

**NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF PEOPLELOGY BERHAD
("PEOPLELOGY" OR THE "COMPANY") DATED 21 APRIL 2025 ("ELECTRONIC PROSPECTUS")**

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

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Securities website at www.bursamalaysia.com ("Website").

Availability and Location of Paper / Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper / printed copy of the Prospectus from the Company or the Issuing House, Malaysian Issuing House Sdn. Bhd.. Alternatively, the applicant may obtain a copy of the Prospectus subject to availability, from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

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

Jurisdictional Disclaimer

This IPO and the distribution of the Electronic Prospectus are subject to Malaysian law. The Electronic Prospectus will not be distributed outside Malaysia. Bursa Securities, the Company, the Directors, the Promoter, the Principal Adviser, the Sponsor, the Underwriter and the Placement Agent named in the Electronic Prospectus have not authorised and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the IPO Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. The Electronic Prospectus may not be used for the purpose of and does not constitute an offer for the subscription or purchase of, or an invitation to subscribe for or purchase, the IPO Shares to any person outside Malaysia or in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Prospective applicants who may be in possession of the Electronic Prospectus are required to take note, to inform themselves, and to observe such restrictions.

Close of Application

Applications will be accepted from **10.00 a.m. on 21 April 2025** and will close at **5.00 p.m. on 6 May 2025**. In the event there is any change to the timetable, the Company will advertise the notice of change in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia and announce it on Bursa Securities.

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

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

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities, being the stock exchange the Company is seeking listing on. Users' access to the Website and the use of the contents of the Website and / or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

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

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PEOPLElogyGroup

PEOPLElogy BERHAD PROSPECTUS

PEOPLElogy BERHAD

(Registration No.: 202301050253 (1544167-M))
(Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING ("IPO") OF 105,000,000 NEW ORDINARY SHARES IN PEOPLElogy BERHAD ("COMPANY" OR "PEOPLElogy") ("ISSUE SHARES" OR "SHARES") ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING A PUBLIC ISSUE OF:

- I. 20,586,000 NEW ISSUE SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- II. 12,351,500 NEW ISSUE SHARES AVAILABLE FOR APPLICATION BY ELIGIBLE PERSONS;
- III. 51,464,700 NEW ISSUE SHARES AVAILABLE BY WAY OF PRIVATE PLACEMENT TO SELECTED BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY; AND
- IV. 20,597,800 NEW ISSUE SHARES AVAILABLE BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS, AND

AT AN IPO PRICE OF RM0.25 PER SHARE PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Underwriter and Placement Agent

kenanga

KENANGA INVESTMENT BANK BERHAD

Registration No. 197301002193 (15678-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

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

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

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

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 215.

BURSA SECURITIES HAS APPROVED THE ADMISSION OF OUR COMPANY TO THE OFFICIAL LIST OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR OUR ENTIRE ENLARGED ISSUED SHARE CAPITAL ON THE ACE MARKET OF BURSA SECURITIES. THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE APPROVAL OF THE ADMISSION OF OUR COMPANY TO THE OFFICIAL LIST OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR OUR ENTIRE ENLARGED ISSUED SHARE CAPITAL ON THE ACE MARKET OF BURSA SECURITIES BY BURSA SECURITIES AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. BURSA SECURITIES HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

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

THIS PROSPECTUS IS DATED 21 APRIL 2025

All defined terms used in this Prospectus are defined under “Definitions” commencing on page xi, “Glossary of Technical Terms” commencing on page xviii and “Presentation of Information” commencing on page viii.

RESPONSIBILITY STATEMENTS

The Directors, and Promoter (as defined in this Prospectus) of PEOPLElogy Berhad (“**PEOPLElogy**”) or the “**Company**”) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Kenanga Investment Bank Berhad (“**Kenanga IB**”), being our Principal Adviser, Sponsor, Underwriter and Placement Agent in relation to our IPO (as defined in the Prospectus), acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the offering.

STATEMENTS OF DISCLAIMER

Our Company has obtained the approval of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for our Listing (as defined in this Prospectus). Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

This Prospectus, together with the Application Form (as defined in this Prospectus), has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

OTHER STATEMENTS

Investors should note that you may seek recourse under Sections 248, 249 and 357 of the Capital Markets and Services Act 2007 (“**CMSA**”) for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any person in relation to our Group.

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

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

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

Our Shares being offered in our IPO are offered solely on the basis of the information contained and representations made in this Prospectus. Our Company, Directors, Promoter, Principal Adviser, Sponsor, Underwriter and Placement Agent have not authorised anyone to provide any information or to make any representation not contained in this Prospectus.

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

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. This Prospectus will not be distributed outside Malaysia. Our Company, Directors, Promoter, Principal Adviser, Sponsor, Underwriter and Placement Agent have not authorised and take no responsibility for the distribution of this Prospectus outside Malaysia. No action has been taken to permit a public offering of our Shares based on this Prospectus

or the distribution of this Prospectus outside Malaysia. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase any of our Shares being offered in our IPO in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the sale of our Shares offered under our IPO in certain jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions.

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

Further, it shall be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of this Prospectus and would not be in contravention of any law of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you have accepted our IPO in Malaysia and will at all applicable times be subjected only to the laws of Malaysia in connection therewith. However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

ELECTRONIC PROSPECTUS

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

You are advised that the internet is not a fully secure medium. Your Internet Share Application (as defined in this Prospectus) may be subject to risks in data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined in this Prospectus). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in any doubt about the validity or integrity of the Electronic Prospectus, you should immediately request from us, our Principal Adviser or the Issuing House (as defined in this Prospectus), a paper/printed copy of this Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the paper/printed copy of this Prospectus for any reason whatsoever, the contents of the paper/printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the Bursa Securities, shall prevail.

In relation to any reference in this Prospectus to third-party internet sites ("**Third-Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third-Party Internet Sites, you acknowledge and agree that:

- (i) we and our Principal Adviser do not endorse and are not affiliated in any way to the Third-Party Internet Sites. Accordingly, we and our Principal Adviser are not responsible for any availability of or the content or any data, information, files or other material provided on the Third-Party Internet Sites. You bear all risks associated with the access to or use of the Third-Party Internet Sites;
- (ii) we and our Principal Adviser are not responsible for the quality of products or services in the Third-Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third-Party Internet Sites. We and our Principal Adviser are also not responsible for any loss or damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third-Party Internet Sites or the use of or reliance on any data, information, files or other material provided by the Third-Party Internet Sites; and

- (iii) any data, information, file or other material downloaded from the Third-Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer systems or loss of data resulting from the downloading of any such data, information, file or other material.

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

- (a) the Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of the Electronic Prospectus, to the extent of the contents of the Electronic Prospectus on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions are not responsible for the integrity of the contents of the Electronic Prospectus which has been obtained from the web server of the Internet Participating Financial Institution and subsequently communicated or disseminated in any manner to you or other parties;
- (b) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secure medium; and
- (c) the Internet Participating Financial Institutions are not liable (whether in tort or contract or otherwise) for any loss, damage or costs, that you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracy, change, alteration, deletion or omission in respect of the information provided in the Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

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INDICATIVE TIMETABLE

An indicative timetable of our IPO is set out below:

<u>Events</u>	<u>Indicative dates</u>
Opening date of our IPO	10:00 a.m., 21 April 2025
Closing date of our IPO	5:00 p.m., 6 May 2025
Balloting of Applications	8 May 2025
Allotment / transfer of our Issue Shares to successful applicants	16 May 2025
Date of Listing	20 May 2025

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

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PRESENTATION OF INFORMATION

Any reference to words such as “**we**”, “**us**”, “**our**” and “**ourselves**” in this Prospectus shall be a reference to our Company, our Group or any member company of our Group as the context requires, unless otherwise stated. All references to “**our Company**” or “**PEOPLElogy**” in this Prospectus are to PEOPLElogy Berhad, references to “**our Group**” or “**PEOPLElogy Group**” are to our Company and our subsidiaries taken as a whole. Unless the context otherwise requires, references to “**Management**” are to our Directors and key senior management personnel as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

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

In this Prospectus, references to the “**Government**” are to the Government of Malaysia; and references to “**RM**” and “**sen**” are to the lawful currency of Malaysia. Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding. Other abbreviations and acronyms used herein are defined in the “**Definitions**” section and technical terms used herein are defined in the “**Glossary of Technical Terms**” section. Words denoting the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include natural persons, firms, companies, bodies corporate and corporations.

References to the provisions of the statutes, rules and regulations, enactments, guidelines or rules of stock exchange shall (where the context admits), be construed as reference to provisions of such statutes, rules, regulations, enactments, guidelines or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactments to the statutes, rules, regulations, enactments, guidelines or rules of stock exchange for the time being in force.

All reference to dates and times are references to dates and times in Malaysia unless otherwise stated.

This Prospectus includes statistical data provided by us and various third parties and cites third party projections regarding growth and performance of the industry on which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where there is no source stated, it can be assumed that the information originates from us or is extracted from the Independent Market Research Report prepared by Providence Strategic Partners Sdn Bhd which is included in Section 8 of this Prospectus. Providence Strategic Partners Sdn Bhd has been appointed to provide an Independent Market Research Report. In compiling its data for the review, Providence Strategic Partners Sdn Bhd had relied on its research methodology, industry sources, published materials, its own private databases and direct contacts within the industry. Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We cannot assure you that the projections will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

If there are any discrepancies or inconsistencies between the English and Bahasa Malaysia versions of this document, the English version shall prevail.

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

All references to the “**LPD**” in this Prospectus are to 24 March 2025 which is the latest practicable date prior to the registration of this Prospectus with Bursa Securities.

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FORWARD-LOOKING STATEMENTS

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

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

- (i) our business strategies, trends and competitive position;
- (ii) our plans and objectives for future operations;
- (iii) our financial position;
- (iv) potential growth opportunities;
- (v) our future earnings, cash flow and liquidity;
- (vi) our ability to pay dividends; and
- (vii) the regulatory environment and the effects of future regulation.

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

- (i) the general economic, business, social, political and investment environment in Malaysia and globally;
- (ii) government policy, legislation and regulation;
- (iii) interest rates, tax rates and exchange rates;
- (iv) the competitive environment in the industry in which we operate;
- (v) reliance on approvals, licences and permits;
- (vi) fixed and contingent obligations and commitments; and
- (vii) any other factors beyond our control.

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

FORWARD-LOOKING STATEMENTS (CONT'D)

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

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DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the definitions are defined otherwise or the context requires otherwise:

COMPANIES WITHIN OUR GROUP:

Company or PEOPLElogy	: PEOPLElogy Berhad (Registration No.: 202301050253 (1544167-M))
PEOPLElogy Group or the Group	: The enlarged group of PEOPLElogy and its subsidiaries, collectively
PEOPLElogy Community	: PEOPLElogy Community Sdn Bhd (formerly known as PEOPLElogy Diversified Sdn Bhd) (Registration No. 200401020518 (659022-T))
PEOPLElogy Development	: PEOPLElogy Development Sdn Bhd (Registration No.: 200101014882 (550639-T))
PEOPLElogy Digital	: PEOPLElogy Digital Sdn Bhd (Registration No.: 201601011818 (1182749-W))
PEOPLElogy Discovery	: PEOPLElogy Discovery Sdn Bhd (Registration No.: 201601011809 (1182740-U))
PEOPLElogy Goal	: PEOPLElogy Goal Sdn Bhd (Registration No.: 201301010778 (1040615-U))
PEOPLElogy Growth	: PEOPLElogy Growth Sdn Bhd (Registration No.: 201101044209 (972329-X))
PEOPLElogy International	: PEOPLElogy International Pte Ltd (formerly known as PEOPLElogy Digital (S) Pte Ltd) (UEN. 202305604M)
PEOPLElogy Northern	: PEOPLElogy Development (Northern) Sdn Bhd (Registration No.: 201601007130 (1178058-D))
PEOPLElogy Skill	: PEOPLElogy Skill Sdn Bhd (Registration No.: 201301003682 (1033523-D))
PEOPLElogy Southern	: PEOPLElogy Development (Southern) Sdn Bhd (Registration No.: 201601005827 (1176753-H))

GENERAL:

ACE Market	: ACE Market of Bursa Securities
Act	: Companies Act 2016, including amendments from time to time and any re-enactment thereof
Allen Lee	: Allen Lee Chin Min
Admission	: Admission of PEOPLElogy Shares to the Official List of the ACE Market of Bursa Securities
Application	: Application for our Issue Shares by way of Application Form, Electronic Share Application or Internet Share Application

DEFINITIONS (CONT'D)

Application Form	: Printed application form for the application of Issue Shares accompanying this Prospectus
ASEAN	: Association of Southeast Asian Nations
Board	: Board of Directors of PEOPLElogy
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CCC	: Certificate of Compliance and Completion
CF	: Certificate of Fitness for Occupation
CCM	: Companies Commission of Malaysia
CDS	: Central depository system
CDS Account	: An account established by Bursa Depository for a depositor for the recording of securities and for dealing in such securities by the Depositor
CEO	: Chief Executive Officer
Chapter Advisory	: Chapter Advisory Sdn Bhd (Registration No. 202401049965 (1595809-D))
CMSA	: Capital Markets and Services Act, 2007, including amendments from time to time and any re-enactment thereof
CO	: Certificate of Occupation
COO	: Chief Operating Officer
Constitution	: Constitution of our Company
COVID-19	: Novel coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019
Datuk Seri Garry Chua	: Datuk Seri Chua Kah Seng (Garry)
David Lim	: Lim Hun Soon @ David Lim
DBKL	: Dewan Bandaraya Kuala Lumpur, the city council which administers the city of Kuala Lumpur, Malaysia
DBKL Licensing By-Laws	: Licensing of Trades, Businesses and Industries (Federal Territory of Kuala Lumpur) By-Laws 2016
Depositor	: A holder of a CDS Account
Directors	: Director(s) of PEOPLElogy and shall have the same meaning given in Section 2 of the Capital Markets and Services Act 2007
EBITDA	: Earnings before interest, taxation, depreciation and amortisation

DEFINITIONS (CONT'D)

Electronic Prospectus	: A copy of this Prospectus that is issued, circulated or disseminated via the internet, and/ or an electronic storage medium, including but not limited to CD-ROMs (<i>compact disc read-only memory</i>)
Electronic Share Application	: Application for our Issue Shares through a Participating Financial Institution's ATM
Eligible Persons	: Eligible Directors, key senior management, employees and persons who have contributed to the success of the Group
EPS	: Earnings per share
EPF	: Employees Provident Fund
ERP	: Enterprise resource planning
Financial Years Under Review	: FYE 2021, FYE 2022, FYE 2023, and FYE 2024
FISH CAMP Learning or Associate Company	: Fish Camp Learning Sdn Bhd (Registration No. 200701039784 (797816-A))
FYE	: Financial year ended/ ending 31 December, as the case may be
Government	: Government of Malaysia
GP	: Gross profit
HCM	: Human capital management
ICT	: Information and communication technology
IFRS	: International Financial Reporting Standards
IMR or Providence	: Providence Strategic Partners Sdn Bhd (Registration No. 201701024744 (1238910-A), our Independent Market Researcher
IMR Report	: Independent Market Research Report on the Outlook of the Talent Development Solutions Market in Malaysia with a focus on Digital Talent
IPO	: Initial public offering
IPO Price	: RM0.25 per Issue Share, being the price payable by investors under the Public Issue
Issue Share(s)	: New Shares to be issued by the Company under Public Issue
Issuing House	: Malaysian Issuing House Sdn Bhd
IT	: Information technology
Joey Lee	: Lee Chie Chee
Kenanga IB or Principal Adviser or Sponsor or Underwriter or Placement Agent	: Kenanga Investment Bank Berhad (Registration No. 197301002193 (15678-H)), the principal adviser, sponsor, underwriter and placement agent

DEFINITIONS (*CONT'D*)

Key Senior Management	: Allen Lee, Cally Yau, Joey Lee and Peter Ng
KFM	: Kawan Food Manufacturing Sdn Bhd (Registration No. 198401013456(126016-A))
Listing	: Listing of and quotation for the entire enlarged issued share capital of PEOPLElogy on the ACE Market of Bursa Securities
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities
LPD	: 24 March 2025, being the latest practicable date of this Prospectus
Malaysia Digital Status	: Malaysia Digital Status (formerly known as Multimedia Super Corridor Malaysia Status)
Malaysian Public	: Malaysian citizens, companies, societies and institutions incorporated or organised under the laws of Malaysia
Market Day	: Any day between Mondays and Fridays (both days inclusive) which is not a public holiday and a day on which Bursa Securities is open for trading of securities
MBJB	: Majlis Bandaraya Johor Bahru
MBPP	: Majlis Bandaraya Pulau Pinang
MBJB Licensing By-Laws	: Licensing of Trades, Businesses and Industries (Johor Bahru) By-Laws 2016
MBPP Licensing By-Laws	: Licensing of Trades, Businesses and Industries (Penang) By-Laws 1991
MCO	: Movement control order
MCCG	: Malaysian Code on Corporate Governance
MDEC	: Malaysia Digital Economy Corporation Sdn Bhd (Registration No. 199601016995 (389346-D))
MIGHT	: Malaysian Industry-Government Group for High Technology
MITI	: The Ministry of International Trade and Industry
MNC	: Multinational company
MyIPO	: Intellectual Property Corporation of Malaysia
NA	: Net assets
Nucleus	: Nucleus Advisory Sdn Bhd (Registration No. 200701031036(789062-W))
Official List	: A list specifying all securities listed on the ACE Market of Bursa Securities
Participating Financial Institution(s)	: Participating financial institution(s) for the Electronic Share Application

DEFINITIONS (CONT'D)

PAT	: Profit after tax
PBT	: Profit before tax
PCP	: Pre-admission Consultation Pack
PEOPLElogists	: PEOPLElogists Sdn Bhd (Registration No. 202301050260 (1544174-W))
PEOPLElogy Share(s) or Share(s)	: Ordinary share(s) in the Company
PE Multiple	: Price to earnings multiple
Peter Ng	: Ng Wei Fong
Pink Form Shares	: The allocation of 12,351,500 Issue Shares to Eligible Persons
PISB or PEOPLElogy Interactive	: PEOPLElogy Interactive Sdn Bhd (Registration No. 200401020520 (0659024-W))
Pre-Listing Investor	: Shareholders of the Company whose Shares shall be under moratorium pursuant to Rule 3.19A of the Listing Requirements, comprising: (1) Chen Khai Voon (2) Tan Sri Nelson (3) Gan Thiam Chai
Promoter	: Allen Lee
Prospectus	: This Prospectus dated 21 April 2025 issued by the Company in relation to our IPO
Prospectus Guidelines	: Prospectus Guidelines issued by the SC
Public Issue	: Public Issue of 105,000,000 Issue Shares at the IPO Price, payable in full upon application, subject to the terms and conditions of the Prospectus
QA	: Quality assurance
QC	: Quality control
R&D	: Research and development
Record of Depositors	: A record of securities holders established by Bursa Depository in accordance with the Rules of Bursa Depository
Retail Offering	: Offering of 32,937,500 Issue Shares at the IPO Price, to be allocated in the following manner: (i) 20,586,000 Issue Shares available for application by the Malaysian Public; and (ii) 12,351,500 Issue Shares available for application by the eligible Directors and employees as well as persons who have contributed to our success

DEFINITIONS (*CONT'D*)

Rules of Bursa Depository	: Rules of Bursa Depository as issued pursuant to the SICDA
SC	: Securities Commission Malaysia
SDBA	: Streets, Drainage and Building Act 1974, including amendments from time to time and any re-enactment thereof
Shareholder(s)	: Ordinary shareholder(s) in PEOPLElogy
Share Registrar	: Boardroom Share Registrars Sdn Bhd (Registration No. 199601006647 (378993-D))
Share Split	: Share split involving the subdivision of 153,358,468 existing Shares into 306,716,936 Shares (i.e. subdivision of every 1 existing Share into 2 subdivided Shares) which was completed on 19 August 2024
SICDA	: Securities Industry (Central Depositories) Act, 1991, including amendments from time to time and any re-enactment thereof
SMEs	: Small and medium-sized enterprises
Specified Shareholders	: (1) Allen Lee (2) PEOPLElogists (3) Lim Szu Yee (4) Joey Lee (5) Vivian Lee
Sq ft	: Square feet
Subsidiaries	: PEOPLElogy Discovery, PEOPLElogy Development, PEOPLElogy Goal, PEOPLElogy Skill, PEOPLElogy Growth, PEOPLElogy Community, PEOPLElogy Northern, PEOPLElogy Southern, PEOPLElogy Digital, and PEOPLElogy International, collectively
Substantial Shareholder	: (1) Allen Lee (2) PEOPLElogists (3) David Lim (4) Tan Sri Nelson (5) Lim Szu Yee (6) Chen Khai Voon
Tan Sri Nelson	: Tan Sri Datuk Tan Jyh Yaong
Underwriting Agreement	: Underwriting agreement dated 19 March 2025 entered into between our Company and the Underwriter pursuant to our IPO
Vivian Lee	: Lee Choon Yoong
White Application Form	: Application form for the application of our new Shares by the Malaysian Public accompanying this Prospectus
Yayasan Peneraju	: Yayasan Peneraju Pendidikan Bumiputera (Registration No: 201101041372 (969494-X)). Yayasan Peneraju is an agency under the Ministry of Economy that acts as a talent bank to identify, nurture and manage Bumiputera talent to drive competitiveness at the global level.

DEFINITIONS (*CONT'D*)

As at the LPD, the members of the board of trustees of Yayasan Peneraju are Rafizi Ramli and Dato' Nor Azmie Diron.

Currencies and units

RM and sen	:	Ringgit Malaysia and sen, the lawful currency of Malaysia
USD	:	United States Dollar
SGD	:	Singapore Dollar
%	:	Per centum

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GLOSSARY OF TECHNICAL TERMS

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

AI	: Artificial Intelligence, refers to the simulation of human intelligence processes by computer systems
Android	: An open-source operating system, designed primarily for touchscreen mobile devices such as smartphones and tablets.
Apache Spark	: A unified analytics engine for big data processing, with built-in modules for SQL, streaming, machine learning, and graph processing
API	: Application Programming Interface, a set of rules and protocols that allows different software applications to communicate with each other. It defines the methods and data formats that applications can use to request and exchange information
AWS	: Amazon Web Services, a brand of Amazon.com, Inc., that issues professional ICT certifications for the ICT industry and provides resources and trainings for ICT professionals
B2B	: Business-to-business, refers to transactions and interactions conducted between businesses
B2C	: Business-to-consumer, refers to transactions and interactions where businesses provide products or services to individual consumers
B2G	: Business-to-government, refers to transactions and interactions where businesses provide products or services to government agencies or public sector organisations
Backend technologies	: Backend technologies are tools and frameworks used to manage and process data, server-side logic and interactions between the server and the frontend
Big Data	: Big data refers to extremely large and complex datasets that are challenging to process using traditional methods. Advanced tools and techniques such as machine learning, artificial intelligence and data analysis are often employed to handle and extract insights from big data
CertNexus	: CertNexus is a brand of CertNexus Inc., that issues professional ICT certifications for the ICT industry and provides resources and trainings for ICT professionals
Cisco	: Cisco is a brand of Cisco Systems Inc, that issues professional ICT certifications for the ICT industry and provides resources and trainings for ICT professionals
Cloud computing	: Cloud computing is the on-demand access of computing resources such as physical servers or virtual servers, data storage, networking capabilities, application development tools, software, AI-powered analytic tools over the internet

GLOSSARY OF TECHNICAL TERMS (CONT'D)

Cloud technologies	: Cloud technologies refer to the delivery of computing services over the internet to provide scalable and flexible resources
CMS	: Content Management System, a system that allows users to organise, manage and publish digital content in its software application, PEOPLEAPS
CompTIA	: Computing Technology Industry Association, a non-profit trade association that issues professional ICT certifications for the ICT industry and provides resources and trainings for ICT professionals
Computer vision libraries	: A collection of pre-built software tools and functions that help developers create applications capable of interpreting and processing visual information. These libraries facilitate tasks such as image recognition, object detection and facial recognition
Containerisation	: A technology that packages software and its dependencies into individual modules that can run consistently across different computing environments
Cyber Range	: A computer simulation lab or virtual environment designed for cyber security training and testing as well as Big Data and AI training
Cybersecurity	: Cybersecurity is the practice of defending computers, servers, mobile devices, electronic systems, networks and data from malicious attacks
Cybersecurity Analytics	: Cybersecurity analytics refers to the use of data collection, analysis and monitoring tools to detect, prevent and respond to cyber threats.
Data analysis	: Data analysis is the process of examining, cleaning, transforming and modelling data to discover useful information, draw conclusions and support decision-making
Data science	: Data science is an interdisciplinary field that combines statistical analysis, data extraction, machine learning and data visualisation to extract insights and knowledge from structured and unstructured data
Database technologies	: Database technologies refer to the systems and tools used to manage, store, retrieve and process data in databases
Development	: The Group's business segment where the Group offers ICT, soft skills and leadership training services; IR4.0 digital skills and certification services; and organisation of events, conferences and seminars on human resources
DevOps	: A set of practices and cultural philosophies that aim to improve collaboration and efficiency between development (Dev) and operations (Ops) teams in software development
Digital	: The Group's business segment where the Group offers learning and performance management system, online learning virtual platform and training content digitalisation services
DISC Personality System	: A behavioural assessment that classifies personality into four types: dominance (D), influence (I), steadiness (S), and conscientiousness (C)

GLOSSARY OF TECHNICAL TERMS (*CONT'D*)

Discovery	: The Group's business segment where the Group and its Associate Company offers organisational talent consultancy and profile assessment services
EC-Council	: The International Council of E-Commerce Consultants, a professional organisation that issues professional ICT certifications for the ICT industry and provides resources and trainings for ICT professionals.
EQ-i 2.0	: The Emotional Quotient Inventory (EQ-I 2.0) is the world's leading measure of emotional intelligence to support effective human performance and development
EQ-360 2.0	An emotional intelligence assessment that provides a 360-degree view of a person's emotional intelligence by collecting feedback from others such as colleagues, managers and peers.
Excel	: A spreadsheet software developed by Microsoft that allows users to organise, analyse and process data using a grid of cells arranged in rows and columns.
Frontend technologies	: Frontend technologies are tools and frameworks used to create the visual and interactive aspects of a web application or website that users see and interact with directly.
Full stack	: The set of technologies used to build both the frontend and backend of a web application.
ICT	: Information and communications technology, refers to the integration of telecommunications, technologies and equipment such as computers and peripherals, storage devices, software and communications equipment to access, process, transmit and display information.
Incident responses	: A systematic approach taken to prepare for detecting, analysing and recovering from cybersecurity incidents or breaches
IR4.0	: Industrial revolution 4.0, refers to the current trend of automation, interconnectivity and data exchange in manufacturing and other industries, encompassing advancements in fields such as artificial intelligence, robotics, the Internet of Things, cloud computing and automation.
Jupyter Notebooks	: An open-source web application for creating and sharing documents that contain live code, equations, visualisations, and narrative text
Keras	: A high-level neural network API that simplifies building deep learning models
LMS	: Learning Management System, a module where a system is designed to manage and deliver learning and development programmes in its software application, PEOPLEAPS
Machine learning	: A subset of AI that involves training algorithms to recognise patterns and make decisions based on data without explicit programming

GLOSSARY OF TECHNICAL TERMS (CONT'D)

MCSE	: Microsoft Certified Solutions Expert, a certification offered by Microsoft
Microsoft	: A brand of Microsoft Corporation that provides technology hardware and software as well as resources and professional ICT certifications for the ICT industry
Microsoft Technologies and Certification Paths	: A wide range of certifications offered by Microsoft in areas including but not limited to operating systems, cloud services, productivity software and development tools
Natural language processing	: A subset of AI that focuses on the interaction between computers and human language. It involves developing algorithms and models that enable computers to understand, interpret and generate human language
New Horizons	: New Horizons Franchising Group Inc.
Pandas	: A Python library for data manipulation and analysis
Pearson VUE	: Pearson VUE is a brand of Pearson Education Inc., that provides computer-based testing services. It administers certification and licensure exams for a wide range of industries. Pearson VUE manages the delivery of exams through its network of test centers
PeopleCert	: PeopleCert is a brand of Peoplecert International Limited, that issues professional ICT certifications for the ICT industry and provides resources and trainings for ICT professionals
PEOPLEAPS	: A mobile application platform developed by PEOPLEogy Digital that digitises learning, content and training management and gives insight on learning outcomes for companies and learners
Power BI	: A business analytics tool that provides interactive visualisations and business intelligence capabilities
Product UI/UX	: An approach that combines visual design (UI) and user experience (UX) to create engaging, intuitive and effective digital products
Project Management Institute	: Project Management Institute, a non-profit trade association that issues professional certifications, provides resources and trainings for project management professionals
Python	: A programming language for developing applications
R	: A programming language for statistical computing and graphics
Scikit-Learn	: A machine learning library in Python offering simple and efficient tools for data mining and analysis
SKILLSTURE	: A digital skills platform that leverages on AI to curate skills learning for the career advancement of learners
SQL	: A language for managing and querying relational databases, essential for data extraction and manipulation
Tableau	: A data visualisation tool for creating interactive dashboards and reports

GLOSSARY OF TECHNICAL TERMS (CONT'D)

TensorFlow	:	An open-source library for machine learning and deep learning applications
Time series analysis	:	A statistical technique used to analyse and interpret data points collected or recorded at specific time intervals
TMS	:	Training Management System, a module where a system is designed to plan, organise and track learning and development programs in its software application, PEOPLEAPS
Version control	:	A system that manages changes to source code or other documents over time, allowing multiple versions to be tracked, updated and maintained
WorkPlace Big Five Profile	:	A personality assessment to assess leader's five personality supertraits.

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name (Designation)	Address	Nationality	Gender
Datuk Seri Garry Chua (Independent Non-Executive Chairman)	No. 3, Lengkok Aminuddin Baki Taman Tun Dr Ismail 60000 Kuala Lumpur	Malaysian	Male
Allen Lee (Non-Independent Executive Director / Managing Director)	No. 39, Jalan Setia Tropika U13/18F Setia Eco Park Setia Alam 40170 Shah Alam Selangor	Malaysian	Male
Cally Yau (Non-Independent Executive Director / CEO)	No. 12, Jalan Raja Nala 19 Taman Intan Jaya 5 42200 Kapar Selangor	Malaysian	Female
Joey Lee (Non-Independent Executive Director / COO)	No. 42, Jalan Kiara 6/KS6 Bandar Botanic 41200 Klang Selangor	Malaysian	Female
Dato' Lee Teck Hua (Independent Non-Executive Director)	151A, Jalan Batu Tiga Lama, Taman Rashna 41300 Klang Selangor	Malaysian	Male
Norlida binti Abdul Azmi (Independent Non-Executive Director)	A-5-2, Palmyra 9 Jalan Medang Tanduk Bangsar 59100 Kuala Lumpur	Malaysian	Female
K.Raman A/L G.Kesawannair (Independent Non-Executive Director)	12, Jalan SS22A/2 Damansara Jaya 47400 Petaling Jaya Selangor	Malaysian	Male

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Dato' Lee Teck Hua	Chairman	Independent Non-Executive Director
Norlida binti Abdul Azmi	Member	Independent Non-Executive Director
K.Raman A/L G.Kesawannair	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY (CONT'D)

REMUNERATION COMMITTEE

Name	Designation	Directorship
Norlida binti Abdul Azmi	Chairperson	Independent Non-Executive Director
Dato' Lee Teck Hua	Member	Independent Non-Executive Director
K.Raman A/L G.Kesawannair	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
K.Raman A/L G.Kesawannair	Chairman	Independent Non-Executive Director
Dato' Lee Teck Hua	Member	Independent Non-Executive Director
Norlida binti Abdul Azmi	Member	Independent Non-Executive Director

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1. CORPORATE DIRECTORY (*CONT'D*)

COMPANY SECRETARIES	: Tai Yit Chan (MAICSA 7009143) CCM Practicing Certificate No. 202008001023 (Company Secretary, Fellow Member of the Malaysian Institute of Chartered Secretaries & Administrators ("MAICSA")) Tia Hwei Ping (MAICSA 7057636) CCM Practicing Certificate No. 202008001687 (Company Secretary, Associate Member of MAICSA) 12th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Telephone No. : (603) 7890 4800 Facsimile No. : (603) 7890 4650
REGISTERED OFFICE	: 12th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Telephone No. : (603) 7890 4800 Facsimile No. : (603) 7890 4650
HEAD OFFICE / PRINCIPAL PLACE OF BUSINESS	: 17-11 & 19-11 The Boulevard Office Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Telephone No. : (603) 2287 1829 Email : ir@peoplelogy.com Website : www.peoplelogy.com
PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT	: Kenanga Investment Bank Berhad Level 17, Kenanga Tower 237, Jalan Tun Razak 50400 Kuala Lumpur Telephone No. : (603) 2172 2888 Facsimile No. : (603) 2172 2999

1. CORPORATE DIRECTORY (CONT'D)

AUDITORS AND REPORTING ACCOUNTANTS	: Grant Thornton Malaysia PLT 201906003682 (LLP0022494-LCA) Chartered Accountants (AF 0737) Level 11, Sheraton Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur
	Telephone No. : (603) 2297 1000
	Facsimile No. : (603) 2282 9980
	Partner-in-charge : Tan Veer Leen (Approval No. 03627/12/2025 J)
	Qualification : 1. Chartered Accountant of the MIA (MIA membership no.: 46066)
	2. Fellow Member of the Association of Chartered Certified Accountants
SOLICITORS	: Wong Beh & Toh Advocates & Solicitors Peti #30, Level 19 West Block Wisma Golden Eagle Realty 142-C Jalan Ampang 50450 Kuala Lumpur
	Telephone No. : (603) 2713 6050
	Facsimile No. : (603) 2713 6052
INDEPENDENT MARKET RESEARCHER	: Providence Strategic Partners Sdn Bhd 67-1, Block D, Jaya One Jalan Prof Diraja Ungku Aziz 46200 Petaling Jaya Selangor
	Telephone No. : (603) 7625 1769
	Person-in-charge : Elizabeth Dhoss
	Qualification : Bachelor of Business Administration from the University of Malaya
SHARE REGISTRAR	: Boardroom Share Registrars Sdn Bhd 11 th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor
	Telephone No. : (603) 7890 4700

1. CORPORATE DIRECTORY (CONT'D)

ISSUING HOUSE : Malaysian Issuing House Sdn Bhd
11th Floor, Menara Symphony,
No. 5, Jalan Professor Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya,
Selangor

Telephone No. : (603) 7890 4700

LISTING SOUGHT : ACE Market of Bursa Securities

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2. APPROVALS AND CONDITIONS

2.1. APPROVALS FROM RELEVANT AUTHORITIES

2.1.1. Bursa Securities

Bursa Securities had, vide its letter dated 7 January 2025, approved:

- (i) the admission of our Company to the Official List; and
- (ii) the listing of and quotation for our entire enlarged issued share capital on the ACE Market.

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

No.	Details of conditions imposed	Status of compliance
1.	Submit the following information with respect to the moratorium on the shareholdings of the Specified Shareholders to Bursa Depository:	To be complied
	(a) Name of shareholders;	
	(b) Number of shares; and	
	(c) Date of expiry of the moratorium for each block of shares.	
2.	Approvals from other relevant authorities have been obtained for implementation of the listing proposal;	Complied
3.	The Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon;	Complied
4.	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements;	To be complied
5.	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire enlarged issued share capital of PEOPLEogy on the first day of listing;	To be complied
6.	In relation to the IPO to be undertaken by PEOPLEogy, to announce at least 2 Market Days prior to the Listing date, the result of our IPO including the following:	To be complied
	(a) Level of subscription of public balloting and placement;	
	(b) Basis of allotment / allocation;	
	(c) A table showing the distribution for the placement tranche as per the format in Appendix I of the Approval Letter; and	
	(d) Disclosure of placees who become substantial shareholders of PEOPLEogy arising from our IPO, if any.	
	Please be reminded that Kenanga IB must ensure that the overall distribution of PEOPLEogy's securities is properly carried out to mitigate any disorderly trading in the secondary market; and	
7.	PEOPLEogy / Kenanga IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of	To be complied

2. APPROVALS AND CONDITIONS (CONT'D)

No.	Details of conditions imposed	Status of compliance
	PEOPLElogy to the Official List of the ACE Market.	

2.1.2. SC

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

The SC had, via the letter dated 13 January 2025, approved the Listing under the Bumiputera equity requirement for public listed companies, subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(i)	PEOPLElogy to allocate 12.50% of our enlarged number of issued Shares to Bumiputera investors to be approved by the MITI in conjunction with the Listing.	To be complied
(ii)	PEOPLElogy is to make available at least 50.00% of the shares offered to the Malaysian public investors via balloting to Bumiputera public investors.	To be complied

2.1.3. MITI

MITI had, vide its letter dated 25 November 2024, has agreed to our Listing and has no objection for us to implement our Listing in respect of the Bumiputera equity requirements.

2.1.4. Shariah Advisory Council of the SC

The Shariah Advisory Council of the SC had, on 15 April 2025, classified our Shares as Shariah-compliant based on our audited combined financial statements for the FYE 2024.

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2. APPROVALS AND CONDITIONS (CONT'D)

2.2. MORATORIUM ON SALE OF SHARES

2.2.1 Specified Shareholders

A moratorium will be imposed on the sale, transfer or assignment of those Shares held by our Specified Shareholders as follows:

- (i) the moratorium applies to our Specified Shareholders' entire shareholding for a period of 6 months from the date of our Admission ("**First 6-Month Moratorium**");
- (ii) upon the expiry of the First 6-Month Moratorium, our Company must ensure that our Specified Shareholders' aggregate shareholding amounting to at least 47.16% of our total number of issued shares (adjusted for any bonus issue or subdivision of shares) shall remain under moratorium for a further 6 months ("**Second 6-Month Moratorium**"); and
- (iii) upon the expiry of the Second 6-Month Moratorium, our Specified Shareholders (save for PEOPLElogists) may sell, transfer or assign up to a maximum of one-third (1/3) per annum (on a straight-line basis) of their Shares held under moratorium.

As the Specified Shareholders, the Shares held by Allen Lee, PEOPLElogists, Lim Szu Yee, Joey Lee and Vivian Lee will be subject to moratorium as follows:

Name	Year 1				Year 2		Year 3	
	First 6-Month Moratorium		Second 6-Month Moratorium		During the Year 2 moratorium		During the Year 3 moratorium	
	No. of Shares held	% of enlarged issued share capital ⁽¹⁾	No. of Shares held	% of enlarged issued share capital ⁽¹⁾	No. of Shares held	% of enlarged issued share capital ⁽¹⁾	No. of Shares held	% of enlarged issued share capital ⁽¹⁾
Allen Lee	99,917,018	24.27	89,630,740	21.77	59,753,822	14.51	29,876,911	7.26
PEOPLElogists	86,494,738	21.01	86,494,738	21.01	86,494,738	21.01	86,494,738	21.01
Lim Szu Yee ⁽²⁾	19,323,294	4.69	17,333,994	4.21	11,555,996	2.81	5,777,998	1.40
Joey Lee ⁽³⁾	⁽⁴⁾ 500,000	0.12	448,525	0.11	299,017	0.08	149,509	0.04
Vivian Lee ⁽³⁾	⁽⁴⁾ 300,000	0.07	269,116	0.06	179,410	0.04	89,705	0.02
Total	206,535,050	50.16	194,177,114	47.16	158,282,983	38.45	122,388,861	29.73

2. APPROVALS AND CONDITIONS (CONT'D)

Notes:

- (1) *Based on the enlarged issued share capital of 411,716,936 Shares after our IPO.*
- (2) *Classified as specified shareholder by virtue of her relationship with Allen Lee, being his wife.*
- (3) *Classified as specified shareholder by virtue of their relationship with Allen Lee, being his siblings.*
- (4) *Assuming full subscription of their respective Pink Form Shares allocation.*

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2. APPROVALS AND CONDITIONS (CONT'D)

Allen Lee, PEOPLElogists, Lim Szu Yee, Joey Lee and Vivian Lee have furnished a letter of undertaking to Bursa Securities that they will not sell, transfer or assign any part of their interest in the Shares during the abovementioned moratorium period.

Allen Lee, being the sole shareholder of PEOPLElogists has also furnished a letter of undertaking to Bursa Securities that he will not sell, transfer or assign any part of his interest in PEOPLElogists during the abovementioned moratorium period.

The above moratorium restrictions are specifically endorsed on the share certificates representing the Shares held by Allen Lee, PEOPLElogists, Lim Szu Yee, Joey Lee and Vivian Lee which are under moratorium to ensure that our Share Registrar does not register any sale, transfer or assignment that contravenes the aforesaid restrictions.

2.2.2 Pre-Listing Investors

In compliance with Rule 3.19A of the Listing Requirements, a moratorium will be imposed on the sale, transfer, or assignment of all shares held by any investor who is not a Specified Shareholder, for a period of 6 months from the date of Admission if such investor has acquired the shares of the applicant:

- (i) within 12 months from the date of submission of the listing application to Bursa Securities; and
- (ii) at a price lower than the issue price offered to the general public in conjunction with the IPO.

Details of the Shares held by the following individuals who are Pre-Listing Investors, will be subject to moratorium as follows:

Name	First 6 months from Admission		After the first 6 months from Admission	
	No. of Shares held	% of enlarged issued share capital ⁽¹⁾	No. of Shares held	% of enlarged issued share capital ⁽¹⁾
Chen Khai Voon	41,171,694	10.00	-	-
Tan Sri Nelson	21,470,326	5.22	-	-
Gan Thiam Chai	7,667,974	1.86	-	-
Total	70,309,994	17.08	-	-

Note:

- (1) Based on the enlarged issued share capital of 411,716,936 Shares after our IPO.

Tan Sri Nelson, Chen Khai Voon and Gan Thiam Chai as Pre-Listing Investors have furnished letters of undertakings to Bursa Securities that they will not sell, transfer or assign any part of their interest in the Shares during the abovementioned moratorium period.

The above moratorium restrictions are specifically endorsed on the share certificates representing the Shares held by Tan Sri Nelson, Chen Khai Voon and Gan Thiam Chai which are under moratorium to ensure that our Share Registrar does not register any sale, transfer or assignment that contravenes the aforesaid restrictions.

3. PROSPECTUS SUMMARY

THIS PROSPECTUS SUMMARY ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE PROSPECTUS PRIOR TO DECIDING ON WHETHER TO INVEST IN OUR SHARES.

3.1 PRINCIPAL DETAILS OF OUR IPO

3.1.1 Allocation

In summary, our IPO Shares will be allocated in the following manner, as set out in Section 4.3 of this Prospectus.

	Issue Shares	
	No. of Shares	(1) %
Retail Offering		
- Malaysian Public (via balloting)	10,293,000	2.50
- Bumiputera Malaysian Public (via balloting)	10,293,000	2.50
- Eligible Persons	12,351,500	3.00
Sub-total	32,937,500	8.00
Private placement		
- Selected investors	20,597,800	5.00
- Selected Bumiputera investors approved by MITI	51,464,700	12.50
Sub-total	72,062,500	17.50
Total	105,000,000	25.50

Note:

(1) Based on the enlarged issued share capital of 411,716,936 Shares after our IPO.

3.1.2 The principal statistics of our IPO

Share capital	
Issued Shares as at the date of this Prospectus	306,716,936
Shares to be issued pursuant to the Public Issue	105,000,000
Enlarged number of issued Shares upon Listing	411,716,936
IPO Price per Share (RM)	0.25
Market capitalisation upon Listing based on the IPO Price (RM)	102,929,234

Total gross proceeds to be raised by our Company from the Public Issue (RM) 26,250,000

Please refer to Section 4 of this Prospectus for further details of our IPO.

3.1.3 Moratorium on our Shares

In compliance with the Listing Requirements, our Specified Shareholders' entire shareholdings after IPO will be held under moratorium. In addition, our Pre-Listing Investors will not be allowed to sell, transfer or assign any part of their respective holdings in our Shares for a period of 6 months from the date of our Listing. Further information on moratorium restrictions is disclosed under Section 2.2 of this Prospectus. Save for the above, there is no other moratorium imposed on our Shares.

3.2 BACKGROUND INFORMATION OF OUR GROUP AND BUSINESS OPERATIONS

Our Company was incorporated in Malaysia under the Act on 18 December 2023 as a private company limited by shares under the name of PEOPLElogy Sdn Bhd and was subsequently converted into a public limited company on 4 September 2024. Further details of our Group structure and our Subsidiaries are set out in Sections 6.3 and 6.4 of this Prospectus.

3. PROSPECTUS SUMMARY (CONT'D)

Our Company is an investment holding company. Through our Subsidiaries and Associate Company, we are involved in the provision of integrated people development solutions comprising:

- Organisational talent consultancy and profile assessment services under our **Discovery** business segment;
- ICT, soft skills and leadership training services; IR4.0 digital skills and certification services; and organisation of events, conferences and seminars on human resources under our **Development** business segment; and
- Learning and performance management system, online learning platform and training content digitalisation services under our **Digital** business segment.

Please refer to Section 7 of this Prospectus for further details.

A summary of our Group's business model is illustrated as follows:

	Discovery	Development	Digital
Brands and key products / services offered	• SOUL - Organisational talent consultancy • FISH CAMP Learning - Organisational talent consultancy and profile assessment services	• SKILL - ICT training and certification services • GOAL - Soft skills and leadership training services • THE FUTURE TALENT - IR4.0 digital skills and certification services • BUILD A FUTURE TEAM - Organiser for events, conference and seminars on human resources	• PEOPLEAPS - Learning and performance management system • SKILLSTURE - Online learning platform • INTERACTIVE - Training content digitalisation services
Revenue model	• Consulting fees for organisational talent consultancy under SOUL and FISH CAMP Learning • Profile assessment fees for profile assessment services under SOUL and FISH CAMP Learning	• Training fees for ICT, soft skills and leadership training services under SKILL and GOAL • Examination fees for SKILL and THE FUTURE TALENT • Rental fees for training centres • Project management fees for IR4.0 digital skills and certification services under THE FUTURE TALENT • Ticketing fees and sponsorship fees for events, conferences and seminars on human resources under BUILD A FUTURE TEAM	• Subscription fees for PEOPLEAPS and SKILLSTURE • Video production fees for INTERACTIVE
Sales channel	• B2B	• B2B • B2C • B2G	• B2B • B2C
Customers	• Multinational corporations • Local public listed companies • Local large companies • SMEs	• Multinational corporations • Local public listed companies • Local large companies • SMEs • Government agencies • School leavers, fresh graduates and working professionals	• Multinational corporations • Local public listed companies • Local large companies • SMEs • School leavers, fresh graduates and working professionals

Further details on our business model are set out in Section 7.2 of this Prospectus.

3.3 OPERATIONAL HIGHLIGHTS

A summary of our Group's breakdown of revenue by geographical market for the Financial Years Under Review is set out below:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	16,278	100.00	22,793	100.00	24,291	98.23	28,610	97.84
Singapore ⁽¹⁾	-	-	-	-	⁽¹⁾ 438	1.77	-	-
Indonesia							⁽²⁾ 585	2.00
Philippines							⁽³⁾ 46	0.16
Total	16,278	100.00	22,793	100.00	24,729	100.00	29,241	100.00

3. PROSPECTUS SUMMARY (CONT'D)**Notes:**

- (1) *Relates to revenue generated from BUILD A FUTURE TEAM's conference in Marina Bay, Singapore in November 2023.*
- (2) *Relates to revenue generated from Build A Future Team's events and conferences held in Jakarta, Indonesia in May 2024 and November 2024 as well as in Bali, Indonesia in October 2024.*
- (3) *Relates to revenue generated from Build A Future Team's event held in held in Manila, the Philippines in August 2024.*

A summary of our Group's breakdown of revenue by business segments for the Financial Years Under Review is set out below:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Development	16,219	99.64	22,489	98.67	24,551	99.28	28,527	97.56
Digital	59	0.36	171	0.75	127	0.51	150	0.51
Discovery	-	-	133	0.58	51	0.21	564	1.93
Total	16,278	100.00	22,793	100.00	24,729	100.00	29,241	100.00

Further details of our Group's breakdown of revenue for the Financial Years Under Review are set out in Section 12.3.4 of this Prospectus.

3.4 COMPETITIVE ADVANTAGES AND KEY STRENGTHS

Our competitive advantages and key strengths are summarised as follows:

(i) We have a compelling value proposition that supports Malaysia's digital economy aspirations

As an integrated people development solutions provider, our value proposition is to equip individuals, businesses and the government with digital skills in an advancing digital economy where we aim to:

- boost the employability and digital competencies of fresh graduates, school leavers and working professionals through upskilling and reskilling;
- increase the competitiveness of businesses with digitally skilled and competent workforce; and
- accelerate Malaysia's aspiration to achieve high-income nation status and digital economy transformation.

(ii) We offer customised people development solutions which is built on our 6 Dimensions ("6D") framework

Our integrated people development solutions are built on our 6D framework to achieve effectiveness and alignment with our clients' goals. This framework, which we developed internally, is the cornerstone of our approach, enabling us to deliver customised solutions to meet the requirements of our customers.

Our 6D framework is as illustrated below:



3. PROSPECTUS SUMMARY (CONT'D)**(iii) We have recognisable technology partners to support our delivery of integrated people development solutions to customers**

We collaborate with technology partners and that support us in the delivery of our integrated people development solutions. These partnerships are crucial in ensuring that our programmes are comprehensive, up-to-date, impactful and reach a wide consumer market. We source professional ICT training and certifications from technology partners. These partnerships enable us to offer industry-based technical training and certifications that are internationally recognised.

(iv) We have an experienced Key Senior Management team

Our Managing Director, Allen Lee, is responsible for the formulation of business strategies and setting the overall business direction of our Group and supervising the key senior management in implementing and achieving our business strategies. He has over 20 years of experience in the learning and development industry. Allen Lee is supported by an experienced Key Senior Management team with years of learning and development industry experience as follows:

Name	Designation	Years of relevant working experience
Cally Yau	Chief Executive Officer	16
Joey Lee	Chief Operating Officer	16
Peter Ng	Head of Finance	31

Further details of our competitive advantages and key strengths are set out in Section 7.4 of this Prospectus.

3.5 OUR STRATEGIES AND BUSINESS PLANS

A summary of our Group's strategies and business plans are set out below:

(i) We intend to build a Cyber Range computer simulation lab

A Cyber Range computer simulation lab is a virtual environment designed for cybersecurity training and testing. It simulates network environments and complex scenarios that mimic real-world cyber threats. In recent years, the demand for Cybersecurity programmes have consistently increased due to numerous factors, amongst others, the growing number of cyber threats and data breaches affecting individuals and organisations, regulatory requirements involving safeguarding operations and data along with the increased awareness of Cybersecurity risks among individuals and organisations.

We presently conduct the Cybersecurity, Big Data and Data Analytics programme under our Development segment. We have allocated a total of RM8.50 million of our proceeds arising from the Public Issue for the establishment of the Cyber Range computer simulation lab to enhance our cybersecurity training and testing as well as Big Data and AI trainings within the next 24 months upon our Listing.

(ii) We intend to continue expanding our business to capture growth opportunities

We currently operate in Kuala Lumpur and we have branches in Penang and Johor respectively. We intend to strengthen our presence in Malaysia by expanding to East Malaysia, particularly in the cities of Kota Kinabalu and Kuching where we plan to establish offices and training centres. We have allocated RM1.00 million of our proceeds from our Public Issue to fund the establishment of a combination of offices and training centres in Kota Kinabalu and Kuching within the next 24 months upon our Listing.

We also intend to further expand geographically in the ASEAN region by opening offices and training centres in Jakarta and Manila as well as our regional office in Singapore. The expansion into new geographical markets via establishment of these branches would allow our Group to meet the demands of customers in these areas. We have allocated RM3.00

3. PROSPECTUS SUMMARY (CONT'D)

million of our proceeds from our Public Issue to fund our ASEAN region expansion within the next 36 months upon our Listing.

(iii) We intend to expand our Digital segment

We see opportunities in the Digital segment and intend to expand our Digital segment via the following:

(a) R&D of software

We intend to develop our own Enterprise Resource Planning (“ERP”) software to manage our Group’s operations under the Digital segment. We intend to adopt the ERP software throughout our Group’s Digital segment to manage our day-to-day operational activities such as sales management, marketing management, customer service management as well as client management. We intend to develop this ERP software internally. We have allocated RM1.00 million of our proceeds from our Public Issue within the next 24 months upon our Listing for this purpose.

(b) Enhancement of PEOPLEAPS and SKILLSTURE platform

We intend to enhance our offering in PEOPLEAPS and SKILLSTURE platform that will add value to our customers. We also intend to optimise platform performance by addressing speed, responsiveness and scalability issues. Additionally, we also intend to enhance the platform’s user interface and user experience design to make it more intuitive, visually appealing and easy to navigate. We have allocated RM1.00 million of our proceeds from our Public Issue within the next 24 months upon our Listing for this purpose.

(iv) We intend to expand our business through strategic investments, mergers and acquisitions opportunities

We intend to seek acquisition of companies which are able to enhance our Group’s business reputation, expand our Group’s programmes and product, provide value chain integration for our existing segments and customers and facilitate our Group’s entry into new verticals. We intend to use the proceeds raised of approximately RM4.00 million for such strategic investments, mergers and acquisitions opportunities.

Further details of our business strategies and prospects are set out in Sections 7.17 of this Prospectus respectively.

3.6 RISK FACTORS

Our business is subject to a number of risk factors, many of which may have a material adverse impact on our business operations, financial position and performance. Before deciding to invest in our Shares, you should carefully consider all the information contained in this Prospectus, including the risk factors set out in Section 9 of this Prospectus. A summary of the key risk factors, amongst others, is set out below:

(i) We are dependent on Yayasan Peneraju, our Group’s major customer

Our revenue is based on contracts secured from customers from time to time. We are dependent on Yayasan Peneraju which contributed 69.77%, 61.30%, 45.22%, and 51.18% to our Group’s revenue in FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

During the Financial Years Under Review, our Group secured contracts from Yayasan Peneraju to organise ICT training programmes and soft skills development programmes for working professionals.

3. PROSPECTUS SUMMARY (CONT'D)

As Yayasan Peneraju accounted for a significant portion of our Group's total revenue, the loss of Yayasan Peneraju without timely replacement either at comparable or higher contract values, will adversely affect our business operations and financial performance. There is no assurance that we will be able to continue securing contracts of comparable or higher contract values from Yayasan Peneraju or other new and existing customers.

(ii) We rely on technology infrastructure

Our training programmes, digital learning and development platforms namely PEOPLEAPS, SKILLSTURE and training content digitalisation services require technology infrastructure including hardware, networks, freeware and software, as well as management systems to support the production process. Any errors or defects in the software and freeware, failure in hardware or networks, or failure of back-up facilities will affect the delivery of our learning and development programmes which could adversely affect our reputation and financial performance.

For the Financial Years Under Review and up to the LPD, we did not experience any material interruptions or failures in our technology infrastructure and management systems. However, there can be no assurance that we will not experience any disruptions in our technology infrastructure and/or management system which could adversely affect our business operations and financial performance in the future.

(iii) Our financial performance is dependent on our ability to continually secure new contracts to sustain and grow our business

We primarily generate revenue from project-based contracts, typically ranging between 6 months to 48 months, that provide us with recurrent revenue. Thus, we need to secure new and sizeable projects/contracts to sustain and/or grow our business as without this, it will materially affect our financial performance.

As contracts with government agencies, multinational corporations and public listed companies for integrated people development solutions are typically awarded based on competitive bidding processes mainly through open tenders and invitations to quote, we have to continue to bid or submit quotations for new projects. In the event we are unable to continuously secure sufficient new and sizable projects to replenish our order book, our financial performance in the future and business sustainability will be affected.

(iv) We are dependent on certification bodies for professional ICT examination and certification services

Our Group offers professional ICT training and certification courses whereby the certifications are awarded directly by certification bodies, such as CompTIA, AWS, EC-Council, PeopleCert and Project Management Institute, to participants who pass their examinations. Thus, we are dependent on these certification bodies for the professional ICT training and certification courses that we offer.

We may face the risk of withdrawal of accreditations from our existing certification bodies if the latter deems our Group inactive in promoting their respective exams and certifications. Notwithstanding this, we are able to substitute our existing certification bodies with other certification bodies that can offer similar training pathways and recognised certifications. However, in the event that we are not able to continue sourcing ICT exam and certification from our existing certification bodies without interruption or timely replacement with another supplier, the delivery of our ICT training programmes may be disrupted as we may not be able to deliver the affected ICT training programmes, exams and certifications.

3. PROSPECTUS SUMMARY (CONT'D)**(v) We are dependent on our ability to attract, train, motivate and retain trainers**

Our future growth and success depend, to a certain extent, on the continued services of our competent trainers. The expertise of our trainers including their technical proficiency and certifications are crucial in delivering our services.

We also consider several factors while engaging external trainers such as certifications, experience, technical proficiency and ability to work collaboratively within a team. While we are able to source these external trainers from online professional networking platforms and through referrals, there is no assurance that we will continue to have access to a pool of trainers which are able to deliver ICT training programmes as well as IR4.0 digital skills and certification programmes.

Further details on the full list of risk factors are set out in Section 9 of this Prospectus which should be considered before investing in our Shares.

3.7 IMPACT OF COVID-19**(i) Impact on our business operations**

The World Health Organisation declared COVID-19 a pandemic on 11 March 2020. The Government implemented several measures to reduce and control the spread of COVID19 in the country, commencing 18 March 2020. These measures include restrictions on the movement of people within Malaysia and internationally, and restrictions on business, economic and social activities. On 1 April 2022, Malaysia began its transition into the endemic phase, and we continued to operate at full workforce capacity according to the Government's standard operating procedures and guidelines.

(ii) Impact on our Group's financial performance

Our Group's financial performance for the FYE 2021 and FYE 2022 were not materially impacted by both the COVID-19 pandemic and the imposition of MCOs. Despite the COVID-19 pandemic, our revenue grew from RM16.28 million in FYE 2021 to RM22.79 million in FYE 2022, mainly due to an increase in contribution of revenue from the Development segment

Further details on the interruptions to our business and operations are set out in Section 7.16 of this Prospectus.

3.8 DIRECTORS AND KEY SENIOR MANAGEMENT OF OUR GROUP

As at the LPD, our Directors and Key Senior Management are as follows:

Name	Designation
<u>Directors</u>	
Datuk Seri Garry Chua	Independent Non-Executive Chairman
Allen Lee	Non-Independent Executive Director / Managing Director
Cally Yau	Non-Independent Executive Director / CEO
Joey Lee	Non-Independent Executive Director / COO
Dato' Lee Teck Hua	Independent Non-Executive Director
Norlida binti Abdul Azmi	Independent Non-Executive Director
K.Raman A/L G.Kesawannair	Independent Non-Executive Director
<u>Other Key Senior Management</u>	
Peter Ng	Head of Finance

Further details of our Directors and Key Senior Management are set out in Sections 5.2 and 5.4 of this Prospectus respectively.

3. PROSPECTUS SUMMARY (CONT'D)

3.9 PROMOTER AND SUBSTANTIAL SHAREHOLDERS OF OUR GROUP

The details of our Promoter and/or Substantial Shareholders and their respective shareholdings in our Company before our IPO and after our IPO are as follows:

Name	Nationality / Country of incorporation	Before our IPO ⁽¹⁾				After our IPO ⁽²⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
Promoter and Substantial Shareholder									
Allen Lee	Malaysian	99,917,018	32.58	105,818,032 ⁽³⁾	34.50	99,917,018	24.27	105,818,032 ⁽³⁾	25.70
Substantial Shareholders									
PEOPLElogists	Malaysia	86,494,738	28.20	-	-	86,494,738	21.01	-	-
David Lim	Malaysian	24,537,514	8.00	6,134,378 ⁽⁴⁾	2.00	24,537,514	5.96	6,134,378 ⁽⁴⁾	1.49
Tan Sri Nelson	Malaysian	21,470,326	7.00	-	-	21,470,326	5.22	-	-
Lim Szu Yee	Malaysian	19,323,294	6.30	-	-	19,323,294	4.69	-	-
Chen Khai Voon	Malaysian	41,171,694	13.42	-	-	41,171,694	10.00	-	-

Notes:

(1) Based on the issued share capital of 306,716,936 Shares before our IPO.

(2) Based on the enlarged issued share capital of 411,716,936 Shares after our IPO.

(3) Deemed interested by virtue of his spouse, Lim Szu Yee's shareholdings and his shareholdings in PEOPLElogists pursuant to Section 8 of the Act.

(4) Deemed interested by virtue of his daughter, Andrea Lim Jian Li's shareholdings pursuant to Section 8 of the Act.

Further details of our Promoter and Substantial Shareholders and their shareholdings in our Company as well as moratorium imposed on their Shares are set out in Sections 2.2 and 5.1 of this Prospectus.

3. PROSPECTUS SUMMARY (CONT'D)**3.10 USE OF PROCEEDS**

Based on the IPO Price of RM0.25, the total gross proceeds of RM26.25 million from the Public Issue will be used by our Group in the following manner:

Description of use	Amount of proceeds		Estimated timeframe for use upon Listing
	(RM'000)	%	
(a) Business expansions			
- Establish a Cyber Range computer simulation lab	8,500	32.38	Within 24 months
- Expansion through strategic investments, mergers and acquisitions opportunities	4,000	15.24	Within 24 months
- R&D of software	3,000	11.43	Within 24 months
- Expansion of offices and training centers in East Malaysia	1,000	3.81	Within 24 months
- Expansion of offices and training centres in Indonesia and Philippines	2,900	11.05	Within 36 months
- Setting up regional office in Singapore	100	0.38	Within 12 months
(b) General working capital	2,400	9.14	Within 24 months
(c) Estimated listing expenses	4,350	16.57	Within 1 month
Total Public Issue proceeds	26,250	100.00	

There is no minimum subscription to be raised from our IPO.

Further details on the utilisation of proceeds are set out in Section 4.7 of this Prospectus.

3.11 FINANCIAL HIGHLIGHTS

The following table sets out a summary of the combined financial information of our Group for the Financial Years Under Review.

Combined statements of profit or loss and other comprehensive income	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000
Revenue	16,278	22,793	24,729	29,241
GP	10,994	15,749	18,222	20,611
Operating profit	4,985	6,739	7,874	7,239
PBT	4,780	6,546	7,556	7,508
PAT	3,604	4,774	5,799	5,467
Combined statements of cash flows	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000
Net cash from operating activities	1,850	4,258	3,261	7,140
Net cash used in investing activities	(214)	(3,481)	(892)	(1,604)
Net cash used in financing activities	(773)	(192)	(1,725)	(5,151)
Net increase in cash and cash equivalents	863	585	644	385
Effects of exchange rate changes on cash and cash equivalents	-	-	(4)	(3)
Cash and cash equivalents at beginning of the financial year	1,457	2,320	2,905	3,545

3. PROSPECTUS SUMMARY (CONT'D)

Combined statements of cash flows	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000
Cash and cash equivalents at end of the financial year	2,320	2,905	3,545	3,927
Other selected financial information				
EBITDA (RM '000)	5,633	7,510	8,845	8,730
GP margin (%)	67.54	69.10	73.69	70.49
PBT margin (%)	29.36	28.72	30.56	25.68
PAT margin (%)	22.14	20.95	23.45	18.70

Save for the one-off EPF contributions, EPF dividend and late payment penalty to EPF as set out in Section 12.3.9 of this Prospectus, there are no material exceptional and extraordinary items for the Financial Years Under Review.

Further details of our Group's financial information are set out in Section 12.1 of this Prospectus.

3.12 DIVIDEND POLICY

Our Group's ability to declare and distribute dividends to our shareholders is at the discretion of our Board, subject to the followings:

- Our operating cash flow and working capital requirements as well as financing commitments;
- Our anticipated future operating conditions and expansion taking into consideration projected capital expenditure and investment plans;
- Any other contractual restrictions and/or commitments; and
- Prior written consent from financial institutions, where required.

As at the LPD, save for any applicable financial covenants and the Act, and subject to the availability of distributable profits and reserves, there are no dividend restrictions imposed on the Company or our Subsidiaries.

The dividends declared and paid by our Group for the Financial Years Under Review and up to LPD are as follows:

	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	From 1 January 2025 up to LPD RM'000
PAT	3,604	4,774	5,799	5,467	-
Dividends declared	-	1,000	6,000	2,000	(3)4,000
Dividends paid	200	-	(1)3,800	(2)5,200	-

Notes:

- In FYE 2023, our Group has paid a dividend of RM1.00 million in respect of FYE 2022 and dividend paid of RM2.80 million in respect of FYE 2023.
- In FYE 2024, our Group has paid an amount of RM3.20 million in respect of FYE 2023 which represents the remaining dividends declared of RM6.00 million in FYE 2023 as well as dividend paid of RM2.00 million in respect of FYE 2024.
- Our Group had on 13 March 2025 declared a dividend amounting to RM4.0 million for the FYE 2024, being the second interim dividend to be paid in April 2025. Our Group does not intend to declare further dividends prior to the Listing.

Further details of our dividend policy are set out in Section 12.15 of this Prospectus.

4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATIONS

Application for our Issue Shares will open at 10.00 a.m. on 21 April 2025 and will remain open until 5.00 p.m. on 6 May 2025.

Late Applications will not be accepted.

4.2 INDICATIVE TIMETABLE

An indicative timetable of our IPO is set out below:

Event	Indicative Dates
Opening of Application for our IPO	10:00 a.m., 21 April 2025
Closing of Application for our IPO	5:00 p.m., 6 May 2025
Balloting of Application	8 May 2025
Allotment of Issue Shares to successful applicants	16 May 2025
Date of Listing	20 May 2025

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

4.3 DETAILS OF OUR IPO

The Public Issue of 105,000,000 Issue Shares are issued at the IPO Price payable in full on Application upon such terms and conditions as set out in this Prospectus and will be issued in the following manner:

4.3.1 Public Issue

Public Issue of 105,000,000 Issue Shares at the IPO Price representing 25.50% of our enlarged issued share capital will be made available for Application in the following manner:

(i) Malaysian Public (via balloting)

20,586,000 Issue Shares, representing 5.00% of our enlarged issued share capital will be made available for Application by the Malaysian Public through a balloting process:

- (a) 10,293,000 Issue Shares will be made available to public investors; and
- (b) 10,293,000 Issue Shares will be made available to Bumiputera public investors.

4. DETAILS OF OUR IPO (CONT'D)**(ii) Eligible Persons**

12,351,500 Issue Shares, representing 3.00% of our enlarged issued share capital will be made available for Application by the Eligible Persons.

Details of the Pink Form Shares allocation to the Eligible Persons are as follows:

Eligible Persons	Number of persons	Pink Form Shares allocation
Eligible Directors of our Company ⁽¹⁾	6	1,700,000
Eligible employees of our Group ⁽²⁾	60	7,651,500
Persons who have contributed to our success ⁽³⁾	30	3,000,000
Total	96	12,351,500

Notes:

(1) The Pink Form Shares will be allocated to eligible Directors of our Group based on, amongst others, their respective roles, responsibilities and their anticipated contribution to our Group.

The Directors who are entitled for the Pink Form Shares are as follows:

Name of Directors	Designation	No. of Shares
Datuk Seri Garry Chua	Independent Non-Executive Chairman	250,000
Cally Yau	Non – Independent Executive Director / CEO	500,000
Joey Lee	Non – Independent Executive Director / COO	500,000
Dato' Lee Teck Hua	Independent Non-Executive Director	150,000
Norlida binti Abdul Azmi	Independent Non-Executive Director	150,000
K.Raman A/L G.Kesawannair	Independent Non-Executive Director	150,000
Total		1,700,000

(2) The Pink Form Shares will be allocated to eligible employees of our Group based on the following criteria as approved by our Board:

- (a) the eligible employee must be a full time and confirmed employee of our Group;
- (b) seniority and position;
- (c) length of service; and
- (d) past performance and respective contribution made to our Group.

4. DETAILS OF OUR IPO (CONT'D)

Other than Cally Yau and Joey Lee, our Key Senior Management who is entitled for the Pink Form Shares is as follows:

<i>Name of Key Senior Management</i>	<i>Designation</i>	<i>No. of Shares</i>
<i>Peter Ng</i>	<i>Head of Finance</i>	<i>300,000</i>
<i>Total</i>		<i>300,000</i>

- (3) *The criteria for allocation to persons who have contributed to the success of our Group, comprising, amongst others, our suppliers and business associates, shall be based on, amongst others, the level of their current, potential and past contributions to our Group and length of their respective business relationship with our Group and as approved by our Board.*

Save for the allocation made available for Application as disclosed in Section 4.3.1(ii) of this Prospectus, to the extent known to our Company, our Company is not aware as to whether any of our Directors or Key Senior Management have the intention to subscribe for our Issue Shares allocated under Section 4.3.1(ii) of this Prospectus for the Malaysian Public. Our Company is also not aware as to whether there is any person intending to subscribe for more than 5.00% of our Issue Shares allocated under the Section 4.3.1(i) of this Prospectus for the Malaysian Public.

(iii) Private placement

72,062,500 Issue Shares, representing 17.50% of our enlarged issued share capital will be made available by way of private placement to selected investors in the following manner:

- (i) 51,464,700 Issue Shares, representing approximately 12.50% of our enlarged Issued Shares to Bumiputera investors approved by the MITI; and
- (ii) 20,597,800 Issue Shares, representing approximately 5.00% of our enlarged Issued Shares to selected investors (other than Bumiputera investors approved by the MITI).

4.3.2 Summary of underwriting arrangement and allocation of our Issue Shares

In summary, our Issue Shares will be allocated in the following manner:

	Issue Shares	
	No. of Shares	%⁽¹⁾
Retail offering		
Malaysian Public (via balloting)	20,586,000	5.00
Eligible Persons	12,351,500	3.00
Private placement		
Bumiputera investors approved by MITI	51,464,700	12.50
Selected investors	20,597,800	5.00
Total	105,000,000	25.50

4. DETAILS OF OUR IPO (CONT'D)

Note:

(1) *Based on the enlarged issued share capital of 411,716,936 Shares after our IPO.*

The 20,586,000 Issue Shares made available for application by the Malaysian Public (via balloting) and the 12,351,500 Pink Form Shares made available to the Eligible Persons under Sections 4.3.1(i) and 4.3.1(ii) of this Prospectus respectively are fully underwritten by our Underwriter.

The 51,464,700 Issue Shares made available for Application by Bumiputera investors approved by the MITI (“**MITI Tranche**”) are not underwritten as these Issues Shares have been allocated to the MITI’s approved Bumiputera investors whereby irrevocable undertakings from the Bumiputera investors have been or will be obtained.

The allocation of our Issue Shares shall be on a fair and equitable manner and shall take into account the desirability of distributing our Issue Shares to a reasonable number of applicants with a view:

- (i) to broaden our Company’s shareholding base to meet the public shareholding spread requirements of Bursa Securities; and
- (ii) to establish a liquid market for our Shares.

4.3.3 Clawback and re-allocation

In the event there is an under-subscription of Issue Shares in respect of the allocation to private placement to selected investors, any unsubscribed Issue Shares will be made available for Application by the Malaysian Public.

Any unsubscribed Pink Form Shares will be re-offered to our Group’s other Eligible Persons before being re-allocated to the Malaysian Public and/or identified investors by way of private placement. Any unsubscribed Issue Shares by the Malaysian Public will be made available for application by way of private placement to identified investors and vice versa.

In the event of an under-subscription of the MITI Tranche, the unsubscribed Issue Shares under the MITI Tranche shall be made available to the Bumiputera public under the retail offering, if any. If after the aforementioned reallocation, the MITI Tranche is still under-subscribed, any of the Issue Shares that are not taken up shall be firstly allocated to other Malaysian institutional investors by way of private placement, and any balance remaining shall be made available for Application by the non-Bumiputera public under the retail offering and/or private placement to selected investors.

The salient terms of the underwriting arrangement are set out in Section 4.9 of this Prospectus.

4.3.4 Minimum and over-subscription

There is no minimum subscription amount to be raised from our IPO. All our Issue Shares are either subscribed by the Malaysian Public, Eligible Persons and/or identified investors, pursuant to their irrevocable undertakings or fully underwritten by our Underwriter. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of Issue Shares will be the number of Issue Shares required to be held by public shareholders to comply with the public spread requirement as set out in the Listing Requirements or as approved by Bursa Securities.

In the event of an over-subscription, acceptance of Application by the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Directors.

4. DETAILS OF OUR IPO (CONT'D)

Under the Listing Requirements, at least 25.00% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our Admission. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing.

4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKING

As at the LPD, the issued share capital for our Company is RM12,607,881 comprising 306,716,936 Shares. Upon completion of our IPO, the enlarged issued share capital of our Company will be RM38,857,881 comprising 411,716,936 Shares as follows:

Details	No. of Shares	RM
Total number of Shares as at the date of this Prospectus	306,716,936	12,607,881
New Shares to be issued pursuant to the Public Issue	105,000,000	26,250,000
Upon completion of our IPO	411,716,936	38,857,881
Less: Estimated listing expenses directly attributable to the Public Issue	-	⁽¹⁾ (1,083,876)
Enlarged number of issued Shares upon Listing	411,716,936	37,774,005
IPO Price		0.25
Market capitalisation upon Listing based on our IPO Price and the enlarged total number of 411,716,936 Shares after our IPO		102,929,234

Note:

- (1) *These expenses are capitalised to the share capital of our Company as they are directly attributable to the issuance of Shares pursuant to the Public Issue. The amount of RM1.08 million comprise RM0.29 million for the placement, underwriting, management, and brokerage fees and RM0.79 million for the professional fees and other expenses directly attributable to the Public Issue.*

As at the date of this Prospectus, we have only one class of shares, being ordinary shares. Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of our Issue Shares, subject to any applicable Rules of Bursa Depository.

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

At any general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy, by attorney or by duly authorised representative. A proxy may but need not be a member of our Company and there shall be no restriction as to the qualification of the proxy.

4. DETAILS OF OUR IPO (CONT'D)

On a show of hands, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held.

4.5 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price of RM0.25 per Issue Share was determined and agreed upon by our Directors and Promoter and together with Kenanga IB, being our Principal Adviser, Sponsor, Underwriter and Placement Agent after taking into consideration the following factors:

- (i) our pro forma NA per Share attributable to the owners of the Company of approximately RM0.08 as at 31 December 2024 based on the enlarged issued share capital of 411,716,936 Shares, after our IPO and subsequent to the use of proceeds from our Public Issue as set out in Section 4.7 of this Prospectus;
- (ii) PE multiple of approximately 18.83 times based on our EPS of approximately 1.33 sen for the FYE 2024 (calculated based on our PAT attributable to owners of our Company for the FYE 2024 of approximately RM5.47 million and our enlarged total number of 411,716,936 Shares upon Listing);
- (iii) our competitive advantages and key strengths as described in Section 7.4 of this Prospectus;
- (iv) our strategies and business plans as described in Section 7.17 of this Prospectus; and
- (v) the industry overview and prospects as set out in the IMR Report in Section 8 of this Prospectus.

Prospective investors should note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the market price of our Shares. Prospective investors should form your own views on the valuation of our Issue Shares and reasonableness of the bases used before deciding to invest in our Issue Shares. You are also reminded to consider carefully the risk factors as set out in Section 9 of this Prospectus.

4.6 DILUTION

Dilution is computed as the difference between our IPO Price paid by you for our Issue Shares and the pro forma NA per Share of our Group immediately after our IPO. The following table illustrates the effect in our Group's pro forma NA for each Share to our shareholders:

	Note	RM
IPO Price	(A)	0.25
Pro forma NA per Share as at 31 December 2024 before our Public Issue (based on the issued share capital of 306,716,936 Shares)	(B)	0.04
Pro forma NA per Share as at 31 December 2024 after the Public Issue and the intended use of proceeds (based on the enlarged issued share capital of 411,716,936 Shares)	(C)	0.08
Increase in pro forma NA per Share after the Public Issue and the intended use of proceeds	(C) – (B)	0.04

4. DETAILS OF OUR IPO (CONT'D)

	Note	RM
Increase in the pro forma NA per Share attributable to existing shareholders	(C) – (B)	0.04
Dilution in pro forma NA per Share to new investors	(D) = (A) – (C)	0.17
Dilution in the pro forma NA per Share to new investors as a percentage of our IPO Price	(D) / (A)	68.00%

Further details of our Group's pro forma NA per Share as at 31 December 2024 are set out in Section 13 of this Prospectus.

Save as disclosed below, there has been no acquisition of any of our Shares by our Promoter, Directors, Substantial Shareholders, Key Senior Management or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our Shares since our incorporation up to the LPD:

Name	⁽¹⁾ No. of Shares before our IPO	No. of Shares from our IPO	Total consideration RM	Average effective cost for each Share RM
Promoter, Director, Substantial Shareholder and Key Senior Management				
Allen Lee	99,917,018	-	2,497,925.45	0.0250
Substantial Shareholders				
PEOPLElogists	86,494,738	-	2,162,368.45	0.0250
David Lim	24,537,514	-	613,437.85	0.0250
Tan Sri Nelson	21,470,326	-	536,758.15	0.0250
Lim Szu Yee	19,323,294	-	483,083.30	0.0250
Chen Khai Voon	41,171,694	-	9,953,984.39	0.2418
Independent Non-Executive Directors				
Datuk Seri Garry Chua	-	⁽²⁾ 250,000	62,500.00	0.2500
Dato' Lee Teck Hua	-	⁽²⁾ 150,000	37,500.00	0.2500
Norlida binti Abdul Azmi	-	⁽²⁾ 150,000	37,500.00	0.2500
K.Raman A/L G.Kesawannair	-	⁽²⁾ 150,000	37,500.00	0.2500
Key Senior Management				
Cally Yau	-	⁽²⁾ 500,000	125,000.00	0.2500
Joey Lee	-	⁽²⁾ 500,000	125,000.00	0.2500
Peter Ng	-	⁽³⁾ 300,000	75,000.00	0.2500
New investors				
Public Issue	-	105,000,000	26,250,000	0.25

Notes:

- (1) Number of Shares as at the LPD.
- (2) Assuming full subscription of the Pink Form Shares reserved for our eligible Directors.
- (3) Assuming full subscription of the Pink Form Shares reserved for our eligible Key Senior Management.

4. DETAILS OF OUR IPO (CONT'D)**4.7 USE OF PROCEEDS**

Based on the IPO Price of RM0.25, the total gross proceeds of RM26.25 million from the Public Issue will be utilised by our Group in the following manner:

Description of use	Note	Amount of proceeds		Estimated timeframe for use upon Listing
		(RM'000)	%	
Business expansions				
- Establish a Cyber Range computer simulation lab	(i)	8,500	32.38	Within 24 months
- Expansion through strategic investments, mergers and acquisitions opportunities	(ii)	4,000	15.24	Within 24 months
- R&D of software	(iii)	3,000	11.43	Within 24 months
- Expansion of offices and training centers in East Malaysia	(iv)	1,000	3.81	Within 24 months
- Expansion of offices and training centres in Indonesia and Philippines	(v)	2,900	11.05	Within 36 months
- Setting up regional office in Singapore	(vi)	100	0.38	Within 12 months
General working capital	(vii)	2,400	9.14	Within 24 months
Estimated listing expenses	(viii)	4,350	16.57	Within 1 month
Total Public Issue proceeds		26,250	100.00	

Notes:**(i) Establish a Cyber Range computer simulation lab**

Our Group intends to use the proceeds raised of approximately RM8.50 million to establish a Cyber Range computer simulation lab.

In recent years, the demand for Cybersecurity courses and training have consistently increased due to numerous factors, which include amongst others, the growing number of cyber threats and data breaches affecting individuals and organisations, regulatory requirements involving safeguarding operations and data along with the increased awareness of Cybersecurity risks among individuals and organisations. Further, the demand for both Big Data and AI programmes and trainings have also surged due to their increasing importance across various industries. As the volume of data generated by businesses and digital interactions continues to grow, organisations need skilled professionals to process, analyse and extract valuable insights from this vast information. Big Data serves as the foundation for AI and machine learning, which rely on large datasets to train models and develop intelligent systems. This interdependence has driven the need for expertise in both fields. Additionally, businesses are increasingly using AI to automate processes, enhance decision-making and improve customer experiences, further amplifying the demand for professionals with AI skills.

Please refer to Section 8 of this Prospectus for further details on Malaysia's talent requirements in relation to Cybersecurity, Big Data and AI skills.

4. DETAILS OF OUR IPO (CONT'D)

In view of the foregoing, we intend to enhance our Cybersecurity, Big Data and AI programmes under our Development segment by establishing a Cyber Range computer simulation lab to leverage on this rising demand and to enhance our revenue contribution from these programmes. This will also create a more conducive learning environment for participants and enhance their learning process.

The revenue contribution from our Cybersecurity, Big Data and AI programmes are approximately RM2.92 million, RM3.27 million, RM5.29 million, and RM8.00 million comprising 17.94%, 14.35%, 21.39%, and 27.36% of our Group's total revenue in the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

Our Group intends to acquire a property between 3,500 to 6,000 sq ft located in Klang Valley having Malaysia Digital Status which provides the benefits including a prominent address, enhanced branding, access to stable and ready high quality infrastructure to support business operations, or any other locations deemed suitable by our Group. Our Group has allocated a sum of RM5.50 million for such acquisition based on the comparison of market prices in the identified areas. Our Group has yet to identify a suitable property in Klang Valley to establish the Cyber Range computer simulation lab. Our Group will make the necessary submission to authorities for business permits, renovation permits and other licences where required prior to setting up the said lab. Our Group has also allocated approximately RM3.00 million for the set-up costs based on comparison of market prices obtained by our Group, the details of which are as follows:

No	Descriptions	Estimated costs (RM'000)
1	Infrastructure costs for network and internet set up	200
2	Renovations works	900
3	Hardware costs for our classrooms such as servers, large screen monitors, computers, projectors and televisions	800
4	Software costs	1,000
5	Equipment for our office area such as computers, printers and telephones	50
6	Submission to authorities	50
Total		3,000

Please refer to Section 7.17 of this Prospectus for further details on the establishment of the Cyber Range computer simulation lab.

As at the LPD, our Group has 3 internal trainers who are able to provide training for Cybersecurity, Big Data and AI programmes. Notwithstanding this, we also intend to hire 9 employees to operate the Cyber Range computer simulation lab and have allocated RM0.94 million over 12 months from our internally generated funds for this, details of which are as follows:

Description	No. of pax	Total estimated cost per annum RM'000
Customer Service Manager	1	72
Customer Service Executives	2	84
Trainers	3	540
Assistant trainer	1	100
Commercial and Marketing Executives	2	144
Total		940

The recruitment of the abovementioned employees will be carried out in tandem with the growth of our Cybersecurity, Big Data and AI programmes.

Any excess funds not used for this purpose will be used as working capital of our Group. However, in the event the allocated proceeds are insufficient for the establishment of the Cyber Range computer simulation lab, such shortfall will be funded through internally generated funds and/or bank borrowings.

4. DETAILS OF OUR IPO (CONT'D)**(ii) Expansion through strategic investments, mergers and acquisitions opportunities**

One of our growth strategies involves explorations of investments and merger and acquisitions activities that are complementary to our Group's business to enhance our Group's operational efficiencies and expand our Group's core services. We are selective about company acquisitions, first assessing if the proposed target business presents a clear value proposition or is in possession of certifications which are able to complement our Group's business. We intend to seek acquisition of companies which are able to enhance our Group's business reputation, expand our Group's programmes and product, provide value chain integration for our existing segments and customers and facilitate our Group's entry into new verticals. We intend to focus on our acquisition targets on companies having, amongst others, provision of organisational talent consultancy and profile assessment services, certifications related to digital programmes such as IR 4.0 and/or training programmes.

Our Group is exploring investment and acquisition opportunities in companies within Malaysia and the Southeast Asia region which meet the abovementioned criteria. Our Group intends to use the proceeds raised of approximately RM4.00 million for strategic investments, mergers and acquisitions opportunities that are aligned with and synergistic to our Group's principal business activities. As at the LPD, our Group has not identified any prospective acquisition nor have we entered into any binding agreements for any acquisition.

Any excess funds not used for this purpose will be used to meet the working capital of our Group. However, in the event the allocated proceeds are insufficient for investments in and/or acquisition of target companies, such shortfall will be funded through internally generated funds and/or bank borrowings.

For the avoidance of doubt, such strategic investments, mergers and acquisitions shall be distinguished from our future plan in relation to business expansion in Malaysia and in the ASEAN region as set out in Section 7.17(ii) of this Prospectus, which relates to the setting up of regional offices and are organic in nature.

(iii) R&D of software

Our Group intends to expand our Digital segment by developing our own enterprise resource planning ("ERP") software to manage our Group's operations. By developing our own ERP software, we will be able to customise better tracking of data and analytics in real-time thus allowing for more informed and accurate decision making to support our Group's business operations. In addition, our own ERP software will be customised to generate learning and development reports for our customers, manage our Group's day-to-day operational activities including in our branches such as sales management, marketing management, customer service management as well as client management as well as to function as a project management tool. We intend to develop this ERP software internally by leveraging on our expanding team of software engineers led by our Head of Technology as well as Head of Digital under our Digital segment.

