

INFORMATION MEMORANDUM
FOR RESTRICTED CIRCULATION ONLY



BENTLEY MUSIC GROUP BERHAD

Registration No.: 202501023365 (1624778-H)
(Incorporated in Malaysia under the Companies Act 2016)

**PROPOSED LISTING BY WAY OF INTRODUCTION OF
THE ENTIRE ISSUED SHARE CAPITAL OF
BENTLEY MUSIC GROUP BERHAD ON THE LEAP MARKET OF
BURSA MALAYSIA SECURITIES BERHAD**

APPROVED ADVISER
AND CONTINUING ADVISER



DWA Advisory Sdn Bhd
Registration No.: 201301002419 (1032257-D)

**CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD
("BURSA SECURITIES")**

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



**BENTLEY MUSIC
GROUP BERHAD**

Registration No.: 202501023365 (1624778-H)
(Incorporated in Malaysia under the Companies Act 2016)

Wisma Bentley Music

Level 6, No 3 Jalan PJU 7/2, Mutiara Damansara, 47810 Petaling Jaya Selangor Darul Ehsan, Malaysia.
Tel: (603) 7727 3333

This Information Memorandum is dated 4 December 2025

IMPORTANT INFORMATION

IMPORTANT NOTICE

All defined terms used in this Information Memorandum are defined under “Definitions” and “Glossary of Technical Terms”, unless otherwise stated.

RESPONSIBILITY STATEMENTS

The Board and Promoters of our Company have seen and approved this Information Memorandum. They collectively and individually accept full responsibility for the accuracy of all the information and statements contained in this Information Memorandum. Having made all reasonable enquiries, and to the best of their knowledge, information and belief, they confirm that there are no false or misleading statements or other material facts, which, if omitted, would make any statement in this Information Memorandum false or misleading. The opinions and intentions of our Group expressed herein are honestly held, and that there are no other facts the omission of which would, in the context of our Proposed Listing, make this Information Memorandum as a whole or any information or expression of any such opinions or intentions herein, misleading in any material respects.

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

STATEMENTS OF DISCLAIMER

This Information Memorandum has been drawn up in accordance with the Listing Requirements for the Proposed Listing. This Information Memorandum is not a prospectus and has not been registered, nor will it be registered as a prospectus under the CMSA.

This Information Memorandum has been prepared in the context of securities offering under the laws of Malaysia. It does not comply with the laws of any jurisdiction other than Malaysia, and has not and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority of any jurisdiction other than Malaysia. This Information Memorandum is not to be distributed outside Malaysia.

A copy of this Information Memorandum has been deposited with the SC.

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

An application has been made to Bursa Securities for the admission of our Company and the listing of and quotation for the entire issued share capital of our Company on the LEAP Market. Approval from Bursa Securities of the same is not an indication of the merits of our Proposed Listing, our Company and our Shares. This Information Memorandum can be viewed or downloaded from Bursa Securities’ website at www.bursamalaysia.com.

IMPORTANT INFORMATION (CONT'D)

THIS INFORMATION MEMORANDUM IS PUBLISHED IN CONNECTION WITH THE LISTING BY WAY OF INTRODUCTION OF BENTLEY MUSIC GROUP ON THE LEAP MARKET OF BURSA SECURITIES AND TO PROVIDE INFORMATION ON OUR GROUP. IT DOES NOT CONSTITUTE AN OFFER OF, NOR IS IT PUBLISHED TO INVITE OFFERS FOR, ORDINARY SHARES OR OTHER SECURITIES OF BENTLEY MUSIC GROUP.

THERE ARE CERTAIN RISK FACTORS WHICH SOPHISTICATED INVESTORS SHOULD CONSIDER. PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 7 OF THIS INFORMATION MEMORANDUM.

Sophisticated Investors should note that they may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws and regulations including any statement in this Information Memorandum that is false, misleading, or from which there is a material omission, or for any misleading or deceptive act in relation to this Information Memorandum. This Information Memorandum or any document delivered under or in relation to the issue, offer and sale of our Shares is not and should not be construed as a recommendation by us and/or the Approved Adviser to subscribe for or purchase our Shares.

The purpose of this Information Memorandum is to provide information on the business and affairs of our Group. This Information Memorandum is not a substitute for and should not be regarded as an independent evaluation and analysis and does not purport to be all inclusive. Each Investor should perform and is deemed to have made its own independent investigation, assess the merits and risks of the investment and analysis of our Company and all other relevant matters.

THIS INFORMATION MEMORANDUM IS INTENDED FOR CIRCULATION ONLY TO PERSONS WHOM AN INVITATION TO SUBSCRIBE FOR OR PURCHASE SECURITIES OR AN ISSUE OF SECURITIES WOULD CONSTITUTE AN EXCLUDED ISSUE WITHIN THE MEANINGS OF SECTION 230 OF THE CMSA.

THIS INFORMATION MEMORANDUM IS ISSUED FOR INFORMATION PURPOSES ONLY. NO OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR INVITATION TO SUBSCRIBE FOR OR PURCHASE OF OUR SHARES WILL BE MADE ON THE BASIS OF THIS INFORMATION MEMORANDUM. NO NEW ORDINARY SHARES WILL BE ALLOTTED TO AND ISSUED IN CONNECTION WITH, OR PURSUANT TO THIS INFORMATION MEMORANDUM.

WE AND/OR DWA ADVISORY DO NOT ASSUME ANY FIDUCIARY RESPONSIBILITIES OR LIABILITY FOR ANY CONSEQUENCES, FINANCIAL OR OTHERWISE, ARISING FROM THE INVESTMENT IN OUR SHARES.

MODE OF COMMUNICATION

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

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

IMPORTANT INFORMATION (CONT'D)

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

TERMS AND CONDITIONS BINDING ALL HOLDERS

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

- (i) This Information Memorandum is issued by our Company and distributed by us and DWA Advisory as our Approved Adviser. The distribution of this Information Memorandum shall be in paper/printed copy and/or electronic copy, upon request by Holders, free of charge. This Information Memorandum is distributed to Holders for information purposes only and upon the express understanding that such Holders will use it only for the purposes set forth below.
- (ii) The information contained in this Information Memorandum, including any statement or fact or opinion, is solely for information purposes only. No offer for subscription or purchase of, or invitation to subscribe for or purchase of securities will be made on the basis of this Information Memorandum.
- (iii) You are solely responsible for your investment decision and are advised to seek independent financial, legal, tax or such other professional advice at your own cost and expense when making your independent appraisal, assessment, review and evaluation of our business, financial position, financial performance and prospects, the rights and obligations attaching to our Shares, the merits of investing in our Shares, and the extent of the risk involved in doing so.
- (iv) This Information Memorandum may include certain statements provided by us or on our behalf with respect to the anticipated future performance of our Group. These statements, although believed to be reasonable, are based on estimates and assumptions made by us that are subject to risks and uncertainties that may cause actual events and our future results to be materially different from that expected or indicated by such statements or estimates and no assurance can be given that any of such statements or estimates will be realised. In light of these and other uncertainties, the inclusion of forward-looking statements in this Information Memorandum should not be regarded as a representation or warranty by us or DWA Advisory that our plans and strategies as disclosed herein will be achieved.
- (v) Any document in relation to our Proposed Listing published or issued from time to time after the date hereof shall be deemed to form part of this Information Memorandum.
- (vi) You shall not copy, reproduce, distribute, summarise, excerpt from, publicly refer to or pass on any part of this Information Memorandum to any person at any time without the prior written consent of DWA Advisory. You shall at all times keep confidential all information contained herein or any other information relating to our Proposed Listing, whether written, oral or in a visual or an electronic form, transmitted or made available to you.

