified as a sophisticated investor in the Securities Commission Malaysia’s Guidelines on Categories of Sophisticated Investors
“sq ft”	:	Square feet
“TA Securities” or “Approved Adviser” or “Placement Agent” or “Continuing Adviser”	:	TA Securities Holdings Berhad

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GLOSSARY OF TECHNICAL TERMS

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

“B2B”	:	Business to business. The sale of goods or services through online transactions between businesses
“Commercial foodservice and kitchen equipment”	:	Heavy-duty kitchen equipment for use in commercial kitchens in foodservice establishments for the purposes of food preparation, cooking, cleaning and storage
“Design and fitting out services”	:	The task of building an interior space, usually to meet the requirements of a business client
“E-commerce”	:	Electronic commerce
“Foodservice”	:	The preparation, handling, packaging, and distribution of food, beverage, and related services by an establishment outside the home
“Internet”	:	A worldwide system of interconnected computer networks and electronic devices that communicate with each other using an established set of protocols
“Offline”	:	Activities that occur without the use of digital or online means
“OMO”	:	Online-merge-offline
“Online”	:	A state of being connected to or accessible through the internet or a network
“Online e-commerce platform”	:	A content management system that connects online retailers with customers, allowing them to sell goods and provide remote services
“Online marketplace platform”	:	A digital platform that connects buyers and sellers, allowing them to conduct transactions within the platform
“Online platform”	:	A website or app that provides people with access to various services or functions on the Internet
“SKU”	:	Stock keeping unit
“SME”	:	Small and medium enterprise

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1. CORPORATE DIRECTORY

BOARD OF DIRECTORS	:	Soh Yeow Seng <i>(Managing Director)</i>
		Choong Wai Hon <i>(CEO/Director)</i>
		Mok Tuck Meng <i>(Independent Non-Executive Director)</i>
HEAD OFFICE	:	Lot 3210, Jalan Balakong Kawasan Perindustrian Kampung Baru Balakong 43300 Seri Kembangan Selangor Darul Ehsan
	Telephone No.	: +(603) 8657 7777
	Email	: general.enquiry@kitchen-arena.com.my
	Website	: www.kitchen-arena.com.my
REGISTERED OFFICE	:	Level 13A-6, Menara Milenium Jalan Damanlela, Pusat Bandar Damansara 50490 Kuala Lumpur Wilayah Persekutuan
	Telephone No.	: +(603) 9212 0978
	Facsimile No.	: +(603) 9212 0975
COMPANY SECRETARY	:	Tan Ai Peng (MAICSA 7018419) (SSM Practicing Certificate No.: 201908003179)
		Loh Lai Ling (MAICSA 7015412) (SSM Practicing Certificate No.: 201908002445)
		ZICO Corporate Services Sdn Bhd Level 13A-6, Menara Milenium Jalan Damanlela, Pusat Bandar Damansara 50490 Kuala Lumpur Wilayah Persekutuan Telephone No. : +(603) 9212 0978
APPROVED ADVISER, PLACEMENT AGENT AND CONTINUING ADVISER	:	TA Securities Holdings Berhad 32 nd Floor, Menara TA One 22, Jalan P. Ramlee 50250 Kuala Lumpur Wilayah Persekutuan
	Telephone No.	: +(603) 2167 1277
AUDITORS AND ACCOUNTANTS	:	UHY Malaysia PLT 202406000040 (LLP0041391-LCA) & AF 1411 Suite 11.05, Level 11 The Gardens South Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Wilayah Persekutuan
	Telephone No.	: +(603) 2279 3088

1. CORPORATE DIRECTORY (CONT'D)

DUE DILIGENCE SOLICITOR FOR : **Jeff Leong, Poon & Wong**
OUR PROPOSED LISTING

B-11-8, Level 11
Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur
Wilayah Persekutuan

Telephone No. : +(603) 2203 3388

**INDEPENDENT
RESEARCHER**

MARKET : **Providence Strategic Partners Sdn Bhd**

67-1, Block D, The Suites, Jaya One
72A, Jalan Prof Diraja Ungku Aziz
46200 Petaling Jaya
Selangor Darul Ehsan

Telephone No. : +(603) 7625 1769

SHARE REGISTRAR

: **Tricor Investor & Issuing House Services Sdn Bhd**

Unit 32-01, Level 32, Tower A Vertical Business Suite
Avenue 3 Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan

Telephone No. : +(603) 2783 9299

LISTING SOUGHT

: LEAP Market of Bursa Securities

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2. DETAILS OF OUR PROPOSED PLACEMENT AND PROPOSED LISTING

2.1 Details of our Pre-Listing Restructuring

To facilitate our Proposed Listing, we undertook the Pre-Listing Restructuring comprising the following:

- (i) Share Split;
- (ii) Pre-Listing Subscription; and
- (iii) Acquisition.

2.1.1 Details of the Share Split

On 9 August 2024, our Company completed the Share Split involving the subdivision of every 1 existing Share into 50 new subdivided Shares. Upon completion of the Share Split, the number of issued Shares increased from 100 Shares to 5,000 Shares. The Share Split does not have any effect on our Company's share capital of RM100.

2.1.2 Details of the Pre-Listing Subscription

On 16 August 2024, 4 subscribers comprising our Promoter, Soh Yeow Seng, and 3 business associates and acquaintances, have subscribed for an aggregate of 100,000,000 new Shares, representing 44.7% of our enlarged issued share capital upon our Proposed Listing, at the issue price of RM0.02 per Share for total gross proceeds of RM2,000,000.

Further details of the investors and the number of Shares subscribed are as follows:

Pre-Listing Subscribers	No. of Shares subscribed	Percentage of enlarged issued Shares upon Proposed Listing (%)	Gross proceeds raised (RM'000)
Soh Yeow Seng	71,500,000	32.0	1,430
Chew Kuan Fah	10,000,000	4.5	200
Decade Boulevard Sdn Bhd *	9,500,000	4.2	190
Lai Khar Yan	9,000,000	4.0	180
Total	100,000,000	44.7	2,000

Note:

* As at the LPD, the sole director and shareholder of Decade Boulevard Sdn Bhd is Pan Chek Mooi.

None of the Pre-Listing Subscribers have entered into any pre-listing investment agreement. For the avoidance of doubt, all 100,000,000 new Shares were allotted on an outright basis and the allotment was not subject to any terms or conditions which provide any arrangement to buy back the Shares subscribed by and allotted to the Pre-Listing Subscribers.

2.1.3 Details of the Acquisition

On 5 September 2024, our Company entered into a share sale and purchase agreement with the PESB Vendors to acquire the entire equity interest in PESB comprising 2,500 shares for a purchase consideration of RM2,028,000, which was satisfied via the issuance of 101,400,000 new Shares at an issue price of RM0.02 each to the PESB Vendors as follows:

PESB Vendors	Shareholdings in PESB		Purchase consideration (RM)	No. of new Shares issued
	No. of shares held	%		
Choong Wai Hon	2,250	90.0	1,825,200	91,260,000
Soh Yeow Seng	250	10.0	202,800	10,140,000
Total	2,500	100.0	2,028,000	101,400,000

2. DETAILS OF OUR PROPOSED PLACEMENT AND PROPOSED LISTING (*CONT'D*)

The purchase consideration of RM2,028,000 was arrived at after taking into consideration among others, PESB's unaudited NA of RM2,028,441 as at 30 April 2024. The Acquisition was completed on 11 September 2024.

Upon completion of the Acquisition, PESB became our wholly-owned subsidiary.

2.2 Proposed Placement

Pursuant to our Proposed Listing, we intend to undertake the Proposed Placement by issuing 22,379,000 Issue Shares, representing 10.0% of our enlarged issued share capital at RM0.23 per Issue Share within the meaning of Section 230 of the CMSA to Sophisticated Investors.

In accordance with Rule 3.10 of the Listing Requirements:

- (i) TA Securities has obtained a waiver from Bursa Securities from compliance with Rule 3.10(1) of the Listing Requirements. As such, all monies received from the investors pursuant to subscription of the Issue Shares will be held in trust by TA Securities;
- (ii) both TA Securities and ourselves undertake that all monies deposited in the trust account will not be withdrawn until the date of our Proposed Listing; and
- (iii) we undertake to repay without interest all monies received from the investors pursuant to the Proposed Placement if:
 - (a) our Proposed Listing does not take place within 6 months from the date of Bursa Securities' approval for our Proposed Listing or such further extension of time as Bursa Securities may allow ("**Period**"); or
 - (b) we abort our Proposed Listing.

In such event, the monies will be repaid within 14 days from the end of the Period or the date when we notify Bursa Securities of our decision to abort our Proposed Listing. Should we fail to do so, in addition to our Company's liability, our Directors shall be jointly and severally liable to repay such money with interest at the rate of 10.0% per annum or such other rate as Bursa Securities may prescribe from the end of the Period.

2.3 Proposed Listing

Our Proposed Listing is subject to the receipt of approval from Bursa Securities and the successful completion of the Proposed Placement. We have made an application to Bursa Securities for the admission of our Company to the Official List and the listing of and quotation for our entire enlarged issued Shares of 223,784,000 Shares on the LEAP Market of Bursa Securities which is currently pending Bursa Securities' decision on the same.

Subject to the receipt of the approval-in-principle from Bursa Securities for our Proposed Listing, our Shares will be admitted to the Official List and official quotation will commence after receipt of confirmation from Bursa Depository that all our Shares have been credited into the respective central depository system accounts of our securities holders.

Upon completion of our Proposed Listing, any dealings in our Shares will be carried out in accordance with the Rules of Bursa Depository and the provisions of Securities Industry (Central Depositories) Act 1991.

2. DETAILS OF OUR PROPOSED PLACEMENT AND PROPOSED LISTING (*CONT'D*)

2.4 Basis of arriving at the Issue Price

Our Board, together with TA Securities, determined and agreed on the Issue Price of RM0.23 per Issue Share after taking into consideration, among others, the following factors:

- (i) our financial performance and operating history as set out in **Sections 9** and **4.3** of this Information Memorandum respectively;
- (ii) our EPS of approximately 1.30 sen, computed based on our audited PAT of RM2.91 million for the FYE 2024 and our enlarged share capital of 223,784,000 Shares upon our Proposed Listing, translating to a price-to-earnings ratio of 17.69 times;
- (iii) our competitive strengths as set out in **Section 5.5** of this Information Memorandum; and
- (iv) our business strategies and future plans as set out in **Section 5.19** of this Information Memorandum.

Prior to our Proposed Listing, there was no public market for our Shares within or outside Malaysia. The market price of our Shares subsequent to our Proposed Listing is subject to the vagaries of market forces and other uncertainties, which may affect the price of our Shares being traded. You are reminded to consider the risk factors as set out in **Section 7** of this Information Memorandum and form your own views on the valuation of our Shares before deciding on whether to invest in our Shares.

2.5 Utilisation of proceeds

2.5.1 Proceeds from Pre-Listing Subscription

Our Group intends to set up 3 new showrooms with storage facilities within Peninsular Malaysia, comprising 1 new showroom with storage facility in Negeri Sembilan, Johor and Penang respectively, by using the proceeds from the Pre-Listing Subscription and Proposed Placement.

As set out in **Section 2.1.2** of this Information Memorandum, our Company had raised gross proceeds of RM2.00 million from the Pre-Listing Subscription prior to our Proposed Listing. The gross proceeds are earmarked for the setting-up of 2 new showrooms with storage facilities in Negeri Sembilan and Johor. As at the LPD, we have utilised RM0.49 million of the gross proceeds raised for the setting-up of the new showrooms with storage facilities in Negeri Sembilan and Johor. We plan to utilise the remaining RM1.51 million of gross proceeds raised within 24 months from our Proposed Listing.

Separately, upon completion of the Proposed Placement, our Group intends to use part of the proceeds from the Proposed Placement to set up 1 new showroom with storage facility in Penang.

The setting up of all the new showrooms with storage facilities will be first carried out in Negeri Sembilan, followed by Johor and lastly Penang. All of these are expected to be completed within 24 months from our Proposed Listing.

While we primarily leverage on our Group's online platforms (namely Kitchen Arena and Murah Kitchen) for our trading of commercial foodservice and kitchen equipment, our showrooms provide customers a hands-on experience with our commercial foodservice and kitchen equipment products with the assistance of our representatives to provide guidance and advice in selecting the items that suit their needs, performance expectations, level of operations and budget.

2. DETAILS OF OUR PROPOSED PLACEMENT AND PROPOSED LISTING (CONT'D)

Currently, our Group has been operating with 1 showroom and warehouse located in Selangor, namely the Kitchen 360. Our Group stores our inventories in our warehouse in Selangor and delivers them to our customers from there. We have identified Negeri Sembilan, Johor and Penang for our expansion to improve our physical presence and to allow our Group to better serve our prospective customers in the said identified regions/areas. The new showrooms will allow our customers in the region to experience our products and be guided by our representatives, as well as allow our Group to store certain inventories to shorten the delivery time to our customers in the region as compared to delivery from our central warehouse in Selangor. Further, the penetration into these new regions/areas are expected to also improve our profile and stature with customers in these regions and in turn generate higher number of transactions on our online platforms, i.e. Kitchen Arena and Murah Kitchen.

For each of the showrooms with storage facilities, we intend to rent properties with a total built-up area of at least 3,000 sq ft. As at the LPD, we have identified and paid non-refundable booking fees for properties for the setting-up of new showrooms with storage facilities in Negeri Sembilan and Johor. We are in the midst of negotiating the terms of the tenancy agreements with the owners/landlords of these properties and anticipate to enter into the tenancy agreements with them in the second quarter of 2025. We expect that the handover of vacant possession for the new showrooms with storage facilities in Negeri Sembilan and Johor to be completed by end of second quarter of 2025 and commence operations in the third quarter of 2025.

Details of utilisation of proceeds from the Pre-Listing Subscription for the setting-up of the new showrooms with storage facilities in Negeri Sembilan and Johor are as follows:

Details	Amount of gross proceeds allocated (RM'000)	Percentage of gross proceeds (%)	Gross proceeds utilised as at the LPD (RM'000)	Gross proceeds unutilised as at the LPD (RM'000)	Estimated timeframe for utilisation upon Proposed Listing
Renovations, furniture, fittings and purchase of equipment	400	20.0	-	400	Within 24 months
Rental	204	10.2	18	186	Within 24 months
Purchase of inventories	993	49.7	471	522	Within 24 months
Staff cost ^(a)	206	10.3	-	206	Within 24 months
Utilities and other expenses ^(b)	197	9.8	-	197	Within 24 months
Total	2,000	100.0	489	1,511	

- (a) Comprises salaries, allowances and statutory contributions for employees to be employed at the new showrooms with storage facilities. We anticipate that each showroom with storage facility require approximately 3 employees to carry out the day-to-day operations at the showroom with storage facility.
- (b) Other expenses comprise business license fee, insurance premiums and security services payment.

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2. DETAILS OF OUR PROPOSED PLACEMENT AND PROPOSED LISTING (CONT'D)

As at the LPD, we have utilised approximately RM0.47 million of the proceeds earmarked for the purchase of inventories to purchase inventories with longer lead time by our suppliers for our new showroom with storage facility in Negeri Sembilan. The purchased inventories are currently stored at our existing showroom and warehouse in Selangor while pending the new showroom with storage facility in Negeri Sembilan to be operational. In addition, we have also utilised approximately RM0.02 million of the proceeds earmarked for rental as non-refundable booking fees for the rental of the properties identified to be used as our showrooms with storage facilities in Negeri Sembilan and Johor as at the LPD. In the event that the actual amounts vary from the above estimates, the excess would be channelled towards the setting-up of 1 new showroom with storage facility in Penang, while the deficit will be funded via our Group's internally-generated funds.

The estimated breakdown of the utilisation of proceeds from the Proposed Placement for the setting-up of 1 new showroom with storage facility in Penang is detailed in **Section 2.5.2** of this Information Memorandum.

Further details of our Group's plan for the setting-up of new showrooms with storage facilities are set out in **Section 5.19** of this Information Memorandum.

2.5.2 Proceeds from our Proposed Placement

Based on the Issue Price, we expect to raise gross proceeds of RM5.15 million from our Proposed Placement, which are intended to be utilised in the following manner:

Purposes	Note	RM'000	%	Estimated timeframe for utilisation upon Proposed Listing
Setting-up of additional showroom with storage facility	(1)	1,000	19.4	Within 24 months
Expansion of digital capability	(2)	500	9.7	Within 24 months
Working capital	(3)	2,367	46.0	Within 24 months
Estimated expenses for the Proposed Listing	(4)	1,280	24.9	Immediate
Total		5,147	100.0	

Notes:

- (1) We intend to utilise approximately RM1.00 million from the gross proceeds for the setting-up of 1 new showroom with storage facility in Penang.

Details	Amount (RM'000)
Renovations, furniture, fittings and purchase of equipment	200
Rental	76
Purchase of inventories	523
Staff cost ^(a)	103
Utilities and other expenses ^(b)	98
Total	1,000

- (a) Comprises salaries, allowances and statutory contributions for employees to be employed at the new showrooms and storage facilities. We anticipate that each showroom and storage facility require approximately 3 employees to carry out the day-to-day operations at the showroom and storage facility.

2. DETAILS OF OUR PROPOSED PLACEMENT AND PROPOSED LISTING (CONT'D)

- (b) Other expenses comprise business license fee, insurance premiums and security services payment.

The estimated breakdown and status of the utilisation of proceeds from the Pre-Listing Subscription for the setting-up of the other 2 new showrooms with storage facilities in Negeri Sembilan and Johor is detailed in **Section 2.5.1** of this Information Memorandum.

Further details of our Group's plan for the setting-up of new showrooms with storage facilities are set out in **Section 5.19** of this Information Memorandum.

- (2) We intend to utilise approximately RM0.50 million from the gross proceeds for the expansion of our digital capabilities which include the following:

Details	Note	Amount (RM'000)
Data analytics software	(a)	300
Enhancing online platforms	(b)	200
Total		500

- (a) We intend to appoint a third-party vendor to develop and integrate data analytics software to our online platforms and database to gather and analyse data in respect of customers' behaviour and purchasing preferences. This will enable our Group to deploy targeted marketing with greater personalisation to specific customers on our online platforms and our digital marketing efforts. The targeted marketing approach is expected to contribute positively to the trading of our products on our online platforms.

- (b) We intend to enhance the interface and features of our online platforms as a continuous effort to improve our customers experience in browsing, navigating, searching as well as purchasing on our online platforms for commercial foodservice and kitchen equipment products. For example, we intend to incorporate a bidding function to our online marketplace platform, namely Murah Kitchen, which focuses on the trading of pre-owned commercial foodservice and kitchen equipment.

- (3) Our working capital requirements are expected to increase in line with our intended business expansion as outlined in **Section 5.19** of this Information Memorandum. Thus, we intend to utilise approximately RM2.37 million from the gross proceeds for our working capital as follows:

Details	Note	Amount (RM'000)
Purchase of inventories	(a)	1,100
General working capital	(b)	762
Selling and distribution expenses	(c)	505
Total		2,367

- (a) We intend to utilise RM1.10 million of the proceeds for the purchase of inventories for the products we sell on our online platforms which include but not limited to refrigeration equipment, ice maker machines and combi oven.

- (b) We intend to utilise RM0.76 million of the proceeds for our general working capital purposes which include, among others, payment of salaries, allowances and statutory contributions for our employees, payment of administration and operational expenses such as rental and the upkeep of our existing showroom and office as well as utilities.

- (c) We intend to utilise approximately RM0.51 million of the proceeds for our selling and distribution expenses which include, among others, advertisement and marketing as well as exhibition related expenses to continuously promote our online platforms (namely Kitchen Arena and Murah Kitchen) in order to grow our customer base.

2. DETAILS OF OUR PROPOSED PLACEMENT AND PROPOSED LISTING (CONT'D)

- (4) RM1.28 million from the gross proceeds is allocated to meet the estimated expenses of our Proposed Listing as follows:

Estimated expenses for the Proposed Listing	RM'000
Professional fees (includes Approved Adviser, Due Diligence Solicitors, Auditors and Reporting Accountants, and Independent Market Researcher)	986
Placement fees for the Proposed Placement	103
Miscellaneous expenses (fees payable to the relevant authorities, printing, out-of-pocket expenses, amongst others)	191
Total	1,280

In the event that the actual amounts vary from the above estimates (including the total gross proceeds to be raised from our Proposed Placement which is dependent on the actual Issue Price), the excess or deficit, as the case may be, would be reallocated to/from the amount earmarked for our Group's working capital. Pending the use of the proceeds from the Proposed Placement, the funds will be placed in short-term deposits with financial institutions and/or short-term money market instruments.

2.6 Share capital

Upon completion of the Proposed Placement, our Company's entire enlarged issued share capital comprising 223,784,000 Shares shall be listed on the LEAP Market of Bursa Securities. The details of our enlarged issued share capital are as set out below:

	No. of Shares	(RM)
Existing issued share capital	201,405,000	4,028,100
New Shares to be issued pursuant to our Proposed Placement	22,379,000	5,147,170
Enlarged issued share capital upon our Proposed Listing	223,784,000	9,175,270

Issue Price **0.23**

Market capitalisation at the Issue Price upon our Proposed Listing **51,470,320**

As at the LPD, our Company has only one class of shares, namely ordinary shares. The Issue Shares will, upon allotment and issuance, rank *pari-passu* in all respects with our existing Shares, including voting rights and rights to all dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares.

Subject to any special rights attached to any shares which we may issue in the future, our shareholders shall, in proportion to the number of Shares held by them, be entitled to share the profits paid out by us as dividends and other distributions. Similarly, in the event of our liquidation, our shareholders shall be entitled to any surplus in proportion to the capital at the commencement of the liquidation, in accordance with our Constitution and/or the provisions of the Act.

As at the LPD, our Company has an issued share capital of 201,405,000 Shares. The board lot size of our Shares upon our Proposed Listing will be standardised at 100 units per board lot.

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2. DETAILS OF OUR PROPOSED PLACEMENT AND PROPOSED LISTING (CONT'D)

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

Date of allotment	No. of Shares allotted	Nature of transaction	Cumulative no. of Shares	Cumulative issued share capital (RM)
4 April 2024	100	Subscribers' shares	100	100
9 August 2024	-	Share split ⁽¹⁾	5,000	100
16 August 2024	100,000,000	Pre-Listing Subscription	100,005,000	2,000,100
6 September 2024	101,400,000	Acquisition	201,405,000	4,028,100

Note:

- (1) Subdivision of 1 existing Share into 50 Shares.

At any general meeting of our Company, each shareholder shall be entitled to vote in person or by proxy or by attorney or by duly authorised representative. Every such shareholder present either in person or by proxy or by attorney or by other authorised representative shall have one vote for each Share held.

As the LEAP Market of Bursa Securities is a qualified market which is meant mainly for Sophisticated Investors only, we are required, under Rule 2.24(2) of the Listing Requirements, to ensure that all our Shares to be issued and offered in conjunction with our Proposed Placement and post-listing fall within Schedules 6 or 7 of the CMSA and are to our existing shareholders or Sophisticated Investors only ("**Qualified Market Restriction**").

Upon our Proposed Listing, only Sophisticated Investors are allowed to trade (i.e. buy and sell) our securities via Bursa Securities.

For our existing securities holders who do not qualify as Sophisticated Investors, they are only allowed to:

- (i) buy new securities offered or issued by our Company (for example, pursuant to a rights issue exercise by the Company) via Bursa Securities; and
- (ii) sell the existing securities held in our Company via Bursa Securities. However, they are not allowed to purchase our securities via Bursa Securities in the secondary market, unless they subsequently qualify as Sophisticated Investors.

Save for the Qualified Market Restriction, there are no limitations on the right to own our securities, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on our securities as imposed by the Malaysian law or by our Constitution.

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2. DETAILS OF OUR PROPOSED PLACEMENT AND PROPOSED LISTING (CONT'D)

2.6.1 Shareholding structure

Our shareholding structure before and upon our Proposed Listing are as set out below:

Shareholders	As at the LPD		Upon Proposed Listing	
	No. of Shares	%	No. of Shares	%
Promoters, substantial shareholders and Directors	172,905,000	85.8	172,905,000	77.3
Pre-Listing Subscribers (other than our Promoter, Soh Yeow Seng)	28,500,000	14.2	28,500,000	12.7
Public shareholders	-	-	22,379,000	10.0
Total	201,405,000	100.0	223,784,000	100.0

2.6.2 Public shareholding spread upon our Proposed Listing

	No. of Shares	%
Issued Shares upon our Proposed Listing	223,784,000	100.0
<u>Less:</u>		
Shares held by our Promoters, substantial shareholders and Directors	172,905,000	77.3
Public shareholding spread upon our Proposed Listing	50,879,000	22.7
<u>Less:</u>		
Shares held by other Pre-Listing Subscribers which are placed under voluntary moratorium for 12 months from the date of our Proposed Listing ⁽¹⁾	28,500,000	12.7
Free-float Shares held by Public shareholders upon our Proposed Listing	22,379,000	10.0

Note:

- (1) The other Pre-Listing Subscribers have voluntarily undertaken to place their respective entire shareholdings in our Company under moratorium for a period of 12 months from the date of our Proposed Listing. Details of the moratorium are set out in **Section 2.7** of this Information Memorandum.

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2. DETAILS OF OUR PROPOSED PLACEMENT AND PROPOSED LISTING (CONT'D)

2.7 Moratorium

Rule 3.07 of the Listing Requirements stipulated that a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters as follows:

- (i) the moratorium applies to the entire shareholdings of our Promoters for a period of 12 months from the date of our admission to the Official List;
- (ii) upon expiry of the 12 months period stated above, we must ensure that our Promoters' shareholdings amounting to at least 45.0% of the total number of issued Shares shall remain under moratorium for another period of 36 months;
- (iii) thereafter, subject to Rule 3.07(1)(d) of the Listing Requirements, our Promoters may sell, transfer or assign the Shares held under moratorium; and
- (iv) where our Promoters also own securities which are convertible or exercisable into our Shares, our Promoters' shareholdings to be placed under moratorium must amount to 45.0% of the enlarged number of issued Shares assuming full conversion or exercise of such securities owned by our Promoters.

In addition to our Promoters and substantial shareholders, the other Pre-Listing Subscribers, have also undertaken to place their entire shareholdings under voluntary moratorium. They have provided written undertakings that they will not sell, transfer or assign their shareholdings for a period of 12 months from the date of our admission to the Official List.

A summary of our Shares under moratorium is as follows:

Name	Shares under moratorium for the first 12 months upon our Proposed Listing		Shares under moratorium for the subsequent 36 months	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
<u>Promoters and substantial shareholders</u>				
Soh Yeow Seng	81,643,500	36.5	47,549,031	21.2
Choong Wai Hon	91,261,500	40.8	53,153,769	23.8
Sub-total (A)	172,905,000	77.3	100,702,800	45.0
<u>Other Pre-Listing Subscribers</u>				
Chew Kuan Fah	10,000,000	4.5	-	-
Decade Boulevard Sdn Bhd	9,500,000	4.2	-	-
Lai Khar Yan	9,000,000	4.0	-	-
Sub-total (B)	28,500,000	12.7	-	-
Total (A) + (B)	201,405,000	90.0	100,702,800	45.0

Note:

- (1) Based on our enlarged issued share capital of 223,784,000 Shares upon our Proposed Listing.

2. DETAILS OF OUR PROPOSED PLACEMENT AND PROPOSED LISTING (CONT'D)

The moratorium, which is fully acknowledged by our Promoters, substantial shareholders and Pre-Listing Subscribers through their respective written undertakings, is specifically endorsed on our share certificates representing their respective shareholdings to ensure that our Share Registrar will not register any sale, transfer or assignment that is not in compliance with the above moratorium.

2.8 Purposes of our Proposed Listing

The purposes of our Proposed Listing are as follows:

- (i) to provide a platform for our shareholders to trade their Shares;
- (ii) to enable us to tap into the equity capital market to raise fund for the expansion of our Group's business and operations;
- (iii) to provide an opportunity for Sophisticated Investors to participate in the equity of our Company; and
- (iv) to further enhance our Group's profile and corporate visibility.

2.9 Dividend policy

In making recommendations to declare dividends, our Board will consider, among others, our retained earnings, expected future earnings, ability to declare dividends, operating cash flows, capital requirements, general business and financing conditions as well as other factors which our Board may determine appropriate, subject always to the fulfilment of the solvency test under the Act.

Our Group has neither declared nor paid any dividends for the Financial Periods Under Review.

Upon completion of the Proposed Listing, it is the intention of our Board to recommend and distribute dividends to allow our shareholders to participate in the profits of our Group, with a target payout ratio of up to 20.0% of our audited PAT for each financial year.

However, you should take note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our future dividends which may be subject to modification, including reduction or non-declaration thereof, in our Board's absolute discretion.

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3. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

3.1 Promoters and substantial shareholders

3.1.1 Promoters' and substantial shareholders' shareholdings

The shareholdings of our Promoters and substantial shareholders in our Company before and upon our Proposed Listing are as follows:

Name	As at the LPD			Upon our Proposed Listing		
	Direct		Indirect	Direct		Indirect
	No. of Shares	% ⁽¹⁾		No. of Shares	% ⁽²⁾	
Soh Yeow Seng	81,643,500	40.5	-	81,643,500	36.5	-
Choong Wai Hon	91,261,500	45.3	-	91,261,500	40.8	-

Notes:

- (1) Based on our issued share capital of 201,405,000 Shares as at the LPD.

(2) Based on our enlarged issued share capital of 223,784,000 Shares upon our Proposed Listing.

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3. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*CONT'D*)

3.1.2 Profiles of Promoters and substantial shareholders

(i) **Soh Yeow Seng**
Managing Director

Soh Yeow Seng, a Malaysian, aged 44, is our Managing Director. He is responsible for developing the overall strategy and corporate direction of our Group as well as overseeing the implementation of our business strategies.

In September 2004, Soh Yeow Seng graduated with a Bachelor of Business (Accounting) from Monash University, Australia. He holds the designation of Certified Practising Accountant with Certified Practising Accountant (CPA) Australia since August 2004.

Upon graduation, he joined Horwath Wong & Co (Johor Bahru branch) (presently known as Crowe Malaysia PLT) as an Audit Assistant in September 2004. In December 2004, he was transferred to Horwath (Johor Bahru branch) pursuant to a restructuring exercise undertaken by Horwath Wong & Co, assuming the same position. He was promoted to the position of Audit Assistant 2 in January 2006 and Audit Semi-Senior 1 in April 2007.

In October 2007, he left Horwath and joined Nexia TS Pte Ltd (presently known as CLA Global TS Holdings Pte Ltd) in Singapore, as a Corporate Advisory Senior and was subsequently promoted to Corporate Advisory Assistant Manager in January 2010. His main responsibilities were to supervise the audit team under his charge, review their work and report to partners in relation to the audit works carried out on small and medium sized companies as well as companies listed on the Singapore Exchange Securities Trading Limited, which were in the manufacturing, investment holding, construction, service and trading industries.

In June 2011, he left Nexia TS Pte Ltd (presently known as CLA Global TS Holdings Pte Ltd) and joined MSM International Limited (a public company listed on the Catalist of Singapore Exchange Securities Trading Limited) in July 2011 as the Group Finance Manager. The principal activity of the company is investment holding whilst its subsidiary corporations are principally involved in original equipment manufacturer (OEM) and original design manufacturer (ODM) manufacturing for the precision metal industry; the sale and servicing of CNC machining parts and precision sheet metal services for the security and semiconductor industries; design, consultancy, and installation works for cleanrooms and laboratories; manufacturing of customised stainless steel equipment; contract manufacturing of stainless steel products and equipment; manufacturing of food processing equipment; and designing and supplying automation and robotic solutions, machinery and conveyor systems for industrial usage. He was subsequently promoted to the position of Group Financial Controller in August 2011 and Chief Financial Officer in May 2013. During his tenure with MSM International Limited, he was responsible for determining the financial policies of the group and taking charge of the full accounting, financial and treasury/cash management matters of the group.

In September 2023, he left MSM International Limited and became a shareholder and director of PESB in December 2023. He concurrently holds the position of Managing Director of our Group.

Kindly refer to **Section 3.2.3** for his involvement in other business activities outside our Group.

(ii) **Choong Wai Hon**
CEO/Director

Choong Wai Hon, a Malaysian, aged 43, is our CEO. He is responsible for overseeing the day-to-day operations, marketing and sales as well as procurement activities of our Group.

In April 2001, Choong Wai Hon obtained a Foundation in Creative Multimedia with Multimedia University and in June 2004 graduated with a Bachelor of Multimedia (Honours (Digital Media)) from Multimedia University, Cyberjaya.

3. **PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**

Upon graduation, he set up an enterprise named Infinitus Studio to provide design services to its clients on a freelance basis. In November 2004, he worked as a multimedia designer with Designers Cubicles, where he crafted advertising concepts and create advertising proposals for clients from various industries.

In July 2006, he joined Mun Lee Auto Parts (M) Sdn Bhd as an International Sales Manager, where he was responsible for pursuing business development opportunities for export sales as well as developing and managing the company's in-house e-commerce website.

In July 2010, he left Mun Lee Auto Parts (M) Sdn Bhd and joined MSM Marketing Sdn Bhd (now known as MSM Kitchen Sdn Bhd) as a Branch Supervisor in August 2010 (later re-designated as a Branch Development Manager in November 2010), where he was involved in operational matters and financial management, implementation of corporate policies, procedures and standard as well as providing training to staffs. In January 2011, he was promoted to the position of Business Development Manager, where he was responsible for sales and business development activities as well as relationship management with customers of the company. In October 2013, he was promoted to the position of Deputy General Manager where he reported to the General Manager and was responsible for overseeing the performance of the operations department and resources allocation of the company.