As part of our Group's strategies and plan to expand our Digital segment, we also intend to enhance our offering in the PEOPLEAPS and SKILLSTURE platforms, which in turn will add value to our customers. Our Group intends to, amongst others, optimise the PEOPLEAPS and SKILLSTURE platforms' performance by addressing speed, responsiveness and scalability issues. Additionally, our Group may enhance the platform's user interface and user experience design to make it more intuitive, visually appealing and easy to navigate.

In respect of PEOPLEAPS, we intend to enhance our modules under LMS, TMS and CMS, which include refinement of enrolment process, improvement of booking systems, trainer evaluation process, better certificate management tools, increase in the efficiency of self-check in processes and expansion of the scope of content development.

In respect of SKILLSTURE, we intend to integrate a learning experience platform and to develop a community between subscribers and trainers, which in turn would offer a more personalised and engaging learning experience for each subscribers in terms of their respective learning needs and career goals. The aforementioned integration would also enable subscribers and trainers to foster collaboration, networking and peer-to-peer learning relationships.

Our Group intends to use the proceeds raised of approximately RM3.00 million for the development of the ERP software and the platforms for PEOPLEAPS and SKILLSTURE in the manner set out below:

4. DETAILS OF OUR IPO (CONT'D)

No	Descriptions	Estimated costs (RM'000)
1	Software development and licensing costs for ERP	1,000
2	Software development and implementation costs for PEOPLEAPS	1,000
3	Software development and implementation costs for SKILLSTURE	1,000
Total		3,000

Any excess funds not used for this purpose will be used to meet the working capital of our Group. However, in the event the allocated proceeds are insufficient for expansion of our Digital segment, such shortfall will be funded through internally generated funds and/or bank borrowings.

Please refer to Section 7.17 of this Prospectus for further details on our strategies and business plans pertaining to the expansion of our Digital segment.

(iv) Expansion of offices and training centers in East Malaysia

Our Group currently operates in the Peninsular Malaysia, in particular Kuala Lumpur, Johor and Penang. Through the establishment of these branches in East Malaysia, this would allow our Group to meet the demands of customers in these areas such as local governmental bodies, local corporate entities as well as local individuals who are looking to upskill and reskill through our Group's integrated people development solutions. As at the LPD, we have existing customers from East Malaysia that are being serviced by our team in West Malaysia.

Our Group intends to use the proceeds raised of approximately RM1.00 million for our Group's expansion to East Malaysia to establish a combination of offices and training centres in Kota Kinabalu, Sabah and Kuching, Sarawak. Our Group intends to rent a property in Kota Kinabalu, Sabah between 2,000 to 3,000 sq ft and a property in Kuching, Sarawak between 3,000 to 4,000 sq ft, the details which are set out below:

No	Descriptions	Estimated costs (RM'000)
1	Rental costs for Kota Kinabalu (24 months)	150
2	Rental costs for Kuching (24 months)	150
3	Renovation and set up costs for both Kota Kinabalu and Kuching	700
Total		1,000

As at the LPD, our Group has yet to enter into any tenancy agreements for rental of offices in Kota Kinabalu and Kuching. Our Group will make the necessary submission to the relevant authorities, for amongst others, the business premise licenses and working permits prior to setting up the said premises.

We also intend to hire a total of 18 employees to operate these offices and training centres in Kota Kinabalu and Kuching. We have allocated RM1.25 million over 12 months from our internally generated funds for this, details of which are as follows:

Description	No. of pax	Total estimated cost per annum RM'000
Kota Kinabalu		
Customer Service Manager	1	54
Customer Service Executive	1	30
Accounts Executive	1	36
Trainers	3	360
Assistant trainer	1	48
Commercial and Marketing Executives	2	96
		624

4. DETAILS OF OUR IPO (CONT'D)

<i>Description</i>	<i>No. of pax</i>	<i>Total estimated cost per annum RM'000</i>
Kuching		
Customer Service Manager	1	54
Customer Service Executive	1	30
Accounts Executive	1	36
Trainers	3	360
Assistant trainer	1	48
Commercial and Marketing Executives	2	96
		624
Total	18	1,248

The recruitment of the abovementioned employees will be carried out in tandem with the growth of our Kota Kinabalu and Kuching offices and training centres.

Any excess funds not used for this purpose will be used to meet the working capital of our Group. However, in the event the allocated proceeds are insufficient for the expansion of our regional business, such shortfall will be funded through internally generated funds and/or bank borrowings.

Please refer to Section 7.17 of this Prospectus for further details on our strategies and business plans pertaining to the expansion of our regional business.

(v) Expansion of offices and training centres in Indonesia and Philippines

Presently, our Group currently only operates in Malaysia. The rationale for expansion into new geographical markets via establishment of these branches would allow our Group to meet the demands of customers in these areas such as foreign local governmental bodies, foreign local corporate entities as well as foreigners who are looking to upskill and reskill through our Group's integrated people development solutions.

In addition, for our expansion to Indonesia and Philippines we have also taken into consideration the potential market for digital talent development whereby the labour force that is potential target for digital skills upskilling and reskilling are among the highest in the ASEAN countries.

For the purposes of our expansion plans into these foreign countries, our Group had carried out market feasibility studies on ASEAN before deciding to penetrate Indonesia and the Philippines. Our Group's market feasibility studies on ASEAN countries included researching and understanding the country specific economic developments, potential target market and overall population, current market trends, supportive government policies and current competitive landscape.

As at the LPD, although our Group has yet to enter into any formal strategic partnerships in Indonesia and Philippines, the Group will be able to reach out to its potential customers based in the region through its existing network of clients.

Our Group intends to use the proceeds raised of approximately RM2.90 million for our Group's expansion to Indonesia and the Philippines by setting up offices and training centres in Jakarta, Indonesia and Manila, Philippines. Our Group intends to rent a property in Jakarta, Indonesia of approximately 2,700 sq ft and a property in Manila, Philippines of approximately 3,000 sq ft, the details which are set out below:

<i>No</i>	<i>Descriptions</i>	<i>Estimated costs (RM'000)</i>
1	Rental costs for Jakarta (36 months)	700
2	Rental costs for Manila (36 months)	700
3	Renovation and set up costs for both Jakarta and Manila	1,500
	Total	2,900

As at the LPD, our Group has yet to enter into any tenancy agreements for rental of offices in Indonesia and the Philippines. Our Group will ensure compliance with the necessary laws and

4. DETAILS OF OUR IPO (CONT'D)

regulations applicable to Indonesia and the Philippines including appointing the respective local legal counsels and/or experts and will make the necessary submission to the relevant authorities for business permits and other licences prior to setting up the said premises.

We also intend to hire a total of 17 employees to operate these offices and training centres in Jakarta, Indonesia and Manila, Philippines. We have allocated approximately RM1.18 million over 12 months from our internally generated funds for this, details of which are as follows:

Description	No. of pax	Total estimated cost per annum RM'000
Jakarta, Indonesia		
Country Manager	1	144
Commercial and Marketing Executives	2	96
Admin and Customer Service Executive	1	42
Accounts and Human Resources Manager	1	72
Trainers	2	240
Assistant trainer	1	48
		642
Manila, Philippines		
Country Manager	1	96
Commercial and Marketing Executives	2	96
Digital Marketing Executive	1	48
Admin and Customer Service Executive	1	42
Accounts and Human Resources Manager	1	60
Trainers	2	144
Assistant trainer	1	48
		534
Total	17	1,176

The recruitment of the abovementioned employees will be carried out in tandem with the growth of our offices and training centres in Jakarta, Indonesia and Manila, the Philippines.

Any excess funds not used for this purpose will be used to meet the working capital of our Group. However, in the event the allocated proceeds are insufficient for the expansion of our business regionally, such shortfall will be funded through internally generated funds and/or bank borrowings.

Please refer to Section 7.17 of this Prospectus for further details on our strategies and business plans pertaining to the expansion of our business regionally.

(vi) Setting up regional office in Singapore

Our Group intends to use the proceeds raised of approximately RM0.10 million for the rental of co-working space to facilitate any necessary meetings for the Singapore personnel for a total of 12 months. Given the nature of our business where our personnel are able to work remotely, the rental of the workspace in a co-working office offers flexibility to scale up in the future. As at the LPD, our Group does not have a physical office in Singapore.

Our presence in Singapore serves as a launchpad for our expansion into other South-East Asian countries in particular Indonesia and Philippines as we intend to explore opportunities and grow our business in these new locations. We intend to use our Singapore entity to be the holding company for our investments in the South-East Asian countries that we expand to. Our Singapore entity will also function as a regional business development hub to market our people development solutions across the ASEAN region.

As at the LPD, our Group has yet to establish any regional office in Singapore. At this juncture, our Group do not foresee the need for any material licenses or permits required to setup our regional office and the rental of co-working space in Singapore. Nevertheless, our Group will continue to evaluate the licensing and regulatory requirements in respect of Singapore and where required, will make the necessary submission to the authorities to ensure compliance.

4. DETAILS OF OUR IPO (CONT'D)

We also intend to hire a total of 3 employees to operate the regional office in Singapore. We have allocated approximately RM0.73 million over 12 months from our internally generated funds for this, details of which are as follows:

Description	No. of pax	Total estimated cost per annum RM'000
Singapore		
Country Manager	1	396
Commercial and Marketing Executives	2	336
Total	3	732

The recruitment of the abovementioned employees will be carried out in tandem with the growth of our regional office in Singapore.

Any excess funds not used for this purpose will be used as the working capital of our Group. However, in the event the allocated proceeds are insufficient for the setting up regional office in Singapore, such shortfall will be funded through internally generated funds and/or bank borrowings.

Please refer to Section 7.17 of this Prospectus for further details on our strategies and business plans pertaining to the expansion of our business regionally.

(vii) General working capital

Our Group intends to use the proceeds raised of approximately RM2.40 million for our Group's working capital over 24 months from the date of our Group's Listing. The general working capital will be utilised for marketing and advertising expenses and Build a Future Team. Whilst the breakdown of such use has not been determined at this juncture and will be dependent on the operating and funding requirements at the time of utilisation, on a best estimate basis the allocation of the proceeds to be utilised for each component for each component of the working capital are as follows:

No	Nature of expenses	Estimated costs (RM'000)
1	Marketing support expenses such as branding and advertising, reservation for venues, creative productions and printing of advertising materials	1,200
2	BUILD A FUTURE TEAM related expenses such as travelling expenses and fees for professional services including speakers and videographers	1,200
	Total	2,400

(viii) Estimated listing expenses

Our Group intends to use the proceeds raised of approximately RM4.35 million for professional fees, brokerage, underwriting and placement fees; regulatory fees and other fees and expenses, the details of which are as follows:

No	Nature of expenses	Estimated costs (RM'000)
1	Professional fees ⁽¹⁾	3,200
2	Brokerage, underwriting and placement fees	800
3	Regulatory fees	70
4	Other fees and expenses ⁽²⁾	280
	Total	4,350

Notes:

- (1) Includes professional fees for, amongst others, Principal Adviser, Solicitors, Reporting Accountants, Independent Market Researcher, Internal Control Reviewer and other professional advisers.

4. DETAILS OF OUR IPO (CONT'D)

(2) *Fees and expenses including, amongst others, printing, advertising, travel, roadshow expenses, media, translator and other miscellaneous expenses and contingencies incurred in connection with our IPO.*

In the event that the actual expenses are higher than estimated, the deficit will be funded out of working capital. However, if the actual expenses are lower than estimated, the excess will be used for general working capital requirements of our Group.

Pending the eventual use of the proceeds from the Public Issue for the above intended purposes, we intend to place the proceeds raised (including accrued interest, if any) or the balance thereof in interest-bearing accounts with licenced financial institutions in Malaysia and/ or money market deposit instruments/funds.

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

4.8 UNDERWRITING COMMISSION, BROKERAGE AND PLACEMENT FEES

4.8.1 Underwriting commission

Kenanga IB, as our Underwriter, has agreed to underwrite 32,937,500 Issue Shares, representing 20,586,000 Issue Shares made available for application by the Malaysian Public and 12,351,500 Pink Form Shares made available to Eligible Persons as set out in Sections 4.3.1(i) and 4.3.1(ii) of this Prospectus. We will pay our Underwriter an underwriting commission at the rate of 2.50% of the total value of the underwritten Shares based on the IPO Price.

4.8.2 Brokerage fee

We will pay brokerage at the rate of 1.00% on the IPO Price in respect of all successful applications that bear the stamp of either Kenanga IB, the participating organisations of Bursa Securities, the members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

4.8.3 Placement fee

Our Placement Agent has agreed to place out 20,597,800 Issue Shares to be issued and / or offered to selected investors. We are obliged to pay our Placement Agent placement fee at the rate of up to 1.50% of the value of Shares placed out to selected investors at the IPO Price.

4.9 DETAILS OF THE UNDERWRITING ARRANGEMENT

Pursuant to the Underwriting Agreement entered on 19 March 2025, Kenanga IB, being the Underwriter has agreed to manage the underwriting of 32,937,500 Issue Shares ("**Underwritten Shares**") on the terms and conditions as set out in the Underwriting Agreement.

The salient terms of the Underwriting Agreement are as follows:

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

4.9.1 The obligations of our Underwriter are conditional upon amongst others, the following:

- (i) the Underwriting Agreement having been duly executed by our Company and our Underwriter ("collectively, the "**Parties**") and stamped within the statutory time frame and has not been terminated or rescinded pursuant to the provisions in the Underwriting Agreement and the Underwriting Agreement remaining in full force and effect and no breach in respect of the Underwriting Agreement has occurred;
- (ii) that prior to the last date and time for receipt of application and payment for the IPO Shares in accordance with the Prospectus and Application Forms ("**Offer Documents**") ("**Closing Date**"), neither any material adverse change nor any development reasonably likely to result in any material adverse change, in the condition (financial or otherwise) of our Company and any company within our Group, which is material in the context of the Listing and IPO from that set forth in the Offer Documents, nor the occurrence of any event or the discovery of any fact which is inaccurate, untrue or incorrect to any extent which is or will be material in the reasonable opinion of our Underwriter, which makes any of the representations and warranties contained in the Underwriting Agreement untrue and incorrect in any material respect as though they had been given and made on such date with reference to the facts and circumstances then subsisting, nor the occurrence of any breach of and/or failure by our Company to perform any of the warranties or undertakings contained in the Underwriting Agreement;

4. DETAILS OF OUR IPO (CONT'D)

- (iii) prior to the date of the registration of the Prospectus, the delivery to our Underwriter, the following documents:
 - (a) a copy duly certified by an authorised officer of our Company of the constitution and all the resolutions of the Directors and, if applicable, the shareholders in general meeting approving the execution of the Underwriting Agreement, the Prospectus (including the issuance of the Offer Documents), the Listing, the IPO and the issue and allotment of the Issue Shares under the IPO and confirming that the Directors, collectively and individually, accept full responsibility for the accuracy of all information stated in the Offer Documents; and
 - (b) a certificate in the form or substantially in the form contained in the Underwriting Agreement dated the date of the Prospectus signed by the duly authorised officers of our Company stating among others, that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence to Section 4.9.1 (ii) above;
- (iv) the Offer Documents being in the form and substance satisfactory to our Underwriter;
- (v) the delivery to our Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from the Directors of our Company as our Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of our Company and the companies within our Group;
- (vi) our Underwriter having been satisfied that arrangements have been made by our Company to ensure that all payment of the expenses referred to in the Underwriting Agreement;
- (vii) our IPO and Listing not being prohibited by any statute, order, rule, regulation or directive promulgated or issued by any legislative, executive or regulatory body or authority in Malaysia;
- (viii) our Company having complied and that the IPO and Listing is in compliance with all applicable laws and the policies, guidelines and requirements of Bursa Securities and/or the SC and all revisions, amendments and/or supplements thereto;
- (ix) our Company having fully complied with all the conditions which are required to be complied with prior to the issuance of the Offer Documents or the Closing Date imposed by the SC and Bursa Securities in respect of the IPO and Listing;
- (x) the registration of the Offer Documents and such other documents with Bursa Securities as may be required in relation to the Listing Requirements, the Listing and the lodgement of the Prospectus with the Registrar of Companies on or before its issuance;
- (xi) Bursa Securities has agreed and approved in principle on or prior to the Closing Date to the admission to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued and paid-up share capital of our Company on the ACE Market of Bursa Securities, and if such approvals shall be conditional, all conditions thereto being in terms acceptable to our Underwriter on or prior to the Closing Date being reasonably satisfied and such approval not being withdrawn, revoked, suspended, terminated or lapsed and that such listing and quotation shall be granted two (2) clear Market Days after the submission to Bursa Securities of the relevant documents including the receipt of confirmation from Bursa Depository confirming that the Securities Accounts of all successful applicants have been duly credited and the Issue House has confirmed that the notices of allotment have been dispatched to entitled holders;

4. DETAILS OF OUR IPO (CONT'D)

- (xii) the approval of the Directors via a resolution for the appointment of our Underwriter;
- (xiii) the Prospectus having been issued within forty-five (45) days of the date hereof or within such extended period as may be determined by our Underwriter;
- (xiv) the issue/offer of the IPO Shares having been approved by Bursa Securities and any other relevant authorities and the shareholders of our Company in a general meeting and such authorisation has not been amended, withdrawn, revoked, suspended, terminated or lapsed and all conditions of the approval has been complied with;
- (xv) all necessary approvals and authorisations required in relation to the Listing and IPO Shares including but not limited to governmental approvals having been obtained and are in full force and effect;
- (xvi) our Underwriter having been satisfied that on or prior to the Closing Date, there is no breach of, or failure on the part of our Company to comply with, any of its obligations under the Underwriting Agreement which would give rise to a material adverse effect; and
- (xvii) all the resolutions remaining in full force and effect as at the Closing Date and none having been rescinded, revoked or varied.

4.9.2 Our Underwriter may by notice in writing to our Company given at any time before the Listing Date, terminate, cancel or withdraw its commitment to underwrite the Underwritten Shares if:

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

4. DETAILS OF OUR IPO (CONT'D)

- (c) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of hostile army, nation or enemy, national emergency, civil war or commotion, hijacking, terrorism;
- (d) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organized armed resistance to the government, insurrection, revolt, military or usurped power;
- (e) natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, outbreak of disease, epidemics, pandemic, the imposition of lockdowns or similar measures to control the spread of any epidemic or other acts of God;
- (f) any government requisition or other occurrence of any nature whatsoever which is reasonably likely to have a material adverse effect or materially affect the success of the Listing;
- (g) trading of all securities on Bursa Securities has been suspended or other material form of general restriction in trading for three (3) consecutive Market Days or more; and/or;
- (h) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the ACE Market of Bursa Securities due to exceptional financial circumstances or otherwise;

which, (in the opinion of our Underwriter), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of our Group, the success of the Listing and/or IPO, or the distribution or sale of the Issue Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or

- (iv) there is failure on the part of our Company to perform any of its obligations herein contained which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of our Underwriter within such number of days as stipulated by our Underwriter to our Company in writing or as stipulated in the notice informing our Company of such breach or by the Closing Date, whichever is earlier; or
- (v) the approval of Bursa Securities for the Listing is revoked, or withdrawn, or subject to the conditions not acceptable to our Underwriter; or
- (vi) the Closing Date does not occur by 6 May 2025 or such other extended date as may be agreed in writing by our Underwriter; or
- (vii) the IPO is stopped or delayed by our Company or any regulatory authorities for any reason whatsoever (unless such delay has been approved by our Underwriter); or
- (viii) any commencement of legal proceedings or action against any member of our Group or any of their directors which would have or is likely to have a material adverse effect or make it impracticable to enforce contracts to allot and/or transfer the IPO Shares; or
- (ix) any of the resolutions or approvals referred to in the Underwriting Agreement is revoked, suspended or ceases to have any effect whatsoever, or is varied or supplemented upon terms that would have a material adverse effect; or
- (x) any material statements contained in the Offer Documents has become or been discovered to be untrue, inaccurate or misleading in any respect, or matters have arisen or have been discovered which would, if any of the Offer Documents were to be issued

4. DETAILS OF OUR IPO (CONT'D)

at that time, constitute a material omission therefrom as of the latest practicable date of the Offer Documents.

- 4.9.3** In the event of termination of to the Underwriting Agreement, the respective Parties shall, save and except for any antecedent breach, be released and discharged from their obligations without prejudice to their rights under the Underwriting Agreement whereupon the Underwriting Agreement shall be of no further force or effect save for the following:
- (i) the liability of our Company for the payment of costs and expenses as provided in the Underwriting Agreement incurred prior to or in connection with such termination shall remain;
 - (ii) the liability of our Company for the payment of the Underwriting Commission as provided in the Underwriting Agreement shall remain; and
 - (iii) our Company shall return any moneys paid without interest thereon to our Underwriter within three (3) Market Days of the receipt of such notice of termination from our Underwriter; and
- 4.9.4** In the event that the Underwriting Agreement is terminated, our Underwriter and our Company may confer with a view to defer the Listing and IPO by amending its terms, or the terms of the Underwriting Agreement and may enter into a new underwriting agreement accordingly, but neither our Underwriter nor our Company shall be under any obligation to enter into a fresh agreement.
- 4.9.5** Our Company shall further refund to our Underwriter the subscription monies, if any, paid by our Underwriter for the subscription of the Underwritten Shares pursuant to the Underwriting Agreement not later than seven (7) days after our Company's receipt of the termination notice from our Underwriter, failing which our Underwriter shall be entitled to charge interest at the rate of eight per centum (8%) per annum on the amount outstanding to be calculated on a daily basis until the date of full payment of the amount outstanding.
- 4.9.6** Any Underwriting Commission and all fees, commission and expenses payable to our Underwriter under the Underwriting Agreement shall remain payable to our Underwriter notwithstanding that the Underwriting Agreement shall be terminated or the obligations of our Underwriter shall be cancelled or terminated or withdrawn for any reasons whatsoever, unless such termination or cancellation or withdrawal is due to the willful default of our Underwriter. For the avoidance of doubt, in the event that our Company decides not to proceed with the Listing for whatsoever reason, our Underwriter shall be entitled to the full amount of the Underwriting Commission together with all costs and expenses incurred thereof.

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4. DETAILS OF OUR IPO (CONT'D)

4.10 OBJECTIVES OF OUR IPO

The purposes of our IPO are as follows:

- (i) to enhance our business profile and future prospects;
- (ii) to facilitate our business expansion locally and regionally as the listed status of our Company increases our corporate profile, which in turn enables our Group to tap into new customers and expand our business locally and regionally with the enhanced profile;
- (iii) to gain recognition through our Group's listing status which will enhance our Group's reputation in the marketing of our services and to attract and retain new, skilled employees in the industry;
- (iv) to enable us to have access to the capital market for cost effective capital raising to provide us with the financial flexibility to pursue future growth opportunities, as and when they arise;
- (v) to enable our Group to raise funds for the purposes as set out in Section 4.7 of this Prospectus;
- (vi) to provide an opportunity for the investing community, including the Malaysian Public and Eligible Persons to participate in the equity and continuing growth of our Group;
- (vii) to enhance the liquidity of our Shares;
- (viii) to enhance the transparency and discipline of our corporate management through compliance with the disclosure requirements of the Bursa Securities as well as the enhanced corporate governance and internal control procedures as we migrate from a private company to a public listed company; and
- (ix) to enable our existing and future shareholders to realise all or part of their investments through the quotation of our Shares on the ACE Market.

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

5.1 OUR PROMOTER AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoter and Substantial Shareholders' shareholdings

The following table shows the shareholdings of our Promoter and Substantial Shareholders before and after our IPO:

Name	Nationality / Country of incorporation	Before our IPO ⁽¹⁾				After our IPO ⁽²⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
Promoter and Substantial Shareholder									
Allen Lee	Malaysian	99,917,018	32.58	105,818,032 ⁽³⁾	34.50	99,917,018	24.27	105,818,032 ⁽³⁾	25.70
Substantial Shareholders									
PEOPLElogists	Malaysia	86,494,738	28.20	-	-	86,494,738	21.01	-	-
David Lim	Malaysian	24,537,514	8.00	6,134,378 ⁽⁴⁾	2.00	24,537,514	5.96	6,134,378 ⁽⁴⁾	1.49
Tan Sri Nelson	Malaysian	21,470,326	7.00	-	-	21,470,326	5.22	-	-
Lim Szu Yee	Malaysian	19,323,294	6.30	-	-	19,323,294	4.69	-	-
Chen Khai Voon	Malaysian	41,171,694	13.42	-	-	41,171,694	10.00	-	-

Notes:

(1) Based on the issued share capital of 306,716,936 Shares before our IPO.

(2) Based on the enlarged issued share capital of 411,716,936 Shares after our IPO.

(3) Deemed interested by virtue of his spouse, Lim Szu Yee's shareholdings and his shareholdings in PEOPLElogists pursuant to Section 8 of the Act.

(4) Deemed interested by virtue of his daughter, Andrea Lim Jian Li's shareholdings pursuant to Section 8 of the Act.

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

Save for Allen Lee, Lim Szu Yee and PEOPLElogists, there are no other persons who are able to, directly or indirectly, exercise control over our Company. As at the LPD, our Promoter and Substantial Shareholders have the same voting rights as the other shareholders of our Company and there is no arrangement between the Company and its shareholders with any third parties, the operation of which may, at a subsequent date, result in a change in control of the Company.

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

5.1.2 Profiles of Promoter and/or Substantial Shareholders

(i) Allen Lee

Allen Lee, a Malaysian male aged 56, is our Promoter, Substantial Shareholder, Non-Independent Executive Director and Managing Director. He was appointed to our Board on 18 December 2023.

He graduated with a Bachelor of Arts from Universiti Kebangsaan Malaysia in August 1993.

He started his career as a Public Relations Marketing Executive with INTI College in August 1993, where he was involved in student recruitment activities and developed a passion for working with individuals as he honed his skills in coaching, guiding and mentoring students. He resigned from INTI College in December 1995. He went to the United States of America for further education but did not complete his further education. Subsequently, he returned to Malaysia in June 1998.

Subsequently, he was appointed Director of Jiwa Asia Resources Sdn Bhd in October 1998 and became a shareholder in July 1999. Jiwa Asia Resources Sdn Bhd was principally involved in the distribution and sales of antique reproduction furniture for export markets. As the Director of Jiwa Asia Resources Sdn Bhd, he was responsible for managing the operational, financial and administrative aspects of the business.

In June 2001, while still a Director of Jiwa Asia Resources Sdn Bhd, he co-founded PEOPLEogy Development (then known as Jiwa Asia Technology Sdn Bhd) as a Director to further pursue his passion for developing human talent. PEOPLEogy Development which presently focuses on the provision of integrated people development solutions.

In February 2002, he resigned from Jiwa Asia Resources Sdn Bhd to focus his attention on growing PEOPLEogy Development.

In July 2004, he co-founded PEOPLEogy Community (then known as PEOPLEogy Solution Sdn Bhd) which presently focuses on the organisation of events, conferences and seminars on human resources.

In December 2011, he co-founded PEOPLEogy Growth (then known as BoostsOn Dot Com Sdn Bhd) which presently focuses on the provision of IR4.0 digital skills and certifications services.

With the realisation that Malaysia's focus on developing the nation using ICT will require skilled and competent ICT workforce, he co-founded PEOPLEogy Skill (then known as SkillsOn Dot Com Sdn Bhd) in January 2013 to develop and nurture employees with technological skills through ICT training and certification programs.

In April 2013, he co-founded PEOPLEogy Goal (then known as GoalsOn Sdn Bhd) which presently focuses on the provision of soft skills and leadership training services.

He led our Group's expansion to the southern and northern regions of Peninsular Malaysia to capture growth opportunities through co-founding PEOPLEogy Southern in February 2016 and PEOPLEogy Northern in March 2016.

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

In April 2016, he co-founded PEOPLEogy Discovery (then known as PEOPLEogy Development (Sarawak) Sdn Bhd) which presently focuses on the provision of organisational talent consultancy services and profile assessment services. He concurrently co-founded PEOPLEogy Digital (then known as PEOPLEogy Development (Sabah) Sdn Bhd) in April 2016 which presently provides learning and performance management system, online learning platform and training content digitilisation services.

Under his vision and leadership, our Group has evolved from a skills training provider into the provision of integrated people development solutions. By the end of 2020, our Group had completed the reorganisation of our business into three main pillars, namely Discovery, Development and Digital.

He has received the following industry recognition for his accomplishments in the human resource industry:

- Certificate of Achievement for Leadership in Action in the SME & Entrepreneurship Business Award in 2017;
- SME & Entrepreneurship Business Award (Premier Edition (2017 / 2018) for Leadership in Action in 2018;
- The Asia HRD Awards 2019 – Movers and Shakers;
- Elite Entrepreneur of The Year in the category for companies that generate up to RM25 million in annual sales turnover in The SOBA 2023;
- Male Entrepreneur of the Year Par Excellence Achievement in the category for companies that generate up to RM25 million in annual sales turnover in the SOBA 2023;
- Human Resource Leader of the Year in the HR Excellence Award 2024; and
- Leader of the Year – Gold in the HR Vendors of the Year 2024

Presently, he holds directorships in several private limited companies, details of which are disclosed in Section 5.2.3(i) of this Prospectus.

(ii) PEOPLElogists

PEOPLElogists was incorporated on 18 December 2023 in Malaysia under the Act as a private limited company. PEOPLElogists is an investment holding company for shares in PEOPLEogy. PEOPLElogists is a substantial shareholder of our Company.

The issued share capital of PEOPLElogists is RM2.00 comprising 2 ordinary shares. The sole shareholder and his shareholdings in PEOPLElogists is as follows:

Name	Nature of involvement	Nationality	Direct		Indirect	
			No. of shares	%	No. of shares	%
Allen Lee	Director, shareholder and corporate representative	Malaysian	2	100.00	-	-

Allen Lee is the appointed corporate representative of PEOPLElogists.

(iii) Tan Sri Nelson

Tan Sri Nelson, a Malaysian male aged 60, is our Substantial Shareholder.

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

Tan Sri Nelson was the Chairman of Infinity Logistics and Transport Ventures Limited, a public company listed on the Main Board of The Stock Exchange of Hong Kong Limited. Infinity Logistics and Transport Ventures Limited is involved in the provision of logistics services across Malaysia and Southeast Asia. He was responsible for the overall strategic planning and corporate policies as well as overseeing the operation of the company.

Tan Sri Nelson currently serves as a board member of various social and non-profit organisations. He is the President of Asia Pacific Tsinghua CEO Chambers of Commerce and Industry Berhad, the Vice President of Malaysia-China Friendship Association and Malaysia China Diplomatic Proponent Association, and the Deputy President of Malaysia-China Culture & Arts Association. Tan Sri Nelson is also the advisor of Association of Belt & Road Malaysia, and the Honorary Advisor of The Association of Graduates from Tsinghua University, Malaysia.

Tan Sri Nelson is also currently a shareholder and director of several private limited companies.

(iv) **Chen Khai Voon**

Chen Khai Voon, a Malaysian male aged 64, is our Substantial Shareholder.

In 1989, he founded KVC Industrial Supplies Sdn Bhd (formerly known as KVC Electric (M) Sdn Bhd). The principal activities of KVC Industrial Supplies Sdn Bhd are investment holding, distribution and supply of industrial, electrical and electronic products and related accessories and components. He is presently a director of KVC Industrial Supplies Sdn Bhd, a position which he has held since 1989, where he provides strategic business advice to the management of KVC Industrial Supplies Sdn Bhd. He is not involved in the management and day to day operations of KVC Industrial Supplies Sdn Bhd. He is a business owner and strategic partner of businesses in various industries, including industrial supplies, electrical and electronic distribution, automation technology, food & beverages, healthcare, renewable energy and property investments.

In 2002, he was appointed to the board of ATIS Corporation Berhad (then listed on the Main Market of Bursa Securities prior to its delisting in 2012, and now known as KVC Corporation Sdn Bhd) and subsequently assumed the position of Group Managing Director of ATIS Corporation Berhad in 2004. Presently, he has directorships and shareholdings in various private companies in Malaysia and is a substantial shareholder of 3 public listed companies i.e. Seal Incorporated Berhad, Genetec Technology Berhad and TSA Group Berhad.

Chen Khai Voon became a shareholder of our Group through his subscription of 9,200,886 Shares which was completed in February 2024. Please refer to Section 6.2 of this Prospectus for further details.

(v) **David Lim**

David Lim, a Malaysian male aged 70, is our Substantial Shareholder.

He graduated with a Bachelor of Arts in Economics from University of Leeds, United Kingdom in 1978.

David Lim is a member of the Malaysian Institute of Accountants, The Malaysian Institute of Certified Public Accountants, The Chartered Institute of Taxation, United Kingdom and The Institute of Chartered Accountants in England and Wales ("ICAEW").

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

David Lim began his career with Peat Marwick Mitchell (now known as KPMG) in the United Kingdom in 1978. He returned to Malaysia in 1982 to continue his service with KPMG. He was admitted as a partner of KPMG in 1990. He served in KPMG's Management Committee from 1997 to 2001 and the Partnership Supervisory Council from 2002 to 2010. He retired from KPMG in 2011.

He was the Chairman of the MICPA Code of Ethics Committee and a member of the Malaysian Institute of Accountants Code of Ethics Committee from 2002 to 2004.

In 2013, he was appointed as Council member of ICAEW. The position was for a term of 2 years till 2015. He was reappointed for a further 2 terms till March 2019 (being the maximum permitted tenure).

David Lim currently sits on the board of several companies listed on the Main Market of Bursa Securities namely, Kawan Food Berhad and Press Metal Aluminium Holdings Berhad as the Non-Independent Non-Executive Director and the Independent Non-Executive Director respectively. He is also the Independent Non-Executive Director of TSA Group Berhad, a company which is listed on the ACE Market of Bursa Securities.

David Lim became a shareholder of our Group through his subscription of 288,000 ordinary shares in PEOPLEogy Development which was completed in September 2017. He subsequently became a shareholder of our Company after an internal structuring involving our Company and PEOPLEogy Development which was completed in February 2024. His daughter, Andrea Lim Jian Li, is also a shareholder in our Company holding 6,134,378 shares as at the LPD. She is not an employee of our Group.

(vi) Lim Szu Yee

Lim Szu Yee, a Malaysian female aged 54, is our Substantial Shareholder.

She began her career as an Executive at Yamaha Music (Malaysia) Sdn Bhd in August 1997, where she was responsible for supervising the daily operations of Kelana Jaya School branch. In March 1999, she was transferred to the company's technical department as a Technical Executive where she was responsible for overseeing the daily operations of the technical department. She left Yamaha Music (Malaysia) Sdn Bhd in March 2000.

In April 2000, she joined Saggio Computer Company (M) Sdn Bhd as a Secretary, where she was involved in providing secretarial services for the General Manager of the company. In April 2001, she was promoted to the position of Executive Secretary, HR and Admin Specialist, where she was responsible for secretarial as well as human resource and admin functions of the company. She left Saggio Computer Company (M) Sdn Bhd in March 2004.

In April 2004, she joined AM Sales & Marketing Sdn Bhd as a Human Resource Executive, where she was responsible for managing human resource and administrative functions of the company.

In April 2005, she left AM Sales & Marketing Sdn Bhd and joined IGB Corporation Berhad as a Human Resource Executive, where she was responsible for managing the human resource function for the construction arm of the company. In May 2010, she resigned from IGB Corporation Berhad to focus on raising her family.

She is the spouse of Allen Lee, our Promoter, Substantial Shareholder and Managing Director.

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

5.1.3 Changes in our Promoter's and Substantial Shareholders' shareholdings

The changes in our Promoter's and Substantial Shareholders' respective shareholdings in our Company since our incorporation are as follows:

		As at date of incorporation				Before our IPO ⁽¹⁾				After our IPO ⁽²⁾			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	Nationality / Country of incorporation	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
Promoter and Substantial Shareholder													
Allen Lee	Malaysian	1	50.00	1 ⁽³⁾	50.00	99,917,018	32.58	105,818,032 ⁽³⁾	34.50	99,917,018	24.27	105,818,032 ⁽³⁾	25.70
Substantial Shareholders													
PEOPLElogists	Malaysia	-	-	-	-	86,494,738	28.20	-	-	86,494,738	21.01	-	-
David Lim	Malaysian	-	-	-	-	24,537,514	8.00	6,134,378 ⁽⁴⁾	2.00	24,537,514	5.96	6,134,378 ⁽⁴⁾	1.49
Tan Sri Nelson	Malaysian	-	-	-	-	21,470,326	7.00	-	-	21,470,326	5.22	-	-
Lim Szu Yee	Malaysian	1	50.00	-	-	19,323,294	6.30	-	-	19,323,294	4.69	-	-
Chen Khai Voon	Malaysian	-	-	-	-	41,171,694	13.42	-	-	41,171,694	10.00	-	-

Notes:

(1) Based on the issued share capital of 306,716,936 Shares before our IPO.

(2) Based on the enlarged issued share capital of 411,716,936 Shares after our IPO.

(3) Deemed interested by virtue of his spouse, Lim Szu Yee's shareholdings and his shareholdings in PEOPLElogists pursuant to Section 8 of the Act.

(4) Deemed interested by virtue of his daughter, Andrea Lim Jian Li's shareholdings pursuant to Section 8 of the Act.

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

5.1.4 Promoter and Substantial Shareholders remuneration and benefits-in-kind

Save for the shares issued to our Promoter and our Substantial Shareholders pursuant to our internal restructuring, dividends paid or proposed to be paid as set out in Section 12.15 of this Prospectus, as well as the aggregate remuneration and benefits paid or proposed to be paid to our Promoter and/or Substantial Shareholders for services rendered to our Group in all capacities for the FYE 2022, FYE 2023, and FYE 2024 proposed to be paid for the FYE 2025 as set out in Section 5.2.4 of this Prospectus, there are no other amount or benefits that has been paid or intended to be paid to our Promoter and/or Substantial Shareholders within the 2 years preceding the date of this Prospectus.

5.2 BOARD OF DIRECTORS

5.2.1 Shareholdings of our Directors

The following table sets out the direct and indirect shareholdings of our Directors before and after our IPO:

Name	Before our IPO ⁽¹⁾				After our IPO ⁽²⁾⁽³⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
Datuk Seri Garry Chua / <i>Independent Non-Executive Chairman</i>	-	-	-	-	250,000	0.06	-	-
Allen Lee / <i>Non-Independent Executive Director / Managing Director</i>	99,917,018	32.58	105,818,032 ⁽⁴⁾	34.50	99,917,018	24.27	105,818,032 ⁽⁴⁾	25.70
Cally Yau / <i>Non-Independent Executive Director / CEO</i>	-	-	-	-	500,000	0.12	-	-
Joey Lee / <i>Non-Independent Executive Director / COO</i>	-	-	-	-	500,000	0.12	-	-

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

	Before our IPO ⁽¹⁾				After our IPO ⁽²⁾⁽³⁾			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
Dato' Lee Teck Hua / Independent Non-Executive Director	-	-	-	-	150,000	0.04	-	-
K.Raman A/L G.Kesawannair / Independent Non-Executive Director	-	-	-	-	150,000	0.04	-	-
Norlida binti Abdul Azmi / Independent Non-Executive Director	-	-	-	-	150,000	0.04	-	-

Notes:

- (1) Based on the issued share capital of 306,716,936 Shares before our IPO.
- (2) Based on the enlarged issued share capital of 411,716,936 Shares after our IPO.
- (3) Assuming full subscription of the Pink Form Shares reserved for our eligible Directors.
- (4) Deemed interested by virtue of his spouse, Lim Szu Yee's shareholdings and his shareholdings in PEOPLElogists pursuant to Section 8 of the Act.

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

5.2.2 Profiles of our Directors

The profile of our Non-Independent Executive Director, Allen Lee is set out in Section 5.1.2 of this Prospectus. The profile of our other Directors are as follows:

(i) Datuk Seri Garry Chua
(*Independent Non-Executive Chairman*)

Datuk Seri Garry Chua, a Malaysian male, aged 67, is our Independent Non-Executive Chairman. He was appointed to our Board on 5 September 2024.

Datuk Seri Garry Chua graduated from the Chartered Institute of Marketing, United Kingdom in March 1990.

Datuk Seri Garry Chua commenced his career with ICI Paints Sdn Bhd in 1978 as Techno Commercial Representative where he was involved in the sales of paints. He left ICI Paints Sdn Bhd in 1984.

In 1984, he joined Jotun (M) Sdn Bhd as Senior Sales Executive where he was involved in the sales of paints. He left Jotun (M) Sdn Bhd in 1986.

In 1986, he joined Berger Paints Malaysia as an Area Manager where he was involved in the sales and marketing activities for the decorative paints division.

In 1987, he returned to Jotun (M) Sdn Bhd as a Marketing Manager where he was responsible for the overall sales and marketing activities for the decorative paints division of the company. He left Jotun (M) Sdn Bhd in 1994.

In 1994, he founded Rotol Group of companies which is involved in the provision of architectural wall coating, painting, waterproofing, cladding and which specialises in high rise exterior building maintenance, facade repair, restoration and upgrading. As Managing Director and Chairman, he is primarily responsible for developing Rotol Group of companies' overall business strategies and direction.

He also founded Rotol Food-Chain (M) Sdn Bhd in 1998, a company involved in the food and beverages industry which operates Imperial Chakri Palace, Chakri Raintree Skybar and Skyhill Fusion Restaurant. As a Director, he is primarily responsible for the formulation of the company's business strategies including corporate and expansion plans to contribute to the growth of Rotol Food-Chain (M) Sdn Bhd.

He is currently a President Council and Foundation Trustee for the Malaysia Retail Chain Association (MRCA), Vice President of International Real Estate Federation Malaysia (FIABCI), Executive Committee Member of Malaysia Crime Prevention Foundation (MCPF) and a Council Member of Malaysia-Qatar Joint Business Council (MQJBC) and an Adjunct Professor at the Faculty of Business and Communication of INTI International University.

He is also a director of other private limited companies, details of which are set out in Section 5.2.3(ii) of this Prospectus.

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

(ii) **Cally Yau** (*Non-Independent Executive Director / CEO*)

Cally Yau, a Malaysian female, aged 37, is our Non-Independent Executive Director and CEO. She was appointed to our Board on 5 September 2024.

She graduated with a Diploma in Business Management from Westminster International College, Malaysia in June 2008. She later obtained a Master of Business Administration from the University of East London, United Kingdom in June 2023.

Following a short break after graduating with her Diploma in Business Management from Westminster International College, she commenced her career in November 2009 as an Administrative Executive in PEOPLEogy Community where she was responsible for general administrative tasks.

In January 2012, she was transferred to PEOPLEogy Growth (then known as BoostsOn Dot Com Sdn Bhd) as an Office Administrator where she was responsible for overseeing daily office operations.

In January 2015, she was promoted to the position of Customer Service Manager cum Personal Assistant to Allen Lee where her responsibilities include attending to customer enquiries as well as maintaining client relationships and providing administrative and communication support to Allen Lee.

In February 2017, she was transferred to PEOPLEogy Development and was promoted to the position of Head of Department (Commercial), where she was responsible for building, cultivating and maintaining client relationships, supporting clients in identifying its people development requirements and suitable solutions that meet their requirements, generating sales leads, negotiating and closing sales opportunities.

In January 2021, she was transferred to PEOPLEogy Skill and promoted to the position of Chief Commercial Director, where she was responsible for the commercial strategy as well as sales and marketing activities of PEOPLEogy Skill to drive business growth.

In July 2022, she was promoted to the position of Chief Executive Officer of our Group, where she is responsible for implementing the business and growth strategies developed by our Managing Director as well as stakeholder and client relationship management. Under her leadership, she also spearheaded our Group's digital transformation efforts, focusing on collaboration with government agencies as a new business channel for our Group.

In September 2024, she was awarded the Women Tech Leader at PIKOM Digital Excellence Award 2024. Further in October 2024, she was awarded the Most People-Focused CEO at the HR Excellence Award 2024.

She does not hold any directorships in companies outside our Group.

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

(iii) **Joey Lee** (*Non-Independent Executive Director / COO*)

Joey Lee, a Malaysian female aged 42, is our Non-Independent Executive Director and COO. She was appointed to our Board on 5 September 2024.

She graduated with an Advanced Diploma in Marketing from Systematic College, Malaysia in December 2004. She later obtained a Master of Business Administration (International Business) from the University of East London, United Kingdom in June 2023.

Upon graduating with an Advanced Diploma in Marketing from Systematic College, she began her career as a freelancer in the marketing and retail industry from January 2005 to October 2007.

She then ventured into the food and beverage industry and co-founded a partnership in November 2007 which operated Restoran Ting Foong in Pelabuhan Klang, Selangor. Restoran Ting Foong ceased operations and was dissolved in November 2008.

In November 2009, she joined PEOPLEogy Community as an Operation Executive, where she was tasked to oversee and coordinate daily operational activities.

In January 2012, she was transferred to PEOPLEogy Growth (then known as BoostsOn Dot Com Sdn Bhd) as a Sales and Marketing Executive where her responsibilities included promoting learning and development programmes, identifying potential customers, developing promotional materials and participating in roadshows to create awareness for our brands and programmes.

In July 2015, she was transferred to PEOPLEogy Development and promoted to the position of Operation Manager cum Personal Assistant where her responsibilities include implementing operational policies and procedures to ensure efficient and effective operations. She also provided administrative and communication support to Allen Lee.

In February 2017, she was promoted to Head of Department (Customer Service) where she managed a team of customer service representatives, providing guidance, training and support to ensure effective customer service delivery.

In March 2019, she was promoted to the position of Director of Operation where she was responsible for developing operational policies and procedures as well as collaborating with other department heads regarding operational activities.

In January 2021, she was promoted to the position of COO of our Group. She is responsible for implementing the business strategies developed by our Managing Director and key senior management, overseeing and coordinating our Group's daily operations as well as identifying business processes that have the potential to improve the productivity of our Group. She was instrumental in setting up the shared services department which had the function of reducing costs and enhancing the operational efficiency.

She is the sister of Allen Lee, the Promoter, Substantial Shareholder and Managing Director of the Group. She is also the sister-in-law of Lim Szu Yee, a Substantial Shareholder of our Group.

She does not hold any directorships in companies outside our Group.

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

(iv) Dato' Lee Teck Hua
(Independent Non-Executive Director)

Dato Lee Teck Hua, a Malaysian male, aged 52, is our Independent Non-Executive Director. He was appointed to our Board on 5 September 2024. He is currently the chairman of our Audit and Risk Management Committee and is a member of both our Remuneration Committee and Nomination Committee.

Dato Lee Teck Hua graduated with a Bachelor of Arts in Accounting and Finance from University of Strathclyde, United Kingdom in 1994. In 1998, he was admitted as a Fellow Member of the Association of Chartered Certified Accountants (ACCA). In 1999, he was admitted as a Member of the Malaysian Institute of Accountants (MIA). In 2000, he was admitted as an Associate Member of the Malaysian Institute of Certified Public Accountants (MICPA). In 2002, he was admitted as a Certified Member of the Financial Planning Association of Malaysia (FPAM).

Dato Lee Teck Hua commenced his career in 1997 with PricewaterhouseCoopers in Kuala Lumpur where he was involved in tax and business assurance engagements for clients of the firm. He left PricewaterhouseCoopers in 2000.

In 2001, he joined Lee & Lee, Chartered Accountants as Manager, where he was involved in tax and business assurance engagements for clients of the firm. He was admitted as a Partner in 2007. He left Lee & Lee in 2016.

In 2016, he joined LTTH PLT, Chartered Accountants as a Senior Partner, a position he continues to hold to-date. He is primarily responsible for tax and audit engagements for both public-listed and private companies.

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

(v) Norlida binti Abdul Azmi
(Independent Non-Executive Director)

Norlida binti Abdul Azmi, a Malaysian female, aged 64, is our Independent Non-Executive Director. She was appointed to our Board on 5 September 2024. She is currently the chairperson of our Remuneration Committee and is a member of both our Audit and Risk Management Committee and Nomination Committee.

Norlida binti Abdul Azmi graduated with a Bachelor of Science from Northern Illinois University in May 1983. She later obtained a Master of Business Administration in August 1985 from the same university.

Upon graduation, Norlida binti Abdul Azmi commenced her career with Hewlett Packard Sales (M) Sdn Bhd in June 1985 as an Accountant where she was involved in accounting and treasury. She left Hewlett Packard Sales (M) Sdn Bhd in April 1988.

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

In May 1988, she joined Citibank Berhad, Malaysia as a Financial Control Officer and was employed with Citigroup until her resignation in December 1999. Over the years, she was promoted to the positions of Risk Manager (1988), Relationship Manager for Global Relationship Banking (1989) and Head of Malaysia for Global Relationship Banking (1993). In January 1998, she was transferred to Citibank Singapore as Regional Marketing Director for Global Relationship Banking, where she was responsible for the formulation and coordination of marketing strategies for growth and customer satisfaction within the South-East Asia Pacific and India regions. From January 2000 to August 2000, she took a career break, during which time she relocated permanently to Singapore.

In September 2000, she joined Standard Chartered Bank, Singapore as a Project Manager in Credit Reengineering where she was responsible for the re-engineering of the credit process for Wholesale Banking division. In May 2001, she was promoted to the position of Senior Manager, Credit Policy and Process within the risk management department, where she was responsible for the formulation and update of the Wholesale Bank credit policies as well as simplification and enhancement of the credit processes. In July 2003, she was transferred to Standard Chartered Bank, London as Regional Manager, Group Country Risk where she was responsible for country and sovereign risk for Latin America and Africa region. In February 2004 she was transferred to the role of Executive Assistant, Group Executive Director, Risk, Legal and Compliance, where she was responsible for Chief of Staff functions including board presentations and management reviews. She left Standard Chartered Bank, London in May 2005.

In June 2005, she joined Khalda Est. Group and was seconded to Samba Financial Group in Saudi Arabia as Head of Strategic Planning where she was responsible for the corporate strategy and business planning of the Corporate and Investment Banking arm of Samba Financial Group. She left Samba Financial Group in March 2006.

In March 2006, she joined Commercial Bank Group, Qatar, as the Head of Human Resources and was subsequently promoted to Chief Human Resources Officer in January 2007, where she was responsible for human resource functions and talent management. In 2008, she was promoted to the position of Group Chief of Staff where she was additionally responsible for managing strategic projects within the office of Group CEO. She left Commercial Bank Group in February 2009.

In May 2009, she joined Abu Dhabi Islamic Bank as the Senior Vice President and Head of Business Development and Strategy where she was responsible for the business development activities of the Wholesale Banking Group. In July 2010, she was promoted to Chief Operating Officer and was responsible for the operational activities within the Wholesale Banking Group for Dubai and the Northern Emirates. She left Abu Dhabi Islamic Bank in July 2012.

In August 2012, she joined Heidrick & Struggles in Dubai as a Partner, where she was responsible for executive searches for financial institutions. She left Heidrick & Struggles in January 2013.

In February 2013, she returned to Abu Dhabi Islamic Bank as Global Head of Talent Management, where she was responsible for implementing the talent management function. In February 2013, she was promoted to the Head of Special Projects in the CEO office where she was involved in strategic business activities undertaken by Abu Dhabi Islamic Bank. She left Abu Dhabi Islamic Bank in August 2014.

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

In October 2014, she joined UEM Group Berhad as the Group Chief Human Capital Office where she was responsible for driving the human capital strategy and action plans across the entire group. She left UEM Group Berhad in February 2019.

In March 2019, she joined HSBC Bank Malaysia Berhad as the Country Head of Human Resources where she was responsible for the human capital function of the company. She left HSBC Bank Malaysia Berhad in April 2020.

In April 2020, she joined Permodalan Nasional Berhad as Chief People and Culture Officer where she was responsible for managing the human resource department and developing strategic plans for internal culture. She left Permodalan Nasional Berhad in September 2020.

In October 2020, she joined Axiata Group Berhad as the Group Chief People Officer where she was responsible for managing the human resource functions across the entire group. She left Axiata Group Berhad in August 2024.

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

(vi) K.Raman A/L G.Kesawannair
(Independent Non-Executive Director)

K.Raman A/L G.Kesawannair, a Malaysian male, aged 62, is our Independent Non-Executive Director. He was appointed to our Board on 5 September 2024. He is currently the chairman of our Nomination Committee and is a member of both our Audit and Risk Management Committee and Remuneration Committee.

He graduated from the University of Malaya with a Bachelor of Engineering in August 1987.

In September 1987, he commenced his career with National Semiconductor Melaka as a Product Engineer where he was involved in semiconductor chips testing. He left National Semiconductor Melaka in May 1988.

In May 1988, he joined Hewlett Packard Sales (M) Sdn Bhd as an Account Manager, overseeing clients in the manufacturing as well as oil and gas sectors. In 1994, he was promoted to the position of District Manager, where he was responsible for managing clients in the telecommunications industry. In 1997, he was promoted to the position of General Manager and was responsible for overseeing the enterprise business. In 1999, he was promoted to the position of Head of Sales where he was responsible for customers from the network and service provider industry in Southeast Asia region. In 2001, he was promoted to the position of Marketing Director and subsequently, Vice President in 2002, where he was responsible for the network and service provider industry in Asia Pacific region. He left Hewlett Packard Sales (M) Sdn Bhd in June 2003.

In October 2003, he joined EMC Computer Systems (Malaysia) Sdn Bhd as Managing Director where his responsibilities include expanding the storage and information management solutions business. He left EMC Computer Systems (Malaysia) Sdn Bhd in April 2007.

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

In April 2007, he joined Oracle Corporation Malaysia Sdn Bhd as Managing Director and was subsequently promoted to the position of Regional Managing Director in December 2009, where his responsibilities include overseeing and expanding the database, middleware, business applications, enterprise performance management, business intelligence and systems business for ASEAN and South Asia growth economies. He left Oracle Corporation Malaysia Sdn Bhd in April 2015.

In April 2015, he joined Microsoft (Malaysia) Sdn Bhd as Country Managing Director where he was responsible for managing the Malaysian subsidiary's portfolio, encompassing commercial and consumer products, services and support offerings. After a successful tenure, he transitioned the Country Managing Director role to his successor in July 2024. He left Microsoft (Malaysia) Sdn Bhd in November 2024.

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

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

5.2.3 Principal directorships and business activities of our Directors outside our Group

The following table sets out the principal directorships of our Directors outside our Group and the principal business activities performed by our Directors outside our Group as at the LPD (“**Present Involvement**”) and those other principal directorships of our Directors outside our Group that were held within the past 5 years up to the LPD (“**Past Involvement**”):

(i) Allen Lee

Company	Principal activities	Position held	Date of appointment	Date of resignation	Equity interest held (%)	
					Direct	Indirect
<u>Present involvement</u>						
Peoplelogy Interactive Sdn Bhd ⁽¹⁾	1. Software development for training and related services	Director	10 July 2004	-	-	-
	2. Provision of digitalization service for e learning content development					
FISH CAMP Learning	To provide integrated service and solutions that address the business, management, organizational and people issues.	Director	6 February 2024	-	-	-
PEOPLElogists	Investment holding company for shares in PEOPLElogy	Director and Shareholder	18 December 2023	-	100.00	-
<u>Past involvement</u>						
Utama Peoplelogy Sdn Bhd	Dissolved	Director	22 May 2006	13 November 2020	-	-
(Dissolved on 13 November 2020)	Previously involved in:					
	1. Consultants, advisors and managers					
	2. To provide learning management systems/solutions to individuals and corporate clients					
	3. To organize, conduct courses, seminars, trainings					

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

Note:

(1) PEOPLElogy Interactive Sdn Bhd is a wholly-owned subsidiary of PEOPLElogy Digital. The striking off process for PEOPLElogy Interactive Sdn Bhd has commenced in October 2024, and as such will not be part of our Group for the Listing.

(ii) Datuk Seri Garry Chua

Company	Principal activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct (%)	Indirect (%)
<u>Present involvement</u>						
Rotol (Malaysia) Sdn Bhd	Architectural wall coating.	Director and Shareholder	1 September 1994	-	90.00	-
Rotol-AMS Architectural Technologies (M) Sdn Bhd	Maintenance and restoration of exterior facade of high-rise buildings.	Director and Shareholder	1 April 1995	-	90.00	-
Rotol Food-Chain (M) Sdn Bhd	Thai cuisine and fusion restaurant.	Director and Shareholder	2 February 1999	-	-	90.00 ⁽¹⁾
Rotol-AMS-Bumi Technologies (M) Sdn Bhd	Maintenance and restoration of exterior facade of high-rise buildings.	Director	24 September 2010	-	-	-
KL Wellness City Sdn Bhd	1. Specialized medical services; and 2. Property developer.	Director	2 April 2018	-	-	-
MRCA Education Charity Foundation	To receive and administer funds for medical, education and charitable purposes, all for the public welfare and deserving related person; to provide medical and surgical facilities and	Director	15 July 2016	-	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct (%)	Indirect (%)
	services of all kinds for the needy aged, sick, injured and those suffering from any disease or disability to organize.					
Farm Bakers (M) Sdn Bhd	Restaurant and cafe	Director and Shareholder	18 March 2022	-	70.00	-
Rotol (MM2H) Sdn Bhd	Consultancy services in public relation and communications travel agency activities.	Director and Shareholder	19 October 2022	-	50.00	50.00 ⁽²⁾
Famous Brands Icon Sdn Bhd	Award-presenting company in relation to charity events.	Director and Shareholder	11 April 2023	-	100.00	-
Aladdin Management Sdn Bhd	Provider of halal online services.	Shareholder	-	-	1.48	-
KTV Working Drone Malaysia Sdn Bhd	Cleaning of buildings, painting of civil engineering structures, interior and exterior of buildings	Director and Shareholder	30 July 2024	-	50.00	50.00 ⁽²⁾
Goodmorning Group Berhad	Holding company for manufacturer and distributor of health food and health care products.	Director	20 December 2024	-	-	-
<u>Past involvement</u>						
Viking Access Systems (M) Sdn Bhd	Dissolved	Director and Shareholder	15 December 2003	13 November 2020	99.99	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct (%)	Indirect (%)
(Dissolved on 13 November 2020)	Previously involved as a rental equipment company.					
Rotol Coatings (Malaysia) Sdn Bhd (Dissolved on 13 November 2020)	Previously involved in the manufacturing of paint and coating.	Director and Shareholder	30 December 1997	13 November 2020	-	90.00 ⁽¹⁾
Chakri Palace (M) Sdn Bhd (Dissolved on 13 November 2020)	Dissolved Previously involved in the operation of Thai restaurant.	Director and Shareholder	20 October 2000	13 November 2020	91.50	7.00 ⁽¹⁾
Rotol Dolphin (M) Sdn Bhd (Dissolved on 13 November 2020)	Dissolved Previously involved in the trading of air purifier.	Director and Shareholder	27 October 2011	13 November 2020	70.00	-
RS Profits Sdn Bhd (Dissolved on 16 September 2022)	Dissolved Previously involved in the trading of e-cigarettes.	Director	19 January 2018	16 September 2022	-	-
All Coco Life Food (M) Sdn Bhd (Dissolved on 2 December 2024)	Dissolved Previously involved in the food and beverage industry	Director and Shareholder	6 November 2000	2 December 2024	-	90.00 ⁽¹⁾

Notes:

- (1) Deemed interested by virtue of his direct shareholdings in Rotol (Malaysia) Sdn Bhd pursuant to Section 8(4) of the Act.
- (2) Deemed interested by virtue of his son's direct shareholdings in the Company.

5. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)
(iii) Dato' Lee Teck Hua

Company	Principal activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct (%)	Indirect (%)
Present involvement						
Supercove Sdn Bhd	Holding companies, buying, selling, renting and operating of self-owned or leased real estate - residential buildings, export and import of a variety of goods without any particular specialization. Dormant.	Director and Shareholder	4 August 2022	-	100.00	-
Beshom Holdings Berhad (a company listed on the Main Market of Bursa Securities)	Holding company for the Hai-O group of subsidiaries.	Director	19 July 2024	-	-	-
Lee and Lee Advisory Sdn Bhd	Provision of taxation and management consultancy services.	Director and Shareholder	11 July 2016	-	50.00	-
China Construction Bank (Malaysia) Berhad	Business of a bank with the principal place of business in Malaysia.	Director	20 January 2023	-	-	-
Globaltec Formation Berhad (a company listed on the Main Market of Bursa Securities)	An integrated manufacturing services solutions provider offering precision metal stamping and manufacturing of automotive components.	Director	1 February 2023	-	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct (%)	Indirect (%)
Chartacc Solutions Sdn Bhd	Insurance and commission agent.	Shareholder	-	-	25.00	-
Past involvement						
Tappro Industries Sdn Bhd (Dissolved on 4 January 2021)	Dissolved Previously involved in the manufacturing and trading of plastic products.	Director and Shareholder	21 May 2015	4 January 2021	13.00	-
KL Management Consultants Sdn Bhd	Providing consultancy and management services related to Immigration and visa	Director and Shareholder	28 February 2023	20 November 2024	25.00	-

(iv) K.Raman A/L G.Kesawannair

Company	Principal activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct (%)	Indirect (%)
Present involvement						
TNG Digital Sdn Bhd (a joint venture company of CIMB Group Holdings Berhad, a company listed on the Main Market of Bursa Securities)	Fintech company. E-wallet and financial services.	Director	12 October 2022	-	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct (%)	Indirect (%)
<u>Past involvement</u>						
Metaswitch Networks Malaysia Sdn Bhd	Provider of cloud native communication software to telecommunication companies.	Director	31 May 2021	30 June 2024	-	-
Microsoft (Malaysia) Sdn Bhd	Promotion and marketing of computer software and related services and provision of consultancy services.	Director	27 April 2015	30 June 2024	-	-
Microsoft Payments (Malaysia) Sdn Bhd	Datacenter services that support Microsoft's online services.	Director	27 April 2015	30 June 2024	-	-
Microsoft Knowledge Capital Centre Sdn Bhd	Research and development of software and information technology related products.	Director	27 April 2015	30 June 2024	-	-
Nokia (M) Sdn Bhd	Mobile phone marketing and sales support services.	Director	2 March 2018	30 June 2024	-	-

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

(v) Norlida binti Abdul Azmi

Company	Principal activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct (%)	Indirect (%)
<u>Present involvement</u>						
<u>Chapter Advisory</u>	<u>Advisory and consultancy in business transformation.</u>	<u>Director and Shareholder</u>	<u>26 November 2024</u>	<u>-</u>	<u>100.00</u>	<u>-</u>
<u>Past involvement</u>						
Edotco Group Sdn Bhd (a subsidiary of Axiata Group Berhad, a company listed on the Main Market of Bursa Securities)	Investment holding company where its subsidiaries are involved in the business of provision of technical and operation support services in the telecommunications and related industries in local and international markets.	Director	30 March 2021	22 June 2023	-	-

Save as disclosed above, our Directors are not involved in other businesses or corporations.

As at the LPD, save as disclosed in Section 11.1 of this Prospectus, none of our Directors have any interest, direct or indirect, in other businesses or corporations which may give rise to a situation of conflict of interest with our Group.

The involvement of our Directors mentioned above in other principal business activities outside of our Group will not affect their commitment and responsibilities to our Group in their respective roles as our Directors as:

- our Independent Non-Executive Directors are not involved in the day-to-day operations of our Group. Save as disclosed in Section 11.1 of this Prospectus, their involvement in other business activities outside our Group will not affect their contributions to our Group as the principal activities of those companies are not similar to our Group's business; and
- Aside from the involvement of Allen Lee stated in the table above, none of our other Executive Directors are involved in any business activities outside our Group. Allen Lee's involvement will not affect his ability to perform his roles and responsibilities as well as his contribution to our Group as he is

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

not involved in the day-to day operations of FISH CAMP Learning. The operations of FISH CAMP Learning is managed by a separate management team led by Theophilus Wong Ming Ming, the chief executive officer and shareholder of FISH CAMP Learning with 60.00% equity interest.

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

5.2.4 Directors' remuneration and benefits-in-kind

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our current Directors for services rendered to our Group for FYE 2022, FYE 2023, FYE 2024 and proposed to be paid for FYE 2025 are as follows:

FYE 2022	Salaries RM'000	Fees and allowances RM'000	Bonuses RM'000	Statutory contributions⁽¹⁾ RM'000	Benefits-in-kind RM'000	Total RM'000
Non-Independent Executive Directors						
Allen Lee	744.0	81.0	46.0	100.6	-	971.6
Cally Yau	159.0	-	5.5	20.4	-	184.9
Joey Lee	141.0	64.0	16.5	27.6	-	249.1
FYE 2023	Salaries RM'000	Fees and allowances RM'000	Bonuses RM'000	Statutory contributions⁽¹⁾ RM'000	Benefits-in-kind RM'000	Total RM'000
Non-Independent Executive Directors						
Allen Lee	786.0	73.5	58.0	107.9	-	1,025.4
Cally Yau	198.0	0.5	30.0	28.5	-	257.0
Joey Lee	162.0	48.5	24.0	29.2	-	263.7

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

FYE 2024	Salaries RM'000	Fees and allowances RM'000	Bonuses ⁽³⁾ RM'000	Statutory contributions ⁽¹⁾ RM'000	Benefits-in-kind RM'000	Total RM'000
Board of Directors						
Allen Lee	732.0	36.0	261.0	124.0	-	1,153.0
Cally Yau	228.0	12.0	30.0	31.7	-	301.7
Joey Lee	198.0	36.0	24.0	31.5	-	289.5
Datuk Seri Garry Chua	-	14.0	-	-	-	14.0
Dato' Lee Teck Hua	-	12.0	-	-	-	12.0
Norlida binti Abdul Azmi	-	10.0	-	-	-	10.0
K.Raman A/L G. Kesawannair	-	10.0	-	-	-	10.0
FYE 2025	Salaries RM'000	Fees and allowances ⁽²⁾ RM'000	Bonuses ⁽⁴⁾ RM'000	Statutory contributions ⁽¹⁾ RM'000	Benefits-in-kind RM'000	Total RM'000
Board of Directors						
Allen Lee	768.0	39.0	-	101.1	-	908.1
Cally Yau	295.0	63.0	-	42.4	-	400.4
Joey Lee	271.0	63.0	-	39.3	-	373.3
Datuk Seri Garry Chua	-	51.0	-	-	-	51.0
Dato' Lee Teck Hua	-	45.0	-	-	-	45.0
Norlida binti Abdul Azmi	-	39.0	-	-	-	39.0

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

	Salaries	Fees and allowances ⁽²⁾	Bonuses ⁽⁴⁾	Statutory contributions ⁽¹⁾	Benefits-in-kind	Total
FYE 2025	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
K.Raman A/L G. Kesawannair	-	39.0	-	-	-	39.0

Notes:

- (1) Includes employer's contribution to EPF, Social Security Organisation and employment insurance scheme, where applicable.
- (2) Fees and allowances for the Independent Non-Executive Directors are computed on a pro-rated basis is subject to shareholders' approval at our Company's general meeting.
- (3) Represents actual bonus paid for the FYE 2024.
- (4) As at the LPD, the bonus payments have yet to be determined and is subject to the recommendation of our Remuneration Committee and approval by our Board.

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

5.3 BOARD PRACTICES

5.3.1 Directors' term of office

As at the LPD, the date of expiry of the current term of office for each of our Director and the period that each of them has served in that office is as follows:

Directors	Date of appointment	Date of expiry of the current term of office	Approximate no. of years in office up to the date of this Prospectus
Datuk Seri Garry Chua	5 September 2024	Subject to retirement by rotation at our first AGM	Less than a year
Allen Lee	18 December 2023	Subject to retirement by rotation at our first AGM	More than a year
Cally Yau	5 September 2024	Subject to retirement by rotation at our first AGM	Less than a year
Joey Lee	5 September 2024	Subject to retirement by rotation at our first AGM	Less than a year
Dato' Lee Teck Hua	5 September 2024	Subject to retirement by rotation at our first AGM	Less than a year
Norlida binti Abdul Azmi	5 September 2024	Subject to retirement by rotation at our first AGM	Less than a year
K.Raman A/L G.Kesawannair	5 September 2024	Subject to retirement by rotation at our first AGM	Less than a year

Pursuant to our Constitution, all our Directors shall retire from office at the conclusion of the first annual general meeting and an election of Directors shall take place each year at the annual general meeting in every subsequent year where at least one third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election. Accordingly, all our Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election. A Director retiring at a meeting shall retain office until the close of the meeting.

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

Our Directors shall have power at any time and from time to time, to appoint any person(s), subject to recommendation by the Nomination Committee and the approval by the Board, to be a Director, either to fill a casual vacancy or as an additional Director to the existing Board. Any Director so appointed shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

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

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

- i. The Board is to effectively represent and promote the interests of its shareholders and stakeholders with a view to adding long-term value to the Company's shares.
- ii. The Board discharges its responsibilities in meeting the Group's goals, the Board should, among others undertake the following:
 - (a) Strategic planning - to review and approve strategies, business plans and key policies for the Group and monitor Management's performance in implementing them to determine whether the business is being properly managed;
 - (b) Corporate goal - to set corporate values and clear lines of responsibility and accountability, including governance systems and processes that are communicated throughout the Group;
 - (c) Compliance to regulation - to ensure full compliance and to carry out the duties of the Board in accordance with the relevant provisions of the Listing Requirements, the CMSA, the Act, the MCCG and all applicable laws, regulations and guidelines;
 - (d) Risk management – to review the information and risk management and internal control system and the effectiveness of the management;
 - (e) Independent and transparent - to ensure that there shall be unrestricted access to independent advice or expert advice at the Company's expense in furtherance of the Board's duties;
 - (f) Code of conduct - to formalise the ethical standards through a code of conduct which will be applicable throughout the Group and ensure compliance to this code of conduct;
 - (g) Succession planning - to ensure that Management has the necessary skills and experience, has and there is a proper and robust succession plan for its Management and Executive Directors ("ED(s)") in place. Succession planning refers to the process of selecting, training, appointing, monitoring, evaluating and if warranted, replacing any management to ensure succession;
 - (h) Management proposals - to review, challenge and decide on Management's proposals for the Group, and monitor its implementation by Management;
 - (i) Judgmental timing - to ensure that the Board has adequate procedures in place to receive reports from Management periodically and / or on a timely manner, so that the Board has reasonable grounds to make proper judgement on financial matters and business prospects of the Group on an ongoing basis;
 - (j) Financial and non-financial reporting - to ensure all its directors are able to understand financial statements and form a view of the information presented, and to ensure the integrity of the Group's financial and non-financial reporting. Each director shall read the financial statement of the Group and carefully consider whether what they disclose is consistent with the director's own knowledge of the Group's affairs;

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

- (k) Related party management - to establish procedures to assess any related party transactions or conflict of interest situations that may arise within the Company or Group, including any transaction, procedure or course of conduct that raises questions of management integrity;
 - (l) Board committee - to establish and ensure the effective functioning and monitoring of the Board Committees then to delegate appropriate authority and TOR to such committees established by the Board;
 - (m) Board balance - to strive to achieve an optimum balance and dynamic mix of competent and diverse skillsets amongst the members of the Board;
 - (n) Governance culture - together with management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour; and
 - (o) Stakeholder communication - to ensure that the Group has in place procedures to enable effective communication with stakeholders;
- iii. The Board will direct and supervise the management, the business and affairs of the Group including, in particular:
 - (a) Sustainability management - to review and adopt a strategic plan for the long-term value creation and includes strategies on economic, environment and social considerations;
 - (b) Performance management - to establish policies for strengthening the performance of the Group including ensuring that the management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
 - (c) Risk management - to identify principal risks, set the risk appetite within which the Board expects the management to operate and ensure the implementation of appropriate systems to manage the significant financial and non-financial risks and to ensure there is a sound framework for internal controls and risk management;
 - (d) Internal audit - to establish an internal audit function to obtain assurance of regular review and / or appraisal of the effectiveness of the system of internal controls within the Company and Group. The Board should explain in summary the means that exist for obtaining such assurance of regular review and / or appraisal;
 - (e) Internal control - to review the adequacy and integrity of the Group's internal control system and management information systems, including systems for complying with applicable laws, regulations, rules, directives and guidelines; and
 - (f) Law and regulations - to ensure that the operations of the Company are conducted prudently and within the framework of relevant laws and regulations.
- iv. Pursuant to the MCCG, the positions of Chairman and CEO are held by different individuals. The Chairman should be leading the Board in its collective oversight of management, while the CEO focuses on business and day-to-day operation of the Group. In the event that the positions of the Chairman of the Board and CEO are held by the same person, the Company shall give an explanation and justification in the Annual Report of the Company.

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

5.3.2 Audit and Risk Management Committee

The Audit and Risk Management Committee shall solely comprise of Independent Non-Executive Directors. The Audit and Risk Management Committee was constituted on 9 September 2024 with the function of assisting our Board in fulfilling its oversight responsibilities. The composition of our Audit and Risk Management Committee is set out below:

Name	Designation	Directorship
Dato' Lee Teck Hua	Chairman	Independent Non-Executive Director
Norlida binti Abdul Azmi	Member	Independent Non-Executive Director
K.Raman A/L G.Kesawannair	Member	Independent Non-Executive Director

Our Audit and Risk Management Committee has full access to both internal and external auditors who in turn have access at all times to the Chairman of our Audit and Risk Management Committee. The key duties and responsibilities of our Audit and Risk Management Committee as stated in its terms of reference include, amongst others, the following:

Matters relating to external audit

- (i) Recommend appointment or re-appointment of external auditors, audit fees and any questions of resignation or dismissal of the external auditors;
- (ii) Review and report to the board letter of resignation from the external auditors or suggestions for their dismissal, including a copy of any written representations or statement of circumstances in relation with the resignation made by the external auditors, if applicable and whether there is reason /supported by grounds) to believe that the external auditor is not suitable for re-appointment.
- (iii) Monitor the effectiveness of the external auditors' performance and their independence and objectivity; and
- (iv) Review and discuss with the external auditors on the following and report the same to the Board:
 - (a) the nature, scope and plan of the audit before the audit commences and ensure co-ordination where more than one audit firm is involved;
 - (b) audit report;
 - (c) evaluations of the system of internal controls;
 - (d) the assistance given by the employees to the external auditors;
 - (e) external auditors' report of deficiencies in internal control and management's response thereto;
 - (f) any significant audit findings, reservations, difficulties encountered, or material weaknesses reported by the external auditors;
 - (g) the annual evaluation of the performance of the external auditors, including the suitability, objectivity and independence of the external auditors which takes into consideration the following:

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

- the external auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
 - the competence, audit quality and resource capacity of the external auditors in relation to the audit;
 - the information presented in the Annual Transparency Report of the audit firm;
 - the nature and extent of the non-audit services tendered and the appropriateness of the level of fees;
 - written assurance from the external auditors confirming that they are, and have been independent through the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirement; and
 - the conduct of an annual evaluation on the performance of the external auditor and undertaking follow-up measures, where required.
- (v) Review the external auditor's audit report, management letter and management's response to the management letter;
- (vi) Shall be advised of significant use of the external auditors in performing non-audit services within the Group, considering both the types of services rendered and the fees, such that their position as auditors are not deemed to be compromised;
- (vii) Review with the external auditors for the Statement on Risk Management and Internal Control of the Group for inclusion in the Annual Report;
- (viii) Discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of the Executive Directors and Management where necessary);
- (ix) The Management will seek clearance from the Audit and Risk Management Committee, in the event that the non-audit fees paid to the Company's external auditors, or a firm or corporation affiliated to the external auditors' firm are significant (e.g. constitute 50% of the total amount of audit fees paid to the Company's external auditors) and the Company is required to state the details on the nature of non-audit services rendered in the Audit and Risk Management Committee's Report;
- (x) To assist in fulfilling the Board's stewardship accountability to its shareholders and financial stakeholders; and
- (xi) To provide assurance to the Board with quality and reliable financial information and are responsible for the accuracy and integrity of the Group's financial reporting.

Matters relating to internal audit

- (i) Review with the internal auditors on the following and report the same to the Board:
- (a) annual audit plan which is risk-based and focused on significant risk areas to ensure adequate scope and comprehensive coverage over the activities of the Group;
 - (b) effectiveness of the internal audit processes as well as the adequacy of resources, competency and the necessary authority for the internal audit function;

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

- (c) internal audit report containing the internal audit findings, investigations undertaken and whether or not appropriate actions are taken by the management, based on recommendations of the internal auditors and to follow-up on remedial actions;
- (d) ensure the internal audit function is independent of the activities its audits and the internal auditors report directly to the Audit and Risk Management Committee and review their performance on an annual basis. The head of internal audit should have relevant qualifications and be responsible for providing assurance to the Audit and Risk Management Committee that the internal controls are operating effectively. The internal auditors will be responsible for the regular review and/ or appraisal of the effectiveness of risk management, internal control and governance processes within the Group; and
- (e) approve any appointment or termination of internal auditors.
- (ii) Take cognizance of resignations of internal auditors and provide the resigning internal auditor with an opportunity to submit his reasons for resigning upon receipt of such notice of resignation;
- (iii) Review the appraisal or assessment of performance of the internal auditors on an annual basis;
- (iv) Review with the internal auditors on the external auditors' report of deficiencies in internal control and management's response thereto and report the same to the Board; and
- (v) Review any special audit which the Audit and Risk Management Committee deems necessary.

Matters relating to risk management and internal control

- (i) Review the Statement of Risk Management and Internal Control to be published in the Annual Report and report the same to the Board;
- (ii) Review and assess the adequacy and effectiveness of internal control systems and risk management policies and framework in identifying, measuring, monitoring and controlling risk and the extent to which these are operating effectively;
- (iii) Review the Group's risk profile and risk tolerance and the Group's risk management plans to mitigate business risks as identified from time to time;
- (iv) Assess the adequacy of the business recovery / disaster recovery procedures;
- (v) Assess processes and procedures to ensure compliance with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;
- (vi) Ensure that the key risks are effectively managed in accordance with the Group's risk management policies and strategies;
- (vii) Carry out other responsibilities, functions or assignments as may be defined by the Board from time to time; and
- (viii) Review Management's efforts to embed risk management in all aspects of the Group's activities.

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

Matters relating to related party transactions / Conflicts of interest situations

- (i) Review related party transactions entered into by the Company or the Group and to determine if such transactions are undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and to ensure that the Board reports such transactions annually to the shareholders via the annual report;
- (ii) Review conflict / potential conflict of interests' situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of Management's integrity;
- (iii) Ensure that the Group has adequate procedures and processes in place to monitor and track related party transactions and to review these processes; and
- (iv) Report to Bursa Securities, if there is any related party transaction which exceeded the shareholders' mandate and provide full reasoning and detailed explanations. Related party transaction and conflict / potential conflict of interest of interests' situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

Whistleblowing and fraud

- (i) To ensure that proper investigations are carried out, on a timely basis, for substantiated cases reported by any whistleblower to the Chairman of the Board or the Chairman of the Audit and Risk Management Committee, and report the results and conclusion of such investigations, with the appropriate cause of action shall be recommended to the Board for approval, in accordance with the Group's whistleblowing policy and
- (ii) Review the Group's policies and procedures for detecting fraud.

Overseeing financial reporting

- (i) Review and deliberate the quarterly results and year-end financial statements, before the approval by the Board, focusing particularly on:-
 - (a) any changes in or implementation of accounting policies and practices;
 - (b) significant or material adjustments with financial impact arising from the audit;
 - (c) significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters are addressed;
 - (d) the going concern assumptions;
 - (e) the appropriateness of Management's selection of accounting policies and disclosures in compliance with approved accounting standards and other regulatory requirements;
 - (f) compliance with applicable financial reporting standards;
 - (g) litigation that could affect the results materially; and
 - (h) Proposed dividend by the Management.
- (ii) Monitor the integrity of the financial statements of the Group;
- (iii) Assess whether the financial reports represent a true and fair view of the Group's performance and ensure compliance with the regulatory requirements;
- (iv) To ensure the competency of the accounting staff and adequacy of the resources and infrastructure of the finance function; and

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

- (v) To propose best practices on disclosure in the financial statements and the annual reports of the Group, to be in line with the recommendations set out in the MCCG and other applicable rules and regulations.

5.3.3 Remuneration Committee

The Remuneration Committee was constituted on 9 September 2024 by our Board. The composition of our Remuneration Committee is set out below:

Name	Designation	Directorship
Norlida binti Abdul Azmi	Chairperson	Independent Non-Executive Director
Dato' Lee Teck Hua	Member	Independent Non-Executive Director
K.Raman G.Kesawannair	A/L Member	Independent Non-Executive Director

The key duties and responsibilities of our Remuneration Committee as stated in its terms of reference include, amongst others, the following:

- (i) Review and recommend to the Board the remuneration policy and procedures for Directors and Management, including the fee structure and level of remuneration for Executive Directors, and Management.

In determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements. The remuneration policy should align with the Group's business strategies and long-term objectives, complexity and performance of the Group as well as skills and experience required. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Group;

- (ii) Formulate policies, guidelines and set criteria for remuneration packages for the Directors and to ensure that the Directors are fairly and appropriately remunerated according to the general market sentiments or conditions;
- (iii) Review and recommend to the Board on the remuneration framework of the Non-Executive Directors, particularly on whether the remuneration remains appropriate to each Directors' contribution, by taking into account the level of expertise, commitment and responsibilities undertaken. There should be a balance in determining the remuneration package, which should be sufficient to attract and retain Directors of caliber, and yet not too excessive.

The determination of remuneration packages of Non-Executive Directors shall be a matter for the Board as a whole;

- (iv) Review and recommend to the Board on the total individual remuneration package for Executive Directors and Management including where appropriate, bonuses, incentive payments within the terms of the agreed remuneration policy and based on individual performance.

The Executive Directors shall abstain from the deliberation and voting on their own remuneration;

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

- (v) Review and recommend to the Board and subsequently to the shareholders' approval at a general meeting, the fees of the Directors and any benefits payable to the Directors including any compensation payable to the Directors in connection with any loss of employment of Director or former Director. Such compensation shall be determined in accordance with relevant contractual terms and shall be fair and not excessive for the Group;
- (vi) Consider the appointment of independent experts to facilitate the Remuneration Committee in carrying out its functions;
- (vii) Review any major changes in remuneration policy and employee benefit structures throughout the Company or Group, and if thought fit, recommend them to the Board for adoption;
- (viii) Consider and review any renewal of service contracts of the Executive Directors as and when due, as well as any service contracts and remuneration package for newly appointed Directors prior to their appointment; and
- (ix) Review and recommend to the Board regarding any proposed new employees' share option scheme to be given to the employees of the Group and/or amendments to the existing scheme.

The individuals concerned must abstain from discussing their own remuneration. The detailed remuneration of each Director should be disclosed in the Annual Report on a named basis.

5.3.4 Nomination Committee

The Nomination Committee was constituted on 9 September 2024 by our Board. The composition of our Nomination Committee is set out below:

Name	Designation	Directorship
K.Raman G.Kesawannair	A/L Chairman	Independent Non-Executive Director
Dato' Lee Teck Hua	Member	Independent Non-Executive Director
Norlida binti Abdul Azmi	Member	Independent Non-Executive Director

The key duties and responsibilities of our Nomination Committee as stated in its terms of reference include, amongst others, the following:

New Appointment

- (i) Assess and recommend to the Board, nominees for all directorships and committee members. In making its recommendations, the Nomination Committee should consider the candidates proposed by the Board, and within the bounds of practicability, by any other senior executive, Director or major shareholder. The Nomination Committee may also utilise independent sources including directors' registry, industry and professional association, open advertisements and independent search firms to identify suitably qualified candidates.

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

The Nomination Committee shall evaluate the balance of skills, knowledge, experience and diversity on the existing Board and prepare a description of the role and capabilities required for particular appointment and to ensure the Board comprises at least 1 woman director and to review the participation of women in senior management to ensure there is healthy talent pipeline for recommendation to the Board. In making its recommendations, the Nomination Committee shall assess and consider the following attributes or factors:-

- a) professionalism;
- b) existing number of directorships held, including on boards of non-listed companies;
- c) confirmation of not being an undischarged bankrupt or involved in any court proceedings in connection with the promotion, formation or management of a corporation or involving fraud or dishonesty punishable on conviction with imprisonment or subject to any investigation by any regulatory authority under any legislation;
- d) commitment (including time commitment);
- e) merit and against objective criteria with due regard for diversity in gender, age, experience, skills and cultural background;
- f) contribution and performance;
- g) background, character, integrity, and competence;
- h) any business interests that may result in a conflict of interest that may arise within the Company or the Group; and
- i) in the case of candidates for the position of Independent Non-Executive Directors, the Nomination Committee should also evaluate the candidates' ability to discharge such responsibilities / functions as expected from Independent Non-Executive Directors. In considering independence, it is necessary to focus not only a director's background and current activities qualify him or her as independent but also whether the Director can act independently of management.

The Company should disclose in its annual report how candidates for Non-Executive Directors positions were sourced including whether such candidates were recommended by the existing board members, management or major shareholders.

If the selection of candidates was solely based on recommendations made by the existing board members, management or major shareholders, the Nomination Committee should explain why other sources were not used;

- (ii) Recommend to the Board, the appointment of Chairman's position (Board/Committee) in consultation of the Board; and
- (iii) Recommend to the Board, Directors to fill the seats on Board Committees, in consultation with the Chairman of those committees.