IMPORTANT INFORMATION (CONT'D)

- (vii) Neither the receipt of this Information Memorandum by any Holder nor any information made available in connection with our Proposed Listing is to be taken as constituting the giving of investment advice by DWA Advisory. DWA Advisory shall not advise you on the merits or risks of our Proposed Listing.
- (viii) This Information Memorandum will not be distributed in any jurisdiction outside Malaysia except in accordance with the legal requirements applicable in such jurisdiction. No Holders in any jurisdiction outside Malaysia may take any action upon this Information Memorandum if, in the relevant jurisdiction, such action cannot be taken by the Holders without contravention of any relevant legal requirements. It is the sole responsibility of any Holders wishing to take any action upon this Information Memorandum to satisfy themselves as to the full observance of the law of the relevant jurisdiction and/or Malaysia in connection therewith, including without limitation, the receipt of our Shares or cash payment upon the sale of our Shares by the Holders, the repatriation of any money by the Holders out of Malaysia, the obtaining of any governmental, exchange control or other consents which may be required, and the payment of any tax or duty due in such jurisdiction. Such Holders shall be responsible for the payment of any tax or other requisite payment due in such jurisdiction, and we and DWA Advisory shall be entitled to be fully indemnified by such Holders for any tax or payment as the Holders may be required to pay.
- (ix) This Information Memorandum had not been made and will not be made to ensure that our Proposed Listing comply with the laws of any jurisdiction other than Malaysia. We and DWA Advisory shall not accept any responsibility or liability in the event that any action taken by any Holders in any jurisdiction outside Malaysia is or shall become illegal, unenforceable, voidable or void in such jurisdiction. Such Holders shall therefore immediately consult their professional advisers in relation to the observance of the relevant legal requirements and shall be responsible for the payment of any tax or other requisite payment due in such jurisdiction, and shall keep us and DWA Advisory fully indemnified for the payment of such taxes or payments.

PRIVACY NOTICE

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

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

If required for the Purpose, you hereby give consent that your Personal Data may be disclosed to our advisers who provide services to us. Save for the foregoing, your Personal Data will not be knowingly transferred to any other 3rd party.

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

IMPORTANT INFORMATION (CONT'D)

Postal Address: **Bentley Music Group Berhad**
Wisma Bentley Music
Level 6, No. 3 Jalan PJU 7/2
Mutiara Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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

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

PRESENTATION OF INFORMATION

All references to “our Company” and “Bentley Music Group” in this Information Memorandum are to Bentley Music Group Berhad, while references to “our Group” and “the Group” are to our Company and our subsidiaries taken as a whole. References to “we”, “us”, “our” and “ourselves” are to our Company or our Group or any member of our Group, as the context requires. Unless the context otherwise requires, references to “Management” are to our Directors and our key management as disclosed in this Information Memorandum, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include companies and corporations.

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

Any reference to dates and times shall be a reference to dates and times in Malaysia.

In this Information Memorandum, any discrepancies between the amounts listed and the totals in tables are due to rounding.

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

IMPORTANT INFORMATION (CONT'D)

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

FORWARD-LOOKING STATEMENTS

This Information Memorandum contains forward-looking statements, which include all statements other than those of historical facts including, amongst others, those regarding our expected financial position, business strategies, plans, prospects and objectives of our Management for future operations. These statements can be identified by forward-looking terminology terms such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. These forward-looking statements, including but not limited to statements as to our Group’s revenue and profitability, prospects, future plans, expected industry trends and other matters discussed in this Information Memorandum regarding matters that are not historic facts, are only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors beyond our control that could cause our actual results, 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. These factors include, amongst others:

- changes in the political, social and economic conditions and the regulatory environment in Malaysia and other countries in which we conduct business; and
- changes in currency exchange rates, our future capital needs and the availability of financing and capital to fund such needs.

Some of these factors are discussed in more detail in Section 7 of this Information Memorandum.

These 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. As such, we cannot assure you that the forward-looking statements in this Information Memorandum will be realised.

These forward-looking statements are based on information available to us as at the date of this Information Memorandum. Subject to the provisions of Section 238 of the CMSA, we expressly disclaim any responsibility to update any of these forward-looking statements or publicly announce any revisions to these forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

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

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INDICATIVE TIMETABLE OF PRINCIPAL EVENTS

The indicative timing of events leading to the listing of and quotation for our entire share capital on the LEAP Market is set out below:

Events	Tentative dates
Date of Information Memorandum	4 December 2025
Listing of our Company on the LEAP Market	January 2026*

Note:

* *Subject to receipt of approval-in-principle from Bursa Securities for our Proposed Listing.*

The dates are tentative and are subject to changes which may be necessary to facilitate the implementation of our Proposed Listing. An announcement of the key relevant dates will be made after obtaining Bursa Securities' approval-in-principle for our Proposed Listing.

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DEFINITIONS

Except where the context otherwise requires or where otherwise defined herein, the following words and abbreviations shall apply throughout this Information Memorandum and shall have the meanings as set out below:

COMPANIES WITHIN OUR GROUP

Bentley Music	:	Bentley Music Sdn Bhd (Registration No.: 198301004401 (100024-W))
Bentley Music Academy	:	Bentley Music Academy Sdn Bhd (Registration No.: 199201013641 (245144-W))
Bentley Music Group Company	or :	Bentley Music Group Berhad (Registration No.: 202501023365 (1624778-H))
Group	:	Bentley Music Group and its subsidiaries, collectively

GENERAL

Acquisition of Bentley Music	:	Acquisition of 600,000 ordinary shares in Bentley Music for a purchase consideration of RM13,591,696 satisfied via the issuance of 200,899,967 Shares to the Vendors of Bentley Music at an issue price of approximately RM0.07 each which was completed on 7 November 2025
Acquisition of Bentley Music Academy	:	Acquisition of 50,000 ordinary shares in Bentley Music Academy for a purchase consideration of RM1,630,458 satisfied via the issuance of 24,099,933 Shares to the Vendors of Bentley Music Academy at an issue price of approximately RM0.07 each which was completed on 7 November 2025
Act	:	Companies Act 2016 or any statutory modification, amendment or re-enactment thereof for the time being in force
Board	:	Board of Directors of Bentley Music Group
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
CAGR	:	Compound annual growth rate
CEO	:	Chief Executive Officer
CMSA	:	Capital Markets and Services Act 2007 or any statutory modification, amendment or re-enactment thereof for the time being in force

DEFINITIONS (CONT'D)

Constitution	:	Constitution of Bentley Music Group
Director	:	Director of Bentley Music Group within the meaning of Section 2 of the Act
Datuk Dr. Ken Phua	:	Datuk Dr. Phua Cheng Chuen
DWA Advisory	:	DWA Advisory Sdn Bhd (Registration No.: 201301002419 (1032257-D))
EPS	:	Earnings per share
EUR	:	Euro, the lawful currency of Europe
Financial Periods Under Review	:	Collectively, FYE 2024 and FYE 2025
FYE	:	Financial year(s) ended/ending 30 June, as the case may be
GP	:	Gross profit
IMR Report	:	Independent market research report dated 2 December 2025 prepared by Providence
Information Memorandum	:	This information memorandum dated 4 December 2025 in relation to our Proposed Listing
IT	:	Information technology
Johor Showroom	:	Our showroom located at Eko Galleria, Blok B, Level 2, B0309, Jalan Eko Botani 3, Taman Eko Botani, 79100 Iskandar Puteri, Johor
KL Showroom	:	Our showroom located at 140 & 142, Level 1 & 2, Jalan Bukit Bintang, 55100 Kuala Lumpur
LEAP Market	:	Leading Entrepreneur Accelerator Platform Market of Bursa Securities
Listing Reference Price	:	RM0.12 per Share, being the reference price upon our listing on the LEAP Market
Listing Requirements	:	LEAP Market Listing Requirements of Bursa Securities, as amended from time to time
LPD	:	7 November 2025, being the latest practicable date prior to the date of this Information Memorandum
Major Shareholder(s)	:	A person(s) who has an interest of 10.00% or more of the total number of all the voting shares in a corporation

DEFINITIONS (CONT'D)