In May 2015, he co-founded PESB with Ding Kuoi Jean. However, he divested his entire equity interest in PESB in April 2016.

In January 2018, he was promoted as a General Manager at MSM Kitchen Sdn Bhd. The principal activities of the company are manufacturing, trading and servicing of all types of stainless steel equipment. He was responsible for overseeing the operations department, ensuring seamless coordination and maintaining an accurate, timely flow of information between the sales, procurement, and production teams. In March 2022, he was subsequently promoted to Vice President where his new role included business development and marketing for the company.

In September 2022, he left MSM Kitchen Sdn Bhd and joined PESB in October 2022, upon his acquisition of 90.0% equity interest in PESB, as a director.

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3. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

3.2 Directors

3.2.1 Directors' shareholdings

The shareholdings of our Directors in our Company before and upon our Proposed Listing are as follows:

Name	Designation	As at the LPD			Upon Proposed Listing		
		Direct		Indirect	Direct		Indirect
		No. of Shares	% ⁽¹⁾		No. of Shares	% ⁽²⁾	
Soh Yeow Seng	Managing Director	81,643,500	40.5	-	81,643,500	36.5	-
Choong Wai Hon	CEO/Director	91,261,500	45.3	-	91,261,500	40.8	-
Mok Tuck Meng	Independent Non-Executive Director	-	-	-	-	-	-

Notes:

- (1) Based on our issued share capital of 201,405,000 Shares as at the LPD.

(2) Based on our enlarged issued share capital of 223,784,000 Shares upon our Proposed Listing.

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3. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*CONT'D*)

3.2.2 Profiles of Directors

The profiles of our Directors are as follows:

(i) **Soh Yeow Seng**
Managing Director

The profile of Soh Yeow Seng is set out in **Section 3.1.2(i)** of this Information Memorandum.

(ii) **Choong Wai Hon**
CEO/Director

The profile of Choong Wai Hon is set out in **Section 3.1.2(ii)** of this Information Memorandum.

(iii) **Mok Tuck Meng**
Independent Non-Executive Director

Mok Tuck Meng, a Malaysian, aged 60, is our Independent Non-Executive Director. He was appointed to our Board on 19 August 2024.

In August 1989, Mok Tuck Meng graduated with a Bachelor of Science with Honours in Mathematics from Universiti Sains Malaysia, Penang.

Upon graduation, he joined Micro Computers Sdn Bhd as a Sales Executive where he was involved in retailing computers and accounting software. He left Micro Computers Sdn Bhd in 1990 and joined KYM Holdings Berhad (a company listed on the Main Market of Bursa Securities) as an Executive.

In June 1991, he was then transferred to Hasrat Meranti Sdn Bhd, a subsidiary of KYM Holdings Berhad (a company listed on the Main Market of Bursa Securities), and assumed the position of Manager, where he was responsible for starting the industrial bags business. He was subsequently promoted to the position of General Manager of the Multiwall Industrial Paper Sacks Division in 1999. He was appointed to be the Managing Director of Hasrat Meranti Sdn Bhd in September 1998, a position he continues to hold presently. His responsibilities as Managing Director include managing the overall operations of the Multiwall Industrial Paper Sacks Division.

In conjunction with his position within KYM Holdings Berhad, he was appointed as a director of Hasrat Meranti Sdn Bhd in September 1998, Hasrat Meranti (Chemor) Sdn Bhd in September 1999, and Hasrat Meranti (Tapah) Sdn Bhd in June 2012 where he leads the management of these companies and is responsible for their overall operations. He is also an Independent Non-Executive Director of Cosmos Technology International Berhad (a company listed on the ACE Market of Bursa Securities) since December 2021.

Kindly refer to **Section 3.2.3** for his involvement in other business activities outside our Group.

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3. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

3.2.3 Involvement of our Promoters, substantial shareholders and Directors in businesses or corporations outside our Group

Save as disclosed below, our Promoters, substantial shareholders and Directors do not have any other interests in other businesses or corporations outside our Group for the past 3 years up to the LPD:

(i) Soh Yeow Seng

Company	Principal activities	Involvement	Date of appointment	Date of resignation	Shareholdings as at the LPD	
					Direct (%)	Indirect (%)
<u>Present involvement</u>						
Soh Family Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate	Director	17 March 2022	-	8.0	-
Brilliant Exhibitions Sdn Bhd	Organisation, promotions and/or management of event	Shareholder	-	-	50.0	-

Past involvement

MSM Metal (S) Pte. Ltd.	Trading and servicing of metal parts and kitchen equipment, design consultancy and installation works	Director	9 December 2011	26 July 2024*	-	-
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Note:

- * Soh Yeow Seng left as the Chief Financial Officer of MSM International Limited in September 2023. However, he was requested by MSM International Limited to remain as a director of MSM Metal (S) Pte. Ltd., a dormant subsidiary of MSM International Limited, until July 2024 in order for MSM International Limited to seek a replacement resident director for the purpose of complying with Section 145(1) of the Singapore Companies Act 1967 which stipulates that, among others, every company must have at least 1 director who is ordinarily resident in Singapore.

For avoidance of doubt, our Group does not have any dealings with MSM Metal (S) Pte. Ltd. during the Financial Periods Under Review and up to the LPD.

(ii) Choong Wai Hon

None.

3. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(iii) Mok Tuck Meng

Company <u>Present involvement</u>	Principal activities	Involvement	Date of appointment	Date of resignation	Shareholdings as at the LPD	
					Direct (%)	Indirect (%)
Cosmos Technology International Berhad	Activities of holding companies ⁽¹⁾	Independent Non-Executive Director	1 December 2021	-	0.4	-
Hasrat Meranti Sdn Bhd	Manufacture and sale of multi wall industrial paper bags	Director	10 September 1998	-	-	-
Hasrat Meranti (Chemor) Sdn Bhd	Manufacture and sale of multi wall industrial paper bags	Director	1 September 1999	-	-	-
Hasrat Meranti (Tapah) Sdn Bhd	Manufacture and sale of multi wall industrial paper bags	Director	12 June 2012	-	-	-
De Cell Berhad	Activities of holding companies; research and development of biotechnology	Shareholder	-	-	1.3	-
Incompleteness Sdn Bhd	Coworking space operator and activities of head office	Shareholder	-	-	1.1 ⁽²⁾	-
RH Global Supplies Sdn Bhd	Export and import, barter trade, supplier, wholesalers and distributors of variety of goods as bitumen, building materials, household and electrical goods, foodstuffs etc, general contractor for civil engineering works and construction of other engineering projects NEC, investment company.	Shareholder	-	-	13.3 ⁽³⁾	-

3. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Notes:

- (1) As at the LPD, Cosmos Technology International Berhad has one wholly-owned subsidiary, namely Cosmos Instruments Sdn Bhd. Its principal activities are distribution of industrial automation and control instrumentation and servicing of fluid control products.
- (2) As at the LPD, Incompletteness Theorem Sdn Bhd has an issued share capital of RM26,174,833.68 comprising 1,000 ordinary shares and 3,559 preference shares. Mok Tuck Meng holds 38 number of preference shares representing 1.1% of the total preference shares issued by Incompletteness Theorem Sdn Bhd.
- (3) As at the LPD, RH Global Supplies Sdn Bhd has an issued share capital of RM7,600,000.00 comprising 100,000 ordinary shares and 7,500,000 preference shares. Mok Tuck Meng holds 1,000,000 number of preference shares representing 13.3% of the total preference shares issued by RH Global Supplies Sdn Bhd.

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3. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*CONT'D*)

3.2.4 Directors' remuneration and benefits

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred compensation accrued for the year) paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for the FYE 2024 and FYE 2025 are as follows:

Remuneration band	FYE 2024	FYE 2025 (Proposed)
	No. of Directors	No. of Directors
Executive Director		
RM150,001 to RM200,000	2	2
RM100,001 to RM150,000	-	-
RM50,001 to RM100,000	-	-
Non-Executive Director		
Less than RM50,000	-	1

Our Directors' remuneration includes salaries, bonuses, fees and allowances as well as other benefits, whereby pursuant to our Constitution, the fees and benefits must be approved by our shareholders in a general meeting.

For information purpose, our CEO/Director (i.e., Choong Wai Hon) had voluntarily elected not to receive any remuneration in FYE 2023 to allow our Group to conserve its cash for its working capital requirements. The total amounts of remuneration and material benefits-in-kind paid and proposed to be paid to our Managing Director and CEO/Director are approximately RM0.35 million and RM0.38 million for the FYE 2024 and FYE 2025 respectively.

3.2.5 Declaration by our Directors

None of our Directors:

- (i) are undischarged bankrupts nor are they subject to any proceedings under bankruptcy laws;
- (ii) have ever been charged with, convicted for or compounded for any offence under securities laws, corporation laws or any other laws involving bribery, fraud or dishonesty in a court of law;
- (iii) have ever had any action taken against them for any breach for the listing requirements or rules issued by Bursa Securities, for the past 5 years; and
- (iv) have been subjected to any inquiry or investigation by any government or regulatory authority or body for the past 5 years.

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3. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

3.3 Key senior management

3.3.1 Key senior management's shareholdings

Save for Soh Yeow Seng and Choong Wai Hon's respective shareholdings which are disclosed in **Section 3.1.1**, none of our key senior management has any interest in our Company.

3.3.2 Profiles of key senior management

The profiles of our key senior management are as follows:

(i) Soh Yeow Seng
Managing Director

The profile of Soh Yeow Seng is set out in **Section 3.1.2(i)** of this Information Memorandum.

(ii) Choong Wai Hon
CEO/Director

The profile of Choong Wai Hon is set out in **Section 3.1.2(ii)** of this Information Memorandum.

(iii) Kor Huei Ching
Finance Manager

Kor Huei Ching, a Malaysian, aged 33, is our Finance Manager. She is responsible for the planning, implementation and management of accounting and financial functions of our Group.

In September 2012, Kor Huei Ching obtained a Diploma in Business Studies (Accounting) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University of Management and Technology). Subsequently in May 2014, she obtained an Advanced Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman University College (now known as Tunku Abdul Rahman University of Management and Technology).

In March 2015, she began her career with OK Yau & HowYong PLT as an Audit Assistant, where she was involved in audit and tax matters as well as preparing financial statements and tax reports for management's review. In January 2017, she was promoted to Audit cum Tax Senior and subsequently Assistant Manager in March 2021.

She left OK Yau & HowYong PLT and joined Averis Sdn Bhd in September 2021 as a Senior Specialist under the Statutory Reporting department, where she was primarily responsible for audit and tax related matters as well as reviewing of balance sheet aging.

In April 2022, she left Averis Sdn Bhd and joined MSM Metal Industries Sdn Bhd in April 2022 as an Assistant Finance Manager. MSM Metal Industries Sdn Bhd is a subsidiary of MSM International Limited and forms part of the MSM group of companies. Her responsibilities included overseeing the company's accounts, finance, tax and audit matters.

In November 2023, she left MSM Metal Industries Sdn Bhd and joined our Group in December 2023 as Assistant Finance Manager. In May 2024, she was promoted to the position of Finance Manager, a position she continues to hold to-date.

For information purpose, prior to Kor Huei Ching joining our Group, the finance function was managed by Lor Miou Yee, who is still employed with our Group as Operations Manager.

3. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

3.3.3 Involvement of our key senior management in businesses or corporations outside our Group

Save for the involvement of our Directors which are detailed in **Section 3.2.3** of this Information Memorandum, our key senior management do not have any other interests in other businesses or corporations outside our Group for the past 3 years up to the LPD.

3.3.4 Key senior management's remuneration and benefits

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred compensation accrued for the year) paid and proposed to be paid to Soh Yeow Seng and Choong Wai Hon for the FYE 2024 and FYE 2025 are set out in **Section 3.2.4** of this Information Memorandum.

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred compensation accrued for the year) paid and proposed to be paid to our other key senior management for services rendered in all capacities to our Group for the FYE 2024 and FYE 2025 are as follows:

Remuneration band	FYE 2024	FYE 2025 (Proposed)
	No. of key senior management	No. of key senior management
RM150,001 to RM200,000	-	-
RM100,001 to RM150,000	1	1
RM50,001 to RM100,000	-	-
Less than RM50,000	-	-

3.4 Relationships and/or associations

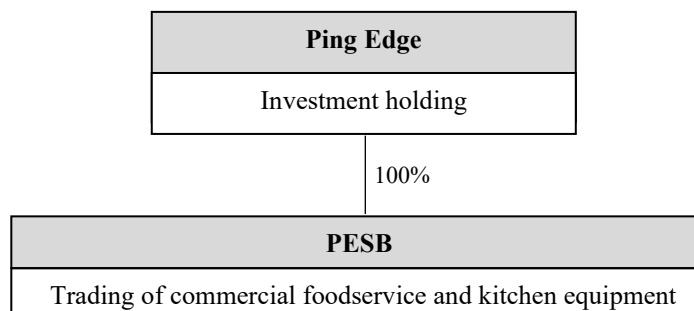
There are no family relationships (as defined under Section 197 of the Act) or association between or amongst our Promoters, substantial shareholders, Directors and key senior management as at the LPD. For information purpose, Soh Yeow Seng and Choong Wai Hon were concurrently employed with MSM group of companies from July 2011 to September 2022 while Kor Huei Ching, our Finance Manager, was also employed with MSM group of companies, as Assistant Finance Manager in MSM Metal Industries Sdn Bhd, from April 2022 until November 2023.

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4. INFORMATION OF OUR GROUP

4.1 Group structure

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



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

Subsidiary	Date of incorporation	Issued share capital	Equity interest
PESB	29 May 2015	RM2,500 comprising 2,500 ordinary shares	100%

As at the LPD, our Company does not have any joint venture or associate company.

4.2 Information on our Group

4.2.1 Our Company

Our Company was incorporated in Malaysia under the Act on 4 April 2024 as a private limited company under the name of Ping Edge Technology Sdn Bhd. On 13 September 2024, our Company was converted to a public limited company for our Proposed Listing and assumed our present name.

Our Company is 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 the LPD.

4.2.2 PESB

(i) History and business

PESB was incorporated in Malaysia under the Companies Act 1965 on 29 May 2015 as a private limited company and is deemed registered under the Act.

PESB is principally involved in the trading of commercial foodservice and kitchen equipment. PESB's principal place of business is in Balakong, Selangor, Malaysia.

(ii) Share capital

As at the LPD, the issued share capital of PESB is RM2,500 comprising 2,500 ordinary shares. There has been no change in the issued share capital of PESB during the Financial Periods Under Review and up to the LPD.

As at the LPD, PESB does not have any outstanding warrants, options, convertibles securities or uncalled capital.

(iii) Shareholder

As at the LPD, PESB is a wholly-owned subsidiary of our Company.

4. INFORMATION OF OUR GROUP (CONT'D)

(iv) Directors

As at the LPD, the Directors of PESB are Soh Yeow Seng and Choong Wai Hon.

(v) Subsidiary, joint venture and associate company

As at the LPD, PESB does not have any subsidiary, joint venture or associate company.

4.3 History of our Group

Our history can be traced back to the incorporation of PESB on 29 May 2015 by our CEO and director, Choong Wai Hon, and Ding Kuoi Jean, each holding 50.0% equity interest respectively. In the early days, our efforts were focused on market research and building a strong supplier base, which laid the groundwork for our business expansion.

In December 2015, Choong Wai Hon sold 10.0% of his equity interest in PESB to Lee Chean Wei and subsequently on 13 April 2016, Choong Wai Hon ceased to be a shareholder following the disposal of his remaining 40.0% equity interest in PESB to Ding Kuoi Jean due to differing business ideologies. Ding Kuoi Jean's equity interest in PESB increased to 90.0% and he assumed leadership to manage PESB. Further in the same year, we developed and launched our online e-commerce platform, Kitchen Arena (www.kitchen-arena.com.my), which focuses on the trading of new commercial foodservice and kitchen equipment. Prior to this, our Kitchen Arena website was primarily a catalogue website where it was designed to display products without e-commerce functionality, typically providing images, prices and descriptions of the products as well as contact details of our Group in order to make purchase. The transformation of Kitchen Arena into a fully operational e-commerce platform streamlined the purchasing process for our customers.

In 2018, we took a significant step by launching our first showroom, Kitchen 360, where we bring the online-merge-offline (OMO) experience to our customers, thereby enhancing customer experience and bridging the gap between our digital and physical presence.

In 2020, we identified a significant market opportunity as the pandemic led to the closure of many restaurants, resulting in a surplus of well-maintained kitchen equipment. Simultaneously, new entrepreneurs and home-based bakers emerged, creating a growing demand for affordable, pre-owned kitchen equipment options. Recognising this gap, we developed and launched our online marketplace platform, Murah Kitchen (www.murahkitchen.my), which focuses on the trading of pre-owned commercial foodservice and kitchen equipment. This strategic move enables our Group to expand into the pre-owned market as well as cater to a broader customer base, including those with lower budgetary requirements. By facilitating the circulation of equipment within the market, we provide cost-effective solutions for small-scale business owners, fostering an ecosystem that supports both sellers and buyers.

In 2022, Ding Kuoi Jean approached Choong Wai Hon with an offer to sell his shares. Noting the established systems and growing customer base in PESB, coupled with his expertise in commercial foodservice and kitchen equipment, Choong Wai Hon saw the potential for further growth in PESB. The opportunity to acquire Ding Kuoi Jean's 90.0% equity interest also meant gaining control of the company, resolving the business ideological differences that had led to Choong Wai Hon's departure in 2016. On 3 October 2022, Choong Wai Hon re-emerged as a shareholder upon acquiring 90.0% equity interest in PESB from Ding Kuoi Jean at a purchase consideration of RM2,250 (or RM1 per share) being Ding Kuoi Jean's cost of investment of the shares in PESB considering that PESB was in net liability position of RM0.47 million based on the audited financial statements of PESB for the financial year ended 30 June 2022 (being the latest available audited financial statements of PESB at the time of the acquisition by Choong Wai Hon from Ding Kuoi Jean). Choong Wai Hon's return signified a renewed commitment to steer our business forward, underpinned by his deep understanding of the commercial foodservice and kitchen equipment industry coupled with his expertise in business development and e-commerce. His guidance led to improved traffic and sales on our online platforms, as evidenced by the increase in our revenue from RM9.77 million in FYE 2022 to RM30.89 million in FYE 2024.

4. INFORMATION OF OUR GROUP (CONT'D)

In 2023, under Choong Wai Hon's leadership, we also organised our inaugural K360 HORECA Fair in Balakong, Selangor. The exhibition attracted 30 exhibitors and further solidified our brand presence and position in the commercial foodservice and kitchen equipment industry.

On 28 December 2023, Soh Yeow Seng became a shareholder of PESB upon acquiring 10.0% equity interest from Mah Siew Peng and was concurrently appointed as a director, resulting in the shareholding structure where Choong Wai Hon and Soh Yeow Seng had an equity interest of 90.0% and 10.0% respectively.

Soh Yeow Seng brings a wealth of expertise in finance and business acumen, along with extensive experience in the steel manufacturing industry. As we prepare to open 3 new showrooms with storage facilities across Peninsular Malaysia over the next 24 months and to expand our kitchen design consultancy service for customisation of commercial foodservice and kitchen equipment through Business Doctor, Soh Yeow Seng's deep understanding of the manufacturing capabilities required for customisations will be instrumental in our expansion efforts.

In 2024, our Group was awarded The Golden Bull Award - Outstanding SME by Business Media International. This award recognised PESB's business performance, innovation, and market competitiveness, as well as our resilience in overcoming market challenges. In particular, it recognised our ability to adapt during the COVID-19 pandemic where we navigated shifting market dynamics and continued to meet our customers' evolving needs.

Shareholding changes since incorporation

PESB was incorporated in May 2015 by Choong Wai Hon and Ding Kuoi Jean. However, due to differences in opinion on business strategy, they were unable to align on PESB's business direction. As a result, Choong Wai Hon sold 10.0% of equity interest in PESB to Lee Chean Wei in December 2015 and the remaining 40.0% equity interest in PESB to Ding Kuoi Jean in April 2016.

In June 2016, Lee Chean Wei sold his 10.0% equity interest to Lim Mee Kee. In October 2019, Mah Siew Peng, who was involved in the food and beverage industry, acquired 10.0% equity interest from Lim Mee Kee. In 2022, Ding Kuoi Jean decided to shift his career to the engineering industry and approached Choong Wai Hon with an offer to sell his shares in PESB. Choong Wai Hon saw the opportunities of future growth of e-commerce to promote commercial foodservice and kitchen equipment based on his experience in business development and e-commerce. Consequently, in October 2022, Ding Kuoi Jean sold his entire 90.0% equity interest in PESB to Choong Wai Hon at RM1 per share (being his cost of investment), as PESB was in a net liability position.

Mah Siew Peng retained her 10.0% equity interest until December 2023, when she sold her stake to Soh Yeow Seng.

Since its incorporation, PESB has undergone several rounds of shareholding changes leading up to the re-emergence of our Chief Executive Director, Choong Wai Hon in 2022. The following table details the shareholding changes in PESB since its incorporation until it became a wholly-owned subsidiary of our Company on 11 September 2024 pursuant to the Acquisition as disclosed in **Section 2.1.3** of this Information Memorandum:

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4. INFORMATION OF OUR GROUP (CONT'D)

Nature of movement	Date of allotment/ transfer	Transferor	Allottee/ Transferee/ Shareholder	No. of shares allotted/ transferred to transferee	Value (RM)	Eventual no. of shares held by allottee/ transferee/ shareholder	%
Allotment	29 May 2015	-	Ding Kuoi Jean Choong Wai Hon Total	50 50 100	50 50 100	50 50 100	50 50 100
Transfer pursuant to disposal of shares	4 December 2015	Choong Wai Hon	Lee Chean Wei Ding Kuoi Jean Choong Wai Hon Total	10 - - 10	10 - - 10	10 50 40 100	10 50 40 100
Transfer pursuant to disposal of shares	13 April 2016	Choong Wai Hon	Ding Kuoi Jean Lee Chean Wei Total	40 - 40	40 - 40	90 10 100	90 10 100
Transfer pursuant to disposal of shares	7 June 2016	Lee Chean Wei	Lim Mee Kee Ding Kuoi Jean Total	10 - 10	10 - 10	10 90 100	10 90 100
Transfer pursuant to disposal of shares	25 October 2019	Lim Mee Kee	Mah Siew Peng Ding Kuoi Jean Total	10 - 10	10 - 10	10 90 100	10 90 100
Allotment	5 April 2021	-	Mah Siew Peng Ding Kuoi Jean Total	240 2,160 2,400	240 2,160 2,400	250 2,250 2,500	10 90 100
Transfer pursuant to disposal of shares	3 October 2022	Ding Kuoi Jean	Choong Wai Hon Mah Siew Peng Total	2,250 - 2,250	2,250 - 2,250	2,250 250 2,500	90 10 100

4. INFORMATION OF OUR GROUP (CONT'D)

Nature of movement	Date of allotment/ transfer	Transferor	Allottee/ Transferee/ Shareholder	No. of shares allotted/ transferred to transferee	Value (RM)	Eventual no. of shares held by allottee/ transferee/ shareholder	%
Transfer pursuant to disposal of shares	28 December 2023	Mah Siew Peng	Soh Yeow Seng Choong Wai Hon Total	250 - 250	250 - 250	250 2,250 2,500	10 90 100
Transfer pursuant to the Acquisition (further details of which as set out in Section 2.1.3 of this Information Memorandum)	11 September 2024	Soh Yeow Seng Choong Wai Hon	Ping Edge ⁽¹⁾	2,500	2,028,000	2,500	100

Note:

- (1) Our Company acquired the entire equity interest in PESB comprising 2,250 shares from Choong Wai Hon and 250 shares from Soh Yeow Seng, for a total purchase consideration of RM2,028,000 as detailed in **Section 2.1.3** of this Information Memorandum.

For information purpose, there are no family relationships (as defined under Section 197 of the Act) between or amongst the shareholders of PESB since its incorporation as listed in the table above.

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4. INFORMATION OF OUR GROUP (CONT'D)**4.4 Key milestones, achievements and awards**

The table below sets out the key events and milestones of our business:

Year	Key events and milestones
2015	<ul style="list-style-type: none"> We initially operated from a rented office space located at Level 3 & 4, Wisma Suria, Jalan Teknokrat 6, Cyber 5, 63000 Cyberjaya, Selangor, which was used as our virtual office. We ceased the rental of the virtual office in 2019
2016	<ul style="list-style-type: none"> We developed and launched our online e-commerce platform, Kitchen Arena (www.kitchen-arena.com.my), which focuses on the trading of selling new commercial foodservice and kitchen equipment
2018	<ul style="list-style-type: none"> We launched our first showroom, Kitchen 360, where we bring the online-merge-offline (OMO) experience to our customers Kitchen 360 operated from an initial rented premise with a built-up area of approximately 592.91 sq ft located at Lot 3210, Jalan Balakong, Kawasan Perindustrian Kampung Baru Balakong, 43300 Seri Kembangan, Selangor
2019	<ul style="list-style-type: none"> We expanded Kitchen 360's rented premise to its current built-up area of 11,608.89 sq ft We participated in our first international show foray – Food & Hospitality Malaysia
2020	<ul style="list-style-type: none"> We received an appreciation award from the Korea International Trade Association (“KITA”) in recognition of our trade relations with Korean SMEs and the significant import volume of Korean products We developed and launched our online marketplace platform, Murah Kitchen (www.murahkitchen.my), which focuses on the trading of selling pre-owned commercial foodservice and kitchen equipment
2023	<ul style="list-style-type: none"> We organised our first exhibition, K360 HORECA Fair in Balakong, Selangor, attracting 30 exhibitors participating in our event
2024	<ul style="list-style-type: none"> We were awarded The Golden Bull Award 2024 – Outstanding SME by Business Media International

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5. BUSINESS OVERVIEW

5.1 Principal activities

Our Group is principally involved in the trading of commercial foodservice and kitchen equipment, primarily through our online platforms as follows:

- Kitchen Arena (www.kitchen-arena.com.my), which focuses on the trading of new commercial foodservice and kitchen equipment; and
- Murah Kitchen (www.murahkitchen.my), which focuses on the trading of pre-owned commercial foodservice and kitchen equipment.

To strengthen our value proposition, we offer buyers kitchen design consultancy, aftersales installation, servicing and repair works through Business Doctor for commercial foodservice and kitchen equipment procured from our online platforms. Our Group intends to introduce and expand the services offered under Business Doctor on a standalone basis to include kitchen design consultancy and aftersales services such as installation, servicing and repair services to all existing and potential customers instead of confining it to customer who purchase products from our online platforms. This will provide additional revenue stream to our Group moving forward. We intend to commence the provision of services under Business Doctor a separate business segment by the 1st half of 2025.

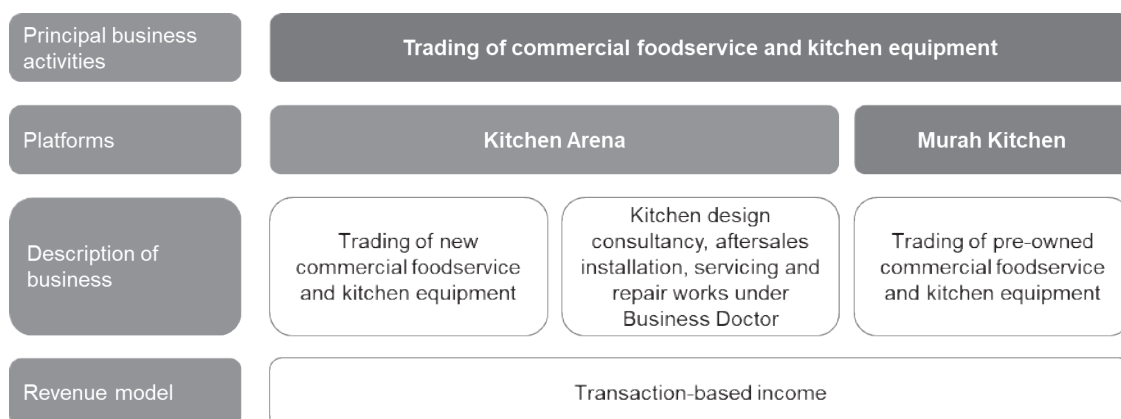
While our business model primarily operates online, we recognise that some customers prefer to physically inspect products before making a purchase. For this reason, we also operate a physical retail outlet that serves as a showroom, providing prospective customers the opportunity to view and experience our products first-hand before they make their purchases.

Revenue Model

Our Group's revenues are transaction-based derived from the trading of commercial foodservice and kitchen equipment on our online platforms, Kitchen Arena and Murah Kitchen.

We are committed to optimising the customer experience and achieving customer satisfaction through our focus on wide product offerings, compelling online experience, timely customer service, competitive pricing, timely and accurate fulfilment, and convenient payment options.

Business Model



5.1.1 Kitchen Arena

In 2016, we launched our dedicated online e-commerce platform, Kitchen Arena at www.kitchen-arena.com.my, for the trading of new commercial foodservice and kitchen equipment. Our online e-commerce platform allows our customers to browse, order and pay for our products online. It provides our customers with convenient access to a wide range of products 24 hours a day and 7 days a week and allows us to expand our market reach. The website operations of Kitchen Arena are managed by our employees.

5. BUSINESS OVERVIEW (CONT'D)

As at the LPD, we offer approximately 430 brands of commercial foodservice and kitchen equipment, which include among others, Frezmac, Modelux, Unox, Fresh, Redor, Powerline, Snow, Fagor, Robot Coupe and Aeglos. Our extensive range of commercial foodservice and kitchen equipment enable us to serve a wide range of customers as a one-stop kitchen equipment provider for commercial use. Please refer to **Section 5.2** for some of the commercial foodservice and kitchen equipment on Kitchen Arena.

Kitchen Arena offers a broad selection of authentic products at competitive prices, is an easy to navigate site, has basic and advanced search functions, customised product recommendations and comprehensive product information to assist the decision-making process of buyers. These features address customers' desire to view, understand and compare products before purchasing.

Each product page contains pictures, descriptions, price, catalogues, brochures and delivery information. When customers are browsing product pages, we display product highlights and the post-discount price on the front page so as to support customers to make purchase decisions more efficiently.

We make efforts to set our prices, in consultation with our suppliers, to be competitive with those on other major online retail websites and in physical stores in Malaysia. We also continue to enrich our product offerings and service while maintaining competitive prices. We offer a selection of discounted products on special occasions, such as during the year end. We also hold regular promotions for selected products for a limited period of time. Special promotions attract bargain hunters and give our customers an additional incentive to visit our online e-commerce platform.

We deliver products directly to customers across Malaysia and overseas. We engage third party delivery service providers for delivery services. As timely and convenient delivery is an essential part of customer satisfaction, we arrange our delivery schedule to suit our customers' needs.

Distribution channels

Over the years, we adopt direct distribution channels strategy where we sell third-party commercial foodservice and kitchen equipment products through our online e-commerce platform which allow us to have wide customer reach. Our customers mainly comprise food and beverages services owners as well as walk-in customers, such as restaurant owners as well as home bakers. In 2018, we launched our first showroom, Kitchen 360, located at Balakong, Selangor, where we bring the online-merge-offline (OMO) experience to our customers so that they have the opportunity to interact with our products in a physical space.

Mode of operations

Our online e-commerce platforms are jointly managed by our Marketing and Product Management teams. We will list the products for sale on our online e-commerce platforms, upload product images, write detailed descriptions, set prices, and specify other relevant details such as size, colour and quantity available. In addition, selling directly to our customers through our online e-commerce platform gives us an avenue to have direct engagement with our customers to gather product feedback and to assess consumer data. This enables us to have access to first-hand consumer data based on prevailing market trends, which are essential for us to keep abreast with changing consumer trends and preferences.

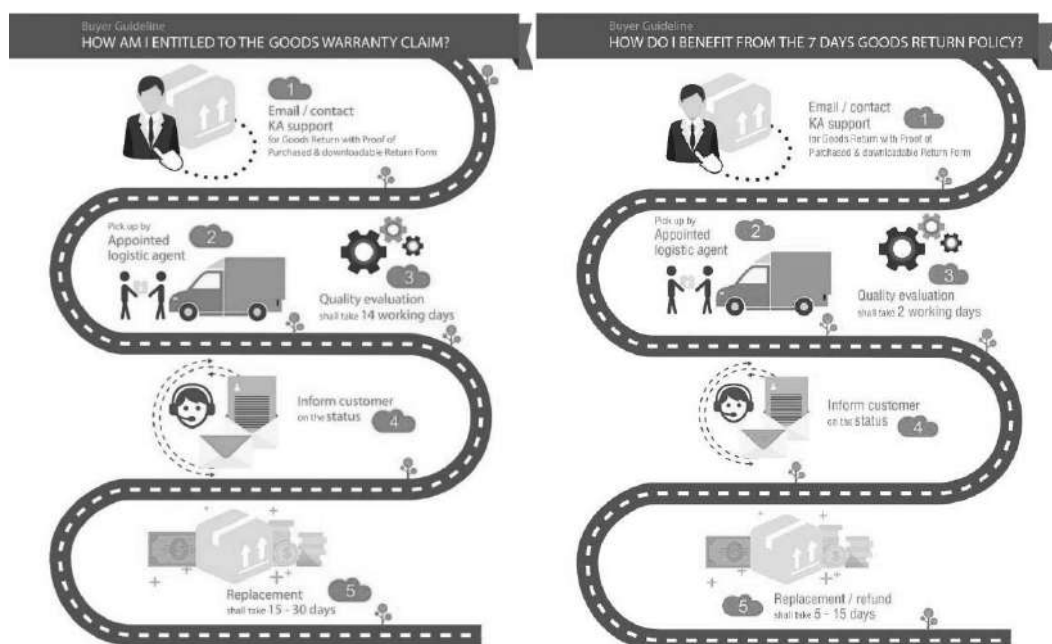
Payments can be made through our online payment gateway, which allows us to accept payments online via various methods such as credit cards, debit cards and online banking.