Re-election, Re-appointment, Re-designation and Resignation/Termination

- (i) Recommend to the Board on the re-appointment of any Non-Executive Directors at the conclusion of his or her specified term of office, re-election of any Director under the retirement by rotation provisions in the Company's Constitution;

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

- (ii) Make any necessary recommendations to the Board concerning the continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of the Company subject to provision of the law and their service contracts;
- (iii) Recommend to the Board on the re-designation of the Independent Director to Non-Independent Director should the tenure of an Independent Director exceed a cumulative terms limit of 9 years. If the Board intends to retain an Independent Director beyond 9 years but not more than cumulative term of 12 years, it should be subjected to the following:
 - a) annual assessment by the Nomination Committee, regarding the independence and contributions; and
 - b) annual shareholders' approval through two-tier voting process in a general meeting, where the Board provides strong justification on the recommendation in the explanatory notes to the resolution in the notice of a general meeting.

Specific Nomination and Succession Planning

- (i) Recommend suitable candidates for the role of Senior Independent Director, as applicable.
- (ii) Review the Board's succession plans.
- (iii) Review and make recommendations on succession planning for management.

Annual Performance Assessment of Board, Board Committees and Individual Directors

- (i) Assess annually:
 - a) the required mix of skills and experience of the Board, including the core competencies which Non-Executive Directors should bring to the Board;
 - b) the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director including his time commitment, character, experience and integrity vide a formal and objective assessment. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions shall be properly documented;
 - c) the character, experience, integrity and competence of Directors, chief executive and Head of Finance and to ensure they have time to discharge their respective roles;
 - d) the term of office and performance of the Audit and Risk Management Committee and each of its members to determine whether they have carried out their duties in accordance with their Terms of Reference; and
 - e) the independence of Independent Directors to ensure the Director can act independently of management.

The Nomination Committee may engage a professional, experienced and independent party to facilitate the Board evaluation.

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

Induction training programme analysis

- (i) Review and define orientation and induction plans for new Directors.
- (ii) Review the Directors' continuing education programmes.
- (iii) Assess annually the training needs of each Director, review the fulfilment of such training, and disclose details in the annual report as appropriate.

Size of Board and Independent Directors

- (i) Review the structure, size and composition (including skills, knowledge, experience and diversity of the Board and core competencies which Non-Executive Directors should bring to the Board).
- (ii) Assess desirable number of Independent Directors.
- (iii) Recommend to the Board the Company's gender, age, experience and diversity policies, targets and discuss measures to be taken to meet those targets.
- (iv) Develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors.

Statement about the activities of the Nomination Committee

- (i) Review and recommend to the Board a statement about the activities of the Nomination Committee in the discharge of its duties for the financial year for incorporation into the annual report. The statement must include the requirements as set out in Rule 2.20A of the Listing Requirements and contain the following information:
 - a) the policy on Board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the Company;
 - b) the Board nomination and election process of Directors and criteria used in the selection process; and
 - c) assessment undertaken by the Nomination Committee in respect of its Board, Board Committees and individual Directors together with the criteria for such assessment.

5.3.5 Malaysian Code on Corporate Governance

Our Board acknowledges and takes cognisance of the MCCG which contains best practices and guidance for listed companies to improve upon or to enhance their corporate governance as it forms an integral part of their business operations and culture. Our Board believes that our current Board composition provides an appropriate balance in terms of skills, knowledge and experience to promote the interest of all shareholders and to govern our Group effectively. Our Company has adopted the recommendations under the MCCG to have a Board comprising a majority of independent directors. Further, our Group has at least 30% women directors on our Board whereby we have 3 women directors out of a total of 7 Directors. Our Chairman of the Board is also not a member of our Audit and Risk Management Committee, Remuneration Committee or Nomination Committee.

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

5.4 KEY SENIOR MANAGEMENT

5.4.1 Key Senior Management

The composition of our Key Senior Management is set out below:

Name	Age	Nationality	Designation
Allen Lee	56	Malaysian	Managing Director
Cally Yau	37	Malaysian	CEO
Joey Lee	42	Malaysian	COO
Peter Ng	52	Malaysian	Head of Finance

5.4.2 Profiles of our Key Senior Management

The profiles of our Key Senior Management are as follows:

(i) Allen Lee

Please refer to Section 5.2.2(ii) of this Prospectus for details of Allen Lee's profile.

(ii) Cally Yau

Please refer to Section 5.2.2(iii) of this Prospectus for details of Cally Yau's profile.

(iii) Joey Lee

Please refer to Section 5.2.2(iv) of this Prospectus for details of Joey Lee's profile

(iv) Peter Ng

Peter Ng, a Malaysian male aged 52, is our Head of Finance. He is responsible for overseeing our Group's finance-related functions including execution of financial reporting, compliance of tax matters and maintenance of internal controls.

He has been a Member of the Association of Certified Chartered Accountants since June 2000 and a Fellow of the Association of Certified Chartered Accountants since June 2005. He is also currently a member of the Malaysian Institute of Accountants.

He started his career as an Account Supervisor in 1994 at Popular Book Co. (Malaysia) Sdn Bhd where he was responsible for bookkeeping. He left Popular Book Co. (Malaysia) Sdn Bhd in 1995.

In 1996, he joined J.W. Thompson Sdn Bhd as an Accounts Executive where he was responsible for processing accounts payable transactions. He left J.W. Thompson Sdn Bhd in March 1997.

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

In April 1997, he joined Resorts World Berhad (now known as Genting Malaysia Berhad) as an Accounts Executive where he was involved in the preparation of monthly management report and annual financial reports. During his tenure at Resorts World Berhad, he was also involved in various division of the Finance Department and was part of the project team that was responsible for the implementation of SAP and in-house hotel management systems for the Hospitality Division. Further, he was also part of the project team that helped the company obtain its ISO9001:2000 certification in Standards in Finance for the Hospitality Division. He left Resorts World Berhad in April 2005 where his last position held was Assistant Finance Manager.

In April 2005, he joined Next Telecommunications Sdn Bhd as Finance Manager where he was responsible for overseeing the financial operations which includes budgeting, forecasting and financial analysis. Upon acquisition of Next Telecommunications Sdn Bhd by Green Packet Berhad in 2006, he became an employee of Green Packet Berhad. In the same year, he was promoted to Senior Finance Manager of Green Packet Berhad where he was responsible for financial planning and analysis, budget management and financial reporting for the company's subsidiary in Singapore, NGT Networks Pte Ltd. He was subsequently promoted to Associate Director in 2015, where his responsibilities included preparing statutory financial reports of the company for Bursa Securities. In August 2015, he was transferred from Green Packet Berhad to Green Packet International Sdn Bhd where he continued to hold the position of Associate Director and was responsible for managing the company's accounting and finance operations, including financial reporting, budgeting, forecasting, risk and governance. He left the company in August 2016.

In September 2016, he joined Platinum Paradise Sdn Bhd, a subsidiary of Only World Group Holdings Berhad which is listed on the Main Market of Bursa Securities, as its Financial Controller. During his tenure in the company, he was responsible for managing the company's accounting and financial matters, including the preparation of statutory financial reports for Bursa Securities. He left the company in December 2017.

He then joined Neovate Developments Sdn Bhd as Finance Director in January 2018 and was responsible for managing the accounting and financial matters for Neovate Developments Sdn Bhd and its group of companies. He left the company in March 2019.

He joined Wong Brothers Construction Sdn Bhd as Finance Manager in April 2019 where he managed the financial operations of the company, which includes cash flow planning as well as preparing budgets and forecasts. He left the company in July 2020.

He joined PEOPLElogy Development as Finance Manager in July 2020. He was promoted to the position of Head of Finance in February 2022, a position he continues to hold to date.

He has no family relationship with our Promoter, Substantial Shareholders, Directors and other key senior management of our Group.

He does not hold any directorships in companies outside our Group.

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

5.4.3 Shareholdings of our Key Senior Management

The direct and indirect shareholdings of our Executive Directors who are part of the Key Senior Management before and after our IPO are set out in Section 5.2.1 of this Prospectus.

The following table sets out the direct and indirect shareholdings of our other Key Senior Management:

Name	Before our IPO ⁽¹⁾				After our IPO ⁽²⁾⁽³⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
Peter Ng	-	-	-	-	300,000	0.07	-	-

Notes:

(1) Based on the issued share capital of 306,716,936 Shares before our IPO.

(2) Based on the enlarged issued share capital of 411,716,936 Shares upon our IPO.

(3) Assuming full subscription of the Pink Form Shares allocated to him.

5.4.4 Principal directorships of our Key Senior Management and principal business activities performed outside of our Group

There are no principal activities performed outside of our Group at present and in the past 5 years preceding the LPD by our Key Senior Management other than those set out in Section 5.2.3 of this Prospectus.

5.4.5 Key Senior Management's remuneration and benefits-in-kind

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our other Key Senior Management for FYE 2022, FYE 2023 and FYE 2024 and proposed to be paid for FYE 2025 are as follows:

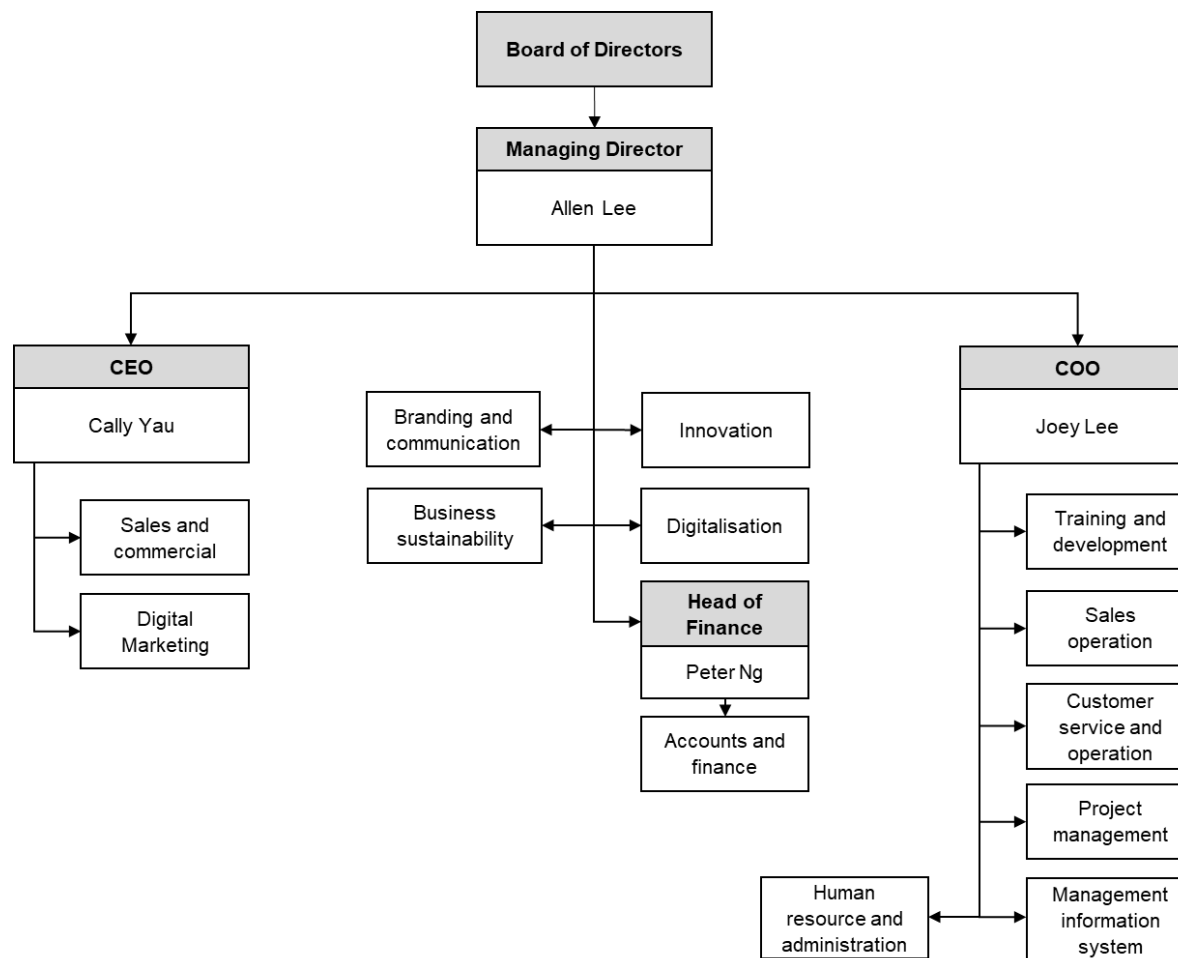
Name	Remuneration band (in bands of RM50,000)			
	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	Proposed for FYE 2025 RM'000
Peter Ng	150 - 200	200 - 250	200 - 250	200 - 250

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

5.4.6 Management reporting structure

The management reporting structure of our Group is as follows:



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

5.5 DECLARATION BY OUR PROMOTER, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoter, Directors and Key Senior Management is or has been involved in any of the following events (whether in or outside Malaysia):

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

5.6 FAMILY RELATIONSHIPS AND ASSOCIATIONS

Save as disclosed below, there are no other family relationship and/or association between any of our Promoter, Substantial Shareholders, Directors and Key Senior Management.

- (i) Allen Lee, who is our Promoter, Substantial Shareholder, Non-Independent Executive Director, Managing Director and Key Senior Management is the brother of Joey Lee;
- (ii) Allen Lee, who is our Promoter, Substantial Shareholder, Non-Independent Executive Director, Managing Director and Key Senior Management is the husband of Lim Szu Yee;
- (iii) Joey Lee, who is our Executive Director and Key Senior Management is the sister of Allen Lee; and
- (iv) Lim Szu Yee, who is our Substantial Shareholder is the wife of Allen Lee.

5.7 EXISTING OR PROPOSED SERVICE AGREEMENTS

As at the LPD, there are no existing or proposed service agreements entered into or to be entered into by our Directors or any member of our Key Senior Management with our Group.

6. INFORMATION ON OUR GROUP

6.1 OUR COMPANY

Our Company was incorporated in Malaysia on 18 December 2023 under the Act as a private limited company under the name of PEOPLElogy Sdn Bhd and was subsequently converted to a public limited company and assumed our current name on 4 September 2024 to facilitate our Listing.

Our principal activity is investment holding while the principal activities of our Subsidiaries and Associate Company are disclosed in Section 6.4 of this Prospectus.

6.2 SHARE CAPITAL AND CHANGES IN SHARE CAPITAL

As at the date of this Prospectus, our issued share capital is RM12,607,881 comprising 306,716,936 Shares.

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

<u>Date of allotment</u>	<u>No. of Shares</u>	<u>Nature of transaction</u>	<u>Consideration</u>	<u>Cumulative issued share capital (RM)</u>	<u>Cumulative no. of Shares</u>
18 December 2023	2	Subscriber's shares	Cash	2	2
15 February 2024	104,158,300	Allotment of Shares to additional Subscribers	Otherwise than Cash	5,207,917	104,158,302
15 February 2024	19,999,640	Allotment of Shares to Allen Lee	Otherwise than Cash	6,207,899	124,157,942
15 February 2024	19,999,640	Allotment of Shares to Allen Lee	Otherwise than Cash	7,207,881	144,157,582
23 February 2024	9,200,886	Allotment of Shares to Chen Khai Voon	Cash	12,607,881	153,358,468
19 August 2024	153,358,468	Share Split	Not applicable	12,607,881	306,716,936

Upon completion of our Public Issue, our issued share capital will increase to RM38,857,881 comprising 411,716,936 Shares.

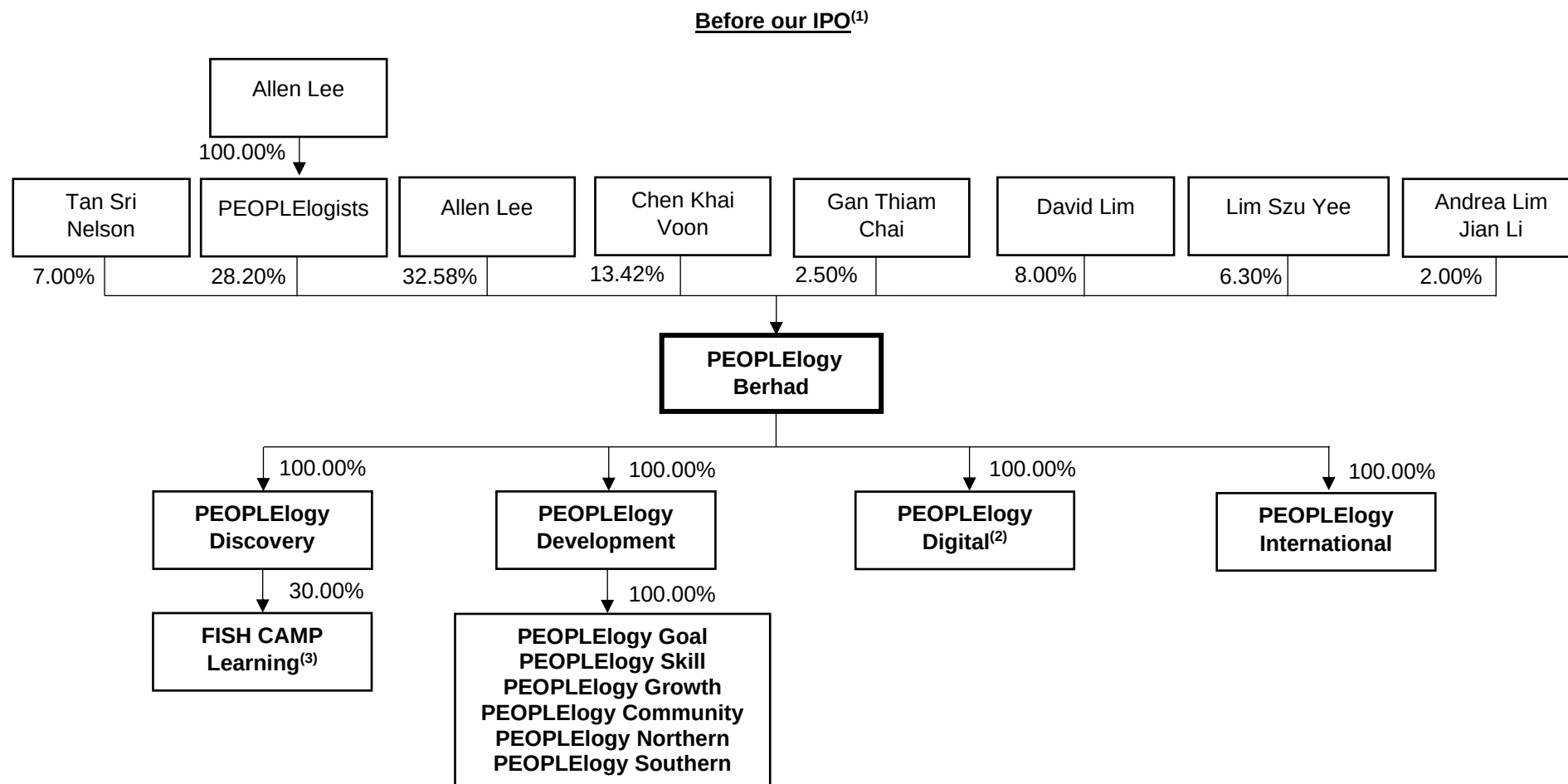
As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital in respect of our Shares. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of consideration for the allotments as tabulated above.

Save for the striking off of PEOPLElogy Interactive, which has commenced in October 2024, we are not involved in any winding-up, receivership or similar proceedings.

6. INFORMATION ON OUR GROUP (CONT'D)

6.3 OUR GROUP STRUCTURE

Our Group structure is as follows:

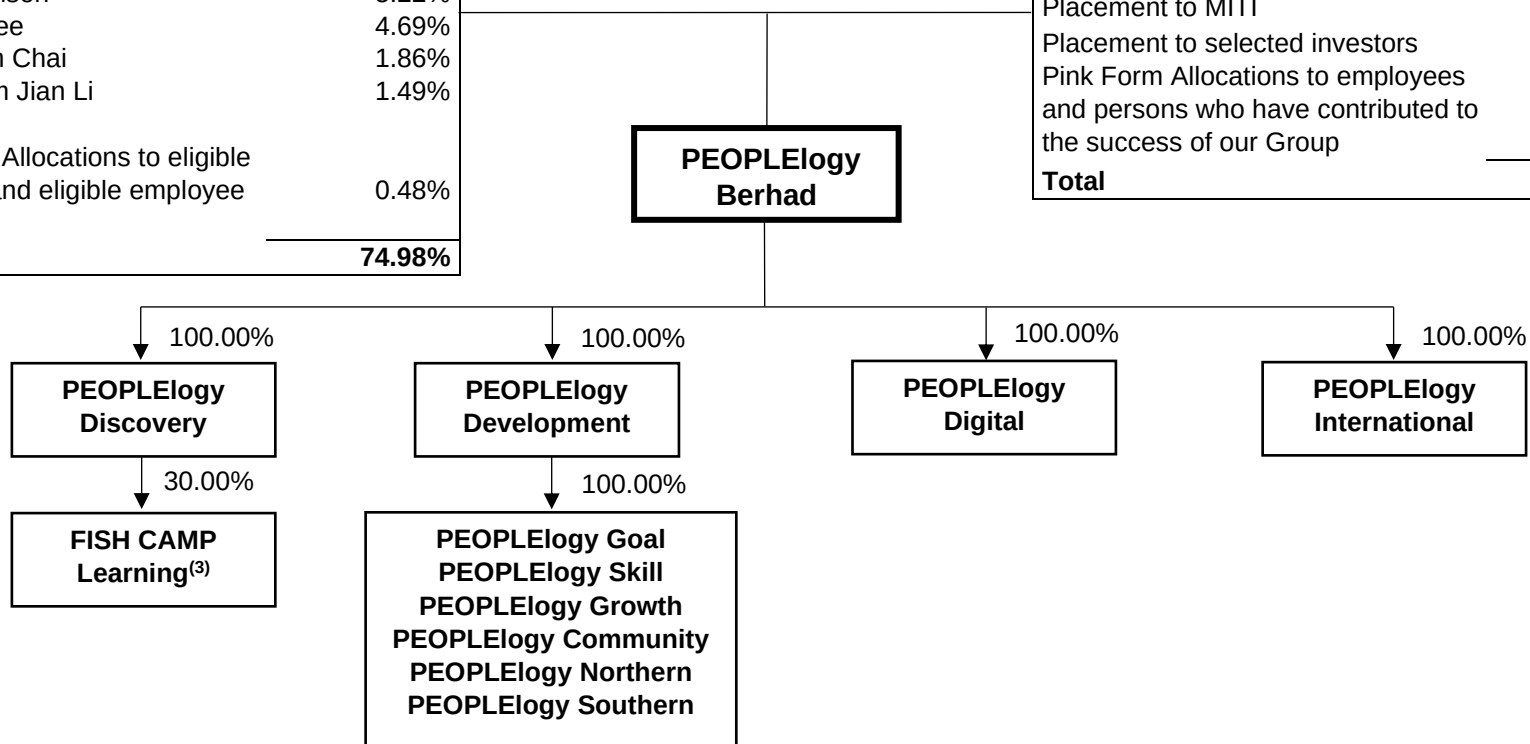


6. INFORMATION ON OUR GROUP (CONT'D)

After our IPO⁽⁴⁾

<u>Promoter</u>	<u>Shareholdings</u>
Allen Lee	24.27%
<u>Other Shareholders</u>	
PEOPLElogists	21.01%
Chen Khai Voon	10.00%
David Lim	5.96%
Tan Sri Nelson	5.22%
Lim Szu Yee	4.69%
Gan Thiam Chai	1.86%
Andrea Lim Jian Li	1.49%
Pink Form Allocations to eligible Directors and eligible employee	0.48%
Total	74.98%

<u>Public shareholders</u>	<u>Shareholdings</u>
Malaysian Public - Bumi	2.50%
Malaysian Public - Non-Bumi	2.50%
Placement to MITI	12.50%
Placement to selected investors	5.00%
Pink Form Allocations to employees and persons who have contributed to the success of our Group	2.52%
Total	25.02%



6. INFORMATION ON OUR GROUP (CONT'D)

Notes:

(1) Based on the issued share capital of 306,716,936 Shares before our IPO.

(2) PEOPLElogy Digital has a wholly owned subsidiary, PEOPLElogy Interactive.

PEOPLElogy Interactive was incorporated in 2004 with the intended principal activity of software development for training and related services.

Subsequent to the acquisition of PEOPLElogy Interactive by our Group in 2023, PEOPLElogy Interactive has been dormant. The striking off process for PEOPLElogy Interactive Sdn Bhd has commenced in October 2024, and as such will not be part of our Group for the Listing.

As at the LPD, our Group has recorded a loss of approximately RM10,000 in the FYE 2024.

(3) *As at the LPD, the remaining 70% equity interest in FISH CAMP Learning are held by Theophilus Wong Ming Ming (60%) and Mary Su Ai Ching (10%), both whom are not related to our Group's Directors, Promoter and Substantial Shareholders. Both Theophilus Wong Ming Ming and Mary Su Ai Ching are the directors of FISH CAMP Learning. Please refer to Section 6.4.2(i) of this Prospectus for further details.*

(4) Based on the enlarged issued share capital of 411,716,936 Shares after our IPO.

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6. INFORMATION ON OUR GROUP (CONT'D)**6.4 DETAILS OF OUR SUBSIDIARIES AND ASSOCIATE COMPANY**

As at the LPD, the details of our Subsidiaries and our Associate Company are as follows:

Name	Date / Place of incorporation	Principal place of business	Effective equity interest (%)	Principal activities
Subsidiaries				
PEOPLEogy Discovery	7 April 2016 / Malaysia	Malaysia	100.00	Provision of organisational talent consultancy services and profile assessment services.
PEOPLEogy Development	19 June 2001 / Malaysia	Malaysia	100.00	Provision of integrated people development solutions and investment holding.
PEOPLEogy Goal	1 April 2013 / Malaysia	Malaysia	100.00	Provision of soft skills and leadership training services.
PEOPLEogy Digital	7 April 2016 / Malaysia	Malaysia	100.00	Provision of learning and performance management system, online learning platform and training content digitisation services.
PEOPLEogy Skill	31 January 2013 / Malaysia	Malaysia	100.00	Provision of ICT training and certification services.
PEOPLEogy Growth	20 December 2011 / Malaysia	Malaysia	100.00	Provision of digital skills and certifications services.
PEOPLEogy Community	10 July 2004 / Malaysia	Malaysia	100.00	Provision of services in relation to organizing events, conferences and seminars.
PEOPLEogy Northern	3 March 2016 / Malaysia	Malaysia	100.00	Provision of integrated people development solutions for northern region.
PEOPLEogy Southern	24 February 2016 / Malaysia	Malaysia	100.00	Provision of integrated people development solutions for southern region.
PEOPLEogy International	15 February 2023 / Singapore	Singapore	100.00	Dormant
Associate				
FISH CAMP Learning	30 November 2007 / Malaysia	Malaysia	30.00	Provision of business as trainers, developers, educations and all kinds of training consultancy and related service and solutions that address the business, management, organisational and people issues.

6. INFORMATION ON OUR GROUP (CONT'D)**6.4.1 Our Subsidiaries****(i) PEOPLElogy Discovery****(a) Background and history**

PEOPLElogy Discovery was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 7 April 2016 and is deemed registered under the Act. PEOPLElogy Discovery commenced its operations in 2022.

(b) Principal place of business

PEOPLElogy Discovery's principal place of business is at No. 17-6 and 19-6, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Wilayah Persekutuan.

(c) Principal activities and products/services

PEOPLElogy Discovery is principally involved in the provision of organisational talent consultancy services and profile assessment services.

(d) Share capital

As at the LPD, the issued share capital of PEOPLElogy Discovery is RM999,982.00 comprising 100,000 ordinary shares.

The changes in PEOPLElogy Discovery's issued share capital since incorporation are as follows:

Date of allotment	No. of ordinary shares allotted	Cash consideration (RM)	Cumulative no. of shares	Cumulative share capital (RM)
7 April 2016	2	Cash (RM1.00 per share)	2	2
18 July 2016	99,998	Cash (RM10.00 per share)	100,000	999,982

(e) Shareholder

PEOPLElogy Discovery is our wholly-owned subsidiary.

(f) Subsidiary or associated company

As at the LPD, save for FISH CAMP Learning, being our Associate Company, PEOPLElogy Discovery does not have any other subsidiary or associate company.

(ii) PEOPLElogy Development**(a) Background and history**

PEOPLElogy Development was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 19 June 2001 and is deemed registered under the Act. PEOPLElogy Development commenced its operations in 2002.

6. INFORMATION ON OUR GROUP (CONT'D)**(b) Principal place of business**

PEOPLElogy Development's principal place of business is at No. 17-11 and 19-11, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

(c) Principal activities and products/services

PEOPLElogy Development is principally involved in the provision of integrated people development solutions and investment holding.

(d) Share capital

As at the LPD, the issued share capital of PEOPLElogy Development is RM1,000,000.00 comprising 1,000,000 ordinary shares.

The changes in PEOPLElogy Development's issued share capital since incorporation are as follows:

Date of allotment	No. of ordinary shares allotted	Cash consideration (RM)	Cumulative no. of shares	Cumulative share capital (RM)
19 June 2001	100	Cash (RM1.00 per share)	100	100
7 March 2003	99,900	Cash (RM1.00 per share)	100,000	100,000
26 September 2017	400,000	Cash (RM1.00 per share)	500,000	500,000
26 September 2017	500,000	Otherwise than Cash (RM1.00 per share)	1,000,000	1,000,000

(e) Shareholder

PEOPLElogy Development is our wholly-owned subsidiary.

(f) Subsidiary or associated company

PEOPLElogy Development does not have any other subsidiary or associate company as at the date of this Prospectus save as follows:

Company	Date/ Place of Incorporation	Date of Commencement of Operations	Principal Place of Business	Number of total issued Shares / Effective equity interest (%)	Principal Activities
PEOPLElogy Goal	1 April 2013, Malaysia	2013	No. 9-11, The Boulevard Mid Valley City,	100,000 shares / 100%	Provision of soft skills and leadership

6. INFORMATION ON OUR GROUP (CONT'D)

Company	Date/ Place of Incorporation	Date of Commencement of Operations	Principal Place of Business	Number of total issued Shares / Effective equity interest (%)	Principal Activities
			Lingkar Syed Putra, 59200 Kuala Lumpur		training services.
PEOPLElogy Skill	31 January 2013, Malaysia	2013	No. 11-7, The Boulevard Mid Valley City, Lingkar Syed Putra, 59200 Kuala Lumpur	100,000 shares / 100%	Provision of ICT training and certification services.
PEOPLElogy Growth	20 December 2011, Malaysia	2012	No. 19-6, The Boulevard Mid Valley City, Lingkar Syed Putra, 59200 Kuala Lumpur	100,000 shares / 100%	Provision of digital skills and certification s services.
PEOPLElogy Community	10 July 2004, Malaysia	2009	No. 17-11 & 19-11, The Boulevard Mid Valley City, Lingkar Syed Putra, 59200 Kuala Lumpur	50,000 shares / 100%	Provision of services in relation to organizing events, conference s and seminars.
PEOPLElogy Northern	3 March 2016, Malaysia	2016	H-16-2, Bay Avenue, Lorong Bayan Indah 2, Bayan Lepas, 11900 Pulau Pinang	100,000 shares / 100%	Provision of integrated people developme nt solutions for northern region.
PEOPLElogy Southern	24 February 2016, Malaysia	2016	Suite 1, Level 4, Menara KOMTAR, Johor Bahru City Centre, Jalan Tun Abdul Razak,	100,000 shares / 100%	Provision of integrated people developme nt solutions for southern region.

6. INFORMATION ON OUR GROUP (CONT'D)

<u>Company</u>	<u>Date/ Place of Incorporation</u>	<u>Date of Commencement of Operations</u>	<u>Principal Place of Business</u>	<u>Number of total issued Shares / Effective equity interest (%)</u>	<u>Principal Activities</u>
			80000 Johor Bahru, Johor		

(iii) PEOPLElogy Digital**(a) Background and history**

PEOPLElogy Digital was incorporated as PEOPLElogy Development (Sabah) Sdn Bhd in Malaysia under the Companies Act 1965 as a private limited company on 7 April 2016 and is deemed registered under the Act. It changed its name to PEOPLElogy Digital on 2 August 2019. PEOPLElogy Digital commenced its operations in 2021.

(b) Principal place of business

PEOPLElogy Digital's principal place of business is at No. 17-6 and 19-6, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Wilayah Persekutuan. As at the LPD, PEOPLElogy Digital does not have any presence, operations or business in Sabah.

(c) Principal activities and products/services

PEOPLElogy Digital is principally involved in the provision of learning and performance management system, online learning platform, and training content digitalisation services.

(d) Share capital

As at the LPD, the issued share capital of PEOPLElogy Digital is RM999,982.00 comprising 100,000 ordinary shares.

(e) Shareholder

PEOPLElogy Digital is our wholly-owned subsidiary.

(f) Subsidiary or associated company

As at the LPD, save for PEOPLElogy Interactive, we do not have any other subsidiary or associate company. The striking off process for PEOPLElogy Interactive Sdn Bhd has commenced in October 2024, and as such will not be part of our Group for the Listing.

(iv) PEOPLElogy International**(a) Background and history**

PEOPLElogy International was incorporated in Singapore under the Singapore Companies Act 1967 as a private limited company on 15 February 2023, under the name of Peoplelogy Digital (S) Pte Ltd. The company subsequently changed its name to PEOPLElogy International on 30 January 2024 and has been dormant since its incorporation.

6. INFORMATION ON OUR GROUP (CONT'D)**(b) Principal place of business**

As at the LPD, PEOPLElogy International is dormant. The registered address of PEOPLElogy International is 2 Joo Chiat Road #05-1131 Joo Chiat Complex Singapore (420002).

(c) Principal activities and products/services

The intended principal activity of PEOPLElogy International is investment holding.

Please refer to Section 7.17 of this Prospectus in relation to our Group's strategies and business plans whereby PEOPLElogy International has been identified as the entity for our regional expansion.

(d) Share capital

As at the LPD, the issued share capital of PEOPLElogy International is SGD10,000 comprising 10,000 ordinary shares.

There have been no changes in PEOPLElogy International's issued share capital since incorporation as follows:

<u>Date of allotment / Transfer</u>	<u>No. of ordinary shares allotted</u>	<u>Cash consideration (SGD)</u>	<u>Cumulative no. of shares</u>	<u>Cumulative share capital (SGD)</u>
15 February 2023	10,000	10,000	10,000	10,000

(e) Shareholder

PEOPLElogy International is our wholly-owned subsidiary.

(f) Subsidiary or associated company

PEOPLElogy International does not have any subsidiary or associate company as at the LPD.

6.4.2 Our Associate Company**(i) FISH CAMP Learning****(a) Background and history**

FISH CAMP Learning was incorporated in Malaysia under the Companies Act 1965 as Extro Type Sdn Bhd, a private limited company on 30 November 2007 and is deemed registered under the Act. It changed its name to FISH CAMP Learning on 20 May 2009. FISH CAMP Learning commenced its operations in 2009.

(b) Principal place of business

FISH CAMP Learning's principal place of business is at Lot 231, Second Floor, The Curve, No. 6, Jalan PJU 7/3, Mutiara Damansara, Petaling Jaya, 47810 Selangor.

6. INFORMATION ON OUR GROUP (CONT'D)**(c) Principal activities and products/services**

FISH CAMP Learning is principally involved in the provision of business as trainers, developers, educations and all kind of training consultancy and related service and solutions that address the business, management, organizational and people issues.

(d) Share capital

As at the LPD, the issued share capital of FISH CAMP Learning is RM100,000.00 comprising 100,000 ordinary shares.

(e) Shareholders

As at the LPD, the shareholders of FISH CAMP Learning are as follow:

Name	Nature of involvement	Nationality / Country of Incorporation	Direct		Indirect	
			No. of shares	(1) %	No. of shares	(1) %
Theophilus Wong Ming Ming	Director, CEO and shareholder	Malaysian	60,000	60.00	(2) 10,000	10.00
Mary Su Ai Ching	Director and shareholder	Malaysian	10,000	10.00	-	-
PEOPLElogy Discovery	Shareholder	Malaysia	30,000	30.00	-	-

Notes:

(1) Based on the total number of 100,000 ordinary shares in FISH CAMP Learning.

(2) Deemed interested by virtue of his mother, Mary Su Ai Ching's direct interest in FISH CAMP Learning via Section 8 of the Act.

(f) Subsidiary or associated company

As at the LPD, FISH CAMP Learning does not have any subsidiary or associate company.

6.5 PUBLIC TAKE-OVERS

None of the following has occurred during the last financial year up to the LPD:

- (i) Public take-over offers by third parties in respect of our Shares; and
- (ii) Public take-over offers by our Company in respect of other company's shares.

6. INFORMATION ON OUR GROUP (CONT'D)**6.6 MATERIAL INVESTMENTS AND DIVESTITURES****Capital expenditure**

Save as disclosed below, there are no material investments made by us for the Financial Years Under Review and up to the LPD.

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	From 1 January 2025 up to the LPD
Description	RM'000	RM'000	RM'000	RM'000	RM'000
Plant and equipment					
Computer	37	46	61	92	86
Office Equipment	15	8	12	28	-
Air Conditioner	2	-	-	15	41
Furniture & Fittings	-	15	-	61	25
Renovation	-	(1)162	-	(3)232	116
Sub total	54	231	73	428	268
Right of use assets					
Computer Equipment	-	72	79	-	-
Premises	-	(2)1,191	87	(4)1,793	308
Renovation	-	141	-	-	-
Motor Vehicle	-	-	-	(5)264	-
Sub total	-	1,404	166	2,057	308
Total	54	1,635	239	2,485	576

Notes:

- (1) Refers to the renovation costs incurred for 2 additional office units located in The Boulevard Office, Mid Valley City, Kuala Lumpur.
- (2) Refers to the renewal of 2 existing tenancies for 2 office units as well as 1 new tenancy for 2 office units located in The Boulevard Office, Mid Valley City, Kuala Lumpur.
- (3) Refers to the renovation costs incurred for our newly rented offices, being Unit 17-6 and 19-6, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200, Kuala Lumpur.
- (4) Refers to the renewal of existing tenancies as well as a new tenancy for 7 office units located in The Boulevard Office, Lingkaran Syed Putra, 59200, Kuala Lumpur.
- (5) Refers to the acquisition of 1 unit of motor vehicle under hire purchase arrangement.

Our material capital expenditure was primarily funded via internally generated funds.

As at the LPD, we do not have any material capital expenditures within or outside Malaysia.

Material investments and divestitures

Save as disclosed in Sections 6.7 and 12.6 of this Prospectus, we have not undertaken any other material investments during the Financial Years Under Review and up to the LPD.

There were no material capital divestitures and write-offs made by us for the Financial Years Under Review and up to the LPD.

6. INFORMATION ON OUR GROUP (CONT'D)

6.7 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contract which is not in the ordinary course of our Group's business within the Financial Years Under Review and up to the date of this Prospectus:

- (i) Underwriting Agreement dated 19 March 2025 entered into between our Company and Kenanga IB for the underwriting of up to 32,937,500 Issue Shares under the Public Issue;
- (ii) Share sale agreement dated 30 January 2024 entered into between PEOPLElogy Discovery, Theophilus Wong Ming Ming and Mary Su Ai Ching for the acquisition of 30% equity interest in FISH CAMP Learning for a purchase consideration of RM500,000.00, which was fully satisfied by way of cash. The acquisition was completed on 5 February 2024;
- (iii) Shareholder agreement dated 30 January 2024 entered into between PEOPLElogy Discovery, Theophilus Wong Ming Ming, Mary Su Ai Ching and FISH CAMP Learning to regulate the rights and obligations of the shareholders of FISH CAMP Learning;
- (iv) Call and put option agreement dated 30 January 2024 ("CPOA") entered into between PEOPLElogy Discovery, Theophilus Wong Ming Ming and Mary Su Ai Ching, in which parties were granted the put and call options to acquire/ dispose their respective shareholdings in FISH CAMP Learning. Notwithstanding the foregoing, the CPOA was mutually terminated between parties on 26 July 2024.

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6. INFORMATION ON OUR GROUP (CONT'D)**6.8 MATERIAL PROPERTIES****6.8.1 Owned properties**

As at the LPD, our Group does not own any properties.

6.8.2 Rented properties

As at the LPD, our Group rents the following properties:

No.	Registered owner	Postal address	Tenure	Description / Existing use	Date of CF / CO	Built-up area (approximate)	Rental per month (RM)
1.	Timeless Growth Sdn Bhd	Unit 9-11, The Boulevard Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	15 May 2024 till 14 May 2026	Existing Use Training centre	CO Issued on 8 December 2001	1,928 sq ft	7,350.00
2.	Energy Yield Sdn Bhd	Unit No. 11-7, The Boulevard Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	1 July 2024 till 30 June 2025	Existing use Training and exam center	CO Issued on 8 December 2001	2,024 sq ft	7,510.00
3.	Energy Yield Sdn Bhd	Unit 11-11, The Boulevard Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.	1 July 2024 till 30 June 2026	Existing use Training center	CO Issued on 8 December 2001	1,928 sq ft	7,350.00
4.	Ram Holdings Berhad	Unit 17-11 & 19-11, The Boulevard Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.	1 July 2024 till 30 June 2027	Existing use Office use	CO Issued on 8 December 2001	4,593 sq ft	19,290.60
5.	Ram Holdings Berhad	Unit 17-6 & 19-6, The Boulevard Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.	1 September 2024 till 31 August 2027	Existing use Office use	CO Issued on 8 December 2001	5,135 sq ft	21,567.00

6. INFORMATION ON OUR GROUP (CONT'D)

No.	Registered owner	Postal address	Tenure	Description / Existing use	Date of CF / CO	Built-up area (approximate)	Rental per month (RM)
6.	Phuah Ewe Cheng	H-16-2, Bay Avenue, Lorong Bayan Indah 2, Bayan Lepas, 11900 Pulau Penang.	1 January 2025 till 31 December 2025	Existing use Office use and training center	CO 14 March 2008	1,500 sq ft	3,100.00
7.	Amanahraya Trustees Berhad	Suite 1, Level 4, Menara KOMTAR, , Johor Bahru City Centre, Jalan Tun Abdul Razak, 80000 Johor Bahru, Johor	1 February 2025 to 31 January 2028	Proposed use Office use and training center	CF 8 March 1979	2,770 sq ft	9,695.00

As at the LPD, the properties tenanted by our Group have the relevant valid permits and licenses and are not in breach of any land use conditions, current statutory requirements, land rules or building regulations/ by-laws which would have material adverse impact on our operations as at LPD.

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7. BUSINESS OVERVIEW

7.1 HISTORY AND MILESTONES

Our Company was incorporated in Malaysia under the Act on 18 December 2023 as a private limited company under the name of PEOPLElogy Sdn Bhd. On 4 September 2024, our Company was converted into a public limited company and adopted our present name to facilitate our Listing.

Our Company is an investment holding company. Through our Subsidiaries and Associate Company, we are involved in the provision of integrated people development solutions comprising:

- Organisational talent consultancy and profile assessment services under our **Discovery** business segment;
- ICT, soft skills and leadership training services; IR4.0 digital skills and certification services; and organisation of events, conferences and seminars on human resources under our **Development** business segment; and
- Learning and performance management system, online learning platform and training content digitalisation services under our **Digital** business segment.

Our Group's history can be traced back to 2001 when our Promoter and Managing Director, Allen Lee co-founded PEOPLElogy Development (then known as Jiwa Asia Technology Sdn Bhd), which commenced the provision of learning and development consultancy services at Klang, Selangor where we set up our office and training centre. At that point in time, Jiwa Asia Technology Sdn Bhd was a training provider under the Department of Skills Development (then known as National Vocational Training Council). Allen Lee continued growing the business and corporate client base of Jiwa Asia Technology Sdn Bhd by organising various courses for ICT and youth development.

In 2004, we relocated from Klang to Mid Valley, Kuala Lumpur where we set up our headquarters and training centre. In the same year, Allen Lee started PEOPLElogy Community (then known as PEOPLElogy Solution Sdn Bhd) which then commenced business in the provision of entrepreneurship development training programmes as well as organising of conferences. In 2006, we ceased to operate in Klang.

In 2011, he decided to temporarily cease the operations of PEOPLElogy Community to pursue his passion in talent development. In the same year, Allen Lee established PEOPLElogy Growth (then known as BoostsOn Dot Com Sdn Bhd) for the provision of Microsoft Office training programmes which were delivered at our training centre in Mid Valley, Kuala Lumpur.

In 2013, Allen Lee established PEOPLElogy Goal (then known as GoalsOn Sdn Bhd) for the provision of leadership skills development courses which were delivered at our training centre in Mid Valley, Kuala Lumpur. In the same year, Allen Lee incorporated PEOPLElogy Skill (then known as SkillsOn Dot Com Sdn Bhd) which was subsequently appointed as Supplier A's franchisee in Malaysia in 2015. Supplier A operates a franchise model to support the expansion of its training centres and manages the advertising and promotional activities on behalf of its franchisees. As a franchisee of Supplier A, we are allowed to use Supplier A's brand for the provision of IT skills and certification training services.

In 2016, we saw the potential of expanding to the northern region of Peninsular Malaysia where there was a growing demand for talent development to support industry needs. This led to the opening of our second branch and development centre at Bay Avenue, Pulau Pinang. Subsequently in the same year, we saw potential in the southern region of Peninsular Malaysia and hence we established our third branch and development centre at City Square, Johor Bahru.

7. BUSINESS OVERVIEW (CONT'D)

In 2016, Allen Lee incorporated PEOPLEogy Digital (then known as PEOPLEogy Development (Sabah) Sdn Bhd) to explore opportunities in East Malaysia.

In late 2016, Allen Lee participated in study visits to the Tsinghua University (Beijing, China) and in late 2017, he went to European School of Management and Technology (Berlin, Germany) and Silicon Valley Innovation Centre (California, United States of America). Following these study visits, Allen Lee realised the importance of innovation and technology in an organisation's trajectory. This brought on a paradigm shift, whereby Allen Lee began adopting technology and innovation to pursue the next phase of our Group's business growth. Under his leadership, we began transforming our business model by focusing on providing our customers with better training evaluation and improved content engagement. This led to the development of our digital platform namely, PEOPLEAPS, in 2018. PEOPLEAPS is a mobile application platform developed by PEOPLEogy Digital that digitises learning, content and training management and gives insight on learning outcomes for companies and learners.

In 2018, leveraging on our range of integrated people development solutions experience, track record and training facilities, we participated in a request for proposal organised by Yayasan Peneraju which led to our Group securing our first contract of RM2.93 million to provide data engineer training programme.

In 2020, our Group launched our inaugural BUILD A FUTURE TEAM initiative under PEOPLEogy Community. BUILD A FUTURE TEAM is our initiative for building a community of industry leaders and human resource professionals across Southeast Asia. Under our BUILD A FUTURE TEAM initiative, we organise events, conferences and seminars on human resources to discuss, learn and share insights relating to developing and managing talent within the workforce.

By the end of 2020, our Group had completed the reorganisation of our business into three main segments, namely **Discovery**, **Development** and **Digital**. Please refer to Section 7.2 of this Prospectus for further information on these 3 segments.

In 2022, we organised our first BUILD A FUTURE TEAM HR Conference 2022, a conference which was held in Kuala Lumpur, Malaysia, with participants comprising senior human resource personnel from businesses, industry associations and government agencies. Further in the same year, PEOPLEogy Digital developed SKILLSTURE, a digital skill platform that leverages on AI to curate skills learning for the career advancement of learners.

In 2023, we incorporated our international division in Singapore, i.e. PEOPLEogy International (then known as PEOPLEogy Digital (S) Pte Ltd), with the intention to explore business opportunities for integrated people development solutions regionally including in Singapore, Indonesia and the Philippines. As at the LPD, PEOPLEogy International is still dormant.

In 2023, we launched our second BUILD A FUTURE TEAM HR Conference 2023, an international conference which was held in Singapore which was attended by participants from the Philippines, Indonesia, Singapore and Malaysia.

In 2023, we launched THE FUTURE TALENT brand to offer IR4.0 digital skills and certifications that reskill and upskill individuals.

In 2024, we launched the SOUL brand which mainly provides organisational talent consultancy services for businesses.

In 2024, our Group completed the acquisition of 30.0% equity interest in FISH CAMP Learning, a company principally involved in the provision of organisational talent consultancy as well as profile assessment services. The acquisition of FISH CAMP Learning enabled our Group to further

7. BUSINESS OVERVIEW (CONT'D)

strengthen our organisational talent consultancy services with the profile assessment tools that were being offered by FISH CAMP Learning.

Over the years, we have grown and secured various contracts and partnerships detailed as follows:

Year	Key milestones
2018	PEOPLElogy Development was awarded a contract of RM2.93 million by Yayasan Peneraju to provide data engineer training programme
2019	PEOPLElogy Development was awarded a contract of RM6.30 million by Yayasan Peneraju to provide data scientist training programme
2020	- PEOPLElogy Development was appointed as a data technology partner in relation to a programme organised by Customer A - PEOPLElogy Development was awarded a contract of RM3.96 million by Yayasan Peneraju to provide Microsoft Certified Solutions Expert (MSCE) core infrastructure training programme
2021	PEOPLElogy Development was awarded a contract of RM1.42 million by Yayasan Peneraju to provide data scientist training programme
2022	- PEOPLElogy Development was awarded a contract of RM1.50 million by MIGHT under the Deep Tech & Future Skills Train and Place Program to provide data science and cybersecurity training - PEOPLElogy Development formed partnership with AWS where we are authorised to provide AWS training and certifications - PEOPLElogy Development formed partnership with Cisco where we are authorised to provide Cisco training and certifications - PEOPLElogy Development formed partnership with Project Management Institute where we are authorised to provide Project Management Institute training and certifications
2023	- PEOPLElogy Skill was awarded a contract of RM0.64 million by Malayan Banking Berhad to provide data analyst training programme - PEOPLElogy Development formed partnership with EC-Council where we are authorised to provide all EC-Council training and certifications - PEOPLElogy Skill formed partnership with CompTIA where we are authorised to provide all CompTIA training and certifications - PEOPLElogy Skill formed partnership with PeopleCert where we are authorised to provide PeopleCert training and certifications
2024	- PEOPLElogy Development was awarded a contract of RM4.75 million by Yayasan Peneraju to provide Cisco Certified Network Professional training programme - PEOPLElogy Development was awarded a contract of RM5.24 million by Customer B to provide professional ICT training and certification on CompTIA Security+ as well as career coaching - PEOPLElogy Development was awarded a contract of RM2.72 million by Yayasan Peneraju to provide Applied Artificial Intelligence training programme - PEOPLElogy Skill became a Microsoft authorised learning centre for Microsoft Technologies and Certification Paths - PEOPLElogy Development formed partnership with CertNexus where we are authorised to provide CertNexus training and certifications

7. BUSINESS OVERVIEW (CONT'D)

Year	Key milestones
	PEOPLElogy Development was awarded a contract of RM2.15 million by Yayasan Peneraju to provide Cybersecurity Full Stack
2025	- PEOPLElogy Skill was awarded a contract of RM0.32 million by Johor Corporation to provide Digital Literacy and Fluency - PEOPLElogy Development was awarded a contract of RM0.78 million by Yayasan Peneraju to provide Professional Employability Enhancement and Development Finance and Business Services Project Management Professional

Our Group received industry recognition for our contributions to talent development as demonstrated by the awards received:

Year	Awards
2015	PEOPLElogy Development won the HRDF HRD 2015 – Certificate of Excellence in Human Resource Development
2016	- PEOPLElogy Development won the HRDF HRD 2016 – Certificate of Excellence in Human Resource Development - PEOPLElogy Development won the HRDF HRD 2016 – Best Training Provider Award - PEOPLElogy Development received a Plaque of Recognition from Institute of Chartered Accountants in England and Wales (ICAEW) as Certificate in Finance, Accounting and Business (CFAB) Learning Partner⁽¹⁾
2017	- PEOPLElogy Development won the Human Resources Vendors of the Year 2017 Malaysia – Best IT Training Provider awarded by Human Resources Online - PEOPLElogy Skill (formerly known as SkillsOn Dot Com Sdn Bhd) won the CompTIA Rising Star Award
2018	- PEOPLElogy Development won the Small and Medium Enterprises (“SME”) and Entrepreneurship Business Award (Premier Edition 2017 / 2018) for Transformative Business Strategy - PEOPLElogy Development won The Star Outstanding Business Awards (“SOBA”) 2018 – Best Employer Platinum Award (Up to RM25 million)
2021	PEOPLElogy Skill (formerly known as SkillsOn Dot Com Sdn Bhd) won the CompTIA Transformation Award
2022	PEOPLElogy Development won the Golden Bull Awards – Outstanding SME Business Award
2023	- PEOPLElogy Skill awarded as the Top Course Provider under National Training Week 2023 by Ministry of Human Resources - PEOPLElogy Development won the SOBA 2023 – Best Innovation Platinum Award (Up to RM25 million)
2024	- PEOPLElogy Development won the PIKOM Digital Excellence Awards 2024 under the category of Tech Training: Talent Innovator - PEOPLElogy Development won the Excellence Award in Learning Innovation – Training Provider at the HRD Awards 2024

7. BUSINESS OVERVIEW (CONT'D)

Year	Awards
	- PEOPLElogy Development won the EdTech Award at the Asian-Oceanian Computing Industry Organisation (ASOCIO) DX Award 2024 - PEOPLElogy Development won the Local Hero and Best Innovation for HR – Silver in the HR Vendors of the Year 2024

Note:

(1) As at the LPD, our Group does not offer any accounting related course/ training as we are focused on our competencies in ICT, soft skills and leadership training services; IR4.0 digital skills and certification services.

7.2 OVERVIEW OF OUR BUSINESS

Our principal activities and business model

We are involved in the provision of integrated people development solutions comprising:

- Organisational talent consultancy and profile assessment services under our **Discovery** business segment;
- ICT, soft skills and leadership training services; IR4.0 digital skills and certification services; and organisation of events, conferences and seminars on human resources under our **Development** business segment; and
- Learning and performance management system, online learning platform and training content digitalisation services under our **Digital** business segment.

Our integrated people development solutions revolve around upskilling and reskilling talent to improve their employability to meet organisational demands and remain relevant in a digital and knowledge-based economy.

We deliver our integrated people development solutions through the following brands:

Segment	Brands	Solutions
Discovery	SOUL 	Organisational talent consultancy and profile assessment services
	FISH CAMP Learning 	Organisational talent consultancy and profile assessment services

7. BUSINESS OVERVIEW (CONT'D)

Development	GOAL	Soft skills and leadership training services
		
	SKILL	ICT training and certification services
		
Digital	THE FUTURE TALENT	IR4.0 digital skills and certification services
		
	BUILD A FUTURE TEAM	Organiser for events, conferences and seminars on human resources
		
Digital	PEOPLEAPS	Learning and performance management system
		
	SKILLSTURE	Online learning platform
		
Digital	INTERACTIVE	Training content digitalisation services
		

We source ICT training materials as well as IR4.0 digital skills and certifications materials from reputable technology partners such as CompTIA and AWS as well as Microsoft, whereby we are an authorised learning centre. We also develop our own learning and development programmes primarily focused on soft skills and leadership.

7. BUSINESS OVERVIEW (CONT'D)

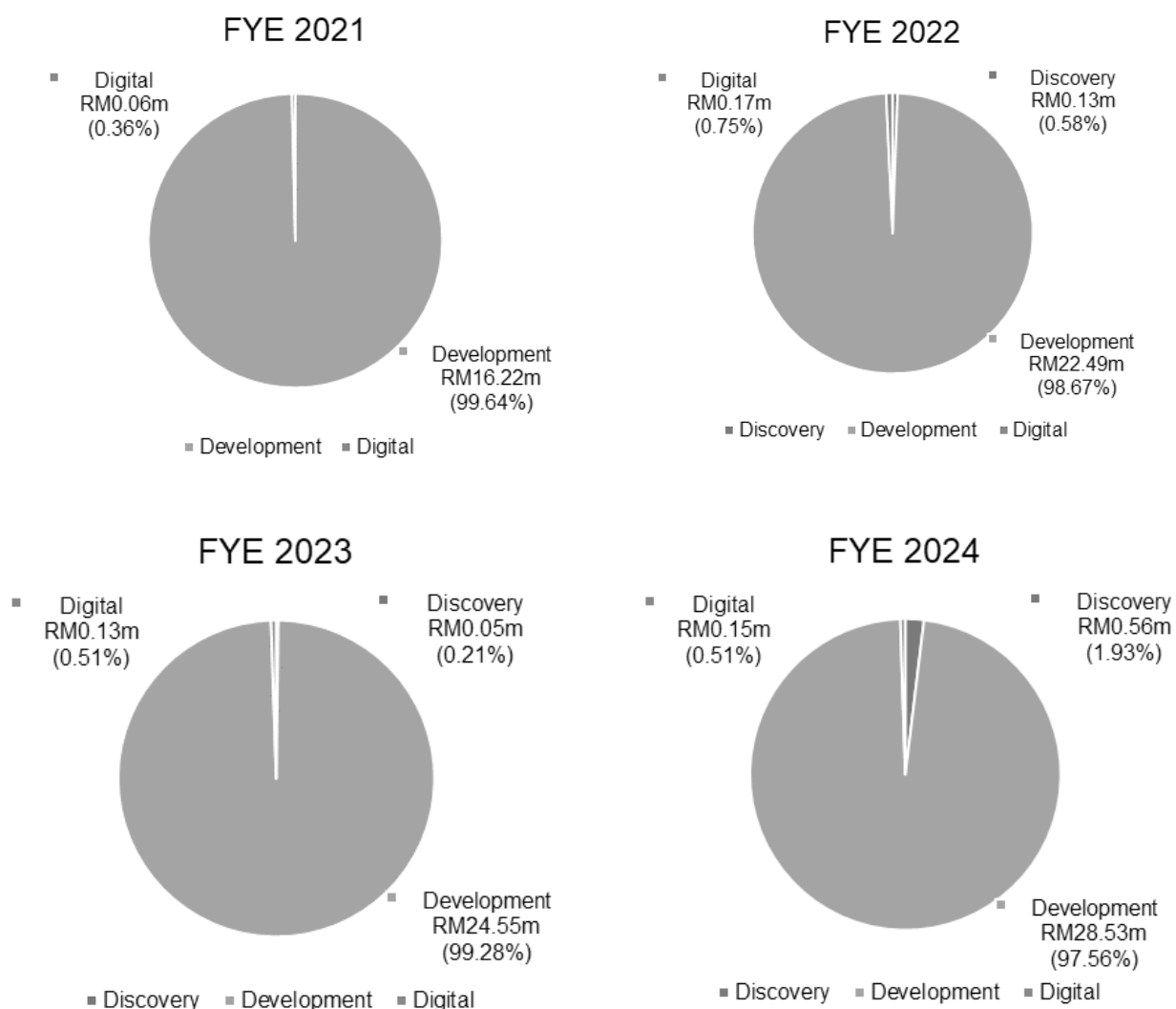
We take into consideration several factors in deciding the international technology partners to form partnerships with, including the strength and credibility of their brand in the market, their training and certification curriculum, current market trends and demand as well the digital needs of our target market.

Our business model is illustrated as follows:

	Discovery	Development	Digital
Brands and key products / services offered	- SOUL - Organisational talent consultancy - FISH CAMP Learning - Organisational talent consultancy and profile assessment services	- SKILL - ICT training and certification services - GOAL - Soft skills and leadership training services - THE FUTURE TALENT - IR4.0 digital skills and certification services - BUILD A FUTURE TEAM - Organiser for events, conference and seminars on human resources	- PEOPLEAPS - Learning and performance management system - SKILLSTURE - Online learning platform - INTERACTIVE - Training content digitalisation services
Revenue model	- Consulting fees for organisational talent consultancy under SOUL and FISH CAMP Learning - Profile assessment fees for profile assessment services under SOUL and FISH CAMP Learning	- Training fees for ICT, soft skills and leadership training services under SKILL and GOAL - Examination fees for SKILL and THE FUTURE TALENT - Rental fees for training centres - Project management fees for IR4.0 digital skills and certification services under THE FUTURE TALENT - Ticketing fees and sponsorship fees for events, conferences and seminars on human resources under BUILD A FUTURE TEAM	- Subscription fees for PEOPLEAPS and SKILLSTURE - Video production fees for INTERACTIVE
Sales channel	B2B	- B2B - B2C - B2G	- B2B - B2C
Customers	- Multinational corporations - Local public listed companies - Local large companies - SMEs	- Multinational corporations - Local public listed companies - Local large companies - SMEs - Government agencies - School leavers, fresh graduates and working professionals	- Multinational corporations - Local public listed companies - Local large companies - SMEs - School leavers, fresh graduates and working professionals

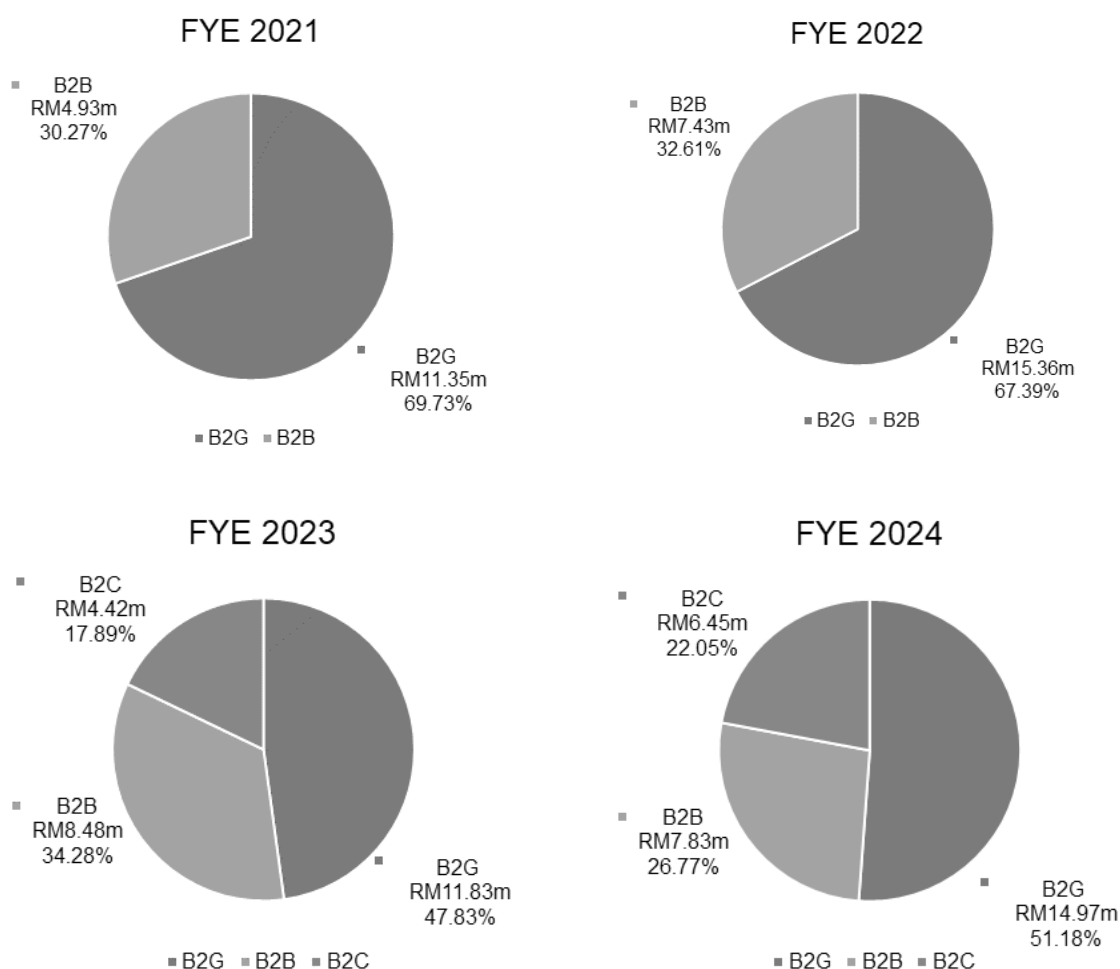
7. BUSINESS OVERVIEW (CONT'D)

Our revenue contribution based on our business segments for the Financial Years Under Review are as follows:



7. BUSINESS OVERVIEW (CONT'D)

Our revenue contribution based on our customer segment for the Financial Years Under Review are as follows:



In terms of revenue contribution by geographical region for the Financial Years Under Review, we derived all our revenue from Malaysia save for FYE 2023 and FYE 2024. In FYE 2023, we organised our BUILD A FUTURE TEAM conference in Singapore that contributed to 1.77% of our Group's revenue, while the remaining 98.23% was derived from Malaysia. In FYE 2024, 97.84% of our Group's revenue was derived from Malaysia, whereas 2.00% and 0.16% of our Group's revenue were derived from Indonesia and Philippines respectively, attributable to:

- BUILD A FUTURE TEAM HR Conference 2024 in Bali, Indonesia and BUILD A FUTURE TEAM 2024 Connect Indonesia in Jakarta, Indonesia; and
- BUILD A FUTURE TEAM event held in Manila, Philippines.

7. BUSINESS OVERVIEW (CONT'D)

7.2.1 Discovery

Under our Discovery segment, our Group mainly offers organisational talent consultancy under our SOUL brand.

Via our associate company, FISH CAMP Learning, we offer organisational talent consultancy services as well as profile assessment services comprising personality assessments, emotional intelligence and behavioural assessments.

The solutions that we offer under SOUL and FISH CAMP Learning brand and target customer segments are as follow:

Brand	Solutions	Target customer segment
SOUL	- Organisational talent consultancy - Profile assessment services	B2B
FISH CAMP Learning	- Organisational talent consultancy - Profile assessment services	B2B

Under both SOUL and FISH CAMP Learning brands, our organisational talent consultancy services and profile assessment services encompass:

- Organisational strategy
- Performance management system
- Assessment and succession
- Talent acquisition
- Talent management
- Workforce transformation

While SOUL and FISH CAMP Learning both offer organisational talent consultancy services, the detailed scope of works for their organisational talent consultancy services is customised based on the requirements of their customers. SOUL and FISH CAMP Learning serve different customer segments, and as such, these customers may have different organisational talent requirements which enable SOUL and FISH CAMP Learning to provide customised organisational talent consultancy services to meet the requirements of these customers. The organisational talent consultancy services offered by our Group does not include recruitment services.

Our Group is an authorised distributor of the following profile assessment tools:

Profile assessment category	Profile assessment tool	Mode of assessment	Principals
Personality assessment tool	WorkPlace Big Five Profile	Online	Paradigm Personality Labs, LLC

7. BUSINESS OVERVIEW (CONT'D)

FISH CAMP Learning is an authorised distributor of the following profile assessment tools:

Profile assessment category	Profile assessment tool	Mode of assessment	Principals
Personality assessment tool	• WorkPlace Big Five Profile	Online	Paradigm Personality Labs, LLC
Emotional intelligence tool	• EQ-i 2.0 • EQ 360 2.0	Online	Multi-Health System Inc.
Behavioural assessment tool	• DISC Personality System	Online	Lifeskills Institute Pte Ltd (who holds the distributorship for The Institute for Motivational Living Inc.'s products)

Based on the findings of the abovementioned profile assessment tools, under our SOUL brand and FISH CAMP Learning, we are able to develop customised succession planning and development facilitation programmes for business leaders and human resource professionals to equip them with the knowledge and skills to implement succession and development strategies in their organisations. We develop the customised programmes based on the requirements of each customer, as and when we are engaged to do so by our customers.

Under FISH CAMP Learning, these succession planning and development facilitation programmes are developed and delivered by internal consultants and third-party consultants at FISH CAMP Learning's facilities at Petaling Jaya, Selangor or at locations preferred by customers. The duration of these succession planning and development facilitation programmes is typically two days. As at the LPD, there are 4 internal consultants whose role is to administer the abovementioned profile assessment tools.

Our Group does not engage third party consultants under SOUL. The following table depicts the number of external trainers engaged under SOUL mainly for the provision of training relating to succession planning and development facilitation programmes during the Financial Years Under Review:

	Number of external trainers			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Individual trainers	-	1	-	5
Trainers from entities	-	1	1	2
Total	-	2	1	7

Our B2B customers under SOUL and FISH CAMP Learning brands include multinational companies, local public listed companies, local large companies and SMEs.

Notwithstanding that both SOUL and FISH CAMP Learning offer Workplace Big Five Profile, the target customers for SOUL and FISH CAMP Learning are different in that SOUL focuses on government and local public listed companies whereas FISH CAMP Learning targets multinational corporations.

Under our SOUL and FISH CAMP Learning brands, we generate revenue from the following:

- consulting fees for organisational talent consultancy services; and
- profile assessment fees for the profile assessment services.

7. BUSINESS OVERVIEW (CONT'D)

The fee structure for our consulting fees and profile assessment fees are on a one-off contract or purchase order basis.

The number of customers under our SOUL brand for the Financial Years Under Review are as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
No. of customers	0	1	1	2

For the FYE 2021, FYE 2022, FYE 2023, and FYE 2024, revenue contribution from our Discovery segment accounted for nil, 0.58%, 0.21%, and 1.93% of our total revenue, respectively.

7.2.2 Development

Under our Development segment, our Group offers ICT, soft skills and leadership training services, IR4.0 digital skills and certification services, organisation of events, conferences and seminars on human resources under GOAL, SKILL, THE FUTURE TALENT and BUILD A FUTURE TEAM brands.

ICT training services contributes to significant portions of our total revenue. During the Financial Years Under Review, the provision of ICT training services comprised 89.70%, 88.84%, 88.36%, and 88.50% of our total revenue in FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

The solutions that we offer under our brands and target customer segments are as follows:

Brand	Solutions	Target customer segment
GOAL	Soft skills and leadership training services	B2B and B2G
SKILL	ICT training and certifications	B2B and B2G
THE FUTURE TALENT	IR4.0 digital skills and certifications services	B2G and B2C
BUILD A FUTURE TEAM	Organiser for events, conferences and seminars on human resources	B2B and B2G

We also offer our training centres in Kuala Lumpur and Johor to external parties on a rental basis where they can administer examinations.

Our Group engages trainers, whose role is to deliver programmes under our brands, GOAL, SKILL and THE FUTURE TALENT. As at the LPD, our Group had 7 internal trainers who are employees of our Group comprising 4 trainers for technical trainings and 3 trainers for soft skills training. Our Group also engages external trainers who are either individuals or entities (comprising trainers from training providers registered as businesses or companies) to increase the scale of operations. Moving forward, our Group intends to recruit more internal trainers to support our future growth.

The following table depicts the number of external trainers engaged by our Group during the Financial Years Under Review:

7. BUSINESS OVERVIEW (CONT'D)

		Number of external trainers			
		FYE 2021	FYE 2022	FYE 2023	FYE 2024
Individual trainers		27	42	45	47
Trainers from entities		28	35	47	37
Total		55	77	92	84

From 1 January 2025 and up to the LPD, our Group had 85 external trainers, of which 48 were individual trainers and 37 were trainers from entities.

Our Group does not rely on any external individual trainer or entity to deliver our programmes as our Group is able to source for alternative trainers from a large pool of trainers in Malaysia who are able to offer similar training services and meet the quality requirements of our Group. For the Financial Years Under Review and up to the LPD, our Group has not experienced difficulties in sourcing for external trainers to support our Group in delivering our programmes. For information purposes, the largest contribution from any individual trainer is less than 2.50% for the Financial Years Under Review.

For clarification purposes, there is no difference in the programmes delivered by our internal trainers and external trainers as these trainers deliver a standard curriculum according to their respective areas of expertise to participants comprising:

- our own learning and development programme curriculum under GOAL;
- our own curriculum focusing on upskilling and reskilling participants in the area of ICT under SKILL;
- our own curriculum on IR4.0 digital skills and certifications under THE FUTURE TALENT; and
- programme curriculum developed by our technology partners under SKILL.

Our Group sources external trainers from online professional networking platforms and through referrals. We take into consideration several factors while engaging external trainers such as certifications, experience, technical proficiency and ability to work collaboratively within a team. The external trainers that we have appointed comprise both Malaysians and foreigners. Please refer to Section 7.12(c) for further information on the quality control measures for our trainers.

For the FYE 2021, FYE 2022, FYE 2023, and FYE 2024, revenue contribution from our Development segment accounted for 99.64%, 98.67%, 99.28%, and 97.56% of our total revenue, respectively.

(i) GOAL

We focus on delivering leadership training programmes under our GOAL brand. These leadership training programmes aim to nurture leadership skills and soft skills among participants with the objective of contributing to organisation development and support business growth and transformation.

These leadership training programmes under our GOAL brand are delivered based on customer learning objectives and agreed frameworks whereby the duration of these programmes may range from 6 days to 8 days and 9 months to 12 months depending on program structure, meeting frequency and customer requirements. These programmes are typically delivered at our Group's training centres or locations preferred by our Group's customers, which include their office premises or event / meeting rooms at hotels.

7. BUSINESS OVERVIEW (CONT'D)

The programmes that we offer under our GOAL brand are developed internally and comprise the following:

Programmes	Description	Duration	Mode of delivery
Goals essentials	A customisable leadership development program to prepare individuals for leadership roles and develop essential soft skills. The program is customisable based on the requirements of organisations and their employees. The modules under this programme comprise: - Self-leadership - Communication intelligence - Emotional intelligence - Critical problem solving - Building informal leadership	Typically 6 to 8 days	- Online through virtual platform; or - Our Group's training centre or locations preferred by our customers
Emerging leaders	A customisable leadership development programme to prepare early-career to mid-career professionals for senior leadership roles and develop essential knowledge and soft skills. The programme is customisable based on the requirements of organisations and their employees. The modules under this programme comprise: - Self-mastery - Building effective courageous communication - Leadership and coaching skills - People and performance management - Strategic and analytical thinking skills - Business acumen	Typically 9 to 12 months	- Online through virtual platform; or - Our Group's training centre or locations preferred by our customers
Coach leader development	A customisable leadership development programme to prepare senior-career professionals with leadership coaching skills, tools and knowledge to guide and mentor their employees. The programme is customisable based on the requirements of organisations and their employees. The modules under this programme comprise: - Leadership quality - Leadership strategies - Leadership communication - Leader lead leader	Typically 9 to 12 months	- Online through virtual platform; or - Our Group's training centre or locations preferred by our customers

7. BUSINESS OVERVIEW (CONT'D)

The programmes offered under our GOAL brand are delivered by our in-house and external trainers.

We target B2B and B2G customers under our GOAL brand. Our B2B customers include multinational companies, local public listed companies, local large companies and SMEs, whilst our B2G customers comprise government agencies.

The number of customers and participants under our GOAL brand for the Financial Years Under Review are as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
No. of customers	49	55	57	65
- B2B	49	54	56	64
- B2G	-	1	1	1
No. of participants	4,696	4,883	3,622	4,685

Under our GOAL brand, we generate revenue on a one-off contract or purchase order basis from training fees for the leadership training programmes that we provide to participants.

(ii) SKILL

We provide professional ICT training and certifications under our SKILL brand where we focus on reskilling and upskilling corporate talents with digital skills.

Our professional ICT training and certification generally refers to industry-based technical training and certifications that are provided by our international technology partners such as CompTIA and AWS. In this context, we leverage on the programme curriculum developed by the aforementioned international technology partners. We also develop our own curriculum focusing on upskilling and reskilling participants in the area of ICT, whereby our trainers develop training materials based on among others, their experience and training materials from various technology partners to offer participants more comprehensive programme for the ICT training and certifications that we offer under SKILL.

Our professional ICT training and certifications are aimed at providing specific and practical ICT skills for individuals entering the ICT industry, updating their skills and knowledge, expanding their skill sets as well as preparing participants for career advancement. For professional certification courses, a certification examination is then held at the end of each training course.

Professional ICT certification is important as they serve as credentials of the individual's skill and knowledge base. Such certification also provides a uniform and independent means of accessing a person's skill and knowledge base.

Our professional ICT training and certifications are for specific and short courses, where each course ranges from one day to one week to complete. All the professional ICT certifications offered by us are awarded directly by our international technology partners for participants who pass their examination.

Our professional ICT training and certifications encompass:

- **Classroom based training:** refers to trainer or instructor-led training where our trainers bring to the classroom a broad range of hands-on experience and expertise to transfer their skills and knowledge to the participants.

7. BUSINESS OVERVIEW (CONT'D)

We provide step-by-step instructions on the implementation of various technology solutions with all the necessary facilities and software applications. All course materials and workbooks for the professional ICT courses are sourced directly from the respective technology or software vendors.

- **Virtual based training:** refers to trainer-led or instructor-led sessions where our trainers leverage on their hands-on experience and expertise to deliver skills and knowledge directly to participants in a virtual environment.
- **Hands on practical training:** where the training solutions are built on practical real-world situations, which allow participants to perform each step individually and gain hands-on experience.
- **Examination preparation:** where we prepare all our participants for certification examinations.

We provide a wide range of professional ICT training and certification encompassing approximately 200 types of courses from various internationally recognised technology and software vendors and organisations. We are also Microsoft's authorised learning centre.

From time to time, we are assessed by these technology and software vendors and organisations in order to maintain our accreditations from them. We also periodically upgrade our accreditations to more advanced levels with our technology and software vendors and organisations.

Some of these professional ICT training and certifications include:

Organisations	Types of training and certification
Microsoft	Microsoft Certified PL-300 Power BI Data Analyst Microsoft Certified: Azure Fundamentals Microsoft Certified: Azure Administrator Associate Microsoft Certified: Azure Solutions Architect Expert Microsoft Certified: Azure Developer Associate Microsoft 365 Certified: Fundamentals Microsoft Certified: Power Platform Fundamentals Microsoft Certified: Security, Compliance, and Identity Fundamentals Microsoft Certified: Data Analyst Associate
CompTIA	CompTIA A+ Certification CompTIA Network+ Certification CompTIA Security+ Certification CompTIA CySA+ Certification CompTIA Cloud+ Certification CompTIA Linux+ Certification CompTIA Project+ Certification CompTIA Server+ Certification CompTIA Cloud Essentials+ Certification CompTIA Pentest+ Certification CompTIA CASP+ Certification CompTIA Data+ Certification

7. BUSINESS OVERVIEW (CONT'D)

Organisations	Types of training and certification
AWS	AWS Cloud Practitioner Essentials AWS Technical Essentials Developing on AWS Cloud Operations on AWS Advanced Architecting on AWS Security Engineering on AWS DevOps Engineering on AWS Architecting on AWS
EC-Council	Certified Ethical Hacker (C EH) v12 Certified Network Defender (C ND) v2 Computer Hacking Forensic Investigator (C HFI) v10 Certified Cybersecurity Technician (C CT)
PeopleCert	ITIL 4 Foundation DevOps Leader (DOL)® DevOps Foundation®
Project Management Institute	Project Management Professionals Certified Associate in Project Management PMI Agile Certified Practitioner
Cisco	Cisco Certified Network Associate Cisco Certified Network Professional Cisco Certified Internetwork Expert Cisco CyberOps Associate
CertNexus	Certified AI Practitioner Certified Data Science Practitioner Artificial Intelligence for Business Professionals Training Data Science for Business Professionals Training

In addition, we are authorised by Pearson VUE as an authorised test centre for professional certification ICT examinations in Kuala Lumpur and Johor under our SKILL brand.

Pearson VUE is a business of NCS Pearson Inc., which is a subsidiary of Pearson plc. that is listed on the New York Stock Exchange and London Stock Exchange. Pearson VUE provides a range of services including test development and data management and delivers examinations through a network of test centres in over 100 countries.

The programmes offered under our SKILL brand are delivered by our in-house and external trainers.

We target B2B and B2G customers under our SKILL brand. Our B2B customers include multinational companies, local public listed companies, local large companies and SMEs, whilst our B2G customers comprise government agencies.

7. BUSINESS OVERVIEW (CONT'D)

The number of customers and participants under our SKILL brand for the Financial Years Under Review are as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
No. of customers	157	219	198	139
- B2B	147	210	195	138
- B2G	10	9	3	1
No. of participants	9,309	10,627	9,358	7,203

Under our SKILL brand, we generate revenue on a one-off contract or purchase order basis from training fees and examination fees for the professional ICT training and certifications that we provide to our participants.

(iii) THE FUTURE TALENT

We offer IR4.0 digital skills and certifications under THE FUTURE TALENT brand. These programmes provide individuals with certifications required by industries and aim to reskill and upskill individuals to improve their employability in an increasingly digital economy.

We develop the IR4.0 digital skills and certifications curriculum internally by incorporating training materials from various technology partners to offer participants more comprehensive programmes. Our technology partners allow us to incorporate their training materials into our programmes.

The programmes that we offer under THE FUTURE TALENT are as follows:

Programmes	Description	Duration	Mode of delivery
Data science and machine learning	This programme encompasses the areas of data analysis and machine learning methods, tools and technology. The modules under this program comprise: - Introduction to data science analytics - Data manipulation and cleaning - Data visualisation - Descriptive statistics and exploratory data science analytics - Data analysis - Data analysis with Pandas, Excel, SQL, R, Tableau and Power BI - Data science with Python, R, Jupyter Notebooks, Scikit-Learn, TensorFlow, Keras and Apache Spark - Introduction to machine learning - Advanced machine learning techniques - Introduction to deep learning - Natural language processing - Computer vision libraries - Time series analysis - Reinforcement learning libraries	Typically 26 days	Online through virtual platform

7. BUSINESS OVERVIEW (CONT'D)

<u>Programmes</u>	<u>Description</u>	<u>Duration</u>	<u>Mode of delivery</u>
	- Capstone project The career pathway opportunities for participants include positions such as data analyst, business intelligence analyst, data scientist, data engineer and machine learning engineer.		
Full stack development	This program equips individuals with digital knowledge and skills necessary to pursue a career in the field of computer science. Over the course of this program, individuals will learn from industry experts and experienced instructors. The modules under this program comprise: - Frontend technologies - Backend technologies - API technologies - Database technologies - Cloud technologies - Version control - Containerisation - AI integration The career pathway opportunities for participants include positions such as full stack developer, frontend developer, backend developer, DevOps engineer and technical support engineer.	Typically 46 days	Online through virtual platform
Cybersecurity analytics	This program equips individuals with the knowledge and skills to pursue a career in cybersecurity analytics. This program combines in-depth training on core cybersecurity concepts with practical experience using industry-standard tools. The modules under this program are: - Foundational knowledge and CompTIA Security+ - Core cybersecurity analytics and CompTIA Security+ - Security implementation - Operations and incident responses - Governance, risk and compliance The career pathway opportunities for participants include positions such as cybersecurity analyst, network security engineer, information security	Typically 22 days	Online through virtual platform

7. BUSINESS OVERVIEW (CONT'D)

<u>Programmes</u>	<u>Description</u>	<u>Duration</u>	<u>Mode of delivery</u>
	consultant, threat intelligence analyst and security engineer.		

We also provide career support to our participants who graduate from these programmes by connecting them with our hiring partners, many of which are multinational companies, local public listed companies, local large companies and SMEs, within 90 days upon completing their IR4.0 digital skills and certification programmes. For some of our programmes offered to B2G customers, we have in place a monitoring mechanism subsequent to the participants' certification whereby our Group is required to monitor these participants through coaching and mentoring them. The monitoring mechanism involves meeting with our participants physically or virtually on a monthly basis, where during these sessions, we will discuss with them on areas such as their resumes, equipping them with interviews skills as well as assisting them in developing their own project portfolio to showcase to prospective employers. For clarity purposes, the coaching and monitoring are offered as value added services with no additional charges.

The programmes offered under THE FUTURE TALENT brand are delivered by our internal and external trainers.

We target B2G and B2C under THE FUTURE TALENT brand. Our B2G customers include government agencies while our B2C customers include school leavers, fresh graduates and working professionals.

The number of customers and participants under THE FUTURE TALENT brand for the Financial Years Under Review are as follows:

	<u>FYE 2021⁽¹⁾</u>	<u>FYE 2022⁽¹⁾</u>	<u>FYE 2023</u>	<u>FYE 2024</u>
No. of customers	-	-	46	439
- B2C	-	-	46	439
- B2G	-	-	-	-
No. of participants	-	-	233	439

Note:

(1) THE FUTURE TALENT was only introduced in FYE 2023.

Under THE FUTURE TALENT brand, we generate revenue on a one-off contract or purchase order basis from project management fees and examination fees for the IR4.0 digital skills and certifications that we provide to participants.

(iv) BUILD A FUTURE TEAM

Under our BUILD A FUTURE TEAM brand, we organise events, conferences and seminars on human resources across Southeast Asia to discuss, learn and share insights relating to developing and managing talent within the workforce. It is an initiative focused on building a community of industry leaders and human resource professionals across Southeast Asia.

We promote these events, conferences and seminars via social media to create awareness about our BUILD A FUTURE TEAM brand to reach a larger audience and encourage participants to register for these events. We also receive referrals from existing customers and attendees of our past BUILD A FUTURE TEAM events in foreign countries.