NA	:	Net assets
Official List	:	A list specifying all securities listed on Bursa Securities
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE Multiple	:	Price-to-earnings multiple
Penang Showroom	:	Our showroom located at Gurney Paragon Mall, 163D-L3-07 & 08, Level 3, Persiaran Gurney, 10250 Pulau Pinang
PJ Showroom	:	Our showroom located at Wisma Bentley Music, Level 3, No. 3, Jalan PJU 7/2, Mutiara Damansara, 47810 Petaling Jaya, Selangor
Private Investor(s)	:	Person(s) who have made a private offer to subscribe for the Shares pursuant to the Private Subscription
Private Subscription	:	Subscription of 25,000,000 Shares at an issue price of RM0.12 per Share by Private Investors
Promoter(s)	:	Yee Kim Yin, Datuk Dr. Ken Phua, Phua Yoke Fun, Rachel Phua and Lewis Siu Man Hooper, collectively
Proposed Listing	:	Proposed admission to the Official List and the listing of and quotation for our entire share capital of RM18,222,164 comprising 250,000,000 Shares on the LEAP Market
Providence	:	Providence Strategic Partners Sdn Bhd (Registration No.: 201701024744 (1238910-A))
Public Shareholder(s)	:	All person(s) but excludes directors of our Group, Substantial Shareholders of the Company and their associates, as defined in the Listing Requirements
Rachel Phua	:	Phua Yoke Sia
Regent Intan	:	Regent Intan Sdn Bhd (Registration No.: 198201013527 (93276-P))
RM and sen	:	Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia
RMB	:	Renminbi, the lawful currency of the People's Republic of China
SC	:	Securities Commission Malaysia
Share(s)	:	Ordinary share(s) in Bentley Music Group

DEFINITIONS (CONT'D)

Sophisticated Investor(s)	:	A person who is specified as a sophisticated investor in the SC's Guidelines on Categories of Sophisticated Investors
SPA(s)	:	Sale and purchase agreement(s)
SSA(s)	:	Share sale agreement(s)
Substantial Shareholder(s)	:	Has the meaning given in Section 136 of the Act, which defines a substantial shareholder as a person who has an interest in one or more voting shares in a company, and the number or the aggregate number of such shares is not less than 5.00% of the total number of all the voting shares included in the company
sq. ft.	:	Square feet
USA	:	United States of America
USD	:	United States Dollar, the lawful currency of the United States of America
Vendors of Bentley Music	:	Yee Kim Yin, Datuk Dr. Ken Phua, Phua Yoke Fun, Rachel Phua and Lewis Siu Man Hooper, collectively
Vendors of Bentley Music Academy	:	Yee Kim Yin, Datuk Dr. Ken Phua, Phua Yoke Fun, Rachel Phua and Lewis Siu Man Hooper, collectively
YEN	:	Yen, the lawful currency of Japan

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DEFINITIONS (CONT'D)

MAJOR CUSTOMERS AND SUPPLIERS OF OUR GROUP

The following are details of our major customers and suppliers, whose names have been redacted for confidentiality throughout this Information Memorandum:

- Customer A** : A private limited company incorporated in Malaysia which is principally a musical instruments retailer
- Customer B** : A private limited company incorporated in Malaysia which is principally a music school and musical instruments retailer
- Customer C** : A private buyer based in Malaysia
- Customer D** : A private buyer based in Malaysia
- Customer E** : A private limited company incorporated in Malaysia which is principally a music school and musical instruments retailer
- Customer F** : A private limited company incorporated in Malaysia which is principally a musical instruments retailer
- Customer G** : A private buyer based in Malaysia
- Customer H** : A private buyer based in Malaysia
- Supplier A** : A group of companies principally involved in the manufacturing of pianos, where its parent company is incorporated in the USA
- Supplier B** : A private limited company incorporated in Japan which is principally involved in the manufacturing of guitar and drums
- Supplier C** : A private limited company incorporated in the USA which is principally involved in the manufacturing of amplifiers and professional audio gears, where its parent company is incorporated in Australia
- Supplier D** : A private limited company incorporated in the USA which is principally involved in the manufacturing of high-performance fabrics which are also used in the production of guitar strings
- Supplier E** : A private limited company incorporated in the USA which is principally involved in the manufacturing of musical instrument accessories
- Supplier F** : A private limited company incorporated in the USA which is principally involved in the manufacturing of cymbals, drumsticks and percussion mallets

DEFINITIONS (CONT'D)

GLOSSARY OF TECHNICAL TERMS

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

E-commerce	:	Electronic commerce. Refers to the buying and selling of goods over an electronic network, primarily the internet
Musical instruments	:	Objects or devices that produce sound, intentionally crafted or adapted to create music
Point of sales system	:	A technology system that combines the use of software (such as inventory management, processing of payments, generate sales report) and hardware (monitor, cash register, barcode scanner) to facilitate transactions between a business and customers
Sound reinforcement systems	:	Devices that ensure audio signals are amplified and distributed evenly

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APPENDIX I Combined Historical Audited Financial Statements of Bentley Music Group for FYEs 30 June 2025 and 2024	

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CORPORATE DIRECTORY

- BOARD OF DIRECTORS** : Datuk Dr. Phua Cheng Chuen
Managing Director
- Lewis Siu Man Hooper
Executive Director
- Dato' Liaw Choon Liang
Proposed Independent Non-Executive Director
- REGISTERED OFFICE** : Unit 11.07, Amcorp Tower
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Persiaran Barat
46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia
- Telephone: +6017 622 9303
- HEAD OFFICE /
PRINCIPAL PLACE OF
BUSINESS** : Wisma Bentley Music
Level 6, No. 3 Jalan PJU 7/2
Mutiara Damansara
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Selangor Darul Ehsan
Malaysia
- Telephone: +603 7727 3333
Website: <https://bentleymusic.com/>
- COMPANY SECRETARY** : Wong Youn Kim (MAICSA 7018778)
SSM Practising Certificate No. 201908000410
c/o Synergy Professionals Group Sdn Bhd
(Registration No.: 202301003202 (1497121-V))
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CORPORATE DIRECTORY (CONT'D)

APPROVED ADVISER AND CONTINUING ADVISER : DWA Advisory Sdn Bhd
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AUDITORS : TGS TW PLT
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Chartered Accountants
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INDEPENDENT INTERNAL CONTROL CONSULTANT : Wensen Consulting Asia (M) Sdn Bhd
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CORPORATE DIRECTORY (CONT'D)

INDEPENDENT MARKET RESEARCHER : Providence Strategic Partners Sdn Bhd
(Registration No.: 201701024744 (1238910-A))
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Malaysia

Telephone: +603 7625 1769

PRINCIPAL BANKERS : Public Bank Berhad
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50200 Kuala Lumpur
Malaysia

Telephone: +603 2036 8888

OCBC Bank (Malaysia) Berhad
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50050 Kuala Lumpur
Malaysia

Telephone: +603 2034 5251

Standard Chartered Bank Malaysia Berhad
Level 25, Equatorial Plaza
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

Telephone: +603 7718 9733

SHARE REGISTRAR : Securities Services (Holdings) Sdn Bhd
(Registration No.: 197701005827 (36869-T))
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Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Malaysia

Telephone: +603 2084 9000

Facsimile: +603 2094 9940

LISTING SOUGHT : LEAP Market

1. INFORMATION ON OUR GROUP

1.1 Our Company

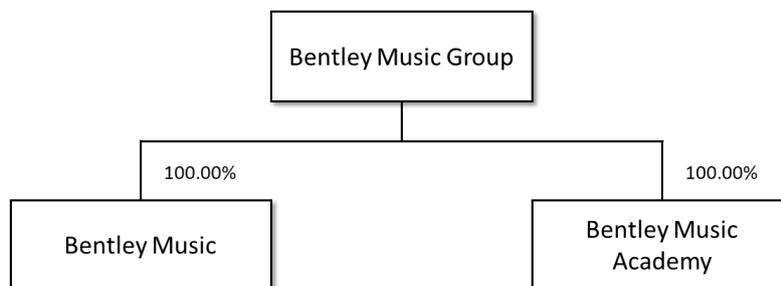
We were incorporated in Malaysia under the Act on 26 May 2025 as a private limited company under the name of Bentley Music Group Sdn Bhd. Subsequently on 11 November 2025, we were converted into a public limited company and assumed our present name. Our principal activity is investment holding.

Our Group is principally involved in the retail and wholesale of musical instruments and accessories and acts as an institution for musical education, to teach and promote the study of music and sales of music materials.