Orders placed through our online e-commerce platform is fulfilled through third party delivery service providers, which assures customers of our ability to have their selected goods delivered in a timely manner and leverages on the delivery expertise of those third-party delivery service providers. The standard delivery lead time ranges from 2 to 30 working days as detailed below:

Region	Average delivery time
Within Klang Valley	2 to 5 workings days
Peninsular Malaysia	5 to 10 working days
East Malaysia	10 to 14 working days
ASEAN countries	14 to 21 working days
Other countries not listed above	21 to 30 working days

5. BUSINESS OVERVIEW (CONT'D)

Warranty and goods return policy



Warranty policy

We provide product warranty claims to our customers, aligned with suppliers' warranties against manufacturing defects. We provide warranty coverage generally from the range of 6 months to 1 year, from the date of purchase, depending on the type of product and suppliers as well as warranty terms.

The eligibility for warranty claims by customers is subject to conditions such as the provision of a valid proof of purchase of the product and filling in the return form on the warranty page of our online e-commerce platform. During a claim, customers may send the products directly to our warehouses or deliver them to us using an appointed logistics agent for product inspection to determine the cause of the defect which takes not more than 14 days. The inspection allows us to assess whether the claimed defects are genuine manufacturing defects. We will then inform our customer of the assessment status and if the product is eligible for warranty claims, we will arrange for replacement of products.

Our Group is not liable for any defects caused by unsuitable or improper use, external force, wear and tear, wilful damage, negligence and failure to follow our product instructions.

Goods return policy

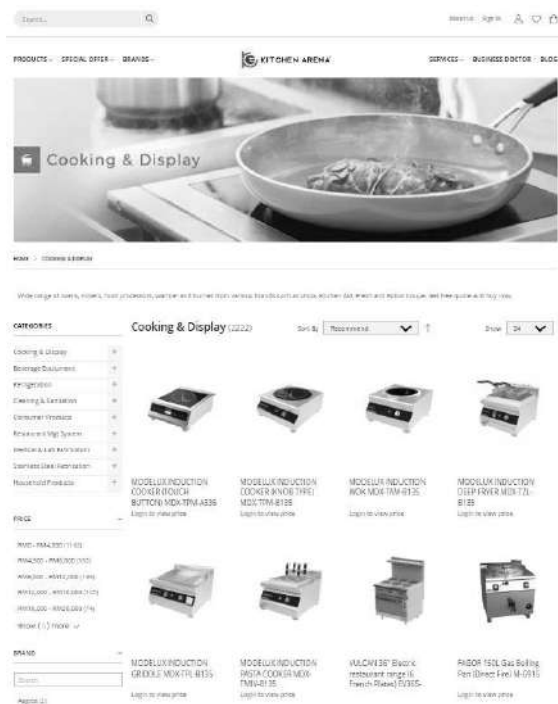
We have a 7-day goods return policy where we allow our customers to return purchased items within a designated period of 7 days from the date goods are received.

The eligibility for good returns by customers is subject to conditions such as the provision of a valid proof of purchase of the product, and filling in the return form at our goods return page on our online e-commerce platform. During the process, customers may send the products directly to our warehouses or deliver to us using an appointed logistic agent for product inspection to determine whether the goods are eligible for return. Typically, the goods must be in original condition, unused and with all the original packaging. We will then inform customer on the status and if the product is eligible for a return, we will arrange for replacement of products or a refund.

Our Group is not liable for any defects caused by unsuitable or improper use, external force, wear and tear, wilful damage, negligence and failure to follow our product instructions.

5. BUSINESS OVERVIEW (CONT'D)

Our online e-commerce platform, Kitchen Arena



5.1.2 Murah Kitchen

In 2020, we launched our online marketplace platform, Murah Kitchen at www.murahkitchen.my, an online marketplace specifically designed for the trading of pre-owned commercial foodservice and kitchen equipment. Our marketplace is a platform that connects buyers and sellers, and accommodates sellers looking to dispose of their used kitchen items and new entrepreneurs seeking budget-friendly equipment to kickstart their culinary ventures. The marketplace provides customers with the avenue to purchase pre-owned kitchen equipment which benefits them from the cost perspective. As at the LPD, there are 2,718 SKU of products listed on Murah Kitchen, of which 867 SKU are owned by our Group. As at the LPD, we have 151 third-party merchants on Murah Kitchen. The website operations of Murah Kitchen are managed by our employees.

(i) Customer-to-customer transactions

Firstly, the vendors will have to register with Murah Kitchen, creating their profiles and providing information on their business such as company name and contact details, prior to listing their products on the marketplace. After verifying their information, the vendors can start listing their pre-owned commercial foodservice and kitchen equipment on our online marketplace by creating detailed listings that include descriptions, images, prices, and other relevant information. We provide valuation services (by providing suggested pricings) to the vendors who are looking to sell their pre-owned kitchen equipment on Murah Kitchen. Similarly, the buyers will have to first register an account with Murah Kitchen in order for them to contact the vendors and make purchases.

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5. BUSINESS OVERVIEW (CONT'D)

For the purchase of pre-owned commercial foodservice and kitchen equipment sold by third-party vendors, the vendors are responsible for fulfilling orders by packing and shipping the items to the buyers. The warranties and goods return policy is negotiated individually between the vendors and the buyers, and thus falls entirely on the terms agreed solely between the vendors and buyers prior to the transaction. The payment arrangement is flexible and the vendor and buyer shall decide on a payment method that suits them best. For clarification purposes, our Group does not earn any income or fees arising from transactions on Murah Kitchen. At this stage, our primary focus is to increase platform engagement by attracting more vendors and buyers to Murah Kitchen. This strategy drives website traffic and enhances brand visibility. A broader product listing not only attracts more potential buyers but also increases the likelihood of them exploring other offerings by our Group whereby we also sell pre-owned commercial foodservice and kitchen equipment, with the aim to position our platform as the preferred destination for pre-owned commercial foodservice and kitchen equipment. As our marketplace matures and achieves sufficient traffic, we may explore additional revenue-generating opportunities, such as introducing advertising services in the future.

We screen through the products posted on our online marketplace against fraudulent activities such as misrepresentation of products. Vendors must be registered with Murah Kitchen and provide the necessary details before uploading product photos and key information, including the product name, price and description. We then review each product listing submitted by the vendors, to ensure that the product descriptions match the accompanying photos of the product, before approving such product listings to be posted on the platform. There were no disputes arising from misrepresentation of products that have occurred during the Financial Periods Under Review and up to the LPD.

(ii) Trading of pre-owned commercial foodservice and kitchen equipment by our Group

Currently, we generate revenue from the trading of pre-owned commercial foodservice and kitchen equipment on Murah Kitchen or at our Kitchen 360 showroom. We purchase pre-owned kitchen equipment from business owners and list these pre-owned commercial foodservice and kitchen equipment on Murah Kitchen. The vendors who opt to sell their pre-owned kitchen equipment to PESB may do so via Murah Kitchen or by contacting us directly. The vendors will be required to provide information including photos of the pre-owned kitchen equipment they intend to sell and we will provide our preliminary quotation. Once the vendor agrees to our preliminary quotation, we will arrange for product inspection, where we will evaluate the condition, quality, and authenticity of the pre-owned kitchen equipment. Thereafter, we will then finalise the selling price with the vendor. For clarification purposes, we only procure from registered business owners.

The pre-owned kitchen equipment will be stored in our warehouse before onward sales to our online customers on Murah Kitchen or walk-in customers at Kitchen 360 showroom. The warranty policy varies depending on the product while the standard delivery lead time is as follows:

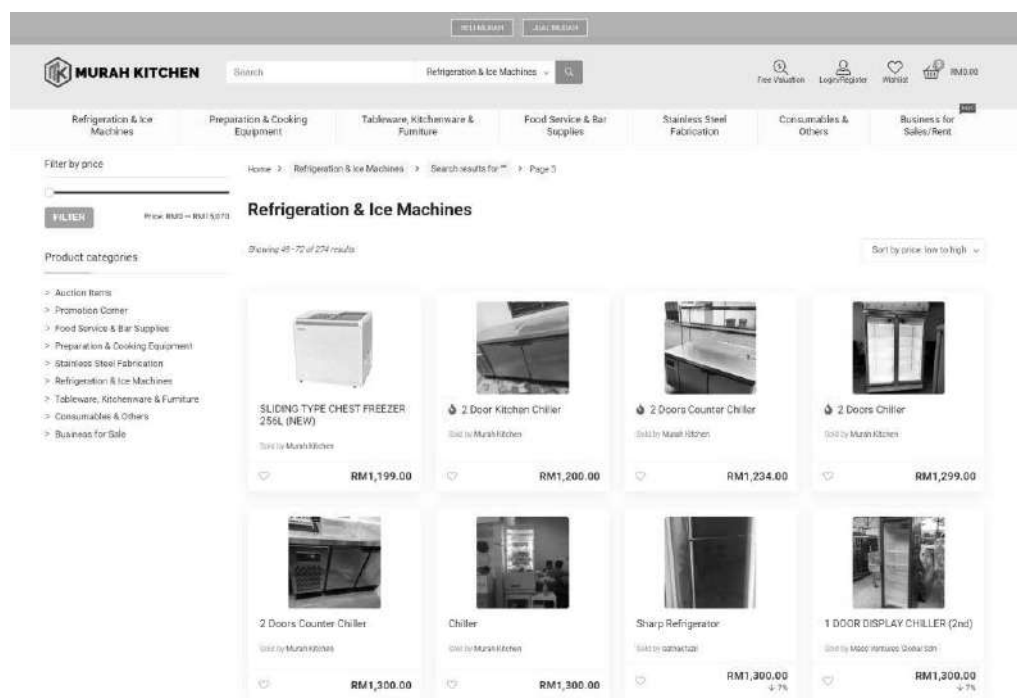
Region	Average delivery time
Within Klang Valley	2 to 5 workings days
Peninsular Malaysia	5 to 10 working days

Payments can be made through credit cards, debit cards and online banking. For clarification purposes, our Group generates income by marking up on the price of the pre-owned kitchen equipment before onward sales to customers.

The customers can apply to return the defective purchased product to PESB in exchange for a replacement or a refund. The buyer shall ensure that the purchased product is returned to PESB within 7 calendar days from the delivery date, depending on the applicable return policy. For avoidance of doubt, the countdown starts from the date the buyer receives the purchased product.

5. BUSINESS OVERVIEW (CONT'D)

Our online marketplace platform, Murah Kitchen



5.1.3 Business Doctor

The name “Business Doctor” is chosen after taking into consideration of the target customers, which are mainly startups of food and beverages businesses and the full range of services to be provided such as design consultancy, aftersales installation, servicing and repair works. The term “business” was adopted as this service helps businesses make informed decisions on key aspects of their setup, such as kitchen design planning, selection of commercial foodservice and kitchen equipment, as well as installation and servicing. Meanwhile, the term “Doctor” reflects our approach of assessing customers’ business challenges and requirements to provide tailored solutions. Currently, through Business Doctor, we offer buyers kitchen design consultancy and installation services for commercial foodservice and kitchen equipment procured from our online platforms. This service is offered to complement the trading of commercial foodservice and kitchen equipment products from our online platforms, ensuring customers receive end-to-end support for their operational needs. Therefore, for the Financial Periods Under Review and up to the LPD, we do not record revenue from the services under Business Doctor on a standalone basis.

Notwithstanding the above, in view of increasing customers’ requests or demand for customisation and consultation as well as ad-hoc services relating to commercial foodservice and kitchen equipment, our Group intend to introduce and expand the services offered under Business Doctor on a standalone basis to include kitchen design consultancy and aftersales services such as installation, servicing and repair services to all existing and potential customers not confined to only those who purchase products from our online platforms. This will provide additional revenue stream to our Group moving forward. We intend to commence the provision of services under Business Doctor as a separate business segment by 1st half of 2025. Currently, we have assigned three existing employees, comprising two employees from the Operations department and one employee from the Marketing and Sales department, to manage and operate Business Doctor functions.

5. BUSINESS OVERVIEW (*CONT'D*)

Services such as installation, servicing and repairs are carried out in collaboration with third-party service providers. For certain specific installations such as gas piping systems, we collaborate with licensed contractors and service providers to ensure compliance with safety regulations. As a result, we do not anticipate the significant need for additional manpower or expertise within our Group at this juncture, nor do we require any licenses or certifications to provide kitchen design consultancy and general installation services. As at the LPD, we have not entered into any agreements with the said third-party service providers and all service requests are based on purchase orders as and when required by our Group. Notwithstanding this, we do not consider this as a risk to our operations as there are ample licensed third-party service providers available which provide similar services required by our Group.

For entrepreneurs and business owners that are seeking to open new food and beverage businesses, our kitchen design consultancy and installation services encompasses:

- **Initial consultation**

We will conduct an initial consultation where we discuss with the customer on their needs, preferences, budget and timeline. During this meeting, we will gather information from the customer to understand their vision for the kitchen space. This information may include discussing mode of operations, functional needs, and any specific requirements or challenges they have in mind. We will then provide them with our preliminary recommendation and design solutions.

- **Spatial planning and layout**

We assist our clients in optimising the layout and functionality of their kitchen space. This may involve assessing the existing layout, identifying potential challenges or opportunities for improvement, and creating a new floor plan that maximises efficiency and usability. This includes taking accurate measurements of the room dimensions, as well as noting any architectural features, obstacles, or constraints that may impact the layout.

We will work closely with the clients to understand their specific needs, preferences, and workflow requirements. This involves discussing how the kitchen will be used, the cooking habits of the occupants, and any specific functional requirements or challenges. Based on the client's input and requirements, we will identify and define different functional zones within the kitchen, which may include food preparation, cooking, cleaning, storage, and dining areas.

We will analyse the traffic flow within the kitchen space to ensure efficient movement and accessibility. We consider factors such as entry and exit points, pathways between functional zones, and the placement of major appliances and fixtures. Further, we also prioritise safety and ergonomics when planning the kitchen layout. We consider factors such as counter heights, aisle widths, reach zones, and ventilation to create a comfortable and safe working environment for the customers.

- **Selection of equipment and appliances, cabinets and storage solutions**

We also provide guidance to our customers on selecting kitchen equipment and appliances as well as providing cabinets and storage solutions, that meet their needs, performance expectations, volume of operations and budget. We will work with the customers to determine the optimal placement of the kitchen equipment and appliances, cabinets and storage spaces to facilitate efficient workflow and usability.

- **Project management**

We offer project management services to oversee the implementation of the design plan from start to finish which involves coordinating with clients, contractors, suppliers and scheduling installations and ensuring that the project stays on track and within budget.

We will outline the scope, objectives, deliverables, timelines, and budget for the entire kitchen design plan. We will be responsible for sourcing and procuring all necessary kitchen equipment, appliances and services required for the project. This may involve obtaining quotes, negotiating contracts, and coordinating deliveries to ensure that all resources are available as needed.

5. BUSINESS OVERVIEW (*CONT'D*)

We will conduct testing and commissioning on the kitchen equipment that we install to verify that the kitchen equipment meets expectations and will address any issues or deficiencies promptly.



Banquet kitchen in Kuala Lumpur



Café in Kuala Lumpur



Chinese restaurant in Klang



Kitchen design consultancy in USJ



Restaurant in Subang Jaya



Café in Subang Jaya

Our installation, servicing and repair services comprises:

- **Installation**
 - Install kitchen equipment according to manufacturer specifications and local building codes;
 - Ensure proper positioning, alignment, and connection of equipment components, including electrical, gas, and water supply lines; and
 - Test equipment after installation to verify that it operates correctly and safely.

5. BUSINESS OVERVIEW (CONT'D)

- **Servicing**
 - Perform servicing and maintenance tasks on the kitchen equipment according to manufacturer guidelines and industry standards;
 - Clean, lubricate, and adjust equipment components as necessary to ensure optimal performance;
 - Replace worn or damaged parts to prevent breakdowns and extend the lifespan of the kitchen equipment; and
 - Conduct safety checks to identify and rectify any potential hazards or risks associated with the kitchen equipment.
- **Repair**
 - Diagnose and troubleshoot any malfunctions or breakdowns in the kitchen equipment;
 - Repair or replace faulty components, such as motors, heating elements, sensors, or control panels; and
 - Test the equipment thoroughly after repairs to ensure proper functionality and safety.

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5. BUSINESS OVERVIEW (CONT'D)

5.2 Our products
















The products that we offer on Kitchen Arena include:

Product categories	Product range
Cooking and display equipment	
	
	
	
	
	
	
	
	
	
	
	

5. BUSINESS OVERVIEW (CONT'D)

Product categories	Product range
Beverage equipment	<div>  <p>Coffee machine</p> </div> <div>  <p>Coffee grinder</p> </div> <div>  <p>Coffee brewer</p> </div> <div>  <p>Slush machine</p> </div> <div>  <p>Drink dispenser</p> </div> <div>  <p>Juice extractor</p> </div> <div>  <p>Soft serve machine</p> </div> <div>  <p>Water boiler</p> </div> <div>  <p>Ice crusher</p> </div>
Refrigeration equipment	<div>  <p>Blast freezer</p> </div> <div>  <p>Chest freezer</p> </div> <div>  <p>Deep freezer</p> </div>

5. BUSINESS OVERVIEW (CONT'D)

Product categories	Product range		
	 <p>Display chiller</p>	 <p>Wine chiller</p>	 <p>Upright chiller/ Freezer</p>
	 <p>Cake showcase</p>	 <p>Ice cream showcase</p>	 <p>Ice machine</p>
Cleaning and sanitation equipment	 <p>Dishwasher</p>	 <p>Glass rinser</p>	 <p>Knife sterilizer</p>
	 <p>Spill mop kit</p>	 <p>Dosing pump</p>	 <p>Cleaner tabs</p>
Stainless steel fabrication	 <p>Worktable</p>	 <p>Ice bin</p>	 <p>Cabinet</p>

5. BUSINESS OVERVIEW (CONT'D)

The range of products sold or listed on Murah Kitchen will vary, depending on the range of pre-owned commercial foodservice and kitchen equipment that we have acquired from business owners and available as well as the pre-owned commercial foodservice and kitchen equipment listed by the vendors of Murah Kitchen.

5.3 Principal markets

For the Financial Periods Under Review, our Group's revenue is from the trading of commercial foodservice and kitchen equipment only.

The breakdown of our Group's revenue by geographical markets for the Financial Periods Under Review is as follows:

Revenue	Audited				Unaudited			
	FYE 2023		FYE 2024		4M-FPE 2024		4M-FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	17,030	98.93	30,824	99.77	8,272	99.89	12,437	99.97
Overseas ⁽¹⁾	184	1.07	70	0.23	9	0.11	4	0.03
Total	17,214	100.00	30,894	100.00	8,281	100.00	12,441	100.00

Note:

(1) For FYE 2023, overseas comprised Brunei Darussalam, United States of America, Brazil, Philippines and Singapore.

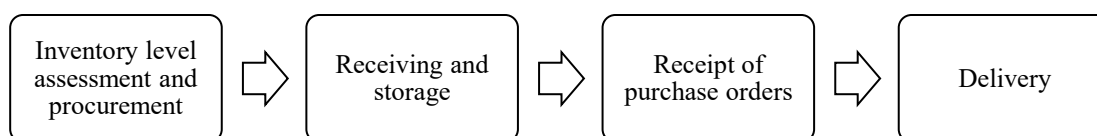
For FYE 2024, overseas comprised Brunei Darussalam, Singapore, People's Republic of China, United Kingdom and United Arab Emirates.

For 4M-FPE 2024, overseas comprised Brunei Darussalam and Singapore.

For 4M-FPE 2025, overseas comprised Brunei Darussalam, Japan and Singapore.

5.4 Processes

Kitchen Arena



(i) Inventory level assessment and procurement

We conduct inventory level assessment on a monthly basis to identify the type and quantity of products to be replenished. The inventory level at which each type of product to be replenished depends on our purchase orders received, projected sales, lead time required for the specific SKUs to arrive at our warehouse, and the pricing of the products. For any SKUs with insufficient inventory level, we will submit purchase orders to our suppliers for replenishment of inventory.

(ii) Receiving and storage

Upon receiving ordered products from our suppliers, we will ensure the products received match the quantity and specifications ordered. We will inform our suppliers in case there are discrepancies or defects for product replacement or payment deductions. Inventories will be stored in our warehouse before delivery to our customers upon confirmation of sales.

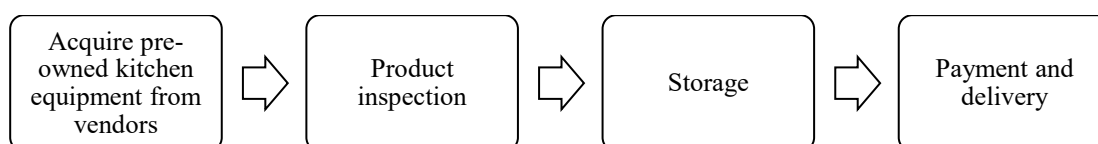
5. BUSINESS OVERVIEW (CONT'D)**(iii) Receipt of purchase orders**

Upon receiving purchase order from our customers through our online e-commerce platform, we will prepare and pack the products to arrange for delivery.

(iv) Delivery

We will typically conduct appearance and/or functionality checks to ensure the operability of the product, ensure the products match the quantity and specifications ordered before packing and delivery to customers. For large products and those that require our installation onsite, we will conduct functionality checks once the product has been installed at the premises of our customers.

We utilise third party logistics services to deliver the products to our customers. Upon receiving the products, our customers are required to acknowledge receipt by signing off on the delivery note.

Murah Kitchen**Business-to-customer transactions****(i) Acquire pre-owned kitchen equipment from vendors**

For the vendors who decide to sell their pre-owned kitchen equipment to PESB, they will be requested to provide relevant information including a picture of the pre-owned kitchen equipment they intend to sell and we will provide our preliminary quotation.

(ii) Product inspection

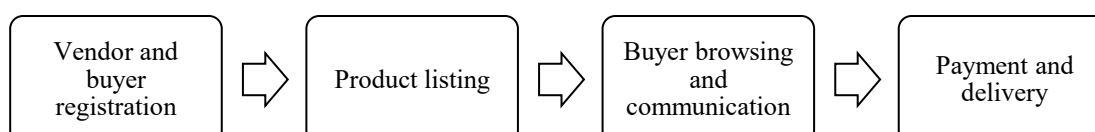
Once the vendor agrees to our preliminary price which is subject to change, we will arrange for product inspection, where we will evaluate the condition, quality, and authenticity of the pre-owned kitchen equipment. After this, we will then finalise the selling price with the vendor.

(iii) Storage

The pre-owned kitchen equipment will be stored in our warehouse before onward sales to our online customers on Murah Kitchen or walk-in customers at Kitchen 360 showroom.

(iv) Payment and delivery

Upon receiving purchase order and payment, we will prepare and pack the products to arrange for delivery. We utilise third party logistics services to deliver the products to our customers. Upon receiving the products, our customers are required to acknowledge receipt by signing off on the delivery note.

Customer-to-customer transactions

5. BUSINESS OVERVIEW (CONT'D)

(i) Vendor and buyer registration

Firstly, the vendors will have to register and create their profiles. We require these vendors to provide information on their business such as company name and contact details as part of the registration and profile creation process. We will screen the information provided by these vendors before allowing them to start listing their pre-owned commercial foodservice and kitchen equipment on our online marketplace.

Corresponding, interested buyers will have to first register an account with Murah Kitchen in order to use our marketplace.

(ii) Product listing

Vendors are required to create detailed listings of their pre-owned commercial foodservice and kitchen equipment, which include information on product descriptions, images and pricing. We also support vendors by providing recommended pricing suggestions for their pre-owned commercial foodservice and kitchen equipment.

As part of our product review process, we screen product listings created by these vendors before posting them on Murah Kitchen to ensure that:

- Products are listed under the correct category;
- Product descriptions are not misleading, do not contain offensive language and align with the uploaded images; and
- Product images are clear and do not contain any offensive content.

Our team will reject product listings that are dubious, incomplete, contain offensive language and/or content.

(iii) Buyer browsing and communication

Registered buyers will be able to browse the product listings on Murah Kitchen. Buyers will also be able to initiate contact with vendors to discuss product details and payment methods, raise further queries, and/or negotiate on the products they are interested in.

(iv) Payment and delivery

The transactions for the sales of pre-owned commercial foodservice and kitchen equipment take place directly between the buyer and vendor outside our Murah Kitchen platform as we do not offer any payment gateway solutions on Murah Kitchen. The vendors are responsible for the delivery of pre-owned commercial foodservice and kitchen equipment to their respective buyers.

5.5 Competitive strengths

We believe that our competitive strengths stated below are the factors that defined our past successes and will be instrumental for our future growth:

(i) We offer compelling value proposition for vendors and buyers

We believe our scale in terms of brand and product range is an advantage to our success. We offer a wide range of commercial foodservice and kitchen equipment brands encompassing new and pre-owned options. With our purchasing power and supplier relationships, we are able to offer competitive pricing while also helping our customers to source for products beyond those listed on our platform where required by our customers. Leveraging our scale, we are able to offer a wide selection of products at competitive price, secure favourable terms from our suppliers, attract more third-party merchants to our online platforms and allocate more resources to invest in technology and infrastructure. Our scale also creates a self-reinforcing virtuous cycle, allowing us to continuously attract more customers and strengthen customer loyalty.

5. BUSINESS OVERVIEW (CONT'D)

Our value proposition is as follows:

- (a) Products
 - wide selection of products supported by merchandise procurement capabilities and stringent standards for merchant selection;
 - authentic products and quality assurance; and
 - personalised product recommendations from our content-rich and user-friendly online platforms.
- (b) Pricing
 - competitive pricing benefited from our scale of economies and operational efficiency.
- (c) Customer service
 - timely and reliable logistics services;
 - responsive and highly attentive customer service; and
 - return and exchange policies.

As a result, we have established a reputation for being reliable, which attracts a growing and loyal active customer base. The number of our customers increased from 943 in FYE 2023 to 1,315 in FYE 2024. As our business expands, we will continue to provide a positive customer experience to those who utilise our online platforms as well as those who visit our showroom.

(ii) We have a wide range of products

As at the LPD, our Group has a portfolio of approximately 7,814 SKU and approximately 430 brands of commercial foodservice and kitchen equipment products. Our products comprise cooking and display equipment, beverage equipment, refrigeration equipment, cleaning and sanitation equipment as well as stainless steel fabrication.

One of our key strengths is that we carry a large range of notable brands of commercial foodservice and kitchen equipment including, among others, Frezmac, Modelux, Unox, Fresh, Redor, Powerline, Snow, Fagor, Robot Coupe and Costimo. For information purpose, our Group does not have exclusive distributorship agreements with any brands as our strategy is to remain brand neutral. This enables us to offer a wide range of brands in view that exclusive distributorships with specific brands typically would limit our distributorship of other brands for similar products.

The main benefit of carrying an extensive range of commercial foodservice and kitchen equipment products as well as notable brands is to provide a one-stop commercial foodservice and kitchen equipment products environment to suit the needs of different customers. Our wide range of notable branded kitchen equipment products and accessories appeals to a wide cross section of customers whom mostly are business owners ranging from small, medium to large enterprises who have their respective preferred brands and/or price point of kitchen equipment products and accessories. In addition, we provide installation, servicing and repairing services for our customers. All these are aimed at creating customer loyalty and at the same time creating brand awareness to attract new customers to sustain and grow our business.

Our wide range of products and notable brands will encourage online sales and facilitating customer loyalty by being their commercial foodservice and kitchen equipment provider of choice to sustain our business and at the same time grow our business with new customers.

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5. BUSINESS OVERVIEW (CONT'D)

(iii) We have a wide market reach

Having an extensive market reach is crucial to ensure our products can be easily accessed and purchased by our existing and potential customers. We leverage on our online platforms, Kitchen Arena and Murah Kitchen, to extend our market reach. Unlike physical outlets, our online platforms are accessible by everyone across Malaysia and overseas (albeit revenue from overseas market accounts for 1.07%, 0.23% and 0.03% only for FYE 2023, FYE 2024 and 4M-FPE 2025 respectively) with an internet connection. Our market reach has allowed us to target customers from multiple segments, such as restaurant and cafe owners, hotels, catering businesses and individual buyers seeking commercial foodservice and kitchen equipment. Further, the access to consumer purchasing data provides insights to our Group on the latest consumer preferences serves as valuable feedback for our Group.

On top of that, we have a product showroom, Kitchen 360, located at Balakong, Selangor. This allows us to showcase our products to our customers in a tangible way, which can help them better understand the features, quality, and functionality. We may either establish showrooms by ourselves or collaborate with partners in other states in Malaysia, namely, Negeri Sembilan, Johor and Penang, to further expand our market reach and broaden our market presence.

(iv) We have an experienced key senior management team

Our Group is led by an experienced key senior management team that has accumulated years of industry experience and in-depth knowledge of our business operations.

Our Managing Director, Soh Yeow Seng, is responsible for the formulation of business strategies and setting the overall business direction of our Group and supervising our management in implementing and achieving our business strategies. Our CEO, Choong Wai Hon, is responsible for implementing growth strategy and overseeing the daily operations of the Group.

5.6 Seasonality

We do not experience any fluctuations due to seasonality or cyclicity in our business as demand for our products are not subject to major seasonal fluctuations.

5.7 Business development and marketing activities

Our Marketing and Sales team, led by Choong Wai Hon, our CEO, is responsible for enhancing awareness for products featured on our platforms by developing and executing marketing strategies, building and maintaining customer relationships, monitoring marketing and sales activities, as well as gathering customer and consumer feedback on the products for future improvement. We actively engage in the following marketing and sales activities:

(i) Digital marketing

We place digital advertisements to promote our products on social media platforms. Our social media pages are managed by our in-house team to generate promotional contents for our social media pages on Facebook, YouTube and Instagram to increase brand awareness. Our social media pages can be accessed at the links below:

- (a) www.facebook.com/kitchenarena.my/
- (b) www.facebook.com/mymurahkitchen/
- (c) www.youtube.com/@Kitchen-arenaMy
- (d) www.instagram.com/kitchenarena/
- (e) www.instagram.com/murahkitchen/

We also offer sales promotions every month on our social media pages. These promotions offer customers exclusive opportunities to access special deals and discounts on our foodservice and kitchen equipment products, and attract new customers.

5. BUSINESS OVERVIEW (CONT'D)



Facebook



Instagram

(ii) Product showroom

We have established our first showroom, Kitchen 360, located at Balakong, Selangor, where we provide customers with the opportunity to explore our products in a physical space. This hands-on experience allows customers to have to a deeper understanding of the product features and benefits, allowing for better comparisons with other brands all in one convenient location. Our showroom features four distinct concepts such as Western, fast food, Japanese and Chinese kitchen setups, presenting our customers with the food preparation and storage equipment they need to start up their kitchen or to enhance their existing kitchen system with innovative ideas. Whether they are beginning a new culinary journey or seeking to upgrade their current setup, our showroom offers a comprehensive array of options to meet their needs and aspirations.

Our salespersons will offer recommendations and proposals to meet the preferences and requirements of our customers.



Kitchen 360, located at Balakong, Selangor

5. BUSINESS OVERVIEW (CONT'D)



Kitchen equipment on display at Kitchen 360



Concept showroom at Kitchen 360

(iii) Product workshops and trainings

As part of our efforts to promote our Group, brand and the sales of products that we offer, we also host product workshops and trainings free of charge to the public, where we provide existing and potential customers with valuable information about how to use the products effectively. This can include tips, tricks, best practices, and troubleshooting techniques, ensuring that existing and potential customers are equipped with the knowledge and skills they need to use the products and get the most out of their purchases, which would help us build stronger customer and business partner relationships. This contributes to increasing our brand visibility and awareness in the market.

5. BUSINESS OVERVIEW (CONT'D)



Coffee skills workshop, hosted by Kitchen Arena and Persatuan Ahli Chef



Kitchen Arena and UNOX Cooking Demo

(iv) Exhibitions and fairs

We participate in exhibitions and fairs to promote our products and establish contact with potential customers. The exhibitions and fairs that our Group has participated in are as follows:

Year	Trade exhibition	Location
2019	Food & Hospitality Malaysia 2019 Café Malaysia 2019	Kuala Lumpur Convention Centre Malaysia International Trade & Exhibition Centre
2023	Food & Hospitality Malaysia 2023	Kuala Lumpur Convention Centre
2024	Taste & Trade 360	Malaysia International Trade & Exhibition Centre

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5. BUSINESS OVERVIEW (CONT'D)

Our Group's booth during past Food & Hospitality Malaysia events is as illustrated below:



We also hosted our first in-house commercial foodservice and kitchen equipment event, K360 HORECA Fair 2023, which we organised at our product showroom at Balakong, Selangor. This event attracted 30 exhibitors.



K360 HORECA Fair 2023

In 2024, we participated in the Taste & Trade 360 exhibition at the Malaysia International Trade and Exhibition Centre (MITEC) in Kuala Lumpur.



Taste & Trade 360 exhibition in 2024

5. BUSINESS OVERVIEW (CONT'D)**(v) Publication of product catalogues, brochures and flyers**

We make available product catalogues, brochures and flyers from suppliers both online and offline. These product catalogues, brochures and flyers are distributed to our existing and potential customers at exhibitions and fairs as well as when they visit our showroom, Kitchen 360, in order to generate their interest and awareness in our kitchen equipment products. Interested customers can also download these product catalogues, brochures and flyers from our online platforms.