7. BUSINESS OVERVIEW (CONT'D)

For the Financial Years Under Review and up to the LPD, we have organised the following events, conferences and seminars:

Year	Events, conferences and seminars	Location
January 2022	Build A Future Team HR Conference 2022	Kuala Lumpur, Malaysia
August 2022	Build A Future Team IT Conference 2022	Kuala Lumpur, Malaysia
November 2022	IT CONNECT 2022 - Connecting Dots	Kuala Lumpur, Malaysia
November 2023	Build A Future Team HR Conference 2023	Singapore
January 2024	Talent Development and Succession Planning Workshop	Webinar
April 2024	Build A Future Team 2024 Connect Malaysia - Embracing the Digital Age	Kuala Lumpur, Malaysia
May 2024	Build A Future Team 2024 Connect Indonesia - Powering Impactful Connections	Jakarta, Indonesia
July 2024	Build A Future Team 2024 Connect Malaysia - Powering Impactful Connections	Kuala Lumpur, Malaysia
July 2024	Build A Future Team 2024 Connect Indonesia - Embracing the Digital Age	Jakarta, Indonesia
August 2024	Build A Future Team 2024 Connect Philippines – Digital transformation in learning and development	Manila, Philippines
September 2024	Build A Future Team 2024 Connect Malaysia - Leading with Insight	Kuala Lumpur, Malaysia
October 2024	Build A Future Team HR Conference 2024	Bali, Indonesia
November 2024	HR Masterclass 1.0 - Enhancing employee experience and AI in recruitment	Webinar
December 2024	HR Masterclass 2.0 - Data insights and mastering compensation and benefits	Webinar

7. BUSINESS OVERVIEW (CONT'D)

We have organised the following events, conferences and seminars in 2025:

Year	Events, conferences and seminars	Location
January 2025	BUILD A FUTURE TEAM Lou Sang Meet up	Kuala Lumpur, Malaysia
March 2025	Cyber AI Connect	Webinar



Build A Future Team 2024 Connect Malaysia - Embracing the Digital Age
April 2024



Build A Future Team 2024 Connect Indonesia - Powering Impactful Connections
May 2024

We target B2G and B2B customers under our BUILD A FUTURE TEAM brand. Our B2G customers comprise government agencies while our B2B customers include multinational companies, local public listed companies, local large companies and SMEs.

7. BUSINESS OVERVIEW (CONT'D)

The number of attendees who participated in conferences under our BUILD A FUTURE TEAM brand for the Financial Years Under Review are as follows:

	FYE 2021⁽¹⁾	FYE 2022	FYE 2023	FYE 2024
No. of events, conferences and seminars	-	3	1	10
No. of attendees	-	262	152	621
No. of sponsors	-	1	2	4

Note:

(1) BUILD A FUTURE TEAM was only introduced in FYE 2022.

Under BUILD A FUTURE TEAM, we generate revenue on a one-off basis from ticketing fees and sponsorships received for each of the conferences, events and seminars that we organise.

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7. BUSINESS OVERVIEW (CONT'D)**7.2.2.1 Ongoing projects under Development**

As at the LPD, our Group has 14 ongoing projects under our Development segment with total contract value of RM33.05 million.

As at the LPD, the ongoing projects under our Development segment with contract values above RM0.30 million are set forth in the table below:

Programme title	Customer	Commencement date / Expected completion date	Contract value/ Balance contract value as at the LPD (RM million)
Microsoft Cloud Solution Expert	Yayasan Peneraju	June 2023 / June 2027	3.32 / 0.87
Cybersecurity Full Stack	Yayasan Peneraju	May 2023 / May 2027	4.91 / 0.41
Android Certified Application Engineer	Yayasan Peneraju	November 2023 / December 2025	4.35 / 0.65
Cisco Certified Network Professional	Yayasan Peneraju	November 2023 / December 2025	4.75 / 2.40
Applied Artificial Intelligence	Yayasan Peneraju	January 2023 / March 2027	4.01 / 0.15
Full Stack Developer, Data Science Analyst and UI/UX Designer	YP Advanced Skills Sdn Bhd	May 2024 / April 2025	0.83 / 0.08
Applied Artificial Intelligence	Yayasan Peneraju	June 2024 / December 2025	2.72 / 1.55
Cybersecurity Full Stack	Yayasan Peneraju	July 2024 / December 2025	2.15 / 1.35
Solution architect	Yayasan Peneraju	June 2024 / December 2025	2.04 / 1.08
Cloud Security Specialist	Yayasan Peneraju	June 2024 / December 2025	1.72 / 1.21
Technical, soft skills and leadership	Customer C ⁽¹⁾	August 2024 / July 2027	0.34 / 0.012
Professional Employability Enhancement and Development Finance and Business Services Project Management Professional	Yayasan Peneraju	August 2024 / December 2025	0.78 / 0.50

7. BUSINESS OVERVIEW (CONT'D)

Programme title	Customer	Commencement date / Expected completion date	Contract value/ Balance contract value as at the LPD (RM million)
Digital Literacy and Fluency	Johor Corporation	January 2025 / 2026 ⁽²⁾	0.32 / 0.29
Data Analytics and AI	Customer D ⁽³⁾	March 2025 / December 2025	0.81 / 0.81 ⁽⁴⁾

Notes:

- (1) Customer C, incorporated in Malaysia, is a global aviation company with three main business portfolios, namely airlines, loyalty and travel services, and aviation services. Attempts to obtain Customer C's consent to disclose its information in the Prospectus were unsuccessful. As such, Customer C's name has not been disclosed.
- (2) As at the LPD, our Group is in the midst of finalising the duration of the contract with Johor Corporation.
- (3) Customer D, incorporated in Malaysia, is a subsidiary owned by Bank Negara Malaysia, and is the national payments network and shared central infrastructure for Malaysia's financial markets.
- (4) As at the LPD, our Group has yet to issue the first invoice to Customer D for this programme.

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7. BUSINESS OVERVIEW (CONT'D)**7.2.2.2 Completed projects under Development**

During the Financial Years Under Review and up to the LPD, our Group had completed 11 projects under the Development segment with total contract value of RM28.39 million.

For the Financial Years Under Review and up to the LPD, the completed projects under the Development segment with contract values above RM0.30 million are set forth in the table below:

Programme title	Customer	Commencement date / Completion date	Contract value (RM million)
Data scientist and Cybersecurity	MIGHT	June 2022 / October 2022	1.50
Data Scientist	Yayasan Peneraju	July 2019 / April 2022	6.30
Cybersecurity Full Stack	Yayasan Peneraju	July 2020 / July 2024	1.60
MCSE Core Infrastructure	Yayasan Peneraju	July 2020 / July 2024	3.96
Data Engineer	Yayasan Peneraju	December 2020 / May 2024	1.34
Data Scientist	Yayasan Peneraju	December 2020 / May 2024	1.42
Data Engineer	Yayasan Peneraju	July 2019 / April 2022	5.04
Power BI with Talents	Universiti Teknologi MARA	September 2022 / September 2023	0.45
Cloud computing	Customer A ⁽¹⁾	December 2023 / December 2023	0.40
Cybersecurity	Customer A ⁽¹⁾	December 2023 / December 2023	0.50
Data Analyst	Malayan Banking Berhad	December 2023 / July 2024	0.64
Professional ICT training and certification on CompTIA Security+ as well as career coaching	Customer B ⁽²⁾	May 2024 / December 2024 ⁽³⁾	5.24

7. BUSINESS OVERVIEW (CONT'D)

Notes:

- (1) *Customer A is a Malaysian government agency that is established to drive Malaysia's digital economy. Attempts to obtain Customer A's consent to disclose its information in the Prospectus were unsuccessful. As such, Customer A's name has not been disclosed.*
- (2) *Customer B, incorporated in Malaysia is involved in fund investment and is owned by the body corporate of one of the ministries of the Government. Attempts to obtain Customer B's consent to disclose its information in the Prospectus were unsuccessful. As such, Customer B's name has not been disclosed.*

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7. BUSINESS OVERVIEW (CONT'D)

7.2.3 Digital

Under our Digital segment, our Group has developed and operates digital learning and development platforms namely, PEOPLEAPS and SKILLSTURE. We also offer training content digitalisation services under INTERACTIVE.

For clarity, we do not offer certification for programmes under PEOPLEAPS and SKILLSTURE platforms, as the objective of introducing these platforms is to offer subscribers an additional digital learning platform to enhance their learning experience.

We leverage on our existing and internal trainers to deliver contents under our Digital segment, and we engage these trainers based on their respective areas of expertise.

The solutions that we offer under our brands and customer segments are as follows:

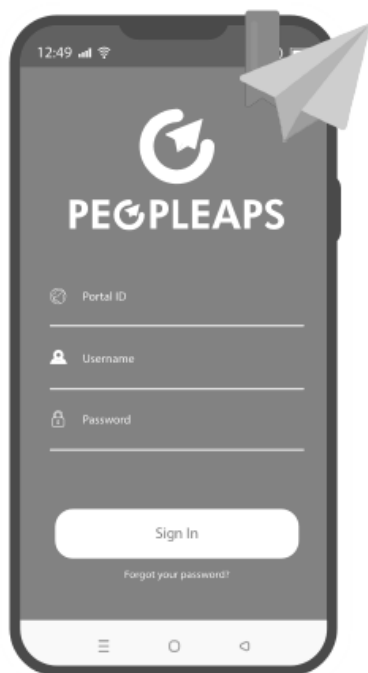
Brands	Solutions	Target customer segment
PEOPLEAPS	Learning and performance management system	B2B
SKILLSTURE	Online learning platform	B2C
INTERACTIVE	Training content digitalisation service	B2B

For the FYE 2021, FYE 2022, FYE 2023, and FYE 2024, revenue contribution from our Digital segment accounted for 0.36%, 0.75%, 0.51% and 0.51% of our total revenue, respectively.

(a) PEOPLEAPS

PEOPLEAPS is a subscription-based mobile application platform that digitalises offline training management to an online interface. PEOPLEAPS is designed for continuous learning and performance improvement for individuals and organisations. Users can access our digital library of learning materials, study courses and complete assessments through PEOPLEAPS. It also enables human resource professionals to monitor employee learning performance and outcomes and provides feedback and coaching to their employees. Further, human resource professionals will be able to incorporate PEOPLEAPS in their organisations by digitalising their standard operating procedures, onboarding manuals and proprietary training content, thereby making them easily accessible to employees through PEOPLEAPS. As at the LPD, PEOPLEAPS has 22,747 active users (defined as users that have signed up for PEOPLEAPS and attended programs whilst being tracked on their progress on said programs)

The modules under PEOPLEAPS comprise LMS, TMS and CMS. These modules incorporate data analytics for users to track their learning progress and performance through the mobile application.

7. BUSINESS OVERVIEW (CONT'D)**LMS**

- Easily track learner's progress & performance
- Flexible learning
- Optimized L&D cost

TMS

- Punctuality & attendance tracking
- Simplify and automate training management processes
- Training Performance with Analytics

CMS

- Organise content in one location
- Unlimited access to E-Learning material
- Up-to-date to and immediate content

PEOPLEAPS

Modules	Description
LMS	LMS streamlines the delivery and management of learning processes. It provides detailed tracking and reporting of subscribers' progress, enabling trainers to identify and support subscribers and assess the effectiveness of their programs. The flexibility of LMS allows subscribers to access educational content anytime and anywhere, accommodating diverse learning styles and busy schedules. Additionally, LMS optimises costs by reducing the need for physical infrastructure and administrative tasks, while offering scalable solutions for training a large number of subscribers.
TMS	TMS streamlines and automates various aspects of training administration, ensuring punctuality and attendance tracking, simplifying training management processes and providing performance analytics. By automating attendance and punctuality tracking, TMS ensures that trainers can focus on delivering content rather than administrative tasks. It simplifies training processes by organising schedules, managing resources and automating notifications and reminders. Additionally, TMS provides detailed analytics on training performance, allowing organisations to measure the effectiveness of their training programmes and make data-driven decisions for improvement.
CMS	CMS enables the organising and managing of educational content in a centralised location, providing unlimited access to e-learning materials and ensuring content is up-to-date and immediately accessible. By organising content in one place, CMS allows trainers to easily manage and update materials, ensuring consistency and accuracy. Unlimited access to e-learning materials enables learners to study at their own pace and revisit content as needed. The immediate availability of up-to-date content ensures that subscribers always have access to the latest information and resources. For

7. BUSINESS OVERVIEW (CONT'D)

clarity, the e-learning material content under the CMS is developed and customised by our Group based on the individual learning requirements of our customers.

We target B2B customers under our PEOPLEAPS brand comprising multinational companies, local public listed companies, local large companies and SMEs.

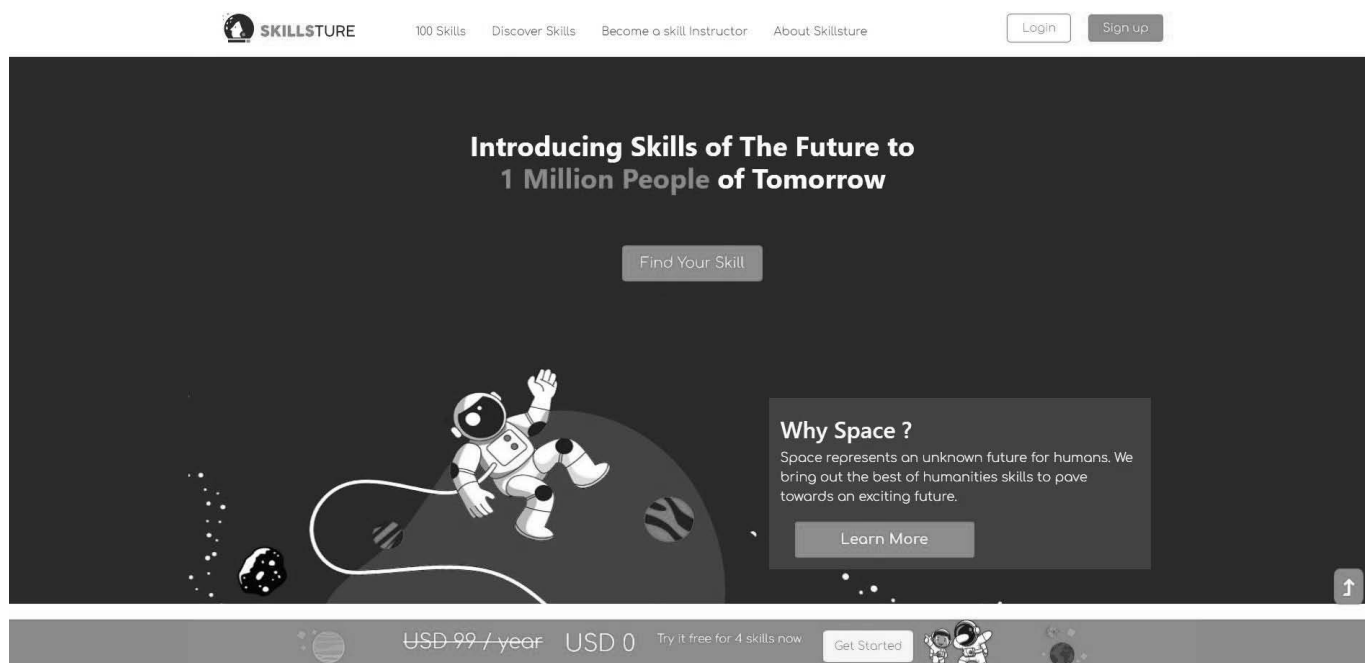
Presently, we offer PEOPLEAPS to all our customers under our SOUL, GOAL, SKILL and THE FUTURE TALENT brands. We generate subscription fees from PEOPLEAPS where the subscription is on a monthly basis with the minimum commitment period ranging from 6 months to 3 years.

(b) SKILLSTURE

SKILLSTURE is a subscription-based microlearning live streaming platform that allows subscribers to pick up skills required for their career advancement and personal development. In our live streaming platform, trainers conduct training “live” as opposed to pre-recording the training sessions. As such, subscribers will be able to interact with the trainers during the “live” training session in order to enhance their learning experience.

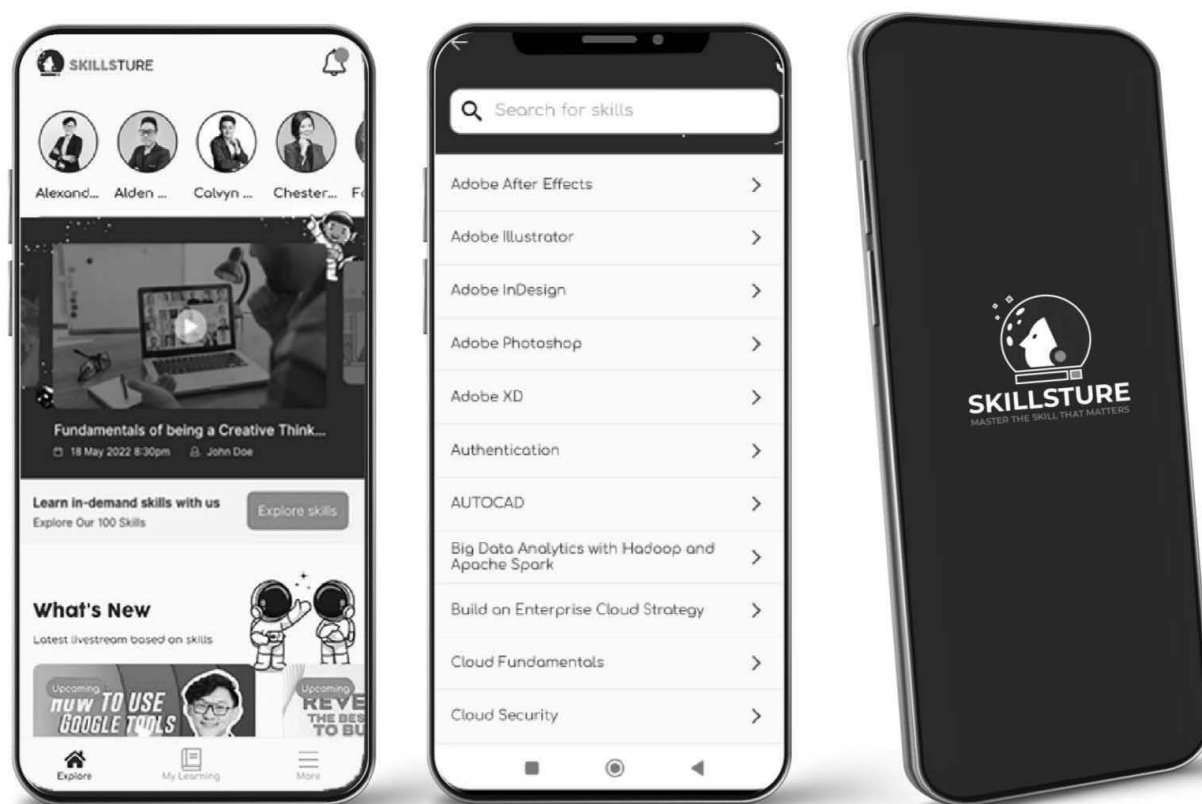
SKILLSTURE is available to users via website and mobile application. SKILLSTURE facilitates upskilling and reskilling needs for subscribers. As at the LPD, SKILLSTURE has 13,328 active users (defined as users that have signed up for SKILLSTURE and remain in SKILLSTURE’s mailing list).

Website interface for SKILLSTURE



7. BUSINESS OVERVIEW (CONT'D)

Mobile application for SKILLSTURE



The programmes offered under our SKILLSTURE brand are delivered by our internal and external trainers.

The core features of SKILLSTURE are as follows:

Core features	Description
Microlearning	The courses are broken down into small and easy to digest modules to facilitate the learning process of subscribers and promote better understanding. The microlearning material content is developed and customised by our Group based on the individual learning requirements of our customers.
Live question and answer sessions	The courses and modules are conducted live, thereby allowing real-time interactive sessions where participants can raise questions and receive immediate responses from trainers. Live sessions encourage actively involvement of subscribers and enhance their overall learning experience.

7. BUSINESS OVERVIEW (CONT'D)

On-demand access	Recorded sessions are available for participants to access from anywhere at any time. It also provides flexibility to the participants where participants can study at their own pace and revisit materials as needed
Flexibility and convenience	Participants have unlimited access to all past programmes and learning resources, which eliminates the stress of keeping up with live sessions, as participants can access materials at their convenience.

The courses offered under SKILLSTURE are as follows:

Courses	Description
 Cloud Computing	Our cloud computing courses encompass cloud infrastructure, deployment strategies and security that provides comprehensive knowledge on leveraging cloud technologies for scalable and flexible ICT solutions. This course provides subscribers with the skills to leverage on cloud technology in lowering their organisations' ICT costs, enhancing collaboration and increasing agility in deploying and managing applications. It also equips subscribers with cloud computing skills to remain competitive in the current digital economy.
 Cybersecurity	Our cybersecurity courses encompass areas such as network security, data protection, threat management and incident response. Subscribers will be able to safeguard personal and organisation data and systems against cyber threats.
 Big Data	Our big data courses encompass areas such as data collection methods, storage solutions, data processing and analytics tools. Subscribers will be able to gain skills to manage and analyse large datasets from our big data courses. Our courses enable businesses to make data-driven decisions and optimise operations which contribute to business growth and innovation.

7. BUSINESS OVERVIEW (CONT'D)**Courses****Description****Digital Marketing**

Our digital marketing courses encompass aspects such as search engine optimisation, content marketing, social media marketing, email marketing and analytics, providing subscribers with the skills to promote products and engage with customers online.

**Product UI/ UX**

Our product UI/UX courses encompass areas such as user interface design principles, user experience research, prototyping and usability testing which subscribers can leverage upon to create intuitive and user-friendly digital products and remained competitive on digital marketplaces.

We target B2C customers comprising school leavers, fresh graduates and working professionals under our SKILLSTURE brand.

Our Group is presently in the midst of enhancing SKILLSTURE which we target to complete in FYE 2026, upon which we expect to commence generating revenue in the form of annual subscription fees.

(c) INTERACTIVE

Under our INTERACTIVE brand, we digitalise training content to improve the learning experience of participants. Our customers are businesses that typically require customised digital training content to digitalise learning and development programmes for their employees. The pre-recorded training content is then uploaded on PEOPLEAPS whereby subscribers can access the training content at their own pace. Typically, our customers seek to digitalise their learning and development programmes to improve efficiency of training delivery, enhance employee learning process while minimising cost.

We customise and incorporate different learning and development elements including:

Modes**Description**

Translation and localisation

We adapt training materials to suit local markets through language translation and cultural localisation. These training materials are typically translated from English to Bahasa Malaysia and Mandarin.

Game-based learning

We design learning modules into a game-based format to create engaging learning experiences to increase retention of knowledge and motivate participants.

7. BUSINESS OVERVIEW (CONT'D)

Modes	Description
Interactive assessment	We introduce interactive assessments incorporating videos that are engaging and user-friendly to improve user experiences and encourage participation and comprehension of the training subjects.

**Content digitalisation development**

We target B2B customers under our INTERACTIVE brand comprising multinational companies, local public listed companies, local large companies and SMEs.

Under INTERACTIVE, we generate revenue in the form of video production fees.

7.3 PRINCIPAL MARKETS

We principally operate in Malaysia. During the Financial Years Under Review, we organised the BUILD A FUTURE TEAM's conference in Marina Bay, Singapore which contributed to our Group's revenue in FYE 2023 as well as the BUILD A FUTURE TEAM HR Conference 2024 in Bali, Indonesia, BUILD A FUTURE TEAM 2024 Connect Indonesia in Jakarta, Indonesia, and BUILD A FUTURE TEAM event held in Manila, Philippines which contributed to our revenue in FYE 2024.

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	16,278	100.00	22,793	100.00	24,291	98.23	28,610	97.84
Singapore	-	-	-	-	⁽¹⁾ 438	1.77	-	-
Indonesia	-	-	-	-	-	-	⁽²⁾ 585	2.00
Philippines	-	-	-	-	-	-	⁽³⁾ 46	0.16
Total	16,278	100.00	22,793	100.00	24,729	100.00	29,241	100.00

Notes:

- (1) Relates to revenue generated from BUILD A FUTURE TEAM's conference in Marina Bay, Singapore in November 2023. The BUILD A FUTURE TEAM conference is purely an event organised by our Group that brings together a community of industry leaders and human resource professionals across Southeast Asia to discuss, learn and share insights relating to developing and managing talent within the workforce. We do not offer any professional training courses under the BUILD A FUTURE TEAM conference.
- (2) Relates to revenue generated from BUILD A FUTURE TEAM HR Conference 2024 in Bali, Indonesia and BUILD A FUTURE TEAM 2024 Connect Indonesia in Jakarta, Indonesia.
- (3) Relates to revenue generated from BUILD A FUTURE TEAM in Manila, Philippines.

7. BUSINESS OVERVIEW (CONT'D)

We intend to expand our presence regionally as part of our strategies and business plans. Please refer to Section 7.17(ii)(b) of this Prospectus for more details on our regional expansion plans.

The breakdown of our Group's revenue by business segments is as follows:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Discovery	-	-	133	0.58	51	0.21	564	1.93
Development	16,219	99.64	22,489	98.67	24,551	99.28	28,527	97.56
Digital	59	0.36	171	0.75	127	0.51	150	0.51
Total	16,278	100.00	22,793	100.00	24,729	100.00	29,241	100.00

7.4 COMPETITIVE ADVANTAGES AND KEY STRENGTHS

Our competitive advantages and key strengths that have provided us with the platform to sustain and grow our business are as follows:

(i) We have a compelling value proposition that supports Malaysia's digital economy aspirations

As an integrated people development solutions provider, our value proposition is to equip individuals, businesses and the government with digital skills in an advancing digital economy where we aim to:

- boost the employability and digital competencies of fresh graduates, school leavers and working professionals through upskilling and reskilling;
- increase the competitiveness of businesses with digitally skilled and competent workforce; and
- accelerate Malaysia's aspiration to achieve high-income nation status and digital economy transformation.

We are dedicated to nurturing and equipping individuals with digital skills and IR4.0 competencies for an advancing digital economy. In Malaysia, skills shortage is a significant issue, prompting individuals to recognise the importance of upskilling and reskilling to enhance their employability and advance their careers. The competitive business environment, growing complexity, and digital revolution are reshaping organisational demands on employees. The transition to a digital, knowledge-based economy necessitates a digitally skilled workforce for organisations. To address this, the Government is actively fostering future digital talent and enhancing the existing workforce by organising and subsidising digital skills learning and development programmes through, among others, initiatives under Budget 2024 and Budget 2025 that aim to nurture a competent and digitally skilled workforce to support the nation's digital economy aspirations. Please refer to Section 8 of this Prospectus for further details on these initiatives.

We contribute to building a digitally skilled workforce that is capable of supporting a resilient and dynamic digital economy.

7. BUSINESS OVERVIEW (CONT'D)

(ii) We offer customised people development solutions which is built on our 6 Dimensions ("6D") framework

Our integrated people development solutions are built on our 6D framework to achieve effectiveness and alignment with our clients' goals. This framework, which we developed internally, is the cornerstone of our approach, enabling us to deliver customised solutions to meet the requirements of our customers.

Our 6D framework is as illustrated below:



Our 6D framework also guides the manner in which we carry out our business. Please refer to Section 7.6 of this Prospectus for our operational processes.

- **Discover and Design**

Through our SOUL and FISH CAMP Learning brands, we provide organisational talent consultancy and profile assessment services that focus on the discovery and design of organisational development strategy, performance management system, assessment and succession, talent acquisition, talent management and workforce transformation.

- **Develop and Deploy**

Through our GOAL, THE FUTURE TALENT and SKILL brands, we aim to equip individuals with ICT skills, soft skills, leadership skills, IR4.0 digital skills and certifications to equip them with technology and digital skills, and to enhance their employability and competitiveness in order to contribute to the development of their respective organisations.

Through our BUILD A FUTURE TEAM, we aim to build a community of industry leaders and human resource professionals across Southeast Asia. Under our Build A Future Team initiative, we organise events, conferences and seminars on human resources to discuss, learn and share insights relating to developing and managing talent within the workforce.

- **Digitise and Digitalise**

Through our PEOPLEAPS brand, we operate learning and performance management systems where we digitise offline training management to an online interface and we digitalise training content under SKILLSTURE and INTERACTIVE. Our digital learning and development platforms as well as training content are designed to be engaging and flexible to facilitate learning processes for employees.

By leveraging upon our 6D framework, we deliver integrated people development solutions that are effective, adaptable and aligned to our client's organisational goals, as well as ensuring the workforce is equipped to thrive in an increasingly digital and dynamic world.

7. BUSINESS OVERVIEW (CONT'D)**(iii) We have recognisable technology partners to support our delivery of integrated people development solutions to customers**

We collaborate with technology partners that support us in the delivery of our integrated people development solutions. These partnerships are crucial in ensuring that our programmes are comprehensive, up-to-date, impactful and reach a wide consumer market.

We source professional ICT training and certifications from technology partners, several of whom we have business relationships ranging from 2 to 8 years. These include:

Technology partner	Length of business relationship
CompTIA	8
AWS	3
EC-Council	5
PeopleCert	7 ⁽¹⁾
Project Management Institute	3

Note:

- (1) Our Group's prior business relationship with PeopleCert from 2018 to 2023 was via CT Global Consultants (M) Sdn Bhd. In 2023, our Group had entered into a direct business relationship with PeopleCert.

Further, our Group is Microsoft's authorised learning centre.

These partnerships enable us to offer industry-based technical training and certifications that are internationally recognised.

We have approximately 24 years of track record commencing from when Allen Lee started PEOPLElogy Development in 2001. Over the years, our Group has evolved from a skills training provider into an integrated people development solutions provider. We have developed capabilities in discovering talent needs, designing, developing, deploying, digitising and digitalising training programmes that meet the requirements of our customers.

This track record and collaborations with reputable technology partners has enabled us to secure established customers, including multinational corporations, public listed and private companies, SMEs and government agencies. We have established between 2 to 9 years of business relationships with several customers, among which include:

Customer	Length of business relationship
Yayasan Peneraju	7
MIMOS Berhad	4
MIGHT	2
Customer A ⁽¹⁾	6
Fraser & Neave Group ⁽²⁾	9

Notes:

- (1) Customer A is a Malaysian government agency that is established to drive Malaysia's digital economy. Attempts to obtain Customer A's consent to disclose its information in the Prospectus were unsuccessful. As such, Customer A's name has not been disclosed.
- (2) Companies that our Group has transactions with comprise Fraser & Neave (Malaya) Sdn Bhd and Fraser & Neave Limited.

7. BUSINESS OVERVIEW (CONT'D)

The continuity of these business relationships with our technology partners and customers have contributed to the growth of our Group's business over the years.

(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 experience in the learning and development industry.

Our Managing Director, Allen Lee, is responsible for the formulation of business strategies and setting the overall business direction of our Group and supervising the key senior management in implementing and achieving our business strategies. He has over 20 years of experience in the learning and development industry.

Our CEO, Cally Yau, has been with our Group for 16 years. She is responsible for implementing the business and growth strategies developed by our Managing Director, stakeholder and client relationship management, as well as spearheading our Group's digital transformation efforts. Our COO, Joey Lee, oversees and coordinates our Group's daily operations as well as identifies business processes that have potential to improve the productivity of our Group. She has also been with our Group for 16 years. Our Head of Finance, Peter Ng, has 31 years of experience in accounting and finance matters.

7.5 SEASONALITY

Our Group does not experience any material seasonality trends. Nonetheless, during the Financial Years Under Review, our revenue generated during the second half of the financial year is generally higher than the revenue generated during the first half of the financial year attributable to higher demand for training services from the B2B, B2C and B2G customers.

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7. BUSINESS OVERVIEW (CONT'D)

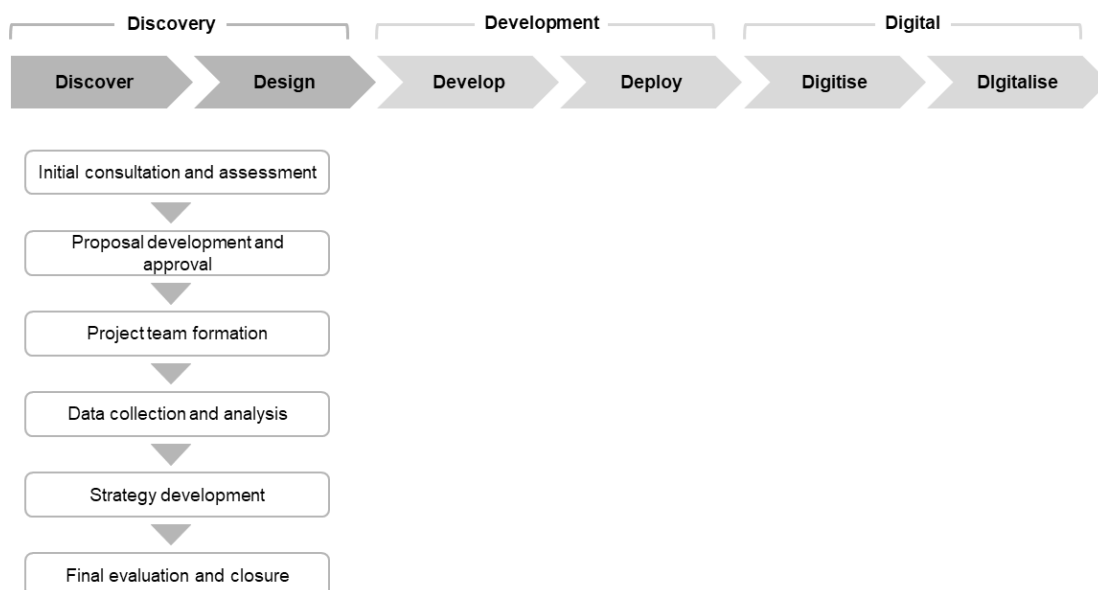
7.6 OUR OPERATIONAL PROCESSES

Our business processes are built upon our 6D framework. We adopt this 6D framework for our Discovery, Development and Digital business segments, as follows:



a) Discovery

- Discover and Design



Initial consultation and assessment

We will carry out an initial consultation to gain understanding on our customer's current business status, business goals, challenges and workforce requirements.

We then carry out a needs assessment to assess the organisation's current talent management practices and identify gaps to determine areas for improvement. This is primarily done through stakeholder interviews to gather insights and perspectives on talent-related issues and gain a holistic understanding of the organisation's requirements.

Proposal development and approval

Based on the findings from the needs assessment, our team will develop a tailored organisational talent consultancy plan with proposed strategies and actions to be taken to address the organisation's talent gap. This includes preparing a proposal for the proposed organisational talent consultancy services.

The finalised proposal, comprising the organisational talent consultancy plan and commercial proposal, is then submitted to the customer for review and approval. If our

7. BUSINESS OVERVIEW (*CONT'D*)

proposal has been accepted by the customer, they will usually confirm our appointment via a letter of appointment prior to signing of a contract.

Project team formulation

A dedicated project team will be formed where team members consist of a project manager, consultants and support staff. Specific roles and responsibilities are assigned to each team member based on their expertise.

A kick-off meeting will be held with the customer and project team to align on project objectives, establish communication protocols and agree on the timelines.

Our project team will commence gathering data through management and employee surveys, skills assessments and performance evaluations. This data collection is complemented by benchmarking the organisation's talent management practices against industry standards and best practices. The findings are then analysed to identify trends, strengths and areas requiring improvement, which ultimately flow into strategy development.

Strategy development

Based on findings from the data collection and analysis, we formulate an organisational talent management strategy that is comprehensive from the perspective that it addresses talent recruitment, development, retention and succession planning. We then develop a detailed action plan that outlines specific initiatives, timelines and responsibilities to ensure systematic implementation and tracking of progress.

Final evaluation and closure

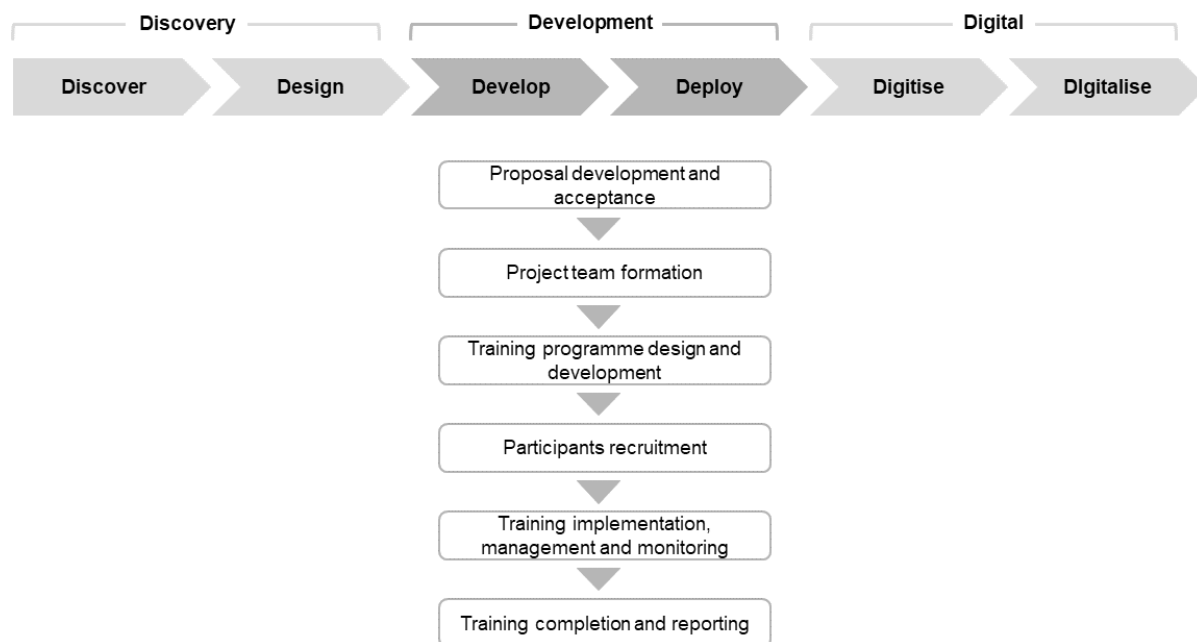
Once all action plans have been completed and the organisational talent management strategy deliverables have been met, the project is formally closed. We will prepare our final reports for submission to the customer.

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7. BUSINESS OVERVIEW (CONT'D)

b) Development

- **Develop and Deploy**



Proposal development and acceptance

We secure business opportunities to provide ICT, soft skills and leadership training as well as IR4.0 digital skills and certifications through:

- request for proposals from businesses; and
- participation in tenders conducted by government agencies.

We will seek to understand the objectives of the request for proposals and tenders by reviewing the scope of works, understanding the customer's requirements and identifying the creditworthiness of the customer as well as the financial attractiveness of the business opportunity.

If we decide to participate in the request for proposal with businesses and tender exercise with government agencies, we will then commence preparing the training and certification solutions proposal and commercial proposal. At this stage, we would have carried out costing and resource planning including financials, training centre requirements, identify internal and third-party trainer requirements, mode of delivering these trainings as well as materials from technology partners. We will then submit the training and certification solutions proposal to the customer for their evaluation.

During the tender exercise with government agencies, we may be requested to attend tender interviews, where we will be required to present the details of or provide clarifications on our proposals. If we are successful, the customer will typically present us with a letter of award prior to the signing of a contract.

7. BUSINESS OVERVIEW (CONT'D)

Project team formation

A dedicated project team will be formed where team members consist of a project manager, trainers and support staff. Specific roles and responsibilities are assigned to each team member based on their expertise.

A kick-off meeting will be held with the customer and project team to align on project objectives, establish communication protocols and agree on the timelines.

Training programme design and development

For our contracts with businesses, our Group will conduct a needs analysis on the customer's business and organisation to identify, among others, current business operations, business goals, workforce skills requirements and current skill levels. The needs analysis is carried out through stakeholder interviews with management and employee surveys, skills assessments and performance evaluations and findings from this needs analysis are benchmarked against industry standards and best practices. This information will form the basis for designing and developing skills training programmes.

For our contracts with government agencies, we are typically engaged to deliver ICT training as well as IR4.0 digital skills and certification programmes to participants that meet the criteria determined by these government agencies. Leveraging on the materials from our technology partners, our Group will plan the recruitment of participants, training materials, mode of delivery of trainings, internal and external trainer allocation, training centre identification and quality management benchmarks.

Participants recruitment

For our contracts with businesses, the participants of these training programmes are the organisations' employees, many of whom have been identified by the human resource professionals in the organisation. Thus, we are typically not required to carry out additional participant recruitment.

For our contracts with government agencies, we are required to recruit participants that meet the criteria determined by these government agencies. These participants may be school leavers, fresh graduates or working professionals. We announce our recruitment drives on social media platforms such as Facebook, advertise on radio and online to reach a wider target market. Participants that meet the imposed criteria will further have to undergo profile and technology assessments prior to being identified as suitable candidates for these training programmes.

Training implementation, management and monitoring

For our contracts with businesses and government agencies, we leverage on our internal trainers and external trainers to deliver the training modules.

Our project team is responsible for managing the training programme, including training material and trainer assessments based on feedback from participants. We take such feedback and incorporate into subsequent training sessions to improve the quality of our training materials and trainers.

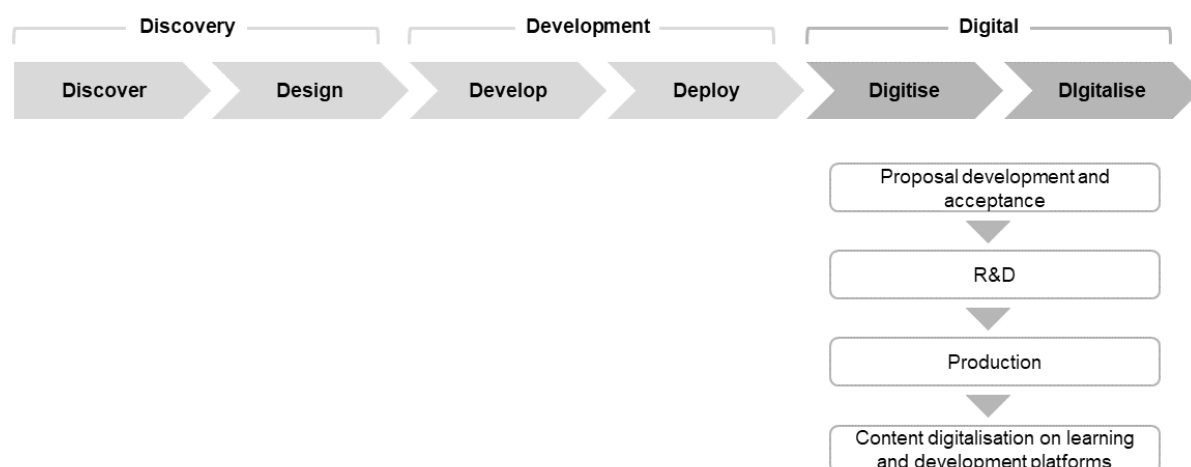
7. BUSINESS OVERVIEW (CONT'D)

Training completion and reporting

For our contracts with businesses and the Government, our contractual obligations are fulfilled once we have completed the trainings for the identified employees in the organisation and the recruited participants. We will then prepare our final reports for submission to the customer.

c) Digital

- Digitise and Digitalise



Proposal development and acceptance

We will schedule initial consultations to understand the business needs of the customers and their requirements to digitise their training management system as well as training content. Typically, our customers seek to digitalise their learning and development programmes to improve efficiency of training delivery, enhance employee learning process while minimising cost.

Our team will prepare the technical framework proposal and commercial proposal which will be presented to the customers for their consideration and acceptance.

If the customer accepts our proposal, we will typically receive a letter of award prior to the signing of a contract.

Research & Development ("R&D")

Our team will carry out R&D to further develop training materials, script and methods of delivery that can engage participants and improve their learning process. We will need to identify translation and localisation requirements of customers that need to be incorporated into the digital training content.

Once the content of training materials and script has been approved by the customer, we will commence production works.

7. BUSINESS OVERVIEW (*CONT'D*)

Production

During the production phase, we either commence video recordings or animation works, subject to the approved method of delivery by our customer. In video recordings, our trainers are responsible for delivering the training content that will be recorded by our production team.

The video recordings or animation works will be edited during post-production stage where elements such as interactive quizzes and videos can be inserted into the original digital training content to improve quality and level of engagement. The video recordings or animation works will be customised to the corporate colours and/or themes of our customers, should they require this, at this stage.

Content digitalisation of learning and development platforms

The digitalised training content will be uploaded onto our cloud server in Sharable Content Object Reference Model ("**SCORM**") format. The SCORM format is a standardised format used to package, deliver and track online training content. It is essentially a set of technical specifications that ensure compatibility and interoperability between different digital systems, thereby enabling organisations to create and distribute training materials that are consistent quality and without compatibility issues.

The SCORM format of the developed digitalised training content will be uploaded onto PEOPLEAPS and/or SKILLSTURE applications, depending on the requirements of our customers. Subscribers of PEOPLEAPS and users of SKILLSTURE will be able to access the training, view the content and participate in the quizzes. Their progress and performance in terms of quiz scores can be tracked and reported on PEOPLEAPS and SKILLSTURE applications.

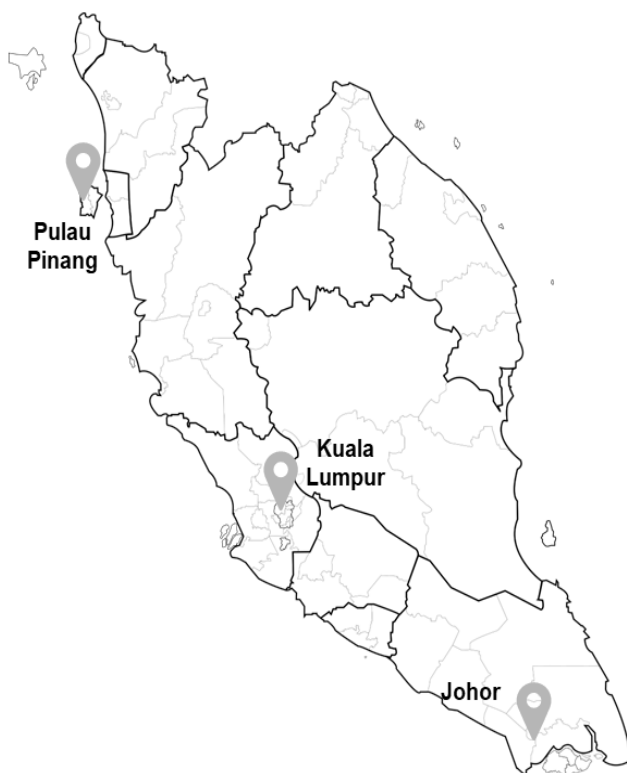
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7. BUSINESS OVERVIEW (CONT'D)

7.7 OPERATIONAL FACILITIES

7.7.1 Operating premises

Our headquarters, branches and training centres are depicted below:



Kuala Lumpur Headquarter

The Boulevard Office, Mid Valley City
17 – 11, 19 – 11, 17 – 6, 19 – 6, The Boulevard Office,
Lingkar Syed Putra,
Mid Valley City, 59200 Kuala Lumpur,

Kuala Lumpur training centre

The Boulevard Office, Mid Valley City
9 – 11, 11 – 7, 11 – 11, The Boulevard Office,
Lingkar Syed Putra,
Mid Valley City, 59200 Kuala Lumpur,

Pulau Pinang branch and training centre

Bay Avenue
Block H-16-2, Bay Avenue,
Lorong Bayan Indah 2,
11900 Pulau Pinang

Johor branch and training centre

Menara KOMTAR
Suite 1, Level 4, Menara KOMTAR,
Johor Bahru City Centre, Jalan Tun Abdul Razak,
80000 Johor Bahru

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7. BUSINESS OVERVIEW (CONT'D)

Our Group's training centre facilities are depicted below:



Kuala Lumpur training centre



Johor training centre



Pulau Pinang training centre

7. BUSINESS OVERVIEW (CONT'D)

7.7.2 Operating capacities and utilisation rates

Our Group is involved in the delivery of integrated people development solutions. Thus, measures of operating capacity and utilisation rates are not applicable to our business operations.

7.8 TYPES, SOURCES AND AVAILABILITY OF INPUTS

As a provider of integrated people development solutions, our inputs comprise trainers' fees, subscription fees, exam and certification fees, training materials, training related expenses and development cost. The table below shows our inputs for the Financial Years Under Review.

Inputs	FYE 2021 ⁽¹⁾		FYE 2022 ⁽¹⁾		FYE 2023 ⁽¹⁾		FYE 2024 ⁽¹⁾	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Trainers' fees ⁽²⁾	2,824	60.32	3,542	51.24	3,304	53.44	2,753	41.25
Subscription and franchise fees ⁽³⁾	368	7.86	510	7.38	861	13.93	659	9.88
Examination and certification fees ⁽⁴⁾	1,135	24.24	1,579	22.84	821	13.28	1,602	24.00
Training materials ⁽⁵⁾	180	3.84	976	14.12	703	11.37	1,008	15.10
Training related expenses ⁽⁶⁾	160	3.42	259	3.75	419	6.78	517	7.75
Development cost ⁽⁷⁾	15	0.32	46	0.67	75	1.20	135	2.02
Total	4,682	100.00	6,912	100.00	6,183	100.00	6,674	100.00

Notes:

(1) Our Group's local and foreign purchases for the FYEs 2021, 2022, 2023, and 2024 are as follow:

FYE	Local purchases (%)	Foreign purchases (%)
2021	67.90	32.10
2022	69.78	30.22
2023	72.79	27.21
2024	61.94	38.06

7. BUSINESS OVERVIEW (CONT'D)

Our Group's foreign purchases are denominated in USD and SGD. Foreign purchases comprise subscriptions fees, franchise fees, as well as examination and certification fees.

- (2) Relates to training fees paid to external trainers.*
- (3) Relates to subscription fees paid to technology partners such as Supplier B, AWS, Android, Cisco and CompTIA, and franchise fees payable to Supplier A.*
- (4) Relates to examination and certification fees paid to technology partners for participants to sit for examination.*
- (5) Relates to training manuals, online lab (interactive simulations for participants to complete online from their personal devices) and e-books for participants.*
- (6) Relates to rental of examination centre to conduct examinations, refreshment incurred for training purposes, travelling expenses to customers' offices as well as 4% service fee arising from claims made by HRD Corp for the training programmes that we provided to our customers.*
- (7) Relates to expenses incurred for the development of PEOPLEAPS (mobile application) and SKILLSTURE (website and mobile application).*

Our major inputs are trainers' fees, which comprised 60.32%, 51.24%, 53.44%, and 41.25% of our total purchases in the FYEs 2021, 2022, 2023, and 2024 respectively. These trainer fees were paid to external trainers who provided their services to our Group.

Our second major purchases are examination and certification fees, which comprised 24.24%, 22.84%, 13.28%, and 24.00% of our total purchases in the FYEs 2021, 2022, 2023, and 2024 respectively. The examination and certification fees are payable to our technology partners such as Supplier B and CompTIA for participants to sit for their examination. The decrease in examination and certification fees in FYE 2023 was attributable to lower number of participants sitting for the professional certification and examination in FYE 2023 as most of the participants were in the early phase of the training programmes in FYE 2023.

For the Financial Years Under Review and up to the LPD, our Group has not encountered any material interruptions in the supply of inputs for our business operations. Save for the impact of foreign exchange fluctuations in relation to our subscription fees as well as examination and certification fees, our inputs are not subject to price fluctuations. During the Financial Years Under Review, we did not experience any material foreign exchange loss arising from foreign exchange fluctuations. Please refer to Section 12.11 of this Prospectus for further detail on the impact of foreign exchange rates on our operations.

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7. BUSINESS OVERVIEW (CONT'D)

7.9 SALES AND MARKETING STRATEGIES

As at the LPD, our Sales and Commercial as well as Digital Marketing team comprised 26 employees and led by our Chief Executive Officer, Cally Yau. The sales and marketing strategies employed by our Group are as follow:

(i) Digital marketing

We employ digital marketing strategies which leverage on various online channels such as social media, email and search engines to engage consumers.

Through social media marketing on platforms such as Facebook, Instagram, X (formerly known as Twitter), LinkedIn and TikTok, we use strategies such as paid advertisements to reach targeted audiences and ensure that our promotional content is seen by those most likely to be interested.

We collaborate with social media influencers to increase the reach and credibility of our brand through sponsored content and reviews. Additionally, through community engagement, we interact directly with social media users, respond to comments and participate in conversations to build a loyal and engaged audience.

Further, we adopt search engine optimisation (“**SEO**”) for both on-page SEO and off-page SEO. On-page SEO includes keyword search, optimising meta tags, headers, content, site speed and mobile-friendliness to enhance visibility in search engine results pages. Off-page SEO involves building links on selected websites, guest blogging, influencer marketing and maintaining an active presence on social media and industry forums. These combined efforts aim to improve our search engine rankings, drive organic traffic to our websites and enhance our brand's online visibility and credibility.

Lastly, we also adopt the pay-per-click strategy where we use Google Ads and other social media advertisements to drive targeted traffic to our website. This contributes to increasing our visibility and attracting potential customers.

We employ digital marketing to target B2G, B2B and B2C customers for our SOUL, GOAL, SKILL, THE FUTURE TALENT, BUILD A FUTURE TEAM, PEOPLEAPS and SKILLSTURE brands.

(ii) Outbound marketing

Our outbound email marketing strategies include sending regular newsletters to existing and potential customers. These newsletters aim to keep the audience informed and engaged with our brand. Our automated campaigns are designed to send personalised emails triggered by user actions such as signing up for a service. These automated emails ensure timely and relevant communication with customers, enhancing their overall experience and increasing the likelihood of conversions. By combining regular updates with personalised emails, the strategy aims to maintain a consistent connection with the audience, nurture leads and drive engagement.

We also utilise outbound marketing strategies such as email blast and traditional advertising in print and broadcast media to reach potential clients.

We employ outbound marketing to target B2G, B2B and B2C customers for our SOUL, GOAL, SKILL and THE FUTURE TALENT brands.

7. BUSINESS OVERVIEW (CONT'D)

(iii) Affiliate marketing

We also employ affiliate marketing strategies which involve partnering with affiliates who promote our services for a commission, utilising affiliate networks and influencer partnerships for sponsored content and reviews. We also engage influencers or key opinion leaders to create sponsored content and reviews, as we are able to leverage on their reach and credibility.

We employ affiliate marketing to target B2G, B2B and B2C customers for our SKILL, THE FUTURE TALENT and BUILD A FUTURE TEAM brands.

(iv) Media relations

We build and maintain relationships with journalists, editors and media outlets which involves regularly distributing press releases with key updates, pitching relevant story ideas directly to journalists and hosting engaging media events such as press conferences. These strategies help us secure better coverage for our brand and manage our brand's image in the media.

We employ media relations to target B2G, B2B and B2C customers for our SOUL, GOAL, SKILL, THE FUTURE TALENT and BUILD A FUTURE TEAM brands.

(v) Traditional marketing

We also use traditional marketing methods, such as print advertising in newspaper and brochures as well as telemarketing.

We employ traditional marketing to target B2G, B2B and B2C customers for our SOUL, GOAL, SKILL, THE FUTURE TALENT and BUILD A FUTURE TEAM brands.

(vi) Event marketing

We leverage event marketing strategies to promote our services. This includes participating in trade shows and exhibitions with booths and exhibits to showcase our services to industry professionals, hosting conferences and seminars with speaker sessions and workshops to educate and engage attendees, organising press conferences to announce and showcase new services and leveraging sponsorships at sports events or cultural festivals for increased brand visibility and engagement through sponsorship activities.

In 2022, we organised our first BUILD A FUTURE TEAM HR Conference 2022, a conference which was held in Kuala Lumpur, Malaysia. This was the first conference that we organised with an objective of building a community of human resource professionals. We have since launched several other events, conference and seminars under BUILD A FUTURE TEAM. Please refer to Section 7.2.2 (iv) of this Prospectus for further details of BUILD A FUTURE TEAM.

We employ event marketing to target B2G, B2B and B2C customers for our SOUL, GOAL, SKILL, THE FUTURE TALENT and BUILD A FUTURE TEAM brands.

7. BUSINESS OVERVIEW (CONT'D)**(vii) Relationship marketing**

We focus on building long-term relationships with customers to foster loyalty and repeat business. This is achieved through various strategies such as providing good customer service through support teams and help desks, implementing loyalty programs that offer rewards and discounts to incentivise programme renewals and actively engaging with customers through feedback mechanisms such as surveys to gather insights and improve our services based on customer preferences and needs.

We employ digital marketing to target B2G, B2B and B2C customers for our SOUL, GOAL, SKILL, THE FUTURE TALENT and BUILD A FUTURE TEAM brands.

7.10 TECHNOLOGY USED

The technology used in our daily operations are as follows:

Technology	Description
Microsoft Dynamic 365 CRM	A cloud-based customer relationship management application offered by Microsoft which we use to assist in our sales process by tracking sales leads, managing opportunities, automating sales workflows and analysing sales performance.
Security software	A security software that consists of anti-malware, intrusion prevention and firewall features to protect our networks from unauthorised access, malware and other cyber threats
HR system	A human resource management platform used by our human resource department
Accounting system	A business accounting software used for our finance operations
Video production software	Video production software used for our training content digitalisation services under INTERACTIVE as well as for marketing purposes
Graphic design software	Graphic design software used to create illustrations and visual content for content development as well as marketing purposes

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7. BUSINESS OVERVIEW (CONT'D)

7.11 Research and Development

We strive to continuously improve our integrated people development solutions through new programme development in order to capture business opportunities and to expand our market presence. We also actively engage in R&D to enhance our PEOPLEAPS mobile application and SKILLSTURE website and mobile application.

Our R&D activities involve:

a) New programme development

Our Innovation department is responsible for new learning and development programme development.

We constantly keep abreast with the latest market requirements and trends, digitalisation needs of businesses as well as digitalisation aspirations of government agencies that affect talent development. These insights are then used in our R&D activities to develop new learning and development programme that equip individuals with digital skills and IR4.0 competencies.

Our Innovation department may develop such new learning and development programmes internally or source ICT training and certifications from technology partners. When sourcing ICT training and certifications from technology partners, we assess these technology partners in terms of their market reputation and credibility, range and level of comprehensiveness of syllabus / curriculum offered that can meet our objectives as well as market presence in other countries.

Our Innovation department also seeks to incorporate innovative training materials as well as adopt engaging delivery methods to create conducive learning experiences for individuals.

b) Enhancement of PEOPLEAPS mobile application and SKILLSTURE website and mobile application

We seek to enhance our PEOPLEAPS mobile application as well as SKILLSTURE website and mobile application with new functions/ features that can contribute to creating an engaging learning and development environment for individuals. Our design enhancements include, among others, setting out modules and sub-modules required, integration and linkage between modules and sub-modules, user-interface as well as technical details including programming language, computing platform, back-end server and database storage platform.

Upon the development of enhancements, we will perform testing such as functional testing and performance testing to ensure the enhancements meet our requirements and are stable for operations.

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7. BUSINESS OVERVIEW (CONT'D)

7.12 Quality Assurance / Quality Control

We have established an internal set of QA/QC procedures to be implemented throughout our processes to minimise any issues faced by customers. Our Innovation team and Training and Development team oversee all QA/QC procedures that are carried out throughout our processes. The following are the QA/QC procedures which are implemented at various stages of our operational process:

(a) Ensuring all ICT training and certifications as well as IR4.0 digital skills and certifications are sourced from reputable technology partners

Selecting reputable technology partners as our technology partners ensures that our training content and certifications are of quality, up-to-date and industry-recognised. Established technology partners often have stringent standards and proven track record in delivering training solutions. Additionally, these technology partners provide certifications that are widely recognised and typically adhere to global standards and best practices, enhancing the credibility and employability of the participants.

Further, these reputable technology partners regularly update their training materials to reflect the latest technology and industry trends. This ensures that our participants receive relevant and up-to-date knowledge and skills.

(b) Content review and update

This involves a thorough review of the training content to ensure it is accurate, current and aligned with the learning objectives. The content should also be relevant to the target audiences' roles, responsibilities and skill levels. We conduct regular updates and revisions to keep the content fresh and reflective of industry trends and best practices.

(c) Stringent screening and monitoring on the trainers

We have established clear criteria for selecting trainers. This includes verifying their educational background, industry certifications, teaching experience and subject matter expertise. This ensures that only capable and knowledgeable trainers are engaged. We also conduct regular classroom observations and audits to monitor instructional practices and adherence to curriculum standards.

(d) Perform technical checks periodically

We perform technical checks on our digital platforms to ensure that it functions properly and provide a seamless learning experience. This includes testing usability, accessibility, compatibility with different devices and browsers, as well as ensuring that multimedia elements such as videos, quizzes and interactive modules work as intended. We also strive to address technical issues promptly which is essential to prevent disruptions in learning.

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7. BUSINESS OVERVIEW (CONT'D)

7.13 MAJOR CUSTOMERS

Our Group's top 5 customers for the Financial Years Under Review are as follows:

FYE 2021

No.	Customers	Country	Types of training programmes/ services sold	Revenue contribution		Length of business relationship (as at 2025) (Years)
				RM'000	%	
1	Yayasan Peneraju	Malaysia	- Cybersecurity and Big Data programmes - Soft skills development programmes	11,357	69.77	7
2	Fraser & Neave Group ⁽¹⁾	Malaysia / Singapore	- Soft skills development programmes	263	1.62	9
3	MIMOS Berhad	Malaysia	- Cybersecurity and digital solutions programmes	224	1.38	4
4	RCE Group ⁽²⁾	Malaysia	- Soft skills development programmes	216	1.33	9
5	Prometric Testing Private Limited	India	- Rental of test centre venue	200	1.23	5
Sub-total				12,260	75.33	
Group revenue				16,278	100.00	

7. BUSINESS OVERVIEW (CONT'D)
FYE 2022

No.	Customers	Country	Types of training programmes/ services sold	Revenue contribution		Length of business relationship (as at 2025) Years
				RM'000	%	
1	Yayasan Peneraju	Malaysia	- Cybersecurity, cloud computing and Big Data programmes - Soft skills development programmes	13,973	61.30	7
2	MIGHT	Malaysia	- Cybersecurity and data science programmes	1,396	6.12	2
3	Universiti Malaysia Sarawak	Malaysia	- DevOps, Big Data and Cisco programmes	395	1.73	7
4	Delivery Hero Group ⁽³⁾	Malaysia	- Digital programmes - Soft skills development programmes	229	1.00	2
5	Kawan Food Manufacturing Sdn Bhd	Malaysia	- Consultancy services - Soft skills development programmes	201	0.88	7
Sub-total				16,194	71.03	
Group revenue				22,793	100.00	

7. BUSINESS OVERVIEW (CONT'D)
FYE 2023

No.	Customers	Country	Types of training programmes/ services sold	Revenue contribution		Length of business relationship (as at 2025) (Years)
				RM'000	%	
1	Yayasan Peneraju	Malaysia	- Cybersecurity, Big Data and cloud computing programmes - Soft skills development programmes	11,183	45.22	7
2	Customer A ⁽⁴⁾	Malaysia	- Cybersecurity and cloud computing programmes - Soft skills development programmes	696	2.81	6
3	Universiti Teknologi MARA	Malaysia	- Big data programmes	425	1.72	7
4	Malayan Banking Berhad	Malaysia	- Digital programmes	291	1.18	4
5	Fraser & Neave Group ⁽¹⁾	Malaysia	- Soft skills development programmes	235	0.95	9
Sub-total				12,830	51.88	
Group revenue				24,729	100.00	

7. BUSINESS OVERVIEW (CONT'D)
FYE 2024

No.	Customers	Country	Types of training programmes/ services sold	Revenue contribution		Length of business relationship (as at 2025) (Years)
				RM'000	%	
1	Yayasan Peneraju	Malaysia	- Cybersecurity, Big Data and cloud computing programmes - Soft skills development programmes	14,965	51.18	7
2	Customer B ⁽⁵⁾	Malaysia	- Professional ICT training and certification on CompTIA Security+ - Career coaching	4,668	15.96	2
3	Yayasan Pahang	Malaysia	- Full Stack Developer, Data Science Analyst - UI/UX Designer	725	2.48	1
4	Etiqa General Insurance Berhad	Malaysia	Digital development programmes and Data Analyst	600	2.05	2
5	DIC (Malaysia) Sdn Bhd	Malaysia	Soft skills development programmes and organisational talent consultancy and profile assessment services	428	1.46	5
Sub-total				21,386	73.13	
Group revenue				29,241	100.00	

Notes:

(1) Companies that our Group has transactions with comprise Fraser & Neave (Malaya) Sdn Bhd and Fraser & Neave Limited, Singapore.

(2) Companies that our Group has transactions with comprise RCE Factoring Sdn Bhd, RCE Marketing Sdn Bhd and Mezzanine Enterprise Sdn Bhd.

(3) Companies that our Group has transactions with comprise Delivery Hero Malaysia Sdn Bhd and Food Panda Malaysia Sdn Bhd.

7. BUSINESS OVERVIEW (CONT'D)

- (4) *Customer A is a Malaysian government agency that is established to drive Malaysia's digital economy. Attempts to obtain Customer A's consent to disclose its information in the Prospectus were unsuccessful. As such, Customer A's name has not been disclosed.*
- (5) *Customer B, incorporated in Malaysia is involved in fund investment and is owned by the body corporate of one of the ministries of the Government. Attempts to obtain Customer B's consent to disclose its information in the Prospectus were unsuccessful. As such, Customer B's name has not been disclosed*

Our Group had a total of 203, 340, 245, and 265 customers in the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively. From this, our Group's top 5 major customers accounted for approximately 75.33%, 71.03%, 51.88%, and 73.13% of its total revenues in the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

Our Group is dependent on Yayasan Peneraju by virtue of its revenue contributions to our Group, which constituted 69.77%, 61.30%, 45.22%, and 51.18% of our Group's revenue in FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively. However, Yayasan Peneraju's revenue contribution to our Group has declined over the years, as our Group has been securing more contracts from other customers. Notwithstanding the above, our Group expects Yayasan Peneraju to continue contributing significantly to our revenue moving forward. Our Group has maintained a long-term relationship of approximately 7 years with Yayasan Peneraju.

During FYE 2021, FYE 2022, FYE 2023, and FYE 2024 our Group secured contracts from Yayasan Peneraju to organise ICT training programmes for working professionals. These contracts with Yayasan Peneraju range from 2 to 4 years during the Financial Years Under Review. Our contracts with Yayasan Peneraju are awarded based on a programme or project basis, whereby the longest programme or project duration that we have with Yayasan Peneraju is for a 4-year period. Based on our Group's experience, contracts are typically awarded to our Group on a programme or project basis, whereby the duration of a contract will vary depending on the programme or project targets to be achieved.

Our Group has established between 2 and 9 years of business relationships with other major customers. Through our Group's historical track record, our Group has been able to secure repeat orders for our services from existing major customers, as well as new contracts from new customers.

The fact that our Group is able to maintain long-standing business relationship with our customers is a testament to our Group's capabilities in supplying quality services as well as meeting our customers' expectations on a timely basis.

7. BUSINESS OVERVIEW (CONT'D)

7.14 MAJOR SUPPLIERS

Our Group's top 5 suppliers for the Financial Years Under Review are as follows:

FYE 2021

No.	Suppliers	Country	Types of products and services sourced	Value of purchases		Length of business relationship (as at 2025) (Years)
				RM'000	%	
1	Fusionex Academy Sdn Bhd ("Fusionex") ⁽¹⁾	Malaysia	ICT exam and certifications as well as trainer services	1,204	22.79	6
2	CompTIA	USA	ICT exam and certifications	881	16.67	8
3	Supplier A ⁽²⁾	USA	Franchise fees ⁽³⁾	367	6.95	11
4	Supplier B ⁽⁴⁾	USA	ICT exam and certifications	196	3.71	6
5	Virtual Space Centre	Malaysia	Trainer services	161	3.05	10
Sub-total				2,809	53.17	
Group purchases				5,284	100.00	

7. BUSINESS OVERVIEW (CONT'D)
FYE 2022

No.	Suppliers	Country	Types of products and services sourced	Value of purchases		Length of business relationship (as at 2025) (Years)
				RM'000	%	
1	Fusionex ⁽¹⁾	Malaysia	ICT exam and certifications as well as trainer services	1,512	21.47	6
2	CompTIA	USA	ICT exam and certifications	1,159	16.45	8
3	Grabcar Sdn Bhd	Malaysia	Food vouchers ⁽⁵⁾	501	7.11	4
4	Supplier A ⁽²⁾	USA	Franchise fees ⁽³⁾	464	6.59	11
5	Supplier B ⁽⁴⁾	USA	ICT exam and certifications	339	4.81	6
Sub-total				3,975	56.43	
Group purchases				7,044	100.00	

7. BUSINESS OVERVIEW (CONT'D)
FYE 2023

No.	Suppliers	Country	Types of products and services sourced	Value of purchases		Length of business relationship (as at 2025) (Years)
				RM'000	%	
1	Fusionex ⁽¹⁾	Malaysia	ICT exam and certifications as well as trainer services	1,074	16.51	6
2	CompTIA	USA	ICT exam and certifications	405	6.22	8
3	Marina Bay Sands Pte Ltd	Singapore	Venue and food and beverage services	383	5.89	1
4	CT Global Consultants (M) Sdn Bhd	Malaysia	Trainer services	286	4.40	5
5	Supplier B ⁽⁴⁾	USA	ICT exam and certifications	257	3.95	6
Sub-total				2,405	36.97	
Group purchases				6,507	100.00	

7. BUSINESS OVERVIEW (CONT'D)

FYE 2024

No.	Suppliers	Country	Types of products and services sourced	Value of purchases		Length of business relationship (as at 2025) (Years)
				RM'000	%	
1	CompTIA	USA	ICT exam and certifications	1,348	15.62	8
2	Supplier B ⁽⁴⁾	USA	ICT exam and certifications	363	4.21	6
3	Grabcar Sdn Bhd	Malaysia	Food vouchers ⁽⁵⁾	319	3.70	4
4	Marc & Zed Spaces Services	Malaysia	Trainer services	303	3.51	2
5	KL Metro Sdn Bhd	Malaysia	Venue for training programme	249	2.88	1
Sub-total				<u>2,582</u>	<u>29.92</u>	
Group purchases				<u>8,630</u>	<u>100.00</u>	

Notes:

- (1) Presently under liquidation.
- (2) Supplier A is a USA corporation which is involved in the provision of IT skills and certification training. Attempts to obtain Supplier A's consent to disclose its information in the Prospectus were unsuccessful. As such, Supplier A's name has not been disclosed.
- (3) Pursuant to our appointment as Supplier A's franchisee in Malaysia in 2015.
- (4) Supplier B is a USA corporation which is involved in the development and support of IT-related software, services, devices and solutions. Supplier B is listed on the National Association of Securities Dealers Automated Quotations (NASDAQ) in USA. Attempts to obtain Supplier B's consent to disclose its information in the Prospectus were unsuccessful. As such, Supplier B's name has not been disclosed.
- (5) Provided to participants of our training programmes.

7. BUSINESS OVERVIEW (CONT'D)

Our Group's top 5 major suppliers accounted for approximately 53.17%, 56.43%, 36.97%, and 29.92% of our total purchases in FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively. Our Group's main purchases from the top 5 major suppliers were ICT exam and certifications as well as trainer services.

One of our Group's major suppliers was Fusionex which constituted 22.79%, 21.47% 16.51% of our Group's total purchases in FYE 2021, FYE 2022, and FYE 2023 respectively. As at the LPD, Fusionex is under liquidation and has ceased business operations. During the Financial Years Under Review, Fusionex was the certification body that provided ICT exam and certification as well as trainer services for the Applied Artificial Intelligence programme that our Group was engaged to deliver for Yayasan Peneraju. At the point of Fusionex's winding up, our Group had enrolled 48 participants to undergo ICT exam and certification of the Applied Artificial Intelligence programme. Following the winding up of Fusionex, our Group appointed another certification body, namely CertNexus, to replace Fusionex as the certification body and external trainer for the Applied Artificial Intelligence programme. This enabled our Group to continue offering the Applied Artificial Intelligence programme to existing and subsequent incoming participants with minimal disruption. Premised on this, our Group was not materially affected by the winding up of Fusionex. Our Group is not dependent on CertNexus as the services we purchase from CertNexus are readily available in the market and in the event CertNexus ceases selling to our Group, we can source similar ICT exam and certification services from other certification bodies.

CompTIA contributed 16.67%, 16.45%, 6.22%, and 15.62% of our Group's total purchases in FYE 2021, FYE 2022, FYE 2023, and FYE 2024, respectively. We procure ICT exam and certifications services from CompTIA. Our Group is not reliant on CompTIA as the ICT exam and certifications services we purchase from CompTIA are readily available in the market and in the event CompTIA ceases selling to us, we can source similar ICT exam and certifications services from other resellers.

Our Group has established a long and mutually beneficial business relationship with our major suppliers. Further, our Group continuously seeks new technology partners to increase the range of ICT training as well as IR4.0 digital skills and certifications being offered, therefore, reducing our reliance on any one particular certification body.

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7. BUSINESS OVERVIEW (CONT'D)

7.15 EMPLOYEES

As at the LPD, our Group has a total of 100 employees whom are all Malaysians and no foreign employees. Of these 100 employees, we have 1 contractual employees.

None of our employees belong to any trade unions and there has been no industrial dispute since we commenced operations.

A summary of our Group's total workforce by department as at 31 December 2024 and as at the LPD are as set out below:

Department	Number of employees			
	As at 31 December 2024		As at the LPD	
	Permanent	Contract	Permanent	Contract
Managing Director and Executive Directors	3	-	3	-
Sales and Commercial	15	3	23	-
Digital Marketing	3	-	3	-
Branding and Communication	10	-	12	-
Business Sustainability	4	-	1	-
Innovation	2	-	4	-
Digitalisation	4	-	6	-
Accounts and Finance	5	-	5	-
Training and Development ⁽¹⁾	6	-	6	-
Sales Operation	3	-	4	-
Customer Service and Operation	6	-	9	-
Project Management	10	-	11	-
Management Information System	2	-	3	-
Human Resource and Administration	4	-	4	-
Executive support	4	-	5	1
Total	81	3	99	1

Note:

(1) Comprise our in-house trainers.

7.16 INTERRUPTIONS TO BUSINESS AND OPERATIONS

Our Group has not experienced any material interruption which has significantly affected our operations in the 12 months preceding the LPD.

IMPACT OF COVID-19 ON OUR GROUP

The impact on our business and operations pursuant to the COVID-19 pandemic is detailed as follows:

7. BUSINESS OVERVIEW (CONT'D)

(i) Impact on our business operations

The World Health Organisation declared COVID-19 a pandemic on 11 March 2020. The Government implemented several measures to reduce and control the spread of COVID-19 in the country, commencing 18 March 2020. These measures include restrictions on the movement of people within Malaysia and internationally, and restrictions on business, economic and social activities.

During the MCO 1.0 period between 18 March 2020 and 3 May 2020, our business operations at our operational office were temporarily suspended and all of our management and employees worked from home following constraints imposed for MCO 1.0.

Following the implementation of Conditional MCO (CMCO) on 4 May 2020, we resumed our business operations at our operational office. We continued to operate during the Recovery MCO (RMCO) period in accordance with the specified guidelines and standard operating procedure including the specified workforce capacity.

On 1 April 2022, Malaysia began its transition into the endemic phase, and we continued to operate at full workforce capacity according to the Government's standard operating procedures and guidelines.

(ii) Impact on our Group's financial performance

Our Group's financial performance for the FYE 2021 and FYE 2022 were not materially impacted by both the COVID-19 pandemic and the imposition of MCOs. Despite the COVID-19 pandemic, our revenue grew from RM16.28 million in FYE 2021 to RM22.79 million in FYE 2022, mainly due to an increase in contribution of revenue from the Development segment.

We did not incur any material costs for the implementation of precautionary measures at our premises to minimise the risk of COVID-19 infections and to comply with the SOP guidelines imposed by the Government. These costs mainly include purchase of face masks, hand sanitisers and air sterilisation equipment and COVID-19 test kits. Such additional cost incurred did not have a material impact on our Group's financial results for the FYE 2020 and FYE 2021.

Moving forward, we expect a continuous demand for our services as Malaysia's economy continues to show signs of recovery.

7. BUSINESS OVERVIEW (CONT'D)

7.17 OUR STRATEGIES AND BUSINESS PLANS**(i) We intend to establish a Cyber Range computer simulation lab**

In recent years, the demand for Cybersecurity programmes have increased due to numerous factors which include, amongst others, the growing number of cyber threats and data breaches affecting individuals and organisations, regulatory requirements involving safeguarding operations and data along with the increased awareness of Cybersecurity risks among individuals and organisations. Further, the demand for both Big Data and AI programmes and trainings have also surged due to their increasing importance across various industries. As the volume of data generated by businesses and digital interactions continues to grow, organisations need skilled professionals to process, analyse and extract valuable insights from this vast information. Big Data serves as the foundation for AI and machine learning, which rely on large datasets to train models and develop intelligent systems. This interdependence has driven the need for expertise in both fields. Additionally, businesses are increasingly using AI to automate processes, enhance decision-making and improve customer experiences, further amplifying the demand for professionals with AI skills. Please refer to Section 8 of this Prospectus for further details on Malaysia's talent requirements in relation to Cybersecurity, Big Data and AI skills.

We presently conduct Cybersecurity, Big Data and AI programmes under our Development segment. Our Cybersecurity, Big Data and AI programmes are certified by certification bodies such as EC-Council, Cisco and CompTIA, and the programme assessments are conducted via virtual lab without any elements of real-life simulations. We engage external trainers to conduct the training for our programmes and we leverage on internal curriculum as well as curriculum from our technology partners for these programmes. The revenue contribution from our Cybersecurity, Big Data and AI programmes are approximately RM2.92 million, RM3.27 million, RM5.29 million, and RM8.00 million comprising 17.94%, 14.35%, 21.39%, 27.36% of our Group's total revenue in the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

In view of the foregoing, we intend to enhance our Cybersecurity, Big Data and AI programmes under our Development segment by establishing a Cyber Range computer simulation lab to leverage on this rising demand and to enhance our revenue contribution from these programmes. This will also create a more conducive learning environment for participants and enhance their learning process.

A Cyber Range computer simulation lab is a virtual environment designed for Cybersecurity, Big Data and AI training and testing. It replicates real-world systems and networks, enabling participants to engage in hands-on exercises, from defending against cyberattacks to managing large datasets and implementing AI-driven solutions. It allows participants to create and modify scenarios to test different Cybersecurity strategies and responses, analysing vast amounts of data for decision-making as well as applying AI technologies for automated processes. By integrating all three areas, the lab allows for practical and immersive learning experiences that prepare learners to tackle modern digital challenges.

We currently operate from our head office and training centre at The Boulevard Office, Lingkaran Syed Putra, Mid Valley City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur. Our current head office has been fully utilised and does not have sufficient space for further expansions.

As at the LPD, we are still in the midst of identifying a suitable property in Klang Valley to acquire for setting up the Cyber Range computer simulation lab. We have allocated a total

7. BUSINESS OVERVIEW (CONT'D)

of approximately RM8.50 million of our proceeds arising from the Public Issue for the acquisition of property and setting up of our Cyber Range computer simulation lab within the next 24 months from the date of our Listing.

In identifying a suitable property, we will be guided by the following selection criteria:

- located in Klang Valley
- built-up area of 3,500 sq ft to 6,000 sq ft
- Malaysia Digital (MD) status which we believe will provide benefits including a prominent address, enhanced branding, access to stable and ready high quality infrastructure to support business operations, or any other locations deemed suitable by our Group

Details of the allocated proceeds for the Cyber Range computer simulation lab are as follows:

Details	RM'000
Acquisition of the property ⁽¹⁾	5,500
Set up cost ⁽²⁾	3,000
Total	8,500

Notes:

- (1) Our Group has allocated a sum of RM5.50 million for such acquisition in the identified areas. Our Group has yet to identify a suitable location to establish the Cyber Range computer simulation lab. Our Group will make the necessary submission to authorities for business permits, renovation permits and other licences where required prior to setting up the said lab.
- (2) We have allocated RM3.00 million for set up cost of equipment which will be housed at the Cyber Range computer simulation lab comprising the following:

Description	Total estimated cost
	RM'000
Infrastructure costs for network and internet set up	200
Renovation works	900
Hardware costs for our classrooms such as servers, large screen monitors, desktop and server CPUs, projectors and television	800
Software costs	1,000
Equipment for our office area such as computers, printers and telephones	50
Submission to authorities	50
Total	3,000

The features of the cyber range computer simulation lab will have 3 training classrooms, 1 office area, 1 server room, 1 pantry and 1 lobby. The capacity of the 3 classrooms are able to host approximately 60 students. The technical expertise required for operating the cyber range computer simulation lab includes trainers with educational background in Computer Science and IT as well as experience in the field of Cybersecurity, Big Data and AI either through work or teaching.

7. BUSINESS OVERVIEW (CONT'D)

Our Group will make the necessary submission to the local authorities for business permits, renovation permits and other licences where required prior to setting up our planned Cyber Range computer simulation lab.

As at the LPD, our Group has 3 internal trainers who are able to provide training for Cybersecurity, Big Data and AI programmes. Notwithstanding this, we also intend to hire 9 employees to operate the Cyber Range computer simulation lab and have allocated RM0.94 million over 12 months from our internally generated funds for this, details of which are as follows:

Description	No. of pax	Total estimated cost per annum RM'000
Customer Service Manager	1	72
Customer Service Executives	2	84
Trainers	3	540
Assistant trainer	1	100
Commercial and Marketing Executives	2	144
Total		940

The recruitment of the abovementioned employees will be carried out in tandem with the growth of our Cybersecurity, Big Data and AI programmes.

(ii) We intend to continue expanding our business to capture growth opportunities

Our strategy for business expansion in East Malaysia, Indonesia and Philippines will focus on replicating the business model that we presently adopt in Peninsular Malaysia to promote our Discovery, Development and Digital business segments. Further, our business expansion in these regions will also include:

- leveraging on our present customers and business contacts in Peninsular Malaysia who may have operations in East Malaysia as well as Indonesia and Philippines;
- leveraging on our BUILD A FUTURE TEAM events, conferences and seminars in Malaysia, Indonesia and Philippines to further create awareness for our Group, brands, range of integrated people development solutions, as well as engaging industry leaders and human resource professionals; and
- approaching companies operating in East Malaysia, Indonesia and Philippines to introduce our Group, brands and promote our range of integrated people development solutions.

(a) Expansion in Malaysia

We currently operate in Kuala Lumpur and have branches in Pulau Pinang and Johor respectively. Our location in Kuala Lumpur, Pulau Pinang and Johor allows us to establish our presence and market our integrated people development solutions especially to customers in the Peninsular Malaysia.

We intend to strengthen our presence in Malaysia by expanding to East Malaysia, particularly in the cities of Kota Kinabalu and Kuching where we plan to establish offices and training centres. The establishment of these offices and training centres will allow us to meet the demands of customers in these areas such as local governmental bodies, local corporate entities as well as local individuals who are

7. BUSINESS OVERVIEW (CONT'D)

looking to upskill and reskill through our integrated people development solutions. As at the LPD, we have existing customers from East Malaysia that are being serviced by our team in West Malaysia.

We have allocated RM1.00 million of our proceeds from our Public Issue to fund the establishment of a combination of offices and training centres in Kota Kinabalu and Kuching within the next 24 months upon our Listing, details of which are as follows:

Locations	Descriptions	Total estimated cost RM'000
Kota Kinabalu		
- Rental cost for 24 months	Rental of property in Kota Kinabalu with built up area ranging between 2,000 to 3,000 sq ft	150
- Set up cost	Includes: - Licences and signages - Renovation works - Infrastructure costs for network and internet set up - Purchase of computers for office and classroom - Fittings and furniture for office and classroom - Purchase of office equipment	350
Kuching		
- Rental cost for 24 months	Rental of property in Kuching with built up area ranging between 3,000 to 4,000 sq ft	150
- Set up cost	Includes: - Licences and signages - Renovation works - Infrastructure costs for network and internet set up - Purchase of computers for office and classroom - Fittings and furniture for office and classroom - Purchase of office equipment	350
Total		1,000

As at the LPD, our Group has yet to enter into any tenancy agreements for rental of offices in Kota Kinabalu and Kuching. Our Group will make the necessary submission to the relevant authorities for, amongst others, the business premise licenses and working permits prior to setting up the said premises.

We also intend to hire a total of 18 employees to operate these offices and training centres in Kota Kinabalu and Kuching. We have allocated RM1.25 million over 12 months from our internally generated funds for this, details of which are as follows:

7. BUSINESS OVERVIEW (CONT'D)

Description	No. of pax	Total estimated cost per annum RM'000
Kota Kinabalu		
Customer Service Manager	1	54
Customer Service Executive	1	30
Accounts Executive	1	36
Trainers	3	360
Assistant trainer	1	48
Commercial and Marketing Executives	2	96
		624
Kuching		
Customer Service Manager	1	54
Customer Service Executive	1	30
Accounts Executive	1	36
Trainers	3	360
Assistant trainer	1	48
Commercial and Marketing Executives	2	96
		624
Total	18	1,248

The recruitment of the abovementioned employees will be carried out in tandem with the growth of our Kota Kinabalu and Kuching offices and training centres.

(b) Expansion in ASEAN region

We intend to expand geographically in the ASEAN region by opening offices and training centres in Jakarta and Manila as well as our regional office in Singapore. Presently, our Group only operates in Malaysia. The expansion into new geographical markets via establishment of these branches would allow our Group to meet the demands of customers in these areas such as foreign local governmental bodies, foreign local corporate entities as well as foreigners who are looking to upskill and reskill through our Group's integrated people development solutions.

Our presence in Singapore will serve as a launchpad for our expansion into other South-East Asian countries in particular Indonesia and Philippines as we intend to explore opportunities and grow our business in these new locations. We intend to use our Singapore incorporated entity, PEOPLEogy International for this regional expansion. As at the LPD, our Group has yet to establish any regional office in Singapore.