As at the LPD, we have two (2) subsidiaries, namely Bentley Music and Bentley Music Academy. We do not have an associated company.

1.2 Our Group Structure

Our Group structure as at the date of this Information Memorandum is as follows:



The details of our subsidiaries are set out below:

Company	Date of incorporation	Issued share capital (RM)	Effective equity interest (%)	Principal activities
Bentley Music	13 April 1983	600,000	100.00	Retail and wholesale of musical instruments and accessories.
Bentley Music Academy	23 July 1992	50,000	100.00	Acts as an institution for musical education, to teach and promote the study of music and sales of music materials.

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1. INFORMATION ON OUR GROUP (CONT'D)

1.3 Pre-listing Restructuring Exercises

In preparation for our Proposed Listing and to achieve the desired shareholding structure, we have undertaken the following restructuring exercises to facilitate our Proposed Listing:

1.3.1 Disposal of Bentley Music Shares

On 24 July 2025, Phua Cheng Tat and Yap Sook Fun, had disposed of 90,000 and 60,000 ordinary shares in Bentley Music respectively at a price of approximately RM15.56 each to Datuk Dr. Ken Phua for a cash consideration of RM2.33 million.

Shareholder	Before	%	Disposal	After	%
	No. of shares		No. of shares	No. of shares	
Yee Kim Yin	180,000	30.00	-	180,000	30.00
Datuk Dr. Ken Phua	126,000	21.00	150,000	276,000	46.00
Phua Cheng Tat	90,000	15.00	(90,000)	-	-
Yap Sook Fun	60,000	10.00	(60,000)	-	-
Phua Yoke Fun	54,000	9.00	-	54,000	9.00
Rachel Phua	54,000	9.00	-	54,000	9.00
Lewis Siu Man Hooper	36,000	6.00	-	36,000	6.00
Total	600,000	100.00	-	600,000	100.00

1.3.2 Disposal of Bentley Music Academy Shares

On 24 July 2025, Phua Cheng Tat and Yap Sook Fun, had disposed of 7,500 and 5,000 ordinary shares in Bentley Music Academy respectively at a price of approximately RM15.56 each to Datuk Dr. Ken Phua for a cash consideration of RM0.19 million.

Shareholder	Before	%	Disposal	After	%
	No. of shares		No. of shares	No. of shares	
Yee Kim Yin	15,000	30.00	-	15,000	30.00
Datuk Dr. Ken Phua	10,500	21.00	12,500	23,000	46.00
Phua Cheng Tat	7,500	15.00	(7,500)	-	-
Yap Sook Fun	5,000	10.00	(5,000)	-	-
Phua Yoke Fun	4,500	9.00	-	4,500	9.00
Rachel Phua	4,500	9.00	-	4,500	9.00
Lewis Siu Man Hooper	3,000	6.00	-	3,000	6.00
Total	50,000	100.00	-	50,000	100.00

1. INFORMATION ON OUR GROUP (CONT'D)

1.3.3 Acquisition of Bentley Music

On 9 October 2025, the Company entered into a conditional SSA with the Vendors of Bentley Music to acquire 600,000 ordinary shares in Bentley Music, representing the entire equity interest in Bentley Music. The purchase consideration for the Acquisition of Bentley Music of RM13,591,696 was satisfied in full through the issuance of 200,899,967 Shares at an issue price of approximately RM0.07 each to the Vendors of Bentley Music.

The purchase consideration for the Acquisition of Bentley Music of RM13,591,696 was arrived at after taking into consideration Bentley Music's audited NA as at 30 June 2025 of RM13,591,696. The Acquisition of Bentley Music was completed on 7 November 2025.

The details of the Vendors of Bentley Music and the number of Shares that were issued for the Acquisition of Bentley Music are as follows:

Vendors of Bentley Music	Shareholding in Bentley Music		Purchase consideration (RM)	No. of Shares issued
	No. of shares	%		
Yee Kim Yin	180,000	30.00	4,077,509	60,270,020
Datuk Dr. Ken Phua	276,000	46.00	6,252,180	92,413,931
Phua Yoke Fun	54,000	9.00	1,223,253	18,081,006
Rachel Phua	54,000	9.00	1,223,253	18,081,006
Lewis Siu Man Hooper	36,000	6.00	815,501	12,054,004
Total	600,000	100.00	13,591,696	200,899,967

1.3.4 Acquisition of Bentley Music Academy

On 9 October 2025, the Company entered into a conditional SSA with the Vendors of Bentley Music Academy to acquire 50,000 ordinary shares in Bentley Music Academy, representing the entire equity interest in Bentley Music Academy. The purchase consideration for the Acquisition of Bentley Music Academy of RM1,630,458 was satisfied in full through the issuance of 24,099,933 Shares at an issue price of approximately RM0.07 each to the Vendors of Bentley Music Academy.

The purchase consideration for the Acquisition of Bentley Music Academy of RM1,630,458 was arrived at after taking into consideration Bentley Music Academy's audited NA as at 30 June 2025 of RM1,630,458. The Acquisition of Bentley Music Academy was completed on 7 November 2025.

The details of the Vendors of Bentley Music Academy and the number of Shares that were issued for the Acquisition of Bentley Music Academy are as follows:

1. INFORMATION ON OUR GROUP (CONT'D)

Vendors of Bentley Music Academy	Shareholding in Bentley Music Academy		Purchase consideration (RM)	No. of Shares issued
	No. of shares	%		
Yee Kim Yin	15,000	30.00	489,138	7,229,980
Datuk Dr. Ken Phua	23,000	46.00	750,011	11,085,969
Phua Yoke Fun	4,500	9.00	146,741	2,168,994
Rachel Phua	4,500	9.00	146,741	2,168,994
Lewis Siu Man Hooper	3,000	6.00	97,827	1,445,996
Total	50,000	100.00	1,630,458	24,099,933

1.3.5 Private Subscription

On 17 November 2025, the following Private Investors subscribed for an aggregate of 25,000,000 Shares representing 10.00% of our enlarged share capital at the issue price of RM0.12 per Share for a total consideration of RM3,000,000.

The details of the Private Investors and the number of Shares subscribed for are as follows:

Name	No. of Shares subscribed	Consideration	Percentage of issued share capital ⁽¹⁾
		(RM)	%
Dato' Liaw Choon Liang	10,000,000	1,200,000	4.00
Felicia Lim Yen Yen	7,500,000	900,000	3.00
Soon Yoke Keng	7,500,000	900,000	3.00
Total	25,000,000	3,000,000	10.00

Note:

⁽¹⁾ Based on 250,000,000 issued shares upon our Proposed Listing.

The rationale for the Private Subscription is to raise funds for our Group to finance our capital expenditure and to defray expense relation to the Proposed Listing.

Please refer to Section 4.4 of this Information Memorandum for the utilisation of proceeds arising from the Private Subscription.

The Private Investors are independent individuals i.e., neither are connected to nor have any direct or indirect relationship with our Promoters, Substantial Shareholders or Directors.

1. INFORMATION ON OUR GROUP (CONT'D)

1.4 Share Capital of Bentley Music Group

As at the date of this Information Memorandum, the issued share capital of Bentley Music Group is RM18,222,164, comprising 250,000,000 Shares.

The details of the changes in our issued share capital since incorporation up to the date of this Information Memorandum are as follows:

Date of allotment	Number of Shares allotted	Cumulative number of Shares	Nature of transaction	Cumulative issued share capital (RM)	Consideration	
					Total (RM)	Per Share (RM)
26 May 2025	100 ⁽¹⁾	100	Subscriber Shares	10	10	0.10
7 November 2025	200,899,967 ⁽²⁾	200,900,067	Acquisition of Bentley Music	13,591,706	13,591,696	0.07
7 November 2025	24,099,933 ⁽³⁾	225,000,000	Acquisition of Bentley Music Academy	15,222,164	1,630,458	0.07
28 November 2025	25,000,000 ⁽⁴⁾	250,000,000	Private Subscription	18,222,164	3,000,000	0.12

Notes:

⁽¹⁾ Bentley Music Group was incorporated with a share capital of RM10.00, comprising one hundred Shares.