5.8 Quality assurance and quality control

We place strong emphasis on quality management to accredit the quality of our products. Upon the receipt of products at our warehouse, we will conduct a quantity check on the products to ensure that the quantity received is equivalent to the amount that was raised in the purchase order as well as invoices issued by suppliers. We will also conduct visual checks on the external packaging to ensure that there is no damage. We will inform our suppliers in case there are discrepancies for product replacement or payment deductions. All products will be attached with a tag containing the product barcode as well as the price tag before they are stored in our warehouse according to product category.

Prior to delivery or upon commissioning of our kitchen equipment products, we perform functional testing on our kitchen equipment products to ensure that the products meet quality standards and function as intended. By doing so, this ensures that our kitchen equipment operates according to its intended function.

Beyond warehouse inspections, we actively engage with customers to gather feedback on their purchases of commercial foodservice and kitchen equipment. We address any defects or malfunctions by liaising with suppliers and continuously improving product selection, supplier selection and after-sales services. Additionally, we source from established brands of commercial foodservice and kitchen equipment, conduct annual reviews of our suppliers and may also visit their operating premises to gain insights to the production process of the products selected to ensure all products sourced meet our reliability and customer satisfaction standards. During the Financial Periods Under Review, defects detected during our inspections, such as, among others, dents and malfunction of product settings/configurations, were escalated to the suppliers immediately and the suppliers had rectified the said malfunction and replaced the dented products in a timely manner. Such rectifications or replacements by our suppliers did not result in any significant delay to the delivery to our customers or caused any damages being claimed by our customers against our Group.

5.9 Research and development

For the Financial Periods Under Review and up to the LPD, we have not undertaken any research and development activity as it is not relevant to our business.

5.10 Operating capacity and output

As our Group does not undertake any manufacturing activities or processing activities, conventional measures of production capacity and utilisation are not relevant to our operations.

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5. BUSINESS OVERVIEW (CONT'D)**5.11 Technology used**

Our information technology personnel oversee the maintenance and enhancement of our Group's information technology infrastructure. Currently, we utilise the following software for our operations and back-up processes, as follows:

Software	Description
Accounting system	A business accounting software used in for our finance operations.
Backup solution	A backup and data protection software which manages the backup for our internal server as well as the data stored in our accounting system.
Cloud hosting solution	The cloud hosting solution allows us to manage our online platforms on the cloud, storing all customer data and information and managing the backup for our data.
Data Protection Software	We use various software to provide real-time protection against malwares and data viruses as well as to protect our networks from unauthorised access, malware, and other cyber threats.
Payment solutions	We use online payment gateway, which allows us to accept payments online via various methods such as credit cards, debit cards and online banking.
Open-source platform	We use open-source e-commerce platform for our Kitchen Arena and Murah Kitchen website.

Moving forward, our Group is strategically positioning ourselves to capitalise on the transformative potential of business intelligence and big data. We plan to further invest in advanced analytics capabilities which will enable us to extract actionable insights from the data collected from our online platforms and social media platform, therefore, allowing us to gain deeper insights into customer behaviour, market trends, and operational performance. This will enhance our decision-making processes, thereby, improving operational efficiency and capture on the emerging market trends. We are committed to leveraging on business intelligence and big data to deliver personalised customer experiences through comprehensive customer segmentation and predictive analytics, aiming to anticipate customer needs, enhance engagement, and drive loyalty and satisfaction. We believe that analysing market trends, customer feedback, competitive intelligence and anticipated data will drive innovation and personalisation efforts within our Group.

5.12 Interruptions to business

Our Group has not experienced any interruption which had significantly affected our business during the Financial Periods Under Review and up to the LPD.

In 2020, we were temporarily closed from 18 March 2020 to 3 May 2020 during the COVID-19 outbreak. Other than that, our showroom was operating at the permissible capacity set by the relevant regulatory authorities in Malaysia and we were still carrying out our business from our online platforms.

We did not experience any material impact on our Group's financial performance arising from the various disruptions in our retail operations due to the COVID-19 pandemic, as we were able to continue operating our online platforms and fulfilling sales order received from our customers. Our Group's total revenue increased from RM6.67 million in FYE 2021 to RM9.77 million in FYE 2022, RM17.21 million in FYE 2023 and RM30.89 million in FYE 2024.

5. BUSINESS OVERVIEW (CONT'D)**5.13 Employees**

As at the LPD, we employ a total of 28 employees, all of whom are Malaysians. The breakdown of our employees as at FYE 2023, FYE 2024 and the LPD are as follows:

Department	Total number of employees		
	As at FYE 2023	As at FYE 2024	As at the LPD
Directors	2	2	2
Marketing and Sales	4	7	7
Product Management	1	2	2
Operations	8	12	13
Finance and Human Resource	1	4	4
Total	16	27	28

5.14 Major customers

Our Group's top 5 major customers for the FYE 2023, FYE 2024 and 4M-FPE 2025 are as follows:

FYE 2023

No.	Name / Country	Type of products sold	Revenue (RM'000)	% of total revenue	Length of relationship ⁽¹⁾
1.	MSM group of companies ⁽²⁾ / Malaysia	Refrigeration equipment and foodservice equipment	4,449	25.8	7 years
2.	Zen Kitchen (BB) Sdn Bhd / Malaysia	Cold room and fresh air system	736	4.3	Less than 1 year
3.	Mamakim Wellness Kitchen Sdn Bhd / Malaysia	Exhaust hood system and refrigeration equipment	549	3.2	1 year
4.	Bloom My Sdn Bhd / Malaysia	Cold room and baking equipment	523	3.0	Less than 1 year
5.	Asia Mex Concepts Sdn Bhd / Malaysia	Refrigeration equipment and stainless steel fabrication	344	2.0	Less than 1 year
Total			6,601	38.3	

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5. BUSINESS OVERVIEW (CONT'D)**FYE 2024**

No.	Name / Country	Type of products sold	Revenue (RM'000)	% of total revenue	Length of relationship⁽¹⁾
1.	MSM group of companies ⁽²⁾ / Malaysia	Refrigeration equipment and foodservice equipment	3,747	12.1	8 years
2.	Raya Kitchen Sdn Bhd / Malaysia	Refrigeration equipment and culinary heat equipment	1,358	4.4	4 years
3.	Ayam Gepuk (M) Sdn Bhd / Malaysia	Stainless steel fabrication and refrigeration equipment	1,106	3.6	1 year
4.	Blackbixon2go Sdn Bhd / Malaysia	Refrigeration equipment, culinary heat equipment and exhaust hood system	965	3.1	1 year
5.	Mamakim Wellness Kitchen Sdn Bhd / Malaysia	Refrigeration equipment, culinary heat equipment and stainless steel fabrication	867	2.8	2 years
Total			8,043	26.0	

4M-FPE 2025

No.	Name / Country	Type of products sold	Revenue (RM'000)	% of total revenue	Length of relationship⁽¹⁾
1.	Ayam Gepuk (M) Sdn Bhd / Malaysia	Culinary heat equipment and stainless steel fabrication	1,393	11.2	1 year
2.	Raya Kitchen Sdn Bhd / Malaysia	Refrigeration, culinary heat equipment and stainless steel fabrication	1,255	10.1	4 years
3.	MSM group of Companies ⁽²⁾ / Malaysia	Refrigeration equipment and foodservice equipment	1,086	8.7	9 years
4.	UR Restaurants Sdn Bhd / Malaysia	Refrigeration, culinary heat equipment and stainless steel fabrication	802	6.4	Less than 1 year
5.	Craving Hub Sdn Bhd / Malaysia	Exhaust hood system and culinary heat equipment	280	2.3	Less than 1 year
Total			4,816	38.7	

Notes:

- (1) Length of relationship is computed as at the respective financial year/period.
- (2) The subsidiaries of MSM group of companies which our Group has transactions with comprised MSM Equipment Manufacturer Sdn Bhd, MSM Kitchen Sdn Bhd and FIC Kitchen Technology Sdn Bhd, all of which are subsidiaries of MSM International Limited, a public company listed on the Catalist of Singapore Exchange Securities Trading Limited.

None of our promoters, substantial shareholders, directors and key senior management has any interest, direct or indirect, in the abovementioned major customers of our Group.

The abovementioned top 5 major customers had contributed in aggregate approximately 38.3%, 26.0% and 38.7% to our Group's total revenue for the FYE 2023, FYE 2024 and 4M-FPE 2025.

5. BUSINESS OVERVIEW (CONT'D)

Notwithstanding the revenue contribution from MSM group of companies amounting to 25.8%, 12.1% and 8.7% of our total revenue in the FYE 2023, FYE 2024 and 4M-FPE 2025, we are not dependent on any single customer as we have a diversified customer base, comprising 943 customers in FYE 2023 and 1,315 customers in FYE 2024. MSM group of companies are involved in, among others, the contract manufacturing of kitchen equipment, as well as sale and servicing of kitchen equipment products and refrigeration appliances. As at the LPD, our Group has 9 years of relationship with MSM group of companies. For the FYE 2023, FYE 2024 and 4M-FPE 2025, we sold refrigeration equipment and foodservice equipment which are imported by our Group to MSM group of companies.

Our Group does not enter into long-term agreement or contract with our major customers as our sales with them are transacted based on purchase order basis.

5.15 Major suppliers

Our Group's top 5 major suppliers for the FYE 2023, FYE 2024 and 4M-FPE 2025 are as follows:

FYE 2023

No.	Name / Country	Types of products / services	Purchases (RM'000)	% of total purchases	Length of relationship ⁽¹⁾
1.	MSM group of companies ⁽²⁾ / Malaysia	Customised refrigeration equipment, culinary heat equipment, and stainless steel fabrication	4,810	29.3	8 years
2.	Chuzhou Chuangli Electrical Appliances Co., Ltd / China	Refrigeration equipment	3,088	18.8	1 year
3.	Bluenix Co., Ltd / South Korea	Refrigeration equipment	1,754	10.7	6 years
4.	Equipfic Sdn Bhd / Malaysia	Stainless steel fabrication and culinary heat equipment	676	4.1	5 years
5.	F&B Equipment Sdn Bhd / Malaysia	Culinary heat and food preparation equipment	557	3.4	6 years
Total			10,885	66.3	

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5. BUSINESS OVERVIEW (CONT'D)**FYE 2024**

No.	Name / Country	Types of products / services	Purchases (RM'000)	% of total purchases	Length of relationship⁽¹⁾
1.	MSM group of companies ⁽²⁾ / Malaysia	Customised refrigeration equipment, culinary heat equipment, and stainless steel fabrication	7,048	27.8	9 years
2.	Chuzhou Chuangli Electrical Appliances Co., Ltd / China	Refrigeration equipment	2,813	11.1	2 years
3.	Bluenix Co., Ltd / South Korea	Refrigeration equipment	2,610	10.3	6 years
4.	Equipfic Sdn Bhd / Malaysia	Stainless steel fabrication and culinary heat equipment	1,252	4.9	7 years
5.	Unox (Asia) Sdn Bhd / Malaysia	Commercial oven and water filtration system	993	3.9	8 years
Total			14,716	58.0	

4M-FPE 2025

No.	Name / Country	Types of products / services	Purchases (RM'000)	% of total purchases	Length of relationship⁽¹⁾
1.	MSM group of companies ⁽²⁾ / Malaysia	Customised refrigeration equipment, culinary heat equipment, and stainless steel fabrication	2,047	21.5	9 years
2.	Equipfic Sdn Bhd / Malaysia	Stainless steel fabrication and culinary heat equipment	1,329	13.9	7 years
3.	Chuzhou Chuangli Electrical Appliances Co., Ltd / China	Refrigeration equipment	693	7.3	2 years
4.	MH Airduct Engineering Sdn Bhd / Malaysia	Exhaust hood	528	5.5	3 years
5.	Bluenix Co., Ltd / South Korea	Refrigeration equipment	449	4.7	7 years
Total			5,046	52.9	

Notes:

- (1) Length of relationship are computed as at the respective financial year/period.
- (2) The subsidiaries of MSM group of companies which our Group has transactions with comprised MSM Equipment Manufacturer Sdn Bhd, MSM Kitchen Sdn Bhd and FIC Kitchen Technology Sdn Bhd, all of which are subsidiaries of MSM International Limited, a public company listed on the Catalist of Singapore Exchange Securities Trading Limited.

5. BUSINESS OVERVIEW (CONT'D)

None of our Promoters, substantial shareholders, Directors and key senior management has any interest, direct or indirect, in the abovementioned major suppliers of our Group.

The abovementioned top 5 major suppliers had contributed in aggregate approximately 66.3%, 58.0% and 52.9% to our Group's total purchases for the FYE 2023, FYE 2024 and 4M-FPE 2025, as detailed below:

- (i) MSM group of companies contributed 29.3%, 27.8% and 21.5% of our total purchases for the FYE 2023, FYE 2024 and 4M-FPE 2025.

MSM group of companies is both a major customer and major supplier of our Group. However, we buy and sell distinct products from and to MSM group of companies. For the FYE 2023, FYE 2024 and 4M-FPE 2025, we sold to MSM group of companies refrigeration equipment and foodservice equipment under the brands which are imported by our Group, while we procured customised refrigeration equipment, culinary heat equipment, and stainless steel fabrication from MSM group of companies.

For clarity, the refrigeration equipment, culinary heat equipment, and stainless steel fabrication that we procured from MSM group of companies are customised to the technical specifications (such as length, width and height) required by our customers based on their commercial kitchen layouts as MSM group of companies has manufacturing capabilities to carry out such customisation works. Comparatively, the refrigeration equipment and foodservice equipment that we sold to MSM group of companies have standard specifications and with specific brands for use in most commercial kitchens which we procure from manufacturers or the authorised distributors.

Our Group does not have any agreement or arrangement with MSM group of companies, and our transactions with MSM group of companies are conducted on purchase order basis.

- (ii) Chuzhou Chuangli Electrical Appliances Co., Ltd contributed 18.8%, 11.1% and 7.3% of our total purchases for the FYE 2023, FYE 2024 and 4M-FPE 2025. For the FYE 2023, FYE 2024 and 4M-FPE 2025, we procured refrigeration equipment from Chuzhou Chuangli Electrical Appliances Co., Ltd.
- (iii) Bluenix Co., Ltd contributed 10.7%, 10.3% and 4.7% of our total purchases for the FYE 2023, FYE 2024 and 4M-FPE 2025. For the FYE 2023, FYE 2024 and 4M-FPE 2025, we procured refrigeration equipment from Bluenix Co., Ltd.
- (iv) Equipfic Sdn Bhd contributed 4.1%, 4.9% and 13.9% of our total purchases for the FYE 2023, FYE 2024 and 4M-FPE 2025. For the FYE 2023, FYE 2024 and 4M-FPE 2025, we procured stainless steel fabrication, culinary heat equipment and other foodservice equipment from Equipfic Sdn Bhd.

Notwithstanding the above, our Group is not dependent on MSM group of companies and Equipfic Sdn Bhd for the customised products and fabrication services as there are many local suppliers or manufacturers which are able to provide comparable customised products and services. We chose MSM group of companies and Equipfic Sdn Bhd mainly due to their proximity to our existing showroom and warehouse to reduce lead time from orders being placed until the delivery of the finished products to our warehouse.

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5. BUSINESS OVERVIEW (CONT'D)

Apart from MSM group of companies and Equipfic Sdn Bhd, our purchases of kitchen equipment from the other major suppliers are for specific brands of products of which our major suppliers are the manufacturers or the authorised distributors. Our Group is dependent on major suppliers whom are manufacturers (i.e., Chuzhou Chuangli Electrical Appliances Co., Ltd and Bluenix Co., Ltd) to the extent of the specific brands of the kitchen equipment which these major suppliers' produce and requested by our customers. For kitchen equipment which we are unable to procure, we will not post them on our online platforms. In certain instances, our Group will be able to provide recommendations to customers for kitchen equipment which are able to perform similar functions and features, albeit of different brands, and meet our customers' requirements. For those major suppliers which are authorised distributors (i.e., F&B Equipment Sdn Bhd), our Group will seek for other authorised distributors which carry the same brands of kitchen equipment to be offered to our customers and on our online platforms.

Further, as our Group carries a wide range of brands, we will still be able to propose comparable brands and/or products with similar functions and features to our customers for their consideration.

Our Group generally does not enter into long-term agreements or arrangements with our major suppliers as purchases from our Group's suppliers are conducted on a purchase order basis. This allows us to have the flexibility to source for quality products at competitive prices.

For the FYE 2023, FYE 2024 and 4M-FPE 2025, our Group has not experienced any major disruptions in supply from our suppliers.

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5. BUSINESS OVERVIEW (CONT'D)

5.16 Major approvals, licenses and permits

As at the LPD, our Group has obtained all required approvals, licenses and permits for our business operations. The details of the major approvals, licenses and permits obtained by our Group for our business operation are as follows:

Description of approval / license / permit	Approving / Issuing authority	License no. / Reference no.	Approval date / Issue date / Expiry date	Major conditions imposed	Status of compliance
Business license for sale and provision of services (office for kitchen items)	Municipal Council of Kajang	MPKJ/CL/6/765/2022*	16 January 2025 to 15 July 2025 ⁽¹⁾	<div> 1. The license holder must comply with all conditions and restrictions set by the issuing authority. </div> <div> 2. The license must be displayed at all times in a visible place within the licensed premises. </div>	Complied

Note:





(1) Our Group will apply for renewal of the business license according to the prescribed period stated in the relevant by-laws of the local authority prior to the expiry of the business license and the local authority will issue the renewed business license before the expiry of the business license. We have not experienced or do not foresee any risk of non-renewal of our business license.

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5. BUSINESS OVERVIEW (CONT'D)

5.17 Intellectual properties rights

As at the LPD, save as disclosed below, we do not have any other intellectual property rights which our business is materially dependent on:

Intellectual property right	Applicant / Proprietor	Authority	Application No.	Filing date / Registration date	Renewal date	Class / Description	Status
Trademark 	PESB	MyIPO	TM2024011537	24 April 2024	24 April 2034	Class 38 ⁽¹⁾	Registered
Trademark 	PESB	MyIPO	TM2024011538	24 April 2024	24 April 2034	Class 42 ⁽²⁾	Registered
Trademark 	PESB	MyIPO	2015053955	16 March 2015	16 March 2035	Class 11 ⁽³⁾	Registered
Trademark 	PESB	MyIPO	2015053961	16 March 2015	16 March 2035	Class 35 ⁽⁴⁾	Registered

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5. BUSINESS OVERVIEW (CONT'D)

Notes:

- (1) Providing access to an electronic marketplace [portal] on computer networks; providing access to e-commerce platforms on the internet; internet communication services; electronic bulletin board services [telecommunications services]; providing telecommunications connections to a global computer network; providing access to the internet and other communications networks; providing access to web sites on the internet or any other communications network; providing access to websites on the internet or any other communications network; transmission of messages, data and content via the internet and other communications networks; transmission of messages, data and content via the internet and other computer and communications networks; information about telecommunication; computer aided transmission of messages and images; transmission of digital files; providing internet chatrooms; providing online forums; streaming of data; teleconferencing services; wireless broadcasting; transmission of news; providing access to databases; providing user access to global computer networks; rental of access time to global computer networks; providing on-line communications links which transfer the web site user to other local and global web pages; providing telecommunication channels for teleshopping services.
- (2) Hosting e-commerce platforms on the internet; hosting of e-commerce platforms on the internet; design and creation of homepages and internet pages; creation and maintenance of internet sites; design, creation, hosting and maintenance of internet sites for third parties; hosting digital content on the internet; hosting of platforms on the internet; hosting websites on the internet; hosting of digital content on the internet; programming of software for internet portals, chatrooms, chat lines and internet forums; providing internet search engines; research in the field of computer technology conducted using databases and the internet.
- (3) Electric deep fryers; electric boilers; cookers; refrigerators; apparatus for cooking, heating and refrigerating; kitchen ranges.
- (4) The bringing together, for the benefit of others, of a variety of domestic electrical appliances and apparatus for use in kitchen and household; enabling customers to conveniently view and purchase those goods in a retail outlet; retail store and wholesales services for the aforesaid goods; advertising, marketing and promotional services over the internet; business management; office functions.

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5. BUSINESS OVERVIEW (CONT'D)

5.18 Properties

5.18.1 Properties owned

As at the LPD, we do not own any property.

5.18.2 Properties rented or leased

There is no other material property rented or leased by our Group for our business operations, save as disclosed below:

Landlord	Tenant	Address	Description / Existing use	Built-up area	Monthly rental (RM)	Tenure	Renewal option
Luv Le Garden Cafe Sdn Bhd ⁽¹⁾	PESB	Lot 3210, Jalan Balakong, Kawasan Perindustrian Kampung Baru Balakong, 43300 Selangor Ehsan.	<u>Description:</u> 1 block of detached 2-storey office building <u>Existing use:</u> Office, showroom and warehouse	11,608.89 sq ft	5,000.00	2 years (1 January 2025 - 31 December 2026) ⁽²⁾	Renewable for a further term of 1 year provided that PESB serves a notice in writing at least 2 months prior to the expiry of the tenancy.

Notes:

- (1) As at the LPD, the shareholder of Luv Le Garden Cafe Sdn Bhd is Mah Siew Peng and the directors of Luv Le Garden Cafe Sdn Bhd are Mah Siew Peng and Saw Ling Xiang. Mah Siew Peng held shares in PESB since October 2019 and had disposed her entire equity interest in PESB to Soh Yeow Seng in December 2023. As at the LPD, Mah Siew Peng and Saw Ling Xiang are not a related party (as defined in **Section 8.1** of this Information Memorandum) to our Group as they are not a present director (or in the past 6 months prior to the LPD) or major shareholder of our Company and/or persons connected with the present directors or major shareholders of our Company. Accordingly, Luv Le Garden Cafe Sdn Bhd is not a related party to our Group as at the LPD.

(2) PESB had rented the property from Luv Le Garden Cafe Sdn Bhd since May 2017 until the present tenancy with effective tenure from 1 January 2025 to 31 December 2026.

5. BUSINESS OVERVIEW (CONT'D)

5.19 Business strategies and future plans**5.19.1 We intend to expand our business footprint in Negeri Sembilan, Johor and Penang**

Our Group intends to set up 3 new showrooms with storage facilities within Peninsular Malaysia, comprising 1 new showroom with storage facility in Negeri Sembilan, Johor and Penang respectively, by using the proceeds from the Pre-Listing Subscription and Proposed Placement.

While we primarily leverage on our Group's online platforms (namely Kitchen Arena and Murah Kitchen) for our trading of commercial foodservice and kitchen equipment, our showrooms provide customers a hands-on experience with our commercial foodservice and kitchen equipment products with the assistance of our representatives to provide guidance and advice in selecting the items that suit their needs, performance expectations, level of operations and budget.

Currently, our Group has been operating with 1 showroom and warehouse located in Selangor, namely the Kitchen 360. Our Group stores our inventories in and delivers the products to our customers from our warehouse in Selangor. We have identified Negeri Sembilan, Johor and Penang for our expansion to improve our physical presence and to allow our Group to better serve our prospective customers in the said identified regions/areas. The new showrooms will allow our customers in the region to experience our products and be guided by our representatives, as well as allow our Group to store certain inventories to shorten the delivery time to our customers in the region as compared to delivery from our central warehouse in Selangor. Further, the penetration into these new regions/areas are expected to also improve our profile and stature with customers in these regions and in turn generate higher number of transactions on our online platforms such as Kitchen Arena and Murah Kitchen.

As at the LPD, we have identified and paid non-refundable booking fees for properties for the setting-up of new showrooms with storage facilities in Negeri Sembilan and Johor. We are in the midst of negotiating the terms of the tenancy agreements with the owners/landlords of these properties and anticipate to enter into the tenancy agreements with them in the second quarter of 2025. We expect that the handover of vacant possession for the showrooms with storage facilities in Negeri Sembilan and Johor to be completed by end of second quarter of 2025 and commence operations in the third quarter of 2025.

The locations for the setting-up of the 3 new showrooms with storage facilities are selected after taking into consideration factors like population and demographics, types of premises and locations available, economic conditions as well as future developments of the proposed locations. The expansion into these new areas will enable our Group to build awareness and increase the visibility and presence of our business by providing better accessibility and convenience to both our existing and new customers.

We have allocated, in aggregate, RM3.00 million of the proceeds from our Pre-Listing Subscription and Proposed Placement for the purpose of establishing 3 new showrooms with storage facilities, of which RM0.60 million will be used as capital expenditure (such as renovations, furniture, fittings and purchase of equipment) and the remaining RM2.40 million to be used as start-up costs for the new showrooms (such as, among others, purchase of inventories, rental and staff cost). We expect to utilise the funds allocated to establish 3 showrooms with storage facilities within 24 months from our Proposed Listing. Further details of the utilisation of proceeds are set out in **Section 2.5** of this Information Memorandum.

5.19.2 We intend to grow our revenue from the trading of pre-owned commercial kitchen equipment at Murah Kitchen

For the FYE 2023 and FYE 2024, the revenue from Murah Kitchen was RM1.50 million and RM3.84 million respectively. As for the 4M-FPE 2024 and 4M-FPE 2025, the revenue from Murah Kitchen was RM1.16 million and RM1.70 million respectively.

We intend to grow our revenue from Murah Kitchen by continuously ensuring that our Murah Kitchen online marketplace platform is user-friendly, mobile-responsive, and optimised for search engines. Therefore, making it easy for customers to browse the products, add items to their cart, and complete purchases.

5. BUSINESS OVERVIEW (CONT'D)

We also intend to increase the number of customers buying from Murah Kitchen, by engaging with digital marketing efforts such as social media advertising, email marketing, content marketing, and influencer partnerships to reach our target audience and drive traffic to our online marketplace platform and increase visibility.

Further, we intend to provide customer service to build trust and loyalty with our customers by offering multiple channels for customer support, responding promptly to inquiries and concerns, and striving to exceed customer expectations at every touchpoint.

This is a continuous and ongoing effort that our Group undertakes to promote the awareness and visibility of Murah Kitchen.

5.19.3 We intend to provide our services under Business Doctor as a separate business segment to provide additional revenue stream to our Group

We presently offer buyers kitchen design consultancy and installation services for commercial foodservice and kitchen equipment procured from our online platforms through Business Doctor. This service is offered to complement the trading of commercial foodservice and kitchen equipment products from our online platforms. Therefore, for the Financial Periods Under Review and up to the LPD, we do not record revenue from the services under Business Doctor on a standalone basis.

Notwithstanding the above, in view of increasing customers' requests or demand for customisation and consultation as well as ad-hoc services relating to commercial foodservice and kitchen equipment, our Group intends to introduce and expand the services offered under Business Doctor on a standalone basis to include kitchen design consultancy and aftersales services such as installation, servicing and repair services to all existing and potential customers not confined to only those who purchase products from our online platforms. This will provide an additional revenue stream to our Group moving forward.

Our personnel have been providing the consultancy and installation services to our customers of our Group's trading of commercial foodservice and kitchen equipment products. As such, our Group's plan in respect of the Business Doctor to be operated as a separate business segment does not require any significant expenditure or capital to put it on stream. We intend to commence the provision of services under Business Doctor as a separate business segment by 1st half of 2025.

5.19.4 We intend to expand our product range

We intend to expand our product range as it enables us to meet the requirements of a wider target market. This expansion will involve securing distribution rights for local and overseas commercial foodservice and kitchen equipment products. In this respect, we plan to increase our supply base for bakery equipment, food processors, kitchenware, and bar supplies range of products which includes proofer, convection and combi ovens, and other food preparation equipment. We are also actively looking at the possibility of extending our product range to include tableware, crockery, cutlery and cooking utensils to complement our range of commercial foodservice and kitchen equipment products. As at the LPD, we are in the midst of identifying suitable brand owners and suppliers.

The culinary industry is constantly evolving, with new trends, technologies, and cooking techniques emerging. Expanding our product range will allow us to stay competitive and capture new market opportunities when they arise. This is a continuous and ongoing effort that our Group undertakes to meet evolving requirements of our customers.

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5. BUSINESS OVERVIEW (CONT'D)

5.19.5 We intend to expand our digital capabilities

We intend to adopt business intelligence tools and engage a third-party vendor to enhance the capabilities of our online platforms, Kitchen Arena and Murah Kitchen. This initiative involves developing and integrating data analytics software to gather, process and analyse data related to customer behaviour, preferences and purchasing patterns. By leveraging these insights, we aim to deploy targeted marketing strategies that offer greater personalisation to specific customer segments on our online platforms. We can tailor product offerings, promotional campaigns and content to align with individual customer preferences, resulting in increased customer satisfaction and higher conversion rates.

As part of our online platform improvements, we also plan to enhance the functionality and user interface of Kitchen Arena and Murah Kitchen. We plan to include new features such as a bidding function on Murah Kitchen to provide users a more dynamic and competitive marketplace experience, allowing buyers to obtain better prices and sellers to reach a broader audience. This feature is expected to stimulate activities on Murah Kitchen, attracting more users and creating a more vibrant trading environment.

Additionally, we will optimise the browsing, navigation and search capabilities of our online platforms to provide users with a more intuitive and engaging experience for our users.

We intend to enhance our online platforms with business intelligence and have allocated RM0.50 million or 9.7% of the proceeds from our Proposed Placement for this purpose. We expect to utilise the funds allocated within 24 months from our Proposed Listing.

5.20 Prospects of our Group

We believe that our prospects in the commercial foodservice and kitchen equipment market are favourable taking into consideration our competitive strengths and our future plans as set out in **Sections 5.5** and **5.19** of this Information Memorandum as well as the prospects of the commercial foodservice and kitchen equipment market as set out below.

According to the IMR Report, the commercial foodservice and kitchen equipment market in Malaysia grew from RM3.4 billion in 2020 to RM3.9 billion in 2023 at a CAGR of 4.7%. The commercial foodservice and kitchen equipment market includes transactions carried out by buyers and consumers of commercial foodservice and kitchen equipment for commercial and personal use. Providence anticipates the commercial foodservice and kitchen equipment market to witness a year-on-year growth rate of 2.6% in 2024. Over the longer term, Providence projects the commercial foodservice and kitchen equipment market to increase from RM3.9 billion in 2023 to RM4.5 billion in 2026 at a CAGR of 4.9%. The commercial foodservice and kitchen equipment market is primarily supported by the consumer foodservice industry in Malaysia.

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6. INDEPENDENT MARKET RESEARCH REPORT



PROVIDENCE STRATEGIC PARTNERS SDN BHD
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46200 Petaling Jaya, Selangor, Malaysia.
T: +603 7625 1769

14 April 2025

The Board of Directors
PING EDGE TECHNOLOGY BERHAD
Lot 3210, Jalan Balakong
Kawasan Perindustrian Kampung Baru Balakong
43300 Seri Kembangan
Selangor
Malaysia.

Dear Sirs,

Outlook of the Commercial Foodservice and Kitchen Equipment Market in Malaysia in conjunction with the Listing of PING EDGE TECHNOLOGY BERHAD on the LEAP Market of Bursa Malaysia Securities Berhad

PROVIDENCE STRATEGIC PARTNERS SDN BHD (“**PROVIDENCE**”) has prepared this Outlook of the Commercial Foodservice and Kitchen Equipment Market in Malaysia for inclusion in the Information Memorandum of PING EDGE TECHNOLOGY BERHAD.

PROVIDENCE has taken prudent measures to ensure reporting accuracy and completeness by adopting an independent and objective view of these industries within the confines of secondary statistics, primary research and evolving industry dynamics.

No part of this publication may be copied, reproduced, published, distributed, transmitted or passed, in whole or in part, without the prior express written consent of PROVIDENCE.

For and on behalf of PROVIDENCE:

A handwritten signature in black ink, appearing to read 'Elizabeth Dhoos', with a stylized flourish at the end.

ELIZABETH DHOOS
EXECUTIVE DIRECTOR

About PROVIDENCE STRATEGIC PARTNERS SDN BHD:

PROVIDENCE is an independent research and consulting firm based in Petaling Jaya, Selangor, Malaysia. Since our inception in 2017, PROVIDENCE has been involved in the preparation of independent market research reports for capital market exercises. Our reports aim to provide an independent assessment of industry dynamics, encompassing aspects such as industry performance, demand and supply conditions, competitive landscape and government regulations.

About ELIZABETH DHOOS:

Elizabeth Dhoos is the Executive Director of PROVIDENCE. She has more than 15 years of experience in market research for capital market exercises. Elizabeth Dhoos holds a Bachelor of Business Administration from the University of Malaya, Malaysia.

6. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



1 COMMERCIAL FOODSERVICE AND KITCHEN EQUIPMENT INDUSTRY IN MALAYSIA

Ping Edge Technology Berhad is principally involved in the trading of commercial foodservice and kitchen equipment primarily via electronic commerce (“e-commerce”) and operates a physical retail outlet. In addition, Ping Edge Technology Berhad offers customers kitchen design consultancy services to complement the trading of commercial foodservice and kitchen equipment.

E-commerce refers to the buying and selling of goods or services on the Internet. E-commerce enables brands to make an array of products available, which are then shipped from a warehouse or various warehouses after a purchase is made. Business-to-business (“B2B”) e-commerce is the sale of goods or services through online transactions between businesses. Because orders are processed digitally, buying efficiency and effectiveness is improved for wholesalers, manufacturers, distributors and other types of B2B sellers. In B2B trades, sellers rely on online marketplaces or e-commerce sites that connect them with buyers who want to purchase their products and services.