In addition, for our expansion to Indonesia and Philippines, we have also taken into consideration the potential market for digital talent development whereby the labour force that is potential target for digital skills upskilling and reskilling are among the highest in the ASEAN countries. Please refer to Section 8 of this Prospectus for further details on the potential for digital talent solutions in ASEAN.

For the purposes of our expansion plans into these foreign countries, our Group had carried out market feasibility studies on ASEAN countries before deciding to penetrate Indonesia. Our Group's market feasibility studies on ASEAN countries

7. BUSINESS OVERVIEW (CONT'D)

included researching and understanding the country specific economic developments, potential target market and overall population, current market trends, supportive government policies and current competitive landscape.

As at the LPD, although our Group has yet to enter into any formal strategic partnerships in Indonesia and Philippines, our Group will be able to reach out to its potential customers based in the region through our existing network of clients.

We have allocated RM3.00 million of our proceeds from our Public Issue to fund the following within the next 36 months upon Listing, details of which are as follows:

Locations	Descriptions	Total estimated cost RM'000
Jakarta, Indonesia		
- Rental cost for 36 months	Rental of property in Jakarta with built up area of approximately 2,700 sq ft	700
- Set up cost	Includes: - Licences and signages - Renovation works - Infrastructure costs for network and internet set up - Purchase of computers for office and classroom - Fittings and furniture for office and classroom - Purchase of office equipment	750
Manila, Philippines		
- Rental cost for 36 months	Rental of property in Manila with built up area ranging of approximately 3,000 sq ft	700
- Set up cost	Includes: - Licences and signages - Renovation works - Infrastructure costs for network and internet set up - Purchase of computers for office and classroom - Fittings and furniture for office and classroom - Purchase of office equipment	750
Singapore		
- Rental cost for 12 months	Rental of co-working space in Singapore to facilitate the necessary meetings for Singapore personnel	100
Total		3,000

7. BUSINESS OVERVIEW (CONT'D)

As at the LPD, our Group has yet to establish any office and training centre in Jakarta, Indonesia and Manila, Philippines. Further, our Group has also yet to establish any regional office in Singapore. As our intention is for our Singapore entity to be the holding company for our investments in the South-East Asian countries that we expand into, we do not require a large office premise to house our workforce. Thus, we intend to rent a co-working space in Singapore. Our Singapore entity will also function as a regional business development hub to market our people development solutions across the ASEAN region.

At this juncture, our Group do not foresee the need for any material licenses or permits required to setup our regional office and the rental of co-working space in Singapore. Nevertheless, our Group will continue to evaluate the licensing and regulatory requirements in respect of Singapore and where required, will make the necessary submission to the authorities to ensure compliance.

We intend to hire our internally generated funds for this, details of which are as follows:

Description	No. of pax	Total estimated cost per annum RM'000
Jakarta, Indonesia		
Country Manager	1	144
Commercial and Marketing Executives	2	96
Admin and Customer Service Executive	1	42
Accounts and Human Resources Manager	1	72
Trainers	2	240
Assistant trainer	1	48
		642
Manila, Philippines		
Country Manager	1	96
Commercial and Marketing Executives	2	96
Digital Marketing Executive	1	48
Admin and Customer Service Executive	1	42
Accounts and Human Resources Manager	1	60
Trainers	2	144
Assistant trainer	1	48
		534
Singapore		
Country Manager	1	396
Commercial and Marketing Executives	2	336
		732
Total	20	1,908

The recruitment of the abovementioned employees will be carried out in tandem with the growth of our offices and training centres in Jakarta and Manila as well as regional office in Singapore.

7. BUSINESS OVERVIEW (CONT'D)

(iii) We intend to expand our Digital segment

Our Digital segment contributed to 0.36%, 0.75%, 0.51%, and 0.51% of our Group's revenue for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively. While the revenue contribution from the Digital segment is relatively minimal compared to our Development segment, we see opportunities in the Digital segment and intend to expand our Digital segment via the following:

(a) R&D of software

We presently utilise different software to manage different functions of our operations and marketing activities.

We intend to develop our own Enterprise Resource Planning (“ERP”) software to manage our Group's operations under the Digital segment. We intend to adopt the ERP software throughout our Group's Digital segment to manage our day-to-day operational activities such as sales management, marketing management, customer service management as well as client management. We intend to develop this ERP software internally by leveraging on our expanding team of software engineers led by our Head of Technology as well as Head of Digital under our Digital segment.

The total cost for the development of our ERP software is estimated at RM1.00 million mainly comprising staff salaries and licensing cost. We intend to utilise RM1.00 million of the proceeds from our Public Issue within the next 24 months upon our Listing for this purpose.

By migrating to this new ERP system, we will be able to manage our Digital segment more effectively whereby data such as trainer bookings, membership registrations, training evaluation, customer information as well as customer buying patterns can be easily recorded, accessed and analysed. The integration of the ERP system with various departments will also enable better tracking of data and analytics in real-time, thus allowing for more informed and accurate decision making to support our business operations.

(b) Enhancement of PEOPLEAPS and SKILLSTURE platforms

Further, we intend to enhance our offering in PEOPLEAPS and SKILLSTURE platforms that will add value to our customers. We also intend to optimise platform performance by addressing speed, responsiveness and scalability issues. Additionally, we also intend to enhance the platform's user interface and user experience design to make it more intuitive, visually appealing and easy to navigate.

For PEOPLEAPS, we intend to enhance our modules under LMS, TMS and CMS, as follows:

- **LMS**

We plan to further refine the enrolment process by incorporating advanced self-registration and approval workflows. The program management functionalities will be expanded to include more detailed calendar integrations and enhanced trainer profiles. User management will be upgraded with additional features in the learning dashboard, allowing users to better track their learning history.

7. BUSINESS OVERVIEW (CONT'D)

- **TMS**

We intend to optimise trainer management by improving the booking systems and trainer evaluation processes. Room management will also see improvements, with more detailed tracking and management of classroom and equipment resources. Participant management will be enhanced to include better certificate management tools and more efficient self-check-in processes.

- **CMS**

We intend to expand the scope of content development by incorporating more diverse learning formats such as gamification.

We intend to incorporate artificial intelligence features which will allow us to better manage our training programmes and develop data driven analytics that can contribute to improving our future training reporting. We intend to develop the abovementioned enhancement internally. We will purchase external software to incorporate these artificial intelligence features, the cost of which will be funded from internally generated funds.

We have allocated RM1.00 million of our proceeds from our Public Issue for software development and implementation costs of PEOPLEAPS within the next 24 months upon our Listing.

We intend to enhance SKILLSTURE by integrating a Learning Experience Platform (“LXP”) and developing a community for subscribers and trainers. The LXP will provide a more personalised and engaging learning experience by curating content from various sources and offering AI-driven recommendations tailored to each subscriber’s learning needs and career goals. This system will enable self-directed learning, allowing users to explore diverse educational resources beyond traditional courses. Simultaneously, the community for subscribers and trainers will foster collaboration, networking and peer-to-peer learning. The LXP will feature discussion forums, live chats and virtual meetups that allow subscribers and trainers to share insights, discuss challenges and support each other’s growth. We intend to develop the abovementioned enhancement internally.

We have allocated RM1.00 million of our proceeds from our Public Issue for software development and implementation costs of SKILLSTURE within the next 24 months upon our Listing.

(iv) We intend to expand our business through strategic investments, mergers and acquisitions opportunities

One of our growth strategies involves explorations of investments and merger and acquisitions activities that are complementary to our Group’s business to enhance our Group’s operational efficiencies and expand our Group’s core services. We are selective about company acquisitions, first assessing if the proposed target business presents a clear value proposition or is in possession of certifications which are able to complement our Group’s business. We intend to seek acquisition of companies which are able to enhance our Group’s business reputation, expand our Group’s programmes and product, provide value chain integration for our existing segments and customers and facilitate our Group’s entry into new verticals. We intend to focus our acquisition targets on companies having, amongst others, provision of organisational talent consultancy and profile assessment services, certifications related to digital programmes such as IR 4.0 and/or training programmes.

7. BUSINESS OVERVIEW (CONT'D)

Our Group is exploring investment and acquisition opportunities in companies within Malaysia and the Southeast Asia region which meet the abovementioned criteria. Our Group intends to use the proceeds raised of approximately RM4.00 million for strategic investments, mergers and acquisitions opportunities that are aligned with and synergistic to our Group's principal business activities. As at the LPD, our Group has not identified any prospective acquisition nor have we entered into any binding agreements for any acquisition.

For the avoidance of doubt, such strategic investments, mergers and acquisitions shall be distinguished from our future plan in relation to business expansion in Malaysia and in the ASEAN region as set out in Section 7.17(ii) of this Prospectus, which relates to the setting up of regional offices and are organic in nature.

We have allocated RM4.00 million of our proceeds from our Public Issue for this purpose and we intend to complete this within the next 24 months upon our Listing.

7.18 MATERIAL PLANS TO CONSTRUCT, EXPAND OR IMPROVE PROPERTY, PLANT AND EQUIPMENT

As at the LPD, our Group does not have own any existing properties or plants. Save as disclosed in Sections 7.17(a) of this Prospectus, our Group has no immediate material plans to expand or improve any of our properties or existing equipment.

7.19 MATERIAL DEPENDENCY ON CONTRACTS, AGREEMENTS, INTELLECTUAL PROPERTY RIGHTS AND PROCESSES OR OTHER ARRANGEMENTS

As at the LPD, save for the licences and intellectual property rights disclosed in Section 7.20 and Section 7.21 of this Prospectus, our Group is not materially dependent on any contracts, arrangements, intellectual property rights and processes or any matters that could affect our business or profitability.

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7. BUSINESS OVERVIEW (CONT'D)

7.20 APPROVALS, MAJOR LICENCES, PERMITS AND REGISTRATIONS

As at the LPD, our approvals for operations, major licences, permits and registrations are as follows:

No.	Licensee	Approving authority / Registration no.	Description of licence / permit / approval	Date of issue / Date of expiry	Material conditions	Status of compliance
1.	PEOPLElogy Discovery	DBKL / File No. DBKL. JPPP / 01060/09/2024/KM01	Trade, business and industries licence Address: 17-6, Lingkaran Syed Putra Mid Valley City 59200 Kuala Lumpur	12 September 2024 / 11 September 2025	1. Licence is to be renewed annually and 60 days prior to expiration date.	Noted
					2. Workers employed on the premise should comprise of 50% citizens of Malaysia and 50% non-citizens with a valid work permit.	Complied ⁽¹⁾
2.	PEOPLElogy Digital	DBKL / File No. DBKL. JPPP / 01358/09/2024/KM01	Trade, business and industries licence Address: 17-6, Lingkaran Syed Putra Mid Valley City 59200 Kuala Lumpur	13 September 2024 / 12 September 2025	1. Licence is to be renewed annually and 60 days prior to expiration date.	Noted
					2. Workers employed on the premise should comprise of 50% citizens of Malaysia and 50% non-citizens with a valid work permit.	Complied ⁽¹⁾
3.	PEOPLElogy Growth	DBKL / File No. DBKL. JPPP / 00854/09/2024/KM01	Trade, business and industries licence Address: 17-6, Lingkaran Syed Putra Mid Valley City 59200 Kuala Lumpur	12 September 2024 / 11 September 2025	1. Licence is to be renewed annually and 60 days prior to expiration date.	Noted
					2. Workers employed on the premise should comprise of 50% citizens of Malaysia and 50% non-citizens with a valid work permit.	Complied ⁽¹⁾

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Approving authority / Registration no.	Description of licence / permit / approval	Date of issue / Date of expiry	Material conditions	Status of compliance
4.	PEOPLEogy Goal	DBKL / File No. DBKL. JPPP / 01793/04/2024/KM01	Trade, business and industries licence Address: 9-11, Lingkaran Syed Putra Mid Valley City 59200 Kuala Lumpur	11 May 2024 / 10 May 2025 ⁽²⁾	1. Licence is to be renewed annually and 60 days prior to expiration date.	Noted
					2. Workers employed on the premise should comprise of 50% citizens of Malaysia and 50% non-citizens with a valid work permit.	Complied ⁽¹⁾
5.	PEOPLEogy Discovery	DBKL / File No. DBKL. JPPP / 01155/09/2024/KM01	Trade, business and industries licence Address: 19-6, Lingkaran Syed Putra Mid Valley City 59200 Kuala Lumpur	12 September 2024 / 11 September 2025	1. Licence is to be renewed annually and 60 days prior to expiration date.	Noted
					2. Workers employed on the premise should comprise of 50% citizens of Malaysia and 50% non-citizens with a valid work permit.	Complied ⁽¹⁾
6.	PEOPLEogy Digital	DBKL / File No. DBKL. JPPP / 00603/09/2024/KM01	Trade, business and industries licence Address: 19-6, Lingkaran Syed Putra Mid Valley City 59200 Kuala Lumpur	7 September 2024 / 6 September 2025	1. Licence is to be renewed annually and 60 days prior to expiration date.	Noted
					2. Workers employed on the premise should comprise of 50% citizens of Malaysia and 50% non-citizens with a valid work permit.	Complied ⁽¹⁾
7.	PEOPLEogy Growth	DBKL / File No. DBKL. DBKL. JPPP / 01166/09/2024/KM01	Trade, business and industries licence	12 September 2024 / 11	1. Licence is to be renewed annually and 60 days prior to expiration date.	Noted

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Approving authority / Registration no.	Description of licence / permit / approval	Date of issue / Date of expiry	Material conditions	Status of compliance
			Address: 19-6, Lingkaran Syed Putra Mid Valley City 59200 Kuala Lumpur	September 2025	2. Workers employed on the premise should comprise of 50% citizens of Malaysia and 50% non-citizens with a valid work permit.	Complied ⁽¹⁾
8.	PEOPLElogy Skill	DBKL / File No. DBKL. JPPP / 02373/05/2017/PR01	Trade, business and industries licence Address: 11-7, Lingkaran Syed Putra Mid Valley City 59200 Kuala Lumpur	9 July 2024 / 8 July 2025	1. Licence is to be renewed annually and 60 days prior to expiration date.	Noted
					2. Workers employed on the premise should comprise of 50% citizens of Malaysia and 50% non-citizens with a valid work permit.	Complied ⁽¹⁾
9.	PEOPLElogy Community	DBKL / File No. DBKL. JPPP / 02311/05/2024/KM01	Trade, business and industries licence Address: 17-11 & 19-11, Lingkaran Syed Putra Mid Valley City, 59200 Kuala Lumpur	7 June 2024 / 6 June 2025	1. Licence is to be renewed annually and 60 days prior to expiration date.	Noted
					2. Workers employed on the premise should comprise of 50% citizens of Malaysia and 50% non-citizens with a valid work permit.	Complied ⁽¹⁾
10.	PEOPLElogy Development	DBKL / File No. DBKL. JPPP / 00989/09/2024/KM01	Trade, business and industries licence Address: 17-11 & 19-11, Lingkaran Syed Putra Mid Valley City, 59200 Kuala Lumpur	12 September 2024 / 11 September 2025	1. Licence is to be renewed annually and 60 days prior to expiration date.	Noted
					2. Workers employed on the premise should comprise of 50% citizens of Malaysia and 50% non-citizens with a valid work permit.	Complied ⁽¹⁾

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Approving authority / Registration no.	Description of licence / permit / approval	Date of issue / Date of expiry	Material conditions	Status of compliance
11.	PEOPLEogy Growth	DBKL / File No. DBKL. JPPP / 00554/08/2024/KM01	Trade, business and industries licence Address: 11-11, Lingkaran Syed Putra Mid Valley City, 59200 Kuala Lumpur	9 August 2024/ 8 August 2025	1. Licence is to be renewed annually and 60 days prior to expiration date.	Noted
					2. Workers employed on the premise should comprise of 50% citizens of Malaysia and 50% non-citizens with a valid work permit.	Complied ⁽¹⁾
12.	PEOPLEogy Southern	L2025LI064382	Trade, business, industries and advertising licence Address: Suite 1, Level 4, Menara KOMTAR, Johor Bahru City Centre, Jalan Tun Abdul Razak, 80000 Johor Bahru, Johor	25 March 2025 / 24 March 2026	Licence is to be renewed 30 days prior to expiration date.	Noted
13.	PEOPLEogy Development	HRD Corp / Serial No.: 550639T	Training Provider Registration Certificate	2 November 2024 / 1 November 2025	The certificate can be renewed three (3) months before the expiry date and 6 months after the expiry date.	Noted
14.	PEOPLEogy Goal	HRD Corp / Serial No.: 1040615U	Training Provider Registration Certificate	12 July 2024/ 3 September 2025	The certificate can be renewed three (3) months before the expiry date and 6 months after the expiry date.	Noted
15.	PEOPLEogy Skill	HRD Corp / Serial No.: 1033523D	Training Provider Registration Certificate	7 July 2024 / 6 July 2025	The certificate can be renewed three (3) months before the expiry date and 6 months after the expiry date.	Noted

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Approving authority / Registration no.	Description of licence / permit / approval	Date of issue / Date of expiry	Material conditions	Status of compliance
16.	PEOPLEogy Development	MOF / Certificate No.: K60131241773209594	Certificate of registration – Provision of supply and service under the following codes: (a) 210103: ICT equipment and computer accessories, tools and components, computer software, operating system, database, off-the-shelf packages including maintenance (b) 210104: ICT equipment and computer accessories, tools and components, software/ system development / customisation and maintenance	20 June 2022 / 15 July 2025	General Conditions 1. PEOPLEogy Development must ensure that the fields registered in the certificate do not overlap with the fields approved for other companies that: (a) have the same owner or board of directors, directors, management and employees; or (b) operates on the same premises. 2. Failure to apply for renewal of registration after one (1) year from the expiry date of the registration may result in PEOPLEogy Development's registration with the MOF to be automatically cancelled and withdrawn from e-Perolehan system. PEOPLEogy Development must then make a new application. Suspension / revocation of registration 1. PEOPLEogy Development's registration will be suspended/ revoked in the event that PEOPLEogy Development commits the following offences:	Complied Complied Noted Noted

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Approving authority / Registration no.	Description of licence / permit / approval	Date of issue / Date of expiry	Material conditions	Status of compliance
			(c) <u>221110</u> : Services/ provision of training services, instructors and moderators/ negotiators		(a) Company/ owner/ partnership/ director/ any of the management team commits a crime and is found guilty by the court in Malaysia or overseas or undertaking civil liability.	
			(d) <u>221502</u> : Services/ leasing and management/ machineries and equipment		(b) PEOPLEogy Development withdraws its offer before the tender is considered or rejects once offer is made.	
					(c) PEOPLEogy Development fails to fulfil its contractual obligations signed with the Government.	
					(d) PEOPLEogy Development is found to amend the Certificate of Registration of Company for the purpose of fraud or other purposes	
					(e) PEOPLEogy Development allows its Certificate of Registration of Company to be misused by another individual/company.	

7. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Approving authority / Registration no.	Description of licence / permit / approval	Date of issue / Date of expiry	Material conditions	Status of compliance
					(f) PEOPLElogy Development is found to have entered into price fixing arrangements with other companies upon entering into a Government tender or subcontract without prior consent of the Government agency involved.	
					Renewal	
					1. PEOPLElogy Development must submit the renewal application three (3) months prior to the expiry date	Noted
					2. Applications received after the expiry date are considered renewal registration.	Noted

Notes:

- (1) Our Group had, vide the letters dated 9 July 2024, sought clarifications from DBKL as to whether our Group is compliant with the conditions imposed on the licence, as the number of our Group's employees who are citizens of Malaysia exceeds 50% of the total number of employees. DBKL had vide their letters to our Group clarified that so long as the number of Malaysian employees exceeds 50% of the employees on the premise, our Group is in compliance with the condition.
- (2) As at the LPD, our Group is in the midst of liaising with the DBKL for renewal of the said licence and expects to secure the same prior to the expiry date.
- (3) In respect of our Group's business in Pulau Pinang, the Group had been informed by MBPP that the activities undertaken by PEOPLElogy Northern do not fall within the prescribed schedule under the MBPP By-Laws, and as such no trade, business and industries licence issued by MBPP is required.

7. BUSINESS OVERVIEW (CONT'D)

7.21 INTELLECTUAL PROPERTY RIGHTS

As at the LPD, save as disclosed below, we do not have any other brand names, patents, trademarks and other intellectual property rights:

No	Trademark	Registered Owner	Authority	Trademark No	Place of registration	Validity Period	Class / Description of trademark
1.		PEOPLElogy Development	MyIPO	2017054400	Malaysia	16 March 2017 - 16 March 2027	Class 41 - Education and training services; Business training services; Arranging and conducting of training courses; Arranging and conducting of conferences, conventions, educational exhibitions, classes, lectures, seminars and workshops [training]; Personal development training; Consultancy relating to vocational skills training; All included in class 41.
2.		PEOPLElogy Digital	MyIPO	TM2023017128	Malaysia	16 June 2023 – 16 June 2033	Class 9 - Application software; Computer application software for cell phones; Computer software; Downloadable software applications [apps]. Class 41 - Conducting of workshops [training]; Providing online courses of instruction; Arranging and conducting seminars; Educational services; Teaching; Publication of books; Career counselling [education or training advice]; Personal development training.

7. BUSINESS OVERVIEW (CONT'D)

No	Trademark	Registered Owner	Authority	Trademark No	Place of registration	Validity Period	Class / Description of trademark
3.	PEOPLElogy	PEOPLElogy Development	Intellectual Property Office of Singapore ("IPOS")	40202419122T	Singapore	7 June 2024 – 7 June 2034	Class 41 - Education and training services; business training services; arranging and conducting of training courses; arranging and conducting of conferences, conventions, educational exhibitions, classes, lectures, seminars and workshops [training]; personal development training; consultancy relating to vocational skills training.
4.	 PEOPLEAPS THE FUTURE OF PEOPLE DEVELOPMENT	PEOPLElogy Digital	IPOS	40202421162P	Singapore	7 June 2024 – 7 June 2034	Class 9 - Application software; computer application software for cell phones; computer software; downloadable software applications (apps). Class 41 - Conducting of workshops [training]; providing online courses of instruction; arranging and conducting seminars; educational services; teaching; publication of books; career counselling [education or training advice]; personal development training.
5.	PEOPLElogy	PEOPLElogy Development	Intellectual Property Office of the Philippines ("IPOPHL")	1805417	Philippines	7 June 2024 – 7 June 2034	Class 41 - Education and training services; business training services; arranging and conducting of training courses; arranging and conducting of conferences, conventions, educational

7. BUSINESS OVERVIEW (CONT'D)

No	Trademark	Registered Owner	Authority	Trademark No	Place of registration	Validity Period	Class / Description of trademark
							exhibitions, classes, lectures, seminars and workshops [training]; personal development training; consultancy relating to vocational skills training.
6.	 PEOPLEAPS THE FUTURE OF PEOPLE DEVELOPMENT	PEOPLElogy Digital	IPOPHL	1809841	Philippines	7 June 2024 – 7 June 2034	Class 9 - Application software; computer application software for cell phones; computer software; downloadable software applications (apps). Class 41 - Conducting of workshops [training]; providing online courses of instruction; arranging and conducting seminars; educational services; teaching; publication of books; career counselling [education or training advice]; personal development training.

7. BUSINESS OVERVIEW (CONT'D)

As at the LPD, we are also applying for the registration of the following trademarks via MyIPO:

No	Trademark	Applicant	Place of registration	Application No	Class / Description of trademark	Status
1.	PEOPLElogy	PEOPLElogy Development	Indonesia, Thailand, Vietnam	Application No: 2017054400	Class 41 - Education and training services; business training services; arranging and conducting of training courses; arranging and conducting of conferences, conventions, educational exhibitions, classes, lectures, seminars and workshops [training]; personal development training; consultancy relating to vocational skills training.	The Group had on 7 June 2024 submitted the international application for the registration of the trademark via MyIPO.
2.	 PEOPLEAPS THE FUTURE OF PEOPLE DEVELOPMENT	PEOPLElogy Digital	Indonesia, Thailand, Vietnam	Application No: TM2023017128	Class 9 - Application software; Computer application software for cell phones; Computer software; Downloadable software applications (apps). Class 41 - Conducting of workshops [training]; Providing online courses of instruction; Arranging and conducting	The Group had on 7 June 2024 submitted the international application for the registration of the trademark via MyIPO.

7. BUSINESS OVERVIEW (CONT'D)

No	Trademark	Applicant	Place of registration	Application No	Class / Description of trademark	Status
					seminars; Educational services; Teaching; Publication of books; Career counselling [education or training advice]; Personal development training.	
3.	 SKILLSTURE Master The Skill That Matters	PEOPLElogy Digital	Malaysia	Application No: TM2024018367	Class 9 - Application software; Computer application software for cell phones; Computer software; Downloadable software applications [apps]; Digital content, downloadable. Class 41 - Arranging and conducting of colloquiums, conferences, congresses, seminars, symposiums and workshops [training]; Arranging of exhibitions, seminars and conferences; Conducting of workshops [training]; Training of personnel in the areas of recruitment, human resources and business management;	The Group had on 25 June 2024 submitted an application for the registration of the said trademark. ⁽²⁾

7. BUSINESS OVERVIEW (CONT'D)

No	Trademark	Applicant	Place of registration	Application No	Class / Description of trademark	Status
					Educational services, namely, providing live and online courses; Conducting seminars; Educational services; Teaching; Publication of books; Career counselling (education or training advice); Personal development courses; Personal development training; Career advisory services [education or training advice]; Providing training and educational examination [educational certification services]; Providing group coaching and in-person learning forums in the field of leadership development.	
4.	 THE FUTURE TALENT Reshape Your Future Now!	PEOPLElogy Development	Malaysia	Application No: TM2024018366	Class 35 - Online and sellers of goods and services relating to human capital and talent development. Class 36 - Providing educational scholarships.	The Group had on 25 June 2024 submitted an application for the registration of the said trademark. ⁽¹⁾

7. BUSINESS OVERVIEW (CONT'D)

No	Trademark	Applicant	Place of registration	Application No	Class / Description of trademark	Status
					Class 41 - Arranging and conducting of colloquiums, conferences, congresses, seminars, symposiums and workshops [training]; Arranging of exhibitions, seminars and conferences; Conducting of workshops [training]; Training of personnel in the areas of recruitment, human resources and business management; Educational services; Teaching; Publication of books; Career advisory services; Providing training and educational examination [educational certification services]; [educational certification services]; Providing group coaching and in-person learning forums in the field of leadership development.	

7. BUSINESS OVERVIEW (CONT'D)

No	Trademark	Applicant	Place of registration	Application No	Class / Description of trademark	Status
5.		PEOPLElogy Development	Malaysia	Application No: TM2024018364	Class 35 - Business development consultancy services; Business management consultancy in the field of executive and leadership development; Advertising/publicity; Business information; Business inquiries; Direct mail advertising; Dissemination of advertising matter; Distribution of samples; Organization of exhibitions for commercial or advertising purposes; Online and sellers of goods and services; Presentation of goods on communication media, for retail purposes; Career planning consultancy services. Class 41 - Arranging and conducting of colloquiums, conferences, congresses, seminars, symposiums and workshops [training];	The Group had on 25 June 2024 submitted an application for the registration of the said trademark. ⁽²⁾

7. BUSINESS OVERVIEW (CONT'D)

No	Trademark	Applicant	Place of registration	Application No	Class / Description of trademark	Status
					Arranging exhibitions, seminars and conferences; Conducting of workshops [training]; Training of personnel in the areas of recruitment, human resources and business management; Educational services; Teaching; Publication of books; Career counselling (education or training advice); Personal development courses; Personal development training; Career advisory services [educational certification services]; Providing group coaching and in-person learning forums in the field of leadership development.	

7. BUSINESS OVERVIEW (CONT'D)

No	Trademark	Applicant	Place of registration	Application No	Class / Description of trademark	Status
6.	 TALENTS Empowering Dreams	PEOPLElogy Development	Malaysia	Application No: TM2024018365	Class 36 - Providing educational scholarships. Class 41 - Arranging and conducting of colloquiums, conferences, congresses, seminars, symposiums and workshops [training]; Arranging exhibitions, seminars and conferences; Conducting of workshops [training]; Training of personnel in the areas of recruitment, human resources and business management; Educational services; Teaching; Publication of books; Career counselling (education or training advice); Personal development courses; Personal development training; Career advisory services [educational certification services]; Providing group coaching and in-person learning forums	The Group had on 25 June 2024 submitted an application for the registration of the said trademark. ⁽²⁾

7. BUSINESS OVERVIEW (CONT'D)

No	Trademark	Applicant	Place of registration	Application No	Class / Description of trademark	Status
					in the field of leadership development.	

Notes:

- (1) The trademark application had been temporarily rejected via a provisional refusal notice dated 14 January 2025 issued by MyIPO due to amongst others, incorrect description. We had, on 20 February 2025, made the necessary payments to MyIPO and the decision of MyIPO is still pending as at the LPD.
- (2) As at the LPD, the status of the trademark applications is under substantive examination.

The estimated timeline for the approval of the aforementioned trademarks by the relevant authorities is between 12 to 18 months from the date of our applications. For the avoidance of doubt, our Group does not anticipate material adverse impact on our Group's business operations in the event the trademarks above are not successfully registered as our Group's business and profitability are not materially dependent on the trademarks premised on the following:

- (i) our Group's marketing and identification is primarily through the brand "PEOPLElogy" in which the trademark was registered in Malaysia since 2017. The Group's businesses will not be affected if the rest of the pending trademark are not successfully registered in Malaysia; and
- (ii) as for the other pending trademark in other countries outside Malaysia, PEOPLElogy derives its revenue mainly from Malaysia. In the event the PEOPLElogy trademark is not successfully registered in any of the 3 countries, our Group may operate under another trademark, if required.

7. BUSINESS OVERVIEW (CONT'D)

7.22 REGULATORY REQUIREMENTS INCLUDING ENVIRONMENTAL CONCERNS

7.22.1 Governing laws and regulations

Our business is regulated by, and in some instances required to be licensed under specific laws of Malaysia. The relevant laws and regulations governing our Group which do not purport to be an exhaustive description of all laws and regulations of which our business is subject to are summarised below.

As at the LPD, save for those non-compliances disclosed herein, our Group complies with all the laws and regulations governing the conduct of our business and environmental issues which may materially affect our Group's operations.

(i) Local Government Act 1976 ("LGA")

Section 102 of the LGA provides that local authorities are empowered to make, amend and revoke the by-laws.

As our Group primarily carries out our business in Kuala Lumpur, Pulau Pinang and Johor Bahru, our Group is under the jurisdictions of DBKL, MBPP and MBBJ. The relevant by-laws governing the conduct of our Group's business would be the Licensing of Trade, Business and Industries (Federal Territory of Kuala Lumpur) By-laws 2016 ("**DBKL By-Laws**"), Licensing of Trades, Businesses and Industries (Johor Bahru) By-Laws 2016 ("**MBJB By-Laws**") and Licensing of Trades, Businesses and Industries (Penang) By-Laws 1991 ("**MBPP By-Laws**") (collectively known as "**By-laws**").

By virtue of the By-laws, no person shall operate any activity of trade, business and industry or use any place or premise in the local area of DBKL, MBPP and MBBJ for any activity of trade, business and industry without a licence issued by the relevant licensing authorities. A contravention of the DBKL By-Laws and MBPP By-Laws would result in an offence, which upon conviction, would result in a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or to both and in the case of a continuing offence to a fine not exceeding RM200 for each day during which such offence is continued after conviction. In addition, a contravention of the MBBJ By-Laws would result in an offence, which upon conviction, would result in a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or to both.

In respect of our Group's business in Kuala Lumpur, we have previously and in some cases, periods of time when we carried out businesses without the relevant trade, business and industries licences issued by DBKL. As at the LPD, our Group holds and maintains valid trade, business and industries licences issued by DBKL.

In respect of our Group's business in Pulau Pinang, the Group had been informed by MBPP that the activities undertaken by PEOPLEogy Northern do not fall within the prescribed schedule under the MBPP By-Laws, and as such no trade, business and industries licence issued by MBPP is required.

7. BUSINESS OVERVIEW (CONT'D)

In respect of our Group's business in Johor Bahru, PEOPLElogy Southern had previously undertook business without the trade, business and industries licence issued by MBBJ. As at the LPD, our Group holds and maintains valid trade, business, industries and advertising licence issued by MBBJ.

In the event DBKL and MBBJ imposes a penalty on the non-compliances, the maximum penalty amount payable by our Group under the By-Laws is RM20,000.00, which is approximately 0.27% of our Group's PBT for FYE 2024. As at the LPD, our Group has not been penalised by DBKL and/or MBBJ and has not received any penalty in relation to the aforementioned breaches. For the avoidance of doubt, there would not be any material adverse impact to the Group's business operations and financial performance as the maximum penalty amount payable is not material and our Group has not received any penalty nor was there any imprisonment imposed in relation to the said breaches.

Since August 13, 2024, our Group has maintained a master monitoring list to track license and permit renewals in accordance with documented standard operating procedures, ensuring timely renewals of licenses and permits. This process includes a 3-level review whereby the license coordinator is tasked with monitoring and updating the master monitoring list on a weekly basis and/or as and when required. Thereafter, the administration coordinator shall review the said list and report to the COO whom is in charge of overseeing our Group's compliance with the relevant regulatory requirements.

(ii) Street, Drainage and Building Act 1974 ("SDBA")

Section 79(1) of the SDBA provides that no person shall erect or cause or permit to be erected any building any partition, compartment, gallery, loft, roof, ceiling or other structure without having the prior written permission of the local authority. Any person who fails to do so shall be liable on conviction to a fine not exceeding RM500 and shall also be liable to a further fine not exceeding RM100 for every day during which the offence is continued after conviction.

Our Group had previously carried out internal renovations on its current and previous tenanted properties without renovation permits from the relevant local authorities as stated below:

No	Property(ies)	Relevant local authority(ies)
1.	Unit 9-10, The Boulevard Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur ("Unit 9-10")	DBKL
2.	Unit 9-11, The Boulevard Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	
3.	Unit 11-11, The Boulevard Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	
4.	Unit 17-11, The Boulevard Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	
5.	Unit 19-11, The Boulevard Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	
6.	Unit 11-7, The Boulevard Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	
7.	Suite 13.09, Level 13, Johor Bahru City Square (Office Tower), 106-108, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor ("JB Premise")	MBJB

7. BUSINESS OVERVIEW (CONT'D)

No	Property(ies)	Relevant local authority(ies)
8.	H-16-2, Bay Avenue, Lorong Bayan Indah 2, Bayan Lepas, 11900 Pulau Pinang (" Penang Premise ")	MBPP

Save for Unit 9-10 and the JB Premise, our Group had subsequently made the relevant submissions to the respective local authorities and had received all the renovation permits from MBPP for the Penang Premise in September 2024 and from DBKL for the Kuala Lumpur properties in October 2024.

In respect of Unit 9-10, our Group had not undertaken the regularisation of the said breach as we have relocated to other tenanted premises, namely unit 17-6 and 19-6, The Boulevard Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur upon the expiry of the tenancy for Unit 9-10 on 30 September 2024.

In respect of the JB Premise, we were unable to apply for the regularisation of the said breach as we were verbally informed by the representative of MBJB that, for the purposes of the application of the renovation permits, MBJB requires a tenancy agreement for the renewed period as our current tenancy agreement for our tenanted premise in Johor Bahru will lapse on 7 October 2024 (which has since been extended to 7 November 2024) as our Group required additional time to vacate the said premise. Our Group had subsequently vacated the JB Premise and tenanted a new office located at Suite 1, Level 4, Menara KOMTAR, Johor Bahru City Centre, Jalan Tun Abdul Razak, 80000 Johor Bahru, Johor.

In the event DBKL, MBPP and MBJB imposes a penalty on the non-compliance, the maximum penalty amount payable by our Group under Section 79(4) of SDBA is RM4,000.00 (excluding enhanced plan fees), which is approximately 0.05% of our Group's PBT for FYE 2024. As at the LPD, our Group has not been penalised by DBKL, MBPP and MBJB and has not received any penalty in relation to the aforementioned breaches. For the avoidance of doubt, there would not be any material adverse impact to the Group's business operations and financial performance arising from the said breaches.

Since August 13, 2024, our Group has maintained a master monitoring list to track license and permit renewals in accordance with documented standard operating procedures, ensuring timely renewals of licenses and permits. The three-level review process assigns the license coordinator to manage license applications and renewals, while the administration coordinator updates and monitors the master list, reporting to the COO. The COO ensures the Group's compliance with all relevant regulatory requirements.

(iii) Personal Data Protection Act 2010 ("PDPA")

The PDPA is an act to regulate the processing of personal data in commercial transactions and to provide for matters connected therewith and incidental thereto. Section 2(1) of the PDPA provides that it applies to any person who processes and any person who has control over or authorizes the processing of any personal data in respect of commercial transactions.

By virtue of Section 9(1) of the PDPA, a data user shall, when processing personal data, take practical steps to protect the personal data from any loss, misuse, modification, unauthorized or accidental access or disclosure, alteration or destruction.

As defined under Section 4 of the PDPA, our Group is presently both a data processor and a data user, as we process personal data on behalf of the data user and for our own purposes. However, the business activities of our Group do not fall within the list of

7. BUSINESS OVERVIEW (CONT'D)

industries/services required to be registered with the PDPA Commission. Nevertheless, our Group takes note of the requirements of the PDPA.

(iv) Employee Provident Fund Act 1991 (“EPF Act”)

As at the LPD, our Group has in place profit-sharing scheme (“**Profit Sharing**”) with certain of our sales and marketing employees (“**SM Employees**”) whereby subject to the achievement of certain sales target (monthly, quarterly and yearly sales basis), the SM Employees shall be entitled to profit share based on sales achieved upon collection.

In the past, some of our Subsidiaries, namely PEOPLElogy Development, PEOPLElogy Goal, PEOPLElogy Growth, PEOPLElogy Northern, PEOPLElogy Skill and PEOPLElogy Southern had not made Employees’ Provident Fund (“**EPF**”) deductions and employer’s contribution on incentives paid out to its sales and marketing employees who had achieved their respective quota and targets.

Our Group had on its own volition consulted with EPF in July 2024 as to whether the Profit Sharing falls under the definition of “wages” as provided under the EPF Act and on the requirement to make EPF deduction and employer’s contribution for the Profit Sharing including, if necessary, payment of any penalties which may arise therefrom.

Our Group had in August 2024 received the reply from EPF informing, amongst others, the Profit Sharing falls within the definition of “wages” provided under the EPF Act and that, for the purposes of the assessment on the outstanding contribution by our Group (“**Outstanding Contribution**”), to provide all relevant information pertaining to the past payment in respect of the Profit Sharing for all SM Employees involved.

Our Group had in September 2024 received the notice of assessment from EPF on the Outstanding Contribution amounting to the sum of RM543,992.00. Subsequently, our Group had also been informed that the computation for the late payment charges and dividend charge in respect of the Outstanding Contribution amount to RM222,800.00. Our Group had in October 2024 made the said payment for the Outstanding Contribution (including the late payment charges and dividend charge) in full to EPF. There will be no additional income tax arising from our payment of the Outstanding Contribution and the late payment charges and dividend charge.

In addition, our Group has also undertaken mitigation measures, amongst others, incorporation of the payment arising from the Profit Sharing into our payroll system commencing from August 2024 along with the inclusion of the compliance with EPF Act and other relevant requirements within our human resources policies and procedures. In paying the Profit Sharing incentive to certain sales and marketing personnel, the Human Resource (“**HR**”) Manager will ensure that the employees’ deduction and employer’s contribution of EPF is made for the said incentive.

7. BUSINESS OVERVIEW (CONT'D)

(v) Occupational Safety and Health Act 1994

Pursuant to the Occupational Safety and Health (Amendment) Act 2022 (“**OSHA Amendment Act**”) which came into operation on 1 June 2024, Section 29A(1) of the OSHA Amendment Act provides that an employer shall appoint one of his employees to act as an occupational safety and health coordinator if he employs five or more employees at the place of work.

Section 29(A)(4) of the OSHA Amendment Act 2022 further provides that any person who fails to do so shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 6 months or to both.

As at the LPD, PEOPLEogy Development, PEOPLEogy Skill, PEOPLEogy Digital and PEOPLEogy Community, all of which presently have more than 5 employees have appointed the relevant occupational safety and health coordinators. For clarity, the remaining subsidiaries of our Group are not required to appoint an occupational safety and health coordinator as they do not have more than 5 employees in the respective entity.

In the event DOSH imposes a penalty on the said non-compliance, the maximum penalty amount payable by our Group under the OSHA Amendment Act 2022 is RM250,000.00, which is approximately 3.33% of our Group’s PBT for FYE 2024.

As at the LPD, our Group is in compliance with the relevant provisions of the Occupational Safety and Health Act 1994 and OSHA Amendment Act and has not been penalised by DOSH nor has it has not received any penalty in relation to the aforementioned breach. For the avoidance of doubt, there would not be any material adverse impact to the Group’s business operations and financial performance arising from the said breach.

Our Group had on 1 July 2024 introduced the occupational safety and health policy. Moving forward, the management of our Group will continue to observe the said policy to ensure that our Group complies with the relevant health and safety regulations pertinent to our Group.

7.22.2 Additional disclosures

Tax matters

Our Group had previously been imposed with additional tax payable and/or tax penalties by the Inland Revenue Board of Malaysia (“**IRBM**”) and the Royal Malaysian Customs Department (“**RMCD**”). The details of the additional tax paid and tax penalties are as follows:

(i) Corporate income tax

In respect of corporate income tax, our Group had been imposed by the IRBM the following:

- (a) The IRBM had previously, via several tax audits conducted, disallowed some of the expenses claimed by our Group for the year of assessment (“**YA**”) 2015, YA 2016, YA 2017, YA 2019 and YA 2020, and subsequently imposed an aggregate of additional tax payable of RM19,154.00 along with an aggregate penalty of RM5,370.76 pursuant to the Income Tax Act 1967 (“**ITA**”);
- (b) Due to the underestimation of tax payable by our Group that were incurred for YA 2021, 2022 and 2023 to the IRBM, an aggregate penalty of RM47,429.46 was imposed by the IRBM pursuant to the ITA; and

7. BUSINESS OVERVIEW (CONT'D)

(c) A penalty of RM301.00 was also imposed by the IRBM pursuant to the ITA for late payment of tax instalment for the YA 2021.

(ii) Sales and service tax ("SST")

Due to the late filings of SST returns within the stipulated deadlines by our Group, the RMCD had imposed an aggregate penalty of RM42,269.55 pursuant to the Service Tax Act 2018 ("STA") in respect of YA 2022 and YA 2023.

(iii) Withholding tax

Due to withholding tax not being withheld for payments made to non-resident service providers, our Group was previously imposed an aggregate penalty of RM13,451.47 by the IRBM for the YA 2022 and YA 2023 pursuant to the ITA. The penalty has been fully settled.

In addition, as at the LPD, our Group is also subject to an aggregate sum of RM17,489.50 payable to IRBM, being the withholding tax not being withheld for payments made to non-resident service providers along with a maximum penalty of RM1,748.68 under the ITA.

The primary reason in which our Group was not able to withhold tax for non-resident service providers was due to majority of the foreign digital service providers engaged by our Group not possessing a Malaysian registered tax identification number with the IRBM.

Our Group had in October 2024 made the full payment of the sum above comprising the withholding tax and penalty to IRBM.

(iv) Imported taxable services

Our Group was previously subject to an aggregate sum of RM11,565.33 payable to RMCD, being the total service tax arising from the purchases of services by our Group from foreign digital providers who are not registered with the RMCD along with an aggregate penalty of RM4,506.27 under the ITA.

The said non-compliance was mainly due to oversight of the management of our Group.

Our Group had in October 2024 made the full payment of the sum above comprising the total service tax payable and the penalty.

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7. BUSINESS OVERVIEW (CONT'D)

The aforementioned tax payments and penalties have been fully settled by our Group. Further, our Group has not experienced any material adverse impact on our business operations and financial performance arising from the aforementioned past breaches. For information, for the past 4 FYEs, the payment of penalties was less than 2% of the Group's PBT of the respective financial years as follow:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Total tax penalties paid (RM)	4,220	16,932	87,787	6,277
% of our Group's PBT	0.09%	0.26%	1.16%	0.08%

Potential Tax Payable

In addition, our Group may have potential tax payment and penalty to IRBM and RMCD as follows:

(i) SST

As at the LPD, our Group is subject to a potential penalty of RM5,409.37 under the STA which is payable to RMCD.

Effective 1 March 2024 onwards, Malaysia's service tax rate had increased from 6% to 8%. The potential penalty arose due to our Group having made payment to RMCD for service tax for the period during which the 6% service tax was applicable and the period during which the 8% service tax was applicable in a single cheque instead of two separate cheques. Our Group has subsequently made payments to RMCD in two cheques after the deadline.

In the event RMCD imposes a penalty on the late payment, the maximum penalty amount payable by our Group under the STA is RM5,409.37, which is approximately 0.07% of our Group PBT for FYE 2023.

As at the LPD, our Group has not been penalised by RMCD and has not received any penalty in relation to the aforementioned breach. In the event our Group is imposed with a penalty by the RMCD, we intend to settle the penalty to the RMCD.

To reduce the risk of non-compliance and with the view of improving our Group's compliance with tax administration matters, our Group has put in place adequate measures/ policies which include, amongst others, the following:

- (i) our Head of Finance regularly monitors the statutory timeline of all tax administration matters along with the review of the reasonableness of tax computations.

After our Listing, our Group will establish an internal audit function which is independent of the activities it audits and report directly to the Audit and Risk Management Committee. The internal audit function shall, amongst others, provide an assessment of the adequacy and effectiveness of our Group's system of internal controls for compliance with applicable laws and regulations, and provide recommendations for improvement. Our management is responsible for ensuring the recommended corrective actions are implemented within the required time frame. The results of internal audit assessments are to be reported periodically to the Audit and Risk Management Committee;

7. BUSINESS OVERVIEW (CONT'D)

- (ii) the Group had also appointed a finance manager where the said personnel shall monitor monthly tax payments and compliance with tax-related matters;
- (iii) in respect of the matters pertaining to the withholding tax and imported taxable services, our Group had in October 2024 rectified the said matter by fully settling the outstanding payments and penalties.
- (iv) the penalty in relation to the underestimation of corporate income tax was mainly due to the timing of tax estimate revision (i.e. in June and September based on the Group's financial year end). For example, where our Group has unanticipated sales after September, this will result in an underestimation of tax.

To mitigate such a scenario, our Group will continuously enhance the tracking of its financial estimates / projections to reduce such underestimations; and

- (v) the withholding tax matter was in relation to services provided by foreign digital service providers mainly for their digital marketing activities on social media platforms. The matter arose as there was a timing difference between the purchase of the digital service (which occurs frequently) and the remittance of the withholding tax which was done periodically for ease of administration. In addition, certain foreign digital services providers did not have tax identification number in Malaysia.

To mitigate such a scenario, the Group has started its effort to replace foreign digital service providers with local digital service providers, where possible, to reduce the risk of delayed tax payment and penalties.

Filing of annual return

PEOPLELogy Southern has been imposed with a compound amounting to RM5,000.00 by CCM for late filing of its annual return within the prescribed deadline under Section 68 of the Act. The Group had obtained a waiver of 80% of the compound from CCM and had paid the sum of RM1,000.00 for the full and final settlement of the outstanding compound.

Under-deduction of monthly contributions to IRBM

PEOPLElogy Development has been imposed with a compound amounting to RM3,656.82 in December 2023 by IRBM. The compound arose due to under-deduction in certain months for income tax of certain employees for the salaried year 2018 and 2019 pursuant to Rules 3 and 10(1) of the Income Tax (Deduction and Remuneration) Rules 1994. Our Group has subsequently paid the said sum to IRBM for the full and final settlement of the outstanding compound in January 2024.

7.23 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Our Group has demonstrated a commitment to Environmental, Social, and Governance (“ESG”) practices through the establishment of a sustainability governance structure, strategic planning, and targeted initiatives aimed at driving sustainable growth and social impact, specifically:

(i) Governance Structure and Leadership

To oversee and steer its sustainability initiatives, our Group has established the Group Sustainability Committee and the Corporate Sustainability Team. This committee and team are responsible for the development and execution of our Group's ESG strategy. A critical component of this governance structure is our ESG Committee, which comprises 8 members and is led by our Managing Director. This committee plays a central role in

7. BUSINESS OVERVIEW (CONT'D)

shaping our Group's ESG agenda, meeting biannually to prepare key documents, including the Social Impact and Sustainability Blueprint and the Social Impact and Sustainability Report.

(ii) ESG Strategic Planning

Our Group has prepared an ESG strategic plan that aligns with the United Nations Sustainable Development Goals (“SDGs”), demonstrating a clear commitment to global sustainability standards. The Social Impact and Sustainability Blueprint, which serves as a foundational document for our Group's planning and reporting, includes the following components:

- Framework Overview: Outlines our Group's overall approach to sustainability, including key priorities and objectives.
- Key Activities: Details the specific actions that our Group will undertake to achieve its sustainability goals.
- Key Enablers: Identifies the resources, partnerships and processes necessary to support our Group's sustainability efforts.

(iii) Data Collection and Sustainability Metrics

Our Group actively collects data on recycled materials used within its offices, reflecting its commitment to responsible consumption and environmental stewardship. Furthermore, it has identified key sustainability matters and indicators, particularly focusing on Community/Society and Diversity. These indicators help our Group measure and track its progress towards its sustainability objectives.

(iv) Performance Management

To ensure accountability and continuous improvement, our Group has integrated sustainability into its performance management systems. Key Performance Indicators (KPIs) have been set for employees within the corporate sustainability department, aligning departmental performance with our Group's broader sustainability goals.

(v) FYE 2025 ESG Targets

As part of its commitment to the SDGs, our Group intends to set targets for FYE 2025 in the following sustainability dimensions such as:

- Good Health and Wellbeing
- Gender Equality
- Reduce Inequalities
- Responsible Consumption and Production

Our Group's approach to ESG practices is clearly defined and strategically aligned with global sustainability frameworks. By setting clear targets, establishing robust governance structures, and integrating sustainability into its core operations, our Group is well-positioned to achieve meaningful social impact and contribute to sustainable development.

8. INDEPENDENT MARKET RESEARCH REPORT



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PEOPLElogy Berhad
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Malaysia

Dear Sirs,

Outlook of the Talent Development Solutions Market in Malaysia with a Focus on Digital Talent in conjunction with the Listing of PEOPLElogy Berhad on the ACE Market of Bursa Malaysia Securities Berhad

PROVIDENCE STRATEGIC PARTNERS SDN BHD (“**PROVIDENCE**”) has prepared this Outlook of the Talent Development Solutions Market in Malaysia with a Focus on Digital Talent strictly for inclusion in the Prospectus of PEOPLElogy 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 Dhoss', written over a horizontal line.

ELIZABETH DHOSS
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 DHOSS:

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

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

1 TALENT DEVELOPMENT SOLUTIONS MARKET IN MALAYSIA WITH A FOCUS ON DIGITAL TALENT

PEOPLElogy Berhad, together with its subsidiaries (“**PEOPLElogy Group**”), is principally involved in the provision of integrated people development solutions comprising:

- organisational talent consultancy and profile assessment services under its Discovery business segment;
- ICT, soft skills and leadership training services; IR4.0 digital skills and certification services; and organisation of events, conferences and seminars on human resources under its Development business segment; and
- learning and performance management system, online learning platform and training content digitalisation services under its Digital business segment.

Human capital is a key driver of economic growth. The development of competent talents supports a resilient and dynamic economy. Thus, it is vital for talents to have skill sets and adaptability that are relevant to the economy. An economy with high productivity growth requires skilled talent and the contribution of quality human capital that can improve productivity performance.

Talent development refers to processes, tools, and opportunities that enable individual employees to grow and evolve. Its objective is to enhance employees’ knowledge, skills and attitudes to contribute to the success and growth of an organisation. The process of talent development involves identifying talent gaps and vacant positions, sourcing for and onboarding suitable candidates, nurturing and developing needed skills and expertise with a future-focus and effectively engaging, retaining and motivating them to achieve long-term business goals.

Economic growth is increasingly being driven by digitalisation. Consumer behaviour has evolved to prioritise quick and convenient experiences which are powered by the internet and mobile phones. The COVID-19 pandemic has amplified the importance of a digital economy to ensure continuity in economic activities. The Fourth Industrial Revolution (IR4.0) and the advancement of disruptive technologies including digital technology are further changing the economic landscape in Malaysia. Malaysia commenced its digitalisation journey with the introduction of the Multimedia Super Corridor in 1996 which saw the country attracting domestic and foreign information and communication technology (“**ICT**”) companies to operate in specific economic zones. In 2020, growth within the digital economy accelerated as the COVID-19 pandemic resulted in the introduction of new digital businesses and led traditional brick-and-mortar enterprises to pivot online. Malaysians began going online for their electronic commerce (e-commerce), entertainment and education needs.

The foundation for the country’s progression towards achieving a digital economy involves building digital talent, developing digital infrastructure and facilitating innovation. In line with this, the Government launched the Malaysia Digital Economy Blueprint (“**MyDIGITAL**”) as a national initiative which symbolises aspirations to successfully transform Malaysia into a digitally-driven, high-income nation and a regional leader in digital economy. MyDIGITAL identifies the efforts and initiatives to deliver the aspirations of charting the trajectory of the digital economy’s contribution to the Malaysian economy and building the foundation to drive digitalisation across Malaysia including bridging the digital divide.

The digital economy is defined as economic and social activities that involve the production and use of digital technology by individuals, businesses, and government. Malaysia aims to transform into a digitally-driven, high-income nation and a regional leader in the digital economy. Thus, it is key for the population to adopt digitalisation to improve their quality of life and standards of living.

MyDIGITAL is a critical enabler in realising Malaysia’s Twelfth Malaysia Plan (2021 – 2025) (“**12MP**”). MyDIGITAL aims to achieve improved digital literacy, more high-paying jobs, improved social wellbeing and environmental sustainability for the population; businesses, including micro, small and medium enterprises (“**MSMEs**”) that form the backbone of Malaysia’s economy, will enjoy greater opportunities to build and expand locally, regionally and even globally through digital revenue streams, more opportunities to integrate between economic sectors, and to be more cost efficient through shared economy. A digitally-enabled government will provide integrated end-to-end online government services which are more efficient, effective and transparent.

INDUSTRY SIZE, PERFORMANCE AND OUTLOOK

The talent development solution market in Malaysia, based on public and private sector allocation on training programmes, grew from RM10.8 billion in 2021 to RM16.0 billion in 2023 at a compound annual growth rate (“**CAGR**”) of 21.7%. From this, public and private sector allocation on training programmes on digital training programmes grew from RM1.3 billion to RM2.0 billion at a CAGR of 24.0%.

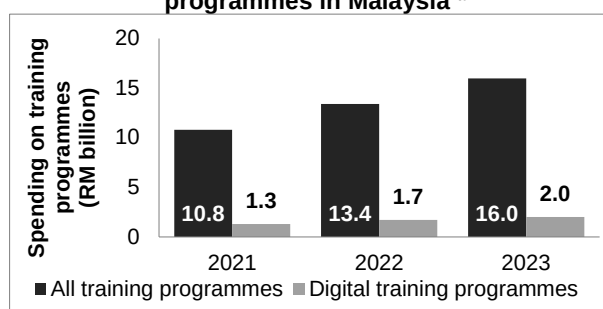
8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

The public and private sector allocations on training programmes are aimed at upskilling and reskilling school leavers, fresh graduates, the unemployed as well as working Malaysians with digital skills, soft skills and leadership skills as the nation strives to produce a skilled and digital workforce that is able to meet industry needs and support businesses in adopting and transforming in line with the requirements of Industry 4.0.

Malaysia's digital economy is creating job opportunities in digital disciplines in areas such as hyperscale data centres, big data, artificial intelligence, robotics, cloud, blockchain, cybersecurity, the Internet of Things ("IoT"), robotics as well as technologies related to virtual and augmented reality. This has supported private and public spending on digital training programmes as individuals and businesses seek to equip themselves with digital knowledge and skills.

PROVIDENCE projects the talent development solution market in Malaysia to further grow from RM16.0 billion in 2023 to RM34.7 billion in 2027 at a CAGR of 21.4%, where demand will be supported by greater need for digitally skilled workforce in Malaysia to support the nation's long term digital economy aspirations; Government entities playing a key role in nurturing Malaysia's digital talent; and organisations requiring digitally skilled workforce to remain competitive in a digital economy.

Public and private sector spending on training programmes in Malaysia ^a



^a Latest available statistics as at 27 March 2025

Source: Ministry of Finance Malaysia, Human Resource Development Corporation, PROVIDENCE analysis

DEMAND CONDITIONS: KEY GROWTH DRIVERS

Greater need for digitally skilled workforce in Malaysia to support the nation's long term digital economy aspirations

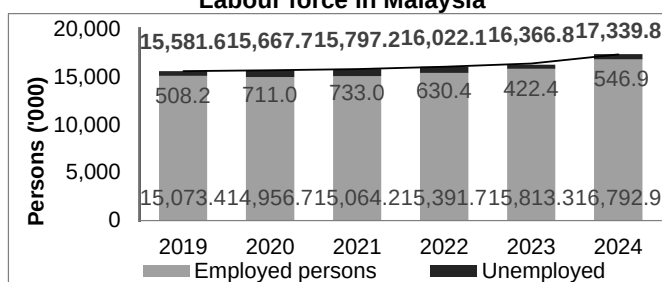
Human capital is a key driver of economic growth and enabling Malaysia to achieve its digital economy aspirations. The development of competent talents supports a resilient and dynamic economy. Thus, it is vital for talents to have skill sets and adaptability that are relevant to the digital economy. A digital economy with high productivity growth requires highly skilled talents and the contribution of human capital that can improve productivity performance.

Malaysia's labour force has increased from 15.6 million persons in 2019 to 17.3 million persons in 2024 at a CAGR of 2.2%. This represents the total number individuals in the working age population of 15 years to 64 years. From this, employed individuals rose from 15.1 million persons to 16.8 million persons at a CAGR of 2.2%.

Between 2019 and 2022, low and semi-skilled workers comprised 70.0% of Malaysia's workforce while skilled workers comprised the remaining 30.0%. There was an improvement in labour participation from 2019 to 2022 as the number of skilled workers increased from approximately 4.2 million in 2019 to 4.4 million in 2022.¹ The 12MP aims to increase the number of skilled workers and reduce the number of low and semi-skilled workers. The 12MP aims to achieve a 35.0% composition of skilled workers in Malaysia's workforce in 2025.

There is a growing demand for digital talents, fuelled by accelerated digital adoption. Hiring demand is strong in Pulau Pinang, Selangor and Kuala Lumpur, being the main economic and technology nodes in Malaysia. According to MDEC, the industries in Malaysia with high demand for digital talent include:

Labour force in Malaysia



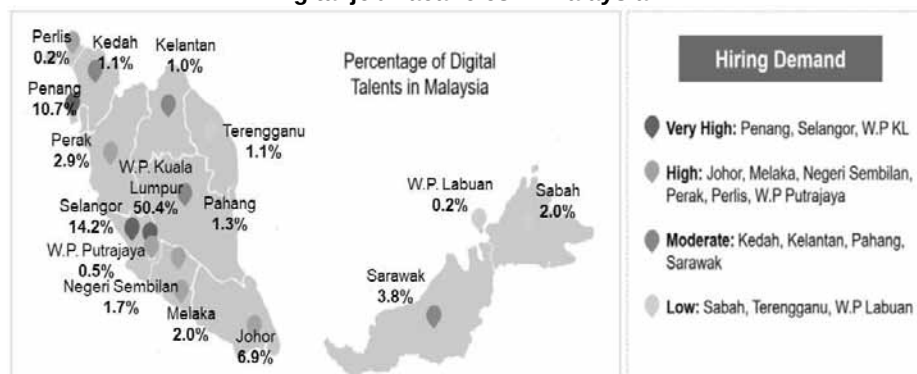
Source: Department of Statistics Malaysia, PROVIDENCE analysis

¹ Latest available statistics as at 27 March 2025

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



- information technology ("IT") systems design;
- measuring and control instrument manufacturing;
- banking and financial services;
- technology, information and media;
- insurance carriers;
- marketing services; and
- IT services and IT consulting.

Digital job vacancies in Malaysia ^a

Note:

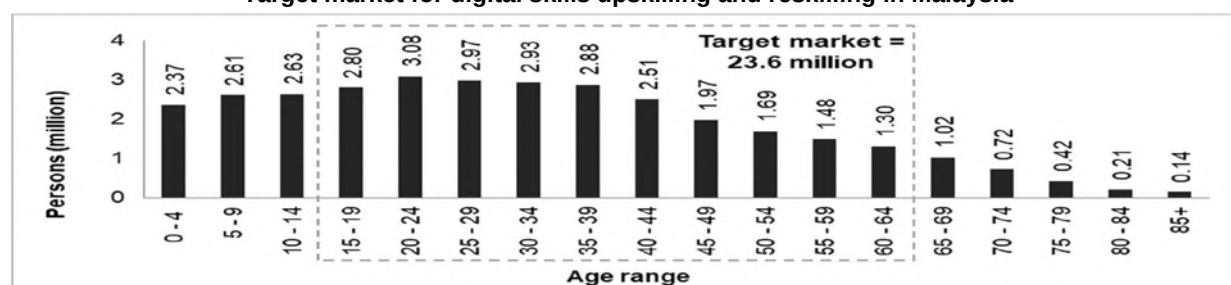
^a Percentage of digital talents in Malaysia is tabulated based on a total of 42,835 digital job vacancies between January 2024 and March 2024

Source: Malaysia Digital Economy Corporation ("MDEC")

Additionally, cybersecurity has increasingly been in focus during the pandemic years as hacking and breaches increased in scale and frequency. It was during this period that demand for cybersecurity talents increased not only among existing companies but also new businesses that capitalise on the migration to the digital realm. To protect digital assets, cybersecurity professionals today require a deep understanding of security protocols, encryption, coding and operating systems. In 2024, Malaysia gazetted the Cyber Security Act 2024 which is a major milestone in strengthening Malaysia's cyber defenses and enhancing our resilience against emerging threats. This will further boost the nation's requirements for talent with cybersecurity skills. The use of artificial intelligence and data science is accelerating across almost all industries from financial services, retail and hospitality to manufacturing, transportation and logistics and even agriculture. The increasing deployment of artificial intelligence and machine language across industries has generated demand for professionals who can develop, implement and manage the use of artificial intelligence and machine language while consistently keeping abreast of technological developments. While IoT would primarily collect data from physical objects via various sensors, big data enables faster and more efficient data storage and processing. However, in its raw form, data is meaningless. Thus, there is demand for data analysts, data innovators, intelligence developers, data engineers and machine learning scientists to piece together the big data to extract useful insights. Professionals with expertise in cloud computing are also sought after. As a cost-effective platform, the cloud is changing the way data, applications and digital tools are stored and accessed, requiring businesses to hire cloud developers, architects and security specialists.

The increasingly competitive business environment, rising complexity and the digital revolution are reshaping organisational requirements on its employees. The shift to a digital, knowledge-based economy means that a vibrant and digitally skilled workforce is increasingly a necessity for organisations. These trends have elevated the importance of upskilling and reskilling the workforce with digital skills as well as soft skills. Digital skills upskilling and reskilling are targeted at individuals between the ages of 15 and 64, being that they are participants in Malaysia's labour workforce.

Target market for digital skills upskilling and reskilling in Malaysia



Source: Department of Statistics Malaysia, PROVIDENCE analysis

In Malaysia's educational and training systems, education and training systems produce graduates based on predefined curricula rather than the specific needs of industries. While this generates a steady flow of educated individuals, it can lead to a skills mismatch, underemployment and challenges in meeting the dynamic needs of a

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



rapidly evolving economy. Graduates often realise that the job market is already saturated and unable to accommodate all of them or that their specific skills do not align with employers' demands. The discrepancy between the skills taught in educational institutions and those required in the workplace is the main reason for the surplus of graduates who are either underemployed or unemployed. Industries such as technology and creative industries may be experiencing rapid changes requiring specific and up-to-date skills, which are not adequately addressed in the current educational curriculum. Further, Malaysia's ranking in the Institute for Management Development's World Competitiveness Ranking, specific to the skilled labour sub-category showed a decline from 5th in 2019 to 31st in 2023, indicating that Malaysia lacks skilled labour in its workforce compared with other countries, which may hinder high-impact investors and businesses from operating in the country.

With skills shortage being a pertinent issue in Malaysia, individuals are aware of the importance of upskilling and reskilling to improve their employability and contribute to their career development journeys. People with limited digital skills are disadvantaged as automation and technology cause job displacement. Digital skills development programmes have the potential to improve an individual's employability and encourage the development of critical thinking, which would help them achieve career progression. Individuals who have the opportunities for learning and to develop themselves professionally have more fulfilling work experiences. According to findings from the H2 2022 Workmonitor survey carried out on individuals in Malaysia, 97.0% of respondents showed interest in learning and development opportunities. By extension of upskilling through training, more than 80.0% of respondents regard training as an integral part of their career progression as they recognise it as an important step towards attaining higher job satisfaction. However, only 36.0% of all respondents said that they received training and development from their employers. When asked what they would want to receive training for, 61.0% of respondents said technical skills, 60.0% want to develop their soft skills and 54.0% are keen on developing in their current role.² This demonstrates that individuals are a key target market for digital skills learning and development programmes.

Increasing the number of highly skilled and digital workers in Malaysia is crucial for the country's global competitiveness. It requires concerted efforts to enhance skills development, promote education and training programmes and align the workforce with the evolving needs of industries. Building a demand-driven skilled workforce strengthens an economy's labour market and is vital for productivity and economic growth. A demand-driven workforce ensures workers with the right skills thrive in today's competitive economic landscape, emphasising skills development, skilled job creation, wage growth and effective labour-related policies. A competent and appropriately qualified workforce impacts contribution to economic activities. Continuous efforts in enhancing skills foster innovation and effectiveness, rendering the labour market a crucial element in maintaining the strength and competitiveness of an economy. Talent development solutions firms that offer such digital learning and development programmes support Malaysia's endeavour in achieving a higher number of skilled workers in Malaysia's workforce and reducing dependency on low and semi-skilled workers.

Government entities are playing a key role in nurturing Malaysia's digital talent

The Government is taking efforts to nurture future digital talent, as well as upskill and reskill the existing workforce. MyDIGITAL highlights the importance of ICT innovation in schools and emphasised strengthening the delivery of science, technology, engineering and mathematics (STEM) subjects across the education system. Additionally, the Government has also supported vulnerable groups such as the B40 and women to ensure equal access and opportunity to participate in the digital economy. Among the related initiatives are eRezeki and Empowering Women in Cyber Risk Management Programme.

Several Government entities have introduced programmes to equip the local workforce with digital skills, while boosting the employability of graduates and unemployed Malaysians. These include:

- the Human Resources Development Corporation ("HRD Corp") is an agency under the purview of the Ministry of Human Resources Malaysia. Governed by the Pembangunan Sumber Manusia Berhad Act 2001 (PSMB Act 2001), HRD Corp was given the mandate by the Malaysian Government to catalyse the development of competent local workforce that will contribute to Malaysia's vision of becoming a high-income economy. The Human Resources Development Fund was established under the legal requirements of the Human Resources Development Act 1992 (currently known as Pembangunan Sumber Manusia Berhad Act 200 – PSMB). Collected through a levy, the Human Resources Development Fund provides training and up-skilling in industries deemed critical to Malaysians now and in the future so that they can keep up in a rapidly changing business environment.
- In 2021, the Social Security Organisation organised the "Digital Skills for Tomorrow's Jobs" programme with a target to upskill 25,000 graduates and unemployed individuals. The programme is a joint effort by Microsoft Malaysia and Junior Achievement (JA) Malaysia to support the MyDIGITAL and National Fourth Industrial Revolution (4IR) Policy aspiration. It aims to create "future-ready" digital talents, including fulfilling the target of

² Source: Randstad

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

developing 30,000 data professionals by 2025. These professionals will be equipped with in-demand skills required in an evolving job market. The reskilling and upskilling of the Malaysian workforce, are essential. This will empower them so that they can compete in the demanding job market of today, embrace and find success in the digital economy. Priority will be given to graduates and unemployed individuals in Malaysia. From the pool, 400 participants will then be selected to continue with an extensive digital skills course, which also includes mentorship and soft skills training to enhance their work readiness.

- MDEC is emphasising the upskilling and reskilling initiatives. An example of an MDEC-driven upskilling programme is the Digital Skills Training Directory. This is an initiative to guide Malaysians in their digital upskilling journey, particularly in the areas of fintech, data science, cybersecurity, software development, game development, animation and digital global business services. MDEC's directory is a catalogue of courses and online training providers that have been reviewed and endorsed by a panel of digital industry experts to guide Malaysians in selecting courses that meet career needs for digital economy jobs. Through this directory, MDEC aims to promote life-long learning among Malaysians, in addition to developing local talent through matching them with industry-validated skill development programmes to accelerate digital tech careers.
- In 2022, MDEC introduced new initiatives to promote upskilling and reskilling of digital technologies such as 'Digital Up', with the provision of RM1,000 training subsidies for digital technology courses for existing employees, including gig workers and the 'Let's Learn Digital' programme to encourage Malaysians to upskill and reskill their digital technology skills via collaboration with industry partners and training providers.
- Focusing on the 10-10 Malaysian Science, Technology, Innovation and Economy (MySTIE) framework, the programmes available are focused on Artificial Intelligence (AI), Big Data, and 5G Radio Access Network. Participants will be able to experience hands-on training at the Huawei Malaysia Global Training Centre (MGTC) in Cyberjaya, the first of its kind established outside of China. Those eligible to apply for the programme are individuals in the Science, Technology and Innovation fields who are looking for employment; employees who have lost their jobs; university graduates and those with no fixed income. The training and certification is fully sponsored by MOSTI.
- In 2024, the Malaysian Communications and Multimedia Commission (MCMC) signed a memorandum of understanding with Microsoft Malaysia to develop a digitally skilled workforce, particularly in the artificial intelligence sector, through education.
- In 2024, Sarawak Digital Economy Corporation Berhad (SDEC) and Yayasan Peneraju Pendidikan Bumiputera launched the SME Digitise! Programme which aims to assist in the digitalisation journey of MSME through financial aid and comprehensive training, equipping participants with important digital tools and skills to enhance their operational efficiency and competitiveness. The programme provides an end-to-end one-year digitalisation onboarding package for MSMEs, encompassing comprehensive training and hands-on guidance in utilising digital tools and skills for day-to-day business operations.
- Yayasan Peneraju Pendidikan Bumiputera, an agency under the Prime Minister's Department, has been mandated to increase the quality, quantity and relevance of Bumiputera talents in high-income economy through academic, vocational, professional and specialist certification programmes. Yayasan Peneraju Pendidikan Bumiputera has developed over 35,000 young human capital in various fields through its 261 funding programmes, distributing a total allocation of RM716.0 million between 1992 and 2021.

Budget 2024 outlines several initiatives that aim to nurture a competent and digitally skilled workforce to support the nation's digital economy aspirations. These include:

- the HRD Corp will benefit from RM1.6 billion to provide 1.7 million training opportunities. At the same time, HRD Corp will reallocate a special fund using 15.0% of the total levy collected to implement the Program Latihan MADANI including talent retention and skill improvement programmes for MSME entrepreneurs and vulnerable groups such as former inmates, the disabled, the elderly and retirees;
- In order to address the lack of local talent and skills mismatch, the Academy in Industry Programme will be implemented to provide on-the-job training for a period of up to 18 months with an allocation of RM70.0 million;
- The country's competitiveness for key sectors such as aerospace, medical devices and digital depends on the talent market of skilled and excellent workforce. Therefore, the Government will offer RM30.0 million as incentive to the industry to train local workforce including to offer their expertise as instructors and to fund new innovations to produce new product;
- To encourage the rakyat to improve their skills and venture into new fields, a tax relief of up to RM2,000 as payment for skills improvement or self-improvement courses is extended until the assessment year 2026;
- The Government will also expand the scope for lifestyle to include the fees for attending self-improvement courses;

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

- The Government will continue the Career Building Programme through the Social Security Organisation to ensure informal workers, especially in the gig economy, are given the opportunity to participate in career development and microcredential skills training programmes. RM35.0 million will be provided to bear the cost of training fees and income replacement incentives for 9,000 gig workers to attend training programmes;
- The Government will continue to intensify the PROTEGE-RTW initiative, which involves job training placements in collaboration with companies awarded government contracts. The scope of this initiative will also be expanded to include veterans from the Armed Forces under contracts signed by the Ministry of Defence; and
- In August 2024, the Government launched the Bumiputera Economic Transformation Plan 2035 (PuTERA35), which outlines the Government's goal to have 70% of the country's high-skilled jobs be occupied by the Bumiputera (2022: 61.0%), raise Bumiputera equity ownership both by individuals and through Bumiputera-mandated agencies from 18.4% in 2020 to 30.0% by 2035, lift the contribution of Bumiputera companies to the country's gross domestic product ("GDP") to 15.0% in 2035 (2022: 9.1%).

Further under Budget 2025, initiatives to develop a skilled workforce include:

- To provide high-income jobs to the rakyat in the fields of artificial intelligence and research and development, special tax deductions are given to private universities and skills training institutes that develop new courses, such as artificial intelligence, robotics, IoT, data sciences, financial technology and sustainable technology;
- HRD Corp will leverage on a RM3.0 billion fund to offer 3.0 million learning opportunities. HRD Corp will also reallocate a special fund of up to 15.0% of the total levy collection to implement the MADANI Training Programme specifically for vulnerable groups. Employers are also permitted to utilise the levy to finance allowances of up to RM1,000 per year for graduates through HRD Corp, including for skills training; and
- The MADANI Creative Youth Programme will be organised with an allocation of RM30.0 million to attract around 16,000 youths to venture into the field of arts. The programme will include activities such as videography skills workshops for creative content, film community development, and short film competitions.

Organisations require digitally skilled workforce to remain competitive in a digital economy

Organisations are striving to develop and increase the digital literacy of their workforce to be more skilful to gain a competitive edge in the business world. Learning and development is a continuous process of encouraging the professional development of employees. It involves analysing skills gaps and designing learning programs that equip employees with specific digital knowledge and skills to improve their performance and productivity. This can be accomplished via learning and development courses, skills certification, online learning, mentorships and development activities. Learning and development tends to focus on upskilling or reskilling employees so that they can take on new roles in the organisation or better perform their duties. Training can also teach employees new leadership skills that prepare them for potential promotions within the organisation. This helps organisations acquire, nurture, maximise and retain talent. It also increases employee satisfaction, enhances the employee experience and decreases turnover.

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 (66.8% of approved investments). 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 (31.8% of approved investments). Foreign investments were the dominant contributor, totalling RM88.9 billion (73.8%), while domestic investments remained substantial at RM31.6 billion. This inflow of foreign capital underscores Malaysia's appeal as a global manufacturing hub. The electrical and electronics industry secured the major share of investments in the manufacturing sector with RM55.8 billion, 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 (1.4% of approved investments) comprising mining (RM4.5 billion), agriculture (RM766.8 million) as well as plantation and commodities (RM71.6 million).³

Malaysia aims to continue attracting quality investments to drive economic growth and achieve its aspirations of becoming a high-income nation. Foreign and domestic investments also play an important role in supporting

³ Malaysia Performance Investment Report 2024, MIDA

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



Malaysia's move to become a high-income technology-based economy. As such, cultivating a digitally skilled workforce is key to building a competent workforce to meet the industry requirements of foreign and domestic investors.

According to MDEC in its Digital Talent Snapshot in Malaysia, Q1 2024, the fastest growing skills in demand by organisations in Malaysia include:

- Computer science;
- Customer satisfaction;
- Analytical skills;
- Microsoft Power BI;
- Jira;
- Preventive maintenance;
- Presentation skills;
- Cybersecurity;
- Customer relationship management; and
- Amazon Web Services.

In the era of digital transformation, organisations are investing in learning and development programmes for a future-ready and agile workforce to close the digital gap. This is expected to support demand for talent development solutions firms that offer such learning and development programmes.

SUPPLY CONDITIONS

Skills and track record

The critical elements of being able to provide talent development solutions, and specifically learning and development programmes, include possessing subject matter expertise, experience and track record. In Malaysia, the Human Resource Development Corporation ("**HRD Corp**") is responsible for driving Malaysia's talent development aspirations through the collection of levies from employers and the funding of training and development programmes for the Malaysian workforce. As such, training providers must be registered with the HRD Corp in order to provide training and development programmes to organisations that are registered with the HRD Corp, and for employers to be able to claim levies for such trainings attended by their employees. Training providers must fulfil the criteria of having at least 1 full time trainer and 1 support staff in order to be registered with the HRD Corp. Based on latest available information, as at 31 December 2023, there were 6,386 training providers (entities comprising businesses or companies) and 25,003 trainers (individuals) registered with HRD Corp. It is the nature of the industry whereby training providers use a combination of internally hired trainers and external trainers to meet their training obligations while optimising expenses. Further, the delivery of learning and development programmes requires teaching, coaching and mentoring skills which come with practice and experience. Such skills can only be gained through hands-on experience. Training providers also depend on curriculum from international technology firms especially when it concerns professional information technology courses that lead to certifications. Experienced training providers are able to develop their own curriculum for subjects that do not require certifications.

Mode of delivery

Learning and development programmes are traditionally delivered via classroom sessions and/or on-the-job training. The mode of delivery of training has evolved into a hybrid mode today, incorporating classroom sessions and/or on-the-job training as well as virtual training and mobile applications to optimise the learning experience for participants.

COMPETITIVE LANDSCAPE

The talent development solutions market is fragmented with industry players comprising businesses as well as individual trainers. The range of services offered by talent development solutions industry players differ depending on their capabilities, with some industry players being able to offer talent consulting services, training programmes and digital learning and development platforms, while other industry players specialise in providing training programmes. There are distinct barriers to entry, with industry players being registered with the HRD Corp, having experienced and certified trainers, operate training centres, track record and financial strength.

MARKET SHARE

For the FYE 31 December 2023, the PEOPLEogy Group generated a revenue of RM24.7 million from the provision of integrated people development solutions. In 2023, the talent development solution market in Malaysia, based on public and private sector allocation on training programmes, was RM16.0 billion, of which the allocation on digital training programmes was RM2.0 billion in 2023. Thus, in comparison to the value of public and private sector allocation on digital training programmes of RM2.0 billion, the PEOPLEogy Group secured a market share of 1.2% in 2023.

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



The following sets out the latest available financial performance of selected industry players that are involved in the provision of digital talent development solutions in Malaysia with revenues ranging between RM5.0 million and RM100.0 million:

Business activities ^b					Segmental revenue (RM)	Revenue ^c (RM)	Gross profit (RM)	Gross profit margin (%)	Profit / Loss before tax (RM)	Profit / Loss after tax (RM)	Profit / Loss after tax margin (%)
Industry player ^a	Discovery	Development	Digital	Latest available FYE							
ABeam Consulting (Malaysia) Sdn Bhd	√	√		31 March 2024		51,735,352	8,595,965	16.6	-3,102,131	-1,709,449	-3.3
Awanbiru Technology Berhad ^d	√	√		30 June 2024	15,747,000	95,082,000	28,768,000	30.3	4,121,000	2,425,000	2.6
Comfori Sdn Bhd		√		31 December 2022		8,036,568	4,831,669	60.1	1,499,916	1,134,262	14.1
Compass Mind Asia Sdn Bhd		√		31 December 2023		11,295,811	4,659,354	41.2	1,248,656	982,046	8.7
Dream Catcher Consulting Sdn Bhd		√		30 September 2023		10,766,850	5,193,739	48.2	2,677,877	2,030,693	18.9
Info Trek Sdn Bhd		√		31 December 2023		9,528,256	4,674,868	49.1	603,185	548,542	5.8
Infosyte Sdn Bhd		√		31 December 2023		5,746,144	3,830,257	66.7	433,719	336,870	5.9
LGMS Berhad ^{e, f}		√		31 December 2023	31,901,000	34,242,000	Not available	Not available	15,230,000	11,222,000	32.8
Outclass Education Technology and Employment Services Sdn Bhd		√	√	31 December 2023		5,689,656	2,692,787	47.3	-3,038,042	-3,038,180	-53.4
PEOPLElogy Berhad	√	√	√	31 December 2024	29,241,000	29,241,000	20,611,000	70.5	7,508,000	5,467,000	18.7
Trainocate (M) Sdn Bhd	√	√		31 December 2023		29,532,965	11,182,605	37.9	3,183,599	2,364,099	8.0

Notes:

^a The selected industry players were identified from publicly available sources, such as the internet, published documents and industry trade directories

^b Based on publicly available information from corporate websites and audited financial statements

^c Revenues may be derived from businesses other than the provision of talent development solutions

^d Listed on the Main Market of Bursa Malaysia Securities Berhad

^e Listed on the ACE Market of Bursa Malaysia Securities Berhad

^f LGMS Berhad is an independent provider of professional cybersecurity services, primarily involved in cybersecurity assessment and penetration testing, cyber risk management and compliance, and the provision of digital forensics and incident response services. LGMS Berhad also offers security training and cybersecurity certification programmes. Latest available as at 27 March 2025

Source: Various annual reports, Companies Commission of Malaysia, PROVIDENCE analysis

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)**2 TALENT DEVELOPMENT SOLUTIONS MARKET IN ASEAN COUNTRIES**

The COVID-19 pandemic was a catalyst for accelerating the Association of Southeast Asian Nations' ("ASEAN") countries development agenda. In transitioning to a digital economy and society, ASEAN aims to progress in the following areas to prepare for the digital future:

- **building skills**
The changing work environment and IR4.0 will require the community to reskill, upskill and learn new skills to remain relevant. Lifelong learning is also becoming essential to the future of jobs.
- **strengthen digital infrastructures.**
Telecommunications infrastructure is critical for digital transformation. The ASEAN Digital Masterplan 2025 aims to ensure that telecommunication and digital infrastructures, such as broadband coverage, are upgraded and that coverage is extended to rural areas.
- **digital transformation of businesses**
The Masterplan on ASEAN Connectivity 2025 promotes the adoption of digital technology by MSMEs to enhance their participation in the digital economy.
- **digitalising public services**
ASEAN should promote a public service delivery system that is agile, responsive, and people-centred. Access to electronic health records and other essential government services can leverage technological advances to improve service delivery and enable governments to better accommodate individual needs and public expectations.

The potential market in ASEAN countries for talent development is significant in light of the size of its population. The labour force that is potential target for talent development, including digital skills upskilling and reskilling, refers to individuals between the ages of 20 years and 65 years.

Population in ASEAN countries by age group in 2022^a

Country	Population headcount ('000)					Total
	0-4	5-19	20-54	55-64	65+	
Brunei Darussalam	29.7	94.2	253.7	39.1	29.7	446.4
Cambodia	1,528.4	4,816.9	8,154.2	1,276.1	1,067.7	16,843.3
Indonesia	22,368.5	66,260.9	143,637.0	24,996.8	18,456.8	275,719.9
Laos	753.2	2,250.0	3,633.6	457.6	348.4	7,442.8
Malaysia	2,374.1	7,987.8	17,266.2	2,706.3	2,363.7	32,698.1
Myanmar	4,984.5	14,785.7	27,220.1	4,863.6	3,916.2	55,770.2
Philippines	11,108.1	32,347.9	53,369.5	8,080.6	6,666.2	111,572.3
Singapore	178.1	610.5	2,018.7	587.8	678.1	4,073.2
Thailand	3,428.2	11,507.5	33,227.2	9,397.0	8,530.1	66,090.0
Vietnam	7,561.6	23,138.6	50,628.6	9,903.4	8,229.5	99,461.7
Total ASEAN	54,314.3	163,800.0	339,408.8	62,308.4	50,285.5	670,117.0

^a Latest available statistics as at 27 March 2025

Source: ASEANstats

To boost the digital transformation in their respective economy and society, several Governments in ASEAN countries have announced initiatives, including Indonesia and the Philippines.

Indonesia

According to a survey of 1,375 employees across Asia-Pacific, including 100 employees from Indonesia, between November 2022 and January 2023, Indonesian employees consider digital skills the top focus area for upskilling. Among these, basic digital skills are foundational for almost 90.0% of Indonesian workers.

In order to achieve Indonesia Emas 2045, Indonesia needs to develop talented and competent human resources, especially digital talent. Premised on this, Indonesia launched Indonesia Digital Vision 2045 in an effort to support the realisation of the Indonesia Emas 2045 vision, one of which is the target of Indonesia becoming the fifth strongest economy in the world. Indonesia Digital Vision 2045 focus is on the productive and targeted use of digital technology to support the achievement of long-term national targets. In this context, the use of digital technology is

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

considered the key to advancing various sectors. Through the integration of digital technology, the government envisions improving efficiency, productivity, and innovation in various fields.

Indonesia Digital Vision 2045 aims to create an environment that supports the comprehensive development of digital. Digital Vision 2045 is realised through several strategies, among which include human resources development and specifically mastering future digital technology based on research and innovation and shaping a digital society that is cultured, competitive and productive. Upskilling and reskilling programmes, including training and certification of soft skills and hard skills, scholarships or digital training assistance, and active engagement of various parties are part of efforts to improve workforce absorption and create further job opportunities.