⁽²⁾ 200,899,967 Shares were issued at an issue price of approximately RM0.07 per Share in consideration for the Acquisition of Bentley Music.

⁽³⁾ 24,099,933 Shares were issued at an issue price of approximately RM0.07 per Share in consideration for the Acquisition of Bentley Music Academy.

⁽⁴⁾ 25,000,000 Shares were issued at a listing reference price of approximately RM0.12 per Share in consideration for the Private Subscription.

1.5 Our Subsidiaries and Associated Companies

As at the LPD, we do not have any associated companies. Further details of our subsidiaries are set out below:

1.5.1 Bentley Music

(i) History and business

Bentley Music was incorporated as Professional Music & Sound Sdn Bhd on 13 April 1983 as a private limited company under the Companies Act 1965.

1. INFORMATION ON OUR GROUP (CONT'D)

The name of the company was changed to Bentley Music Sdn Bhd on 14 April 1993.

Bentley Music is involved in retail and wholesale of musical instruments and accessories.

(ii) Share Capital

Bentley Music is a wholly-owned subsidiary of our Company. The issued share capital of Bentley Music is RM600,000 comprising 600,000 ordinary shares.

There has been no change in the issued share capital of Bentley Music for the past 3 years preceding the LPD.

(iii) Directors

The directors of Bentley Music as at the LPD are Yee Kim Yin, Datuk Dr. Ken Phua and Lewis Siu Man Hooper.

(iv) Subsidiary and associate company

As at the LPD, Bentley Music does not have any subsidiary or associated companies.

1.5.2 Bentley Music Academy

(i) History and business

Bentley Music Academy was incorporated as Roland Music School Sdn Bhd on 23 July 1992 as a private limited company under the Companies Act 1965. The name of the company was changed to Bentley Music Academy Sdn Bhd on 28 March 2006.

Bentley Music Academy acts as an institution for musical education, to teach and promote the study of music and sales of music materials.

(ii) Share Capital

Bentley Music Academy is a wholly-owned subsidiary of our Company. The issued share capital of Bentley Music Academy is RM50,000 comprising 50,000 ordinary shares.

There has been no change in the issued share capital of Bentley Music Academy for the past 3 years preceding the LPD.

(iii) Directors

The directors of Bentley Music Academy as at the LPD are Yee Kim Yin, Datuk Dr. Ken Phua and Lewis Siu Man Hooper.

(iv) Subsidiary and associate company

As at the LPD, Bentley Music Academy does not have any subsidiary or associated companies.

2. BUSINESS OVERVIEW

2.1 Overview and History

2.1.1 Overview

Our Group was incorporated in Malaysia under the Act on 26 May 2025 as a private limited company under the name of Bentley Music Group Sdn Bhd. Subsequently on 11 November 2025, we were converted into a public limited company and assumed our present name. Our principal activity is investment holding.

Our Group specialises in promoting musical instruments and education, whereby we are principally involved in the retail sales and wholesale of musical instruments and sound reinforcement systems. We also contribute to the development of musical talent through the provision of music education.

2.1.2 History

The history of our Group can be traced back to 1975 when the late Phua Sin Loke incorporated Syarikat Bentley as a sole proprietorship. Syarikat Bentley commenced operations upon incorporation in the retail sale and wholesale of musical instruments and operated a retail outlet from the ground floor of a shop unit in Jalan Masjid India, Kuala Lumpur.

Under the leadership of the late Phua Sin Loke, the business of Syarikat Bentley witnessed growth which led to the relocation of the business to a new and larger premise in Bukit Bintang, Kuala Lumpur ("**KL Showroom**") in 1981. This relocation enabled the late Phua Sin Loke to further expand the range of musical instruments showcased in the KL Showroom to meet the diverse musical interests of patrons.

In 1983, Bentley Music (then known as Professional Music & Sound Sdn Bhd) was incorporated and took over the business of Syarikat Bentley.

In a strategic move to diversify our business, Bentley Music Academy (then known as Roland Music School Sdn Bhd) was incorporated in 1992 to meet the demand for music education among Malaysians. Bentley Music Academy commenced operations by offering music lessons for various musical instruments and vocal classes from our academy in Jalan Bukit Bintang.

In 1994, our business expanded to 2 shop units.

In 2007, we further expanded and established our corporate headquarters in Mutiara Damansara, Selangor ("**PJ Showroom**") where we also operate a retail showroom and music academy.

We further expanded to Penang in 2013 where we established a retail showroom in Gurney Paragon Mall, Georgetown ("**Penang Showroom**"). By establishing a market presence in Penang, we are able to better meet the local demand for musical instruments among the population in the northern region of Peninsular Malaysia.

We began leveraging on the internet and e-commerce as a distribution channel to reach a wider audience. This led to the launch of our Bentley Music online store in 2017.

Furthermore in 2023, we expanded to Johor where we established a retail showroom in Eko Galleria in Iskandar Puteri ("**Johor Showroom**"), thereby enabling us to create market presence and reach a wider market of potential customers.

2. BUSINESS OVERVIEW (CONT'D)

2.2 Key Achievements and Milestones

Our key achievements and milestones since incorporation are as follows:

Year	Key Milestones and Achievements
1975	<ul style="list-style-type: none"> Incorporation of Syarikat Bentley as a sole proprietorship by the late Phua Sin Loke and commencement of operations from a shop unit in Jalan Masjid India, Kuala Lumpur
1976	<ul style="list-style-type: none"> Appointed as distributor for Tama Drums and Ibanez Guitars in Malaysia
1981	<ul style="list-style-type: none"> Relocated from shop unit in Jalan Masjid India, Kuala Lumpur to KL Showroom
1983	<ul style="list-style-type: none"> Bentley Music (then known as Professional Music & Sound Sdn Berhad) was incorporated and took over the business of Syarikat Bentley
1984	<ul style="list-style-type: none"> Appointed as distributor for Zildjian Cymbals in Malaysia
1988	<ul style="list-style-type: none"> Appointed as distributor for Jupiter in Malaysia
1990	<ul style="list-style-type: none"> Appointed as distributor for Pearl in Malaysia
1992	<ul style="list-style-type: none"> Incorporation of Bentley Music Academy (then known as Roland Music School Sdn Bhd)
1994	<ul style="list-style-type: none"> Appointed as distributor for Remo in Malaysia
1998	<ul style="list-style-type: none"> Secured project sales for the supply of musical instruments for the marching band performing at the 16th Commonwealth Games held in Malaysia
2002	<ul style="list-style-type: none"> Appointed as distributor for D'Addario in Malaysia
2006	<ul style="list-style-type: none"> Appointed as official dealer for Steinway & Sons in Malaysia
2007	<ul style="list-style-type: none"> Established PJ Showroom Secured project sales for the supply of musical instruments to the Ministry of Education of Brunei Darussalam
2013	<ul style="list-style-type: none"> Established Penang Showroom
2014	<ul style="list-style-type: none"> Recognised as the largest music and sound reinforcement showroom in Malaysia by the Malaysia Book of Records
2017	<ul style="list-style-type: none"> Launched Bentley Music online store Received McMillan Woods Global Award 2017 Received ASEAN Outstanding Business Award (AOBA) in 2017, Malaysia and Singapore Received SME Business Platinum Award 2017 Secured project sales for the supply of musical instruments to Star Cruises Secured project sales for the supply of musical instruments to Four Points Hotel by Sheraton at Kuala Lumpur