E-commerce marketplaces offer several advantages for sellers and buyers, including:

Advantages for buyers	Advantages for sellers
<ul style="list-style-type: none"> Buyers get a wide variety of options on products to compare on a single website-commerce marketplace. This helps them find the most reasonable price for the best quality product. 	<ul style="list-style-type: none"> Smaller stores or vendors who are not sure about establishing their own e-commerce marketplace or want to reduce their marketing costs can align themselves with these larger businesses and gain visibility through their fulfilment options.
<ul style="list-style-type: none"> Buyers can access detailed information on product specifications from the e-commerce marketplace to facilitate decision making. Comparatively, product information may not be readily available at physical retail outlets. 	<ul style="list-style-type: none"> E-commerce marketplace platform acts as an additional sales channel for sellers to market and sell their products.
<ul style="list-style-type: none"> Real time updated information on the price and stock availability on the e-commerce marketplace makes it easier for the buyers to get the best deal. 	<ul style="list-style-type: none"> Sellers have access to customer data such as historical data on purchases, demographic and pricing information, which can be used to track customer behaviour patterns, preferences and trends to improve marketing strategies and customer experience. This information can be used by sellers to create an ecosystem to reach and serve more customers.
<ul style="list-style-type: none"> Buyers can find trusted established vendors and build a trading partnership by dealing exclusively with them on the e-commerce marketplace. 	<ul style="list-style-type: none"> Enables overseas sales by providing opportunities to trade in the international e-marketplace.

Commercial foodservice and kitchen equipment are heavy-duty kitchen equipment for use in commercial kitchens in foodservice establishments for the purposes of food preparation, cooking, cleaning and storage. Commercial foodservice and kitchen equipment include:

- cooking equipment;
- refrigeration and storage equipment;
- food preparation equipment;
- smallware; and
- cleaning and hygiene equipment.

These include fryers, steamers, cookers, broilers, kettles, ovens, food processors, refrigerators and dishwashers that are utilised in professional kitchens in foodservice establishments.

Commercial foodservice and kitchen equipment generally surpass residential equipment in terms of durability, efficiency and functionality. These equipment are made from robust materials to withstand continuous operations in professional kitchens. Commercial foodservice and kitchen equipment prioritise efficiency and safety, offering precise temperature control, rapid heating, advanced cooking functionalities, savings on energy consumption, higher storage capacity and cooling efficiency to meet high-volume operations.

Industry players in the commercial foodservice and kitchen equipment industry are typically involved in the

- design and production of commercial kitchen equipment, and / or

6. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

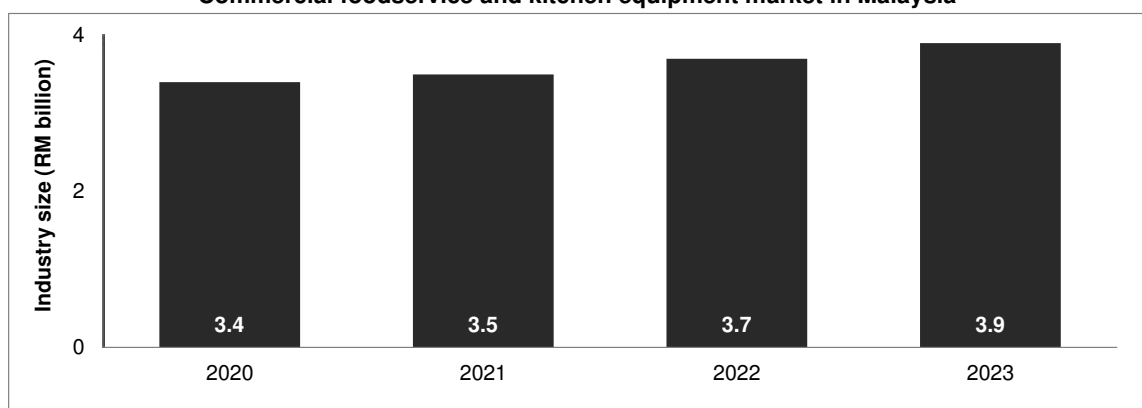


- marketing and sales of commercial kitchen equipment; and / or
- design and fitting out of commercial kitchens.

INDUSTRY SIZE AND GROWTH

The commercial foodservice and kitchen equipment market in Malaysia grew from RM3.4 billion in 2020 to RM3.9 billion in 2023¹ at a compound annual growth rate ("CAGR") of 4.7%. The commercial foodservice and kitchen equipment market includes transactions carried out by buyers and consumers of commercial foodservice and kitchen equipment for commercial and personal use.

Commercial foodservice and kitchen equipment market in Malaysia



Source: PROVIDENCE analysis

PROVIDENCE anticipates the commercial foodservice and kitchen equipment market to witness a year-on-year growth rate of 2.6% in 2024. Over the longer term, PROVIDENCE projects the commercial foodservice and kitchen equipment market to increase from RM3.9 billion in 2023 to RM4.5 billion in 2026 at a CAGR of 4.9%. The commercial foodservice and kitchen equipment market is primarily supported by the consumer foodservice industry in Malaysia.

DEMAND CONDITIONS: KEY GROWTH DRIVERS

Growth in the consumer foodservice market in Malaysia

The consumer foodservice market encompasses all establishments where food and beverages are prepared and served to consumers for consumption away from home. It comprises cafés/bars, full service restaurants, limited service restaurants, self-service cafeterias and street stalls/kiosks. Consumer foodservice establishments vary in terms of service style, menu offerings, pricing and target demographics. The consumer foodservice market reflects the overall demand for dining out of home, driven by factors such as changing lifestyles, urbanisation, convenience and social preferences.

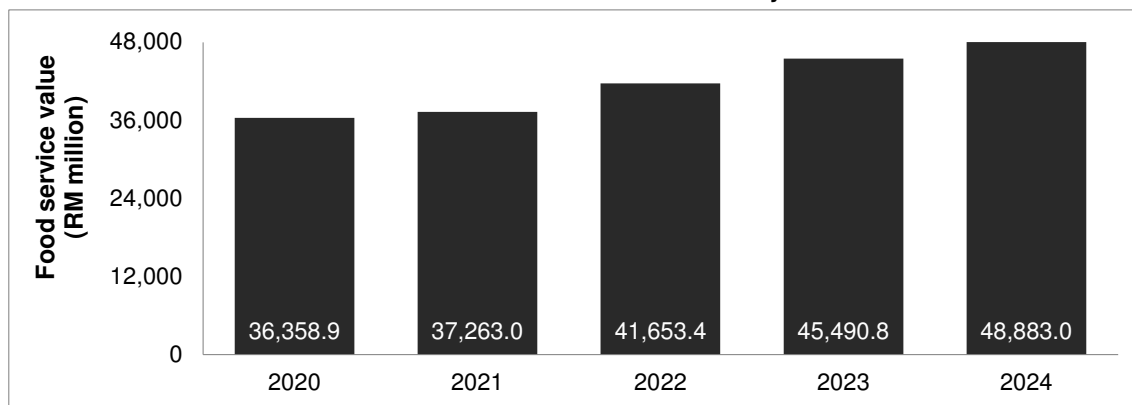
The consumer foodservice market in Malaysia, depicted by food service value, grew from RM36.4 billion in 2020 to RM48.9 billion in 2024 at a CAGR of 7.7%. In 2020, the consumer foodservice market saw a year-on-year decline of 21.6% due to the COVID-19 pandemic. During the COVID-19 pandemic, at-home consumption of food and beverages increased while out-of-home consumption was severely affected by the containment measures and operating capacity restrictions imposed by the Government of Malaysia to curb the spread of the virus. Food delivery began gaining momentum in 2020 as the foodservice industry adapted to cope with pandemic-related restrictions and movement controls. The consumer foodservice market began showing recovery in 2021, as more consumers resumed dining-in towards the last quarter of the year. By the last quarter of 2021, food and beverage outlets were allowed to open for business with normal operation hours and diners returned to physical premises while observing social distancing rules.

¹ Latest publicly available information as at the publication of this report

6. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



Consumer foodservice market in Malaysia



Source: PROVIDENCE analysis

The growth of the consumer foodservice market in Malaysia will be largely driven by the:

- **recovery and growth in post pandemic consumer spending**

Malaysia's gross domestic product per capita grew from RM37,739 in 2015 to RM54,862 in 2022 and subsequently RM57,741 in 2023.² Future growth in disposable income of the population will support the growing demand for full service restaurants.

The return to normal business with the reopening of international borders on 1 April 2022 and the transition to the endemic phase of the COVID-19 outbreak will support retail spending as it also boosts human traffic at shopping malls. Several malls have begun strengthening their food and beverage lineup with new tenants in an effort to attract local patrons as well as tourists. The introduction of new eateries and lifestyle retail concepts aim to position shopping malls as a meeting destination for shoppers to socialise. By appealing to a wide market, footfall in shopping malls is expected to increase thereby benefitting the sales of tenants in the shopping malls such as cafes and restaurants. Selected shopping malls in the Klang Valley are also transforming their properties, with more retail operators remodelling their retail spaces into food and beverage outlets as they position themselves as lifestyle malls. Post the COVID-19 pandemic, corporations are increasingly dining out at foodservice establishments as they organise corporate events and business gatherings with employees as well as business partners.

The greater normalisation of economic and social activities will augur well for the general recovery of Malaysia's foodservice industry.

- **recovery and growth in tourism activities**

In particular, consumer foodservice establishments that cater to tourists will receive a boost from the reopening of Malaysia's borders. On 1 April 2022, Malaysia reopened its international borders to all travellers. This positively impacted the tourism industry as tourist arrivals began increasing from 0.1 million in 2021 to 10.1 million in 2022 and subsequently 20.1 million in 2023. From January to November 2024, tourist arrivals further increased to 22.5 million. Malaysia is aiming to attract 27.3 million tourist arrivals in 2024 and subsequently 31.4 million tourist arrivals in 2025. The Government further aims to attract 35.6 million tourist arrivals in 2026 under the Visit Malaysia 2026 campaign.

- **population growth and rising urbanisation**

Based on a projection by the United Nations Department of Economic and Social Affairs ("DESA"), it is estimated that Malaysia's population will increase over the next 60 years. According to the 2024 Revision of World Population Prospects, the nation's population is expected to reach approximately 41.4 million in 2040 and subsequently approximately 44.2 million in 2050. The same trend has been projected for the nation's urbanisation rate, which is expected to reach 85.0% in 2040 and subsequently 87.3% in 2050. In 2023, Malaysia's population stood at 34.1 million. According to the Key Findings of Population and Housing Census of Malaysia 2020 published by the Department of Statistics Malaysia in December 2022, Malaysia's urbanisation rate increased to 75.1% in 2020 from 70.9% in 2010.³ Collectively, this is expected to bode

² Latest publicly available information as at the publication of this report

³ Department of Statistics Malaysia. Latest available statistics as at 14 April 2025

6. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

well for the foodservice industry as well the full service restaurant market, as population growth and improving consumer sentiment support higher spending on discretionary items.

In line with the improving labour market, more people are joining the workforce and working longer hours. Consequently, this has increased demand for convenience. Compared to rural dwellers, urban residents have greater spending power and lead busier lives and thus, have greater propensity for a wide range of food options. As a result, the consumer foodservice market in Malaysia is expected to continue experiencing growth in demand.

- **current lifestyle trends of the population**

In Malaysia, dining in or ordering takeaway fast food has become a common lifestyle habit among both single adults and families. Besides being able to provide food and drinks, these establishments are also a venue for patrons to socialise. The consumer foodservice market in Malaysia comprises a wide range of notable global and local brands with western and localised menu options to cater to diverse consumer preferences.

It is also a common occurrence for the population to celebrate events as well as festivals in consumer foodservice establishments. As Malaysia is a multi-racial country, there are many festivals that occur throughout the year including Hari Raya Aidilfitri, Chinese New Year, Deepavali and Christmas. It is particularly noteworthy that consumer foodservice establishments often launch new products and promotions to coincide with these festive events as an opportunity to attract more customers and generate higher revenues during these festive seasons.

- **applications, electronic wallets and social media as new marketing channels**

There are an increasing number of applications in Malaysia which enable delivery and takeaway services, introduce restaurants and provide discount vouchers. Delivery and takeaway service applications such as "GrabFood" and "Foodpanda" enable consumer foodservice establishments to not only serve customers patronising their outlet, but also customers remotely ordering through these applications.

Further, going cashless is also becoming popular through electronic wallet service providers such as Boost, GrabPay and Touch 'n Go eWallet. These electronic wallet service providers have been actively offering marketing promotions, which include discounts and vouchers for fast food.

Consumer foodservice establishments also are increasingly leveraging on social media as a marketing tool to create brand and product awareness, and attract customers to patronise their outlets. Through social media, these outlets are able to get their brand and product messaging to the mass market and/or target specific consumer demographics more quickly and in a cost-effective manner compared to traditional advertising methods.

- **supportive Government initiatives**

Under Budget 2024, the Government announced intentions to increase the service tax rate from 6.0% to 8.0% which subsequently became effective from 1 March 2024. However, this increase does not include services such as food and beverage as well as telecommunications. This is anticipated to support food and beverage sales and consumer foodservice establishments.

Under Budget 2025, the Government further announced an allocation of RM5.0 million to stimulate economic activities at the rakyat level, such as encouraging food enterprises to leverage the Dapur Digital platform by Pepper Labs.

The growing consumer foodservice market is expected to see the opening of new consumer foodservice establishments as well as expansion of existing ones. This will bode well for the demand for commercial foodservice and kitchen equipment as well as the design and fitting out of commercial kitchen as entrepreneurs acquire new and/or additional kitchen equipment to meet kitchen operational requirements.

Foreign investment and domestic investment growth support demand for consumer foodservice

Malaysia recorded RM378.5 billion in approved investments in 2024, a 14.9% year-on-year growth compared to the RM329.5 billion raised in 2023. The services sector continues to be a key driver of Malaysia's economic expansion, securing RM252.7 billion in approved investments or 66.8% of the total approvals. The information and communication sub-sector led the sector's growth, attracting RM136.0 billion or 53.8% of total service sector investments. These investments reflect the country's rapid adoption of digital technologies across industries such as agriculture, healthcare, finance, tourism, and Islamic digital economy. Other segments of the services sector also received approved investments, namely real estate (RM64.5 billion), support services (RM12.9 billion), utilities (RM11.1 billion) and transport services (RM8.5 billion). Malaysia's manufacturing sector secured RM120.5 billion in approved investments or 31.8% of the total approvals. Foreign investments were the dominant contributor, totalling RM88.9 billion (73.8%), while domestic investments remained

6. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



substantial at RM31.6 billion. This inflow of foreign capital underscores Malaysia's appeal as a global manufacturing hub. The electrical and electronics (E&E) industry secured the major share of investments in the manufacturing sector with RM55.8 billion or 46.3% affirming Malaysia's role in the global technology supply chain. Other segments within the manufacturing sector that also received approved investments include transport equipment (RM15.8 billion), chemicals and chemical products (RM10.6 billion), machinery and equipment (RM10.6 billion) and food manufacturing (RM6.1 billion). The primary sector registered approved investments of RM5.3 billion or 1.4% of the total approvals. The segments within the primary sector that received approved investments are mining (RM4.5 billion), agriculture (RM766.8 million) and plantation and commodities (RM71.6 million).⁴

Growth in investments attract labour and ultimately contribute to increasing the disposable income of the population. Investment growth also leads to the development of new commercial and industrial areas which then lead to the opening of new consumer foodservice establishments in these areas. This signifies growth potential for the consumer foodservice market which will support the demand for commercial kitchen equipment as well as design and fitting out of commercial kitchens arising from the opening of new foodservice establishments.

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⁴ Malaysia Performance Investment Report 2024, MIDA

6. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



COMPETITIVE LANDSCAPE

The commercial foodservice and kitchen equipment market in Malaysia is fragmented as industry players may offer a wide range of brands and / or product range of commercial foodservice and kitchen equipment, or specialise in selected brands and / or product range of commercial foodservice and kitchen equipment.

The commercial foodservice and kitchen equipment market in Malaysia was valued at RM3.9 billion in 2023. During the FYE 31 October 2023, Ping Edge Technology Berhad achieved a revenue of RM17.2 million from the trading of commercial foodservice and kitchen equipment. This revenue corresponds to a market share of approximately 0.4% in the commercial foodservice and kitchen equipment market. Subsequently in FYE 31 October 2024, Ping Edge Technology Berhad revenue further increased to RM30.9 million.

Key industry players that are involved in the trading of commercial foodservice and kitchen equipment in Malaysia and their channels of distribution include:

Industry players ^a	Business activities		Latest FYE available	Revenue (RM)	Profit before tax (RM)	Profit after tax (RM)	Profit after tax margin (%)
	Trading / distribution channel	Design and fitting out services					
Allied Foodservice Equipment Sdn Bhd	Physical	E-commerce	31 December 2023	30,828,624	1,100,490	822,365	2.7
Astaraya Sdn Bhd	✓	x	31 December 2023	2,613,013	299,004	212,521	8.1
Besstar Equipment Sdn Bhd	✓	x	30 June 2024	3,921,719	121,511	102,351	2.6
Chefonic Kitchen Equipment Sdn Bhd	✓	x	31 December 2023	15,474,615	2,425,431	1,844,174	11.9
Crafts Equipment Malaysia Sdn Bhd	✓	x	31 December 2023	53,750,004	2,409,026	1,731,258	3.2
F & B Equipment Sdn Bhd	✓	x	31 December 2023	30,288,396	848,623	670,296	2.2
Fully Kitchen Equipment Sdn Bhd	✓	x	30 June 2023	9,468,855	525,337	427,102	4.5
Heat Kitchen Equipment Sdn Bhd	✓	x	30 September 2023	1,346,455	97,824	80,376	6.0
IB COM Kitchen Expert Sdn Bhd	✓	x	31 December 2023	9,052,039	330,907	196,655	2.2
iFresh Beverage Equipment Sdn Bhd	✓	x	31 March 2024	3,103,667	462,439	350,665	11.3
Inter-Food Equipment Sdn Bhd	✓	x	31 December 2023	252,866	-104,988	-104,546	-41.3
JC Steel Marketing (M) Sdn Bhd	✓	x	31 October 2023	3,109,639	- 155,388	- 161,359	-5.2

6. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



Industry players ^a	Business activities			Latest available FYE	Revenue (RM)	Profit before tax (RM)	Profit after tax (RM)	Profit after tax margin (%)
	Trading / distribution channel	Physical	E-commerce	Design and fitting out services				
Kittech Services Sdn Bhd	✓		x	✓	5,335,829	295,319	99,345	1.9
MSM Equipment Manufacturer Sdn Bhd	✓		x	x	12,588,784	-160,475	-234,515	-1.9
NKR Continental (M) Sdn Bhd	✓		x	✓	79,372,781	13,021,023	9,383,035	11.8
Ping Edge Technology Berhad	✓		✓	✓	30,893,749	3,793,210	2,910,429	9.4
Pure Support Sdn Bhd	✓		x	x	6,634,609	1,184,813	918,243	13.8
SCC Corporation Sdn Bhd ^b	✓		x	x	35,425,678	2,155,360	1,603,601	4.5
Smart Stainless Steel Industry Sdn Bhd	✓		x	✓	2,343,293	63,444	9,452	0.4
SYM Equipment Sdn Bhd	✓		x	✓	32,624,275	4,729,357	3,575,921	11.0

Note:

^a The industry players listed above that are involved in the trading of commercial foodservice and kitchen equipment in Malaysia were identified based on publicly available sources, such as the internet, published documents and industry trade directories. This list of industry players may not be exhaustive as it does not include industry players that do not have a public presence.

The following criteria was adopted in identifying comparable industry players based on the abovementioned publicly available sources:

- Companies that are involved in the trading of commercial foodservice and kitchen equipment in Malaysia via physical trading / distribution channels; and/or
 - Companies that are involved in the trading of commercial foodservice and kitchen equipment in Malaysia via e-commerce trading / distribution channel.
- Based on publicly available information of the abovementioned industry players that have a public presence, Ping Edge Technology Berhad is presently the only industry player involved in the trading of commercial foodservice and kitchen equipment in Malaysia via e-commerce trading / distribution channel.

^b Wholly owned subsidiary of SCC Holdings Berhad which is listed on the ACE Market of Bursa Malaysia Securities Berhad

Latest available as at 14 April 2025

Source: Various company websites, Companies Commission of Malaysia, PROVIDENCE analysis

7. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS INFORMATION MEMORANDUM, YOU SHOULD CAREFULLY CONSIDER, IN ADDITION TO THE OTHER INFORMATION CONTAINED ELSEWHERE IN THIS INFORMATION MEMORANDUM, THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF OUR GROUP BEFORE INVESTING IN OUR SHARES.

If you are in any doubt as to the information contained in this section, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers.

7.1 Risks relating to our business operations

7.1.1 We rely on our suppliers of commercial foodservice and kitchen equipment to meet the requirements of our customers

Our Group is principally involved in the trading of commercial foodservice and kitchen equipment primarily via e-commerce through our Kitchen Arena website. We are not involved in any manufacturing activities, hence the products sourced from our suppliers are final products for onward sale to our customers. As at the LPD, we cover approximately 430 brands of commercial foodservice and kitchen equipment, which include among others, Frezmac, Modelux, Unox, Fresh, Redor, Powerline, Snow, Fagor, Robot Coupe and Costimo. Therefore, any material disruptions in our business dealings with these brand owners may affect our business and financial performance.

Presently, we do not have any long-term agreement or contract with our suppliers. Our purchases from them are based on purchase order on an as-needed basis. The absence of long-term agreements with these suppliers possesses a risk to us as we may be subject to unfavorable changes in the commercial terms or they are not obliged to supply their products to us. In such events, we are required to find alternative suppliers which can be time-consuming and on terms which are unfavourable to our Group. Any failure to identify suitable replacements at commercially acceptable terms or at all in a timely manner may lead to increased supply costs or interruptions in fulfilling our customer orders, which could lead to decreased customer confidence, loss of sales and adverse impact to our Group's reputation, operations and financial performance.

In the Financial Periods Under Review and up to the LPD, we have not experienced any major disruptions to our business operations as a result of disruptions to the delivery from our suppliers of commercial foodservice and kitchen equipment. However, there can be no assurance that such disruption or delay in delivery by our suppliers of commercial foodservice and kitchen equipment will not occur, which could have an adverse impact to our Group's business operations.

In the Financial Periods Under Review and up to the LPD, our Group has not been subject to material claim from customers for products supplied by our suppliers.

7.1.2 Failure to maintain or improve our technology infrastructure could restrict our business and prospects

We are constantly upgrading our platforms, Kitchen Arena and Murah Kitchen, to provide increased scale and improved performance for our online users. To adapt to new technology and upgrade our IT ecosystem infrastructure requires significant investment of time and resources, including adding new hardware, updating software and recruiting and training new information technology personnel. Maintaining and improving our technology infrastructure requires significant levels of investment. Adverse consequences could include unanticipated system disruptions, slower response times, impaired quality of buyers' and sellers' experiences and delays in reporting accurate operating and financial information.

If we experience problems with the functionality and effectiveness of our software or websites, or are unable to maintain and constantly improve our technology infrastructure to handle our business requirements, our Group's business, financial performance, results of operation and prospects, as well as our reputation, could be materially and adversely affected.

7. RISK FACTORS (CONT'D)

In the Financial Periods Under Review and up to the LPD, we have not experienced any significant problems with the functionality and effectiveness of our software or websites that had adversely affected our Group's operations and/or financial performance.

7.1.3 We are exposed to risks related to security breaches and attacks

Although we have employed significant resources to develop our security measures against breaches, our cybersecurity measures may not detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks and similar disruptions that may jeopardise the security of information stored in and transmitted by our systems or that we otherwise maintain. Breaches of our cybersecurity measures could result in unauthorised access to our systems, misappropriation of information or data, deletion or modification of information, or a denial-of-service or other interruption to our business operations. As techniques used to obtain unauthorised access to or sabotage systems change frequently and may not be known until launched against us or detected by the cybersecurity network, we may be unable to anticipate, or implement adequate measures to protect against these attacks.

If we are unable to avert these attacks and security breaches, we could be subject to significant legal and financial liability, our reputation would be harmed and we could sustain substantial revenue loss from lost sales and customers' confidence. We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. Cyber-attacks may target us, our sellers, buyers or other participants. Actual or anticipated attacks and risks may cause us to incur significantly higher costs, including costs to deploy additional personnel and network protection technologies, train employees, and engage third-party cybersecurity experts and consultants. Cybersecurity breaches would not only harm our reputation and business, but also could materially affect our financial performance and results of operation.

Our business generates and processes a large amount of data, and the improper use or disclosure of such data could harm our reputation as well as have a material adverse effect on our business and prospects. Our websites, Kitchen Arena and Murah Kitchen, generate and process a large quantity of transaction, demographic and behavioral data. We face risks inherent in handling large volumes of data and in protecting the security of such data. In particular, we face a number of challenges relating to data from transactions and other activities on our platforms, including:

- protecting the data in and hosted on our system, including against attacks on our system by outside parties or fraudulent behavior by our employees;
- addressing concerns related to privacy and sharing, safety, security and other factors; and
- complying with applicable laws, rules and regulations relating to the collection, use, disclosure or security of personal information, including any requests from regulatory and government authorities relating to such data.

Any systems failure or security breach or lapse that results in the release of user data could harm our reputation and brand and, consequently, our business, in addition to exposing us to potential legal liability.

As we expand our operations, we may be subject to these laws in other jurisdictions where our sellers, buyers and other participants are located. The laws, rules and regulations of other jurisdictions may impose more stringent or conflicting requirements and penalties than those in Malaysia, compliance with which could require significant resources and costs. Our privacy policies and practices concerning the collection, use and disclosure of user data are posted on our websites. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any regulatory requirements or privacy protection-related laws, rules and regulations could result in proceedings or actions against us by governmental entities or others. These proceedings or actions may subject us to significant penalties and negative publicity, require us to change our business practices, increase our costs and/or severely disrupt our business.

7. RISK FACTORS (CONT'D)

Our Group relies on a cloud hosting provider which complies with ISO 27001, ISO 27017 and Payment Card Industry Data Security Standard (“PCI DSS”) standards to safeguard the source codes of our e-commerce websites and ensure the security of customer data. The ISO 27001 standard provides companies of any size and from all sectors of activity with guidance for establishing, implementing, maintaining and continually improving an information security management system. ISO 27017 gives guidelines for information security controls applicable to the provision and use of cloud services by providing additional implementation guidance for relevant controls specified and additional controls with implementation guidance that specifically relate to cloud services. PCI DSS was developed by the PCI Security Standards Council to provide a baseline of technical and operational requirements designed to protect payment account data, in relation to payment card account data security.

In the Financial Periods Under Review and up to the LPD, save for cyberattacks which have slowed down our website performance for a short duration of not more than 24 hours, our Group has not experienced any security breaches or attacks on the Kitchen Arena and Murah Kitchen websites. Notwithstanding the foregoing, our Group has not experienced any security breaches or cyberattacks which had a material impact to our Group’s operations and/or financial performance in the Financial Periods Under Review and up to the LPD.

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

We maintain insurance to protect against various losses and liabilities. As at the LPD, the insurance policies taken by our Group in regards to the protection against various losses and liabilities such as fire insurance, public liability insurance, burglary insurance and personal accident insurance.

However, in the event of claims, our insurance may not be adequate to cover all losses or liabilities that might be incurred in our operations as a result of any unforeseen circumstances.

Further, we are subject to the risk that, in the future, we may not be able to maintain or obtain insurance of the type and amount desired at reasonable rates. If we were to incur a significant loss or liability for which we are not fully insured such as loss of inventory through fire or theft, it could have a material adverse effect on our financial performance.

7.1.5 We are dependent on our Managing Director, CEO and key senior management for the continued success and growth of our business

We attribute the success of our Group to the experience, industry knowledge and continued service of our Managing Director, CEO and key senior management. The growth and future success of our Group will continue to be dependent on the continuous contribution from our Managing Director, Soh Yeow Seng, for his leadership in setting the strategic directions and formulating the business strategies to drive the growth and expansion of our Group. Our Managing Director is supported by our CEO, Choong Wai Hon, who is responsible for overseeing the implementation of business development, marketing and sales, procurement activities and the day-to-day operations of our Group. Our Managing Director is also supported by Kor Huei Ching, our Finance Manager, who has accumulated 9 years of working experience in accounting and finance. Please refer to **Section 3.1.2** of this Information Memorandum for the profiles of our Managing Director and CEO and **Section 3.3.2** of this Information Memorandum for the profile of our Finance Manager.

As such, the loss of our Managing Director, CEO and Finance Manager simultaneously or within a short period may create an unfavourable impact on our Group’s operations and the future growth of our business. Our business operations and financial performance will be affected if we are unable to replace or attract suitable talents in a timely manner.

7. RISK FACTORS (CONT'D)

7.1.6 We may not be able to successfully implement our future plans and business strategies

Our future growth, to a certain extent, is dependent upon the successful execution of our future plans and business strategies detailed as follows:

- (i) to expand our business footprint in Negeri Sembilan, Johor and Penang;
- (ii) to grow our revenue from the trading of pre-owned commercial foodservice and kitchen equipment on Murah Kitchen;
- (iii) to offer kitchen design consultancy and aftersales services under Business Doctor as a separate business segment to create an additional revenue stream for our Group;
- (iv) to expand our product range; and
- (v) to enhance the digital capabilities of our online platforms.

Kindly refer to **Section 5.19** of this Information Memorandum for further information on our future plans and business strategies.

There can be no assurance that we will be able to successfully implement our future plans and business strategies. There can also be no assurance that if our future plans and business strategies have been implemented that they will be commercially successful. As such, failure to execute our future plans and business strategies successfully may adversely affect our growth and financial performance.

7.1.7 We are dependent on third-party logistics and delivery companies to deliver our orders

We use third-party logistics and delivery companies to deliver our products to our customers. Interruptions to or failures in these third-parties' logistics and delivery services could prevent the timely or proper delivery of products to our customers, which would materially and adversely affect our business, financial performance, results of operation and prospects, as well as our reputation.

These interruptions may be due to events that are beyond our control or the control of these logistics and delivery companies, such as inclement weather, natural disasters, transportation disruptions or labor unrest. These logistics and delivery services could also be affected or interrupted by industry consolidation, insolvency or government shut-downs. As at the LPD, we do not have agreements with our logistics and delivery companies.

If the products that we sold are not delivered in proper condition, on a timely basis or at shipping rates that our customers are willing to bear, our business and prospects, as well as our financial condition and results of operations could be materially and adversely affected.

In the Financial Periods Under Review and up to the LPD, save for some interruptions in logistics services due to unexpected events which were addressed by our Group by sourcing alternative "on-demand" logistic service providers such as Lalamove and had no material impact to our Group's operations, i.e. delivery of our products to our customers, and/or financial performance, our Group has not experienced any interruptions to or failures from the third parties' logistics and delivery services.

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7. RISK FACTORS (CONT'D)

7.1.8 We are exposed to foreign exchange fluctuations risks

For the Financial Periods Under Review, our purchases denominated in the respective currencies are as follows:

	Audited				Unaudited			
	FYE 2023		FYE 2024		4M-FPE 2024		4M-FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Purchases denominated in:								
MYR	10,137	61.84	18,514	72.93	4,508	62.18	7,736	81.17
USD	5,952	36.31	6,406	25.23	2,433	33.56	1,485	15.58
SGD	113	0.69	6	0.02	-	-	-	-
RMB	177	1.08	457	1.80	309	4.26	295	3.09
JPY	13	0.08	4	0.02	-	-	-	-
EUR	-	-	-	-	-	-	15	0.16
Total purchases	16,392	100.00	25,387	100.00	7,250	100.00	9,531	100.00

Our purchases of supplies from overseas amounted to 38.16% and 27.07% of our total purchases during FYE 2023 and FYE 2024, respectively. For the 4M-FPE 2024 and 4M-FPE 2025, our purchases of supplies from overseas amounted to 37.82% and 18.83% of our total purchases, respectively. Any significant change in foreign exchange rates may affect our Group's financial results.

As at the LPD, we do not have a formal policy with respect to our foreign exchange transactions and we do not hedge our exposure to fluctuation in foreign currency exchange rates. As such, we are subject to foreign exchange fluctuation risk for our purchases denominated in foreign currencies which we transact. As at the LPD, we have been able to pass on the increase in prices arising from foreign exchange fluctuations to our customers. However, if we are unable to pass on the increase in prices arising from foreign exchange fluctuations to our customers in the future, our business, financial performance, results of operations as well as business prospects may be materially and adversely affected.

7.2 Risks relating to our industry

7.2.1 We face competition from other industry players

Our Group faces competition from others kitchen equipment provider, be it existing competitors or new competitors seeking to penetrate markets that our Group operates in. There can be no assurance that our Group's performance will not be affected by competition and that we will be able to compete successfully against existing or new competitors in the future. Increased competition may result in lower profit as well as reduced profit margins, loss of market share and/or increased difficulty in market penetration. All of these could adversely affect our Group's operations and financial performance.

Notwithstanding the above, our Group's management believes that our competitive strengths, marketing strategies and experienced key senior management team will enable us to remain competitive in the future.

7.2.2 Our business may be affected by evolving customer preferences and market trends

Our products are in general influenced by changing market trends and customer preferences. In this respect, our success depends on our ability to anticipate, identify, interpret and respond promptly to the changing customer preferences, expectations and needs, trends and budgetary requirements. As such, it is crucial that we have a wide variety of products to meet these customer demands. While we continue to supply products that are generally accepted by the market, we also strive to respond to changes in market trends and customer preferences to suit the current industry trend by offering kitchen equipment products which have advanced technology functions. As a result of the evolving customer preferences and market trends, we face the risk of not being able to respond to these changes in a timely manner.

7. RISK FACTORS (*CONT'D*)

Further, there is no assurance that any or all of our product offerings will be well accepted by our customers at all times. Any failure to keep up with market demands and delay in responding to these changing trends may result in a loss of customers, which may consequently lead to adverse impact on our business and financial performance.