According to studies conducted up to 2030, Indonesia has an estimated availability of approximately 9.0 million digital talents, primarily graduates from formal education sectors under the Ministry of Education, Culture, Research, and Technology. However, the demand for digital talent by 2030 is projected to reach approximately 12.1 million individuals, indicating a shortfall of approximately 3.1 million digital talents that needs to be urgently addressed. This presents opportunities for talent development solutions firms that offer digital learning and development programmes that can support Indonesia in bridging its digital talent gap.

Philippines

The Philippine Development Plan 2023-2028 (“**PIDP**”) specifies digital transformation as one of its underlying themes. In 2024, President Ferdinand Marcos Jr. approved the proposed Philippine Digital Infrastructure Project, which aims to boost broadband connectivity nationwide, particularly in remote areas of the country. This digital infrastructure project is the largest and the first of its kind in the Philippines. As part of the PIDP, Philippines is planning to build 722 free Wi-Fi sites with a focus particularly in Mindanao and targeted to serve public schools and rural health centres. According to Philippines' Department of Information and Communications Technology, every 10% increase in Internet penetration rate, constitutes approximately a 1.38% increase in the nation's GDP.

According to Toward Measuring Soft Skills for Youth Development: A Scoping Study, a study conducted by the Philippine Institute for Development Studies, Filipino workers lack soft skills, making it hard for them to adapt to the digital age, such as artificial intelligence and fast-emerging technologies. The study further revealed that the Filipinos' weakness in soft skills or transversal competencies, stems from training and skills development primarily geared towards the pre-digital era. Transversal competencies are skills that are transferable between jobs, such as communication, adaptability, teamwork, and problem-solving. The study says the consequences are significant, impacting individual career prospects and hindering the Philippines' economic competitiveness and innovation potential.

Philippines technology sector is projected to grow with the estimated value of the digital economy reaching USD150 billion by 2034 while the internet economy is expected to more than double between 2020 and 2025. This growth potential requires the right capabilities and diverse skill sets in the labour market. Thus, talent development solutions firms with digital learning and development programmes can support Philippines in realising its digital economy aspirations.

9. RISK FACTORS

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

9.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

9.1.1 We are dependent on Yayasan Peneraju, our Group's major customer

Our revenue is based on contracts secured from customers from time to time. We are dependent on Yayasan Peneraju which contributed 69.77%, 61.30%, 45.22%, and 51.18% to our Group's revenue in FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

During the Financial Years Under Review, our Group secured contracts from Yayasan Peneraju to organise ICT training programmes and soft skills development programmes for working professionals. Our contracts with Yayasan Peneraju ranged between 2 years and 4 years during the Financial Years Under Review. Our Group's contracts with Yayasan Peneraju are awarded based on a programme or project basis, whereby the longest programme or project duration that we have with Yayasan Peneraju is for a period of 4 years. Based on our Group's experience, contracts are typically awarded to our Group on a programme or project basis, whereby the duration of a contract will vary depending on the programme or project targets to be achieved.

As Yayasan Peneraju accounted for a significant portion of our Group's total revenue, the loss of Yayasan Peneraju without timely replacement either at comparable or higher contract values, will adversely affect our business operations and financial performance. We will continue to participate in competitive bidding processes to secure new contracts from Yayasan Peneraju as well as contracts from other new and existing customers. However, there is no assurance that we will be able to continue securing contracts of comparable or higher contract values from Yayasan Peneraju or other new and existing customers.

9.1.2 We rely on technology infrastructure

Our training programmes, digital learning and development platforms namely PEOPLEAPS, SKILLSTURE and training content digitalisation services require technology infrastructure including hardware, networks, freeware and software, as well as management systems to support the production process. Our technology infrastructure and management systems comprise, amongst others, the following devices:

- software and freeware used in the development of digital learning and development platforms and to digitalise training content;
- servers, computers and mobile devices that either receive, process, store or transmit data;
- data centres for storage of data and information; and
- communications infrastructure including local area network and the internet to facilitate the transmission and reception of data,

all of which are potentially vulnerable to sabotage, theft, destruction and/or loss of data, information and systems. Furthermore, we may be vulnerable to internal threats, such as unauthorised access by employees, or third-party subcontractors and external trainers who have access to this information.

Any errors or defects in the software and freeware, failure in hardware or networks, or failure of back-up facilities will affect the delivery of our learning and development programmes which could adversely affect our reputation and financial performance.

For the Financial Years Under Review and up to the LPD, we did not experience any material interruptions or failures in our technology infrastructure and management systems which

9. RISK FACTORS (CONT'D)

resulted in delays or failure to deliver our training programmes, digital learning and development platforms and training content digitalisation services. However, there can be no assurance that we will not experience any disruptions in our technology infrastructure and/or management system which could adversely affect our business operations and financial performance in the future.

While our IT team is responsible for managing our IT infrastructure and we periodically remind our employees on the importance of cybersecurity, there is a risk that these security measures may be inadequate and we may be exposed to security breaches by internal as well as external parties.

Since the commencement of our business, we have not experienced any termination of contracts, legal proceedings or penalties from our customers arising from disruptions or failures in our technology infrastructure and management systems. Nevertheless, we may not be able to anticipate or implement adequate preventive measures against all security breaches and/or damage to our systems and/or human errors or careless actions from our employees or external trainers, any of which would adversely affect our reputation, business operations and financial performance.

9.1.3 Our financial performance is dependent on our ability to continually secure new contracts to sustain and grow our business

We primarily generate revenue from project-based contracts, typically ranging between 6 months to 48 months, that provide us with recurrent revenue. Thus, we need to secure new and sizeable projects/contracts to sustain and/or grow our business as without this, it will materially affect our financial performance.

As contracts with government agencies, multinational corporations and public listed companies for integrated people development solutions are typically awarded based on competitive bidding processes mainly through open tenders and invitations to quote, we have to continue to bid or submit quotations for new projects. As at the LPD, we have 14 ongoing integrated people development solution contracts with contract value above RM0.30 million, with each of the contract values ranging between RM0.32 million to RM4.91 million. Furthermore, the contract period of our 14 ongoing integrated people development solution contracts ranges from 8 months up to 48 months.

As at the LPD, our Group's order book is RM9.19 million which will be recognised progressively over FYE 2025 and FYE 2026 based on the expected progress of each project.

In the event we are unable to continuously secure sufficient new and sizable projects to replenish our order book, our financial performance in the future and business sustainability will be affected. While we will take proactive steps to seek new opportunities and to expand our customer base, there is no assurance that we will be able to continue to secure new and sizeable projects as well as maintain our revenue growth in the future.

9.1.4 We are dependent on certification bodies for professional ICT examination and certification services

Our Group offers professional ICT training and certification programmes whereby the certifications are awarded directly by certification bodies, such as CompTIA, AWS, EC-Council, PeopleCert and Project Management Institute, to participants who pass their examinations. Thus, we are dependent on these certification bodies for the professional ICT training and certification programmes that we offer. The examination and certification fees paid to these certification bodies for participants who sit for their professional certification examinations comprised 24.24%, 22.84%, 13.28%, and 24.00% of our purchases during FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

9. RISK FACTORS (CONT'D)

Fusionex Academy Sdn Bhd ("**Fusionex**"), one of our past major supplier, was a certification body that constituted 22.79%, 21.47% and 16.51% of our total purchases during the FYE 2021, FYE 2022, and FYE 2023, respectively. Fusionex was our external trainer and certification body that provided ICT exam and certification for the Applied Artificial Intelligence programme that our Group was engaged to deliver for Yayasan Peneraju during the Financial Years Under Review. As at the LPD, Fusionex is under liquidation and has ceased business operations.

At the point of Fusionex's winding up, our Group had 48 participants enrolled for ICT exam and certification of the Applied Artificial Intelligence programme. Following the winding up of Fusionex, our Group appointed another certification body, namely CertNexus, to replace Fusionex as the certification body for the Applied Artificial Intelligence programme. This enabled our Group to continue offering the Applied Artificial Intelligence programme to existing and subsequent incoming participants with minimal disruption.

We may face the risk of withdrawal of accreditations from our existing certification bodies if the latter deems our Group inactive in promoting their respective exams and certifications. Notwithstanding this, we are able to substitute our existing certification bodies with other certification bodies that can offer similar training pathways and recognised certifications. However, in the event that we are not able to continue sourcing ICT exam and certification from our existing certification bodies without interruption or timely replacement with another supplier, the delivery of our ICT training programmes may be disrupted as we may not be able to deliver the affected ICT training programmes, exams and certifications. Further, should our business relationship with our existing certification bodies be terminated, we may not be able to procure ICT exam and certification from other suppliers at competitive rates. If any of the abovementioned events occur, our reputation, business operations and financial performance may be adversely affected.

9.1.5 We are dependent on our ability to attract, train, motivate and retain trainers

Our future growth and success depend, to a certain extent, on the continued services of our competent trainers. The expertise of our trainers including their technical proficiency and certifications are crucial in delivering our services. As at the LPD, we have 7 internal trainers. From 1 January 2025 and up to the LPD, our Group had 85 external trainers, of which 48 were individual trainers and 37 were trainers from entities.

We also consider several factors while engaging external trainers such as certifications, experience, technical proficiency and ability to work collaboratively within a team. While we are able to source these external trainers from online professional networking platforms and through referrals, there is no assurance that we will continue to have access to a pool of trainers which are able to deliver ICT training programmes as well as IR4.0 digital skills and certification programmes.

During the Financial Years Under Review and up to the LPD, our Group has not faced any difficulties in sourcing for external trainers. Notwithstanding this, any shortages in the supply of skilled trainers, either as potential employees or external trainers, or the inability of our Group to train and retain current internal trainers as well as the inability to replace any loss in external trainers, could adversely affect the quality standards and timely delivery of our ICT, soft skills and leadership training programmes as well as IR4.0 digital skills and certification programmes, which in turn may adversely affect our reputation, business operations and financial performance.

9.1.6 Failure to keep up with new technologies may affect our ability to improve or introduce new programmes

Our integrated people development solutions revolve around reskilling and upskilling talent to improve their employability to meet organisational demands and remain relevant in a digital and knowledge-based economy. The success of our business depends upon our ability to anticipate and identify changes in technology, and offer the relevant integrated people development

9. RISK FACTORS (CONT'D)

solutions. In order to remain sustainable and grow our business, our Group has to continuously review our training programmes to improve or develop new training programmes based on current technology.

The introduction of new training programmes is subject to risks and uncertainties. Unexpected operational, technical, distribution or other problems could delay or prevent the introduction of new training programmes. Moreover, there can be no assurance that any of our new features and services will achieve widespread market acceptance.

Our ability to adapt to these changes and to remain technologically relevant will determine the sustainability of our business. There can be no assurance that we would have sufficient resources to successfully and accurately anticipate technological changes and market trends in a timely and cost-effective manner, which may have a negative impact on our business and financial performance.

If we fail to keep pace with changing technologies and to introduce successful and well-accepted training programmes for our existing or potential customers, we could lose our customers and our revenue and growth could be adversely affected.

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

In the course of offering our solutions and with the consent of our customers, we will have access to confidential information of our customers such as the personal information of our participants. Failure to protect the personal information of our participants due to security breaches or unauthorised access or disclosure could have a material adverse effect on the business and reputation of our Group, and result in loss of existing and future business as well as potential legal action taken against us by our customers.

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

As at the LPD, we have not experienced any breaches to our systems and information that compromised the security of confidential information or personal information of our customers or led to unauthorised access or disclosure. However, despite our efforts, there is no guarantee that inadvertent disclosure (which may arise from employee error or misconduct, software bugs or other technical malfunctions) or unauthorised disclosure or loss of personal or confidential information will not occur or that third parties will not gain unauthorised access to such information.

9.1.8 We are exposed to credit risk of our customers

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

While we require our customers to make progress payments based on the stages of the project completed, we may not be able to collect our trade receivables in a timely manner and/or some of our customers may delay payments. Should we experience any difficulty in collecting a

9. RISK FACTORS (CONT'D)

substantial portion of our trade receivables from our customers, our cash flow and working capital may be affected. We are also exposed to credit risks arising from our trade receivables which may arise from unanticipated events and circumstances beyond our control.

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

Further, for any trade receivables which have exceeded the credit period, we will follow up with our customers on the outstanding receivables, and where appropriate, provide for specific impairment on those trade receivables where recoverability is uncertain based on our Group's dealings with these customers.

Based on our audited combined statements of financial positions as at 31 December 2024, we have cash and bank balances with licensed banks of RM3.93 million and working capital of RM9.35 million.

Our Group has not recorded bad debts for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024. However, there can be no assurance that our customers will be able to fulfil their payment obligations in a timely manner or we are able to fully collect the trade receivables which exceed credit terms in the future.

9.1.9 We may not be able to effectively implement some of our business strategies and plans

Our business strategies and future plans are include building a Cyber Range computer simulation lab, expanding our business to capture growth opportunities, expanding our Digital segment, and expanding our business through strategic investments, mergers and acquisitions opportunities.

Please refer to Section 7.17 of this Prospectus for further information on our strategies and business plans.

The implementation of these business strategies and plans involves capital expenditure as well as other operating expenses such as premise rental, equipment acquisitions, maintenance as well as employee recruitment and salaries. Our financial performance may be adversely affected if we are not able to secure sufficient contracts from existing and / or new customers following the implementation of the abovementioned business strategies and plans due to, among others, any unforeseen economic conditions. Further, any postponements or delays in implementing our business strategies and plans may adversely affect our future financial performance.

Our plan to continue expanding our business regionally involves venturing into the states of Sabah and Sarawak in Malaysia, as well as overseas countries, namely Indonesia and the Philippines. The venture into overseas countries exposes us to the following risks:

- **Market entry risk**

In venturing into new foreign markets, we may be unfamiliar with local laws, rules and regulations, and the business and operating environments. We cannot assure you that we will be able to anticipate all the business and operational risks arising from our future plans and strategies. Further, in conducting our business in foreign countries we need to comply with foreign laws and regulations covering various aspects of our operations, including company laws, labour laws and licensing regulations, and these laws and regulations may change, or be updated and amended, from time to time, which are beyond our control.

9. RISK FACTORS (CONT'D)

- Credit risk

Potential customers in these foreign countries have varying degrees of creditworthiness which exposes us to the risk of non-payment by them. In the event that these customers default on their payments, our operating cash flows, financial condition and results of operations could be materially and adversely affected.

- Integration risk

We may not be able to effectively manage the integration of the businesses in these foreign countries with our existing business. The process of integration may result in unforeseen issues and may require our management's attention and financial resources that would otherwise be available for the development of our existing operations or other expansions, which in turn could negatively impact our earnings and growth.

There is no assurance that the implementation of our business strategies and plans will be successful, nor will we be able to anticipate and mitigate all the risks and uncertainties that may arise during the implementation of these business strategies and plans, which may materially affect our business operations and financial performance.

9.1.10 We are dependent on our Managing Director, Executive Directors and Key Senior Management

We believe that human capital is one of our key success factors. Over the years, we have built an experienced management and operations team. Our management and operations team are led by our Managing Director, Executive Directors and Key Senior Management who have accumulated industry experience and have contributed to the growth of our Group over the years. As such, any loss of our Managing Director, Executive Directors and Key Senior Management, without a suitable and timely replacement, may have a material adverse impact on our business and our continuing ability to compete effectively. Please refer to Section 5 of this Prospectus for the profiles of our Managing Director, Executive Directors and Key Senior Management personnel.

As part of our strategy to retain our Managing Director, Executive Directors and Key Senior Management, we offer them competitive remuneration packages. In addition, we provide a healthy working environment, practice good workplace culture, uphold work ethics to create a sense of belonging and foster good working relationships amongst our Managing Director, Executive Directors and Key Senior Management. We further provide training and career development opportunities to nurture and retain them as part of our succession planning initiatives.

In the Financial Years Under Review and up to the LPD, we have not experienced any loss of our Managing Director, Executive Directors and Key Senior Management personnel that has materially impacted our business. Nonetheless, there can be no assurance that the above measures will be successful in attracting and retaining our Managing Director, Executive Directors and Key Senior Management personnel or ensuring a smooth transition should changes occur.

9.1.11 The delivery of our integrated people development solutions is exposed to unexpected delays, interruptions or contract termination caused by factors beyond our control

The delivery of our integrated people development solutions is subject to unexpected delays, interruptions or contract termination caused by factors beyond our control, such as budget constraint or change of business decision. If there are any delays caused by our customers which result in delays in the timing of delivery of our integrated people development solutions, our financial performance will be affected. Hence, we are dependent on the availability and cooperation of our customers to minimise delays in our deliverables.

9. RISK FACTORS (CONT'D)

Any other unexpected events such as accidents and natural disasters may cause temporary disruptions to the delivery of our training programmes. As the delivery of our training programmes are dependent on our trainers who cannot be replaced or automated with machines, any unexpected significant interruptions to our manpower which are not resolved in a timely manner may affect the timing of delivery of our projects and subsequently affect our financial performance. Since the commencement of our business and up to the LPD, we have not encountered any delays or interruptions caused by operational factors, accidents and natural disasters beyond our control which adversely affected the financial performance and business operations of our Group.

Notwithstanding the above, our Group is still exposed to the risk of unexpected delays, interruptions or contract termination caused by factors beyond our control which may affect the delivery of our ongoing and future integrated people development solution projects.

9.2 RISKS RELATING TO OUR INDUSTRY

9.2.1 We are dependent on public and private investments on training programmes in Malaysia

Our business is highly dependent on public and private investments in training programmes. Learning and development programme spendings are in part affected by economic conditions, foreign direct investments, private sector spending, as well as government initiatives and spending, all of which are beyond our control. A reduction in spendings on training programmes will result in more intense competition in tenders among the industry players, along with the need to be more competitive in our pricing strategies as well as strengthening our value propositions to our customers. This may adversely affect our business operations, financial performance and prospects.

9.2.2 We face competition from other industry players

Our industry is competitive in terms of the range of training programmes, collaborations with technology partners, quality of services and timeliness of achieving training programme results. Some of our competitors may be equipped with better resources and technical expertise, allowing them to offer a more comprehensive range of services or specialised services in comparison to us.

Industry players may resort to price competition or other competitive practices to capture or retain market share and hence may be willing to take on contracts with a lower profit margin. There is no assurance that we can or will remain competitive among our existing or new competitors in light of the changing customers' preferences and competitive business environment. Additionally, a consolidation of small market players within our industry would also result in a competitive environment. If we are unable to remain competitive in terms of our product offering and pricing strategies or are unable to adapt to industry needs by introducing new programmes based on customer requirements, our business operations and financial performance may be adversely impacted.

9.2.3 We are subject to political, social, economic and regulatory risks

Any adverse changes and / or developments in political, social, economic and regulatory conditions in Malaysia and countries where we intend to set up operations including Singapore, Indonesia and Philippines would adversely affect our business and financial performance. These risks include changes in political leadership, changes in foreign exchange rate policy and changes in government policies, geopolitical events, general economic and business conditions, fiscal and monetary policies, tax policies, repatriation of profits, exchange control measures, unemployment trends, changes in international bilateral relationships, and other matters that may influence business confidence and spending. These events are beyond our

9. RISK FACTORS (CONT'D)

control, and the occurrence of one or more of these events may affect our business operations and financial performance.

Notwithstanding the above, we have not experienced adverse or material changes in political, social, economic and regulatory conditions which have had a material impact on our business in the past. However, there can be no assurance that adverse political, economic and regulatory changes, which are beyond our control, will not affect our Group's businesses in the future.

Our plans to continue expanding our business regionally involves venturing into Indonesia and the Philippines, and this exposes our Group to market entry risk, credit risk and integration risk assumed when entering into these new markets. Please refer to Section 9.1.8 of this Prospectus for further details.

9.3 RISKS RELATING TO INVESTMENT IN OUR SHARES

9.3.1 Our Listing is exposed to the risk that it may be aborted or delayed

Our Listing may be aborted or delayed should the occurrence of certain events, including the following occur:

- (i) our Underwriter exercises its rights under the Underwriting Agreement to discharge itself from its obligations therein;
- (ii) the revocation of approvals from the relevant authorities for our Listing for whatsoever reason; or
- (iii) we are unable to meet the public shareholding spread requirement under the Listing Requirements, whereby at least 25.00% of our total number of Shares for which listing is sought must be held by a minimum number of 200 public shareholders each holding not less than 100 Shares at the point of our Listing.

If any of these events occur, investors will not receive any Shares and we will return in full without interest, all monies paid in respect of the Application within 14 days, failing which the provisions of Section 243(2) of the CMA will apply.

If our Listing is aborted and / or terminated, and our Shares have been allotted to the investors, a return of monies to the investors could only be achieved by way of cancellation of share capital as provided under Sections 116 or 117 of the Act and its related rules.

Such cancellation requires the approval of shareholders by special resolution in a general meeting, with sanction of High Court of Malaya or with notice to be sent to the Director General of the Inland Revenue Board and registrar of companies within 7 days of the date of the special resolution and us meeting the solvency requirements under Section 117(3) of the Act.

There can be no assurance that such monies can be recovered within a short period of time in such circumstances.

9.3.2 The trading price and trading volume of our Shares following our Listing may be volatile

The trading price and volume of our Shares may fluctuate due to various factors, some of which are not within our control and may be unrelated or disproportionate to our financial results. These factors may include:

- (i) variations in our results and operations;
- (ii) success or failure in our management team in implementing business and growth strategies;

9. RISK FACTORS (CONT'D)

- (iii) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (iv) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events and factors;
- (v) additions or departures of our key management personnel;
- (vi) fluctuations in stock market prices and volumes; or
- (vii) involvements in litigations.

The performance of Bursa Securities is also affected by external factors such as the performance of the regional and world bourses, inflow or outflow of foreign funds, economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes on Bursa Securities and thus, the market price of our Shares may also be subject to fluctuations.

9.3.3 Our Substantial Shareholders will be able to exert significant influence over our Company

Our Substantial Shareholders hold approximately 71.15% of our enlarged issued share capital upon Listing whilst the Specified Shareholders hold approximately 50.16% of our enlarged issued share capital upon Listing. In the event all the Substantial Shareholders vote in the similar manner in respect of resolutions, they may be able to effectively control the business direction and may have significant influence on the outcome of any corporate transaction or other matters submitted to our shareholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets and other significant corporate actions unless they are required to abstain from voting either by law and / or by the relevant regulations and / or authorities. Further, there can be no assurance that the interests of our Substantial Shareholders will be aligned with those of our other shareholders.

Nevertheless, as a step towards good corporate governance, our appointed Independent Non-Executive Directors and our Audit and Risk Management Committee will scrutinise all transactions in which there is potential conflict of interest situation arising from the interests of our Promoter, Substantial Shareholders and / or Directors and to ensure that any future transactions involving related parties are entered into on arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to our minority shareholders.

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10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

Pursuant to the Listing Requirements, subject to certain exemptions, a “related party transaction” is a transaction entered into by a listed issuer or its subsidiary, which involves the interest, direct or indirect, of a related party. A “related party” is defined as a director, major shareholder or person connected with such director or major shareholder (including a director or major shareholder within the preceding 6 months before the transaction was entered into). “Major shareholder” means a shareholder with a shareholding of 10% or more (or 5% or more where such person is the largest shareholder in the company) of all the voting shares in the company.

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10. RELATED PARTY TRANSACTIONS (CONT'D)

10.1.1 Our Group's Related Party Transactions

Save as disclosed below, our Group has neither entered into nor proposes to enter into any other material related party transactions for the Financial Years Under Review and up to the LPD:

No.	Transacting Parties	Nature of relationship	Nature of transaction	Arm's Length (Yes/No)	Transaction value				
					FYE 2021 ('000)	FYE 2022 ('000)	FYE 2023 ('000)	FYE 2024 ('000)	From 1 January 2025 up to LPD ('000)
1.	PEOPLEogy and Allen Lee and Lim Szu Yee	Allen Lee is the Promoter, Managing Director and major shareholder of PEOPLEogy. Lim Szu Yee is the substantial shareholder of PEOPLEogy and she is the spouse of Allen Lee.	Acquisition of 850,000 shares in PEOPLEogy Development from Allen Lee and Lim Szu Yee representing 85.00% of the issued share capital by PEOPLEogy. ⁽²⁾ This is not a recurrent transaction.	No ⁽¹⁾	-	-	-	RM4,427 (35.14% of our Group's NA)	-
2.	PEOPLEogy and Allen Lee	Allen Lee is the Promoter, Managing Director and major shareholder of PEOPLEogy	Acquisition of 100,000 shares in PEOPLEogy Discovery from Allen Lee representing 100% of the issued share capital by PEOPLEogy. ⁽³⁾ This is not a recurrent transaction.	No ⁽¹⁾	-	-	-	RM1,000 (7.94% of our Group's NA)	-
3.	PEOPLEogy and Allen Lee	Allen Lee is the Promoter, Managing Director and major shareholder of PEOPLEogy	Acquisition of 100,000 shares in PEOPLEogy Digital from Allen Lee representing 100% of the issued share capital by PEOPLEogy. ⁽⁴⁾	No ⁽¹⁾	-	-	-	RM1,000 (7.94% of our Group's NA)	-

10. RELATED PARTY TRANSACTIONS (CONT'D)

					Transaction value					From 1 January 2025 up to LPD ('000)
No.	Transacting Parties	Nature of relationship	Nature of transaction	Arm's Length (Yes/No)	FYE 2021 ('000)	FYE 2022 ('000)	FYE 2023 ('000)	FYE 2024 ('000)		
			This is not a recurrent transaction.							
4.	PEOPLEogy Development and Allen Lee	Allen Lee was a major shareholder of PEOPLEogy Development. Allen Lee and Lim Szu Yee are Directors of PEOPLEogy Development and PEOPLEogy Goal.	Acquisition of 30,000 shares in PEOPLEogy Goal from Allen Lee representing 30% of the issued share capital by PEOPLEogy Development. ⁽⁵⁾ This is not a recurrent transaction.	No ⁽¹⁾	-	RM466 (9.66% of our Group's NA)	-	-	-	
5.	PEOPLEogy Development and Allen Lee	Allen Lee was a major shareholder of PEOPLEogy Development. Allen Lee and Lim Szu Yee are Directors of PEOPLEogy Development and PEOPLEogy Skill.	Acquisition of 30,000 shares in PEOPLEogy Skill from Allen Lee representing 30% of the issued share capital by PEOPLEogy Development. ⁽⁶⁾ This is not a recurrent transaction.	No ⁽¹⁾	-	RM860 (17.83% of our Group's NA)	-	-	-	
6.	PEOPLEogy Development and Allen Lee	Allen Lee was a major shareholder of PEOPLEogy Development.	Acquisition of 30,000 shares in PEOPLEogy Growth from Allen Lee representing 30% of the issued share capital by	No ⁽¹⁾	-	RM846 (17.54% of our Group's NA)	-	-	-	

10. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting Parties	Nature of relationship	Nature of transaction	Arm's Length (Yes/No)	Transaction value				From 1 January 2025 up to LPD ('000)
					FYE 2021 ('000)	FYE 2022 ('000)	FYE 2023 ('000)	FYE 2024 ('000)	
		Allen Lee and Lim Szu Yee are Directors of PEOPLEogy Development and PEOPLEogy Growth.	PEOPLEogy Development. ⁽⁷⁾ This is not a recurrent transaction.						
7.	PEOPLEogy Development and Allen Lee	Allen Lee is a deemed major shareholder of PEOPLEogy Development. Allen Lee and Lim Szu Yee are Directors of PEOPLEogy Development.	Acquisition of 30,000 shares in PEOPLEogy Community from Allen Lee representing 60% of the shares by PEOPLEogy Development. ⁽⁸⁾ This is not a recurrent transaction.	No ⁽¹⁾	-	-	-	RM600 (4.76% of our Group's NA)	-
8.	PEOPLEogy Development and Allen Lee	Allen Lee was a major shareholder of PEOPLEogy Development. Allen Lee and Lim Szu Yee are Directors of PEOPLEogy Development and PEOPLEogy Northern.	Acquisition of 70,000 shares in PEOPLEogy Northern from Allen Lee representing 70% of the issued share capital by PEOPLEogy Development. ⁽⁹⁾ This is not a recurrent transaction.	No ⁽¹⁾	-	RM700 (14.51% of our Group's NA)	-	-	-
9.	PEOPLEogy Development and Allen Lee	Allen Lee was a major shareholder of PEOPLEogy Development.	Acquisition of 70,000 shares in PEOPLEogy Southern from Allen Lee representing 70% of the	No ⁽¹⁾	-	RM700 (14.51% of our Group's NA)	-	-	-

10. RELATED PARTY TRANSACTIONS (CONT'D)

					Transaction value					From 1 January 2025 up to LPD ('000)
No.	Transacting Parties	Nature of relationship	Nature of transaction	Arm's Length (Yes/No)	FYE 2021 ('000)	FYE 2022 ('000)	FYE 2023 ('000)	FYE 2024 ('000)		
		Allen Lee and Lim Szu Yee are Directors of PEOPLEogy Development and PEOPLEogy Southern.	issued share capital by PEOPLEogy Development. ⁽¹⁰⁾ This is not a recurrent transaction.							
10.	PEOPLEogy Digital and Allen Lee	Allen Lee was the major shareholder of PEOPLEogy Interactive Sdn Bhd Allen Lee was the Director of PEOPLEogy Digital Sdn Bhd.	Acquisition of 100,000 shares from Allen Lee, representing 100% of the issued share capital in PEOPLEogy Interactive Sdn Bhd from Allen Lee by PEOPLEogy Digital. ⁽¹¹⁾ This is not a recurrent transaction.	No ⁽¹⁾	-	-	RM100 (2.31% of our Group's NA)	-	-	
11.	PEOPLEogy Community (formerly known as PEOPLEogy Diversified) and Nucleus	Chen Khai Voon is a major shareholder of PEOPLEogy. Chen Khai Voon is also the sole shareholder of Nucleus.	Sponsorship payment for the BUILD A FUTURE TEAM Conference in Bali. This is not a recurrent transaction.	Yes ⁽¹²⁾	-	-	-	USD10	-	
12.	PEOPLEogy and PEOPLEogy Digital	PEOPLEogy Digital is a wholly owned subsidiary of PEOPLEogy.	Acquisition of 10,000 shares from PEOPLEogy Digital, representing 100% of the issued share capital in PEOPLEogy	No ⁽¹⁾	-	-	-	SGD10	-	

10. RELATED PARTY TRANSACTIONS (CONT'D)

					Transaction value				
No.	Transacting Parties	Nature of relationship	Nature of transaction	Arm's Length (Yes/No)	FYE 2021 ('000)	FYE 2022 ('000)	FYE 2023 ('000)	FYE 2024 ('000)	From 1 January 2025 up to LPD ('000)
			International by PEOPLEogy. ⁽¹³⁾ This is not a recurrent transaction.						
13.	PEOPLEogy Development and Allen Lee	Allen Lee was a major shareholder of PEOPLEogy Development. Allen Lee was the Director of PEOPLEogy Digital Sdn Bhd.	Disposal of 30,000 shares to Allen Lee, representing 30% of the issued share capital in PEOPLEogy Digital from PEOPLEogy Development to Allen Lee. ⁽¹⁴⁾ This is not a recurrent transaction.	No ⁽¹⁾	-	RM300 (6.22% of our Group's NA)	-	-	-
14.	PEOPLEogy Development and Allen Lee	Allen Lee was a major shareholder of PEOPLEogy Development. Allen Lee was the Director of PEOPLEogy Discovery Sdn Bhd.	Disposal of 30,000 shares to Allen Lee, representing 30% of the issued share capital in PEOPLEogy Discovery from PEOPLEogy Development to Allen Lee. ⁽¹⁵⁾ This is not a recurrent transaction.	No ⁽¹⁾	-	RM300 (6.22% of our Group's NA)	-	-	-

10. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting Parties	Nature of relationship	Nature of transaction	Arm's Length (Yes/No)	Transaction value				From 1 January 2025 up to LPD ('000)
					FYE 2021 ('000)	FYE 2022 ('000)	FYE 2023 ('000)	FYE 2024 ('000)	
15.	PEOPLEogy Development and FISH CAMP Learning	Allen Lee is the Director of PEOPLEogy Development. Allen Lee is the Director of FISH CAMP Learning.	Purchase of assessment tools from FISH CAMP Learning. This is a recurrent transaction. ⁽¹⁶⁾	Yes ⁽¹⁷⁾	-	-	-	RM66 (0.52% of our Group's NA)	-
16.	PEOPLEogy Discovery and FISH CAMP Learning	PEOPLEogy Discovery is the shareholder of FISH CAMP Learning.	Purchase of assessment tools and training services from FISH CAMP Learning. This is a recurrent transaction. ⁽¹⁶⁾	Yes ⁽¹⁷⁾	-	-	-	RM29 (0.23% of our Group's NA)	-
17.	PEOPLEogy Goal and FISH CAMP Learning	Allen Lee is the Director of PEOPLEogy Goal. Allen Lee is the Director of FISH CAMP Learning.	Purchase of assessment tools and training services from FISH CAMP Learning. This is a recurrent transaction. ⁽¹⁶⁾	Yes ⁽¹⁷⁾	-	-	-	RM10 (0.08% of our Group's NA)	RM2

Notes:

- (1) The acquisitions were derived based on a willing buyer willing seller basis.
- (2) The restructuring of our Group involved the acquisition of 850,000 ordinary shares in PEOPLEogy Development representing 85% of the total share capital of PEOPLEogy Development from Allen Lee and Lim Szu Yee for the purchase consideration of RM4,426,729.75 which was fully settled by way of issuance of 21,344,189 Shares to Allen Lee and 9,661,646 Shares to Lim Szu Yee at an issue price of RM0.05 per Share. The acquisition was completed on 15 February 2024.

10. RELATED PARTY TRANSACTIONS (CONT'D)

- (3) *The restructuring of our Group involved the acquisition of 100,000 ordinary shares in PEOPLElogy Discovery representing 100% of the total share capital of PEOPLElogy Discovery from Allen Lee for the purchase consideration of RM999,982.00 which was fully settled by way of issuance of 19,999,640 Shares to Allen Lee at an issue price of RM0.05 per Share. The acquisition was completed on 15 February 2024.*
- (4) *The restructuring of our Group involved the acquisition of 100,000 ordinary shares in PEOPLElogy Digital representing 100% of the total share capital of PEOPLElogy Digital from Allen Lee for the purchase consideration of RM999,982.00 which was fully settled by way of issuance of 19,999,640 Shares to Allen Lee at an issue price of RM0.05 per Share. The acquisition was completed on 15 February 2024.*
- (5) *The restructuring of our Group involved the acquisition of the remaining 30,000 ordinary shares in PEOPLElogy Goal representing 30% of the total share capital of PEOPLElogy Goal from Allen Lee for the purchase consideration of RM466,460.39 which was fully settled by way of cash to Allen Lee and at the price of RM15.55 per Share. The acquisition was completed on 21 April 2022.*
- (6) *The restructuring of our Group involved the acquisition of the remaining 30,000 ordinary shares in PEOPLElogy Skill representing 30% of the total share capital of PEOPLElogy Skill from Allen Lee for the purchase consideration of RM859,886.73 which was fully settled by way of cash to Allen Lee at the price of RM28.66 per share. The acquisition was completed on 21 April 2022.*
- (7) *The restructuring of our Group involved the acquisition of the remaining 30,000 ordinary shares in PEOPLElogy Growth representing 30% of the total share capital of PEOPLElogy Growth from Allen Lee for the purchase consideration of RM845,713.85 which was fully settled by way of cash to Allen Lee at the price of RM28.19 per share. The acquisition was completed on 21 April 2022.*
- (8) *The restructuring of our Group involved the acquisition of the remaining 30,000 ordinary shares in PEOPLElogy Community representing 60% of the total share capital of PEOPLElogy Community from Allen Lee for the purchase consideration of RM600,000.00 which was fully settled by way of cash to Allen Lee at the price of RM20.00 per share. The acquisition was completed on 18 June 2024.*
- (9) *The restructuring of our Group involved the acquisition of the remaining 70,000 ordinary shares in PEOPLElogy Northern representing 70% of the total share capital of PEOPLElogy Northern from Allen Lee for the purchase consideration of RM700,000.00 which was fully settled by way of cash to Allen Lee at the price of RM10.00 per share. The acquisition was completed on 21 April 2022.*
- (10) *The restructuring of our Group involved the acquisition of the remaining 70,000 ordinary shares in PEOPLElogy Southern representing 70% of the total share capital of PEOPLElogy Southern from Allen Lee for the purchase consideration of RM700,000.00 which was fully settled by way of cash to Allen Lee at the price of RM10.00 per share. The acquisition was completed on 21 April 2022.*
- (11) *The restructuring of our Group involved the acquisition of 100,000 ordinary shares in PEOPLElogy Interactive representing 100% of the total share capital of PEOPLElogy Interactive from Allen Lee for the purchase consideration of RM100,000.00 which was fully settled by way of cash at the price of RM1.00 per share. The acquisition was completed on 9 May 2023.*
- (12) *The sponsorship payment made by Nucleus to our Group is also offered at the same rate to other sponsors for the said event.*
- (13) *The restructuring of our Group involved the acquisition of 10,000 ordinary shares in PEOPLElogy International representing 100% of the total share capital of PEOPLElogy International from PEOPLElogy Digital for the purchase consideration of SGD10,000.00 which was fully settled by way of cash to PEOPLElogy Digital at the price of SGD1.00 per share. The acquisition was completed on 28 March 2024.*

10. RELATED PARTY TRANSACTIONS (CONT'D)

- (14) *The disposal of 30,000 ordinary shares in PEOPLEogy Digital representing 30% of the total share capital of PEOPLEogy Digital from PEOPLEogy Development to Allen Lee for the purchase consideration of RM300,000.00 which was fully settled by way of cash at the price of RM10.00 per share. The disposal was completed on 21 April 2022.*
- (15) *The disposal of 30,000 ordinary shares in PEOPLEogy Discovery representing 30% of the total share capital of PEOPLEogy Discovery from PEOPLEogy Development to Allen Lee for the purchase consideration of RM300,000.00 which was fully settled by way of cash at the price of RM10.00 per share. The disposal was completed on 21 April 2022.*
- (16) *This arrangement may subsist after the Listing on an arm's length basis as and when required.*
- (17) *The payment made by our Group to FISH CAMP Learning were transacted on an arm's length basis and are comparable to those generally available to third parties.*

10.2 TRANSACTIONS ENTERED INTO THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

Our Group has not entered into any transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, with a related party in the Financial Years Under Review and up to the LPD.

10.3 OUTSTANDING LOANS AND/OR FINANCIAL ASSISTANCE TO OR FOR THE BENEFIT OF RELATED PARTIES

Save as disclosed below, there are no other material outstanding loans (including guarantees of any kind) and/or financial assistance that have been granted by our Company and/or any of our Subsidiaries to or for the benefit of the related parties for the Financial Years Under Review and up to the LPD.

10. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of Transaction	Outstanding amount as at				
				31 December 2021 (RM'000)	31 December 2022 (RM'000)	31 December 2023 (RM'000)	31 December 2024 (RM'000)	From 1 January 2025 up to the LPD (RM'000)
1.	PEOPLEogy Digital and Allen Lee	Allen Lee is our Promoter, Director and major shareholder of our Group.	Provision of advance by Allen Lee to PEOPLEogy Digital for working capital purposes.	-	1,000 (20.73% of our Group's NA)	1,000 (23.09% of our Group's NA)	-	-
2.	PEOPLEogy Community and Allen Lee	Allen Lee is our Promoter, Director and major shareholder of our Group.	Provision of advance by Allen Lee to PEOPLEogy Community for working capital purposes.	23 (0.57% of our Group's NA)	23 (0.48% of our Group's NA)	373 (8.61% of our Group's NA)	-	-
3.	PEOPLEogy Discovery and Allen Lee	Allen Lee is our Promoter, Director and major shareholder of our Group.	Provision of advance by PEOPLEogy Discovery to Allen Lee. ⁽¹⁾	-	50 (1.04% of our Group's NA)	-	-	-

Note:

(1) The advance to Allen Lee has then been fully settled against the amount due by PEOPLEogy Digital to Allen Lee for cash flow management purposes.

The advances provided were non-trade related, unsecured and interest free. As the advances were given interest free, they were not given on an arm's length basis. However, our Directors are of the view that the advances provided to related parties are not detrimental to our Group. As at the LPD, all the advances have been repaid and there are no outstanding balances with the related parties.

Moving forward, our Group has put in place strict internal control and compliance procedures in relation to advances and loans to third parties, and no further advances or loans will be given to any related parties of our Group unless such advances and loans are permitted under applicable law and the Listing Requirements and brought to the Audit and Risk Management Committee and our Board for deliberation and approval.

10. RELATED PARTY TRANSACTIONS (CONT'D)**10.4 PROVISION OF GUARANTEES BY OUR PROMOTER FOR BANKING FACILITIES GRANTED TO OUR GROUP**

Our Director and Promoter, namely Allen Lee and our Specified Shareholder, namely Lim Szu Yee, had in February 2025 jointly and severally provided personal guarantees for the banking facility extended by RHB Bank Berhad to our Group. The breakdown of the facility secured by our Group and the personal guarantees provided by the aforementioned individuals as at the LPD is set out below:

Financier	Guarantors	Amount utilised RM'000	Unutilised balance RM'000	Total amount of guarantee provided RM'000
RHB Bank Berhad	- Allen Lee - Lim Szu Yee	2,500	1,500	4,000
	Total	2,500	1,500	4,000

In conjunction with the Listing, we have applied to RHB Bank Berhad to obtain a release and/or discharge of the guarantees provided by Allen Lee and Lim Szu Yee.

Until such release and/or discharge are obtained from RHB Bank Berhad, both Allen Lee and Lim Szu Yee will continue to guarantee such banking facility extended to our Group.

As at the LPD, we have received conditional approvals from RHB Bank Berhad to discharge the relevant personal guarantees upon Listing.

10.5 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS**10.5.1 Audit and Risk Management Committee Review**

Our Audit and Risk Management Committee reviews related party transactions to ensure no conflicts of interest arise and potential conflicts of interest within our Company or our Group. Our Audit and Risk Management Committee reviews the procedures set by our Company to monitor related party transactions to ensure the integrity of these transactions, procedures or course of conducts. In reviewing the related party transactions, the following, amongst other things will be considered:

- (i) the rationale and the cost/benefit to our Group is first considered;
- (ii) where possible, comparative quotes will be taken into consideration;
- (iii) that the transactions are carried out in the best interest of our Group and 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 to the detriment of our Group; and
- (iv) that the transactions are not detrimental to our Group's non-interested shareholders.

All reviews by our Audit and Risk Management Committee are reported to our Board for its further action.

10. RELATED PARTY TRANSACTIONS (CONT'D)

10.5.2 Our Group's policy on related party transactions

As disclosed in this Prospectus, one of our Directors and/or major shareholder is also a director and in some cases, shareholder of the related parties of our Group, and with respect to these related party transactions, may individually and in aggregate have conflicts of interest. It is the policy of our Group that all related party transactions shall be reviewed by our Audit and Risk Management Committee to ensure that these transactions are negotiated and agreed upon in the best interest of our Group, on arm's length basis and are based 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 to the detriment of our Group.

In addition, we plan to adopt a comprehensive corporate governance framework that meets best practice principles to mitigate any potential conflict of interest situations and intend for the framework to be guided by the Listing Requirements and the Malaysian Code on Corporate Governance upon our Listing. The procedures which may form part of the framework include, amongst others, the following:

- (i) our Board shall ensure that the majority of our Board members are independent directors and will undertake an annual assessment of our Independent Directors;
- (ii) our Directors will be required to declare any direct or indirect interest that they may have in any business enterprise that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution related to the related party transaction; and
- (iii) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will propose the transactions to our Audit and Risk Management Committee for evaluation and assessment who will in turn make a recommendation to our Board.

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11. CONFLICT OF INTEREST**11.1 INTEREST IN SIMILAR BUSINESS OF OUR GROUP, OUR CUSTOMERS AND/OR SUPPLIERS****11.1.1 Interest in corporations that carry on similar trade as that of our Group**

As at the LPD, save as disclosed below, none of our Directors and/or Substantial Shareholders have any interest, whether direct or indirect, in other businesses or corporations which are carrying on a similar trade to that of our Group:

<u>Name of company</u>	<u>Our Directors and/or substantial shareholders</u>	<u>Principal activities</u>	<u>Nature of interest</u>
Nucleus	<u>Our substantial shareholder</u> Chen Khai Voon	(1) Human resources consultancy services; and (2) Other information technology service activities	Chen Khai Voon, a substantial shareholder of our Company, is the sole shareholder of Nucleus

Notwithstanding the above, our Board is of the view that the potential conflict of interest situation which may arise as a result of Chen Khai Voon's interest in Nucleus is mitigated as follows:

In respect of Nucleus:

- (a) The principal activity of Nucleus involves the provision of human resources consultancy services related to critical talent, namely top management of companies, application of artificial intelligence to conduct human resource assessments and recruitments as well as human capital development, all of which our Group is not involved in.
- (b) Whilst the Group also provides talent consultancy under its Discovery segment, as disclosed in Section 7 of this Prospectus, the revenue contribution from the Discovery segment was only nil, 0.58%, 0.21%, and 1.93% for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

For clarity purposes, our Group's main businesses are in the provision of ICT, soft skills and leadership training services; IR4.0 digital skills and certification services; as well as organisation of events, conferences and seminars on human resource all of which are under our Development segment which had contributed 99.64%, 98.67%, 99.28%, and 97.56% to our Group's revenue for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

- (c) The targeted customers segment for Nucleus are primarily small medium enterprises whereas our Group's largest composition of customers is derived from government agencies.
- (d) Chen Khai Voon does not hold any executive positions in either our Group or in Nucleus. Furthermore, Chen Khai Voon is not involved in the day-to-day operations of Nucleus as the operation of Nucleus is handled by a separate management team.

11. CONFLICT OF INTEREST (CONT'D)

Please refer to Section 10.1.1 of this Prospectus for more details on our Group's transaction with Nucleus.

Name of company	Our Directors and/or substantial shareholders	Principal activities	Nature of interest
Chapter Advisory	<u>Our independent non-executive director</u> Norlida binti Abdul Azmi	Advisory and consultancy in business transformation	Norlida binti Abdul Azmi, an independent non-executive director of our Company, is the sole shareholder and director of Chapter Advisory

Notwithstanding the above, our Board is of the view that the above potential conflict of interest situations are mitigated as follows:

In respect of Chapter Advisory:

- (a) The businesses and operations of Chapter Advisory are not in direct competition with the business and operations of our Group given that:
 - (i) The principal activity of Chapter Advisory involves the provision of management consulting, business transformation, leadership training and coaching to C-suite level individuals and the board of directors of companies, which are not our Group's targeted customer segment. For clarity, our Group's targeted customer segments are mainly employees in multinational companies, local public listed companies, local large companies, SMEs, government agencies as well as school leavers, fresh graduates and working professionals. Please refer to Section 7.2 of this Prospectus for more details on our Group's business model;
 - (ii) Incorporated on 11 November 2024, Chapter Advisory is a newly incorporated company whereby its business and operations are significantly smaller compared to our Group's established business in integrated people development solutions; and
 - (iii) Whilst our Group provides leadership training under the GOAL brand and talent consultancy under the Discovery segment, they are not our main businesses as we primarily focus on ICT training services. As set out in Section 7.2.2 of this Prospectus, ICT training services contributed to 89.70%, 88.84%, 88.36% and 88.50% of our total revenue in FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively. The revenue contribution from our GOAL brand constitutes 8.82%, 9.19%, 9.16% and 6.22% of our total revenue in FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively
- (b) Our Group does not have any transaction with Chapter Advisory.
- (c) Norlida binti Abdul Azmi's does not hold any executive position in our Group and is not involved in the day-to-day operations of our Group.
- (d) Our Board, through the Nomination Committee will conduct a regular periodic assessment on each of the Directors' fitness and propriety, including any actual or potential conflict of interest situations prior to their re-election. The review will include but not limited to the nature and

11. CONFLICT OF INTEREST (*CONT'D*)

extent of business overlap, access to confidential information, board independence, related party transactions and fiduciary duties. Should a conflict of interest situation arise, the Board may take necessary actions, including requiring recusal from deliberations on relevant matters.

Please refer to Section 5.2.3 of this Prospectus for her present involvement in Chapter Advisory.

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11. CONFLICT OF INTEREST (CONT'D)

11.1.2 Interest in corporations that are customers of our Group

As at the LPD, save as disclosed below, none of our Directors and/or Substantial Shareholders has any interest, whether direct or indirect, in other businesses or corporations which are the customers and/or suppliers of our Group:

Name of Company	Our Directors and/or substantial shareholders	Nature of interest	Description of transaction(s)	Transaction value				From 1 January 2025 up to the LPD
				FYE 2021 ('000)	FYE 2022 ('000)	FYE 2023 ('000)	FYE 2024 ('000)	
Nucleus ⁽¹⁾	<u>Our substantial shareholder</u>	Chen Khai Voon, a major shareholder of our Company, is the sole shareholder of Nucleus	Nucleus is a customer of our Group.	-	-	-	USD10	-
	Chen Khai Voon		Nucleus had provided sponsorship for our Group's BUILD A FUTURE TEAM Conference in Bali.					
KFM ⁽¹⁾	<u>Our substantial shareholder</u>	David Lim, a substantial shareholder of our Company, is the non-independent and non-executive director. He holds 2.80% equity interest in Kawan Food Berhad, the holding company of KFM.	KFM is a customer of our Group.	RM88	RM201	RM77	-	-
	David Lim		Our Group had previously provided consultancy services and soft skill development programmes to KFM.					

Note:

(1) The transaction may subsist after our Listing on an as and when required basis. For avoidance of doubt, all transactions shall be carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group than those generally available to third parties.

Notwithstanding the above, our Board is of the view that the potential conflict of interest situation which may arise as a result of Chen Khai Voon's interest in Nucleus and David Lim's interest in Kawan Food Berhad has been mitigated as follows:

11. CONFLICT OF INTEREST (CONT'D)

- (a) All the aforementioned transactions with both Nucleus and KFM were carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group than those generally available to third parties; and
- (b) Our Group is not dependent on either Nucleus or KFM. For the Financial Years Under Review, the aggregate sales to both Nucleus and KFM represent less than 1% of our Group's revenue.

Please refer to Section 10.1.1 of this Prospectus for more details on our Group's transaction with Nucleus.

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11. CONFLICT OF INTEREST (*CONT'D*)

11.1.3 As highlighted in Section 10.5.1 of this Prospectus, our Audit and Risk Management Committee will review any conflict of interest (including potential conflict of interest) that may arise within the Company or our Group including such transaction, procedure or course that raises questions on management integrity and the measures taken to resolve, eliminate, or mitigate such conflicts to ensure that any such transactions are carried out on terms that are not detrimental to our Group and is in the best interest of our Group.

Further, in order to mitigate any possible conflict of interest situation, the Directors will also be required to declare to the Audit and Risk Management Committee and the Board their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside the Group.

The Audit and Risk Management Committee will first evaluate if such Director's involvement gives rise to an actual or potential conflict of interest with the Group's business after the disclosure provided by such Director. After a determination has been made on whether there is an actual or potential conflict of interest of a Director, the Audit and Risk Management Committee will then:

- (a) immediately inform the Board of the conflict of interest situation;
- (b) make recommendations to the Board to direct the conflicted Director to:
 - (i) withdraw from all his executive involvement in the Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director is an executive director); and
 - (ii) abstain from all Board deliberation and voting in the matter that has given rise to the conflict of interest.

In relation to (b) above, the conflicted Director and persons connected to him (if applicable) shall be absent from any Board discussion relating to the recommendation of the Nomination Committee and the conflicted Director and persons connected to him (if applicable) shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may however at the request of the Chairperson of the Board, be present at the Board meeting for the purpose of answering any questions.

In circumstances where a Director is determined to have a significant, ongoing and irreconcilable conflict of interest with the Group, and where such conflict of interest significantly impedes the Director's ability to carry out his fiduciary responsibility to the Group, the Audit and Risk Management Committee may determine that a resignation of the conflicted Director from the Board is appropriate and necessary.

For clarity, any future dealings with parties where our Directors and substantial shareholders have interest, direct or indirect, will be based on established procedures for related party transactions to ensure that they are carried out on an arm's length basis and in accordance with the Listing Requirements in respect of related party transactions.

In addition, the interests that are held by our Directors and substantial shareholders and the interests that may be held by our Directors and substantial shareholders in the future in other businesses or corporations which are carrying on a similar trade as our Group and/or our customers or suppliers may give rise to a conflict of interest situation with our business. Although such interests may give rise to a conflict of interest situation, our Directors and substantial shareholders and persons connected to them shall abstain from deliberating and voting on all resolutions pertaining to such matters or transactions that require the approval of our shareholders in respect of their direct or indirect interests. Such transactions will be carried out on an arm's length basis and on normal commercial terms.

11. CONFLICT OF INTEREST (CONT'D)

11.2 DECLARATION BY THE ADVISERS ON CONFLICT OF INTEREST

11.2.1 Declaration by Kenanga IB

Kenanga IB, its subsidiaries and associated companies (“**Kenanga Group**”) form a diversified financial group and are engaged in a wide range of transactions relating to amongst others, investment banking, brokerage, securities trading, asset and funds management and credit transaction services businesses.

Kenanga Group may engage in transactions with and perform services for our Company and / or its affiliates, in addition to the roles as set out in this Prospectus. In addition, in the ordinary course of business, any member of Kenanga Group may at any time offer or provide its services to or engage in any transactions with our Company and / or its affiliates or any other person(s). This is a result of the businesses of Kenanga Group generally acting independently of each other and accordingly, there may be situations where parts of Kenanga Group and / or its customers now have or in the future, may have interest in or take actions that may conflict with the interests of our Company and / or its affiliates.

Notwithstanding the above, Kenanga IB is of the view that the abovementioned does not give rise to a conflict of interest situation in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent for our IPO due to the following reasons:

- (i) Kenanga IB is a licensed investment bank and its appointment as the Principal Adviser, Sponsor, Underwriter and Placement Agent is in the ordinary course of its business. Kenanga IB does not receive or derive any financial interest or benefit save for the professional fees received in relation to the aforesaid appointment;
- (ii) the Corporate Finance division of Kenanga IB is required under its investment banking license to comply with strict policies and guidelines issued by the SC, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines require, among others, the establishment of Chinese wall policies, and clear segregation between dealing and advisory activities; and
- (iii) the conduct of Kenanga IB in its banking business is strictly regulated among others by the Financial Services Act 2013, Islamic Financial Services Act 2013, CMSA and the Kenanga Group’s own internal controls and checks which includes segregation of reporting structures.

Kenanga IB confirms that there is no conflict of interest in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent for our IPO. Our Board has also confirmed that it has been informed and is agreeable to the role of Kenanga IB as the Principal Adviser, Sponsor, Underwriter and Placement Agent.

11.2.2 Declaration by Wong Beh & Toh

Wong Beh & Toh confirms that there is no existing or potential conflict of interest in its capacity as the Solicitors for our IPO.

11.2.3 Declaration by Grant Thornton Malaysia PLT

Grant Thornton Malaysia PLT confirms that there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants for our IPO.

11.2.4 Declaration by Providence Strategic Partners Sdn Bhd

Providence Strategic Partners Sdn Bhd confirms that there is no existing or potential conflict of interest in its capacity as the Independent Market Researcher for our IPO.

12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

The following table sets out a summary of the combined statements of profit or loss and other comprehensive income, combined statements of financial position and combined statements of cash flows of our Group for the Financial Years Under Review. The combined financial statements have been prepared in accordance with MFRS and IFRS and should be read in conjunction with the Accountants' Report as set out in Section 14 of this Prospectus.

There are no accounting policies which are peculiar to our Group because of the nature of the business or industry which we are involved in. For further details on the accounting policies of our Group, please see Note 3 of the Accountants' Report as set out in Section 14 of this Prospectus.

12.1.1 Combined statements of profit or loss and other comprehensive income of our Group

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Revenue	16,278	22,793	24,729	29,241
Cost of sales	(5,284)	(7,044)	(6,507)	(8,630)
GP	10,994	15,749	18,222	20,611
Other income	117	114	313	295
Loss on disposal of other investment	-	-	-	(10)
Administrative expenses	(6,126)	(9,124)	(10,661)	(13,657)
Profit from operations	4,985	6,739	7,874	7,239
Finance costs	(205)	(193)	(318)	(257)
Finance income	*	*	*	9
Share of result of an associate company	-	-	-	517
PBT	4,780	6,546	7,556	7,508
Tax expense	(1,176)	(1,772)	(1,757)	(2,041)
PAT	3,604	4,774	5,799	5,467
Other comprehensive income/(loss)				
Foreign currency translation differences for foreign operations	-	-	(1)	-
Fair value loss on remeasurement of financial assets	-	-	(290)	-
Total comprehensive income	3,604	4,774	5,508	5,467
Total comprehensive income attributable to:				
- Owners of our Company	3,604	4,774	5,508	5,467
EBITDA ⁽¹⁾	5,633	7,510	8,845	8,730
GP margin (%) ⁽²⁾	67.54	69.10	73.69	70.49
PBT margin (%) ⁽³⁾	29.36	28.72	30.56	25.68
PAT margin (%) ⁽³⁾	22.14	20.95	23.45	18.70
Basic and diluted EPS (sen) ⁽⁴⁾	0.88	1.16	1.41	1.33

12. FINANCIAL INFORMATION (CONT'D)**Notes:**

* Less than RM500.

(1) EBITDA is computed as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
PAT	3,604	4,774	5,799	5,467
Less:				
Finance income	*	*	*	(9)
Add:				
Taxation	1,176	1,772	1,757	2,041
Depreciation	633	725	896	871
Amortisation	15	46	75	103
Finance costs	205	193	318	257
EBITDA	5,633	7,510	8,845	8,730

(2) Computed based on GP over revenue.

(3) PBT margin and PAT margin are calculated based on the respective PBT and PAT for the Financial Years Under Review divided by revenue.

(4) Calculated based on PAT divided by our enlarged issued share capital of 411,716,936 Shares upon Listing. Our Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

12.1.2 Combined statements of financial position of our Group

	Audited as at 31 December			
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Plant and equipment	298	414	355	730
Right-of-use assets	807	1,643	1,126	1,896
Intangible assets	451	660	903	831
Other investment	-	-	210	-
Investment in an associate company	-	-	-	(4)1,017
Total non-current assets	1,556	2,717	2,594	4,474
Current assets				
Trade receivables	4,267	7,081	7,775	6,628
Other receivables (2)	950	1,312	4,576	3,827
Contract cost	-	-	-	(5)1,421
Tax recoverable	45	37	61	186
Cash and bank balances	2,320	2,905	3,545	3,927
Total current assets	7,582	11,335	15,957	15,989
TOTAL ASSETS	9,138	14,052	18,551	20,463
EQUITY AND LIABILITIES				
Equity attributable to owners of our Company				
Share capital	-	-	*	(6)12,608
Invested equity	3,920	3,030	3,030	-
Merger deficits(1)	-	(2,082)	(2,082)	(6,860)
Foreign currency translation reserves	-	-	(1)	-
Fair value reserves	-	-	(290)	-

12. FINANCIAL INFORMATION (CONT'D)

	Audited as at 31 December			
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Retained earnings	101	3,875	3,674	6,850
TOTAL EQUITY/ NA	4,021	4,823	4,331	12,598
LIABILITIES				
Non-current liabilities				
Lease liabilities	439	1,043	614	1,197
Borrowings	973	558	2,520	-
Deferred tax liabilities	18	18	18	29
Total non-current liabilities	1,430	1,619	3,152	1,226
Current liabilities				
Trade payables	711	1,486	726	782
Other payables ⁽³⁾	1,560	3,381	6,657	4,312
Amount due to Director	269	1,043	1,546	⁽⁷⁾ 362
Amount due to an associate company	-	-	-	⁽⁸⁾ 94
Lease liabilities	427	646	531	658
Borrowings	368	412	813	-
Tax payable	352	642	795	431
Total current liabilities	3,687	7,610	11,068	6,639
TOTAL LIABILITIES	5,117	9,229	14,220	7,865
TOTAL EQUITY AND LIABILITIES	9,138	14,052	18,551	20,463

Notes:

* Less than RM500.

- (1) The merger deficit arises as and when its combining entities are under common control by the same parties. The merger deficit comprises the difference between the cost of investment recorded by the Company and the nominal value of shares in PEOPLEogy Growth, PEOPLEogy Skill, PEOPLEogy Goal, PEOPLEogy Northern, PEOPLEogy Southern, PEOPLEogy Digital, PEOPLEogy Discovery, PEOPLEogy Development, and PEOPLEogy Community.

The higher merger deficit as at 31 December 2024 arose from the completion of the acquisition of PEOPLEogy Development and PEOPLEogy Community in FYE 2024.

- (2) The breakdown of other receivables are as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Non-trade receivables	358	12	3,811	378
Deposits	180	272	274	392
Prepayments	412	1,028	491	2,443
Contract assets	-	-	-	614
Total	950	1,312	4,576	3,827

Non-trade receivables mainly comprise (i) amount owing from PISB in FYE 2021, which was non-trade in nature, interest-free and receivable on demand; (ii) outstanding balances of RM3.80 million from various sponsors in FYE 2023 for the sponsorship on participants under THE FUTURE TALENT in Malaysia. The outstanding balance had been fully received in May 2024.

Deposits mainly comprise rentals and utilities deposits.

12. FINANCIAL INFORMATION (CONT'D)

Prepayments mainly comprise (i) prepayments for licenses, insurance, leases and HRDF contribution; (ii) prepayment for the capital injection monies in PISB of RM0.50 million which was not completed in FYE 2022. The transaction was subsequently completed in May 2023 and (iii) prepayments of RM2.11 million as at 31 December 2024 from professional fees in relation to our Listing.

Contract assets arise as a result of revenue is recognised for satisfying the performance obligations prior to the consideration made by a new customer. Contract assets increased as a result of the significant progress in the service contract over the billings issued to customers

- (3) The breakdown of other payables are as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Non-trade payables	609	1,020	1,237	2,150
Accruals	871	1,304	1,056	773
Deposits received	80	57	1,164	1,389
Dividend payables	-	1,000	3,200	-
Total	1,560	3,381	6,657	4,312

Non-trade payables mainly comprise (i) non-trade transactions such as audit fees, secretarial fees and services tax and professional fees in relation to our Listing; and (ii) outstanding amount of profit sharing with employees, which were non-trade in nature, interest-free and repayable on demand.

Accruals mainly comprise accruals for costs and expenses such as employees' salaries and statutory contributions.

Deposits received mainly comprises deposits received from customers for the training programmes to be conducted in next financial year.

Dividend payables represent dividend payable of RM1.00 million in respect of FYE 2021, dividend payable of RM1.00 million in respect of FYE2022 and dividend payable of RM2.20 million in respect of FYE 2023

- (4) On 30 January 2024, PEOPLElogy Discovery had acquired 30% equity interest in FISH CAMP Learning for a total cash consideration of RM500,000. The acquisition was completed on 5 February 2024. The investment in an associate company includes the share of post-acquisition results for FYE 2024 of RM0.52 million.
- (5) The Company incurs upfront examination fees, which are necessary to fulfill its performance obligations. These costs are capitalised as cost to fulfill a contract and amortised to cost of sales when the related revenue is recognised.
- (6) On 18 December 2023, PEOPLElogy was incorporated with a total paid-up share capital of RM2 comprising 2 ordinary shares. Subsequently, on 15 February 2024, the Company issued 144,157,580 new ordinary shares at an issue price of RM0.05 per ordinary share by way of share swap with the shareholders of PEOPLElogy Development, PEOPLElogy Digital and PEOPLElogy Discovery for total consideration of RM7,207,879. Furthermore, on 23 February 2024, the Company issued 9,200,886 new ordinary shares at an issue price of RM0.5869 per ordinary share for a total cash consideration of RM5,400,000 for working capital purposes.
- (7) The decrease in the amount due to Director attributed to the repayments of advances from a Director (i.e. Allen Lee) of RM1.18 million.
- (8) Amount due to an associate company is trade in nature where FISH CAMP Learning provided its assessment tools and reports for our talent competencies programmes.

12. FINANCIAL INFORMATION (CONT'D)**12.1.3 Combined cash flow statements of our Group**

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
PBT	4,780	6,546	7,556	7,508
Adjustments for:				
Depreciation of plant and equipment	127	115	172	275
Depreciation of right-of-use assets	506	610	724	596
Amortisation of intangible assets	15	46	75	103
Finance income	*	*	*	(9)
Finance costs	205	193	318	257
Loss/(gain) on termination of lease	-	(5)	*	-
Rental rebates	(60)	-	-	-
Unrealised loss on foreign exchange	-	-	3	4
Share of result of an associate company	-	-	-	(517)
Loss on disposal of other investment	-	-	-	10
Operating profit before changes in working capital	5,573	7,505	8,848	8,227
Changes in working capital:				
(Increase) / Decrease in receivables	(2,605)	(3,176)	(3,958)	1,896
(Decrease) / Increase in payables	(11)	1,596	317	1,110
Increase in contract costs	-	-	-	(1,421)
Increase in associate company	-	-	-	(1)94
Cash from operations	2,957	5,925	5,207	9,906
Tax paid	(902)	(1,509)	(1,628)	(2,518)
Tax refunded	-	35	-	-
Finance costs paid	(205)	(193)	(318)	(257)
Finance income received	*	*	*	9
Net cash from operating activities	1,850	4,258	3,261	7,140
Cash flows used in investing activities				
Purchase of plant and equipment	(53)	(231)	(74)	(428)
Purchase of right-of-use-assets	-	(23)	-	(44)
Purchase of intangible assets	(161)	(255)	(318)	(32)
Acquisition of shares in an associate company	-	-	-	(500)
Acquisition of shares in subsidiary companies	-	(3,572)	-	(600)
Proceeds from disposal of associate companies	-	600	-	-
Purchase of other investment	-	-	(500)	-
Net cash used in investing activities	(214)	(3,481)	(892)	(1,604)
Cash flows used in financing activities				
Dividends paid	(200)	-	(3,800)	(5,200)
Repayments of lease liabilities	(433)	(595)	(791)	(835)
Advances from Directors	201	774	503	(1,184)
Drawdown of term loans	-	-	3,000	-
Repayments of term loans	(341)	(371)	(637)	(3,332)
Proceeds from issuance of ordinary shares	-	-	*	5,400
Net cash used in financing activities	(773)	(192)	(1,725)	(5,151)
Net increase in cash and cash equivalents	863	585	644	385
Cash and cash equivalents at the beginning of the financial year	1,457	2,320	2,905	3,545
Effect of foreign exchange	-	-	(4)	(3)

12. FINANCIAL INFORMATION (CONT'D)

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents at the end of the financial year	2,320	2,905	3,545	3,927
Cash and cash equivalents comprise:				
Cash and bank balances	2,320	2,905	3,545	3,927

Notes:

* Less than RM500

(1) Increase in an associate company represents the outstanding amounts due from our Group to FISH CAMP Learning for the assessment tools and reports that FISH CAMP Learning provided for our talent competencies programmes.

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12. FINANCIAL INFORMATION (CONT'D)**12.2 CAPITALISATION AND INDEBTEDNESS**

The table below summarises our capitalisation and indebtedness as at 28 February 2025, which has been adjusted for the effect of the Public Issue including the utilisation of proceeds.

The pro forma financial information below does not represent our actual capitalisation and indebtedness as at 28 February 2025 and is provided for illustrative purposes only.

	Unaudited	Pro Forma I	Pro Forma II
	As at 28 February 2025	After Public Issue	After Pro Forma I and utilisation of proceeds
	RM'000	RM'000	RM'000
Indebtedness			
Current			
<i>Secured but not guaranteed:</i>			
Hire purchase payables	40	40	40
<i>Unsecured and not guaranteed</i>			
Lease liabilities	769	769	769
Non-Current			
<i>Secured but not guaranteed</i>			
Hire purchase payables	159	159	159
<i>Unsecured and not guaranteed:</i>			
Lease liabilities	1,079	1,079	1,079
Total indebtedness	2,047	2,047	2,047
Total capitalisation	12,608	38,858	37,774
Total capitalisation and indebtedness	14,655	40,905	39,821
Gearing ratio (times) ⁽¹⁾	0.16	0.05	0.05

Note:

(1) Computed based on total indebtedness over total capitalisation.

12. FINANCIAL INFORMATION (CONT'D)

12.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of our Group's financial conditions and results of operations for the Financial Years Under Review should be read with the Accountants' Report as set out in Section 14 of this Prospectus.

12.3.1 Overview of our business

We are involved in the provision of integrated people development solutions under the following business segments:

a) Development

Our Group offers soft skills and leadership training services under our GOAL brand; ICT training and certification services under our SKILL brand, IR4.0 digital skills and certification services under THE FUTURE TALENT brand as well as organisation of events, conferences and seminars under our BUILD A FUTURE TEAM brand.

b) Digital

Our Group has developed and operates digital learning and development platforms namely, PEOPLEAPS and SKILLSTURE. We also offer training content digitalisation services under our INTERACTIVE brand.

c) Discovery

Our Group offers organisational talent consultancy services and profile assessment services under SOUL and FISH CAMP Learning brand.

Please refer to Section 7 of this Prospectus for detailed information on our business segments.

12.3.2 Significant factors materially affecting our operations and financial results

Section 9 of this Prospectus details a number of risk factors relating to our business and the industry in which we operate. Some of these risk factors have an impact on our Group's revenue and financial performance. The main factors which affect our revenues and profits include but are not limited to the following:

(i) We are dependent on Yayasan Peneraju, our Group's major customer

Our revenue is based on contracts secured from customers from time to time. We are dependent on Yayasan Peneraju which contributed 69.77%, 61.30%, 45.22%, and 51.18% to our Group's revenue in FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

As Yayasan Peneraju accounted for a significant portion of our Group's total revenue, the loss of Yayasan Peneraju without timely replacement either at comparable or higher contract values, will adversely affect our business operations and financial performance. We will continue to participate in competitive bidding processes to secure new contracts from Yayasan Peneraju as well as contracts from other new and existing customers. However, there is no assurance that we will be able to continue securing contracts of comparable or higher contract values from Yayasan Peneraju or other new and existing customers.

12. FINANCIAL INFORMATION (CONT'D)

(ii) We rely on technology infrastructure

Our training programmes, digital learning and development platforms namely PEOPLEAPS, SKILLSTURE and training content digitalisation services require technology infrastructure including hardware, networks, freeware and software, as well as management systems to support the production process. Any errors or defects in the software and freeware, failure in hardware or networks, or failure of back-up facilities will affect the delivery of our learning and development programmes which could adversely affect our reputation and financial performance.

Since the commencement of our business, we have not experienced any termination of contracts, legal proceedings or penalties from our customers arising from disruptions or failures in our technology infrastructure and management systems. Nevertheless, we may not be able to anticipate or implement adequate preventive measures against all security breaches and/or damage to our systems and/or human errors or careless actions from our employees or external trainers, any of which would adversely affect our reputation, business operations and financial performance.

(iii) Our financial performance is dependent on our ability to continually secure new contracts to sustain and grow our business

We primarily generate revenue from project-based contracts, typically ranging between 6 months to 48 months, that provide us with recurrent revenue. Thus, we need to secure new and sizeable projects/contracts to sustain and/or grow our business as without this, it will materially affect our financial performance.

In the event we are unable to continuously secure sufficient new and sizable projects to replenish our order book, our financial performance in the future and business sustainability will be affected. While we will take proactive steps to seek for new opportunities and to expand our customer base, there is no assurance that we will be able to continue to secure new and sizeable projects as well as maintain our revenue growth in the future.

(iv) We are dependent on certification bodies for professional ICT examination and certification services

Our Group offers professional ICT training and certification courses whereby the certifications are awarded directly by certification bodies, such as CompTIA, AWS, EC-Council, PeopleCert and Project Management Institute, to participants who pass their examinations. Thus, we are dependent on these certification bodies for the professional ICT training and certification courses that we offer. The examination and certification fees paid to these certification bodies for participants who sit for their professional certification examinations comprised 24.24%, 22.84%, 13.28%, and 24.00% of our purchases during FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

We may face the risk of withdrawal of accreditations from our existing certification bodies if the latter deem our Group inactive in promoting their respective exams and certifications. Notwithstanding this, we are able to substitute our existing certification bodies with other certification bodies that can offer similar training pathways and recognised certifications. However, in the event that we are not able to continue sourcing ICT exam and certification from our existing certification bodies without interruption or timely replacement with another supplier, the delivery of our ICT training programmes may be disrupted as we may not be able to deliver the affected ICT training programmes, exams and certifications. Further, should our business relationship with our existing certification bodies be terminated, we may not be able to procure ICT exam and certification from other suppliers at competitive rates. If any of the abovementioned events occur, our reputation, business operations and financial performance may be adversely affected.

12. FINANCIAL INFORMATION (CONT'D)

(v) We are dependent on our ability to attract, train, motivate and retain trainer

Our future growth and success depend, to a certain extent, on the continued services of our competent trainers. The expertise of our trainers including their technical proficiency and certifications are crucial in delivering our services. As at the LPD, we have 7 internal trainers. From 1 January 2025 and up to the LPD, our Group had 85 external trainers, of which 48 were individual trainers and 37 were trainers from entities.

We also consider several factors while engaging external trainers such as certifications, experience, technical proficiency and ability to work collaboratively within a team. While we are able to source these external trainers from online professional networking platforms and through referrals, there is no assurance that we will continue to have access to a pool of trainers which are able to deliver ICT training programmes as well as IR4.0 digital skills and certification programmes.

During the Financial Years Under Review and up to the LPD, our Group has not faced any difficulties in sourcing for external trainers. Notwithstanding this, any shortages in the supply of skilled trainers, either as potential employees or external trainers, or the inability of our Group to train and retain current internal trainers as well as the inability to replace any loss in external trainers, could adversely affect the quality standards and timely delivery of our ICT, soft skills and leadership training programmes as well as IR4.0 digital skills and certification programmes, which in turn may adversely affect our reputation, business operations and financial performance.

(vi) We are dependent on public and private investments on training programmes in Malaysia

Our business is highly dependent on public and private investments on training programmes. Learning and development programme spendings are in part affected by economic conditions, foreign direct investments, private sector spending, as well as government initiatives and spending, all of which are beyond our control. A reduction in spendings on training programmes will result in more intense competition in tenders among the industry players, along with the need to be more competitive in our pricing strategies as well as strengthening our value propositions to our customers. This may adversely affect our business operations, financial performance and prospects.

(vii) We face competition from other industry players

Our industry is competitive in terms of range of training programmes, collaborations with technology partners, quality of services and timeliness of achieving training programme results. Some of our competitors may be equipped with better resources and technical expertise allowing them to offer a more comprehensive range of services or specialised services in comparison to us.

Industry players may resort to price competition or other competitive practices to capture or retain market share and hence may be willing to take on contracts with lower profit margin. There is no assurance that we can or will remain competitive among our existing or new competitors in light of the changing customers' preferences and competitive business environment. Additionally, a consolidation of small market players within our industry would also result in a competitive environment. If we are unable to remain competitive in terms of our product offering and pricing strategies or are unable to adapt to industry needs by introducing new programmes based on customer requirements, our business operations and financial performance may be adversely impacted.

12. FINANCIAL INFORMATION (CONT'D)**12.3.3 Overview of our results of operations**

For the Financial Years Under Review, our revenue was mainly derived from the Development segment.

Revenue from the Development, Digital and Discovery segments are mainly recognised at the point in time when our Group has transferred control of promised service to the customer and the results are shared with the customers.

Between FYE 2021 and FYE 2024, revenue from the Development segment increased at a CAGR of 32.63% from RM16.22 million in FYE 2021 to RM28.53 million in FYE 2024. In FYE 2024, revenue from the Development segment represented 97.56% of our Group's total revenue.

Between FYE 2021 and FYE 2024, revenue from the Digital segment increased at a CAGR of 58.11% from RM0.06 million in FYE 2021 to RM0.15 million in FYE 2024. In FYE 2024, revenue from the Digital segment represented 0.51% of our Group's total revenue.

In FYE 2022 and FYE 2023, a small proportion of our revenue was derived from the Discovery segment which represented 0.58% and 0.21% of our Group's total revenue. Our Group previously bundled our consulting services under the Development segment and the revenue was minimal in FYE 2021. Since FYE 2022, our Group expanded into Discovery segment to provide organisational talent consultancy and assessment services. In FYE 2024, revenue from the Discovery segment represented 1.93% of our Group's total revenue.

In terms of revenue contribution by geographical region for the Financial Years Under Review, we derived all our revenue from Malaysia save for FYE 2023 and FYE 2024. In FYE 2023, we organised our BUILD A FUTURE TEAM conference in Singapore that contributed to 1.77% of our Group's revenue from Singapore, while the remaining 98.23% was derived from Malaysia. In FYE 2024, we organised our BUILD A FUTURE TEAM events and conferences in Indonesia and Philippines that contributed to a collective 2.16% of our Group's total revenue, while the remaining 97.84% was derived from Malaysia.

Our Group does not experience any material seasonality trends. Nonetheless, during the Financial Years Under Review, our revenue generated during the second half of the financial year is generally higher than revenue generated during the first half of the financial year attributable to higher demand for training services from the B2B, B2C and B2G customers.

12.3.4 Revenue**(i) Revenue by segment and sales channels**

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Development	16,219	99.64	22,489	98.67	24,551	99.28	28,527	97.56
B2G	11,351	69.73	15,359	67.39	11,828	47.83	14,965	51.18
B2C	(1)-	-	(1)-	-	4,424	17.89	6,449	22.05
B2B	4,868	29.91	7,130	31.28	8,299	33.56	7,113	24.33
Digital								
-B2B	59	0.36	171	0.75	127	0.51	150	0.51
Discovery								
-B2B	-	-	133	0.58	51	0.21	564	1.93
Total	16,278	100.00	22,793	100.00	24,729	100.00	29,241	100.00

12. FINANCIAL INFORMATION (CONT'D)**Note:**

- (1) There was no revenue generated through the B2C channel within the Development segment, as the Group only began marketing our programmes under the Development segment to B2C customers in FYE 2023.

(ii) Revenue by geographical location

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	16,278	100.00	22,793	100.00	24,291	98.23	28,610	97.84
Singapore	-	-	-	-	⁽¹⁾ 438	1.77	-	-
Indonesia	-	-	-	-	-	-	⁽²⁾ 585	2.00
Philippines	-	-	-	-	-	-	⁽³⁾ 46	0.16
Total	16,278	100.00	22,793	100.00	24,729	100.00	29,241	100.00

Notes:

- (1) Relates to revenue generated from Build A Future Team's conference in Marina Bay, Singapore in November 2023.
- (2) Relates to revenue generated from Build A Future Team's events and conferences held in Jakarta, Indonesia in May 2024 as well as in Bali, Indonesia in October 2024.
- (3) Relates to revenue generated from Build A Future Team's event held in Manila, Philippines in August 2024.

(iii) Commentary on revenue**FYE 2022 compared to FYE 2021**

Our Group's total revenue increased by RM6.51 million or 39.99% from RM16.28 million in FYE 2021 to RM22.79 million in FYE 2022. This was mainly attributable to increase in revenue from the Development segment of RM6.27 million in FYE 2022.

Development segment

Revenue from the Development segment was our main revenue contributor, contributing 99.64% and 98.67% to total revenue in FYE 2021 and FYE 2022, respectively.

Our revenue from the Development segment increased by RM6.27 million or 38.66%, from RM16.22 million in FYE 2021 to RM22.49 million in FYE 2022. This was due to:

- (a) revenue through B2G channel which increased by RM4.01 million or 35.33% from RM11.35 million in FYE 2021 to RM15.36 million in FYE 2022. This was due to:
- an increase in revenue derived from Yayasan Peneraju of RM2.62 million, which was mainly contributed by revenue from professional certification and examination fee arising from more participants sitting for examination in FYE 2022 (from 527 participants in FYE 2021 to 846 participants in FYE 2022), as well as higher revenue from monitoring services subsequent to the completion of examination and the participants moving into performance monitoring stage. At the same time, we continued to maintain our training programmes with Yayasan Peneraju for new participants in FYE 2022; and
 - revenue derived from MIGHT of RM1.40 million to train 300 participants in Cybersecurity and Big Data programmes in FYE 2022.

12. FINANCIAL INFORMATION (CONT'D)

- (b) revenue through B2B channel which increased by RM2.26 million or 46.41% from RM4.87 million in FYE 2021 to RM7.13 million in FYE 2022. This was attributable to an increase in number of companies engaging our Group to reskill and upskill their employees, from 187 companies in FYE 2021 to 321 companies in FYE 2022.

Digital segment

Revenue from the Digital segment increased by RM0.11 million or 183.33%, from RM0.06 million in FYE 2021 to RM0.17 million in FYE 2022, contributed by full year revenue which was derived from a customer relating to the sales of digital content development and learning platform subscription in FYE 2022 as compared to 3-month revenue derived from the same customer in FYE 2021.

Discovery segment

Our Group previously bundled our organisational talent consultancy services under the Development segment where the revenue was minimal in FYE 2021. Our Group recorded RM0.13 million for the revenue from the Discovery segment in FYE 2022.

FYE 2023 compared to FYE 2022

Our Group's total revenue increased by RM1.94 million or 8.51% from RM22.79 million in FYE 2022 to RM24.73 million in FYE 2023. This was mainly attributable to increase in revenue from the Development segment of RM2.06 million in FYE 2023. The increase in revenue from the Development segment was offset by the decrease in revenue from Digital segment of RM0.04 million and decrease in revenue from the Discovery segment of RM0.08 million in FYE 2023.

Development segment

Revenue from the Development segment was our main revenue contributor, contributing 98.67% and 99.28% to total revenue in FYE 2022 and FYE 2023, respectively.

Our revenue from the Development segment increased by RM2.06 million or 9.16%, from RM22.49 million in FYE 2022 to RM24.55 million in FYE 2023. This was due to:

- (a) an increase in revenue through B2C channel which recorded RM4.42 million in FYE 2023. This was mainly contributed by revenue generated from 2 courses under the brand of "THE FUTURE TALENT" that we provided to 233 individuals, contributing a combined revenue of RM4.00 million in FYE 2023; and
- (b) an increase in revenue through B2B channel of RM1.17 million or 16.41% from RM7.13 million in FYE 2022 to RM8.30 million in FYE 2023. This was attributable to the increased demand for our higher valued training programmes i.e. Cybersecurity, Big Data and Cloud Computing programmes in FYE 2023 that our Group provided to the companies in reskilling and upskilling their employees.

The increase in the above-mentioned revenue were offset by the decrease in revenue through the B2G channel of RM3.53 million or 22.98% from RM15.36 million in FYE 2022 to RM11.83 million in FYE 2023. This was due to:

- (a) an absence of revenue derived from MIGHT of RM1.40 million which did not recur in FYE 2023 as it was a one-off project with MIGHT; and
- (b) a decrease in revenue derived from Yayasan Peneraju of RM2.79 million as certain participants in the Development programmes were in the performance monitoring phase after completion of the examinations in FYE 2022.

12. FINANCIAL INFORMATION (CONT'D)

The decrease in revenue through the B2G channel was offset by revenue derived from Customer A and Universiti Teknologi MARA of RM1.12 million in FYE 2023 for our big data and cloud computing programmes which our Group provided to 270 individuals collectively for these 2 customers.

Digital segment

Our revenue from Digital segment decreased by RM0.04 million or 23.53% from RM0.17 million in FYE 2022 to RM0.13 million in FYE 2023, contributed by lower revenue from sales of training content digitalisation services in FYE 2023.

Discovery segment

Our revenue from the Discovery segment decreased by RM0.08 million or 61.54% from RM0.13 million in FYE 2022 to RM0.05 million in FYE 2023, contributed by lower revenue from our organisational talent consultancy and profile assessment services in FYE 2023.

FYE 2024 compared to FYE 2023

Our Group's total revenue increased by RM4.51 million or 18.24% from RM24.73 million in FYE 2023 to RM29.24 million in FYE 2024. This was attributable to increase in revenue from the Development segment of RM3.98 million, increase in revenue from Digital segment of RM0.02 million and increase in revenue from the Discovery segment of RM0.51 million in FYE 2024.

Development segment

Revenue from the Development segment was our main revenue contributor, contributing 99.28% and 97.56% to total revenue in FYE 2023 and FYE 2024, respectively.

Our revenue from the Development segment increased by RM3.98 million or 16.21%, from RM24.55 million in FYE 2023 to RM28.53 million in FYE 2024. This was due to:

- (a) revenue through B2G channel which increased by RM3.14 million or 26.54% from RM11.83 million in FYE 2023 to RM14.97 million in FYE 2024. This was due to an increase in revenue derived from Yayasan Peneraju which was contributed by revenue from professional certification and examination fee arising from more participants sitting for examination in FYE 2024 (from 437 participants in FYE 2023 to 470 participants in FYE 2024). Further, our Group also recorded an increase in revenue from our new training programmes with Yayasan Peneraju for new participants in FYE 2024 i.e Cisco, Solution Architect, Cloud Security and Android. At the same time, we continued to maintain our monitoring services for the participants who had completed the examination in FYE 2023; and
- (b) revenue through B2C channel which increased by RM2.03 million or 45.93% from RM4.42 million in FYE 2023 to RM6.45 million in FYE 2024. This was mainly contributed by higher revenue generated from the courses under the brand of "THE FUTURE TALENT" in FYE 2024 that we provided to 439 individuals, in FYE 2024 as compared to 233 individuals in FYE 2023.