2. BUSINESS OVERVIEW (CONT'D)

Year	Key Milestones and Achievements
2018	<ul style="list-style-type: none"> • Received Brand Laureate Prominent Brand Award 2018 • Received Star Outstanding Business Award (SOBA) 2018 • Appointed as distributor for Laney in Malaysia
2019	<ul style="list-style-type: none"> • Received Designer of the Year (DOTY) Award 2019 • Received SMEs and Business Entrepreneurs (SEBA) Award 2019 • Received Metropolitan Trusted Brand Award • Secured project sales for the supply of musical instruments to Swiss-Garden Hotel & Residences at Genting Highlands • Secured project sales for the supply of musical instruments to St Joseph International School in Selangor • Appointed as distributor for DiMarzio in Malaysia
2021	<ul style="list-style-type: none"> • Secured project sales for the supply of musical instruments to Millerz Square at Kuala Lumpur
2023	<ul style="list-style-type: none"> • Established Johor Showroom • Appointed as distributor for Mackie in Malaysia
2024	<ul style="list-style-type: none"> • Secured project sales for the supply of musical instruments to Kumpulan Wang Simpanan Pekerja at Kuala Lumpur • Secured project sales for the supply of musical instruments to Maybank Berhad at Kuala Lumpur • Secured project sales for the supply of musical instruments to Hard Rock Café at Perak • Secured project sales for the supply of musical instruments to Soka International School at Negeri Sembilan • Secured project sales for the supply of musical instruments to Concord College International School Malaysia at Selangor
2025	<ul style="list-style-type: none"> • Secured project sales for the supply of musical instruments to Jabatan Penjara Malaysia (Sekolah Henry Gurney) • Appointed as distributor for Blackstar in Malaysia • Certified compliant to ISO 9001:2015 by BSI Assurance UK Limited for the scope of retail, wholesale, corporate and institutional sales of musical instruments; and provision of music, speech and drama education

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2. BUSINESS OVERVIEW (CONT'D)

2.3 Principal Activities

Our Group specialises in promoting musical instruments and education, whereby we are principally involved in the retail sales and wholesale of musical instruments and sound reinforcement systems. Through Bentley Music Academy, we contribute to the development of musical talent through the provision of music education.

Our principal activities are aimed at promoting a culture of music and nurturing talents that can contribute to cultivating a vibrant music culture in Malaysia.

Our Group adopts a multi-channel distribution strategy to sell our musical instruments and sound reinforcement systems through our retail showrooms, online stores and network of dealers to end customers. We also participate in project sales relating to the supply of musical instruments and sound reinforcement systems to corporate customers and government entities.

We further provide music education encompassing a wide range of faculties and courses for students of varying ages and skill levels. Our music education is available on a one-to-one tutoring basis, group sessions as well as via webinars.

As at the LPD, we manage and operate 4 retail showrooms under the Bentley Music brand, with a total retail space of approximately 34,000 sq. ft.. We have established our retail presence in Kuala Lumpur, Selangor, Penang and Johor. We also conduct one-to-one tutoring and group sessions for our music education at Bentley Music Academy located at our PJ Showroom and KL Showroom, with total teaching space of approximately 7,400 sq. ft..

2.3.1 Retail sales and wholesale of musical instruments and sound reinforcement systems

Our Group is principally involved in the retail sales and wholesale of musical instruments and sound reinforcement systems. We have an extensive range of musical instruments and sound reinforcement systems under various international brands. We are also the appointed distributor for these international brands of musical instruments and sound reinforcement systems.

We undertake the retail sales and wholesale of musical instruments and sound reinforcement systems via our retail channel (retail outlets) and online channel (e-commerce website). We offer a wide range of musical instruments and sound reinforcement systems for use in various applications and settings. Our extensive range of musical instruments and sound reinforcement systems enable us to serve a wide range of retail, corporate and wholesale customers.

We further supply and install professional audio-visual systems that elevate the acoustics in venues such as event spaces, hotels, restaurants, houses of worships, schools, universities and other corporate entities. In these projects, our role involves the supply of musical instruments and professional audio-visual systems while the installation works are carried out by our appointed contractors.

(i) Our product range

Our musical instruments and sound reinforcement systems comprise a comprehensive range of offerings. As at the LPD, the musical instruments and sound reinforcement systems that we offer under the respective brands are as follows:

2. BUSINESS OVERVIEW (CONT'D)

Product category	Product range	Brands
Guitar and basses	<ul style="list-style-type: none"> • Acoustic basses • Acoustic guitars • Classical guitars • Electric basses • Electric guitars • Ukeleles • Guitar strings 	<ul style="list-style-type: none"> • Bacchus • Donner • D'Addario • Ernie Ball • Elixir Strings • Ibanez • James Tyler • Music Man • SQOE • Sterling • Suhr • Taylor • Tom Anderson
Keyboard and pianos	<ul style="list-style-type: none"> • Acoustic grand pianos • Acoustic upright pianos • Digital pianos • Portable / arranger keyboards 	<ul style="list-style-type: none"> • Boston Pianos • Casio • Donner • Essex • Korg • Medeli • Roland • Steinway & Sons
Drum percussions	<ul style="list-style-type: none"> • Acoustic drum sets • Cymbals • Drumsticks, mallets and brushes • Drum hardware • Drum heads • Drum monitors • Drum pedals and beaters • Drum thrones • Electronic drum sets • Percussion • Snare drums • Drum bags and cases 	<ul style="list-style-type: none"> • Donner • Medeli • Overtone Labs • Paiste • Pearl • Remo • Ritter • Suzuki • Tama • Vic Firth • Zildjian
Band and orchestra	<ul style="list-style-type: none"> • Brass • Harmonicas • Melodicas • String instruments • Woodwinds • Reeds 	<ul style="list-style-type: none"> • Gotz • Hofner • Hohner • Jupiter • Majestic • Pearl • Rico • Suzuki • Tama • Vandoreen
Amplifiers	<ul style="list-style-type: none"> • Acoustic guitar amplifiers • Bass amplifiers 	<ul style="list-style-type: none"> • Ampeg • Blackstar • Boss

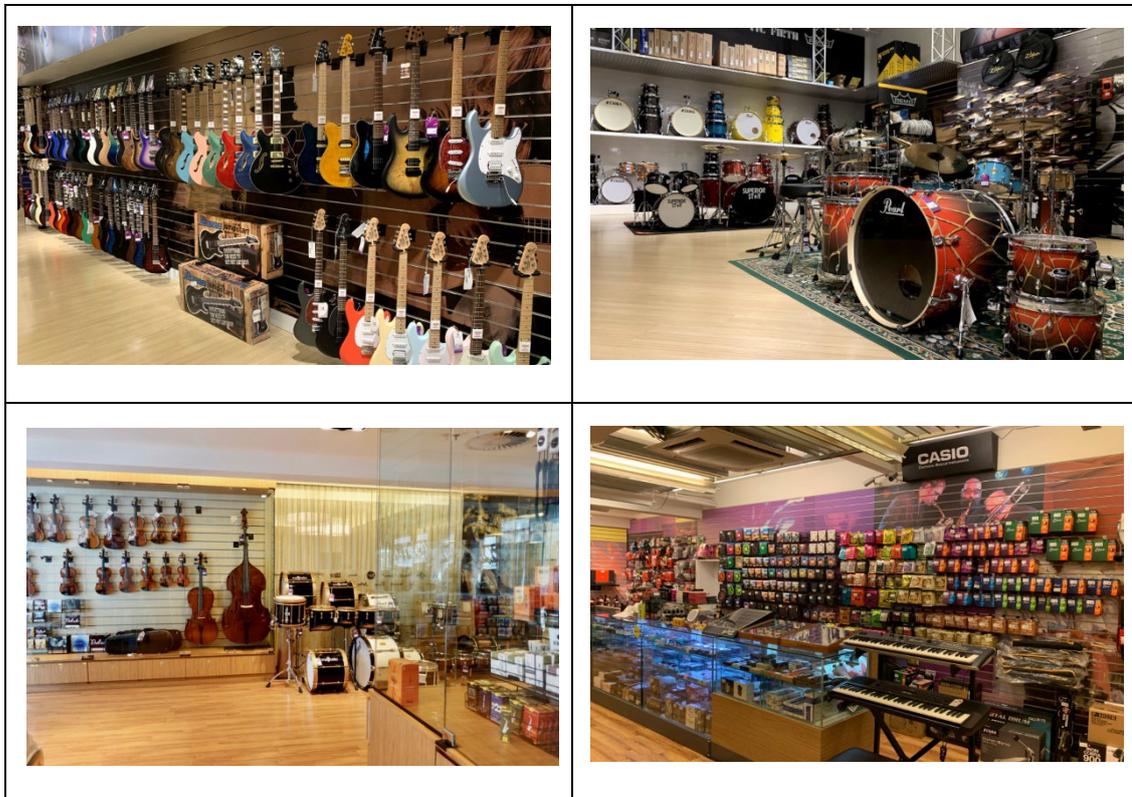
2. BUSINESS OVERVIEW (CONT'D)