7.2.3 We are subject to changes on political, economic and government policies risks which may have an impact on our business prospects and operations

Like all other business entities, adverse developments in political, economic and government policies in Malaysia, may materially and adversely affect the results and business prospects of our Group. Amongst the political, economic and government policies are changes in inflation rates, taxation rates and policies, interest rates, war, terrorism activities, riots, expropriations, changes in political leadership and unfavourable changes in the governments' initiatives and policies such as licensing and environmental regulations.

We strive to continue to take measures such as cost control and operating procedures, expanding customer and market base and prudent financial management to mitigate such risk. However, there can be no assurance that adverse political, economic and government policies will not materially affect our Group's business in the future.

We have not in the past experienced any severe restrictions on our conduct of business. However, there is no assurance that any adverse political, economic and regulatory changes in Malaysia, which are beyond our control, would not have an adverse impact on our ability to conduct business and future financial performance.

7.3 Risks relating to investment in our Shares

7.3.1 Our Proposed Listing may be delayed, terminated or aborted

Bursa Securities may not grant an approval-in-principle for our Proposed Listing or if granted, we may not be able to proceed with or may experience a delay in our Proposed Listing due to any unforeseen circumstances beyond our control, such as the inability to procure sufficient subscription from Sophisticated Investors under the Proposed Placement or the occurrence of any force majeure events, before our Proposed Listing.

If the Proposed Listing does not take place within 6 months from the date approval is received from Bursa Securities (or such extended period as Bursa Securities may allow), investors will be returned all monies paid in full, without interest, within 14 days. Should we fail to do so, in addition to our Company's liability, our Directors shall be jointly and severally liable to repay such monies with interest at the rate of 10.0% per annum or such other rate as may be prescribed by Bursa Securities, upon expiration of the Period until full refund is made.

7.3.2 There is no prior market for our Shares

There was no public trading market for our Shares prior to our Proposed Listing. The listing of and quotation for our Shares on the LEAP Market of Bursa Securities does not guarantee that an active market for the trading of our Shares will develop.

There can be no assurance that our Issue Price will correspond to the price at which our Shares will be traded on the LEAP Market of Bursa Securities upon or subsequent to our Proposed Listing. Further, there can be no assurance that an active trading market for our Shares will develop or if such a market develops, that it will be sustained.

If an active trading market does not develop or is not maintained, the liquidity and trading price of our Shares could be adversely affected and investors may have difficulty in realising their investment in our Shares.

7. RISK FACTORS (CONT'D)

7.3.3 Trading price and trading volume of our Shares may be volatile

The trading price and volume of our Shares may fluctuate due to various factors which are not within our control and may be unrelated or disproportionate to our financial results. These factors may include, but are not limited to, the variations in the results of our Group's operations, changes in general market conditions and broad market fluctuations.

In addition, the performance of securities listed on the regional and global equity market could be affected by external factors such as the performance of the regional and world bourses, the investors' sentiments and the inflow or outflow of foreign funds, which in turn are highly driven by the regulatory, 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 and prices of securities on Bursa Securities, thus adding risks to the market price of our Shares.

Furthermore, trading of shares of a company listed on the LEAP Market of Bursa Securities is currently limited to Sophisticated Investors only, which in turn limits the potential buyers of our Shares and hence the liquidity levels of our Shares.

7.3.4 Our Promoters can exercise significant influence over our Group

Our Promoters will collectively hold 77.3% of our enlarged number of issued Shares upon our Proposed Listing. As a result, they will have significant influence over the outcome of certain matters that require the vote of our shareholders, unless they and persons connected with them are required to abstain from voting by law, relevant guidelines or regulations. Therefore, there exists a risk of misalignment between the interests of our Promoters and those of our other shareholders.

7.3.5 We may not be able to declare dividends to our shareholders

Our Board intends to recommend and distribute dividends of up to 20.0% of our audited PAT for each financial year. However, our Company's ability to pay dividends to our shareholders is dependent on, amongst others, our Group's future financial performance, cash flow positions, capital requirements as well as the implementation of our business plans. Our ability to pay dividends to our shareholders may be affected should these factors deteriorate.

As such, there can be no assurance (i) that dividends will be paid out to our shareholders in the future; (ii) on the timing of any dividend to be paid in the future; or (iii) the quantum of dividends that will be paid in the future. In addition, dividends are not guaranteed and our Company, at its discretion, may decide not to pay dividends at any time and for any reasons. Our market price of our Shares may be negatively affected if we do not pay dividends or pay dividends at lower levels than that anticipated by investors. This may then reduce the value of any investment in our Shares.

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8. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

8.1 Related party transactions

Under the Listing Requirements, a 'related party transaction' is a transaction entered between the listed corporation or its subsidiaries and a related party. A 'related party' of a listed issuer is:

- (i) a director having the same meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the listed corporation or a chief executive of the listed corporation; or
- (ii) a major shareholder who has an interest of 10.0% or more of the total number of voting shares in a corporation; or
- (iii) a person connected with such director or major shareholder.

8.2 Existing and proposed related party transactions

Our Board confirms that there are no existing or presently proposed related party transactions entered into between our Group and our existing Directors, major shareholders and/or persons connected with them for the FYE 2023, FYE 2024 and up to the LPD.

Moving forward, in the event that there are any proposed related party transactions, our Directors which have any interest, direct or indirect in the proposed related party transactions will abstain from board deliberations and voting on the relevant resolutions in respect of the proposed related party transactions. Additionally, our Directors and major shareholders and/or persons connected with them which have any interest, direct or indirect, in the proposed related party transactions will abstain from voting in respect of their direct and/or indirect shareholdings.

Upon our Proposed Listing, our Board will continue to ensure that any related party transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to third parties dealing at arm's length and are not detrimental to our minority shareholders.

Further to the above, our Group's existing office, showroom and warehouse in Balakong, Selangor is rented from Luv Le Garden Cafe Sdn Bhd (as detailed in **Section 5.18.2** of this Information Memorandum) and our Group has procured the services of Kurosaki Resources Sdn Bhd for the supply and installation of computer hardware and peripherals as well as related support services in the FYE 2023, FYE 2024 and up to the LPD. Mah Siew Peng, a past director and shareholder of PESB, is a director and shareholder of Luv Le Garden Cafe Sdn Bhd and Kurosaki Resources Sdn Bhd. Mah Siew Peng was a director and shareholder of PESB from October 2019 until her disposal of entire equity interest in PESB to Soh Yeow Seng in December 2023. In this regard, the details of the transactions with Mah Siew Peng for the FYE 2023, FYE 2024 and up to the LPD are as follows:

Transacting parties	Nature of relationship	Nature of transaction	Amounts transacted		
			FYE 2023	FYE 2024	Between 1 November 2024 and LPD
			RM'000	RM'000	RM'000
PESB / Luv Le Garden Sdn Bhd	Mah Siew Peng, a director and shareholder of PESB from October 2019 to December 2023, is a director and shareholder of Luv Le Garden Cafe Sdn Bhd.	Rental of property at Lot 3210, Jalan Balakong, Kawasan Perindustrian Kampung Baru Balakong, Seri Kembangan 43300 Selangor Darul Ehsan, which is used as our Group's office, showroom and warehouse.	20 (1.89% of our Group's PBT for FYE 2023)	54 (1.42% of our Group's PBT for FYE 2024)	30

8. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting parties	Nature of relationship	Nature of transaction	Amounts transacted		
			FYE 2023	FYE 2024	Between 1 November 2024 and LPD
			RM'000	RM'000	RM'000
PESB Kurosaki Resources Sdn Bhd	/ Mah Siew Peng, a director and shareholder of PESB from October 2019 to December 2023, is a director and shareholder of Kurosaki Resources Sdn Bhd.	Supply and installation of computer hardware and peripherals as well as related support services by Kurosaki Resources Sdn Bhd to our Group.	31 (2.92% of our Group's PBT for FYE 2023)	35 (0.92% of our Group's PBT for FYE 2024)	18

Save for the above, our Group does not have any transactions with Mah Siew Peng and/or persons connected with her for the FYE 2023, FYE 2024 and up to the LPD.

8.3 Transactions that are unusual in nature or condition

Our Directors have confirmed that there are no transactions that were unusual in its nature or condition, involving goods, services, tangible or intangible assets, to which our Company and/or our subsidiary were a party in respect of the FYE 2023, FYE 2024 and up to the LPD.

8.4 Loans and/or financial assistance made to or for the benefit of related parties

There are no outstanding loans and/or financial assistance (including guarantee of any kind) made by our Group to or for the benefit of any related parties for the FYE 2023, FYE 2024 and up to the LPD.

8.5 Interests in similar businesses and other conflict of interest

As at the LPD, none of our Promoters, substantial shareholders, Directors and key senior management have any interest, direct or indirect, in other businesses or corporations carrying on a trade similar to that of our Group, or businesses or corporations which are also our clients or suppliers. Our Promoters, namely Soh Yeow Seng (Managing Director) and Choong Wai Hon (CEO/Director), had in the past been employed with MSM group of companies from July 2011 to September 2023* and from August 2010 to September 2022 respectively.

Their past employment with MSM group of companies did not give rise to any conflict of interest situations after taking into consideration the following:

- (i) they were not simultaneously involved in both PESB and MSM group of companies at any given time when PESB had transactions or business dealings with MSM group of companies, save for:
 - (a) in the case of Soh Yeow Seng, the period between December 2011 and July 2024*, during which Soh Yeow Seng served as a director of MSM Metal (S) Pte. Ltd., a subsidiary of MSM, which was dormant. MSM Metal (S) Pte. Ltd. did not have any transaction or business dealings with PESB during this period; and
 - (b) in the case of Choong Wai Hon, during the period between May 2015 and April 2016, he was a Deputy General Manager of MSM Marketing Sdn Bhd (now known as MSM Kitchen Sdn Bhd) and PESB was newly incorporated, and there were no transaction or business dealings between PESB and MSM Marketing Sdn Bhd during the said period. Furthermore, MSM Marketing Sdn Bhd is a wholly-owned subsidiary of MSM during the said period and continues to be as of the LPD. Choong Wai Hon did not hold any direct or indirect equity interest in MSM Marketing Sdn Bhd.

8. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (*CONT'D*)

- (ii) during the periods stated above in item (i), all transactions between PESB and MSM group of companies were conducted at arm's length, based on normal commercial terms not more favourable to MSM group of companies than those generally available to third parties dealing at arm's length basis with the Group.

Note:

- * Soh Yeow Seng left as the Chief Financial Officer of MSM International Limited in September 2023. However, he was requested by MSM International Limited to remain as a director of a dormant subsidiary of MSM International Limited, namely MSM Metal (S) Pte. Ltd., until July 2024 in order for MSM International Limited to seek a replacement resident director for the purpose of complying with Section 145(1) of the Singapore Companies Act 1967 which stipulates that, among others, every company must have at least one director who is ordinarily resident in Singapore. For information purpose, Soh Yeow Seng is a permanent resident of Singapore.

Notwithstanding the above, in the event of a potential conflict of interest situation, such Promoter, substantial shareholders, Directors and/or persons connected with them are obliged, if required by law or regulations, to abstain from voting on the resolutions relating to such matters or transactions that require the approval of our shareholders in respect of their direct and indirect interests.

8.6 Declaration by advisers

- (i) TA Securities confirms that there is no existing or potential conflict of interest in its capacity as the Approved Adviser, Placement Agent and Continuing Adviser for our Proposed Listing.
- (ii) UHY Malaysia PLT confirms that there is no existing or potential conflict of interests in its capacity as the Auditors and Reporting Accountants for our Proposed Listing.
- (iii) Jeff Leong, Poon & Wong confirms that there is no existing or potential conflict of interest in its capacity as the Due Diligence Solicitors for our Proposed Listing.
- (iv) Providence confirms that there is no existing or potential conflict of interest in its capacity as the Independent Market Researcher for our Proposed Listing.

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9. FINANCIAL INFORMATION

9.1 Historical financial information

The following historical financial information for the FYE 2023 and FYE 2024 as well as the 4M-FPE 2024 and 4M-FPE 2025 have been extracted from the Accountants' Report for the FYEs 2024 and 2023 as set out in **Appendix I** of this Information Memorandum and the unaudited consolidated financial statements for the 4M-FPE 2025 and 4M-FPE 2024 as set out in **Appendix II** of this Information Memorandum, respectively.

Our Company was incorporated on 4 April 2024 as an investment holding company to facilitate its listing on the LEAP Market. On 11 September 2024, we completed the Acquisition which resulted in PESB becoming our wholly-owned subsidiary.

The Group is regarded as a continuing entity resulting from the Acquisition as the management of PESB was controlled by the Directors and remained substantially under the same major shareholders before and immediately after the Acquisition. Consequently, immediately after the Acquisition, there was continuity in control over the entity's financial and operating policy decisions, as well as risks and benefits to the ultimate shareholders that existed prior to the Acquisition. The Acquisition has been accounted for as a common control transaction, applying an approach similar to the pooling of interests method. As our Company was incorporated on 4 April 2024, the financial information for the FYE 2023 and 4M-FPE 2024 have been prepared based on the financial statements of PESB prior to the Acquisition while the financial information for the FYE 2024 and 4M-FPE 2025 are presented based on the consolidated audited financial statements of the Group and the unaudited consolidated financial statements of the Group, respectively.

The historical financial information presented below should be read in conjunction with the "Management's discussion and analysis of financial condition and results of operations" in **Section 9.2** of this Information Memorandum.

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9. FINANCIAL INFORMATION (CONT'D)**9.1.1 Statements of profit and loss and other comprehensive income**

	Audited		Unaudited	
	FYE 2023	FYE 2024	4M-FPE 2024	4M-FPE 2025
	RM'000	RM'000	RM'000	RM'000
Revenue	17,214	30,894	8,281	12,441
Cost of sales	(14,405)	(24,418)	(6,843)	(9,780)
GP	2,809	6,476	1,438	2,661
Other income	11	13	*	6
Administrative expenses	(1,162)	(1,940)	(662)	(1,158)
Selling and distribution expenses	(598)	(756)	(170)	(263)
Finance cost	-	-	-	(1)
PBT	1,060	3,793	606	1,245
Taxation	(150)	(883)	(95)	(78)
PAT, representing total comprehensive income for the financial year/period	910	2,910	511	1,167
Other selected financial data:				
GP margin (%) ⁽¹⁾	16.32	20.96	17.37	21.39
PBT margin (%) ⁽²⁾	6.16	12.28	7.32	10.01
PAT margin (%) ⁽³⁾	5.29	9.42	6.17	9.38
Basic EPS (sen) ⁽⁴⁾	0.41	1.30	0.23	0.52

Notes:

* Less than RM1,000.

- (1) GP margin is computed based on GP over revenue of our Group.
- (2) PBT margin is computed based on PBT over revenue of our Group.
- (3) PAT margin is computed based on PAT over revenue of our Group.
- (4) Basic EPS is calculated based on PAT over our enlarged 223,784,000 Shares in issue after our Proposed Listing.

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9. FINANCIAL INFORMATION (CONT'D)**9.1.2 Statements of financial position**

	Audited		Unaudited	
	FYE 2023	FYE 2024	4M-FPE 2024	4M-FPE 2025
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	208	214	229	199
Right-of-use asset	-	-	-	103
Total non-current assets	208	214	229	302
Current assets				
Inventories	2,943	4,036	3,369	3,848
Trade and other receivables	2,196	4,047	1,407	3,833
Other current assets	288	715	430	1,026
Cash and bank balances	935	3,436	955	3,892
Total current assets	6,362	12,234	6,161	12,599
TOTAL ASSETS	6,570	12,448	6,390	12,901
EQUITY AND LIABILITIES				
Equity				
Share capital	-	4,028	-	4,028
Invested equity*	3	-	3	-
Merger reserve	-	(2,025)	-	(2,025)
Retained earnings	392	3,302	903	4,469
TOTAL EQUITY	395	5,305	906	6,472
Non-current liabilities				
Lease liability ⁽¹⁾	-	-	-	48
Deferred tax liabilities	3	2	3	2
Total non-current liabilities	3	2	3	50
Current liabilities				
Trade and other payables	6,025	6,861	5,344	6,259
Lease liability ⁽¹⁾	-	-	-	55
Provision of taxation	147	280	137	65
Total current liabilities	6,172	7,141	5,481	6,379
TOTAL LIABILITIES	6,175	7,143	5,484	6,429
TOTAL EQUITY AND LIABILITIES	6,570	12,448	6,390	12,901

Notes:

* Invested equity for FYE 2023 and 4M-FPE 2024 represents the issued share capital of PESB.

(1) This refers to the lease liability in respect of right-of-use asset pursuant to MFRS 16 *Leases* for the rental obligation of our office, showroom and warehouse located at Lot 3210, Jalan Balakong, Kawasan Perindustrian Kampung Baru Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan, which is unsecured.

9. FINANCIAL INFORMATION (CONT'D)**9.1.3 Statements of cash flows**

	Audited		Unaudited	
	FYE 2023	FYE 2024	4M-FPE 2024	4M-FPE 2025
	RM'000	RM'000	RM'000	RM'000
Operating activities				
Profit before tax	1,060	3,793	606	1,245
Adjustments for:				
Depreciation of property, plant and equipment	52	59	23	15
Depreciation of right-of-use asset	-	-	-	9
Property, plant and equipment written off	8	-	-	-
Unrealised loss/(gain) on foreign exchange	*	11	6	(6)
Interest expense	-	-	-	1
Interest income	*	(1)	*	*
Operating profit before working capital changes	1,120	3,862	635	1,264
Changes in working capital:				
Inventories	(2,020)	(1,093)	(426)	188
Receivables	(1,168)	(1,860)	784	218
Other current assets	(271)	(427)	(142)	(311)
Payables	2,469	836	(679)	(600)
Cash generated from operations	130	1,318	172	759
Interest received	*	1	*	*
Tax paid	*	(750)	(105)	(293)
Net cash from operating activities	130	569	67	466
Investing activity				
Purchase of property, plant and equipment	(81)	(66)	(44)	-
Net cash used in investing activity	(81)	(66)	(44)	-
Financing activities				
Payment of lease liability interest	-	-	-	(1)
Payment of lease liability	-	-	-	(9)
Proceeds from issuance of shares	-	2,000	-	-
Net cash from/(used in) financing activities	-	2,000	-	(10)
Net increase in cash and cash equivalents	49	2,503	23	456
Cash and cash equivalents at the beginning of the financial year/period	885	935	935	3,436
Effect of exchange translation differences on cash and cash equivalents	1	(2)	(3)	-
Cash and cash equivalents at the end of the financial year/period	935	3,436	955	3,892

Note:

* Less than RM1,000.

9. FINANCIAL INFORMATION (CONT'D)

9.2 Management's discussion and analysis of financial condition and results of operations

The following discussion and analysis on our Group's financial conditions and results of operations for the Financial Periods Under Review should be read in conjunction with the Accountants' Report for the FYEs 2024 and 2023 as set out in **Appendix I** of this Information Memorandum and the Group's unaudited consolidated financial statements for the 4M-FPE 2025 and 4M-FPE 2024 as set out in **Appendix II** of this Information Memorandum.

This discussion and analysis contains data derived from our historical financial statements as well as forward-looking statements reflecting our current views with respect to future events and our financial performance. Our actual results may differ significantly from those anticipated in the forward-looking statements as a result of a number of factors, including those discussed below and elsewhere in this Information Memorandum, particularly the risk factors as set out in **Section 7** of this Information Memorandum.

9.2.1 Overview

Our Group is principally involved in the following business activity:

Business activities

Trading of commercial foodservice and kitchen equipment

Basis for revenue recognition

Revenue is recognised when the Group satisfies a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

Our Group primarily operates through our online platforms, Kitchen Arena and Murah Kitchen, for the trading of commercial foodservice and kitchen equipment. As at the LPD, our Group operates from Balakong, Selangor, where our office, showroom and warehouse are located.

Our kitchen equipment are mainly sold to customers in Malaysia. Our products are also sold to customers in the international markets such as, among others, Singapore, Philippines, United States of America, Brazil, Brunei Darussalam, United Arab Emirates, United Kingdom and People's Republic of China, albeit having contributed only approximately 1.07% and 0.23% of the total revenue for the FYE 2023 and FYE 2024, respectively and 0.11% and 0.03% for the 4M-FPE 2024 and 4M-FPE 2025, respectively.

9.2.2 Results of operations

9.2.2.1 Revenue

Revenue by business activity

For the Financial Periods Under Review, our revenue is from the trading of commercial foodservice and kitchen equipment only.

Revenue by geographical regions/country

The table below sets out the breakdown and analysis of our revenue generated by geographical regions which is determined based on the location of our customers, for the Financial Periods Under Review:

9. FINANCIAL INFORMATION (CONT'D)

Revenue	Audited				Unaudited			
	FYE 2023		FYE 2024		4M-FPE 2024		4M-FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	17,030	98.93	30,824	99.77	8,272	99.89	12,437	99.97
Overseas ⁽¹⁾	184	1.07	70	0.23	9	0.11	4	0.03
Total	17,214	100.00	30,894	100.00	8,281	100.00	12,441	100.00

Revenue by business channels

The table below sets out the breakdown and analysis of our revenue generated by business channels for the Financial Periods Under Review:

	Audited				Unaudited			
	FYE 2023		FYE 2024		4M-FPE 2024		4M-FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<u>Online channels</u>								
Kitchen Arena	15,713	91.28	27,051	87.56	7,125	86.04	10,739	86.32
Murah Kitchen	898	5.22	3,065	9.92	960	11.59	1,326	10.66
Subtotal	16,611	96.50	30,116	97.48	8,085	97.63	12,065	96.98
Physical outlet	603	3.50	778	2.52	196	2.37	376	3.02
Total	17,214	100.00	30,894	100.00	8,281	100.00	12,441	100.00

Revenue by product categories

The table below sets out the breakdown and analysis of our revenue by product categories for the Financial Periods Under Review:

	Audited				Unaudited			
	FYE 2023		FYE 2024		4M-FPE 2024		4M-FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Kitchen equipment ⁽¹⁾	14,639	85.04	23,977	77.61	6,506	78.57	9,444	75.91
Stainless steel fabrication ⁽²⁾	2,575	14.96	6,917	22.39	1,775	21.43	2,997	24.09
Total	17,214	100.00	30,894	100.00	8,281	100.00	12,441	100.00

Notes:

- (1) Kitchen equipment comprises cooking and display equipment, beverage equipment, refrigeration equipment, and cleaning and sanitation equipment.
- (2) Stainless steel fabrication comprises, among others, stainless steel kitchen cabinets, working tables and sinks.

Comparison between FYE 2023 and FYE 2024

Our revenue increased by RM13.68 million or 79.49% from RM17.21 million in FYE 2023 to RM30.89 million in FYE 2024. The increase was mainly due to higher volume of kitchen equipment and stainless steel fabrication sold online in FYE 2024 which saw an increase of sales of RM13.51 million or 81.34% from RM16.61 million in FYE 2023 to RM30.12 million in FYE 2024 while higher volume of kitchen equipment and stainless steel fabrication sold offline in FYE 2024 saw an increase of sales of RM0.18 million or 30.00% from RM0.60 million in FYE 2023 to RM0.78 million in FYE 2024. Such increase was mainly contributed by orders arising from our online platforms, primarily the sale of the following products:

9. FINANCIAL INFORMATION (CONT'D)

- (i) kitchen equipment such as, among others, refrigerators and cooking equipment, which saw an increase of sales by RM9.24 million or 65.30% from RM14.15 million in FYE 2023 to RM23.39 million in FYE 2024; and
- (ii) stainless steel fabrication, which saw an increase of sales by RM4.27 million or 173.58% from RM2.46 million in FYE 2023 to RM6.73 million in FYE 2024.

Comparison between 4M-FPE 2024 and 4M-FPE 2025

Our revenue increased by RM4.16 million or 50.24% from RM8.28 million in 4M-FPE 2024 to RM12.44 million in 4M-FPE 2025. The increase was mainly due to higher volume of kitchen equipment and stainless steel fabrication sold online in 4M-FPE 2025 which saw an increase of sales of RM3.98 million or 49.20% from RM8.09 million in 4M-FPE 2024 to RM12.07 million in 4M-FPE 2025 while higher volume of kitchen equipment and stainless steel fabrication sold offline in 4M-FPE 2025 saw an increase of sales of RM0.18 million or 90.00% from RM0.20 million in 4M-FPE 2024 to RM0.38 million in 4M-FPE 2025. Such increase was mainly contributed by orders arising from our online platforms, primarily the sale of the following products:

- (i) kitchen equipment such as, among others, refrigerators and cooking equipment, which saw an increase of sales by RM2.86 million or 44.83% from RM6.38 million in 4M-FPE 2024 to RM9.24 million in 4M-FPE 2025; and
- (ii) stainless steel fabrication, which saw an increase of sales by RM1.11 million or 64.91% from RM1.71 million in 4M-FPE 2024 to RM2.82 million in 4M-FPE 2025.

9.2.2.2 Cost of sales**Cost of sales by business activity**

For the Financial Periods Under Review, our cost of sales are for the trading of commercial foodservice and kitchen equipment only.

Cost of sales by product categories

The table below sets out the breakdown and analysis of our cost of sales by product categories for the Financial Periods Under Review:

	Audited				Unaudited			
	FYE 2023		FYE 2024		4M-FPE 2024		4M-FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Kitchen equipment ⁽¹⁾	12,341	85.67	19,191	78.59	5,422	79.23	7,525	76.94
Stainless steel fabrication ⁽²⁾	2,064	14.33	5,227	21.41	1,421	20.77	2,255	23.06
Total	14,405	100.00	24,418	100.00	6,843	100.00	9,780	100.00

Notes:

- (1) Kitchen equipment comprises cooking and display equipment, beverage equipment, refrigeration equipment, and cleaning and sanitation equipment.
- (2) Stainless steel fabrication comprises, among others, stainless steel kitchen cabinets, working tables and sinks.

9. FINANCIAL INFORMATION (CONT'D)**Cost of sales by cost categories**

The table below sets out the breakdown and analysis of our cost of sales by cost categories for the Financial Periods Under Review:

Cost of sales	Audited				Unaudited			
	FYE 2023		FYE 2024		4M-FPE 2024		4M-FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Cost of inventories	13,982	97.07	23,600	96.65	6,622	96.77	9,501	97.15
Custom duties	35	0.24	30	0.12	12	0.18	12	0.12
Carriage inwards	355	2.46	665	2.72	190	2.78	206	2.11
Subcontract cost	33	0.23	123	0.51	19	0.27	61	0.62
Total	14,405	100.00	24,418	100.00	6,843	100.00	9,780	100.00

Comparison between FYE 2023 and FYE 2024

Our cost of sales increased by RM10.01 million or 69.47% from RM14.41 million in FYE 2023 to RM24.42 million in FYE 2024. The increase was mainly due to the increase in cost of inventories for both kitchen equipment and stainless steel fabrication which then attributed to the increase in cost of sales of kitchen equipment of RM6.85 million or 55.51% from RM12.34 million in FYE 2023 to RM19.19 million in FYE 2024 and the increase in cost of sales of stainless steel fabrication of RM3.17 million or 153.88% from RM2.06 million in FYE 2023 to RM5.23 million in FYE 2024. This was in tandem with the increase in the sales from the trading of commercial foodservice and kitchen equipment in FYE 2024 as detailed in **Section 9.2.2.1** of this Information Memorandum.

Comparison between 4M-FPE 2024 and 4M-FPE 2025

Our cost of sales increased by RM2.94 million or 42.98% from RM6.84 million in 4M-FPE 2024 to RM9.78 million in 4M-FPE 2025. The increase was mainly due to the increase in cost of inventories for both kitchen equipment and stainless steel fabrication which then attributed to the increase in cost of sales of kitchen equipment of RM2.11 million or 38.93% from RM5.42 million in 4M-FPE 2024 to RM7.53 million in 4M-FPE 2025 and the increase in cost of sales of stainless steel fabrication of RM0.84 million or 59.15% from RM1.42 million in 4M-FPE 2024 to RM2.26 million in 4M-FPE 2025. This was in tandem with the increase in the sales from the trading of commercial foodservice and kitchen equipment in 4M-FPE 2025 as detailed in **Section 9.2.2.1** of this Information Memorandum.

9.2.2.3 GP and GP margin**GP and GP margin by business activity**

For the Financial Periods Under Review, our GP is from the trading of commercial foodservice and kitchen equipment only.

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9. FINANCIAL INFORMATION (CONT'D)**GP and GP margin by product categories**

The table below sets out the breakdown and analysis of our GP and GP margin by product categories for the Financial Periods Under Review:

	Audited					
	FYE 2023			FYE 2024		
	GP		GP margin	GP		GP margin
	RM'000	%	%	RM'000	%	%
Kitchen equipment ⁽¹⁾	2,298	81.81	15.70	4,786	73.90	19.96
Stainless steel fabrication ⁽²⁾	511	18.19	19.84	1,690	26.10	24.43
Total	2,809	100.00	16.32	6,476	100.00	20.96

	Unaudited					
	4M-FPE 2024			4M-FPE 2025		
	GP		GP margin	GP		GP margin
	RM'000	%	%	RM'000	%	%
Kitchen equipment ⁽¹⁾	1,084	75.38	16.66	1,919	72.12	20.32
Stainless steel fabrication ⁽²⁾	354	24.62	19.94	742	27.88	24.76
Total	1,438	100.00	17.37	2,661	100.00	21.39

Notes:

- (1) Kitchen equipment comprises cooking and display equipment, beverage equipment, refrigeration equipment, and cleaning and sanitation equipment.
- (2) Stainless steel fabrication comprises, among others, stainless steel kitchen cabinets, working tables and sinks.

Comparison between FYE 2023 and FYE 2024

Our GP increased by RM3.67 million or 130.60% from RM2.81 million in FYE 2023 to RM6.48 million in FYE 2024. The increase was mainly due to the increase in the GP of kitchen equipment of RM2.49 million or 108.26% from RM2.30 million in FYE 2023 to RM4.79 million in FYE 2024 and the increase in the GP of stainless steel fabrication of RM1.18 million or 231.37% from RM0.51 million in FYE 2023 to RM1.69 million in FYE 2024. This was mainly due to the increase in revenue as detailed in **Sections 9.2.2.1** and **9.2.2.2** of this Information Memorandum.

Our GP margin also increased from 16.32% in FYE 2023 to 20.96% in FYE 2024 in light of lower cost of inventories from suppliers for our commercial foodservice and kitchen equipment, as the Group managed to negotiate for better pricing with higher order volume of commercial foodservice and kitchen equipment placed with certain suppliers in FYE 2024.

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9. FINANCIAL INFORMATION (CONT'D)**Comparison between 4M-FPE 2024 and 4M-FPE 2025**

Our GP increased by RM1.22 million or 84.72% from RM1.44 million in 4M-FPE 2024 to RM2.66 million in 4M-FPE 2025. The increase was mainly due to the increase in the GP of kitchen equipment of RM0.84 million or 77.78% from RM1.08 million in 4M-FPE 2024 to RM1.92 million in 4M-FPE 2025 and the increase in the GP of stainless steel fabrication of RM0.39 million or 111.43% from RM0.35 million in 4M-FPE 2024 to RM0.74 million in 4M-FPE 2025. This was mainly due to the increase in revenue as detailed in **Sections 9.2.2.1 and 9.2.2.2** of this Information Memorandum.

Our GP margin also increased from 17.37% in 4M-FPE 2024 to 21.39% in 4M-FPE 2025 in light of lower cost of inventories from suppliers for certain commercial foodservice and kitchen equipment, as the Group managed to negotiate for better pricing with higher order volume of commercial foodservice and kitchen equipment placed with certain suppliers in 4M-FPE 2025.

9.2.2.4 Other income

The table below sets out the breakdown and analysis of our other income for the Financial Periods Under Review:

Other income	Audited				Unaudited			
	FYE 2023		FYE 2024		4M-FPE 2024		4M-FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Insurance claim	10	95.59	10	76.58	-	-	-	-
Interest income	*	4.41	1	6.39	*	100.00	*	3.92
Unrealised gain on foreign exchange	-	-	2	17.03	-	-	6	96.08
Total	11	100.00	13	100.00	*	100.00	6	100.00

Note:

* Less than RM1,000.

Comparison between FYE 2023 and FYE 2024

Our other income increased by RM1,997 from RM10,650 in FYE 2023 to RM12,647 in FYE 2024 mainly due to unrealised gain on foreign exchange of RM2,154 in FYE 2024.

Comparison between 4M-FPE 2024 and 4M-FPE 2025

Our other income increased by RM5,827 from RM222 in 4M-FPE 2024 to RM6,049 in 4M-FPE 2025 mainly due to unrealised gain on foreign exchange of RM5,812 in 4M-FPE 2025.

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9. FINANCIAL INFORMATION (CONT'D)**9.2.2.5 Administrative expenses**

The table below provides the breakdown of our administrative expenses for the Financial Periods Under Review:

Administrative expenses	Audited				Unaudited			
	FYE 2023		FYE 2024		4M-FPE 2024		4M-FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff cost ⁽¹⁾	496	42.69	1,215	62.63	426	64.35	596	51.47
Auditors' remuneration	15	1.29	28	1.44	10	1.51	10	0.86
Bank charges	28	2.41	23	1.19	8	1.21	11	0.95
Depreciation of property, plant and equipment	52	4.47	59	3.04	23	3.47	15	1.30
Depreciation of right-of-use asset	-	-	-	-	-	-	9	0.78
Professional fees	52	4.47	73	3.76	16	2.42	346	29.88
Realised loss on foreign exchange	39	3.37	-	-	2	0.30	15	1.30
Rental of office	20	1.72	54	2.79	14	2.12	10	0.86
Security fees	58	4.99	66	3.40	28	4.23	24	2.07
Unrealised loss on foreign exchange	*	-	11	0.57	6	0.91	-	-
Upkeep of office and computer equipment	187	16.09	162	8.35	49	7.40	31	2.68
Utilities	135	11.62	117	6.03	39	5.89	34	2.93
Printing and stationery	28	2.41	27	1.39	10	1.51	8	0.69
Others ⁽²⁾	52	4.47	105	5.41	31	4.68	49	4.23
Total	1,162	100.00	1,940	100.00	662	100.00	1,158	100.00

Notes:

* Less than RM1,000.