The increase in revenue through the B2G and B2C channels were offset by a decrease in revenue through B2B channel of RM1.19 million or 14.34% from RM8.30 million in FYE 2023 to RM7.11 million in FYE 2024. This was mainly due to the more entry level training programmes provided to customers in FYE 2024 as compared to FYE 2023. At the same, our Group generated revenue from 7 events held under Build A Future Team, contributing a higher revenue of RM0.40 million in FYE 2024.

12. FINANCIAL INFORMATION (CONT'D)**Digital segment**

Our revenue from Digital segment increased by RM0.02 million or 15.38% from RM0.13 million in FYE 2023 to RM0.15 million in FYE 2024, contributed by higher revenue from sales of training content digitalisation services in FYE 2024.

Discovery segment

Our revenue from the Discovery segment increased by RM0.51 million or 1,020.00% from RM0.05 million in FYE 2023 to RM0.56 million in FYE 2024, mainly contributed by higher revenue from our organisational talent consultancy and profile assessment services for two B2B customers in FYE 2024.

12.3.5 Cost of sales**(i) Cost of sales by cost items**

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Trainers' fees ⁽¹⁾	2,824	53.44	3,542	50.28	3,304	50.78	2,753	31.90
Exam and certification fees ⁽²⁾	1,135	21.48	1,579	22.42	821	12.62	1,602	18.56
Subscription and franchise fees ⁽³⁾	368	6.96	510	7.24	861	13.23	659	7.64
Training materials ⁽⁴⁾	180	3.41	976	13.86	703	10.80	1,008	11.68
Training related expenses ⁽⁵⁾	160	3.03	259	3.68	419	6.44	517	5.99
Profit sharing with employees ⁽⁶⁾	602	11.39	132	1.87	324	4.98	183	2.12
Development cost ⁽⁷⁾	15	0.29	46	0.65	75	1.15	135	1.56
Allowance to participants ⁽⁸⁾	-	-	-	-	-	-	1,773	20.55
	5,284	100.00	7,044	100.00	6,507	100.00	8,630	100.00

Notes:

- (1) Relates to trainers' fees payable to external trainers.
- (2) Relates to examination and certification fees paid to technology partners for participants to sit for examination.
- (3) Relates to subscription fees paid to technology partners such as Supplier B, AWS, Android, Cisco and CompTIA, and franchise fees payable to Supplier A.
- (4) Relates to training manuals, online lab (interactive simulations for participants to complete online from their personal devices) and e-books for participants.
- (5) Relates to rental of examination centre to conduct examinations, refreshment incurred for training purposes, travelling expenses to customers' office as well as 4% services fee incurred on the claims made to HRD Corp for our training programmes provided to our customers.
- (6) Relates to a percentage of our trainings' profits, which are then allocated to eligible employees. This is in addition to our eligible employees' regular compensation. The profit sharing with employees ranges from 1.00% to 7.00% of selected programme revenue.
- (7) Relates to the expenses incurred for the development of PEOPLEAPS (mobile application) and SKILLSTURE (website and mobile application).
- (8) Relates to a project with Customer B that provided training to 300 participants and an allowance was given to all participants for a period of up to 4 months. The purpose of providing participants with an allowance before employment is to help them cover their

12. FINANCIAL INFORMATION (CONT'D)

basic expenses, allowing them to focus on training or job preparation without financial stress.

(ii) Cost of sales by segment

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Development	5,268	99.70	6,875	97.60	6,189	95.11	8,039	93.15
Digital	16	0.30	114	1.62	298	4.58	238	2.76
Discovery	-	-	55	0.78	20	0.31	353	4.09
Total	5,284	100.00	7,044	100.00	6,507	100.00	8,630	100.00

(iii) Commentary on cost of sales**FYE 2022 compared to FYE 2021**

Our cost of sales increased by RM1.76 million or 33.33% from RM5.28 million in FYE 2021 to RM7.04 million in FYE 2022, which was in tandem with the increase in our total revenue of 39.99% in FYE 2022.

The increase in cost of sales was contributed by:

- (a) an increase in trainers' fees of RM0.72 million or 25.53% from RM2.82 million in FYE 2021 to RM3.54 million in FYE 2022. This corresponded to the increase in number of participants for our programmes from Yayasan Peneraju and MIGHT in FYE 2022 under the Development segment;
- (b) an increase in cost of training materials of RM0.80 million or 444.44% from RM0.18 million in FYE 2021 to RM0.98 million in FYE 2022. This was mainly attributable to increase in purchase of training materials such as manuals, online lab and e-books by Yayasan Peneraju and MIGHT in FYE 2022;
- (c) an increase in exam and certification fees of RM0.44 million or 38.60% from RM1.14 million in FYE 2021 to RM1.58 million in FYE 2022. This was attributable to more participants sitting for examinations conducted under the Development segment in FYE 2022; and
- (d) an increase in subscription fees of RM0.14 million or 37.84% from RM0.37 million in FYE 2021 to RM0.51 million in FYE 2022. The higher subscription fees were contributed by an increase in the subscription fees paid to 2 new authorised technology partners in FYE 2022, i.e. Cisco and AWS.

The increase in abovementioned cost items were offset by the decrease in profit sharing with employees of RM0.47 million or 78.33% from RM0.60 million in FYE 2021 to RM0.13 million in FYE 2022. This was attributable to higher number of participants enrolled for the Development programmes in FYE 2021 which the programmes were entitled to profit sharing in FYE 2021, whilst in FYE 2022, such programmes were in the examination and certification phase which were not entitled to the profit sharing. Further, there was a reversal of overprovision on the profit sharing of FYE 2021 amounting to RM0.15 million in FYE 2022.

FYE 2023 compared to FYE 2022

Our cost of sales decreased by RM0.53 million or 7.53% from RM7.04 million in FYE 2022 to RM6.51 million in FYE 2023.

12. FINANCIAL INFORMATION (CONT'D)

The decrease in cost of sales was contributed by:

- (a) a decrease in trainers' fees of RM0.24 million or 6.78% from RM3.54 million in FYE 2022 to RM3.30 million in FYE 2023. This was mainly due to the fact that most of our new participants for Yayasan Peneraju were in the early phase of the training programmes in last quarter of FYE 2023 which involved less trainers, and certain participants were in the performance monitoring phase of our programmes which do not require trainers;
- (b) a decrease in cost of training materials of RM0.28 million or 28.57% from RM0.98 million in FYE 2022 to RM0.70 million in FYE 2023. This was attributable to lesser training materials purchased in FYE 2023 as certain of our programmes were in the monitoring and assessment phase in FYE 2022; and
- (c) a decrease in exam and certification fees of RM0.76 million or 48.10% from RM1.58 million in FYE 2022 to RM0.82 million in FYE 2023. This was attributable to lower number of participants sitting for the professional certification and examination in FYE 2023 as most of the participants were in the early phase of the training programmes in FYE 2023 and hence, this had led to lesser exam and certification fees in FYE 2023.

The decrease in the abovementioned items were offset by the following:

- (a) an increase in training related expenses of RM0.16 million or 61.54% from RM0.26 million in FYE 2022 to RM0.42 million in FYE 2023. This was mainly attributable to the service fees payable to HRDF for the trainings conducted in FYE 2023;
- (b) an increase in subscription fees of RM0.35 million or 68.63% from RM0.51 million in FYE 2022 to RM0.86 million in FYE 2023. The higher subscription fees were mainly contributed by subscription fees paid to 1 new technology partner in FYE 2023, i.e. Project Management Institute; and
- (c) an increase in profit sharing with employees of RM0.19 million or 146.15% from RM0.13 million in FYE 2022 to RM0.32 million in FYE 2023. This was attributable to higher number of participants enrolled for our programmes under the Development segment in FYE 2023.

FYE 2024 compared to FYE 2023

Our cost of sales increased by RM2.12 million or 32.57% from RM6.51 million in FYE 2023 to RM8.63 million in FYE 2024.

The increase in cost of sales was contributed by:

- (a) allowance to participants of RM1.77 million in FYE 2024 relates to a project with Customer B that provided training to 300 participants and an allowance was given to all participants for a period of up to 4 months;
- (b) an increase in exam and certification fees of RM0.78 million or 95.12% from RM0.82 million in FYE 2023 to RM1.60 million in FYE 2024. This was attributable to more participants sitting for examinations conducted under the Development segment in FYE 2024; and
- (c) an increase in training materials of RM0.31 million or 44.29% from RM0.70 million in FYE 2023 to RM1.01 million in FY 2024. This was mainly attributable to purchase of training materials such as manuals, online lab and e-books by 3 customers in FYE 2024; and

12. FINANCIAL INFORMATION (CONT'D)

- (d) an increase in training related expenses of RM0.10 million or 23.81% from RM0.42 million in FYE 2023 to RM0.52 million in FYE 2024. This was mainly attributable to training facilities rented for the organisational talent consultancy and profile assessment services under Discovery segment in FYE 2024;

The increase in the abovementioned items were offset by the following:

- (a) a decrease in subscription fees of RM0.20 million or 23.26% from RM0.86 million in FYE 2023 to RM0.66 million in FYE 2024 attributable to absence of franchise fees arising from the cessation of franchise agreement with Supplier A in FYE 2023; and
- (b) a decrease in trainers' fees of RM0.55 million or 16.67% from RM3.30 million in FYE 2023 to RM2.75 million in FYE 2024. This was mainly due to the fact that most of our new participants for Yayasan Peneraju were in the early phase of the training programmes in last quarter of FYE 2024 which involved less trainers, and certain participants were in the examination phase of our programmes which do not require trainers;
- (c) a decrease in profit sharing with employees of RM0.14 million or 43.75% from RM0.32 million in FYE 2023 to RM0.18 million in FYE 2024. This was attributable to lower revenue from our B2B customers under the Development segment in FYE 2024.

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12. FINANCIAL INFORMATION (CONT'D)

12.3.6 Gross profit

Our GP increased at a CAGR of 36.94% from RM10.99 million in FYE 2021 to RM20.61 million in FYE 2024. Our overall GP margin increased from 67.54% in FYE 2021 to 70.49% in FYE 2024.

Our GP margin may be affected by, among others, the following factors:

- (a) type of training programmes conducted during the Financial Years Under Review;
- (b) stage of training programmes conducted during the Financial Years Under Review; and
- (c) cost of trainings and expenses incurred during the Financial Years Under Review.

(i) GP and GP margin by segment

	Audited											
	FYE 2021			FYE 2022			FYE 2023			FYE 2024		
	GP		GP margin	GP		GP margin	GP		GP margin	GP		GP margin
	RM'000	%	%	RM'000	%	%	RM'000	%	%	RM'000	%	%
Development	10,951	99.61	67.52	15,614	99.14	69.43	18,362	100.77	74.79	20,488	99.40	71.82
Digital	43	0.39	72.88	57	0.36	33.33	(171)	(0.94)	(134.65)	(88)	(0.43)	(58.67)
Discovery	-	-	-	78	0.50	58.65	31	0.17	60.78	211	1.03	37.41
Total	10,994	100.00	67.54	15,749	100.00	69.10	18,222	100.00	73.69	20,611	100.00	70.49

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12. FINANCIAL INFORMATION (CONT'D)

(ii) Commentary on GP and GP margin

FYE 2022 compared to FYE 2021

Our total GP increased by RM4.76 million or 43.31% from RM10.99 million in FYE 2021 to RM15.75 million in FYE 2022. This was attributable to an increase in the GP from the Development, Digital and Discovery segments.

Our overall GP margin increased from 67.54% in FYE 2021 to 69.10% in FYE 2022, attributable to higher GP margin for the Development segment in FYE 2022.

Development segment

Our GP from the Development segment increased by RM4.66 million or 42.56% from RM10.95 million in FYE 2021 to RM15.61 million in FYE 2022 which was in tandem with higher revenue from our programmes for the Development segment and lower profit sharing with employees in FYE 2022.

Our GP margin for the Development segment increased from 67.52% in FYE 2021 to 69.43% in FYE 2022, attributable to the following:

- (i) higher margins from certain programmes whereby the participants were in the examination and certification phase in FYE 2022 as lower costs were incurred in FYE 2022. This was because during such phase, we typically do not incur trainers' fees and incur lower training materials and other training related costs.; and
- (ii) lower profit sharing with employees in FYE 2022 under the Development segment.

Digital segment

Our GP from the Digital segment increased by RM0.02 million or 50.00% from RM0.04 million in FYE 2021 to RM0.06 million in FYE 2022 which was in tandem with higher revenue from sales of digital content development and learning platform subscription fees under the Digital segment.

Despite the higher GP from the Digital segment in FYE 2022, our GP margin for the Digital segment decreased from 72.88% in FYE 2021 to 33.33% in FYE 2022, attributable to higher amortisation of development costs for PEOPLEAPS.

Discovery segment

Our GP from the Discovery segment recorded RM0.08 million in FYE 2022 and GP margin for the Discovery segment was 58.65% in FYE 2022.

FYE 2023 compared to FYE 2022

Our total GP increased by RM2.47 million or 15.68% from RM15.75 million in FYE 2022 to RM18.22 million in FYE 2023. This was attributable to an increase in GP from the Development segment. The increase in GP from the Development segment was offset by decrease in Digital and Discovery segments.

Our overall GP margin increased from 69.10% in FYE 2022 to 73.69% in FYE 2023, attributable to higher GP margin for the Development segment in FYE 2023.

12. FINANCIAL INFORMATION (CONT'D)**Development segment**

Our GP from the Development segment increased by RM2.75 million or 17.62% from RM15.61 million in FYE 2022 to RM18.36 million in FYE 2023 which was in tandem with the higher revenue from the Development segment.

Our GP margin for the Development segment increased from 69.43% in FYE 2022 to 74.79% in FYE 2023, attributable to better margin for our programmes under THE FUTURE TALENT and higher valued training programmes conducted for our major customers in FYE 2023 compared to FYE 2022.

Digital segment

We recorded gross loss of RM0.17 million in FYE 2023 as compared to GP of RM0.06 million in FYE 2022. The gross loss was due to amortisation of development cost for our PEOPLEAPS and SKILLSTURE mobile applications in FYE 2023, as well as trainers' fees incurred for our SKILLSTURE live streaming which was complementary to our subscribers.

Correspondingly, we recorded gross loss margin of 134.65% in FYE 2023.

Discovery segment

Our GP from the Discovery segment decreased by RM0.05 million or 62.50% from RM0.08 million in FYE 2022 to RM0.03 million in FYE 2023 which was in tandem with the lower revenue from the Discovery segment.

Our GP margin for the Discovery segment increased from 58.65% in FYE 2022 to 60.78% in FYE 2023, as we provide more organisational talent consultancy with better margin in FYE 2023.

FYE 2024 compared to FYE 2023

Our total GP increased by RM2.39 million or 13.12% from RM18.22 million in FYE 2023 to RM20.61 million in FYE 2024. This was mainly attributable to an increase in GP from the Development and Discovery segments.

Despite the higher GP in FYE 2024, our overall GP margin decreased from 73.69% in FYE 2023 to 70.49% in FYE 2024, attributable to lower GP margin for the Development and Discovery segments in FYE 2024.

Development segment

Our GP from the Development segment increased by RM2.13 million or 11.60% from RM18.36 million in FYE 2023 to RM20.49 million in FYE 2024 which was in tandem with the higher revenue from the Development segment.

Despite the higher GP from the Development segment in FYE 2024, our GP margin for the Development segment decreased from 74.79% in FYE 2023 to 71.82% in FYE 2024, attributable to the lower margin for the programme sponsored by Customer B as our Group incurred training costs and giving out allowance to participants as parts of the engagements with Customer B, and this led to lower GP margin for Development segment.

The decrease in GP margin was offset by the higher margin from the programmes to Yayasan Peneraju whereby the participants were in the examination and certification phase in FYE 2024 as lower costs were incurred in FYE 2024. This was because during

12. FINANCIAL INFORMATION (CONT'D)

such phase, we typically do not incur trainers' fees and incur lower training materials and other training related costs.

Digital segment

We recorded gross loss of RM0.09 million in FYE 2024 as compared to gross loss of RM0.17 million in FYE 2023. The improvement in gross loss was due to lower trainers' fees incurred for our SKILLSTURE live streaming which was complementary to our subscribers in FYE 2024.

Correspondingly, we recorded a lower gross loss margin of 58.67% in FYE 2024 (FYE 2023: 134.65%).

Discovery segment

Our GP from the Discovery segment increased by RM0.18 million or 600.00% from RM0.03 million in FYE 2023 to RM0.21 million in FYE 2024 which was in tandem with the higher revenue from the Discovery segment.

Despite the higher GP from the Discovery segment in FYE 2024, our GP margin for the Discovery segment decreased from 60.78% in FYE 2023 to 37.41% in FYE 2024, as we incurred training related expenses (mainly rental of training facilities, food and beverages) in FYE 2024 to provide organisational talent consultancy and profile assessment services.

12.3.7 Other income

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Administrative income ⁽¹⁾	56	47.86	104	91.23	117	37.38	217	73.56
Rental concession ⁽²⁾	60	51.28	-	-	-	-	-	-
Grant for the development of our mobile application ⁽³⁾	-	-	-	-	182	58.15	78	26.44
Other ⁽⁴⁾	1	0.86	10	8.77	14	4.47	-	-
Total	117	100.00	114	100.00	313	100.00	295	100.00

Notes:

- (1) Relates administrative income from examinations conducted locally whereby our Group is one of the authorised Pearson VUE test centres in Malaysia.
- (2) Relates to rental rebates received from our landlords for our offices located at the Boulevard office, Lingkaran Syed Putra, Kuala Lumpur.
- (3) Relates to government grant received for the development of our mobile application, PEOPLEAPS.
- (4) Mainly comprise compensation in lieu of short notice from former employee and gain on termination of lease in FYE 2022, as well as marketing incentive received from AWS in FYE 2023.

FYE 2022 compared to FYE 2021

Our other income decreased by RM0.01 million or 8.33% from RM0.12 million in FYE 2021 to RM0.11 million in FYE 2022. This was mainly attributable to one-off rental concession received in FYE 2021 which did not recur in FYE 2022.

The abovementioned decrease was offset by the increase in administrative income of RM0.04 million in FYE 2022 as more participants sit for exams at our test centres in FYE 2022.

12. FINANCIAL INFORMATION (CONT'D)**FYE 2023 compared to FYE 2022**

Our income increased by RM0.20 million or 181.82% from RM0.11 million in FYE 2022 to RM0.31 million in FYE 2023. This was mainly attributable to the government grant received of RM0.18 million for the development of our mobile application, PEOPLEAPS.

FYE 2024 compared to FYE 2023

Our income decreased by RM0.01 million or 3.23% from RM0.31 million in FYE 2023 to RM0.30 million in FYE 2024. This was mainly attributable to lower government grant received for the development of our mobile application in FYE 2024.

The decrease in other income was offset by the increase in administrative income in FYE 2024 as more participants sit for exams at our test centres in FYE 2024.

12.3.8 Loss on disposal of other investment

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
PEOPLEogy Interactive Sdn Bhd	-	-	-	-	-	-	10	100.00
Total	-	-	-	-	-	-	10	100.00

Loss on disposal of other investment was as a result of the striking off of PEOPLEogy Interactive Sdn Bhd (PISB) in FYE 2024, a subsidiary of PEOPLEogy Digital. The striking off process for PISB has commenced in October 2024, and as such will not be part of our Group for the Listing.

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12. FINANCIAL INFORMATION (CONT'D)**12.3.9 Administrative expenses**

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff costs ⁽¹⁾	3,626	59.19	5,186	56.84	6,191	58.07	7,413	54.28
Directors' remuneration ⁽²⁾	1,119	18.27	1,773	19.43	1,298	12.18	1,738	12.72
Marketing expenses ⁽³⁾	51	0.83	266	2.92	872	8.18	1,096	8.02
Depreciation expenses	633	10.33	725	7.95	896	8.40	871	6.38
Professional fees ⁽⁴⁾	208	3.40	347	3.80	338	3.17	782	5.73
Subscription and licence fees ⁽⁵⁾	126	2.06	152	1.67	255	2.39	363	2.66
Travelling and accommodation expenses	46	0.75	131	1.44	231	2.17	202	1.48
Upkeep and maintenance expenses ⁽⁶⁾	108	1.76	224	2.45	194	1.82	382	2.80
Utilities	120	1.96	161	1.76	182	1.71	205	1.50
Office expenses ⁽⁷⁾	89	1.45	159	1.74	204	1.91	346	2.53
Withholding tax ⁽⁸⁾	-	-	-	-	-	-	123	0.90
Penalties ⁽⁹⁾	-	-	-	-	-	-	136	1.00
Total	6,126	100.00	9,124	100.00	10,661	100.00	13,657	100.00

Notes:

- (1) Mainly comprise of salaries, wages and allowances, bonuses, EPF contributions, social security contributions and other staff related costs. Include staff costs for the Group's internal trainers as the Group's internal trainers also perform operational support functions such as conducting internal training for staff, supporting internal processes and engaging in research and programme development.
- (2) Directors' remuneration mainly comprise of salaries, allowances, bonuses, EPF contributions and social security contributions as well as directors' fees.
- (3) Comprise advertisements on social media platforms and news portals, events, our Group's website maintenance and entertainment expenses for business development.
- (4) Comprise audit, tax, legal and secretarial fees.
- (5) Mainly comprise subscription fees and renewal of various software licences as well as training provider licence payable to HRD Corp.
- (6) Mainly comprise insurance for motor vehicles and offices, as well as maintenance of motor vehicles, office equipment and office premises.
- (7) Mainly comprise of expenses in relation to printing, courier and stationery, as well as bank charges and office rentals.
- (8) Relates to withholding tax for imported digital services.
- (9) Include (a) late payment penalty of withholding tax of RM0.01 million; (b) late payment penalty of sales and services tax of RM0.01 million; and (c) late payment penalty of RM0.12 million to EPF in relation to the profit sharing payments to certain employees from FYE 2018 to FYE 2024.

12. FINANCIAL INFORMATION (CONT'D)

FYE 2022 compared to FYE 2021

Our administrative expenses increased by RM2.99 million or 48.78% from RM6.13 million in FYE 2021 to RM9.12 million in FYE 2022. This was mainly attributable to the following:

- (i) increase in staff costs of RM1.56 million or 42.98%, due to:
 - (a) higher bonus payout to our existing employees; and
 - (b) increase in our headcounts. Our total headcounts increased from 61 in FYE 2021 to 84 in FYE 2022, mainly for our digitalisation as well as human resources and administration department.
- (ii) increase in directors' remuneration of RM0.65 million or 58.04%, due to:
 - (a) annual salary adjustments for our executive directors; and
 - (b) increase in directors' fees in FYE 2022.
- (iii) increase in marketing expenses of RM0.22 million attributable to higher advertising expenses on social media platforms.

FYE 2023 compared to FYE 2022

Our administrative expenses increased by RM1.54 million or 16.89% from RM9.12 million in FYE 2022 to RM10.66 million in FYE 2023. This was mainly attributable to the following:

- (i) increase in staff costs of RM1.00 million or 19.27%, due to:
 - (a) annual salary adjustment for existing employees; and
 - (b) increased headcounts during FYE 2023, with an average of 90 staff in FYE 2023, compared to an average of 77 staff in FYE 2022.
- (ii) increase in marketing expenses of RM0.60 million as our Group spent more on advertisements on social media platforms.

The increase in administrative expenses were offset by decrease in directors' remuneration of RM0.47 million or 26.55% due to lower bonus payout for executive directors in FYE 2023.

FYE 2024 compared to FYE 2023

Our administrative expenses increased by RM3.00 million or 28.14% from RM10.66 million in FYE 2023 to RM13.66 million in FYE 2024. This was mainly attributable to the following:

- (i) increase in staff costs of RM1.22 million or 19.71%, due to:
 - (a) annual salary adjustment for existing employees; and
 - (b) one-off outstanding EPF contributions of RM0.54 million in relation to the profit sharing payments to certain employees from FYE 2018 to FYE 2024.
- (ii) increase in professional fees of RM0.44 million, mainly attributable to professional fees incurred for ISO certification and audit services as well as stamping fee for agreements with customers;
- (iii) increase in directors' remuneration of RM0.44 million, mainly due to the directors' remuneration for the newly appointed directors ie. Cally Yau and Joey Lee;

12. FINANCIAL INFORMATION (CONT'D)

- (iv) increase in marketing expenses of RM0.23 million as our Group spent more on advertisements on social media platforms;
- (v) increase in upkeep and maintenance of RM0.19 million, mainly attributable to the insurance and maintenance for the motor vehicles as well as the maintenance for office equipment and office premises;
- (vi) increase in office expenses of RM0.15 million, mainly attributable to higher bank charges as well as printing, courier, and stationery expenses incurred during the FYE 2024;
- (vii) penalties of RM0.14 million included (a) the late payment penalty of withholding tax of RM0.01 million; (b) late payment penalty of sales and services tax of RM0.01 million; and (c) late payment penalty of RM0.12 million to EPF in relation to the profit sharing payments to certain employees from FYE 2018 to FYE 2024; and
- (viii) withholding tax of RM0.12 million for imported digital services.

12.3.10 Finance costs

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest expense on:								
Term loan	142	69.27	109	56.48	264	83.02	181	70.43
Lease liabilities	63	30.73	84	43.52	54	16.98	76	29.57
Total	205	100.00	193	100.00	318	100.00	257	100.00

FYE 2022 compared to FYE 2021

Our finance costs decreased by RM0.02 million or 9.52% from RM0.21 million in FYE 2021 to RM0.19 million in FYE 2022, which was mainly attributable to lower interest expenses on term loans of RM0.03 million in FYE 2022 as a result of repayments made during FYE 2022.

The increase in finance costs was offset by the higher interest expenses on lease liabilities of RM0.02 million arising from 2 additional units of rented offices located at The Boulevard Office, Kuala Lumpur during FYE 2022.

FYE 2023 compared to FYE 2022

Our finance costs increased by RM0.13 million or 68.42% from RM0.19 million in FYE 2022 to RM0.32 million in FYE 2023 which was attributable to the higher interest expenses on term loans of RM0.16 million in FYE 2023, due to 1 new term loan of RM3.00 million being drawn down in FYE 2023 for working capital requirement.

The increase in finance costs was offset by the lower interest expenses on lease liabilities of RM0.03 million in FYE 2023, as tenancy agreements relating to our 6 units of rented offices located at The Boulevard Office, Mid Valley, Kuala Lumpur were close to expiration in FYE 2023. Our Group has renewed the tenancy agreements of abovementioned rented offices in FYE 2024.

12. FINANCIAL INFORMATION (CONT'D)**FYE 2024 compared to FYE 2023**

Our finance costs decreased by RM0.06 million or 18.75% from RM0.32 million in FYE 2023 to RM0.26 million in FYE 2024 which was attributable to the lower interest expenses on term loans of RM0.08 million in FYE 2024, due to the full settlement of all existing term loans in FYE 2024 and this was offset by higher interest expenses on lease liabilities of RM0.03 million due to the tenancy agreements of our 7 units of rented offices located at The Boulevard Office, Mid Valley, Kuala Lumpur in FYE 2024.

During FYE 2024, we have fully settled all our term loans and we do not have any term loan facility.

12.3.11 Finance income

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Bank interests	*	100.00	*	100.00	*	100.00	9	100.00
Total	*	100.00	*	100.00	*	100.00	9	100.00

Note:

* Less than RM500.

Finance income represents interests earned from bank balances.

12.3.12 Share of result of an associate company

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Share of results:								
FISH CAMP Learning	-	-	-	-	-	-	517	100.00
Total	-	-	-	-	-	-	517	100.00

Our share of result of an associate company reflects our share of profit or loss, net of tax, of our associate, FISH CAMP Learning. Through our subsidiary, PEOPLEogy Discovery acquired 30% equity interest in FISH CAMP Learning on 30 January 2024 and our Group had completed the acquisition on 5 February 2024.

FISH CAMP Learning is principally involved in the provision of business as trainers, developers, educations and all kinds of training consultancy and related services and solutions that address the business, management, organisational and people issues.

12.3.13 PBT, PAT and effective tax rate

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
PBT (RM'000)	4,780	6,546	7,556	7,508
PBT margin (%)	29.36	28.72	30.56	25.68
Tax expenses (RM'000)	1,176	1,772	1,757	2,041
Effective tax rate (%)	24.60	27.07	23.25	27.18
PAT (RM'000)	3,604	4,774	5,799	5,467
PAT margin (%)	22.14	20.95	23.45	18.70

12. FINANCIAL INFORMATION (CONT'D)**FYE 2022 compared to FYE 2021**

Our PBT increased by RM1.77 million or 37.03% from RM4.78 million in FYE 2021 to RM6.55 million in FYE 2022 while our PAT increased by RM1.17 million or 32.50% from RM3.60 million in FYE 2021 to RM4.77 million in FYE 2022. The increase in both PBT and PAT was mainly due to the increase in our revenue and GP from the Development segment.

Our PBT margin decreased to 28.72% for FYE 2022 (FYE 2021: 29.36%) while our PAT margin decreased to 20.95% for FYE 2022 (FYE 2021: 22.14%). The decline was due to higher administrative expenses attributable to higher staff costs, higher directors' remuneration and higher marketing expenses in FYE 2022.

For FYE 2022, our effective tax rate was 27.07% which was higher than the statutory tax rate of 24.00%. This was mainly due to certain expenses disallowed for tax purpose of RM0.29 million which includes depreciation expenses on non-qualifying assets, professional fees, amortisation expenses, marketing expenses and lease liabilities expenses. In addition, a net tax impact of RM0.13 million on the deferred tax assets not recognised during the financial year contributed to higher effective tax rate in FYE 2022.

FYE 2023 compared to FYE 2022

Our PBT increased by RM1.01 million or 15.42% from RM6.55 million in FYE 2022 to RM7.56 million in FYE 2023 while our PAT increased by RM1.03 million or 21.59% from RM4.77 million in FYE 2022 to RM5.80 million in FYE 2023. The increase in both PBT and PAT was mainly due to the increase in our revenue and GP from the Development segment and our other income.

Our PBT margin increased to 30.56% for FYE 2023 (FYE 2022: 28.72%) while our PAT margin increased to 23.45% for FYE 2023 (FYE 2022: 20.95%). The increase was due to the higher GP margin from the Development segment.

For FYE 2023, our effective tax rate was 23.25% which was lower than the statutory tax rate of 24.00%. This was mainly due to overprovision of taxation in our previous financial year of RM0.08 million in FYE 2023.

FYE 2024 compared to FYE 2023

Our PBT decreased by RM0.05 million or 0.66% from RM7.56 million in FYE 2023 to RM7.51 million in FYE 2024 while our PAT decreased by RM0.33 million or 5.69% from RM5.80 million in FYE 2023 to RM5.47 million in FYE 2024. The decrease in both PBT and PAT was due to the increase in our administrative expenses as a result of higher staff costs from one-off outstanding EPF contributions of RM0.54 million and EPF dividend of RM0.11 million, professional fees, withholding tax and penalties. The decrease in PBT and PAT were cushioned by the share of result of an associate company of RM0.52 million in FYE 2024.

Our PBT margin decreased to 25.68% for FYE 2024 (FYE 2023: 30.56%) while our PAT margin decreased to 18.70% for FYE 2024 (FYE 2023: 23.45%). The decrease was due to the lower GP margin from the Development segment as well as higher increase in administrative expenses of 28.14% than the increase in revenue of 18.24% in FYE 2024.

For FYE 2024, our effective tax rate was 27.18% which was higher than the statutory tax rate of 24.00%. This was mainly due to movement of deferred tax assets not recognised of RM0.17 million and under provision of current tax in prior years of RM0.19 million.

12. FINANCIAL INFORMATION (CONT'D)**12.4 LIQUIDITY AND CAPITAL RESOURCES****12.4.1 Working capital**

Our business operations are financed by a combination of both internal and external sources of funds. Internal sources of funds comprise cash and bank balances, while external sources are mainly banking facilities from financial institutions. The utilisation of these funds is for our business operations and growth.

Based on our audited combined statements of financial positions as at 31 December 2024, we have:

- (i) cash and bank balances of RM3.93 million; and
- (ii) working capital of RM9.35 million, being the difference between current assets of RM15.99 million and current liabilities of RM6.64 million.

As at the LPD, our Group has drawn down a term loan of RM2.50 million for working capital purpose.

After taking into consideration the funding requirements for our committed capital expenditures, our future plans as set out in Section 7.17 of this Prospectus, our existing level of cash and bank balances, and the estimated net proceeds from the Public Issue, our Board is of the view that we will have sufficient working capital for 12 months from the date of this Prospectus.

12.4.2 Cash flow

The following table sets out the summary of the combined statements of cash flows for the Financial Years Under Review which have been extracted from the Accountants' Report set out in Section 14 of this Prospectus and should be read in conjunction thereto:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Net cash from operating activities	1,850	4,258	3,261	7,140
Net cash used in investing activities	(214)	(3,481)	(892)	(1,604)
Net cash used in financing activities	(773)	(192)	(1,725)	(5,151)
Net increase in cash and cash equivalents	863	585	644	385
Cash and cash equivalents at the beginning of the financial year	1,457	2,320	2,905	3,545
Effect of foreign exchange	-	-	(4)	(3)
Cash and cash equivalents at end of the financial year	2,320	2,905	3,545	3,927

Our cash and cash equivalents are primarily held in RM. There are no legal, financial or economic restrictions on our Subsidiaries' ability to transfer funds to our Company in the form of cash dividends, loans or advances, subject to the availability of distributable profits and reserves, as well as compliance with any applicable financial covenants.

(i) Net cash from operating activities**FYE 2021**

For FYE 2021, our net cash from operating activities was RM1.85 million mainly after taking into consideration our operating profit of RM5.57 million and the following working capital changes:

12. FINANCIAL INFORMATION (CONT'D)

- (a) an increase in receivables of RM2.61 million contributed by higher trade receivables which was in line with higher revenue in FYE 2021;
- (b) a decrease in payables of RM0.01 million. This was due to timely payments made to our trainers and suppliers; and
- (c) payment of income tax of RM0.90 million and interest paid of RM0.21 million.

FYE 2022

For FYE 2022, our net cash from operating activities was RM4.26 million mainly after taking into consideration our operating profit of RM7.51 million and the following working capital changes:

- (a) an increase in receivables of RM3.18 million contributed by the following;
 - (i) an increase in trade receivables of RM2.81 million which was in line with the higher revenue in FYE 2022. This was attributable to more invoices issued towards the fourth quarter of FYE 2022; and
 - (ii) an increase in other receivables of RM0.36 million attributable to prepayment for the capital injection monies for PISB of RM0.50 million which was not completed in FYE 2022. The transaction was completed in FYE 2023;
- (b) an increase in payables of RM1.60 million, contributed by an increase in other payables of RM1.82 million which in turn was mainly attributable to the following:
 - (i) higher accrued bonus payable for FYE 2022 of RM0.67 million; and
 - (ii) increase in trade payables of RM0.78 million, attributable to higher trainers' fees payable for the training programmes conducted during the fourth quarter of FYE 2022; and
- (c) payment of income tax of RM1.51 million and interest paid of RM0.19 million.

FYE 2023

For FYE 2023, our net cash from operating activities was RM3.26 million mainly after taking into consideration our operating profit of RM8.85 million and the following working capital changes:

- (a) an increase in receivables of RM3.96 million, mainly contributed by outstanding balances of RM3.80 million from various sponsors for sponsorship for our participants under THE FUTURE TALENT in Malaysia. These amounts had been fully received in May 2024;
- (b) an increase in payables of RM0.32 million, mainly contributed by higher advance payments from customers of RM1.11 million for the training programmes to be conducted in FYE 2024. This was offset by the decrease in trade payables of RM0.76 million attributable to lower trainers' fees under our Development segment in FYE 2023; and
- (c) payment of income tax of RM1.63 million and interest paid of RM0.32 million.

12. FINANCIAL INFORMATION (CONT'D)

FYE 2024

For FYE 2024, our net cash from operating activities was RM7.14 million mainly after taking into consideration our operating profit of RM8.23 million and the following working capital changes:

- (a) a decrease in receivables of RM1.90 million, as we have collected the outstanding balances that were carried forward from FYE 2023 in relation to the sponsorship from various sponsors for participants under THE FUTURE TALENT in Malaysia and the improved collections from customers. Our trade receivable turnover period improved to 90 days in FYE 2024 as compared to 110 days in FYE 2023;
- (b) an increase in payables of RM1.11 million, mainly contributed by higher non-trade payables from professional fees in relation to our Listing. This was offset by the increase in trade payables of RM0.13 million attributable to higher trainers' fees under our Development segment towards the last quarter of FYE 2024;
- (c) Contract costs of RM1.42 million, upfront examination fees, which are necessary to fulfill its performance obligations. These costs are capitalised as cost to fulfill a contract and amortised to cost of sales when the related revenue is recognised; and
- (d) payment of income tax of RM2.52 million and interest paid of RM0.26 million.

(ii) Net cash used in investing activities

FYE 2021

For FYE 2021, our net cash for investing activities was RM0.21 million. This was attributable to the following:

- (a) cash payments of RM0.05 million mainly for the purchase of server and laptops in FYE 2021; and
- (b) cash payments of RM0.16 million for staff cost incurred for the development of mobile application, PEOPLEAPS.

FYE 2022

For FYE 2022, our net cash for investing activities was RM3.48 million. This was attributable to the following:

- (a) acquisition of remaining shares in PEOPLEogy Southern, PEOPLEogy Northern, PEOPLEogy Growth, PEOPLEogy Goal and PEOPLEogy Skill for RM3.57 million;
- (b) RM0.25 million incurred for development costs of mobile application, SKILLSTURE in FYE 2022; and
- (c) cash payments of RM0.23 million mainly for renovation costs for our rented offices at The Boulevard Office, Mid Valley City, Kuala Lumpur.

The cash outflows were offset by proceeds from disposal of PEOPLEogy Discovery and PEOPLEogy Digital of RM0.60 million to our Promoter, which was equivalent to 30.00% equity of each company. This was the business decision made by the board at the point in time. For the purpose of the Listing, our Group purchased 100.00% equity interest of

12. FINANCIAL INFORMATION (CONT'D)

PEOPLElogy Discovery and PEOPLElogy Digital from our Promoter in February 2024 via share swap of our Shares, amounting to a combined value of RM2.00 million.

FYE 2023

For FYE 2023, our net cash for investing activities was RM0.89 million. This was attributable to the following:

- (a) RM0.32 million incurred for development costs of our mobile application, SKILLSTURE; and
- (b) capital injection in PISB of RM0.50 million for 500,000 ordinary shares in PISB at an issue price of RM1.00 per share.

FYE 2024

For FYE 2024, our net cash for investing activities was RM1.60 million. This was attributable to the following:

- (a) cash payment of RM0.43 million, mainly for the renovation works, computers and furniture and fittings for two rented offices at The Boulevard Office, Mid Valley, Kuala Lumpur; and
- (b) further acquisition of the remaining 60.00% equity interest in PEOPLElogy Community by PEOPLElogy Development for a total cash consideration of RM0.60 million; and
- (c) acquisition of 30.0% equity interest in FISH CAMP Learning by PEOPLElogy Discovery for a total cash consideration of RM0.50 million.

(iii) Net cash used in financing activities

FYE 2021

For FYE 2021, our net cash for financing activities was RM0.77 million. This was attributable to the following:

- (a) repayments of lease liabilities of RM0.43 million;
- (b) repayments of term loans of RM0.34 million; and
- (c) dividends paid of RM0.20 million in respect of FYE 2020.

The cash outflows were offset by advances from our Director and Promoter, Allen Lee of RM0.20 million, mainly to finance our Group's working capital in FYE 2021.

FYE 2022

For FYE 2022, our net cash for financing activities was RM0.19 million. This was attributable to the following:

- (a) repayments of lease liabilities of RM0.60 million; and
- (b) repayments of term loans of RM0.37 million.

The cash outflows were offset by advances from our Director and Promoter, Allen Lee of RM0.77 million for our Group's working capital in FYE 2022.

12. FINANCIAL INFORMATION (CONT'D)

FYE 2023

For FYE 2023, our net cash for financing activities was RM1.73 million. This was attributable to the following:

- (a) payments of dividend of RM3.80 million in respect of FYE 2023;
- (b) repayments of lease liabilities of RM0.79 million; and
- (c) repayments of term loans of RM0.64 million.

The cash outflow was offset by the following:

- (a) advances from our Director and Promoter, Allen Lee of RM0.50 million for working capital in FYE 2023; and
- (b) drawdown of 1 term loan of RM3.00 million for working capital requirement.

FYE 2024

For FYE 2024, our net cash for financing activities was RM5.15 million. This was attributable to the following:

- (a) payments of dividend of RM3.20 million, in respect of FYE 2023;
- (b) payments of dividend of RM2.00 million in respect of FYE 2024;
- (c) repayments of advances from a Director i.e. Allen Lee of RM1.18 million; and
- (d) repayments of term loans of RM3.33 million and repayments of lease liabilities of RM0.84 million.

The cash outflow was partially offset by the proceeds from issuance of ordinary shares of RM5.40 million. On 23 February 2024, The Company issued 9,200,886 new ordinary shares at an issue price of RM0.59 per ordinary share for a total cash consideration of RM5.40 million for working capital purposes.

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12. FINANCIAL INFORMATION (CONT'D)**12.4.3 Bank borrowings**

As at 31 December 2024, our Group's total bank borrowings (excluding the rental obligation on rented offices) were set out below:

Type of borrowings	Security	As at 31 December 2024		
		Repayable within 12 months	Repayable after 12 months	Total
		RM'000	RM'000	RM'000
Hire purchase payable ⁽¹⁾	Motor vehicle under hire purchase arrangement	40	166	206
Total		40	166	206
Gearing ratio ⁽²⁾				0.02

Notes:

- (1) Excluding rented offices. Used to fund the purchase of motor vehicles and computers, with tenure from 2 years to 6 years.
- (2) Calculated based on total borrowings divided by total equity.

Our Group has not defaulted on any payment of either principal sums and / or interest in relation to borrowings for the Financial Years Under Review and up to the LPD.

Our Group do not encounter any seasonality in our borrowings trend.

The following table sets out the contractual maturity profile (refer to cash repayments including principal and interest amounts within 1 year, more than 1 to 5 years and more than 5 years) of our borrowings as at 31 December 2023 are as follows:

Maturity profile	Hire purchase payables	Total
	RM'000	RM'000
Within 1 year	49	49
More than 1 to 5 years	177	177
More than 5 years	-	-
Total	226	226
Carrying amount	206	206

The details of the types of credit facilities that our Group uses and its unutilised balances as at LPD are as follows:

	Term loan	Trade facility	Hire purchase payables	Total
	RM'000	RM'000	RM'000	RM'000
Credit limit as at the LPD	2,500	1,500	247	4,247
Balance unutilised as at the LPD	-	1,500	-	1,500
Interest rates per annum	4.00%	4.00%	4.58%	

12. FINANCIAL INFORMATION (CONT'D)

As at the LPD, our Group is not in breach of any terms and conditions or covenants associated with the credit arrangements or bank loans, which can materially affect the financial position and results of business operations or investments by holders of securities in our Company.

12.5 TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES

As at the LPD, save as disclosed in Section 12.4.3 above, our Group did not use any financial instruments.

Our Group's operations have been funded through cash and bank balances. The normal credit terms granted by our local suppliers range from 30 days to 90 days during the Financial Years Under Review.

As at the LPD, our Group has drawn down a term loan of RM2.50 million for working capital purpose.

The main objective of our capital management is to ensure sustainable shareholders' equity to ensure our ability to support and grow our business in order to maximise shareholders' value. We review and manage our capital structure to maintain our gearing ratio at an optimal level based on our business requirements and prevailing economic conditions.

12.6 CAPITAL COMMITMENTS

As at the LPD, our Group's our Group does not have any material capital commitments.

12.7 MATERIAL LITIGATION AND CONTINGENT LIABILITIES

12.7.1 Material litigation

Our Group is not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability, in the 12 months immediately preceding the date of this Prospectus.

12.7.2 Contingent liabilities

As at the LPD, we do not have any other material contingent liabilities which, upon becoming enforceable, may have a material adverse impact on our results of operations or financial position.

12.8 KEY FINANCIAL RATIOS

Our key financial ratios for the Financial Years Under Review are as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Trade receivable turnover period (days) ⁽¹⁾	70	91	110	90
Trade payable turnover period (days) ⁽²⁾	65	57	62	34
Current ratio (times) ⁽³⁾	2.06	1.49	1.44	2.41
Gearing ratio (times) ⁽⁴⁾	0.38	0.26	0.82	0.02

Notes:

- (1) Based on average trade receivables as at the beginning and end of the respective financial year over total revenue of the respective financial years multiplied by 365 days.

12. FINANCIAL INFORMATION (CONT'D)

- (2) *Based on average trade payables (including amount owing to an associate company trade in nature) as at the beginning and end of respective financial year over total cost of sales of the respective financial years multiplied by 365 days.*
- (3) *Based on current assets over current liabilities.*
- (4) *Based on total bank borrowings over total equity.*

There is a timing difference between our trade receivables turnover days (FYE 2021: 70 days, FYE 2022: 91 days FYE 2023: 110 days, and FYE 2024: 90 days) and our trade payables turnover days (FYE 2021: 65 days, FYE 2022: 57 days, FYE 2023: 62 days, and FYE 2024: 34 days) which arose mainly due to differences in the turnover days for collections in relation to our trade receivables and payments in relation to our trade payables. Such timing differences does not affect the sufficiency of our working capital as our working capital requirements were also financed by our cash and bank balances on hand as well as via utilisation of our banking facilities from financial institutions i.e. term loans during the Financial Year Under Review.

12.8.1 Trade receivable turnover period

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Trade receivables	4,267	7,081	7,775	6,628
Trade receivable turnover period (days) ⁽¹⁾	70	91	110	90

Note:

- (1) *Based on average trade receivables as at the beginning and end of the respective financial year over total revenue of the respective financial years and multiplied by 365.*

We typically offer our customers a credit term period of 30 days to 90 days from the date of our invoices. Nevertheless, the credit term period may vary according to the type of customers as follows:

- (a) In respect of our B2C customers, payment is typically received prior to our provision of services;
- (b) In respect of our B2B customers, we typically grant a credit term period of up to 30 following the provision of services; and
- (c) In respect of our B2G customers, we typically grant a credit term period between 30 and 90 days following the provision of services.

Our trade receivables turnover period increased from 70 days in FYE 2021 to 91 days in FYE 2022, and increased to 110 days in FYE 2023 due to slower payment and outstanding amounts owing by Yayasan Peneraju. We continued to follow-up on the collections and monitor the trade receivables through trade receivable aging. Our trade receivables turnover period decreased from 110 days in FYE 2023 to 90 days in FYE 2024, due to improved collections from Yayasan Peneraju.

12. FINANCIAL INFORMATION (CONT'D)

The ageing analysis of our Group's trade receivables as at 31 December 2024 is as follows:

	Not past due	Past Due			Total
		1-30 days	31-90 days	More than 90 days	
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade receivables	4,335	1,321	424	548	6,628
% contribution	65.40	19.93	6.40	8.27	100.00
Subsequent collections as at the LPD	4,299	1,299	384	454	6,436
Percentage collected	64.86	19.60	5.79	6.85	97.10
Net trade receivables after subsequent collections	36	22	40	94	192

As at the LPD, we have collected RM6.44 million or 97.10% of the total trade receivables which were outstanding as at 31 December 2024. Our Group is closely following up on our collections and ensuring the recoverability of such receivable.

Our management closely monitors the recoverability of trade receivables on a regular basis, and, when appropriate, provides for specific impairment of these trade receivables. As at the LPD, there is no allowance for impairment losses made for the trade receivables. Our Board is of the view that the trade receivables are recoverable and no provision for impairment is required after taking into consideration our relationship with our customers, as well as our efforts to improve collection with various credit control measures to reduce the potential exposure on credit risk.

12.8.2 Trade payable turnover period

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Trade payables	711	1,486	726	782
Amount due to an associate company	-	-	-	94
Trade payable turnover period (days) ⁽¹⁾	65	57	62	34

Note:

- (1) Based on average trade payables (including amount owing to an associate company trade in nature) as at the beginning and end of the respective financial year over total cost of sales of the respective financial years and multiplied by 365 days.

Our trade payables are mainly amounts owing to external trainers on credit terms. The normal credit terms given by our external trainers and suppliers range from 30 to 90 days. Our major suppliers such as CompTIA who are overseas do not grant any credit period. We are required to make full payment prior to the delivery of subscription, training materials and examination vouchers. Hence, we have shorter trade payable turnover periods for the Financial Years Under Review.

Our trade payable turnover periods were 65 days, 57 days, 62 days, and 34 days for FYE 2021, FYE 2022 FYE 2023, and FYE 2024 respectively which were within the credit period given.

For FYE 2022, our trade payables turnover period decreased from 65 days in FYE 2021 to 57 days in FYE 2022 due to timely payments to our trainers as a result of change in payment terms granted by our trainers of between 30 and 45 days.

12. FINANCIAL INFORMATION (CONT'D)

For FYE 2023, our trade payables turnover period further increased from 57 days in FYE 2022 to 62 days in FYE 2023 due to amounts owing to a local major supplier i.e. Fusionex who is currently under liquidation.

Our trade payables turnover period decreased from 62 days in FYE 2023 to 34 days in FYE 2024 due to timely payments made to external trainers.

The ageing analysis of our Group's trade payables as at 31 December 2024 is as follows:

	Not past due RM'000	Past due			Total RM'000
		1 - 30 days RM'000	31 - 90 days RM'000	More than 90 days RM'000	
Trade payables	873	-	-	3	876
% contribution	99.66	-	-	0.34	100.00
Subsequent payments as at the LPD	866	-	-	3	869
Percentage paid	98.86	-	-	0.34	99.20
Net trade payables after subsequent payments	7	-	-	-	7

As at the LPD, we have settled RM0.87million or 99.20% of the total trade payables which were outstanding as at 31 December 2024. The remaining balance outstanding was RM0.07 million, which is attributable to our associate company, FISH CAMP Learning.

As at the LPD, we do not have any disputes in respect of our trade payables and no legal proceedings to demand for payment have been initiated by our suppliers against us.

12.8.3 Current ratio

	Audited			
	As at 31 December			
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Current assets	7,582	11,335	15,957	15,989
Current liabilities	3,687	7,610	11,068	6,639
Current ratio (times) ⁽¹⁾	2.06	1.49	1.44	2.41

Note:

(1) Based on current assets over current liabilities.

Our current ratio ranged from 1.44 to 2.41 times during the Financial Years Under Review. This indicates that our Group is capable of meeting our current obligations as our current assets, which can be readily converted to cash and together with our cash balances in the bank, are sufficient to meet immediate current liabilities.

Our current ratio decreased from 2.06 times as at 31 December 2021 to 1.49 times as at 31 December 2022. This was attributable to higher other payables mainly due to higher accrued bonus payable for FYE 2022 of RM0.67 million and dividends payable of RM1.00 million in respect of FYE 2022.

Our current ratio decreased from 1.49 times as at 31 December 2022 to 1.44 times as at 31 December 2023. The lower current ratio was attributable to the higher advance payments from customers of RM1.11 million for the training programmes to be conducted in FYE 2024 and higher dividend payables of RM2.20 million in respect of FYE 2023. The decrease in current ratio

12. FINANCIAL INFORMATION (CONT'D)

was cushioned by higher other receivables of RM3.80 million for outstanding balances from various sponsors for sponsorships for our participants under THE FUTURE TALENT in Malaysia.

Our current ratio increased from 1.44 times as at 31 December 2023 to 2.41 times as at 31 December 2024. The higher current ratio was attributable to the decrease in current liabilities of RM4.43 million. The decrease in current liabilities was mainly attributable to lower other payables mainly from payments of dividend payables, repayments of advances from a Director i.e. Allen Lee and full settlement of all existing term loans in FYE 2024.

12.8.4 Gearing ratio

	Audited			
	As at 31 December			
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Bank borrowings ⁽¹⁾	1,511	1,254	3,544	206
Total equity	4,021	4,823	4,331	12,598
Gearing ratio (times) ⁽²⁾	0.38	0.26	0.82	0.02

Notes:

(1) Excluding lease liabilities arising from the rental obligation of rented offices.

(2) Based on total bank borrowings over total equity.

In FYE 2022, our gearing ratio decreased from 0.38 times as at 31 December 2021 to 0.26 times as at 31 December 2022, due to the increase in total equity as a result of the increased retained earnings from the PAT recorded in FYE 2022 which was offset by the merger deficit of RM2.08 million in FYE 2022. Our retained earnings increased by RM3.78 million from RM0.10 million as at 31 December 2021 to RM3.88 million as at 31 December 2022.

In FYE 2023, our gearing ratio increased from 0.26 times as at 31 December 2022 to 0.82 times as at 31 December 2023, due to increase in borrowings mainly as a result of drawdown of one term loan of RM3.00 million for working capital in FYE 2023.

Our gearing ratio decreased from 0.82 times as at 31 December 2023 to 0.02 times as at 31 December 2024. This was attributable to the following:

- (i) an increase in total equity of RM8.27 million from RM4.33 million as at 31 December 2023 to RM12.60 million as at 31 December 2024 mainly due to the increase in share capital after offsetting higher merger deficit from the acquisition of PEOPLEogy Digital, PEOPLEogy Development and PEOPLEogy Discovery; and
- (ii) a decrease in our Group's borrowings of RM3.34 million due to scheduled repayments made in FYE 2024. On 10 September 2024, we have fully settled all our term loans and we do not have any term loan facility.

12.9 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES

Our business is subject to the risks relating to government, economic, fiscal or monetary policies. Any unfavourable changes in the government policies, economic conditions, or fiscal or monetary policies may materially affect our operations in Malaysia. Please refer to Section 9.2.3 of this Prospectus for further details.

12. FINANCIAL INFORMATION (CONT'D)**12.10 IMPACT OF INFLATION**

Our financial performances for the Financial Years Under Review were not materially affected by the impact of inflation. Nevertheless, there can be no assurance that future inflation would not have an impact on our business and financial performance.

12.11 IMPACT OF INTEREST RATES, COMMODITY PRICES AND / OR FOREIGN EXCHANGE RATES ON OUR GROUP'S OPERATIONS

We are exposed to market risks arising from our operations. Our key market risk exposures are to foreign exchange risk.

Interest rate risk

All our borrowings are interest bearing obligations. Any hikes in interest rates would affect our financial performance. Our finance cost mainly comprises interest charges on term loans and hire purchases that are granted by banks and financial institutions. In this respect, we may be exposed to the liquidity risk that arises principally from our borrowings and the timing of costs incurred and collections from our customers.

As at 31 December 2024, our bank borrowings of RM0.21 million were interest bearing. In this respect, any increases in interest rates may impact on our financial performance. For the Financial Years Under Review and up to the LPD, we have not defaulted on any payments of either principal and / or interests in relation to our borrowings.

Commodity price fluctuation risk

Our purchases are not commodities and are not subject to global fluctuations in price.

Foreign exchange risk

The breakdown of our revenue and purchases by currencies in the Financial Years Under Review are shown in the following tables.

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Sales denominated in								
RM	16,278	100.00	22,793	100.00	24,291	98.23	28,898	98.83
USD	-	-	-	-	438	1.77	343	1.17
Total sales	16,278	100.00	22,793	100.00	24,729	100.00	29,241	100.00
Cost of sales denominated in								
USD	1,647	31.17	2,331	33.09	1,232	18.93	2,540	29.43
SGD	-	-	-	-	474	7.29	-	-
RM	3,637	68.83	4,713	66.91	4,801	73.78	6,090	70.57
Total cost of sales	5,284	100.00	7,044	100.00	6,507	100.00	8,630	100.00

For FYE 2021, FYE 2022, FYE 2023, and FYE 2024 our revenue was mainly denominated in RM which contributed 100.00% 100.00%, 98.23%, and 98.83% to our Group's total revenue, respectively.

For FYE 2021, FYE 2022, FYE 2023, and FYE 2024 our cost of sales from our overseas suppliers were mainly denominated in USD and SGD which collectively contributed 31.17%, 33.09%, 26.22%, and 29.43% to our total cost of sales.

As such, we are exposed to foreign currency fluctuation risk. Any unfavourable fluctuation in foreign currency rates may have an adverse impact on our financial performance. A depreciation

12. FINANCIAL INFORMATION (CONT'D)

of the RM against the currencies which we transact will lead to higher revenue in RM after conversion, whereas it will also lead to higher cost training programmes in RM after conversion. Conversely, appreciation of the RM against the currencies which we transact will lead to lower revenue and lower cost to training programmes in RM after conversion.

For FYE 2021, FYE 2022, FYE 2023, and FYE 2024 our net loss from foreign exchange fluctuations are as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Foreign exchange loss	RM'000	RM'000	RM'000	RM'000
Realised loss	-	14	17	9
Unrealised loss	-	-	3	4
Net loss	-	14	20	13

In order to mitigate the risk, we will continuously monitor the foreign currency fluctuation. However, despite our efforts to minimise the foreign currency risk, there can be no assurance that any future significant fluctuation in foreign currency will not have a material adverse impact on the financial performance of our Group. Our Group does not hedge our exposure to foreign currency risks.

12.12 ORDER BOOK

Details of our unbilled order book are as follows:

	As at 31 December 2024	As at the LPD
	RM'000	RM'000
Development	8,565	9,194
Digital	-	-
Discovery	-	-
Total	8,565	9,194

Our Group's order book as at the LPD is expected to be realised over the following financial years:

	⁽¹⁾ FYE 2025	FYE 2026
	RM'000	RM'000
Development	8,207	987
Digital	-	-
Discovery	-	-
Total	8,207	987

Note:

(1) Refers to the period from 25 March 2025 to 31 December 2025.

The above unbilled order book relates to the contract value of projects which are ongoing less revenue recognised up to 31 December 2024 or the LPD, as the case may be. This unbilled order book will be recognised progressively over the next 1 to 2 financial years based on the expected progress of each project.

12. FINANCIAL INFORMATION (CONT'D)

12.13 TREND INFORMATION

As at the LPD, save as disclosed in this Prospectus and to the best of our Board's knowledge and belief, our operations have not been and are not expected to be affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, position and operations other than those discussed in this section and risk factors in Section 9 of this Prospectus;
- (ii) material commitment for capital expenditure, as set out in Section 12.6 of this Prospectus;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save as disclosed in this section and risk factors in Section 9 of this Prospectus;
- (iv) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our Group's revenue and / or profits save for those that have been disclosed in this section, industry overview as set out in Section 8 of this Prospectus and business strategies as set out in Section 7.17 of this Prospectus;
- (v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position other than those disclosed in this section and risk factors in Section 9 of this Prospectus; and
- (vi) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's liquidity and capital resources, other than those discussed in this section and risk factors in Section 9 of this Prospectus.

12.14 RECENT DEVELOPMENTS

Save for the significant events subsequent to the FYE 2024 as disclosed in Note 31 of Section 14 of this Prospectus, there are no other significant changes that have occurred which may have a material effect on our financial position and result of operations since 31 December 2024 and up to the LPD.

12.15 DIVIDENDS

Our Group presently does not have a fixed dividend policy and the declaration of dividend and other distributions are subject to the discretion of our Board. Our Group's ability to distribute dividends to our shareholders is subject to various factors, such as profits recorded and excess of funds not required to be retained for the working capital of our business. Our ability to declare and pay dividends is also subject to the discretion of our Board. Our Directors will take into consideration, amongst others, the following factors when recommending or declaring any dividends:

- (i) the availability of adequate reserves and cash flows;
- (ii) our operating cash flow requirements and financing commitments;
- (iii) our anticipated future operating conditions and expansion taking into consideration projected capital expenditure and investment plans;

12. FINANCIAL INFORMATION (CONT'D)

- (iv) our working capital requirements;
- (v) any contractual restrictions and / or commitments; and
- (vi) prior written consent from financial institutions, where required.

As at the LPD, save for any applicable financial covenants and the Act, and subject to the availability of distributable profits and reserves, there are no dividend restrictions imposed on us or our Subsidiaries.

We cannot assure you that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that future dividends declared by our Board, if any, will not differ materially from historical dividend levels.

No inference should or can be made from any of the statements above as to our actual future profitability and our ability to pay dividends in the future.

Details of the dividends declared and paid during the Financial Years Under Review and up to the LPD were as follows:

	Audited				From 1 January 2025 and up to the LPD
	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	
PAT	3,604	4,774	5,799	5,467	-
Dividends declared	-	1,000	6,000	2,000	(3)4,000
Dividends paid	200	-	(1) 3,800	(2) 5,200	-

Notes:

- (1) In FYE 2023, our Group has paid a dividend of RM1.00 million in respect of FYE 2022 and dividend paid of RM2.80 million in respect of FYE 2023.
- (2) In FYE 2024, our Group has paid an amount of RM3.20 million in respect of FYE 2023 which represents the remaining dividends declared of RM6.00 million in FYE 2023 as well as dividend paid of RM2.00 million in respect of FYE 2024.
- (3) Our Group had on 13 March 2025 declared a dividend amounting to RM4.0 million for the FYE 2024, being the second interim dividend to be paid in April 2025. Our Group does not intend to declare further dividends prior to the Listing.

All our dividends paid are funded via internally generated funds. The dividends will not affect the execution and implementation of our future plans or strategies. We also believe that we have sufficient funding from our internally generated funds and bank borrowings for the funding requirements of our operations and expansion plans.

Our Group has declared a dividend amounting to RM4.00 million in respect of FYE 2024 on 13 March 2025. The distribution of the dividends will be funded via internally generated funds and expected to be paid in April 2025. Our Group does not intend to declare further dividends prior to the Listing.

**13. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA COMBINED
STATEMENTS OF FINANCIAL POSITION**

PEOPLElogy BERHAD
(Registration No.: 202301050253 (1544167-M))
(Incorporated in Malaysia)

**PRO FORMA COMBINED STATEMENTS OF
FINANCIAL POSITION AS AT 31 DECEMBER 2024**

GRANT THORNTON MALAYSIA PLT
CHARTERED ACCOUNTANTS
Member Firm of Grant Thornton International Ltd.

13. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)



**REPORTING ACCOUNTANTS' ASSURANCE REPORT ON
COMPILATION OF PRO FORMA COMBINED
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**
(Prepared for inclusion in the Prospectus)

Date: 17 March 2025

The Board of Directors
PEOPLElogy Berhad
17-11 & 19-11
The Boulevard Office
Lingkaran Syed Putra, Mid Valley City
59200 Kuala Lumpur

Dear Sirs,

**PEOPLElogy BERHAD ("COMPANY" OR "PEOPLElogy")
REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENTS OF
FINANCIAL POSITION AS AT 31 DECEMBER 2024**

We have completed our assurance engagement to report on the compilation of the Pro Forma Combined Statements of Financial Position of the Company and its subsidiaries ("Group" or "PEOPLElogy Group") as at 31 December 2024 together with the notes and assumptions thereto (which we have stamped for the purpose of identification), have been compiled and prepared by the Directors of the Company for inclusion in the prospectus of the Company ("Prospectus") in connection with the initial public offering ("IPO") and the listing of and quotation for the entire issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("the Listing").

The Pro Forma Combined Statements of Financial Position is prepared accordance with the requirements of Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants ("Guidance Notes").

The Pro Forma Combined Statements of Financial Position as at 31 December 2024 have been compiled by the Directors of the Company, for illustrative purposes only, to illustrate the impact of the Listing on the financial position of the Group had the Listing been undertake on 31 December 2024. As part of this process, information about the Group's Combined Statements of Financial Position have been extracted by the Directors of the Company ("Directors") from the Group's audited combined statements of financial position as at 31 December 2024.

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

The Directors of the Company are responsible for compiling the Pro Forma Combined Statements of Financial Position on the basis as set out in the notes thereon to the Pro Forma Combined Statement of Financial Statement and in accordance with the relevant requirements of the Prospectus Guidelines and Guidance Notes.

13. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)



Our Independence and Quality Control

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

Our firm applies International Standard on Quality Management ("ISQM") 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements and Other Assurance and Related Services Engagements issued by International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, as to whether the Pro Forma Combined Statements of Financial Position have been properly compiled, in all material respect, by the Directors on the basis as set out in the notes thereon to the Pro Forma Combined Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines and Guidance Note.

We conducted our engagement in accordance with *International Standard on Assurance Engagements ("ISAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus"*, issued by International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Combined Statements of Financial Position on the basis set out in the notes thereon to the Pro Forma Combined Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines and the Guidance Note.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the Pro Forma Combined Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Combined Statements of Financial Position.

The purpose of the Pro Forma Combined Statements of Financial Position included in the Prospectus is solely to illustrate the impact as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at that date would have been as presented.

13. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)



Reporting Accountants' Responsibilities (cont'd)

A reasonable assurance engagement to report on whether the Pro Forma Combined Statements of Financial Position have been compiled, in all material respects, on the basis set out in notes thereon to the Pro Forma Combined Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines, involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Combined Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions enumerated in the notes thereto, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Combined Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Combined Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Combined Statements of Financial Position.

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

Opinion

In our opinion, the Pro Forma Combined Statements of Financial Position have been compiled, in all material respects, on the basis as set out in the notes thereon to the Pro Forma Combined Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

Other Matter

This letter has been prepared at your request for inclusion in the Prospectus in connection with the IPO and the Listing. It is not intended to be used for any other purposes. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

TAN VEER LEEN
(NO: 03627/12/2025 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
17 March 2025

13. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

PEOPLElogy BERHAD AND ITS SUBSIDIARIES

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

The Pro Forma Combined Statements of Financial Position of the Group as at 31 December 2024 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 2 on the assumption that these transactions were completed on 31 December 2024, and should be read in conjunction with the accompanying notes to the Pro Forma Combined Statements of Financial Position.

		Pro Forma I		Pro Forma II	
	Combined Statements of Financial Position as at 31 December 2024*	Adjustments for Public Issue	After Public Issue	Adjustments for Utilisation of Proceeds from the Listing	After Pro Forma I and Utilisation of Proceeds from the Listing
Note	RM	RM	RM	RM	RM
ASSETS					
Non-current assets					
Plant and equipment	729,992	-	729,992	-	729,992
Right-of-use assets	1,896,154	-	1,896,154	-	1,896,154
Intangible assets	831,214	-	831,214	-	831,214
Investment in an associate company	1,016,661	-	1,016,661	-	1,016,661
Total non-current assets	4,474,021	-	4,474,021	-	4,474,021
Current assets					
Trade receivables	6,627,870	-	6,627,870	-	6,627,870
Other receivables	3,827,384	-	3,827,384	-	3,827,384
Contract costs	1,421,092	-	1,421,092	-	1,421,092
Tax recoverable	185,647	-	185,647	-	185,647
Cash and bank balances	3,926,782	26,250,000	30,176,782	(4,350,000)	25,826,782
Total current assets	15,988,775	26,250,000	42,238,775	(4,350,000)	37,888,775
Total assets	20,462,796	26,250,000	46,712,796	(4,350,000)	42,362,796

13. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

PEOPLElogy BERHAD AND ITS SUBSIDIARIES

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

The Pro Forma Combined Statements of Financial Position of the Group as at 31 December 2024 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 2 on the assumption that these transactions were completed on 31 December 2024, and should be read in conjunction with the accompanying notes to the Pro Forma Combined Statements of Financial Position (cont'd).

		Combined Statements of Financial Position as at <u>31 December 2024*</u> RM	Adjustments for <u>Public Issue</u> RM	Pro Forma I After <u>Public Issue</u> RM	Adjustments for Utilisation of Proceeds from <u>the Listing</u> RM	Pro Forma II After Pro Forma I and Utilisation of Proceeds from <u>the Listing</u> RM
EQUITY AND LIABILITIES						
EQUITY						
Equity attributable to owners of the Company:-						
Share capital	4.02	12,607,881	26,250,000	38,857,881	(1,083,876)	37,774,005
Merger deficits		(6,860,012)	-	(6,860,012)	-	(6,860,012)
Foreign currency translation reserves		(148)	-	(148)	-	(148)
Retained earnings	4.03	6,850,363	-	6,850,363	(3,266,124)	3,584,239
Total equity		<u>12,598,084</u>	<u>26,250,000</u>	<u>38,848,084</u>	<u>(4,350,000)</u>	<u>34,498,084</u>
LIABILITIES						
Non-current liabilities						
Lease liabilities		1,196,874	-	1,196,874	-	1,196,874
Deferred tax liabilities		29,281	-	29,281	-	29,281
Total non-current liabilities		<u>1,226,155</u>	<u>-</u>	<u>1,226,155</u>	<u>-</u>	<u>1,226,155</u>

13. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)**PEOPLElogy BERHAD AND ITS SUBSIDIARIES****PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)**

The Pro Forma Combined Statements of Financial Position of the Group as at 31 December 2024 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 2 on the assumption that these transactions were completed on 31 December 2024, and should be read in conjunction with the accompanying notes to the Pro Forma Combined Statements of Financial Position (cont'd).

	Combined Statements of Financial Position as at 31 December 2024*	Adjustments for Public Issue	Pro Forma I After Public Issue	Adjustments for Utilisation of Proceeds from the Listing	Pro Forma II After Pro Forma I and Utilisation of Proceeds from the Listing
	RM	RM	RM	RM	RM
EQUITY AND LIABILITIES (CONT'D)					
LIABILITIES (CONT'D)					
Current liabilities					
Trade payables	781,713	-	781,713	-	781,713
Other payables	4,312,294	-	4,312,294	-	4,312,294
Amount due to Director	361,754	-	361,754	-	361,754
Amount due to an associate company	93,520	-	93,520	-	93,520
Lease liabilities	657,673	-	657,673	-	657,673
Tax payable	431,603	-	431,603	-	431,603
Total current liabilities	6,638,557	-	6,638,557	-	6,638,557
Total liabilities	7,864,712	-	7,864,712	-	7,864,712
Total equity and liabilities	20,462,796	26,250,000	46,712,796	(4,350,000)	42,362,796
Issued ordinary share capital (unit)	4.02 306,716,936	105,000,000	411,716,936	-	411,716,936
Net assets per share (RM)			0.09		0.08
Gearing ratio (times)			0.05		0.05

Note:

* Extracted from the Group's audited combined financial statements for the financial year ended 31 December 2024.

13. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

PEOPLElogy BERHAD AND ITS SUBSIDIARIES

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

1. BASIS OF PREPARATION

The Pro Forma Combined Statements of Financial Position of PEOPLElogy have been prepared for illustrative purposes and on the assumptions that all the transactions mentioned as per Note 2 to the Pro Forma Combined Statements of Financial Position had taken place on 31 December 2024.

The Pro Forma Combined Statements of Financial Position have been prepared based on accounting policies and basis which are consistent with those disclosed in the audited combined financial statements of PEOPLElogy, for the financial year ended 31 December 2024 and in accordance with Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards ("IFRS") and the requirements of the Prospectus Guidelines.

The Pro Forma Combined Statements of Financial Position as at 31 December 2024 are adjusted for the impact of the listing scheme as set out in Note 2 of this Pro Forma Combined Statements of Financial Position.

2. LISTING SCHEME

(i) Public issue of shares

The IPO involves a public issue of 105,000,000 new ordinary shares in PEOPLElogy at an IPO price of RM0.25 per share.

In conjunction with the IPO, the Company will undertake the listing of and quotation for its entire enlarged issued share capital comprising 411,716,936 ordinary shares in PEOPLElogy on the ACE Market of Bursa Securities.

(ii) Utilisation of Proceeds from the Listing

The total gross proceeds from the IPO of RM26,250,000 are expected to be utilised as follows:

Details of utilisation	Estimated timeframe for utilisation upon listing	RM
Business expansions^		
- Establish a Cyber Range computer simulation lab	Within 24 months	8,500,000
- Expansion through strategic investments, mergers and acquisitions opportunities	Within 24 months	4,000,000
- R&D of software	Within 24 months	3,000,000
- Expansion of offices and training centres in East Malaysia	Within 24 months	1,000,000
- Expansion of offices and training centres in Indonesia and Philippines	Within 36 months	2,900,000
- Setting up regional office in Singapore	Within 12 months	100,000
General working capital^	Within 24 months	2,400,000
Estimated listing expenses*	Within 1 month	4,350,000
Total estimated proceeds		26,250,000

13. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

PEOPLElogy BERHAD AND ITS SUBSIDIARIES

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

2. LISTING SCHEME (CONT'D)

(ii) Utilisation of Proceeds from the Listing (cont'd)

^ These utilisation of proceeds are not adjusted in the Pro Forma II to the Pro Forma Combined Statements of Financial Position as the Group did not enter into any contractual binding arrangements in relation to the above purposes and hence, they remain in the cash and bank balances.

** The estimated listing expenses of RM1,083,876 arising from the issuance of new PEOPLElogy Shares pursuant to the Listing are to be offset against the share capital and the remaining estimated listing expenses of RM3,266,124 will be expensed off to profit or loss.*

3. PRO FORMA ADJUSTMENTS TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

(i) Proforma I

Pro Forma I incorporates the effects of public issue as set out in Notes 2(i) of this Pro Forma Combined Statements of Financial Position.

(ii) Proforma II

Pro Forma II incorporates the effects of Pro Forma I and the effects of the utilisation of proceeds from the public issue as set out in Note 2(ii) of this Pro Forma Combined Statements of Financial Position.

13. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

PEOPLElogy BERHAD AND ITS SUBSIDIARIES

4. NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

4.01 CASH AND BANK BALANCES

The movements in cash and bank balances are as follows:-

	<u>Amount</u> RM
At 31 December 2024	3,926,782
Pursuant to the Public Issue	<u>26,250,000</u>
As per Pro Forma I	30,176,782
Pursuant to the Utilisation of Proceeds from the Listing - Estimated listing expenses	<u>(4,350,000)</u>
As per Pro Forma II	<u><u>25,826,782</u></u>

4.02 SHARE CAPITAL

The movements in the issued share capital are as follows:-

	<u>Number of Shares</u> Unit	<u>Amount</u> RM
At 31 December 2024	306,716,936	12,607,881
Pursuant to Public Issue	<u>105,000,000</u>	<u>26,250,000</u>
As per Pro Forma I	411,716,936	38,857,881
Pursuant to the Utilisation of Proceeds from the Listing - Estimated listing expenses	<u>-</u>	<u>(1,083,876)</u>
As per Pro Forma II	<u><u>411,716,936</u></u>	<u><u>37,774,005</u></u>

4.03 RETAINED EARNINGS

The movements in retained earnings are as follows:-

	<u>Amount</u> RM
At 31 December 2024/Pro Forma I	6,850,363
Pursuant to the Utilisation of Proceeds from the Listing - Estimated listing expenses	<u>(3,266,124)</u>
As per Pro Forma II	<u><u>3,584,239</u></u>

14. ACCOUNTANTS' REPORT

PEOPLElogy BERHAD
Registration No: 202301050253 (1544167-M)
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT
FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2024, 31 DECEMBER 2023,
31 DECEMBER 2022 AND 31 DECEMBER 2021

GRANT THORNTON MALAYSIA PLT
CHARTERED ACCOUNTANTS
Member of Grant Thornton International Ltd

14. ACCOUNTANTS' REPORT (CONT'D)



Date: 17 March 2025

The Board of Directors
PEOPLElogy Berhad
17-19 & 19-11
The Boulevard Office
Lingkaran Syed Putra, Mid Valley City
59200 Kuala Lumpur

Grant Thornton Malaysia PLT

Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

T +603 2692 4022

F +603 2691 5229

Dear Sirs,

Reporting Accountants' Opinion on the Financial Information contained in the Accountants' Report of PEOPLElogy Berhad ("the Company" or "PEOPLElogy")

Opinion

We have audited the accompanying combined financial statements ("Financial Information") of PEOPLElogy Berhad and its combined entities (collectively known as "the Group" or "PEOPLElogy Group") which comprise the combined statements of financial position of the Group as at 31 December 2024, 31 December 2023, 31 December 2022 and 31 December 2021 and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the financial years ended 31 December 2024, 31 December 2023, 31 December 2022 and 31 December 2021, and material accounting policy information and other explanatory notes, as set out on pages 5 to 47.

In our opinion, the accompanying combined financial information give a true and fair view of the combined financial position of the Group as at 31 December 2024, 31 December 2023, 31 December 2022 and 31 December 2021 and of its combined financial performance and combined cash flows for the financial years then ended in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

14. ACCOUNTANTS' REPORT (CONT'D)**Responsibilities of Directors for the Financial Information**

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

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

Reporting Accountants' Responsibilities for the Audit of the Financial Information

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

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

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

14. ACCOUNTANTS' REPORT (CONT'D)**Reporting Accountants' Responsibilities for the Audit of the Financial Information (cont'd)**

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountants' report to the related disclosures in the Financial Information of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 Financial Information of the Group, including the disclosures and whether the Financial Information of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the Financial Information of the entities or business activities within the Group as a basis for forming an opinion on the Financial Information of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors, are disclosed in Note 1 to the report.

14. ACCOUNTANTS' REPORT (CONT'D)



Other Matter

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

A stylized handwritten signature in black ink, likely representing the firm's representative.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

Kuala Lumpur
17 March 2025

A handwritten signature in black ink, identifying the Chartered Accountant.

TAN VEER LEEN
(NO: 03627/12/2025 J)
CHARTERED ACCOUNTANT

14. ACCOUNTANTS' REPORT (CONT'D)**PEOPLElogy BERHAD**
(Incorporated in Malaysia)**COMBINED STATEMENTS OF FINANCIAL POSITION****AS AT 31 DECEMBER 2024, 31 DECEMBER 2023, 31 DECEMBER 2022 AND 31 DECEMBER 2021**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
ASSETS					
Non-current assets					
Plant and equipment	4	729,992	355,360	413,788	297,827
Right-of-use assets	5	1,896,154	1,125,591	1,642,908	807,085
Intangible assets	6	831,214	903,017	659,791	451,545
Other investment	7	-	210,000	-	-
Investment in an associate company	8	1,016,661	-	-	-
Total non-current assets		4,474,021	2,593,968	2,716,487	1,556,457
Current assets					
Trade receivables	9	6,627,870	7,774,890	7,081,164	4,266,653
Other receivables	10	3,827,384	4,576,013	1,311,853	949,802
Contract costs	11	1,421,092	-	-	-
Tax recoverable		185,647	61,082	37,057	45,189
Cash and bank balances		3,926,782	3,545,144	2,904,746	2,320,354
Total current assets		15,988,775	15,957,129	11,334,820	7,581,998
TOTAL ASSETS		20,462,796	18,551,097	14,051,307	9,138,455
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company:-					
Share capital	12	12,607,881	2	-	-
Invested equity	12	-	3,029,964	3,029,964	3,919,928
Merger deficits	13	(6,860,012)	(2,082,097)	(2,082,097)	-
Foreign currency translation reserve	14	(148)	(620)	-	-
Fair value reserve	15	-	(290,000)	-	-
Retained earnings		6,850,363	3,674,056	3,874,953	101,273
TOTAL EQUITY		12,598,084	4,331,305	4,822,820	4,021,201
LIABILITIES					
Non-current liabilities					
Lease liabilities	5	1,196,874	613,977	1,042,619	438,703
Borrowings	16	-	2,519,298	557,598	972,707
Deferred tax liabilities	17	29,281	18,281	18,281	18,281
Total non-current liabilities		1,226,155	3,151,556	1,618,498	1,429,691
Current liabilities					
Trade payables	18	781,713	725,763	1,485,610	711,231
Other payables	19	4,312,294	6,657,488	3,380,816	1,559,992
Amount due to Director	20	361,754	1,546,052	1,043,494	269,209
Amount due to an associate company	8	93,520	-	-	-
Lease liabilities	5	657,673	530,890	645,555	427,165
Borrowings	16	-	813,162	412,463	368,337
Tax payable		431,603	794,881	642,051	351,629
Total current liabilities		6,638,557	11,068,236	7,609,989	3,687,563
TOTAL LIABILITIES		7,864,712	14,219,792	9,228,487	5,117,254
TOTAL EQUITY AND LIABILITIES		20,462,796	18,551,097	14,051,307	9,138,455

The accompanying notes form an integral part of the financial statements

14. ACCOUNTANTS' REPORT (CONT'D)**PEOPLElogy BERHAD**

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2024, 31 DECEMBER 2023, 31 DECEMBER 2022 AND 31 DECEMBER 2021**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Revenue	21	29,240,486	24,729,322	22,793,140	16,277,543
Cost of sales		<u>(8,629,634)</u>	<u>(6,506,983)</u>	<u>(7,043,677)</u>	<u>(5,283,534)</u>
Gross profit		20,610,852	18,222,339	15,749,463	10,994,009
Other income		295,370	312,528	113,593	116,874
Loss on disposal of other investment		(10,170)	-	-	-
Administrative expenses		<u>(13,657,402)</u>	<u>(10,660,677)</u>	<u>(9,123,808)</u>	<u>(6,125,736)</u>
Profit from operations		7,238,650	7,874,190	6,739,248	4,985,147
Finance costs		(256,432)	(318,466)	(193,358)	(205,203)
Finance income		8,695	396	288	343
Share of results of an associate company		<u>516,661</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit before tax	22	7,507,574	7,556,120	6,546,178	4,780,287
Tax expense	23	<u>(2,041,267)</u>	<u>(1,757,017)</u>	<u>(1,772,498)</u>	<u>(1,176,130)</u>
Net profit for the financial year		5,466,307	5,799,103	4,773,680	3,604,157
Other comprehensive income					
<i>Item that will be reclassified subsequently to profit or loss:</i>					
Foreign currency translation differences for foreign operations		472	(620)	-	-
Fair value loss on remeasurement of financial assets		<u>-</u>	<u>(290,000)</u>	<u>-</u>	<u>-</u>
Total comprehensive income the financial year		<u>5,466,779</u>	<u>5,508,483</u>	<u>4,773,680</u>	<u>3,604,157</u>
Earnings per share attributable to owners of the Company:-					
- Basic/Diluted (sen)	24	<u>1.78</u>	<u>1.89</u>	<u>1.56</u>	<u>1.18</u>

The accompanying notes form an integral part of the financial statements

14. ACCOUNTANTS' REPORT (CONT'D)**PEOPLElogy BERHAD**

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2024, 31 DECEMBER 2023,
31 DECEMBER 2022 AND 31 DECEMBER 2021**

	<u>Note</u>	Non-distributable				Distributable		<u>Total</u> RM
		<u>Share capital</u> RM	<u>Invested equity</u> RM	<u>Merger deficits</u> RM	<u>Foreign currency translation reserve</u> RM	<u>Fair value reserve</u> RM	<u>Retained earnings</u> RM	
Balance at 1 January 2021		-	3,919,928	-	-	-	(3,502,884)	417,044
Total comprehensive income for the financial year		-	-	-	-	-	3,604,157	3,604,157
Balance at 31 December 2021		-	3,919,928	-	-	-	101,273	4,021,201
Total comprehensive income for the financial year		-	-	-	-	-	4,773,680	4,773,680
Transactions with owners:								
Adjustment on acquisition of subsidiaries		-	(889,964)	(2,082,097)	-	-	-	(2,972,061)
Dividends	25	-	-	-	-	-	(1,000,000)	(1,000,000)
		-	(889,964)	(2,082,097)	-	-	(1,000,000)	(3,972,061)
Balance at 31 December 2022		-	3,029,964	(2,082,097)	-	-	3,874,953	4,822,820
Total comprehensive income for the financial year		-	-	-	(620)	(290,000)	5,799,103	5,508,483
Transactions with owners:								
Issued during the financial year	12	2	-	-	-	-	-	2
Dividends	25	-	-	-	-	-	(6,000,000)	(6,000,000)
		2	-	-	-	-	(6,000,000)	(5,999,998)
Balance at 31 December 2023		2	3,029,964	(2,082,097)	(620)	(290,000)	3,674,056	4,331,305
Total comprehensive income for the financial year		-	-	-	472	-	5,466,307	5,466,779
Transfer of fair value reserve of equity instruments designated at FVOCI		-	-	-	-	290,000	(290,000)	-
Transactions with owners:								
Adjustment on acquisition of subsidiaries		-	(3,029,964)	(4,777,915)	-	-	-	(7,807,879)
Issued during the financial year	12	12,607,879	-	-	-	-	-	12,607,879
Dividends	25	-	-	-	-	-	(2,000,000)	(2,000,000)
		12,607,879	(3,029,964)	(4,777,915)	-	-	(2,000,000)	2,800,000
Balance at 31 December 2024		12,607,881	-	(6,860,012)	(148)	-	6,850,363	12,598,084

The accompanying notes form an integral part of the financial statements

14. ACCOUNTANTS' REPORT (CONT'D)**PEOPLElogy BERHAD**

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2024, 31 DECEMBER 2023,
31 DECEMBER 2022 AND 31 DECEMBER 2021**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
OPERATING ACTIVITIES					
Profit before tax		7,507,574	7,556,120	6,546,178	4,780,287
Adjustments for:					
Depreciation of plant and equipment		274,911	172,274	115,079	127,313
Depreciation of right-of-use assets		596,570	724,293	609,884	505,673
Amortisation of intangible assets		103,393	74,774	46,154	15,385
Finance income		(8,695)	(396)	(288)	(343)
Finance costs		256,432	318,466	193,358	205,203
Loss/(gain) on termination on lease		-	11	(4,729)	-
Rental rebates		-	-	-	(60,023)
Unrealised loss on foreign exchange		3,742	2,891	-	-
Share of results of an associate company		(516,661)	-	-	-
Loss on disposal of other investment		10,170	-	-	-
Operating profit before working capital changes		8,227,436	8,848,433	7,505,636	5,573,495
Changes in working capital:					
Receivables		1,895,649	(3,957,886)	(3,176,562)	(2,605,100)
Payables		1,110,442	317,033	1,595,203	(11,019)
Contract costs		(1,421,092)	-	-	-
Associate company		93,520	-	-	-
Cash generated from operations		9,905,955	5,207,580	5,924,277	2,957,376
Tax paid		(2,518,110)	(1,628,212)	(1,508,876)	(902,457)
Tax refunded		-	-	34,932	-
Finance costs paid		(256,432)	(318,466)	(193,358)	(205,203)
Finance income received		8,695	396	288	343
Net cash from operating activities		7,140,108	3,261,298	4,257,263	1,850,059
INVESTING ACTIVITIES					
Purchase of plant and equipment		(427,756)	(73,541)	(231,040)	(52,796)
Purchase of right-of-use assets	A	(44,000)	-	(23,306)	-
Purchase of intangible assets		(31,590)	(318,000)	(254,400)	(160,695)
Acquisition of shares in an associate company		(500,000)	-	-	-
Acquisition of shares in a subsidiary company		(600,000)	-	(3,572,061)	-
Proceeds from disposal of associate companies		-	-	600,000	-
Purchase of other investment		-	(500,000)	-	-
Net cash used in investing activities		(1,603,346)	(891,541)	(3,480,807)	(213,491)
FINANCING ACTIVITIES					
Dividends paid		(5,200,000)	(3,800,000)	-	(200,000)
Repayments of lease liabilities		(835,240)	(790,599)	(595,366)	(432,979)
Advances from Directors		(1,184,298)	502,558	774,285	200,988
Drawdown of term loans		-	3,000,000	-	-
Repayments of term loans		(3,332,460)	(637,601)	(370,983)	(341,321)
Proceeds from issuance of ordinary shares		5,400,000	2	-	-
Net cash used in financing activities		(5,151,998)	(1,725,640)	(192,064)	(773,312)

14. ACCOUNTANTS' REPORT (CONT'D)**PEOPLElogy BERHAD**

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2024, 31 DECEMBER 2023,
31 DECEMBER 2022 AND 31 DECEMBER 2021 (CONT'D)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
	RM	RM	RM	RM
CASH AND CASH EQUIVALENTS				
Net changes	384,764	644,117	584,392	863,256
Brought forward	3,545,144	2,904,746	2,320,354	1,457,098
Effect of foreign exchange	(3,126)	(3,719)	-	-
Carried forward	<u>3,926,782</u>	<u>3,545,144</u>	<u>2,904,746</u>	<u>2,320,354</u>

NOTES TO THE STATEMENT OF CASH FLOWS**A. PURCHASE OF RIGHT-OF-USE ASSETS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
	RM	RM	RM	RM
Aggregate cost of right-of-use assets acquired	2,056,615	166,228	1,403,131	-
Financed via lease liabilities arrangements	(2,012,615)	(166,228)	(1,379,825)	-
	<u>44,000</u>	<u>-</u>	<u>23,306</u>	<u>-</u>

B. CASH OUTFLOWS FOR LEASES AS A LESSEE

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
	RM	RM	RM	RM
Payments relating to short-term leases	111,489	93,296	112,675	92,708
Payments of lease liabilities	835,240	790,599	595,366	432,979
Interest paid in relation to lease liabilities	75,757	54,039	84,019	63,070
Total cash outflows for leases	<u>1,022,486</u>	<u>937,934</u>	<u>792,060</u>	<u>588,757</u>

The accompanying notes form an integral part of the financial statements

14. ACCOUNTANTS' REPORT (*CONT'D*)

PEOPLElogy BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024, 31 DECEMBER 2023, 31 DECEMBER 2022 AND 31 DECEMBER 2021

1. GENERAL INFORMATION

1.1 Introduction

This report has been prepared solely to comply with the Prospectus Guidelines issued by the Securities Commission Malaysia and for inclusion in the prospectus of PEOPLElogy Berhad (“the Company or “PEOPLElogy”) in connection with the listing of and quotation for the entire enlarged issued share capital of PEOPLElogy on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) (hereinafter defined as “Listing”), and should not be relied upon for any other purposes.