Product category	Product range	Brands
	<ul style="list-style-type: none"> • Drum amplifiers • Electric guitar amplifiers 	<ul style="list-style-type: none"> • Fishman • Ibanez • Laney • Matchless • Soldano
Pro audio	<ul style="list-style-type: none"> • Microphones • Mixers • Portable public announcement (PA) systems • Portable speakers • Sound reinforcement speakers 	<ul style="list-style-type: none"> • Audix • Laney • Mackie • Shure
Recording tools	<ul style="list-style-type: none"> • Audio interfaces • Control surfaces • Headphones • Microphones • Networked stage boxes 	<ul style="list-style-type: none"> • Blackstar • Mackie
Accessories	<ul style="list-style-type: none"> • Cables and connectors • Drum accessories • Guitar accessories • Guitar amplifier accessories • Pedals and pedalboards • Stands and holders • String instrument accessories • Woodwind accessories • Miscellaneous accessories 	<ul style="list-style-type: none"> • Allparts • Blackstar • D'Addario • DiMarzio • Donner • Dunlop • Elixir Strings • Ernie Ball • Fishman • Free The Tone • Hercules • Ibanez • JJ Tube • Laney • Mackie • Nomad • Pearl • Ritter • Seymore Duncan • SKB • Slapklatz • SQOE • SUHR • Tama • Taylor • Temple Audio • Tom Anderson • Vemuram • Vic Firth • Zildjian

2. BUSINESS OVERVIEW (CONT'D)

Product category	Product range	Brands
Merchandise	<ul style="list-style-type: none"> • Hats • Shirts • Wallets 	<ul style="list-style-type: none"> • Ernie Ball • Ibanez • Saldano • Suhr • Tama • Taylor • Tom Anderson • Vic Firth • Zildjian

Our range of musical instruments and sound reinforcement systems displayed at our retail showrooms can be depicted as follows:



(ii) Our distribution channels

We adopt a multi-channel distribution strategy to sell our musical instruments and sound reinforcement systems through our network of dealers, mainly comprising retailers. We also operate 4 retail showrooms and 6 online platforms where we sell musical instruments and sound reinforcement systems directly to consumers. We also participate in project sales relating to the supply and installation of musical instruments and sound reinforcement systems to corporate customers and government entities.

2. BUSINESS OVERVIEW (CONT'D)



Further details on our distribution channels are as follows:

(a) Dealers

We distribute musical instruments and sound reinforcement systems to dealers and retailers for onward sale to end-consumers. Our retail customers comprise music retailers who may sell our products through their physical retail stores and/or through e-commerce platforms.

Our dealers purchase products outright from us on purchase order basis, to be sold to their customers. All of our dealers are required to adhere to our product pricing guide when setting the retail prices of our products. We provide trainings when we onboard new dealers and as and when required for existing dealers, on the specifications and functionality of our musical instruments and sound reinforcement systems. We provide our dealers with marketing materials to facilitate the marketing of our musical instruments and sound reinforcement systems to their customers.

For new dealers, we will assess their financial status, industry experience, store locations and product offerings before qualifying them as our dealers. We monitor the performance of our dealers on an on-going basis with the intention to extend any marketing and/or technical support to them in a timely manner.

(b) Our retail showrooms

Our retail showrooms are also a platform of marketing our musical instruments and sound reinforcement systems to consumers. As a retailer of musical instruments and sound reinforcement systems, we design our retail layout utilising visual merchandising strategies such as window displays, concept displays and eye-level displays. Retail layout refers to the arrangement of the floor space and the merchandise placement within our retail outlet.

The layout of each retail outlet may vary depending on factors, which include amongst other, the size of the retail outlet, the number of products displayed and the target market based on the location of our retail outlet.

2. BUSINESS OVERVIEW (CONT'D)

Our retail showrooms are located at high foot traffic, convenient and accessible locations, which include shopping malls as well as shoplots and standalone outlets in commercial areas. The size of the retail outlet in an identified location is determined by various factors such as population demographics and socio-economic factors.

As at the LPD, we manage and operate 4 retail showrooms namely:

- PJ Showroom



- KL Showroom



2. BUSINESS OVERVIEW (CONT'D)

- Penang Showroom



- Johor Showroom

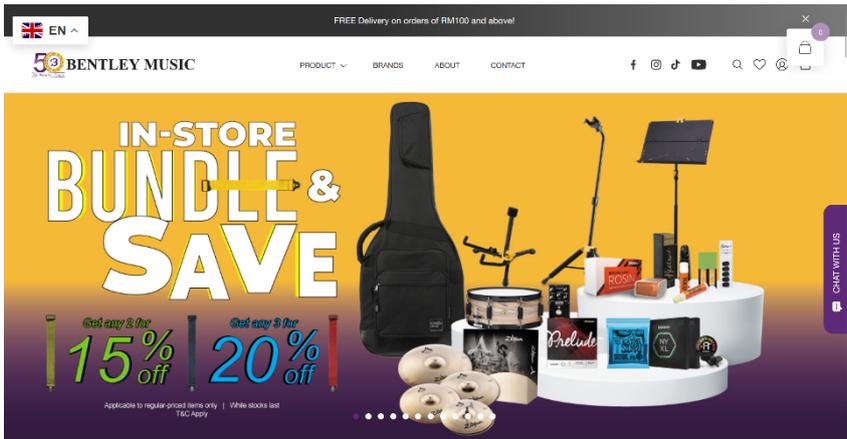
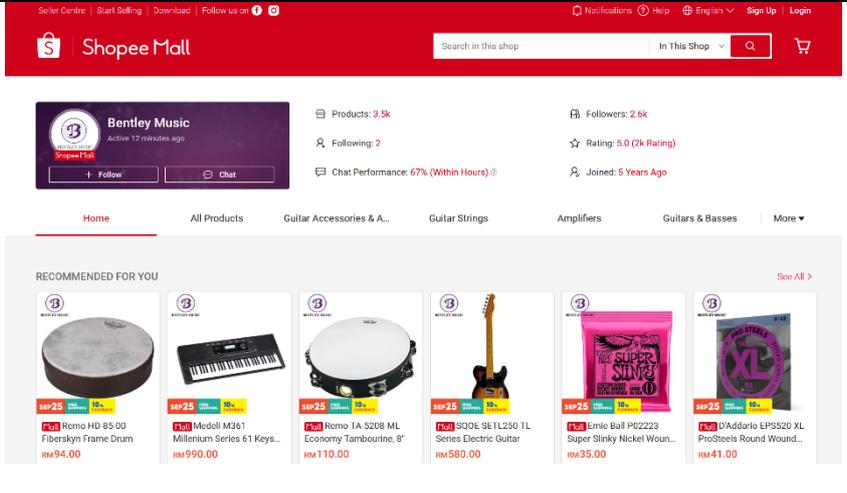
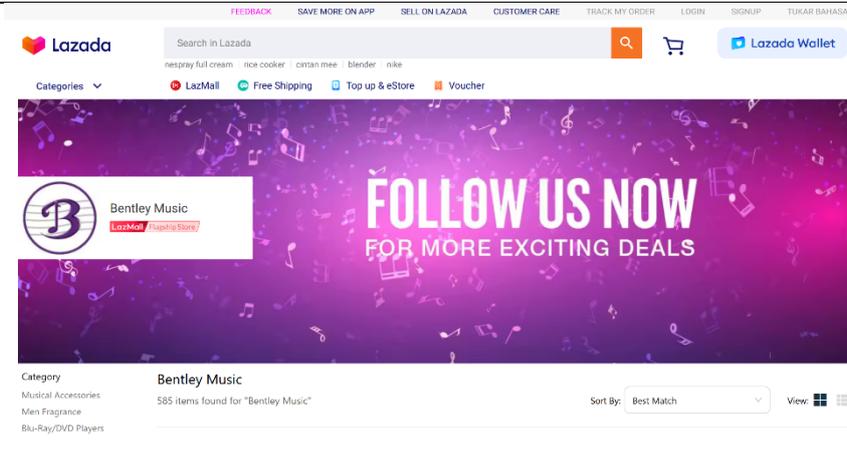