- (1) Comprises salaries, bonus, allowance, statutory contributions and staff medical fee.
- (2) Other administrative expenses mainly consist of telephone charges and property, plant and equipment written off.

Comparison between FYE 2023 and FYE 2024

Our administrative expenses increased by RM0.78 million or 67.24% from RM1.16 million in FYE 2023 to RM1.94 million in FYE 2024 mainly due to the increase in staff cost of RM0.72 million or 144.00% from RM0.50 million in FYE 2023 to RM1.22 million in FYE 2024. This is mainly attributable to the increase in number of staff from 16 to 27 and salary increment in line with PESB's growth.

Comparison between 4M-FPE 2024 and 4M-FPE 2025

Our administrative expenses increased by RM0.50 million or 75.76% from RM0.66 million in 4M-FPE 2024 to RM1.16 million in 4M-FPE 2025 mainly due to the following:

9. FINANCIAL INFORMATION (CONT'D)

- (i) increase in professional cost of RM0.33 million from RM0.02 million in 4M-FPE 2024 to RM0.35 million in 4M-FPE 2025. This is mainly attributable to the professional fees incurred for the Proposed Listing; and
- (ii) increase in staff cost of RM0.17 million or 39.53% from RM0.43 million in 4M-FPE 2024 to RM0.60 million in 4M-FPE 2025. This is mainly attributable to the increase in number of staff from 18 to 27 and salary increment in line with PESB's increasing business activities and growth.

9.2.2.6 Selling and distribution expenses

The table below provides the breakdown of our selling and distribution expenses for the Financial Periods Under Review:

Selling and distribution expenses	Audited				Unaudited			
	FYE 2023		FYE 2024		4M-FPE 2024		4M-FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff cost ⁽¹⁾	76	12.71	84	11.11	21	12.35	36	13.69
Accommodation	-	-	18	2.38	3	1.76	1	0.38
Advertisement	154	25.75	102	13.49	37	21.77	42	15.97
Carriage outwards	116	19.40	164	21.69	37	21.77	100	38.03
Exhibition	163	27.26	198	26.19	-	-	4	1.52
Commission	19	3.18	58	7.67	22	12.94	50	19.01
Insurance	16	2.68	40	5.29	10	5.88	13	4.94
Travelling expenses	8	1.34	21	2.78	6	3.53	3	1.14
Staff refreshment	19	3.18	11	1.46	3	1.76	2	0.76
Upkeep of motor vehicles	17	2.84	30	3.97	18	10.59	2	0.76
Others ⁽²⁾	10	1.66	30	3.97	13	7.65	10	3.80
Total	598	100.00	756	100.00	170	100.00	263	100.00

Notes:

- (1) Comprises commission for sales personnel.
- (2) Other selling and distribution expenses mainly consists of petrol and diesel, donation and gift.

Comparison between FYE 2023 and FYE 2024

Our selling and distribution expenses increased by RM0.16 million or 26.67% from RM0.60 million in FYE 2023 to RM0.76 million in FYE 2024. The increase was mainly due to the following:

- (i) increase in exhibition expenses of RM0.04 million or 25.00% from RM0.16 million in FYE 2023 to RM0.20 million in FYE 2024 mainly attributable to expenses incurred for the Taste and Trade 360 Exhibition participated by PESB;
- (ii) increase in commission of RM0.04 million or 200.00% from RM0.02 million in FYE 2023 to RM0.06 million in FYE 2024 mainly attributable to the sales increase;
- (iii) increase in carriage outwards of RM0.04 million or 33.33% from RM0.12 million in FYE 2023 to RM0.16 in FYE 2024 mainly due to the sales increase; and

9. FINANCIAL INFORMATION (CONT'D)

- (iv) increase in insurance expense of RM0.02 million or 100.00% from RM0.02 million in FYE 2023 to RM0.04 million in FYE 2024 due to the higher sum insured for inventories.

Comparison between 4M-FPE 2024 and 4M-FPE 2025

Our selling and distribution expenses increased by RM0.09 million or 52.94% from RM0.17 million in 4M-FPE 2024 to RM0.26 million in 4M-FPE 2025. The increase was mainly due to the following:

- (i) increase in carriage outwards expenses of RM0.06 million or 150.00% from RM0.04 million in 4M-FPE 2024 to RM0.10 million in 4M-FPE 2025 mainly attributable to the sales increase; and
- (ii) increase in commission of RM0.03 million or 150.00% from RM0.02 million in 4M-FPE 2024 to RM0.05 million in 4M-FPE 2025 mainly attributable to the sales increase.

9.2.2.7 Finance cost

The table below provides the breakdown of our finance cost for the Financial Periods Under Review:

Finance cost	Audited				Unaudited			
	FYE 2023		FYE 2024		4M-FPE 2024		4M-FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Lease liability interest	-	-	-	-	-	-	1	100.00

Comparison between 4M-FPE 2024 and 4M-FPE 2025

We incurred finance cost of RM1,230 in 4M-FPE 2025, arising from lease liability interest incurred in relation to the right-of-use asset pursuant to MFRS 16 *Leases* for the rental obligation of our office, showroom and warehouse located at Lot 3210, Jalan Balakong, Kawasan Perindustrian Kampung Baru Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan.

9.2.2.8 Taxation

	Audited		Unaudited	
	FYE 2023	FYE 2024	4M-FPE 2024	4M-FPE 2025
PBT (RM'000)	1,060	3,793	606	1,245
Taxation (RM'000)	150	883	95	78
Effective tax rate (%)	14.15	23.28	15.68	6.27
Statutory tax rate (%)	15.00/17.00/ 24.00 ⁽¹⁾	15.00/17.00/ 24.00 ⁽¹⁾	15.00/17.00/ 24.00 ⁽¹⁾	15.00/17.00/ 24.00 ⁽¹⁾

Note:

- (1) 15.00% on the first RM150,000 chargeable income, 17.00% on chargeable income from RM150,001 to RM600,000 and 24.00% on the balance of chargeable income.

Comparison between FYE 2023 and FYE 2024

For the FYE 2024, we had incurred income tax expense of RM0.88 million with an effective tax rate of 23.28% which was higher than the abovementioned statutory tax rates. This was mainly due to non-deductible expenses incurred during the financial year.

9. FINANCIAL INFORMATION (CONT'D)**Comparison between 4M-FPE 2024 and 4M-FPE 2025**

For the 4M-FPE 2025, we had incurred income tax expense of RM0.08 million with an effective tax rate of 6.27% which was lower than the abovementioned statutory tax rates. This was mainly due to overprovision of taxation in FYE 2024.

9.2.2.9 PAT and PAT margin

	Audited		Unaudited	
	FYE 2023	FYE 2024	4M-FPE 2024	4M-FPE 2025
PAT (RM'000)	910	2,910	511	1,167
PAT margin (%)	5.29	9.42	6.17	9.38

Comparison between FYE 2023 and FYE 2024

Our PAT increased by RM2.00 million or 219.78% from RM0.91 million in FYE 2023 to RM2.91 million in FYE 2024 mainly due to the increase in our revenue in FYE 2024 as detailed in **Section 9.2.2.1** of this Information Memorandum.

Our PAT margin increased from 5.29% in FYE 2023 to 9.42% in FYE 2024 mainly attributable to the increase of GP margin from 16.32% in FYE 2023 to 20.96% in FYE 2024 as detailed in **Section 9.2.2.3** of this Information Memorandum.

Comparison between 4M-FPE 2024 and 4M-FPE 2025

Our PAT increased by RM0.66 million or 129.41% from RM0.51 million in 4M-FPE 2024 to RM1.17 million in 4M-FPE 2025 mainly due to the increase in our revenue in 4M-FPE 2025 as detailed in **Section 9.2.2.1** of this Information Memorandum.

Our PAT margin increased from 6.17% in 4M-FPE 2024 to 9.38% in 4M-FPE 2025 mainly attributable to the increase of GP margin from 17.37% in 4M-FPE 2024 to 21.39% in 4M-FPE 2025 as detailed in **Section 9.2.2.3** of this Information Memorandum.

For information purpose, our PAT after being adjusted for the expenses relating to our Proposed Listing (which are one-off expenses) incurred in 4M-FPE 2025 of RM0.30 million would be RM1.47 million which represents a PAT margin of 11.82%.

9.2.2.10 Key financial ratios

The following table sets out our certain key financial ratios based on the financial statements of PESB for the Financial Periods Under Review:

	Audited		Unaudited	
	FYE 2023	FYE 2024	4M-FPE 2024	4M-FPE 2025
Average trade receivables turnover period (days) ⁽¹⁾	27	31	23	33
Average trade payables turnover period (days) ⁽²⁾	44	42	33	37
Average inventory turnover period (days) ⁽³⁾	49	52	56	48
Current ratio (times) ⁽⁴⁾	1.03	1.71	1.12	1.98
Gearing ratio (times) ⁽⁵⁾	-	-	-	-

Notes:

- (1) Computed based on average trade receivables over the total revenue for the respective financial year/period, multiplied by the number of days in the respective financial year/period.

9. FINANCIAL INFORMATION (*CONT'D*)

- (2) Computed based on average trade payables over the total purchases for the respective financial year/period, multiplied by the number of days in the respective financial year/period.
- (3) Computed based on average inventory over the total cost of sales for the respective financial year/period, multiplied by the number of days in the respective financial year/period.
- (4) Computed based on current assets over current liabilities as at the end of the respective financial year/period.
- (5) There are no interest-bearing borrowings in the respective financial year/period.

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9. FINANCIAL INFORMATION (CONT'D)

(i) Trade receivables

All our trade receivables are classified as current assets. Payments made through our online payment gateway are on cash term basis. For certain customers, such as long-term customers or those making bulk purchases, whose payments are processed outside of the online payment gateway, may be offered with credit terms. The normal credit terms granted by us to our customers range up to 120 days from the date of invoice. We have a credit policy in place to control credit risk by dealing with creditworthy counterparties. Our exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

Comparison between FYE 2023 and FYE 2024

Our average trade receivables turnover period increased from 27 days in FYE 2023 to 31 days in FYE 2024 mainly due to higher revenue and customers taking a longer time to make payments. Nevertheless, our average trade receivables turnover period for FYE 2023 and FYE 2024 fell within normal credit terms granted to customers.

Comparison between 4M-FPE 2024 and 4M-FPE 2025

Our average trade receivables turnover period increased from 23 days in 4M-FPE 2024 to 33 days in 4M-FPE 2025 mainly due to higher revenue and customers taking a longer time to make payments. Nevertheless, our average trade receivables turnover period for 4M-FPE 2024 and 4M-FPE 2025 fell within normal credit terms granted to customers.

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9. FINANCIAL INFORMATION (CONT'D)

Our Group's trade receivable ageing analysis as at 28 February 2025 is as follows:

	Within credit period	Exceed credit period (past due days)					Total
		1 - 30	31 - 60	61 - 90	91 - 120	>120	
Trade receivables (RM'000)	[A]	408	705	250	17	61	3,490
Less: Impairment (RM'000)	[B]	-	-	-	-	-	-
Net trade receivables (RM'000)	[C] = [A] - [B]	408	705	250	17	61	3,490
Proportion of total net trade receivables (%)		58.71	20.20	7.16	0.49	1.75	100.00
Subsequent collections up to the LPD (RM'000)	[D]	305	258	80	8	29	1,437
Outstanding net trade receivables as at the LPD (RM'000)	[E] = [C] - [D]	1,292	447	170	9	32	2,053
% net trade receivables as at the LPD over total net trade receivables		37.02	12.81	4.87	0.26	0.92	58.83

As at 28 February 2025, approximately RM1.44 million or 41.29% of our trade receivables exceeded the normal credit period. This was mainly because our Group has been offering flexibility in credit terms to certain customers for circumstances such as bulk purchases of our products, of which RM0.68 million was subsequently collected by our Group up to the LPD.

(ii) Trade payables

All our trade payables are classified as current liabilities. The normal credit terms granted by suppliers to our Group range from 30 days to 120 days depending on the terms of the agreed contracts.

Comparison between FYE 2023 and FYE 2024

Our average trade payables turnover period decreased from 44 days in FYE 2023 to 42 days in FYE 2024, mainly due to expedited payments to suppliers to secure more inventory in order to meet the increased demand from customers. Nevertheless, our average trade payables turnover period for FYE 2023 and FYE 2024 fell within the normal credit terms granted by our suppliers.

9. FINANCIAL INFORMATION (CONT'D)

Comparison between 4M-FPE 2024 and 4M-FPE 2025

Our average trade payables turnover period increased from 33 days in 4M-FPE 2024 to 37 days in 4M-FPE 2025 mainly due to our Group taking a longer time to make payments to suppliers. Nevertheless, our average trade payables turnover period for 4M-FPE 2024 and 4M-FPE 2025 fell within the normal credit terms granted by our suppliers.

Our Group’s trade payable ageing analysis as at 28 February 2025 is as follows:

	Within credit period	Exceed credit period (past due days)			
		1 - 30	31 - 60	61 - 90	Over 90
Trade payables (RM'000)	[A]	513	116	74	5
Proportion of total trade payables (%)		20.38	4.61	2.94	0.20
Subsequent payment up to the LPD (RM'000)	[B]	296	47	21	-
Outstanding trade payables as at the LPD (RM'000)	[C] = [A] – [B]	217	69	53	5
% of trade payables as at the LPD over total trade payables		13.39	2.74	2.11	0.20
		8.62			27.06

As at 28 February 2025, approximately RM0.71 million or 28.13% of our trade payables exceeded the normal credit period mainly due to the suppliers allowing longer payment period, of which RM0.36 million was subsequently paid by us up to the LPD.

Notwithstanding that the trade payables exceeded the normal credit period granted by suppliers, our Group has not been imposed with any penalty or interest charges by our suppliers for late payment in respect of the trade payables as at 28 February 2025.

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9. FINANCIAL INFORMATION (CONT'D)**(iii) Inventories**

All our inventories are classified as current assets. Our inventories comprise finished goods and goods in transit.

Comparison between FYE 2023 and FYE 2024

Our average inventories turnover period increased from 49 days in FYE 2023 to 52 days in FYE 2024 mainly due to the purchase of more inventories to meet the demand from customers.

Comparison between 4M-FPE 2024 and 4M-FPE 2025

Our average inventories turnover period decreased from 56 days in 4M-FPE 2024 to 48 days in 4M-FPE 2025 mainly due to the faster turnover of inventories with the increase in our sales.

(iv) Current ratio**Comparison between FYE 2023 and FYE 2024**

Our current ratio increased from 1.03 times in FYE 2023 to 1.71 times in FYE 2024 mainly due to:

- (i) increase in inventories of RM1.09 million as at 31 October 2024 as a result of purchase of more inventories to meet the demand of the customers; and
- (ii) increase in trade receivables as a result of increase in revenue.

Comparison between 4M-FPE 2024 and 4M-FPE 2025

Our current ratio increased from 1.12 times in 4M-FPE 2024 to 1.98 times in 4M-FPE 2025 mainly due to:

- (i) increase in inventories of RM0.48 million as at 28 February 2025 as a result of purchase of more inventories to meet the demand of the customers; and
- (ii) increase in trade receivables as a result of increase in revenue.

(v) Gearing ratio

We do not possess any interest-bearing borrowings for the Financial Periods Under Review. As such, the gearing ratio is not applicable.

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9. FINANCIAL INFORMATION (CONT'D)**9.3 Liquidity and capital resources****9.3.1 Cash flows**

The summary of our cash flows for the Financial Periods Under Review are as follows:

	Audited		Unaudited	
	FYE 2023	FYE 2024	4M-FPE 2024	4M-FPE 2025
	RM'000	RM'000	RM'000	RM'000
Net cash from operating activities	130	569	67	466
Net cash used in investing activity	(81)	(66)	(44)	-
Net cash from/(used in) financing activities	-	2,000	-	(10)
Net increase in cash and cash equivalents	49	2,503	23	456
Cash and cash equivalents at the beginning of the financial year/period	885	935	935	3,436
Effect of exchange translation differences on cash and cash equivalents	1	(2)	(3)	-
Cash and cash equivalents at the end of the financial year/period	935	3,436	955	3,892

Details of the cash and cash equivalents are as follows:

	Audited		Unaudited	
	FYE 2023	FYE 2024	4M-FPE 2024	4M-FPE 2025
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	935	3,436	955	3,892

(a) Net cash from operating activities**FYE 2023**

For the FYE 2023, we recorded a net cash from operating activities of RM0.13 million mainly after taking into account the following:

- (i) increase in inventories of RM2.02 million due to purchase of more inventories to reserve and serve the demand from customers;
- (ii) increase in receivables of RM1.17 million due to increase in revenue; and
- (iii) increase in payables of RM2.47 million due to increase in purchases to meet the increased demand from customers.

FYE 2024

For the FYE 2024, we recorded a net cash from operating activities of RM0.57 million mainly after taking into account the following:

- (i) increase in inventories of RM1.09 million due to purchases of more inventories to serve the orders from the customers at a faster rate;
- (ii) increase in receivables of RM1.86 million due to increase in revenue during the financial year; and

9. FINANCIAL INFORMATION (CONT'D)

- (iii) increase in payables of RM0.84 million due to increase in purchases to meet the increased demand from customers.

4M-FPE 2024

For the 4M-FPE 2024, we recorded a net cash from operating activities of RM0.07 million mainly after taking into account the following:

- (i) increase in inventories of RM0.43 million due to purchases of more inventories to serve the orders from the customers at a faster rate;
- (ii) decrease in receivables of RM0.78 million due to faster collection from customers during the financial period; and
- (iii) decrease in payables of RM0.68 million due to expedited payments to suppliers to secure more inventory in order to meet the increased demand from customers.

4M-FPE 2025

For the 4M-FPE 2025, we recorded a net cash from operating activities of RM0.47 million mainly after taking into account the following:

- (i) decrease in inventories of RM0.19 million due to faster stock turnover to serve customers orders;
- (ii) decrease in receivables of RM0.22 million due to faster collection from customers during the financial period and
- (iii) decrease in payables of RM0.60 million due to expedited payments to suppliers to secure more inventory in order to meet the increased demand from customers.

(b) Net cash used in investing activity**FYE 2023**

For the FYE 2023, we recorded net cash used in investing activity of RM0.08 million which was for the purchase of computer, office equipment and renovation.

FYE 2024

For the FYE 2024, we recorded net cash used in investing activity of RM0.07 million which was mainly for the purchase of computer, office equipment and renovation.

4M-FPE 2024

For the 4M-FPE 2024, we recorded net cash used in investing activity of RM0.04 million which was for the purchase of computer, office equipment and renovation.

4M-FPE 2025

We did not record any cash used in or from investing activity for the 4M-FPE 2025.

(c) Net cash from/(used in) financing activities**FYE 2023**

We did not record any cash used in or from financing activity for the FYE 2023.

9. FINANCIAL INFORMATION (CONT'D)**FYE 2024**

For the FYE 2024, we recorded net cash from financing activity of RM2.00 million comprised of proceeds from the Pre-Listing Subscription.

4M-FPE 2024

We did not record any cash used in or from financing activity for the 4M-FPE 2024.

4M-FPE 2025

For the 4M-FPE 2025, we recorded a net cash used in financing activities of RM0.01 million which refers to the payment of lease liability in respect of right-of-use asset pursuant to MFRS 16 *Leases* for the rental obligation of our office, showroom and warehouse located at Lot 3210, Jalan Balakong, Kawasan Perindustrian Kampung Baru Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan which is unsecured.

9.3.2 Working capital

Our business is financed through internal and external funds. The internal sources of funds comprise our share capital and cash and bank balances while the external sources comprise credit facilities extended by our suppliers. The principal utilisation of these funds has been for our business operations and growth.

Based on our unaudited statement of financial position as at 28 February 2025, we possessed a cash and bank balances of RM3.89 million and our current ratio stood at 1.98 times.

As at the LPD, our Group does not utilise any banking facilities.

Our Directors are of the opinion that we have adequate working capital to meet our present and foreseeable requirements for a period of at least 12 months from the date of this Information Memorandum after taking into consideration the following:

- (i) our cash and bank balances;
- (ii) the expected profits earned and cash flows to be generated from our business operations;
- (iii) proceeds raised from the Pre-Listing Subscription; and
- (iv) proceeds to be raised from the Proposed Placement.

9.4 Significant factors affecting our financial condition and results of operations

Our financial condition and results of operations have been and will continue to be affected by various key factors primarily relating to the industry in which we operate.

Section 7 of this Information Memorandum details a number of risk factors relating to our business and industries in which we operate in. Some of these risk factors may have an impact on our Group's business, financial position and results of operations. You should carefully consider the risk factors set out therein before making a decision on whether an investment in our Shares is suitable for you in light of your circumstances and financial resources.

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10. OTHER INFORMATION

10.1 Material contracts

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within the 2 years immediately preceding the date of this Information Memorandum:

- (a) Share sale and purchase agreement dated 5 September 2024 entered into between our Company and PESB Vendors for the acquisition by our Company of all 2,500 ordinary shares in PESB, representing the entire issued shares in PESB, from the PESB Vendors for a total purchase consideration of RM2,028,000, which was satisfied via the issuance of 101,400,000 new Shares at an issue price of RM0.02 each to the PESB Vendors. The Acquisition was completed on 11 September 2024.

10.2 Material litigation

As at the LPD, we are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and our Board does not know of any proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially or adversely affect our position or business.

10.3 Contingent liabilities

As at the LPD, there is no contingent liability which, upon becoming enforceable, may have a material impact on our financial position and business.

10.4 Consents

- (a) Our Approved Adviser, Placement Agent, Continuing Adviser, Company Secretary, Due Diligence Solicitors for our Proposed Listing, and Share Registrar have given their written consents before the issuance of this Information Memorandum for the inclusion of their names and all references thereto in the form, manner and context in which they are included in this Information Memorandum, and have not subsequently withdrawn;
- (b) Our Auditors and Reporting Accountants have given their written consent before the issuance of this Information Memorandum for the inclusion of their name and all references thereto, the Accountants' Report for the FYEs 2024 and 2023, in the form, manner and context in which they are included in this Information Memorandum, and have not subsequently withdrawn; and
- (c) Our Independent Market Researcher has given its written consent before the issuance of this Information Memorandum for the inclusion of its name and all references thereto and the IMR Report in the form, manner and context in which they are included in this Information Memorandum, and have not subsequently withdrawn.

10.5 Responsibility statements

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

TA Securities, being the Approved Adviser, Placement Agent and Continuing Adviser, acknowledges that, based on all available information and to the best of their knowledge and belief, this Information Memorandum constitutes a full and true disclosure of all material facts concerning our Proposed Listing.

10. OTHER INFORMATION (CONT'D)

10.6 Documents available for inspection

Copies of the following documents may be inspected at our registered office at Level 13A-6, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan, during the normal office hours for a period of 1 month from the date of our Proposed Listing:

- (i) this Information Memorandum;
- (ii) our Constitution;
- (iii) the IMR Report referred to in **Section 6** of this Information Memorandum;
- (iv) the share sale and purchase agreement referred to in **Section 10.1** of this Information Memorandum;
- (v) the Accountants' Report for the FYEs 2024 and 2023 as referred to in **Appendix I** of this Information Memorandum;
- (vi) the Group's unaudited consolidated financial statements for the 4M-FPE 2025 and 4M-FPE 2024 as referred to in **Appendix II** of this Information Memorandum; and
- (vii) the letters of consent referred to in **Section 10.4** of this Information Memorandum.

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APPENDIX I

Accountants' Report for the FYEs 2024 and 2023

PING EDGE TECHNOLOGY BERHAD
[Registration No.: 202401013537 (1559387-U)]
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT
FOR THE FINANCIAL YEARS ENDED
31 OCTOBER 2024 AND 31 OCTOBER 2023

Registered office:
Level 13A-6, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

Principal place of business:
Lot 3210, Jalan Balakong
Kawasan Perindustrian Kampung Baru Balakong
43300 Seri Kembangan
Selangor Darul Ehsan

PING EDGE TECHONOLGY BERHAD
(Incorporated in Malaysia)

**ACCOUNTANTS' REPORT
FOR THE FINANCIAL YEARS ENDED
31 OCTOBER 2024 AND 31 OCTOBER 2023**

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22 January 2025

The Board of Directors
Ping Edge Technology Berhad
Lot 3210, Jalan Balakong
Kawasan Perindustrian Kampung Baru Balakong
43300 Seri Kembangan
Selangor Darul Ehsan

Dear Sirs,

REPORTING ACCOUNTANTS' OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS CONTAINED IN THE ACCOUNTANTS' REPORT OF PING EDGE TECHNOLOGY BERHAD ("PING EDGE" OR "THE COMPANY")

Opinion

We have audited the accompanying consolidated financial statements of the Company and its subsidiary (collectively known as "Ping Edge Group" or "the Group") as disclosed in Note 1.3 to the consolidated financial statements, which comprises the consolidated statement of financial position as at 31 October 2024 and 31 October 2023 of the Group, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial years then ended, and notes to the consolidated financial statements, including material accounting policy information, as set out on pages 6 to 47.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 October 2024 and 31 October 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

REPORTING ACCOUNTANTS' OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS CONTAINED IN THE ACCOUNTANTS' REPORT OF PING EDGE TECHNOLOGY BERHAD ("PING EDGE" OR "THE COMPANY") (CONT'D)

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 Consolidated Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Responsibilities of the Directors for the Consolidated Financial Statements

The Directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

REPORTING ACCOUNTANTS' OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS CONTAINED IN THE ACCOUNTANTS' REPORT OF PING EDGE TECHNOLOGY BERHAD ("PING EDGE" OR "THE COMPANY") (CONT'D)

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

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

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 consolidated financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

REPORTING ACCOUNTANTS' OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS CONTAINED IN THE ACCOUNTANTS' REPORT OF PING EDGE TECHNOLOGY BERHAD ("PING EDGE" OR "THE COMPANY") (CONT'D)

Reporting Accountants' Responsibilities for the Audit of the Consolidated Financial Statements (Cont'd)

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our accountants' report to the related disclosures in the consolidated financial statements 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 accountants' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements of the Group, including the disclosures, and whether the consolidated financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

REPORTING ACCOUNTANTS' OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS CONTAINED IN THE ACCOUNTANTS' REPORT OF PING EDGE TECHNOLOGY BERHAD ("PING EDGE" OR "THE COMPANY") (CONT'D)

Other Matters

This report has been prepared solely for the inclusion in the information memorandum of Ping Edge in connection with the proposed listing of and quotation for the entire enlarged issued share capital of the Company on the LEAP Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this report.



UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF 1411
Chartered Accountants



LIM BEE PENG
Approved Number: 03307/06/2025 J
Chartered Accountant

KUALA LUMPUR

PING EDGE TECHNOLOGY BERHAD

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2024 AND 31 OCTOBER 2023**

	Note	2024 RM	2023 RM
ASSETS			
Non-Current Asset			
Property, plant and equipment	4	214,116	207,507
Current Assets			
Inventories	5	4,035,455	2,942,803
Trade and other receivables	6	4,046,585	2,196,496
Other current assets	7	715,317	287,796
Cash and bank balances		3,436,549	934,571
		12,233,906	6,361,666
Total Assets		12,448,022	6,569,173
EQUITY AND LIABILITIES			
Equity			
Share capital	8(i)	4,028,100	-
Invested equity	8(ii)	-	2,500
Merger reserve	9	(2,025,500)	-
Retained earnings		3,302,206	391,777
Total Equity		5,304,806	394,277
Non-Current Liability			
Deferred tax liabilities	10	2,180	3,186
Current Liabilities			
Trade and other payables	11	6,860,624	6,025,183
Provision of taxation		280,412	146,527
		7,141,036	6,171,710
Total Liabilities		7,143,216	6,174,896
Total Equity and Liabilities		12,448,022	6,569,173

The accompanying notes form an integral part of the consolidated financial statements.

PING EDGE TECHNOLOGY BERHAD

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED
31 OCTOBER 2024 AND 31 OCTOBER 2023**

	Note	2024 RM	2023 RM
Revenue	12	30,893,749	17,213,504
Cost of sales		(24,418,197)	(14,405,451)
Gross profit		<u>6,475,552</u>	<u>2,808,053</u>
Other income		12,647	10,650
Administrative expenses		(1,938,978)	(1,161,602)
Selling and distribution expenses		(756,011)	(597,689)
Profit before tax	13	<u>3,793,210</u>	<u>1,059,412</u>
Taxation	14	(882,781)	(149,713)
Profit for the financial year, representing total comprehensive income for the financial year		<u>2,910,429</u>	<u>909,699</u>
Earnings per share (sen)			
Basic and diluted earnings per share	15	<u>2.38</u>	<u>0.90</u>

The accompanying notes form an integral part of the consolidated financial statements.

PING EDGE TECHNOLOGY BERHAD
(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 OCTOBER 2024 AND 31 OCTOBER 2023**

	Share Capital RM	Invested Equity RM	Merger Reserve RM	Retained Earnings RM	Total Equity RM
At 1 November 2022	-	2,500	-	(517,922)	(515,422)
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	909,699	909,699
At 31 October 2023	-	2,500	-	391,777	394,277
At 1 November 2023	-	2,500	-	391,777	394,277
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	2,910,429	2,910,429
Transaction with owners:					
Issuance of ordinary shares [Note 8(i)]	2,000,100	-	-	-	2,000,100
Acquisition of a subsidiary [Note 8(i), 8(ii) and 9]	2,028,000	(2,500)	(2,025,500)	-	-
At 31 October 2024	4,028,100	-	(2,025,500)	3,302,206	5,304,806

The accompanying notes form an integral part of the consolidated financial statements.

PING EDGE TECHNOLOGY BERHAD

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 OCTOBER 2024 AND 31 OCTOBER 2023**

	2024	2023
	RM	RM
Operating Activities		
Profit before tax	3,793,210	1,059,412
Adjustments for:		
Depreciation of property, plant and equipment	59,071	52,326
Property, plant and equipment written off	-	8,043
Unrealised loss on foreign exchange	10,563	327
Interest income	(808)	(470)
Operating profit before working capital changes	3,862,036	1,119,638
Changes in working capital:		
Inventories	(1,092,652)	(2,019,761)
Receivables	(1,858,767)	(1,168,012)
Other current assets	(427,521)	(270,538)
Payables	835,645	2,467,551
	(2,543,295)	(990,760)
Cash generated from operations	1,318,741	128,878
Interest received	808	470
Tax paid	(749,902)	(8)
Net cash from operating activities	569,647	129,340
Investing Activity		
Purchase of property, plant and equipment, representing net cash used in investing activity	(65,680)	(80,921)
Financing Activity		
Proceeds from issuance of ordinary shares, representing net cash from financing activity	2,000,100	-

PING EDGE TECHNOLOGY BERHAD

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 OCTOBER 2024 AND 31 OCTOBER 2023
(CONT'D)**

	2024	2023
	RM	RM
Net increase in cash and cash equivalents	2,504,067	48,419
Cash and cash equivalents at the beginning of the financial year	934,571	885,371
Effect of exchange translation differences on cash and cash equivalents	(2,089)	781
Cash and cash equivalents at the end of the financial year	<u>3,436,549</u>	<u>934,571</u>
Cash and cash equivalents at the end of the financial year comprises:		
Cash and bank balances	<u>3,436,549</u>	<u>934,571</u>

Note to consolidated statement of cash flows

Cash flows for leases as a lessee

		2024	2023
	Note	RM	RM
Included in operating activities:			
Payment relating to short-term leases, representing total cash outflows for leases	13	<u>54,000</u>	<u>20,000</u>

The accompanying notes form an integral part of the consolidated financial statements.

PING EDGE TECHNOLOGY BERHAD

(Incorporated in Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

1.1 Introduction

This report has been prepared solely for the inclusion in the information memorandum of Ping Edge Technology Berhad (“Ping Edge” or “the Company”) in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the LEAP Market of Bursa Malaysia Securities Berhad (“Bursa Securities”)(hereinafter defined as “the Listing”) and should not be relied upon for any other purposes.

1.2 Background

The Company was incorporated in Malaysia under the Companies Act 2016 on 4 April 2024 as a private limited company under the name of Ping Edge Technology Sdn. Bhd. and domiciled in Malaysia. On 13 September 2024, the Company was converted into a public limited company and assumed its present name, Ping Edge Technology Berhad.

The registered office of the Company is located at Level 13A-6, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur.

The principal place of business of the Company is located at Lot 3210, Jalan Balakong, Kawasan Perindustrian Kampung Baru Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan.

1. General Information (Cont'd)

1.3 Principal activities

The principal activity of the Company is investment holding.

Details of the subsidiary of the Company is as follows:

Name of company	Date of incorporation	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
			2024	2023	
Direct holding:					
Ping Edge Sdn. Bhd. ("PESB")	29 May 2015	Malaysia	100	100	Engaged in the business of e-commerce, trading and related services dealing with commercial foodservice and kitchen equipment and related products.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary.