1.2 Background

The Company was incorporated on 18 December 2023 as a private limited liability company under the name of PEOPLElogy Sdn. Bhd.. On 4 September 2024, the Company was converted into a public limited company under the name of PEOPLElogy Berhad.

The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor.

The principal place of business of the Company is located at 17-19 & 19-11, The Boulevard Office, Lingkaran Syed Putra, Mid Valley City, 59200 Kuala Lumpur.

14. ACCOUNTANTS' REPORT (CONT'D)

1. GENERAL INFORMATION (CONT'D)

1.3 Principal activities

The Company is principally engaged in investment holding.

The details of the combined entities are as follows:-

Name of company	Principal activities	Date of incorporation	Principal place of business	Effective ownership			
				<u>2024</u> %	<u>2023</u> %	<u>2022</u> %	<u>2021</u> %
PEOPLElogy Development Sdn. Bhd. ("PEOPLElogy Development")	Provision of integrated people development solutions and investment holding	19 June 2001	Malaysia	100	100	100	100
PEOPLElogy Digital Sdn. Bhd. ("PEOPLElogy Digital")	Provision of learning and performance management system, online learning platform and training content digitalisation services	7 April 2016	Malaysia	100	100	100	100
PEOPLElogy Discovery Sdn. Bhd. ("PEOPLElogy Discovery")	Provision of organisational talent consultancy services and profile assessment service	7 April 2016	Malaysia	100	100	100	100
PEOPLElogy International Pte. Ltd. (formerly known as PEOPLElogy Digital (S) Pte. Ltd.) ("PEOPLElogy International")*	Dormant	15 February 2023	Singapore	100	100	-	-
Held by Development:							
PEOPLElogy Community Sdn. Bhd. ("PEOPLElogy Community") (formerly known as PEOPLElogy Diversified Sdn. Bhd.)	Provision of services in relation to organising events, conferences and seminars	10 July 2004	Malaysia	100	100	100	100
PEOPLElogy Growth Sdn. Bhd. ("PEOPLElogy Growth")	Provision of digital skills and certification services	20 December 2011	Malaysia	100	100	100	100
PEOPLElogy Skill Sdn. Bhd. ("PEOPLElogy Skill")	Provision of ICT training and certification services	31 January 2013	Malaysia	100	100	100	100
PEOPLElogy Goal Sdn. Bhd. ("PEOPLElogy Goal")	Provision of soft skills and leadership training services	1 April 2013	Malaysia	100	100	100	100
PEOPLElogy Development (Southern) Sdn. Bhd. ("PEOPLElogy Southern")	Provision of integrated people development solutions for Southern region	24 February 2016	Malaysia	100	100	100	100
PEOPLElogy Development (Northern) Sdn. Bhd. ("PEOPLElogy Northern")	Provision of integrated people development solutions for Northern region	3 March 2016	Malaysia	100	100	100	100

* Grant Thornton Malaysia PLT are not the statutory auditors.

14. ACCOUNTANTS' REPORT (CONT'D)

1. GENERAL INFORMATION (CONT'D)

1.3 Principal activities (cont'd)

There was no significant change in the nature of the principal activities of PEOPLElogy and its combined entities.

1.4 Acquisitions

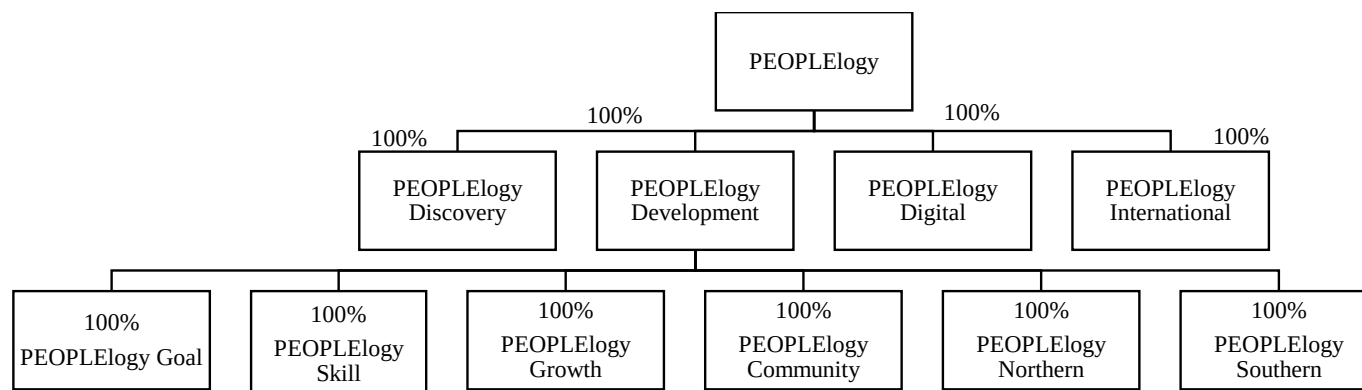
The PEOPLElogy Group was formed pursuant to the completion of acquisitions of PEOPLElogy Discovery, PEOPLElogy Digital, PEOPLElogy Development and PEOPLElogy International by PEOPLElogy to facilitate PEOPLElogy's listing on the ACE Market of Bursa Malaysia Securities Berhad.

On 15 February 2024, PEOPLElogy acquired the entire issued share capital of PEOPLElogy Discovery, PEOPLElogy Digital and PEOPLElogy Development with aggregate purchase consideration of RM7,207,879 satisfied by issuance of 144,157,580 new ordinary shares in PEOPLElogy at an issue price of RM0.05 per share by way of share swap with the shareholders ("Acquisitions").

In addition, on 30 May 2024, PEOPLElogy Development had also acquired the remaining 60% equity interest in PEOPLElogy Community for a total cash consideration of RM600,000.

Moreover, on 28 March 2024, PEOPLElogy Digital transferred the entire share capital of PEOPLElogy International, comprising 10,000 ordinary shares for cash consideration of SGD10,000 (equivalent to RM35,001) to PEOPLElogy.

Following the completion of the Acquisitions, the group structure of PEOPLElogy is as follows:-



14. ACCOUNTANTS' REPORT (CONT'D)**1. GENERAL INFORMATION (CONT'D)****1.4 Acquisitions (cont'd)**

The Group is regarded as a continuing entity resulting from the Acquisitions since the management of all the entities which took major part in the Acquisitions were controlled by common Directors and same major shareholders before and immediately after the Acquisitions. Consequently, immediately after the Acquisitions, there was a continuation of the control over all entities' financial and operating policy decisions and risks and benefits to the ultimate shareholders that existed prior to the Acquisitions. The Acquisitions have been accounted for as an acquisition under common control in a manner similar to pooling of interests. Accordingly, the combined financial statements for the financial years ended ("FYE") 31 December 2024, 31 December 2023, 31 December 2022 and 31 December 2021 have been prepared comprise the financial statements of the combined entities which were under common control of the ultimate shareholders that existed prior to the Acquisitions during the relevant periods or since their respective dates of incorporation.

2022

In year 2022, PEOPLElogy Development has undergone a series of group restructuring to acquire the remaining 70% equity interest of PEOPLElogy Southern and PEOPLElogy Northern for total cash consideration of RM700,000 and RM700,000 respectively. PEOPLElogy Development also acquired the remaining 30% of equity interest of PEOPLElogy Growth, PEOPLElogy Goal and PEOPLElogy Skill for total cash consideration of RM845,714, RM466,460 and RM859,887 respectively.

In the same year, PEOPLElogy Development had disposed 30% equity interest in PEOPLElogy Digital and PEOPLElogy Discovery for a total cash proceeds of RM300,000 and RM300,000 respectively.

2. BASIS OF PREPARATION**2.1 Basis of preparation**

The combined financial statements of the Group consist of the financial information of the entities as disclosed in Note 1, which were operating under common control throughout the reporting years by virtue of common controlling shareholders.

The combined financial statements have been prepared using financial information obtained from the records of the combined entities during the reporting years.

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

2.2 Statement of compliance

The combined financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and IFRS Accounting Standards based on the Guidance Note on 'Combined Financial Statements' issued by the Malaysian Institute of Accountants.

14. ACCOUNTANTS' REPORT (CONT'D)

2. BASIS OF PREPARATION (CONT'D)**2.3 Basis of measurement**

The combined financial statements of the Group is prepared under historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the combined financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

- (a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (b) Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- (c) Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the combined financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting date.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.4 Functional and presentation currency

These combined financial statements are presented in Ringgit Malaysia ("RM"), which is the combining entities' functional currency and all values are rounded to the nearest RM except when otherwise stated.

14. ACCOUNTANTS' REPORT (CONT'D)**2. BASIS OF PREPARATION (CONT'D)****2.5 Adoption of amendments/improvements to MFRS**

At the beginning of the current financial year, the Group adopted amendments/improvements to MFRS which are mandatory for the current financial year.

Initial application for the above amendments to standards did not have any material impacts to the combined financial statements of the Group.

2.6 Standard issued but not yet effective

The Group has not applied the following MFRSs and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group:-

Amendments to MFRS effective 1 January 2025:

Amendments to MFRS 121	The Effect of Changes in Foreign Exchange Rates - Lack of Exchangeability

Amendments to MFRS effective 1 January 2026:

Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments and Contracts Referencing Nature-dependent Electricity

Amendments that are part of Annual Improvement - Volume 11:

Amendments to MFRS 1	First-time Adoption of MFRS Accounting Standards
Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 10	Consolidated Financial Statements
Amendments to MFRS 107	Statement of Cash Flow

MFRSs effective 1 January 2027:

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures

Amendments to MFRSs - effective date deferred indefinitely:

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 Presentation and Disclosure in Financial Statements introduces three sets of new requirements to improve companies' reporting of financial performance:

- Improved comparability in the statement of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It carries forward many requirements from MFRS 101 unchanged. MFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, early adoption is applicable.

The initial application of the above standards and amendments are not expected to have any financial impact to the combined financial statements of the Group.

14. ACCOUNTANTS' REPORT (CONT'D)**2. BASIS OF PREPARATION (CONT'D)****2.7 Significant accounting estimates and judgements**

Estimates and assumptions concerning the future and judgements are made in the preparation of these combined financial statements. They affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results.

2.7.1 Estimation uncertainty

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

Management estimates the useful lives of the plant and equipment and right-of-use assets to be within 2 to 10 years and reviews the useful lives of depreciable assets at each reporting date. As at 31 December 2024, management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage and technological developments, which may result in adjustments to the Group's assets.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Provision for expected credit losses ("ECLs") of receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in its business sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

14. ACCOUNTANTS' REPORT (CONT'D)**2. BASIS OF PREPARATION (CONT'D)****2.7 Significant accounting estimates and judgements (cont'd)****2.7.1 Estimation uncertainty (cont'd)**Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

Income taxes and deferred tax liabilities

Significant judgement is involved in determining the Group-wide 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 tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

2.7.2 Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effects on the combined financial statements.

Determining the lease term of contracts with renewal options

The Group determines the lease term with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has lease contracts that include extension option. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for the said lease. The Group typically exercises its option to renew for lease with renewal option.

Internally generated software and research costs

Management monitors progress of internal research and development projects. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred.

To distinguish any research-type project phase from the development phase, it is the Group's accounting policy to also require a detailed forecast of sales or cost savings expected to be generated by the intangible asset. The forecast is incorporated into the Group's overall budget forecast as the capitalisation of development costs commences. This ensures that managerial accounting, impairment testing procedures and accounting for internally-generated intangible assets is based on the same data.

14. ACCOUNTANTS' REPORT (CONT'D)**2. BASIS OF PREPARATION (CONT'D)****2.7 Significant accounting estimates and judgements (cont'd)****2.7.2 Significant management judgements (cont'd)**Internally generated software and research costs (cont'd)

The management also monitors whether the recognition requirements for development costs continue to be met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems after the time of recognition.

3. MATERIAL ACCOUNTING POLICIES

The following accounting policies adopted by the Group are consistent with those adopted in the previous financial years unless otherwise indicated below.

3.1 Investment in associate company

Investment in associate company is accounted for using the equity method of accounting. Under the equity method, the investment in associate company is initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associate company.

3.2 Plant and equipment

All plant and equipment are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life at the following annual rates:

Computer	20% - 33.33%
Furniture and fittings	10%
Motor vehicles	20%
Office equipment	10% - 20%
Renovation	10% - 20%
Air-conditioners	10%
Signboards	10%

3.3 Intangible assets

Intangible assets that are internally generated and acquired by the Group are measured at cost less accumulated amortisation and any accumulated impairment losses. The intangible assets are amortised from the date that they are available for use and of which have finite useful life and are amortised on a straight-line basis over 10 years.

The expected useful life are assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method is reviewed at least at each reporting date.

14. ACCOUNTANTS' REPORT (CONT'D)**3. MATERIAL ACCOUNTING POLICIES (CONT'D)****3.4 Financial instruments****3.4.1 Financial assets**

As at the reporting date, the Group carries only financial assets at amortised cost and financial assets through other comprehensive income ("FVOCI") on its combined statements of financial position.

The Group's financial assets at amortised cost comprise trade and other receivables excluded prepayments and cash and cash equivalents.

In prior year, the Group's FVOCI comprised other investment.

3.4.2 Financial liabilities

As at the reporting date, the Group carries only financial liabilities at amortised cost on its combined statements of financial position.

The Group's financial liabilities comprise trade and other payables, amount due to Director, an associate company and borrowings.

3.5 Leases**As a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

Computer equipment	3 years
Premises	2 to 4 years
Motor vehicles	5 to 6 years
Renovations	5 to 10 years

Short-term lease

The Group applies the short-term lease recognition exemption to their short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expenses on a straight-line basis over the lease term.

14. ACCOUNTANTS' REPORT (CONT'D)**3. MATERIAL ACCOUNTING POLICIES (CONT'D)****3.6 Revenue recognition****3.6.1 Rendering of training services**

Revenue from rendering of training and other related services comprise multiple promises in the contracts which may include training, examination, assessment and monitoring. The Group determines that each promise is distinct and are therefore separate performance obligations. These contracts usually comprise fixed consideration. The transaction price is allocated to each performance obligation on the basis of relative standalone selling prices of each distinct service promised in the contract and is recognised when those performance obligations are satisfied and the control of services is transferred to the customer.

Revenue from rendering of training and other related services is recognised at the point in time when the Group has transferred control of promised service to the customer and the results are shared with the customers.

A receivable is recognised when the services are rendered as this is the point in time that the consideration is unconditional because only passage of time is required before the payment is due.

3.6.2 Provision of digital platform-based services

Revenue from provision of digital platform-based services is recognised at the point in time when the service is rendered to the customer.

3.6.3 Provision of subscription, hosting and technical support

Revenue from provision of subscription, hosting and technical support are billed in advance and recognised over time in the period in which the subscription, hosting and technical support are performed. As a practical expedient, the Group recognises the revenue on a straight-line method over the period of service.

3.6.4 Provision of consultancy services

Revenue from provision of consultancy services is recognised at the point in time when the service is rendered to the customer.

3.6.5 Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional, which included in the other receivables.

3.6.6 Contract liability

A contract liability is recognised if a payment is received or payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer). Deposits received from customers are represent advances received from customers and are recognised as contract liabilities which included in other payables.

14. ACCOUNTANTS' REPORT (CONT'D)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.6 Revenue recognition (cont'd)

3.6.7 Contract cost

Costs to fulfil a contract are costs relating directly to a contract that are incurred after contract inception and serve the purpose of fulfilling the contract but are incurred prior to fulfilment and cannot be capitalised under any other standard.

The capitalised contract cost is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

3.6.8 Revenue from other source

Other revenue earned by the Group are recognised on the following bases:

3.6.8.1 Finance income

Finance income is recognised as it accrues using the effective interest method in profit or loss.

3.6.8.2 Rental income arising from renting its training facilities

Rental income arising from renting its training facilities is accounted for on a straight-line basis over the lease terms.

3.6.8.3 Dividend income

Dividend income is recognised when the right to receive payment is established.

3.7 Deferred tax assets/liabilities

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the asset and liabilities, using tax rates enacted or substantively enacted at the reporting date.

14. ACCOUNTANTS' REPORT (CONT'D)

4. PLANT AND EQUIPMENT

	Computer RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Air- conditioners RM	Signboards RM	Total RM
At 1 January 2021	660,285	181,627	-	86,318	498,853	25,970	6,260	1,459,313
Additions	36,513	-	-	14,733	-	1,550	-	52,796
At 31 December 2021	696,798	181,627	-	101,051	498,853	27,520	6,260	1,512,109
Additions	46,001	15,253	-	8,078	161,708	-	-	231,040
At 31 December 2022	742,799	196,880	-	109,129	660,561	27,520	6,260	1,743,149
Additions	61,216	-	-	12,325	-	-	-	73,541
Transferred from right-of-use assets	120,915	-	-	-	-	-	-	120,915
At 31 December 2023	924,930	196,880	-	121,454	660,561	27,520	6,260	1,937,605
Additions	92,098	61,296	-	27,813	231,649	14,900	-	427,756
Transferred from right-of-use assets	150,720	57,860	142,816	-	82,769	-	-	434,165
Written off	(11,212)	-	-	(372)	(89,566)	-	-	(101,150)
At 31 December 2024	1,156,536	316,036	142,816	148,895	885,413	42,420	6,260	2,698,376
Accumulated depreciation								
At 1 January 2021	439,479	120,135	-	76,955	422,364	21,776	6,260	1,086,969
Charge for the financial year	61,136	15,301	-	3,939	44,301	2,636	-	127,313
At 31 December 2021	500,615	135,436	-	80,894	466,665	24,412	6,260	1,214,282
Charge for the financial year	75,586	13,545	-	5,693	19,023	1,232	-	115,079
At 31 December 2022	576,201	148,981	-	86,587	485,688	25,644	6,260	1,329,361
Charge for the financial year	108,831	12,189	-	9,711	41,018	525	-	172,274
Transferred from right-of-use assets	80,610	-	-	-	-	-	-	80,610
At 31 December 2023	765,642	161,170	-	96,298	526,706	26,169	6,260	1,582,245
Charge for the financial year	170,522	18,647	-	15,226	69,466	1,050	-	274,911
Transferred from right-of-use assets	50,946	8,197	142,816	-	10,419	-	-	212,378
Written off	(11,212)	-	-	(372)	(89,566)	-	-	(101,150)
At 31 December 2024	975,898	188,014	142,816	111,152	517,025	27,219	6,260	1,968,384
Net carrying amount								
31 December 2021	196,183	46,191	-	20,157	32,188	3,108	-	297,827
31 December 2022	166,598	47,899	-	22,542	174,873	1,876	-	413,788
31 December 2023	159,288	35,710	-	25,156	133,855	1,351	-	355,360
31 December 2024	180,638	128,022	-	37,743	368,388	15,201	-	729,992

14. ACCOUNTANTS' REPORT (CONT'D)**5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES****As lessee****Right-of-use assets**

Information on right-of-use assets are as follows:-

	Computer equipment RM	Premises RM	Motor vehicles RM	Renovations RM	Total RM
Cost					
At 1 January 2021/31 December 2021	120,915	1,453,907	142,816	-	1,717,638
Additions	71,520	1,190,982	-	140,629	1,403,131
Termination	-	(308,996)	-	-	(308,996)
Modification	-	145,575	-	-	145,575
At 31 December 2022	192,435	2,481,468	142,816	140,629	2,957,348
Additions	79,200	87,028	-	-	166,228
Modification	-	81,117	-	-	81,117
Termination	-	(171,314)	-	-	(171,314)
Transferred to plant and equipment	(120,915)	-	-	-	(120,915)
At 31 December 2023	150,720	2,478,299	142,816	140,629	2,912,464
Additions	-	1,792,615	264,000	-	2,056,615
Termination	-	(1,484,152)	-	-	(1,484,152)
Transferred to plant and equipment	(150,720)	-	(142,816)	(140,629)	(434,165)
At 31 December 2024	-	2,786,762	264,000	-	3,050,762
Accumulated depreciation					
At 1 January 2021	8,061	339,693	57,126	-	404,880
Charge for the financial year	24,183	452,926	28,564	-	505,673
At 31 December 2021	32,244	792,619	85,690	-	910,553
Charge for the financial year	38,090	533,923	28,563	9,308	609,884
Termination	-	(205,997)	-	-	(205,997)
At 31 December 2022	70,334	1,120,545	114,253	9,308	1,314,440
Charge for the financial year	61,222	625,200	28,563	9,308	724,293
Termination	-	(171,250)	-	-	(171,250)
Transferred to plant and equipment	(80,610)	-	-	-	(80,610)
At 31 December 2023	50,946	1,574,495	142,816	18,616	1,786,873
Charge for the financial year	-	583,370	13,200	-	596,570
Termination	-	(1,016,457)	-	-	(1,016,457)
Transferred to plant and equipment	(50,946)	-	(142,816)	(18,616)	(212,378)
At 31 December 2024	-	1,141,408	13,200	-	1,154,608
Net carrying amount					
31 December 2021	88,671	661,288	57,126	-	807,085
31 December 2022	122,101	1,360,923	28,563	131,321	1,642,908
31 December 2023	99,774	903,804	-	122,013	1,125,591
31 December 2024	-	1,645,354	250,800	-	1,896,154

14. ACCOUNTANTS' REPORT (CONT'D)**5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)****As lessee (cont'd)****Lease liabilities**

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Current	657,673	530,890	645,555	427,165
Non-current	<u>1,196,874</u>	<u>613,977</u>	<u>1,042,619</u>	<u>438,703</u>
	<u>1,854,547</u>	<u>1,144,867</u>	<u>1,688,174</u>	<u>865,868</u>

Set out below are the movements of the lease liabilities during the financial year:-

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
At beginning of financial year	1,144,867	1,688,174	865,868	1,358,870
Additions	2,012,615	166,228	1,379,825	-
Lease interest	75,757	54,039	84,019	63,070
Payment for interest	(75,757)	(54,039)	(84,019)	(63,070)
Lease payments	(835,240)	(790,599)	(595,366)	(432,979)
Lease modification	-	81,117	145,575	-
Lease termination	(467,695)	(53)	(107,728)	-
Rental rebates	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,023)</u>
At end of financial year	<u>1,854,547</u>	<u>1,144,867</u>	<u>1,688,174</u>	<u>865,868</u>

As at the reporting date, the interest rates of the lease liabilities are as follows:-

	<u>2024</u> %	<u>2023</u> %	<u>2022</u> %	<u>2021</u> %
Computer equipment	-	9.80	9.80	9.80
Premises	5.50 - 6.74	5.50 - 6.74	6.50	5.50
Motor vehicles	4.58	4.53	4.53	4.53
Renovations	<u>-</u>	<u>6.59</u>	<u>6.59</u>	<u>-</u>

The following are the amounts relating to right-of-use assets and lease liabilities recognised in profit or loss:-

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Depreciation of right-of-use assets	596,570	724,293	609,884	505,673
Interest expense on lease liabilities	75,757	54,039	84,019	63,070
Expenses relating to short-term leases	<u>111,489</u>	<u>93,296</u>	<u>112,675</u>	<u>92,708</u>

14. ACCOUNTANTS' REPORT (CONT'D)
6. INTANGIBLE ASSETS

	Mobile software application RM	Mobile learning application RM	Total RM
Cost			
At 1.1.2021	306,235	-	306,235
Additions	160,695	-	160,695
At 31.12.2021	466,930	-	466,930
Additions	-	254,400	254,400
At 31.12.2022	466,930	254,400	721,330
Additions	-	318,000	318,000
At 31.12.2023	466,930	572,400	1,039,330
Additions	-	31,590	31,590
At 31.12.2024	466,930	603,990	1,070,920
Accumulated amortisation			
At 1.1.2021	-	-	-
Charge for the financial year	15,385	-	15,385
At 31.12.2021	15,385	-	15,385
Charge for the financial year	46,154	-	46,154
At 31.12.2022	61,539	-	61,539
Charge for the financial year	46,154	28,620	74,774
At 31.12.2023	107,693	28,620	136,313
Charge for the financial year	46,153	57,240	103,393
At 31.12.2024	153,846	85,860	239,706
Net carrying amount			
31.12.2021	451,545	-	451,545
31.12.2022	405,391	254,400	659,791
31.12.2023	359,237	543,780	903,017
31.12.2024	313,084	518,130	831,214

14. ACCOUNTANTS' REPORT (CONT'D)**7. OTHER INVESTMENT**

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Non-current				
Financial assets at FVOCI:				
Unquoted shares in Malaysia	-	210,000	-	-
Fair value of unquoted investments (Level 3)	-	210,000	-	-

The unquoted shares belong to PEOPLElogy Interactive Sdn. Bhd. ("PISB"), a subsidiary of PEOPLElogy Digital, which is currently in the striking off process and will not be included as part of the Group.

Details of the Level 3 fair value measurement are as follows:-

<u>Valuation method and key inputs</u>	<u>Significant unobservable inputs</u>	<u>Relationship of unobservable inputs and fair values</u>
Adjusted net assets method which derives the fair value of an investee's equity instrument by reference to the fair values of its assets and liabilities	Fair values of individual assets and liabilities	The higher the net assets, the higher the fair values

There was no transfer of fair value hierarchy during the financial year.

8. INVESTMENT IN AN ASSOCIATE COMPANY**8.1 Investment in an associate company**

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Unquoted shares, at cost:				
- in Malaysia	500,000	-	-	-
Share of post-acquisition results	516,661	-	-	-
	<u>1,016,661</u>	<u>-</u>	<u>-</u>	<u>-</u>

On 30 January 2024, PEOPLElogy Discovery had entered into a shares sale agreement with Theophilus Wong Ming Ming and Mary Su Ai Ching to acquire 30% equity interest in Fish Camp Learning for a total cash consideration of RM500,000. The acquisition was completed on 5 February 2024.

14. ACCOUNTANTS' REPORT (CONT'D)**8. INVESTMENT IN AN ASSOCIATE COMPANY (CONT'D)****8.1 Investment in an associate company (cont'd)**

The particulars of the associate company which principal places of business are in Malaysia are as follows:-

<u>Name of company</u>	<u>Effective interest</u>				<u>Principal activities</u>
	<u>2024</u> %	<u>2023</u> %	<u>2022</u> %	<u>2021</u> %	
Fish Camp Learning Sdn. Bhd. ("Fish Camp Learning")	30	-	-	-	Provision of business as trainers, developers, educations and all kind of training consultancy and related service and solutions that address the business, management, organisational and people issues

The following table summarises the information of the Group's associate company, reconciles the information to the carrying amount of the Group's interest in the associate company.

	Fish Camp Learning RM
Summary of financial position as at 31 December 2024	
Non-current assets	158,236
Current assets	3,399,143
Non-current liabilities	(67,751)
Current liabilities	<u>(868,119)</u>
Net assets	<u>2,621,509</u>
Summary of financial performance for the financial period from the date of acquisition to 31 December 2024	
Net profit/Total comprehensive income	<u>1,722,202</u>
Revenue included in the net profit/total comprehensive income	<u>7,161,608</u>
Reconciliation of net assets to carrying amount as at 31 December 2024	
Share of net assets	786,453
Goodwill on acquisition	<u>230,208</u>
Carrying amount in the statements of financial position	<u>1,016,661</u>
Group's share of results for the financial period from the date of acquisition to 31 December 2024	
Group's share of profit/total comprehensive income	<u>516,661</u>

Contingent liabilities and capital commitments

The associate company has no contingent liabilities and capital commitments as at the reporting date.

There was no associate company held by the Group in the previous financial years.

14. ACCOUNTANTS' REPORT (CONT'D)

8. INVESTMENT IN AN ASSOCIATE COMPANY (CONT'D)

8.2 Amount due to an associate company

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Amount due to an associate company	93,520	-	-	-

The amount due to an associate company is trade in nature, non-interest bearing and is generally on 30 to 90 days (2023, 2022 and 2021: Nil) credit terms.

9. TRADE RECEIVABLES

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2023, 2022 and 2021: 30 to 90 days) credit terms.

10. OTHER RECEIVABLES

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Non-trade receivables	378,753	3,810,771	11,767	358,126
Deposits	391,817	273,758	272,341	180,271
Prepayments	2,442,844	491,484	1,027,745	411,405
Contract assets	613,970	-	-	-
	<u>3,827,384</u>	<u>4,576,013</u>	<u>1,311,853</u>	<u>949,802</u>

In year 2022, included in prepayments was an amount of RM500,000 paid to PISB for the purpose of subscription of ordinary shares at an issue price of RM1 per ordinary share. The transaction was completed in year 2023.

In year 2021, included in non-trade receivables was an amount of RM348,026 paid to PISB for working capital purpose.

Contract assets arise as a result of revenue is recognised for satisfying the performance obligations prior to the consideration made by a new customer. Contract assets increased as a result of the significant progress in the service contract over the billings issued to customers.

11. CONTRACT COSTS

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Cost to fulfill contracts	1,421,092	-	-	-

The Company incurs upfront examination fees, which are necessary to fulfill its performance obligations. These costs are capitalised as cost to fulfill a contract and amortised to cost of sales when the related revenue is recognised.

14. ACCOUNTANTS' REPORT (CONT'D)**12. SHARE CAPITAL/INVESTED EQUITY****Share capital**

	<u>2024</u>	Number of ordinary shares		
		<u>2023</u>	<u>2022</u>	<u>2021</u>
Issued and fully paid ordinary shares with no par value:-				
At 1 January	2	-	-	-
Issued during the financial year	306,716,934	2	-	-
At 31 December	<u>306,716,936</u>	<u>2</u>	<u>-</u>	<u>-</u>

	<u>2024</u>	Amount		
	<u>RM</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
		<u>RM</u>	<u>RM</u>	<u>RM</u>
Issued and fully paid ordinary shares with no par value:-				
At 1 January	2	-	-	-
Issued during the financial year	12,607,879	2	-	-
At 31 December	<u>12,607,881</u>	<u>2</u>	<u>-</u>	<u>-</u>

On 18 December 2023, PEOPLElogy was incorporated with a total paid-up share capital of RM2 comprising 2 ordinary shares. Subsequently, on 15 February 2024, the Company issued 144,157,580 new ordinary shares at an issue price of RM0.05 per ordinary share by way of share swap with the shareholders of PEOPLElogy Development, PEOPLElogy Digital and PEOPLElogy Discovery for total consideration of RM7,207,879. Furthermore, on 23 February 2024, the Company issued 9,200,886 new ordinary shares at an issue price of RM0.5869 per ordinary share for a total cash consideration of RM5,400,000 for working capital purposes.

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

Invested equity

	<u>2024</u>	Number of ordinary shares		
		<u>2023</u>	<u>2022</u>	<u>2021</u>
Issued and fully paid with no par value:-				
At 1 January	1,230,000	1,230,000	1,400,000	1,400,000
Adjustment pursuant to merger accounting	(1,230,000)	-	(170,000)	-
At 31 December	<u>-</u>	<u>1,230,000</u>	<u>1,230,000</u>	<u>1,400,000</u>

14. ACCOUNTANTS' REPORT (CONT'D)**12. SHARE CAPITAL/INVESTED EQUITY (CONT'D)**

Invested equity (cont'd)	Amount			
	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Issued and fully paid with no par value:-				
At 1 January	3,029,964	3,029,964	3,919,928	3,919,928
Adjustment pursuant to merger accounting	<u>(3,029,964)</u>	<u>-</u>	<u>(889,964)</u>	<u>-</u>
At 31 December	<u>-</u>	<u>3,029,964</u>	<u>3,029,964</u>	<u>3,919,928</u>

For the purpose of this combined financial statements, the invested equity as at the end of the respective financial years represented the total issued share capital of the Company and its combined entities within the group, which was eliminated against the investments in subsidiaries and associate companies.

13. MERGER DEFICITS

The merger deficits arise as and when the acquisition under common control took place, it comprises the difference between the cost of merger and the nominal value of shares acquired in PEOPLEogy Community, PEOPLEogy Development, PEOPLEogy Digital, PEOPLEogy Discovery, PEOPLEogy Growth, PEOPLEogy Skill, PEOPLEogy Goal, PEOPLEogy Northern and PEOPLEogy Southern.

14. FOREIGN CURRENCY TRANSLATION RESERVE

This is in respect of foreign exchange differences arising from the translation of the combined financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

15. FAIR VALUE RESERVE

The fair value reserve arose from fair value changes in investment in unquoted shares. Upon derecognition of the financial asset, the cumulative fair value loss was transferred to retained earnings.

16. BORROWINGS

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Current				
Secured:-				
Term loans	-	813,162	412,463	368,337
Non-current				
Secured:-				
Term loans	<u>-</u>	<u>2,519,298</u>	<u>557,598</u>	<u>972,707</u>
	<u>-</u>	<u>3,332,460</u>	<u>970,061</u>	<u>1,341,044</u>

14. ACCOUNTANTS' REPORT (CONT'D)

16. BORROWINGS (CONT'D)

In previous years, the term loans of the Group were secured by:

- 1) Joint and several guarantee by certain Directors of the Group; and
- 2) Corporate guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad ("SJPP").

Term loan facilities were repayable as follows:

	Year of <u>maturity</u>	Number of <u>instalment</u>	Instalment <u>amount</u> RM	<u>2024</u> %	<u>Effective interest rate</u>			<u>2021</u> %
					<u>2023</u> %	<u>2022</u> %		
Term loan 1	2026	66	1,860	3.50	3.50	3.50		3.50
Term loan 2	2024	60	15,900	6.50	6.50	6.50		6.50
Term loan 3	2024	60	11,122	12.00	12.00	12.00		12.00
Term loan 4	2025	60	10,658	10.14	10.14	10.14		10.14
Term loan 5	2030	84	45,940	7.45	7.45	-		-

The Group had settled all of its bank borrowings during the financial year.

17. DEFERRED TAX LIABILITIES

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
At beginning of financial year	18,281	18,281	18,281	18,281
Transferred to profit or loss (Note 23)	11,000	-	-	-
At end of financial year	<u>29,281</u>	<u>18,281</u>	<u>18,281</u>	<u>18,281</u>

The deferred tax liabilities are made up of tax impact on temporary differences arising from carrying amount of qualifying property, plant and equipment in excess of its tax base.

18. TRADE PAYABLES

Trade payables are unsecured, non-interest bearing and the normal credit term granted by the suppliers ranging from 30 to 90 days (2023, 2022 and 2021: 30 to 90 days).

19. OTHER PAYABLES

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Non-trade payables	2,150,559	1,237,478	1,020,023	609,241
Accruals	772,833	1,056,124	1,303,954	870,695
Deposits received	1,388,902	1,163,886	56,839	80,056
Dividend payable	-	3,200,000	1,000,000	-
	<u>4,312,294</u>	<u>6,657,488</u>	<u>3,380,816</u>	<u>1,559,992</u>

14. ACCOUNTANTS' REPORT (CONT'D)**19. OTHER PAYABLES (CONT'D)**

Included in the other payables is an amount of Nil (2023: RM205,000, 2022 and 2021: Nil) due to PISB, which are non-trade in nature, unsecured and repayable on demand.

The deposits received represents advances received from customers, which will be realised in the next financial year.

20. AMOUNT DUE TO DIRECTOR

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Due from	-	-	(50,000)	-
Due to	361,754	1,546,052	1,093,494	269,209
	<u>361,754</u>	<u>1,546,052</u>	<u>1,043,494</u>	<u>269,209</u>

Amount due to Director represents interest free advances which are non-trade in nature, unsecured and repayable on demand.

As at 31 December 2024, the amount due to Director represents staff reimbursement claim, which has been settled as at the date of this report.

The amount due from Director in year 2022 had been fully settled in year 2023.

21. REVENUE

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Revenue from contracts with customers				
Rendering of training services	28,480,473	24,454,914	22,353,621	15,859,219
Subscription and training fee from digital platform services	149,707	126,746	170,754	58,491
Rendering of consultancy services	563,457	50,800	133,400	-
Revenue from other source:				
Rental income from renting its training facilities	46,849	96,862	135,365	359,833
	<u>29,240,486</u>	<u>24,729,322</u>	<u>22,793,140</u>	<u>16,277,543</u>
Timing of recognition of revenue from contracts with customers				
Services at a point in time	29,147,383	24,640,312	22,716,725	16,254,901
Services over time	93,103	89,010	76,415	22,642
	<u>29,240,486</u>	<u>24,729,322</u>	<u>22,793,140</u>	<u>16,277,543</u>

Revenue by geographical location is disclosed in Note 28 to the report.

14. ACCOUNTANTS' REPORT (CONT'D)**22. PROFIT BEFORE TAX**

Profit before tax has been determined after charging amongst others, the following items:-

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Audit' remuneration related to:				
Grant Thornton Malaysia PLT				
- Statutory audit	198,000	105,000	82,000	65,000
- Other services	30,000	28,000	28,000	27,300
- Non-assurance related services	-	12,710	-	-
Other auditors	8,211	8,716	-	-
Rental expense – short term leases	111,489	93,296	112,675	92,708
Realised loss on foreign exchange	9,161	17,027	14,427	-

23. TAX EXPENSE

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
<u>Current tax:-</u>				
Current financial year provision	1,841,278	1,839,561	1,776,527	1,172,320
Deferred tax (Note 17)	11,000	-	-	-
Under/(Over) provision in prior financial year	188,989	(82,544)	(4,029)	3,810
	<u>2,041,267</u>	<u>1,757,017</u>	<u>1,772,498</u>	<u>1,176,130</u>

Malaysian income tax is calculated at the statutory rate of 24% (2023, 2022 and 2021: 24%) of the estimated assessable profit for the current financial year.

A reconciliation of tax expense applicable to profit before tax at the statutory tax rate to tax expense at the effective tax rate of the Group are as follows:-

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Profit before tax	7,507,574	7,556,120	6,546,178	4,780,287
Less: Share of results of an associate company	(516,661)	-	-	-
	6,990,913	7,556,120	6,546,178	4,780,287
Tax at Malaysian statutory tax rate of 24% (2023, 2022 and 2021: 24%)	1,677,819	1,813,469	1,571,083	1,147,269
<u>Tax effects in respect of:-</u>				
Expenses not deductible for tax purposes	182,445	275,465	285,625	91,276
Income not subject to tax	(7,605)	(132,158)	(62,191)	-
Tax savings arising from first RM600,000 of chargeable income	(169,581)	(166,415)	(143,990)	(117,225)
Movement of deferred tax assets not recognised	169,200	49,200	126,000	51,000
Under/(Over) provision of current tax in prior years	188,989	(82,544)	(4,029)	3,810
	<u>2,041,267</u>	<u>1,757,017</u>	<u>1,772,498</u>	<u>1,176,130</u>

14. ACCOUNTANTS' REPORT (CONT'D)**23. TAX EXPENSE (CONT'D)**

Deferred tax assets have not been recognised in respect of the following items:

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Unabsorbed business losses	3,683,000	2,980,000	3,090,000	2,536,000
Unutilised capital allowances	<u>64,000</u>	<u>62,000</u>	<u>125,000</u>	<u>154,000</u>
	<u>3,747,000</u>	<u>3,042,000</u>	<u>3,215,000</u>	<u>2,690,000</u>

The potential deferred tax assets have not been recognised in respect of unabsorbed business losses and unutilised capital allowances as it is not probable that whether sufficient future taxable profits will be available in the near future in which the Group can utilise these benefits. The unabsorbed business losses can be carried forward to offset against future taxable profits.

The unabsorbed tax losses of the Group as of 31 December 2018 and thereafter will be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unabsorbed tax losses will be disregarded.

The expiry terms of the unabsorbed business losses of the Group are as follows:

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Year of assessment 2028	861,000	1,075,000	1,915,000	1,935,000
Year of assessment 2029	46,000	152,000	166,000	166,000
Year of assessment 2030	94,000	156,000	155,000	155,000
Year of assessment 2031	281,000	281,000	280,000	280,000
Year of assessment 2032	574,000	574,000	574,000	-
Year of assessment 2033	742,000	742,000	-	-
Year of assessment 2034	<u>1,085,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,683,000</u>	<u>2,980,000</u>	<u>3,090,000</u>	<u>2,536,000</u>

24. EARNINGS PER SHAREBasic earnings per share

Basic earnings per share for the year is calculated by dividing the net profit for the financial year attributable to common controlling shareholders by the weighted average number of ordinary shares in issue.

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Profit attributable to owners of the Company (RM)	5,466,307	5,799,103	4,773,680	3,604,157
Number of ordinary shares#	306,716,936	306,716,936	306,716,936	306,716,936
Basic earnings per share (sen)	<u>1.78</u>	<u>1.89</u>	<u>1.56</u>	<u>1.18</u>

- it is assumed to be the number of ordinary shares before public issue.

14. ACCOUNTANTS' REPORT (CONT'D)**24. EARNINGS PER SHARE (CONT'D)**Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit for the financial year attributable to common controlling shareholders by the weighted average number of ordinary shares in issue, adjusted for the dilutive effects of all potential ordinary shares to be issued. Diluted earnings per share equals basic earnings per share because there are no potential dilutive instruments in existence at the reporting date.

25. DIVIDENDS

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
<u>In respect of the financial year ended 31 December 2024</u>				
First interim single tier dividend of RM0.01 per ordinary share	2,000,000	-	-	-
<u>In respect of the financial year ended 31 December 2023</u>				
First interim single tier dividend of RM2.50 per ordinary share	-	2,500,000	-	-
Second interim single tier dividend of RM2.00 per ordinary share	-	2,000,000	-	-
Third interim single tier dividend of RM1.50 per ordinary share	-	1,500,000	-	-
<u>In respect of the financial year ended 31 December 2022</u>				
First interim single tier dividend of RM1.00 per ordinary share	-	-	1,000,000	-
	<u>2,000,000</u>	<u>6,000,000</u>	<u>1,000,000</u>	<u>-</u>

26. EMPLOYEE BENEFIT EXPENSES

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Salaries, wages and other emoluments	5,728,638	5,213,443	4,483,526	3,083,504
Directors' fee	118,000	144,000	148,000	133,000
Directors' remuneration	1,619,569	1,154,252	1,490,021	985,502
Defined contribution plan	1,321,212	654,946	496,669	399,060
Social security contribution	80,814	71,535	54,713	37,520
Other benefits	283,067	251,247	286,004	106,693
	<u>9,151,300</u>	<u>7,489,423</u>	<u>6,958,933</u>	<u>4,745,279</u>

Included in the defined contribution plan is an amount of RM543,992 (2023, 2022 and 2021: Nil) in relation to the profit-sharing payments as disclosed in Note 31 (x) to the report.

14. ACCOUNTANTS' REPORT (CONT'D)

26. EMPLOYEE BENEFIT EXPENSES (CONT'D)

Employee benefit expenses include Directors' remuneration and other key management personnels are as follows:-

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Executive Directors:-				
Director fees	36,000	72,000	81,000	96,000
Salaries, bonus and other emoluments	1,213,185	850,664	1,056,763	615,115
Defined contribution plan	143,280	101,280	94,800	75,775
	<u>1,392,465</u>	<u>1,023,944</u>	<u>1,232,563</u>	<u>786,890</u>
Directors of the subsidiaries:-				
Director fees	36,000	72,000	67,000	37,000
Salaries, bonus and other emoluments	235,192	180,948	307,419	267,257
Defined contribution plan	27,912	21,360	31,039	27,355
	<u>299,104</u>	<u>274,308</u>	<u>405,458</u>	<u>331,612</u>
Non-executive Directors:-				
Directors' fee	46,000	-	-	-
	<u>1,737,569</u>	<u>1,298,252</u>	<u>1,638,021</u>	<u>1,118,502</u>
Other key management personnel:-				
Salaries, bonus and other emoluments	189,317	657,326	642,505	498,090
Defined contribution plan	22,596	78,330	65,988	54,300
	<u>211,913</u>	<u>735,656</u>	<u>708,493</u>	<u>552,390</u>

27. RELATED PARTY DISCLOSURES

(a) Significant related party transactions

Significant related party transactions, other than those disclosed elsewhere in the combined financial statements are as follows:-

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
<u>Transactions with a Director</u>				
Acquisition of remaining equity interest in:				
- PEOPLEogy Community	600,000	-	-	-
- PEOPLEogy Development	4,426,760	-	-	-
- PEOPLEogy Digital	999,982	-	-	-
- PEOPLEogy Discovery	999,982	-	-	-
- PEOPLEogy Growth	-	-	845,714	-
- PEOPLEogy Goal	-	-	466,460	-
	<u>-</u>	<u>-</u>	<u>466,460</u>	<u>-</u>

14. ACCOUNTANTS' REPORT (CONT'D)**27. RELATED PARTY DISCLOSURES (CONT'D)****(a) Significant related party transactions (cont'd)**

Significant related party transactions, other than those disclosed elsewhere in the combined financial statements are as follows (cont'd):-

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
<u>Transactions with a Director</u> <u>(cont'd)</u>				
Acquisition of remaining equity interest in (cont'd):				
- PEOPLElogy Skill	-	-	859,887	-
- PEOPLElogy Southern	-	-	700,000	-
- PEOPLElogy Northern	-	-	700,000	-
Disposal of equity interest in:				
- PEOPLElogy Digital	-	-	300,000	-
- PEOPLElogy Discovery	-	-	300,000	-
Acquisition of other investment				
- PISB	-	100,000	-	-
<u>Transaction with an associate company</u>				
Purchase from	105,040	-	-	-

(b) Related party balances

Outstanding related party balances are disclosed in Notes 8, 10 and 19 to the report.

(c) Compensation of key management personnels

Key management personnels include all Directors of the Group and member of key management personnel of the Group. The remunerations paid to the Directors and other key management personnel during the financial years are disclosed in Note 26 to the report.

Key management personnels are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

28. OPERATING SEGMENTS**Business segments**

Information about business segment has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely provision of training and development and other related services. Accordingly, no separate segment information is presented as the management view the Group as a single reportable segment.

14. ACCOUNTANTS' REPORT (CONT'D)

28. OPERATING SEGMENTS (CONT'D)

Geographical segments

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Geographical markets:-				
Malaysia	28,609,871	24,291,475	22,793,140	16,277,543
Indonesia	584,715	-	-	-
Philippines	45,900	-	-	-
Singapore	-	437,847	-	-
	<u>29,240,486</u>	<u>24,729,322</u>	<u>22,793,140</u>	<u>16,277,543</u>

Major customers

The following are major customers with revenue equal or more than 10 percent of the Group's revenue:-

	RM	%
2024		
Customer A	<u>14,964,813</u>	51.18
Customer B	<u>4,667,634</u>	15.96
2023		
Customer A	<u>11,182,883</u>	45.22
2022		
Customer A	<u>13,973,333</u>	61.30
2021		
Customer A	<u>11,357,285</u>	69.77

29. FINANCIAL INSTRUMENTS

29.1 Financial risk management

The Group is exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's business whilst managing their credit risk, liquidity risk and interest rate risk. The Group operates within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activities are set out as follows:-

(a) 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. It is the Group's policy to enter into financial instruments with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

14. ACCOUNTANTS' REPORT (CONT'D)**29. FINANCIAL INSTRUMENTS (CONT'D)****29.1 Financial risk management (cont'd)**

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activities are set out as follows (cont'd):-

(a) Credit risk (cont'd)

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instrument are broadly diversified along industry, services and geographical lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

The Group's objective are to seek continual revenue growth while minimising losses incurred due to increase credit risk exposure. The Group extends credit only to recognised and creditworthy third parties. It is the Group's policy that all customers are subjected to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

i. Receivables and contract assets

The Group's exposure to credit risk are influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns by customer type and rating. Generally, trade receivables are written-off if the Directors deem them uncollectable. Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

As at reporting date, the Group has trade receivables amounting to RM2,292,709 (2023: RM2,979,484, 2022: RM2,556,661 and 2021: RM838,986) that are past due but not impaired at the end of the reporting period as the management is of the view that these debts will be collected in due course.

As at reporting date, the Group is not exposed to any significant credit risk exposure to any single counterparty other than 80.91% (2023: 78.19%, 2022: 81.72% and 2021: 80.45%) of total trade receivables were owing from 1 (2023: 1, 2022: 1 and 2021: 1) customer respectively.

14. ACCOUNTANTS' REPORT (CONT'D)**29. FINANCIAL INSTRUMENTS (CONT'D)****29.1 Financial risk management (cont'd)**

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activities are set out as follows (cont'd):-

(a) Credit risk (cont'd)**i. Receivables and contract assets (cont'd)**

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:-

	Gross carrying amount RM	Allowances for credit losses RM	Net balances RM
<u>Trade receivables</u>			
<u>2024</u>			
Not past due	4,335,161	-	4,335,161
Past due 1 – 30 days	1,321,058	-	1,321,058
Past due more than 31 days	295,657	-	295,657
Past due more than 61 days	128,138	-	128,138
Past due more than 90 days	547,856	-	547,856
	<u>6,627,870</u>	<u>-</u>	<u>6,627,870</u>
Contract assets	<u>613,970</u>	<u>-</u>	<u>613,970</u>
<u>Trade receivables</u>			
<u>2023</u>			
Not past due	4,795,406	-	4,795,406
Past due 1 – 30 days	1,140,839	-	1,140,839
Past due more than 31 days	987,250	-	987,250
Past due more than 61 days	54,646	-	54,646
Past due more than 90 days	796,749	-	796,749
	<u>7,774,890</u>	<u>-</u>	<u>7,774,890</u>
<u>Trade receivables</u>			
<u>2022</u>			
Not past due	4,524,503	-	4,524,503
Past due 1 – 30 days	1,252,926	-	1,252,926
Past due more than 31 days	636,746	-	636,746
Past due more than 61 days	397,020	-	397,020
Past due more than 90 days	269,969	-	269,969
	<u>7,081,164</u>	<u>-</u>	<u>7,081,164</u>

14. ACCOUNTANTS' REPORT (CONT'D)**29. FINANCIAL INSTRUMENTS (CONT'D)****29.1 Financial risk management (cont'd)**

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activities are set out as follows (cont'd):-

(a) Credit risk (cont'd)**i. Receivables and contract assets (cont'd)**

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix (cont'd):-

	Gross carrying amount RM	Allowances for credit losses RM	Net balances RM
<u>Trade receivables</u>			
<u>2021</u>			
Not past due	3,427,667	-	3,427,667
Past due 1 – 30 days	679,218	-	679,218
Past due more than 31 days	159,768	-	159,768
	<u>4,266,653</u>	<u>-</u>	<u>4,266,653</u>

There was no contract assets in the previous years.

Other receivables

The maximum exposure to credit risk is represented by their carrying amounts in the combined statements of financial position.

ii. Cash and cash equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due, due to shortage of funds.

In managing its exposures to liquidity risk that arises principally from its various payables and bank borrowings, the Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

The Group aims at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

14. ACCOUNTANTS' REPORT (CONT'D)**29. FINANCIAL INSTRUMENTS (CONT'D)****29.1 Financial risk management (cont'd)**

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activities are set out as follows (cont'd):-

(b) Liquidity risk (cont'd)

As at the reporting date, the Group's non-derivative financial liabilities which have contractual maturities (including interest payments) are summarised below:-

	Carrying amount RM	Contractual cash flows RM	← Less than 1 year RM	Maturity Between 1 to 5 years RM	→ More than 5 years RM
2024					
Secured:-					
Lease liabilities	1,854,647	2,071,875	806,119	1,265,756	-
Unsecured:-					
Trade payables	781,713	781,713	781,713	-	-
Other payables	4,312,294	4,312,294	4,312,294	-	-
Amount due to Director	361,754	361,754	361,754	-	-
Amount due to an associate company	93,520	93,520	93,520	-	-
	5,549,281	5,549,281	5,549,281	-	-
	7,403,928	7,621,156	6,355,400	1,265,756	-
2023					
Secured:-					
Borrowings	3,332,460	4,090,557	1,036,496	2,873,082	180,979
Lease liabilities	1,144,867	1,388,290	646,877	741,413	-
	4,477,327	5,478,847	1,683,373	3,614,495	180,979
Unsecured:-					
Trade payables	725,763	725,763	725,763	-	-
Other payables	6,657,488	6,657,488	6,657,488	-	-
Amount due to Director	1,546,052	1,546,052	1,546,052	-	-
	8,929,303	8,929,303	8,929,303	-	-
	13,406,630	14,408,150	10,612,676	3,614,495	180,979

14. ACCOUNTANTS' REPORT (CONT'D)**29. FINANCIAL INSTRUMENTS (CONT'D)****29.1 Financial risk management (cont'd)**

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activities are set out as follows (cont'd):-

(b) Liquidity risk (cont'd)

As at the reporting date, the Group's non-derivative financial liabilities which have contractual maturities (including interest payments) are summarised below (cont'd):-

	Carrying amount RM	Contractual cash flows RM	← Less than 1 year RM	Maturity Between 1 to 5 years RM	→ More than 5 years RM
2022					
Secured:-					
Borrowings	970,061	1,195,432	474,483	720,949	-
Lease liabilities	1,688,174	2,180,671	826,567	1,354,104	-
	<u>2,658,235</u>	<u>3,376,103</u>	<u>1,301,050</u>	<u>2,075,053</u>	<u>-</u>
Unsecured:-					
Trade payables	1,485,610	1,485,610	1,485,610	-	-
Other payables	3,380,816	3,380,816	3,380,816	-	-
Amount due to Director	1,043,494	1,043,494	1,043,494	-	-
	<u>5,909,920</u>	<u>5,909,920</u>	<u>5,909,920</u>	<u>-</u>	<u>-</u>
	<u>8,568,155</u>	<u>9,286,023</u>	<u>7,210,970</u>	<u>2,075,053</u>	<u>-</u>
2021					
Secured:-					
Borrowings	1,341,044	1,529,792	474,483	1,055,309	-
Lease liabilities	865,868	919,141	462,131	405,665	51,345
	<u>2,206,912</u>	<u>2,448,933</u>	<u>936,614</u>	<u>1,460,974</u>	<u>51,345</u>
Unsecured:-					
Trade payables	711,231	711,231	711,231	-	-
Other payables	1,559,992	1,559,992	1,559,992	-	-
Amount due to Director	269,209	269,209	269,209	-	-
	<u>2,540,432</u>	<u>2,540,432</u>	<u>2,540,432</u>	<u>-</u>	<u>-</u>
	<u>4,747,344</u>	<u>4,989,365</u>	<u>3,477,046</u>	<u>1,460,974</u>	<u>51,345</u>

14. ACCOUNTANTS' REPORT (CONT'D)**29. FINANCIAL INSTRUMENTS (CONT'D)****29.1 Financial risk management (cont'd)**

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activities are set out as follows (cont'd):-

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates.

The Group's interest rate management objective are to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of debts based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's significant interest-bearing financial instrument, based on the carrying amount as at reporting date are as follows:

	<u>2024</u> RM	<u>2023</u> RM	<u>2022</u> RM	<u>2021</u> RM
Fixed rate instrument				
<u>Financial liability</u>				
Lease liabilities	<u>1,854,547</u>	<u>1,144,867</u>	<u>1,688,174</u>	<u>865,868</u>
Floating rate instrument				
<u>Financial liability</u>				
Borrowings	<u>-</u>	<u>3,332,460</u>	<u>970,061</u>	<u>1,341,044</u>

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments:-

The following table illustrates the sensitivity of net profit/equity to a reasonably possible change in interest rate of +/- 50 basis point ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each year and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

14. ACCOUNTANTS' REPORT (CONT'D)**29. FINANCIAL INSTRUMENTS (CONT'D)****29.1 Financial risk management (cont'd)**

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activities are set out as follows (cont'd):-

(c) Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments (cont'd):-

	<u>(Decreased)/increased net profit/equity for the financial year</u>	
	RM +50bp	RM -50bp
2024	-	-
2023	(16,662)	16,662
2022	(4,850)	4,850
2021	<u>(6,705)</u>	<u>6,705</u>

29.2 Fair values of financial instruments

The carrying amounts of receivables, payables, cash and cash equivalents and bank borrowings approximate their fair values due to the relatively short term nature of these financial instruments or that they are floating rate instruments that are pre-priced to market interest rates on or near the reporting date or insignificant impact of discounting.

29.3 Fair value hierarchy

In prior year, the fair value of financial assets at FVOCI were detailed as below:-

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:-

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

<u>Group</u>	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2023</u>				
Investment in unquoted shares				
- FVOCI	<u>-</u>	<u>-</u>	<u>210,000</u>	<u>210,000</u>

There was no investment in prior financial years and in year 2024, the Group had disposed off the investment.

14. ACCOUNTANTS' REPORT (CONT'D)**30. CAPITAL MANAGEMENT**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new share capital. No changes were made in the capital management objective, policies or processes during the respective financial years.

31. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

- (i) On 30 January 2024, PEOPLElogy Discovery had entered into a shares sale agreement with Theophilus Wong Ming and Mary Su Ai Ching to acquire 30% equity interest in Fish Camp Learning Sdn. Bhd. for a total cash consideration of RM500,000. The acquisition was completed on 5 February 2024;
- (ii) On 15 February 2024, the Company had acquired 1,000,000 ordinary shares, representing 100% of the equity interest in PEOPLElogy Development for a total consideration of RM5,207,915 by way of share swap with the shareholders of PEOPLElogy Development;
- (iii) On 15 February 2024, the Company had acquired 100,000 ordinary shares, representing 100% of the equity interest in PEOPLElogy Digital for a total consideration of RM999,982 by way of share swap with the shareholder of PEOPLElogy Digital;
- (iv) On 15 February 2024, the Company had acquired 100,000 ordinary shares, representing 100% of the equity interest in PEOPLElogy Discovery for a total consideration of RM999,982 by way of share swap with the shareholder of PEOPLElogy Discovery;
- (v) On 15 February 2024, the Company issued 144,157,580 new ordinary shares at an issue price of RM0.05 per ordinary share by way of share swap with the shareholders of PEOPLElogy Development, PEOPLElogy Digital and PEOPLElogy Discovery for total consideration of RM7,207,879;
- (vi) On 23 February 2024, the Company issued 9,200,886 new ordinary shares at an issue price of RM0.5869 per ordinary share for a total cash consideration of RM5,400,000 for working capital purposes;
- (vii) On 28 March 2024, PEOPLElogy Digital transferred the entire share capital of PEOPLElogy International, comprising 10,000 ordinary shares for cash consideration of SGD10,000 (equivalent to RM35,001) to PEOPLElogy;
- (viii) On 30 May 2024, PEOPLElogy Development had acquired the remaining 30,000 ordinary shares, representing the remaining 60% equity interest in PEOPLElogy Community for a total cash consideration of RM600,000. The transaction was completed on 18 June 2024.;
- (ix) On 19 August 2024, the Company undertook a subdivision of every one existing ordinary share held by the shareholders of the Company into 2 subdivided shares resulting in a total of 306,716,936 subdivided shares;

14. ACCOUNTANTS' REPORT (CONT'D)

31. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR (CONT'D)

- (x) In July 2024, the Group consulted with the Employees' Provident Fund (EPF) to determine whether the Group's profit-sharing payments to certain sales and marketing employees qualify as "wages" under the Employee Provident Fund Act 1991, and to clarify the requirements for EPF deductions and contributions. EPF confirmed in August 2024 that such profit-sharing payments are considered wages and therefore subject to EPF deductions and contributions ("Outstanding Contribution").

The Group had in September 2024 received the notice of assessment from EPF on the Outstanding Contribution amounting to the sum of RM543,992. Subsequently, the Group had also been informed that the computation for the late payment charges and dividend charge in respect of the Outstanding Contribution amount to RM222,800. The Group had in October 2024 made the said payment for the Outstanding Contribution (including the late payment charges and dividend charge) in full to EPF.

- (xi) The Company intends to declare a second interim dividend amounting to RM4,000,000 for the financial period ended 31 December 2024 on 13 March 2025 in accordance with a resolution of the Board of Directors. There will not be any further dividend to be declared in respect of the financial period ended 31 December 2024.

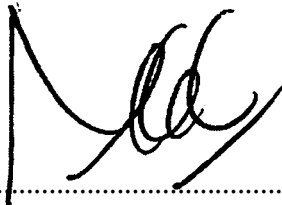
14. ACCOUNTANTS' REPORT (CONT'D)

PEOPLELOGY BERHAD

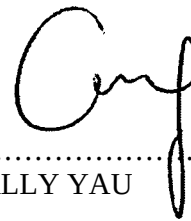
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, the undersigned, being the Directors of the Company, do hereby state that, in our opinion, the combined financial statements set out on the pages 5 to 47 are drawn up in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards so as to give a true and fair view of the combined financial position as at 31 December 2024, 31 December 2023, 31 December 2022 and 31 December 2021, and of its combined financial performance and its cash flows for the financial years ended 31 December 2024, 31 December 2023, 31 December 2022 and 31 December 2021.



.....
ALLEN LEE CHIN MIN



.....
CALLY YAU

Kuala Lumpur

17 March 2025

15. ADDITIONAL INFORMATION

15.1 SHARE CAPITAL

- 15.1.1 No Shares will be allotted, issued or offered on the basis of this Prospectus later than 6 months after the date of the issue of this Prospectus.
- 15.1.2 There is no founder, management or deferred shares in our Company. We have only one (1) class of shares in our Company, namely ordinary shares, all of which rank equally with one (1) another.
- 15.1.3 None of our Group's capital is under option or agreed conditionally or unconditionally to be put under option.
- 15.1.4 Save as disclosed in Sections 6.2 and 6.4 of this Prospectus, no shares, debentures, warrants, options, convertible securities or uncalled capital of our Company and our Subsidiaries have been issued or are proposed to be issued as fully or partly paid-up in cash or otherwise, for the Financial Years Under Review and up to the LPD.
- 15.1.5 Save for 12,351,500 Shares reserved for the Eligible Persons as disclosed in Section 4.3.1(ii) of this Prospectus, to the extent known by the Group,
- (i) no person has been or is entitled to be given or has exercised any option to purchase or subscribe for any shares or debentures, warrants, options, convertible securities or uncalled capital of our Company or our subsidiaries; and
 - (ii) there is currently no other scheme involving our Directors, Key Senior Management or employees of our Group in the capital of our Company or our subsidiaries.
- 15.1.6 As at the date of this Prospectus, we do not have any convertible securities, options, warrants and uncalled capital.

15.2 EXTRACT OF OUR CONSTITUTION

Subject to the receipt of the approvals and fulfilment of the conditions as may be imposed by the relevant authorities as set out in Section 2 of this Prospectus, the following provisions relating to the selected matters are reproduced from our Constitution.

The words and expressions appearing in this section shall bear the same meanings used in our Constitution or the context otherwise requires.

15.2.1 Director's Remuneration

Clause 112

"The fees and any benefits payable to the Directors of the Company and its subsidiaries including any compensation for loss of employment of Director or former Director shall from time to time be determined by the Company in general meeting and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that:-

- (a) *fee payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover and which shall not exceed the amount approved by shareholders in general meeting;*
- (b) *remuneration and other emoluments (including salary, bonus, benefits or any other elements) payable to Executive Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover. Nothing herein shall prejudice the*

15. ADDITIONAL INFORMATION (CONT'D)

powers of the Directors to appoint any of their members to be the employee or agent of the Company at such remuneration and upon such terms as they think fit provided that such remuneration shall not include commission on or percentage of turnover;

- (c) fees of Directors and any benefits payable to Directors shall be subject to annual approval at a general meeting;*
- (d) any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and*
- (e) the monetary fees and/or benefits payable to Non-Executive Directors of the Company, including those who are also Director of the subsidiaries includes fees, meeting allowances, travelling allowances, benefits, gratuity and compensation for loss of employment of Director or former Director of the Company provided by the Company and subsidiaries, but does not include insurance premium or any issue of securities."*

Clause 113

- (1) "The Directors shall be paid or reimbursed for all their travelling, hotel and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Directors or any committee of the Directors or general meetings or otherwise.*
- (2) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of Non-Executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors."*

Clause 120

"The Directors may establish or arrange any contributory or non-contributory pension or superannuation scheme, share option/incentive scheme and trusts or other funds for the benefit of, or pay a gratuity, pension or emolument, and to issue and allot and/or transfer shares or securities to any person who is or has been employed by or in the service of the Company or any subsidiary of the Company, or to any person who is or has been a Director or other officer of and holds or has held salaried employment in the Company or any such subsidiary, and the widow, family or dependants of any such person. The Directors may also subscribe to any association or fund which they consider to be for the benefit of the Company or any such subsidiary or any such person as aforesaid and make payments for or towards any hospital or scholastic expenses and any Director holding such salaried employment shall be entitled to retain any benefit received by him under this Clause subject only, where the Act requires, for proper disclosure to the members and the approval of the Company in general meeting."

15. ADDITIONAL INFORMATION (CONT'D)

Clause 148

"The remuneration of the Directors appointed to an executive position pursuant to this Constitution shall, subject to Clause 112, be fixed by the Board and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement. The remuneration of the Director(s) appointed to an executive position under Clause 147 shall be determined by the Board or any committee authorised by the Board and can either be in addition to or in lieu of his/their fees as a Director."

15.2.2 Voting and Borrowing powers of Directors

Clause 118

"The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or subsidiary company or associate company or any related third party subject to the law including but not limited to the provisions of the Act and the Listing Requirements, as they may think fit."

Clause 138

"Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote. The Chairman of the meeting shall however not have a second or casting vote where two (2) Directors form a quorum and only such a quorum is present at the meeting or only two (2) Directors are competent to vote on the question at issue. A Director present at a meeting of the Directors is presumed to have agreed to, and to have voted in favour of, a resolution of the Directors unless he expressly dissents from or votes to object against the resolution at the meeting."

Clause 142

"A Director shall not participate in any discussion or vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest (and if he shall do so his vote shall not be counted)."

Clause 143

"A Director notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat any decision is taken upon any contract or proposed contract or arrangement in which he is in any way interested PROVIDED ALWAYS that he has complied with Section 221 and all other relevant provisions of the Act, the Listing Requirements and this Constitution."

Clause 144

"A Director may vote in respect of:

- (a) any arrangement for giving the Director himself or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; and*

15. ADDITIONAL INFORMATION (CONT'D)

(b) *any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part, under a guarantee or indemnity or by the deposit of a security."*

Clause 145

"A Director of the Company may be or become a director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise or any corporation which is directly and indirectly interested in the Company as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefit received by him as a director or officer of, or from his interest in, such corporation unless the Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as directors of such other corporation, in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the Directors or other officers of such corporation), and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be or is about to be appointed a director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in the manner aforesaid."

15.2.3 Changes in share capital, rights, preferences, restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights and variation of class rights.

Clause 7

"The capital of the Company is its issued share capital. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise."

Clause 8

"Subject always to the respective rights, terms and conditions mentioned in Clause 6 hereof, the Company shall have power to increase or reduce the capital, to consolidate or sub-divide the shares into shares of larger or smaller amounts and to issue all or any part of the original or any additional capital as fully paid or partly paid shares, and with any special or preferential rights or privileges, or subject to any special terms or conditions and either with or without any special designation, and also from time to time to alter, modify, commute, abrogate or deal with any such rights, privileges, terms, conditions or designations in accordance with the regulations for the time being of the Company."

Clause 12

"Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of this Constitution, the Act and the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot, or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights, and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions:

15. ADDITIONAL INFORMATION (CONT'D)

- (a) *in the case of shares of a class, other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution and in the resolution creating the same;*
- (b) *no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in general meeting;*
- (c) *no Director shall participate in a share scheme for employees unless the Members in general meeting have approved of the specific allotment to be made to such Director;*
- (d) *except in the case of an issue of securities on a pro rata basis to shareholders or pursuant to a back-to-back placement undertaken in compliance with the Listing Requirements or pursuant to a dividend reinvestment scheme, a Director, major shareholders, Chief Executive or person connected to any Director, major shareholder or Chief Executive of the Company shall not participate, directly or indirectly, in an issue of ordinary shares or other securities with rights of conversion to ordinary shares unless the shareholders of the Company in general meeting have approved the specific allotment to be made to the Director, major shareholders, Chief Executive or person connected to any Director, major shareholder or Chief Executive and the Director, major shareholders, Chief Executive or person connected to any Director, major shareholder or Chief Executive has abstained from voting on the relevant resolution;*

In this Clause, "Major Shareholder", "Chief Executive" and "Person connected to any Director, major shareholder or Chief Executive" shall have the same meaning described thereto in the Listing Requirements.

- (e) *subject to the Listing Requirements and without limiting the generality of Sections 75 and 76 of the Act, the Company must not issue any ordinary shares or other securities with rights of conversion to ordinary shares, except where the shares or securities are issued with the prior shareholders' approval in a general meeting of the precise terms and conditions of the issue; and*
- (f) *in working out the number of shares or securities that may be issued by the Company, if the security is a convertible security, each such security is counted as the maximum number of shares into which it can be converted or exercised."*

Clause 15

"Subject to the provisions of Sections 71 and 91 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to shares in any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with:

- (a) *a special resolution passed at a separate meeting of the shareholders of that class; or*
- (b) *Where necessary majority of such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of not less than seventy-five per centum (75%) of the total voting rights of the shareholders of that class within two (2) months of the meeting,*

shall be as valid and effectual as a special resolution carried at the meeting. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons who are shareholders present in person or represented by proxy

15. ADDITIONAL INFORMATION (CONT'D)

holding at least one-third (1/3) of the number of issued shares of the class, excluding any shares of that class held as treasury shares and that any holder of shares of the class present in person or by proxy may demand a poll. For adjourned meeting, quorum is one person present holding shares of such class. To every such special resolution, the provisions of Section 292 of the Act shall with such adaptations as are necessary, apply."

Clause 18

"Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest on so much share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in Section 130 of the Act and may charge the same to capital as part of the cost of the plant construction of any works or buildings or the provision of any plant."

Clause 36

"The instrument of transfer of any securities lodged with the Company shall be in writing and in the form approved in the Rules and shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the securities until the name of the transferee is entered in the Record of Depositors in respect thereof. The transfer of any listed securities or class of listed securities of the Company, shall be made by way of book entry by the Bursa Depository in accordance with the Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such listed securities."

Clause 37

"Subject to the Rules and Listing Requirements, the transfer of any securities may be suspended at such times and for such periods as the Directors may from time to time determine. At least ten (10) Market Days' notice, or such other period as may from time to time be specified by the Exchange governing the Register concerned, of intention to close the Register shall be given to the Exchange. At least three (3) Market Days' prior notice shall be given to the Bursa Depository to prepare the appropriate Record of Depositors."

Clause 38

"The Bursa Depository may, in its absolute discretion, refuse to register any transfer of Deposited Security that does not comply with the Central Depositories Act and the Rules. No securities shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind."

Clause 39

"Subject to the provisions of this Constitution, the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person."

15. ADDITIONAL INFORMATION (CONT'D)

Clause 40

“Subject to any law in Malaysia for the time being in force, neither the Company nor the Directors nor any of its officers shall incur any liability for the act of the Bursa Depository in registering or acting upon a transfer of securities apparently made by a member or any person entitled to the securities by reason of death, bankruptcy or insanity of a member although the same may, by reason of any fraud or other causes not known to the Company or the Directors or the Bursa Depository or other officers, be legally inoperative or insufficient to pass the property in the securities proposed or professed to be transferred, and although the transfer may, as between the transferor and the transferee, be liable to be set aside and notwithstanding that the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in the blank as to the name of the transferee, of the particulars of the securities transferred or otherwise in defective manner. And in every case, the person registered as transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such securities and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.”

Clause 62

“The Company may from time to time, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and (subject to any special, limited or conditional voting rights for the time being attached to any existing class of shares) to carry such preferential rights or to be subjected to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company may direct in the resolution authorising such increase.”

Clause 63

“Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to the shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause.”

Clause 65

“The Company may alter its share capital in any one or more of the following ways by passing an ordinary resolution:

- (a) consolidate or divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the shares from which the subdivided share is derived; or*
- (b) convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; or*

15. ADDITIONAL INFORMATION (CONT'D)

- (c) *subdivide its share capital or any part thereof, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the shares from which the subdivided share is derived; or*
- (d) *to increase the share capital by each sum to be divided into shares of such amount as the resolution shall prescribe; or*
- (e) *cancel any shares which at the date of the passing of the resolution which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled."*

Clause 66

"Subject to the provisions of the Act and the requirements of the Exchange and such other relevant law, regulation or guideline, the Company may, with the sanction of an ordinary resolution, to the fullest extent permitted, to purchase its own shares and/or provide financial assistance to any person for the purpose of purchasing its own shares. Any shares in the Company so purchased by the Company and/or any person shall be dealt with in accordance with the Act, the requirements of the Exchange and/or any other relevant authority."

Clause 67

"The Company may reduce its share capital by:

- (a) *a special resolution and confirmation by the Court in accordance with Section 116 of the Act; or*
- (b) *a special resolution supported by a solvency statement in accordance with Section 117 of the Act."*

15.3 LIMITATION ON THE RIGHT TO OWN SECURITIES

Subject to Section 15.2 above and Clauses 90 and 91 which have been reproduced below from our constitution, there is no limitation on the right to own securities, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on our Shares imposed by law or by the constituent documents of our Company:

Clause 90

"A member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by his committee or by such other person as properly has the management of his estate, and any such committee or other person may vote by proxy or attorney. Any person entitled under Clause 43 to the transfer of any shares, may vote at any general meeting in the same manner as if he was the registered holder of such shares provided that he shall satisfy the Directors of his right to the transfer of such shares, unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof, at least forty-eight (48) hours prior to the time of the meeting or adjourned meeting, at which he proposes to vote."

15. ADDITIONAL INFORMATION (CONT'D)

Clause 91

"No person shall be entitled to be present or to vote on any resolution either as a member or otherwise as a proxy or attorney or representative for a corporation at any general meeting or demand a poll or be reckoned in the quorum in respect of any shares upon which calls are due and unpaid."

15.4 EXCHANGE CONTROLS

Save as disclosed below, our Group is not subject to governmental laws, decrees, regulations and/ or other requirements which may affect repatriation of capital and remittance of profit by or to our Group.

15.4.1 Malaysia

The Financial Services Act 2013 and Islamic Financial Services Act 2013 are the principal legislations which govern, amongst others, exchange control in Malaysia. Bank Negara Malaysia ("**BNM**") is the governing authority for foreign exchange administration in Malaysia.

Pursuant to Notice 4 of the current foreign exchange notice ("**FE**") issued by BNM, a resident is allowed to make or receive payment in RM in Malaysia to or from a non-resident for, amongst others, settlement of trade in goods and services.

In relation to payment in foreign currency, Notice 4 of the FE allows a resident to make or receive payment to or from a non-resident for any purposes excluding the transactions listed as follows:

- (i) a foreign currency denominated derivative or Islamic derivative offered by a resident unless approved by BNM under Part B of Notice 5 of the FE or approved by BNM in writing;
- (ii) a derivative or Islamic derivative which is referenced to RM unless approved by BNM under Part B of Notice 5 of the FE or approved by BNM in writing; and
- (iii) an exchange rate offered by a non-resident unless approved by BNM under Notice 1 of the FE or otherwise approved by BNM in writing.

As at the LPD, we comply with the exchange control requirement in relation to our settlement of payments with foreign clients and suppliers. In view of the above, foreign exchange control does not have an impact on the ability of cash and cash equivalents for us by our Group and the remittance of dividends, interest or other payments to our shareholders.

15.4.2 Singapore

The Exchange Control Act was enacted in Singapore in 1953 and is currently in force. It confers powers, and imposes duties and restrictions, in relation to gold, currency, payments, securities, debts, and the movement and settlement of property.

On 25 May 1978, Notice 754 (addressed to banks, merchant banks, insurance companies, etc.) and Notice 1103 (addressed to banks, merchant banks and discount houses) were published by the Monetary Authority of Singapore. The notices, both titled "Exchange Control Liberalisation", state that all persons are exempt from the provisions, obligations, etc., stipulated in the various sections of the Exchange Control Act. Thus, no exchange control formalities or approvals are required for all forms of payments or capital transfers by PEOPLEogy International.

15. ADDITIONAL INFORMATION (CONT'D)

15.5 CONSENTS

The written consents of our Principal Adviser, Sponsor, Underwriter, Placement Agent, Company Secretaries, Solicitors, Share Registrar and Issuing House listed in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

The written consent of our Auditors and Reporting Accountants for the inclusion of its name, the Accountants' Report and the Reporting Accountants' letter on the Pro Forma Statements of Financial Position, and all references thereto in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

The written consent of our IMR for the inclusion of its name, the IMR Report and all references thereto in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

15.6 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during normal business hours for a period of 6 months from the date of this Prospectus:

- (i) the constitution of our Company;
- (ii) the material contracts as set out in Section 6.7 of this Prospectus;
- (iii) the IMR Report prepared by IMR as included in Section 8 of this Prospectus;
- (iv) the Reporting Accountants' Report on the Pro Forma Combined Statements of Financial Position as set out in Section 13 of this Prospectus;
- (v) the Accountants' Report as set out in Section 14 of this Prospectus;
- (vi) the letters of consent as referred to in Section 15.5 of this Prospectus; and
- (vii) the audited financial statements of our Company and Subsidiaries for the Financial Years Under Review.

15.7 RESPONSIBILITY STATEMENTS

- (i) Our Directors and Promoter have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.
- (ii) Kenanga IB as the Principal Adviser, Sponsor, Underwriter and Placement Agent, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT OUR ISSUING HOUSE, FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 OPENING AND CLOSING OF APPLICATION

OPENING OF THE APPLICATION PERIOD : 10.00 A.M., 21 April 2025

CLOSING OF THE APPLICATION PERIOD : 5.00 P.M., 6 May 2025

Applications for the IPO Shares will open and close at the dates stated above.

In the event of any change to the dates stated above, we will advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATION

16.2.1 Application for Our IPO Shares by the Malaysian Public and Eligible Persons

Application must accord with this Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

<u>Types of Application and category of investors</u>	<u>Application method</u>
Applications by the Malaysian Public:	
(a) Individuals	WHITE Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	WHITE Application Form only
Applications by the Eligible Persons	PINK Application Form only

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)**16.2.2 Application by selected investors via private placement**

Types of Application	Application method
Applications by:	
(a) Selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.
(b) Bumiputera investors approved by MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions.

Selected investors and Bumiputera investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

16.3 ELIGIBILITY**16.3.1 General**

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 16 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. **Invalid, nominee or third party** CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST ONE HUNDRED (100) IPO SHARES OR MULTIPLES OF ONE HUNDRED (100) IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

AN APPLICANT WHO WISHES TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATIONS TO ENSURE THAT THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT. THIS STEP MINIMIZES THE RISK OF REJECTION OF IPO APPLICATIONS DUE TO NAME DISCREPANCIES. OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREAFTER.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*CONT'D*)

16.3.2 Applications by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

- (i) You must be one of the following:
 - (a) a Malaysian citizen who is at least eighteen (18) years old as at the date of the application for our IPO Shares; or
 - (b) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (ii) You must not be a director or employee of our Issuing House or an immediate family member of a director or employee of Issuing House; and
- (iii) You must submit Applications by using only one (1) of the following methods:
 - (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

16.3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated Issue Shares. The Eligible Persons must follow the notes and instructions in the said document and where relevant, in this Prospectus. All duly completed Pink Application Forms should be submitted to our Group through the Human Resources or Finance Department.

The Eligible Persons may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, Issuing House, Kenanga IB, participating organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

16.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is **RM0.25** for each IPO Share.

Payment must be made out in favour of “**MIH SHARE ISSUE ACCOUNT NO. 663**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one (1) of the following methods:

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

- (i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd
(Registration No. 199301003608 (258345-X))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor

or

P.O. Box 00010
Pejabat Pos Jalan Sultan
46700 Petaling Jaya
Selangor

- (ii) **DELIVER BY HAND AND DEPOSIT** in the Drop-in Boxes provided at the front portion of Menara Symphony. No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia, so as to arrive not later than 5.00 P.M. on 6 May 2025 or by such other time and date specified in any change to the date or time for closing.

We, together with our Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Forms to our Issuing House.

The abovementioned methods are not applicable to the submission of Pink Application Forms. All duly completed Pink Application Forms should be submitted to our Group through the Human Resources or Finance Department.

16.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only **Malaysian individuals** may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

16.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only **Malaysian individuals** may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd (*formerly known as CGS-CIMB Securities Sdn Bhd*), Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Sdn Bhd and Public Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

16.7 AUTHORITY OF OUR BOARD AND ISSUING HOUSE

The Issuing House on the authority of our Board reserves the right to:

- (i) reject Applications which:
 - (a) do not conform to the instructions of this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 of this Prospectus.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of our Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 OVER / UNDER SUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of our IPO shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, at all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at www.mih.com.my within one Market Day after the balloting date.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.00% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event this requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all the Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and / or Eligible Persons, subject to the underwriting arrangements and reallocation as set out in Section 4.3.3 of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by our Underwriter based on the terms of the Underwriting Agreement.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

16.9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

16.9.1 For applications by way of Application Forms

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by our Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) Our Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

16.9.2 For applications by way of Electronic Share Applications and Internet Share Applications

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from our Issuing House.
- (ii) You may check your account on the 5th Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by Issuing House, by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions will be informed of

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from our Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

- (i) our IPO Shares allotted to you will be credited into your CDS account.
- (ii) a notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) in accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. As such, our Issue Shares issued / offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Issue Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services Telephone at telephone no. +603-7890 4700
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

You may also check the status of your Application at the Issuing House's website at www.mih.com.my, by entering your CDS Account Number on the site on the allotment date by 3:00 PM. Alternatively, you may contact any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.