1.4 Acquisition of PESB

On 5 September 2024, Ping Edge entered into a share sale and purchase agreement with Choong Wai Hon and Soh Yeow Seng ("PESB Vendors") to acquire the entire equity interest in PESB comprising 2,500 ordinary shares for a total purchase consideration of RM2,028,000, which was satisfied via the issuance of 101,400,000 new ordinary shares in Ping Edge ("Ping Edge Shares") to the PESB Vendors at an issue price of RM0.02 each ("Acquisition").

Details of the Acquisition and the number of new Ping Edge Shares issued to the PESB vendors pursuant to the Acquisition are set out below:

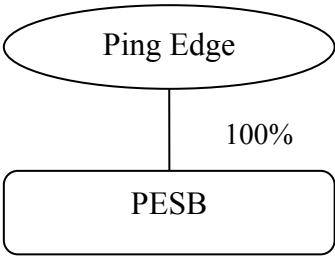
PESB Vendors	Shareholdings in PESB		Purchase consideration RM	No. of new Ping Edge Shares issued Units
	No. of shares acquired	% of share capital		
	Units	%		
Choong Wai Hon	2,250	90.0	1,825,200	91,260,000
Soh Yeow Seng	250	10.0	202,800	10,140,000
Total	2,500	100.0	2,028,000	101,400,000

1. General Information (Cont'd)

1.4 Acquisition of PESB (Cont'd)

The Acquisition was completed on 11 September 2024 and consequently, PESB became a wholly-owned subsidiary of Ping Edge.

Following the completion of the Acquisition, the group structure of Ping Edge is as follows:



The Group is regarded as a continuing entity resulting from the Acquisition as the management of PESB was controlled by the Directors and remained substantially under the same major shareholders before and immediately after the Acquisition. Consequently, immediately after the Acquisition, there was continuity in control over the entity’s financial and operating policy decisions, as well as risks and benefits to the ultimate shareholders that existed prior to the Acquisition. The Acquisition has been accounted for as a common control transaction, applying an approach similar to the pooling of interests method. As the Company was incorporated on 4 April 2024, the financial information for the FYE 2023 have been prepared based on the financial statements of PESB prior to the Acquisition while the financial information for the FYE 2024 are presented based on the consolidated audited financial statements of the Group.

2. **Basis of Preparation**

(a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards based on the Guidance Note on “Combined Financial Statements” issued by the Malaysian Institute of Accountants in relation to the Listing.

The consolidated financial statements have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

Adoption of new and amended standards

The Group has adopted the following new standards and amendments to standards issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of the new standards and amendments to standards did not have any significant impact on the consolidated financial statements of the Group except as disclosed below:

Amendments to MFRS 101 *Disclosure of Accounting Policies*

The Group adopted Amendments to MFRS 101 *Disclosure of Accounting Policies* from 1 November 2023. The amendments require the disclosure of material accounting policy information rather than significant accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Accordingly, the Group disclosed its material accounting policy information in these consolidated financial statements. However, the amendments did not result in any material changes to the accounting policies of the Group.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group has not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11:		1 January 2026
• Amendments to MFRS 1		
• Amendments to MFRS 7		
• Amendments to MFRS 9		
• Amendments to MFRS 10		
• Amendments to MFRS 107		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
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 Group intends to adopt the above new standards and amendments to standards, if applicable, when they become effective.

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the consolidated financial statements of the Group.

2. **Basis of Preparation (Cont'd)**

(b) Functional and presentation currency

The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is the Group’s functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group’s consolidated 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 judgement in applying accounting policies that have significant effect on the amounts recognised in the consolidated 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:

Depreciation and useful lives of property, plant and equipment

The Group reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Judgements are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised. The carrying amount at the reporting date for property, plant and equipment is disclosed in Note 4.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices less estimated costs to sell. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group’s products, the Group might be required to write-down the value of its inventories. Details of inventories are disclosed in Note 5.

2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

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 Group recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 31 October 2024, the Group has tax provision of RM280,412 (2023: RM146,527).

3. **Material Accounting Policies**

The Group applies the material accounting policies set out below, consistently throughout all periods presented in the consolidated financial statements unless otherwise stated.

(a) Basic of consolidation - business combinations

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The acquisition of the combining entities resulted in a business involving common control since the management of all the entities which took part in the acquisition were controlled by common Directors and under common shareholders before and immediately after the acquisition, and accordingly the accounting treatment is outside the scope of MFRS 3.

Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in merger deficit.

3. **Material Accounting Policies (Cont'd)**

(b) Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced component is derecognised. All other repair and maintenance are recognised in profit or loss during the financial year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Depreciation

Depreciation 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:

Computers	20%
Furniture and fittings	20%
Office equipment	20%
Renovation	10%
Signboard	20%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

3. **Material Accounting Policies (Cont'd)**

(c) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the Group using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(d) Financial assets

Recognition and initial measurement

Financial assets are recognised in the consolidated statement of financial position when, and only when, the Group becomes a party to the contractual provision of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

Financial asset categories and subsequent measurement

The Group determines the classification of financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

3. **Material Accounting Policies (Cont'd)**

(d) Financial assets (Cont'd)

Financial asset categories and subsequent measurement (Cont'd)

The Group classifies its financial assets as follows:

(i) Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The Group's financial assets at amortised cost include trade and other receivables, other current assets and cash and bank balances.

(ii) Financial assets at fair value through profit or loss

The Group has not designated any financial assets at FVTPL.

(iii) Financial assets at fair value through other comprehensive income ("FVTOCI")

The Group has not designated any financial assets at FVTOCI.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment assessment.

Regular way purchase or sale of financial assets

Regular way purchase or sale are purchase or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchase or sale of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset.

3. **Material Accounting Policies (Cont'd)**

(d) Financial assets (Cont'd)

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to receive cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial assets and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

(e) Financial liabilities

Recognition and initial measurement

Financial liabilities are recognised in the consolidated statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments.

Financial liability categories and subsequent measurement

The Group classifies its financial liabilities as follows:

(i) Financial liabilities at amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

The Group's financial liabilities designated at amortised cost comprise trade and other payables.

(ii) Financial liabilities at fair value through profit or loss

The Group has not designated any financial liabilities at FVTPL.

3. **Material Accounting Policies (Cont'd)**

(e) **Financial liabilities (Cont'd)**

Derecognition

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(f) **Offsetting of financial instruments**

Financial asset and financial liability are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(g) **Inventories**

Inventories are stated at the lower of cost and net realisable value.

Cost of merchandise comprise cost of purchase and other cost incurred in bringing it to their present location and condition and determined on first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of consolidated statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3. **Material Accounting Policies (Cont'd)**

(i) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

3. **Material Accounting Policies (Cont'd)**

(i) **Impairment of assets (Cont'd)**

(ii) **Financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (“a 12-month ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (“a lifetime ECL”).

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(j) **Share capital**

Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution of the Group’s shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Group’s shareholders.

3. **Material Accounting Policies (Cont'd)**

(k) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(l) Revenue and other income

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation (“PO”) by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

Sale of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

3. **Material Accounting Policies (Cont'd)**

(m) **Employee benefits**

(i) **Short-term employee benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

(ii) **Defined contribution plans**

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund (“EPF”). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations

(n) **Income taxes**

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial year.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

3. **Material Accounting Policies (Cont'd)**

(n) **Income taxes (Cont'd)**

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) **Fair value measurement**

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Registration No. 202401013537 (1559387-U)

4. **Property, Plant and Equipment**

2024	Computers	Furniture	Office	Renovation	Signboard	Total
Cost	RM	and fittings	equipment	RM	RM	RM
		RM	RM	RM	RM	RM
At 1 November 2023	66,490	74,826	43,533	251,401	-	436,250
Additions	43,063	-	9,091	7,326	6,200	65,680
At 31 October 2024	109,553	74,826	52,624	258,727	6,200	501,930
Accumulated depreciation						
At 1 November 2023	33,368	66,497	36,513	92,365	-	228,743
Charge for the financial year	16,101	8,329	6,619	27,299	723	59,071
At 31 October 2024	49,469	74,826	43,132	119,664	723	287,814
Carrying amount						
At 31 October 2024	60,084	-	9,492	139,063	5,477	214,116

4. **Property, Plant and Equipment (Cont'd)**

2023	Computers RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Total RM
Cost					
At 1 November 2022	40,278	74,826	45,331	214,278	374,713
Additions	29,322	-	1,499	50,100	80,921
Written off	(3,110)	-	(3,297)	(12,977)	(19,384)
At 31 October 2023	66,490	74,826	43,533	251,401	436,250
Accumulated depreciation					
At 1 November 2022	28,811	51,532	30,812	76,603	187,758
Charge for the financial year	7,667	14,965	8,698	20,996	52,326
Written off	(3,110)	-	(2,997)	(5,234)	(11,341)
At 31 October 2023	33,368	66,497	36,513	92,365	228,743
Carrying amount					
At 31 October 2023	33,122	8,329	7,020	159,036	207,507

5. **Inventories**

	2024	2023
	RM	RM
Finished goods	3,834,244	2,535,305
Goods-in-transit	201,211	407,498
	<u>4,035,455</u>	<u>2,942,803</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	<u>24,295,298</u>	<u>14,372,479</u>

6. **Trade and Other Receivables**

	2024	2023
	RM	RM
Trade receivables	3,302,079	1,936,189
Other receivables	744,506	260,307
	<u>4,046,585</u>	<u>2,196,496</u>

Trade receivables are non-interest bearing and are generally on 1 to 120 days (2023: 1 to 120 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

7. **Other Current Assets**

	2024	2023
	RM	RM
Deposits	18,528	102,148
Prepayments	696,789	185,648
	<u>715,317</u>	<u>287,796</u>

8. Share Capital and Invested Equity

(i) Share capital

	Number of shares		Amount	
	2024 Units	2023 Units	2024 RM	2023 RM
Issued and fully paid ordinary shares				
At 1 November/date of incorporation	100	-	100	-
Subdivision of shares (Note a)	4,900	-	-	-
Issuance of ordinary shares (Note b)	100,000,000	-	2,000,000	-
Acquisition of a subsidiary (Note c)	101,400,000	-	2,028,000	-
At 31 October	<u>201,405,000</u>	<u>-</u>	<u>4,028,100</u>	<u>-</u>

The Company was incorporated with 100 ordinary shares of RM1.00 each and were fully subscribed for on the date of incorporation.

During the financial year, the Company:

- (a) completed the share split involving subdivision of every 1 existing ordinary shares into 50 new subdivided ordinary shares. Upon completion of the share split, the number of issued shares of the Company increased from 100 ordinary shares to 5,000 ordinary shares;
- (b) issued 100,000,000 new ordinary shares at an issue price of RM0.02 each for a total consideration of RM2,000,000; and
- (c) issued 101,400,000 new ordinary shares at an issue price of RM0.02 each for a total consideration of RM2,028,000 for the acquisition of the entire issued and paid-up share capital of PESB.

8. **Share Capital and Invested Equity (Cont'd)**

(ii) Invested equity

	Number of shares		Amount	
	2024	2023	2024	2023
	Units	Units	RM	RM
Issued and fully paid ordinary shares				
At 1 November	2,500	2,500	2,500	2,500
Adjustment on acquisition of a subsidiary	(2,500)	-	(2,500)	-
At 31 October	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

9. **Merger Reserve**

The merger reserve arose from the difference between the carrying amount of investment and the nominal value of the shares of the subsidiary upon consolidation under the merger method of accounting.

10. **Deferred Tax Liabilities**

	2024	2023
	RM	RM
At 1 November	3,186	-
Recognised in profit or loss (Note 14)	<u>(1,006)</u>	<u>3,186</u>
At 31 October	<u>2,180</u>	<u>3,186</u>

10. Deferred Tax Liabilities (Cont'd)

The components and movements of deferred tax liabilities and assets are as follows:

Deferred tax liabilities

	Accelerated capital allowances RM	Other temporary differences RM	Total RM
2024			
At 1 November 2023	1,848	1,338	3,186
Recognised in profit or loss	1,529	(1,338)	191
At 31 October 2024 (before offsetting)	3,377	-	3,377
Less: Offsetting			(1,197)
At 31 October 2024 (after offsetting)			2,180
2023			
At 1 November 2022	-	-	-
Recognised in profit or loss	(283)	(78)	(361)
Under provision in prior year	2,131	1,416	3,547
At 31 October 2023	1,848	1,338	3,186

Deferred tax asset

	Other temporary differences RM
2024	
At 1 November 2023	-
Recognised in profit or loss	(1,197)
At 31 October 2024 (before offsetting)	(1,197)
Less: Offsetting	1,197
At 31 October 2024 (after offsetting)	-
2023	
At 1 November 2022	-
Recognised in profit or loss	3,547
Under provision in prior year	(3,547)
At 31 October 2023	-

11. Trade and Other Payables

	2024	2023
	RM	RM
Trade payables	3,352,338	2,454,299
Other payables		
- Third parties	244,472	156,733
- Related parties	-	27,946
	244,472	184,679
Accruals	994,569	565,358
Deposits received	2,269,245	2,820,847
	<u>3,508,286</u>	<u>3,570,884</u>
	<u>6,860,624</u>	<u>6,025,183</u>

Related parties represent amount due to companies in which a Director of a subsidiary has substantial financial interests.

The normal trade credit term granted to the Group range from 30 to 120 days (31.10.2023: 30 to 120 days) depending on the terms of the contracts.

12. Revenue

	2024	2023
	RM	RM
Revenue from contracts with customers		
Sale of goods	<u>30,893,749</u>	<u>17,213,504</u>
Timing of revenue recognition		
At a point in time	<u>30,893,749</u>	<u>17,213,504</u>

12. **Revenue (Cont'd)**

Breakdown of Group's revenue from contracts with customers:

	Trading of commercial foodservice and kitchen equipment	
	2024	2023
	RM	RM
Geographical market		
Malaysia	30,824,119	17,029,903
Overseas	69,630	183,601
	<u>30,893,749</u>	<u>17,213,504</u>

13. **Profit Before Tax**

Profit before tax is arrived at after charging/(crediting):

	2024	2023
	RM	RM
Auditors' remuneration		
- Current year	28,000	15,000
- Over provision in prior year	-	(300)
Depreciation of property, plant and equipment	59,071	52,326
(Gain)/Loss in foreign exchange		
- Realised	(2,154)	39,433
- Unrealised	10,563	327
Property, plant and equipment written off	-	8,043
Short-term lease expense	54,000	20,000
Staff costs (Note 16)	1,298,696	571,880
Interest income	<u>(808)</u>	<u>(470)</u>

14. **Taxation**

	2024	2023
	RM	RM
Tax expenses recognised in profit or loss		
Malaysian income tax		
Current tax provision	<u>883,787</u>	<u>146,527</u>
Deferred tax (Note 10)		
- Origination and reversal of temporary differences	<u>(1,006)</u>	<u>3,186</u>
	<u>882,781</u>	<u>149,713</u>

Malaysian income tax is calculated at the statutory tax rate of 15% on the first RM150,000 chargeable income, 17% on RM150,001 to RM600,000 chargeable income and 24% (2023: 15% on the first RM150,000 chargeable income, 17% on RM150,001 to RM600,000 chargeable income and 24%) on the balance of chargeable income of the estimated assessable profits for the financial year.

A reconciliation of income tax expenses applicable to profit before tax at the statutory income tax rate to income tax expenses at the effective income tax of the Group are as follows:

	2024	2023
	RM	RM
Profit before tax	<u>3,793,210</u>	<u>1,059,412</u>
At Malaysian statutory tax rate of 24% (2023: 24%)	910,370	254,259
Tax incentive on small and medium enterprise	(45,000)	(45,000)
Expenses not deductible for tax purposes	17,489	6,764
Income not subject to tax	(78)	-
Utilisation of previously unrecognised deferred tax assets	<u>-</u>	<u>(66,310)</u>
Tax expenses for the financial year	<u>882,781</u>	<u>149,713</u>

15. Earnings per Share

(a) Basic earnings per share

The basic earnings per share are calculated based on the profit for the financial year attributable to owners of the parent and the number of ordinary shares in issue during the financial year as follows:

	2024	2023
	RM	RM
Profit attributable to the owners of the parent (RM)	<u>2,910,429</u>	<u>909,699</u>
Weighted average number of ordinary shares in issue (units):		
Issued ordinary shares at 1 November 2023/ date of incorporation/1 November 2022	101,400,100	-
Effect of share split	4,900	-
Effect of ordinary shares issued during the financial year	<u>21,038,251</u>	<u>101,400,000</u>
Weighted average number of ordinary shares at 31 October	<u>122,443,251</u>	<u>101,400,000</u> *
Basic earnings per shares (in sen)	<u>2.38</u>	<u>0.90</u>

* In the calculation of earnings per share for the financial year ended 31 October 2023, it is assumed that 101,400,000 ordinary shares were in issue as the acquisition of subsidiary as disclosed in Note 1.4 was accounted for under the merger method of accounting.

(b) Diluted earnings per share

The Group has 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 since the end of the reporting period and before the authorisation of these consolidated financial statements.

16. Staff Costs

	2024	2023
	RM	RM
Salaries and other emoluments	1,139,591	504,962
Defined contribution plans	129,652	52,923
Social security contributions	13,533	7,014
Other benefits	15,920	6,981
	<u>1,298,696</u>	<u>571,880</u>

Included in staff cost is aggregate amount of remuneration received by the Executive Directors of the Group during the financial year as below:

	2024	2023
	RM	RM
Salaries and other emoluments	313,500	-
Defined contribution plans	37,620	-
Social security contributions	1,941	-
Other benefits	222	-
	<u>353,283</u>	<u>-</u>

17. Related Party Disclosures

(a) Identifying related parties

For the purposes of these consolidated financial statements, parties are considered to be related to the Group if the Group has 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 Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Executive Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group directly and indirectly.

17. Related Party Disclosures (Cont'd)

(b) Significant related party transactions

Related party transaction has been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the consolidated financial statements, the significant related party transaction of the Group is as follows:

	2024	2023
	RM	RM
Transactions with companies in which a Director of a subsidiary has substantial financial interests		
Expenses		
Services rendered	5,600	30,600
Lease expenses	4,000	20,000
	<u> </u>	<u> </u>

(c) Compensation of key management personnel

Remuneration of Executive Directors and other members of key management are as follows:

	2024	2023
	RM	RM
Salaries and other emoluments	410,250	-
Defined contribution plans	49,236	-
Social security contributions	2,912	-
Other benefits	333	-
	<u>462,731</u>	<u> </u>

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18. **Segment Information**

The Group operates principally within one segment, that is, trading of commercial foodservice and kitchen equipment.

Geographical segments

Revenue and addition to non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Total assets		Capital expenditure*	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Malaysia	30,824,119	17,029,903	12,448,022	6,569,173	65,680	80,921
Overseas	69,630	183,601	-	-	-	-
	<u>30,893,749</u>	<u>17,213,504</u>	<u>12,448,022</u>	<u>6,569,173</u>	<u>65,680</u>	<u>80,921</u>

* Capital expenditure consist of addition of property, plant and equipment.

Major customers

Revenue from major customers with revenue equal or more than 10% of the Group's revenue is as follows:

	2024 RM	2023 RM
Company A	<u>3,747,084</u>	<u>4,448,635</u>

19. 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 principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and financial liabilities in the consolidated statement of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Financial assets at amortised cost RM	Financial liability at amortised cost RM	Total RM
2024			
Financial assets			
Trade and other receivables	4,046,585	-	4,046,585
Other current assets#	18,528	-	18,528
Cash and bank balances	3,436,549	-	3,436,549
	<u>7,501,662</u>	<u>-</u>	<u>7,501,662</u>
Financial liability			
Trade and other payables	<u>-</u>	<u>6,860,624</u>	<u>6,860,624</u>
2023			
Financial assets			
Trade and other receivables	2,196,496	-	2,196,496
Other current assets#	102,148	-	102,148
Cash and bank balances	934,571	-	934,571
	<u>3,233,215</u>	<u>-</u>	<u>3,233,215</u>
Financial liability			
Trade and other payables	<u>-</u>	<u>6,025,183</u>	<u>6,025,183</u>

exclude prepayments

19. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity and foreign currency risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The Group has exposure to the following risks from its use of financial instruments:

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from trade and other receivables and deposits with banks. There are no significant changes as compared to prior year.

The Group has 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 deposits 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 Group assesses whether any of the receivables are credit impaired.

The carrying amounts of the financial assets recorded on the consolidated statement of financial position at the end of the reporting period represent the Group's maximum exposure to credit risk.

19. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The ageing analysis of trade receivables at the end of the reporting period are as follows:

	2024	2023
	RM	RM
Neither past due nor impaired	2,239,124	1,327,700
Past due but not impaired		
Less than 30 days	598,725	249,536
31 to 60 days	285,391	162,696
61 to 90 days	111,344	17,177
90 to 120 days	37,685	50,267
More than 120 days	29,810	128,813
	<u>1,062,955</u>	<u>608,489</u>
	<u>3,302,079</u>	<u>1,936,189</u>

Trade receivables that are neither past due nor individually impaired are creditworthy receivables with good payment records with the Group.

As at 31 October 2024, the Group has trade receivables amounting to RM1,062,955 (2023: RM608,489) that were past due but not individually impaired. These relate to a number of independent customers with slower repayment records.

The Group has 1 customer (2023: 3 customers) that owed to the Group, which accounted for 11% (2023: 42%) of total trade receivables at the end of the reporting period.

19. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from mismatches of maturities of financial assets and liabilities.

The Group's funding requirements and liquidity risks is managed with the objective of meeting business obligations on a timely basis. The Group monitors its cash flows and ensure that sufficient funding is in place to meet the obligations as and when they fall due.

All financial liabilities of the Group are assessed as current and correspondingly, no detailed maturity analysis is deemed necessary.

(iii) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currency of the Group. The currency giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Euro ("EUR") and Chinese Renminbi ("RMB").

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

19. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Foreign currency risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

	USD RM	Denominated in			Total RM
		SGD RM	EUR RM	RMB RM	
2024					
Other receivables	226,753	-	-	123,506	350,259
Cash and bank balances	14,206	8,678	4,836	1,851	29,571
Trade payables	(187,592)	-	-	-	(187,592)
	<u>53,367</u>	<u>8,678</u>	<u>4,836</u>	<u>125,357</u>	<u>192,238</u>
2023					
Other receivables	199,640	-	-	-	199,640
Cash and bank balances	15,082	5,660	5,167	-	25,909
Trade payables	(386,392)	-	-	(9,314)	(395,706)
	<u>(171,670)</u>	<u>5,660</u>	<u>5,167</u>	<u>(9,314)</u>	<u>(170,157)</u>

19. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity the Group's profit before tax/equity to a reasonably possible change in the USD, SGD, EUR and RMB exchange rates against RM, with all other variables held constant.

		Effect on profit before tax/equity	
		2024	2023
		RM	RM
USD	Strengthened 1%	534	(1,717)
	Weakened 1%	<u>(534)</u>	<u>1,717</u>
SGD	Strengthened 1%	87	57
	Weakened 1%	<u>(87)</u>	<u>(57)</u>
EUR	Strengthened 1%	48	52
	Weakened 1%	<u>(48)</u>	<u>(52)</u>
RMB	Strengthened 1%	1,254	(93)
	Weakened 1%	<u>(1,254)</u>	<u>93</u>

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables and cash and cash equivalents approximate their fair value due to the relatively short-term nature of these financial instruments and/or insignificant impact of discounting.

As the financial assets and financial liabilities of the Group are not carried at fair value by any valuation method, therefore the fair value hierarchy is not presented.

20. Capital Management

The Group's objectives when managing capital are to safeguard the Group's 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There were no changes in the Group's approach to capital management during the financial year.

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PING EDGE TECHNOLOGY BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, the undersigned, being two of the Directors of Ping Edge Technology Berhad, do hereby state that, in the opinion of the Directors, the accompanying consolidated financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at 31 October 2024 and 31 October 2023, and of their financial performance and their cash flows for the financial years ended 31 October 2024 and 31 October 2023.

Approved and adopted on behalf of the Board of Directors in accordance with a resolution of the Directors dated 22 January 2025.



CHOONG WAI HON



SOH YEOW SENG

KUALA LUMPUR

APPENDIX II

**Unaudited consolidated financial statements for the 4M-FPE 2025
and 4M-FPE 2024**

PING EDGE TECHNOLOGY BERHAD
(Registration No.: 202401013537 (1559387-U))
(Incorporated in Malaysia)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2025 AND 29 FEBRUARY 2024

	Unaudited As at 28 February 2025 RM'000	Unaudited As at 29 February 2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	199	229
Right-of-use asset	103	-
Total non-current assets	302	229
Current assets		
Inventories	3,848	3,369
Trade and other receivables	3,833	1,407
Other current assets	1,026	430
Cash and bank balances	3,892	955
Total current assets	12,599	6,161
TOTAL ASSETS	12,901	6,390
EQUITY AND LIABILITIES		
Equity		
Share capital	4,028	-
Invested equity	-	3
Merger reserve	(2,025)	-
Retained earnings	4,469	903
TOTAL EQUITY	6,472	906
Non- current liabilities		
Lease liability ⁽¹⁾	48	-
Deferred tax liabilities	2	3
Total non-current liabilities	50	3
Current liabilities		
Trade and other payables	6,259	5,344
Lease liability ⁽¹⁾	55	-
Provision of taxation	65	137
Total current liabilities	6,379	5,481
TOTAL LIABILITIES	6,429	5,484
TOTAL EQUITY AND LIABILITIES	12,901	6,390

Note:

- (1) This refers to the lease liability in respect of right-of-use asset pursuant to MFRS 16 *Leases* for the rental obligation of our office, showroom and warehouse located at Lot 3210, Jalan Balakong, Kawasan Perindustrian Kampung Baru Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan, which is unsecured.

PING EDGE TECHNOLOGY BERHAD
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(Incorporated in Malaysia)

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIODS ENDED
28 FEBRUARY 2025 AND 29 FEBRUARY 2024**

	Unaudited	Unaudited
	2025	2024
	RM'000	RM'000
Revenue	12,441	8,281
Cost of sales	(9,780)	(6,843)
Gross profit	2,661	1,438
Other income	6	*
Administrative expenses	(1,158)	(662)
Selling and distribution expenses	(263)	(170)
Finance cost	(1)	-
Profit before tax	1,245	606
Taxation	(78)	(95)
Profit for the financial period, representing total comprehensive income for the financial period	1,167	511

Note:

* Less than RM1,000.

PING EDGE TECHNOLOGY BERHAD
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**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIODS ENDED 28 FEBRUARY 2025 AND 29 FEBRUARY 2024**

	Share Capital RM'000	Invested Equity RM'000	Merger Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
At 1 November 2023	-	3	-	392	395
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	511	511
At 29 February 2024	-	3	-	903	906
At 1 November 2024	4,028	-	(2,025)	3,302	5,305
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	1,167	1,167
At 28 February 2025	4,028	-	(2,025)	4,469	6,472

PING EDGE TECHNOLOGY BERHAD
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UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIODS ENDED 28 FEBRUARY 2025 AND 29 FEBRUARY 2024

	Unaudited 2025 RM'000	Unaudited 2024 RM'000
Operating activities		
Profit before tax	1,245	606
Adjustments for:		
Depreciation of property, plant and equipment	15	23
Depreciation of right-of-use asset	9	-
Unrealised (gain)/loss on foreign exchange	(6)	6
Interest expense	1	-
Interest income	*	*
Operating profit before working capital changes	1,264	635
Changes in working capital:		
Inventories	188	(426)
Receivables	218	784
Other current assets	(311)	(142)
Payables	(600)	(679)
Cash generated from operations	759	172
Interest received	*	*
Tax paid	(293)	(105)
Net cash from operating activities	466	67
Investing activity		
Purchase of property, plant and equipment	-	(44)
Net cash used in investing activity	-	(44)
Financing activities		
Payment of lease liability interest	(1)	-
Payment of lease liability	(9)	-
Net cash used in financing activities	(10)	-
Net increase in cash and cash equivalents	456	23
Cash and cash equivalents at the beginning of the financial period	3,436	935
Effect of exchange translation differences on cash and cash equivalents	-	(3)
Cash and cash equivalents at the end of the financial period	3,892	955

Note:

* Less than RM1,000.

EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF PING EDGE TECHNOLOGY BERHAD AND ITS SUBSIDIARY (“GROUP”) FOR THE FINANCIAL PERIODS ENDED (“FPE”) 28 FEBRUARY 2025 AND 29 FEBRUARY 2024

1. Basis of preparation

(a) Statement of compliance

The unaudited consolidated financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards based on the Guidance Note on “Combined Financial Statements” issued by the Malaysian Institute of Accountants in relation to the proposed listing of Ping Edge Technology Berhad on the LEAP Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The unaudited consolidated financial statements have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

Adoption of new and amended standards

The Group has adopted the following amendments to standards issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial period:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the amendments to standards did not have any significant impact on the unaudited consolidated financial statements of the Group.

Standards issued but not yet effective

The Group has not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group:

		<u>Effective dates for financial periods beginning on or after</u>
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments that are part of Annual Improvements - Volume 11:		1 January 2026
• Amendments to MFRS 1		
• Amendments to MFRS 7		
• Amendments to MFRS 9		
• Amendments to MFRS 10		
• Amendments to MFRS 107		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
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 Group intends to adopt the above new standards and amendments to standards, if applicable, when they become effective.

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the unaudited consolidated financial statements of the Group except as disclosed below:

MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 18 will replace MFRS 101 *Presentation of Financial Statements*. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

MFRS 18 additional requirements are as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income

MFRS 18 introduces newly defined “operating profit or loss” and “profit or loss before financing and income tax” subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged. Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

(ii) Statement of Cash Flows

The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from “profit or loss” to “operating profit or loss”. It also provides guidance on classification of interest and dividend in statement of cash flows.

(iii) New disclosures of expenses by nature

Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

(iv) Management-defined Performance Measures (MPMs)

The standard requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

(v) Enhanced Guidance on Aggregation and Disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

The potential impact of the new standard on the unaudited consolidated financial statements of the Group has yet to be assessed.

(b) Functional and presentation currency

The unaudited consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is the Group’s functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's unaudited consolidated 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 judgement in applying accounting policies that have significant effect on the amounts recognised in the 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:

Depreciation and useful lives of property, plant and equipment

The Group reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Judgements are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices less estimated costs to sell. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories.

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 Group recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at FPE 28 February 2025, the Group has tax provision of RM64,338 (FPE 29 February 2024: RM136,623).

2. Material accounting policies

The Group applies the material accounting policies set out below, consistently throughout all periods presented in the unaudited consolidated financial statements unless otherwise stated.

(a) Basic of consolidation - business combinations

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The acquisition of the combining entities resulted in a business involving common control since the management of all the entities which took part in the acquisition were controlled by common Directors and under common shareholders before and immediately after the acquisition, and accordingly the accounting treatment is outside the scope of MFRS 3.

Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in merger deficit.

(b) Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced component is derecognised. All other repair and maintenance are recognised in profit or loss during the financial year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Depreciation

Depreciation 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:

Computers	20%
Furniture and fittings	20%
Office equipment	20%
Renovation	10%
Signboard	20%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(c) Leases

As lessee

(i) Right-of-use (“ROU”) assets

ROU assets are initially measured at cost. Subsequent to the initial recognition, the ROU assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The ROU assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the ROU assets or the end of the lease term.

(ii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group entities use its incremental borrowing rate as the discount rate.

Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

(iii) Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(d) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the Group using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(e) Financial assets

Recognition and initial measurement

Financial assets are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provision of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

Financial asset categories and subsequent measurement

For the purpose of subsequent measurement, the Group classifies its financial assets in the following categories:

- Financial assets at amortised cost; and
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at fair value through profit or loss

Subsequent to the initial recognition, the financial assets at FVTPL are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income. Other net gains or losses, including any interest or dividend income, are also recognised in profit or loss.

(f) Financial liabilities

Recognition and initial measurement

Financial liabilities are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments.

Financial liability categories and subsequent measurement

For the purpose of subsequent measurement, the Group classifies its financial liabilities as financial liabilities at amortised cost.

Financial liabilities at amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains or losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of merchandise comprise cost of purchase and other cost incurred in bringing it to their present location and condition and determined on first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(i) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

An impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (“a 12-month ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (“a lifetime ECL”).

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(j) Share capital

Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution of the Group’s shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Group’s shareholders.

(k) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(l) Revenue and other income

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation (“PO”) by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

Sale of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(m) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund (“EPF”). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(n) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. Seasonality or cyclical factors

The business of the Group is not affected by any seasonality or cyclical factors.

4. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial period under review.

5. Material changes in estimates

There were no material changes in accounting estimates in the current financial period.

6. Debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the FPE 28 February 2025.

7. Dividends

There were no dividends paid by the Group during the FPE 28 February 2025.

8. Segmental information

For the FPE 28 February 2025, the Group's revenue is entirely from the trading of commercial foodservice and kitchen equipment only.

9. Material events subsequent to the end of the financial period

There was no material event subsequent to the FPE 28 February 2025.

10. Contingent assets and contingent liabilities

There were no material contingent assets and liabilities as at 28 February 2025.

11. Capital commitments

There was no commitment for the purchase of property, plant and equipment provided as at 28 February 2025.

**ADDITIONAL INFORMATION REQUIRED BY THE LEAP MARKET LISTING REQUIREMENTS OF
BURSA SECURITIES**

1. Review of performance

The Group recorded a revenue of approximately RM12.44 million and a profit after tax of approximately RM1.17 million for the FPE 28 February 2025.

Please refer to **Section 9.2** of the Information Memorandum for the management's discussion and analysis of financial condition and results of operations of the Group.

2. Commentary of prospects

Please refer to **Section 5.20** of the Information Memorandum for details of the commentary on the prospects of the Group.