(c) Online platform

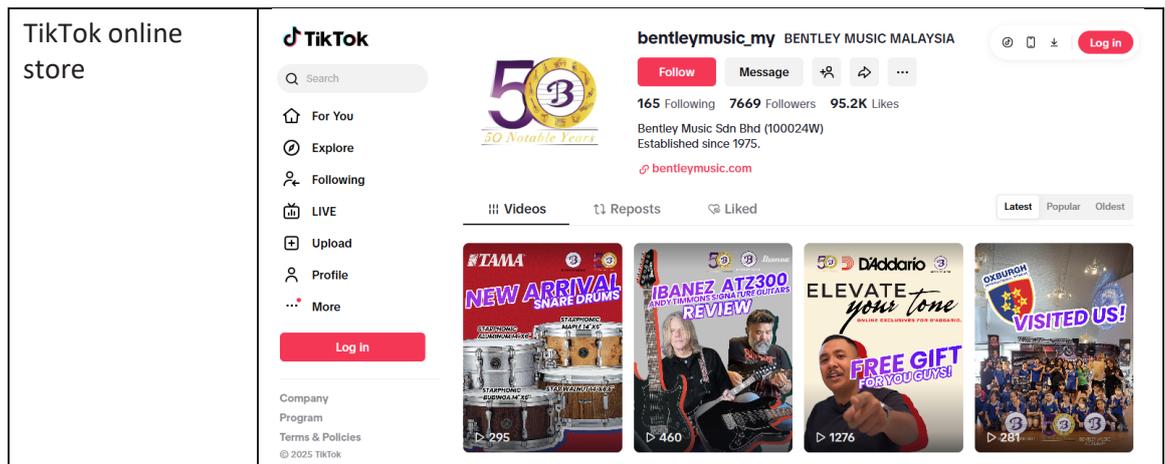
We market and sell our musical instruments and sound reinforcement systems directly to consumers through our online stores at bentleymusic.com and via third-party e-commerce platforms, namely Shopee, Lazada and TikTok.

Our online stores are managed internally by our sales and marketing team. By establishing online stores, we are able to expand our customer reach, brand equity and product exposure to retail customers. Our online stores also serve as our official brand page with up-to-date and accurate product information.

2. BUSINESS OVERVIEW (CONT'D)

<p>Bentleymusic.com online store</p>	
<p>Shopee Mall online store</p>	
<p>LazMall (Lazada Mall) online store</p>	

2. BUSINESS OVERVIEW (CONT'D)



(d) Project sales

We also supply our musical instruments and sound reinforcement systems to corporate customers and government entities for installation in their event spaces, hotels, restaurants, houses of worships, schools, universities and other corporate entities.

We submit our proposals with recommended musical instruments and sound reinforcement systems and pricing to project customers, based on the requirements for their projects. Generally, for project sales, we will receive purchase orders from our customers to confirm us as their appointed supplier for musical instruments and sound reinforcement systems. Our project customers will issue us letters of award and/or purchase orders to indicate acceptance of our proposal. The letters of award and purchase orders include information on the brand, type and quantity of products to be delivered, as well as the estimated delivery period.

For new build projects, the letters of award and purchase orders are typically secured at the start of a project development, and the delivery of our products takes place during the interior fit-out stage. For refurbishment and renovation projects, and occasionally for new build projects, we receive letters of award and purchase orders that require delivery of goods upon confirmation of orders.

We are responsible for the supply and delivery of musical instruments and sound reinforcement systems to our customers' project sites, where the installation will be carried out by our appointed contractors.

2.3.2 Provision of music education

Through Bentley Music Academy, we provide music education for students of all ages and skill levels at our PJ Showroom and KL Showroom. We offer students a wide range of faculties and courses, which are conducted via one-to-one tutoring basis, group sessions as well as webinars. At our PJ Showroom, we have over 22 acoustically built music studios and 3 recital halls where we conduct group music, speech and drama education classes.

2. BUSINESS OVERVIEW (CONT'D)

As at the LPD, we offer the following faculties and courses:

Faculty	Courses and ensembles
Strings	<ul style="list-style-type: none"> • Cello • Double bass • Viola • Violin
Voice	<ul style="list-style-type: none"> • Classical voice • Contemporary voice
Wind and brass	<ul style="list-style-type: none"> • Clarinet • Flute • Trombone • Trumpet • Saxophone
Piano and keyboard	<ul style="list-style-type: none"> • Classical piano • Contemporary / Jazz piano
Drums	<ul style="list-style-type: none"> • Drums
Guitar	<ul style="list-style-type: none"> • Acoustic guitar • Classical guitar • Electric bass • Electric guitar • Ukelele
Percussion	<ul style="list-style-type: none"> • Percussion
Aural training	<ul style="list-style-type: none"> • Aural training
Music theory	<ul style="list-style-type: none"> • Music theory
Group	<ul style="list-style-type: none"> • Conducting • Early years • Orchestra • Rock band • Speech and Drama

2.4 Business Processes

We adopt the following business process flow for our main business segment, namely the retail sales and wholesale of musical instruments and sound reinforcement systems:



2. BUSINESS OVERVIEW (CONT'D)

(i) Inventory level assessment and procurement

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

(ii) Receiving and storage

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

(iii) Sales and distribution

The following are our sales and distribution processes:

(a) Dealers

For sales to dealers, we will prepare the price list according to the inquiries for our customers to review. Once our dealers confirm their selection of musical instrument and/or sound reinforcement products from the price list, the sales orders will be confirmed with the issuance of purchase orders by our dealers. Upon receipt of the purchase orders, we will proceed to prepare and pack the products to arrange for delivery based on delivery schedule.

(b) Our retail showrooms

Our retail outlet operations team will perform an inventory check upon receiving products from our warehouse. The retail outlet operations team will receive an internal display memo for product arrivals from our procurement team. They will then work internally to propose the suitable visual merchandising displays, taking into account product placements, required fixtures, product designs, styles, themes and environment settings. Once the new visual merchandising displays are finalised, they will then adopt such display in our retail outlets to synchronise our desired themes across outlets.

Our retail outlets are staffed with retail outlet consultants that are ready to engage with customers and answer queries on products. Customers are exposed to our retail displays and can pick and interact physically with the products that are strategically placed on shelves throughout our retail outlets.

2. BUSINESS OVERVIEW (CONT'D)

If a customer decides to purchase products from our retail outlet, our retail outlet sales team will check for inventory availability and provide customer with a new unit for cash and carry items. We also provide customers with the flexibility to arrange for home delivery or self-collection. For large items such as pianos, customers will be informed by our retail outlet sales team of the date of delivery, after which it can be delivered to the customer's specified location.

(c) Online stores

Upon receiving purchase order from our end-customers through our online stores, we will prepare and pack the products to arrange for delivery. We will conduct quality checks on the products before packing and ensure the products match with the quantity and specifications ordered.

(d) Project sales

For project sales, we may be invited to quote or we may approach our project customers to participate in submitting quotations for projects. We prepare and submit our quotations based on the project specifications. While some customers for project sales will issue us letter of award or letter of confirmation as supplier, most of the customers only confirm us via issuance of purchase order. The purchase orders and letter of award/ letter of confirmation include information on the brand, type and quantity of products to be delivered, as well as the estimated delivery period. Upon the receipt of purchase order with the quantity and delivery schedule from our customers for project sales, we will prepare and pack the products to arrange for delivery. We will conduct quality checks on the products before packing and ensure the products match with the quantity and specifications ordered.

(iv) Delivery

We utilise in-house transportation as well as third party logistics services to deliver the products to our customers.

For sales to our dealers, corporate and institutional customers, upon delivery of the products, our customer is required to acknowledge receipt by signing off on the delivery note. We will issue the invoice to our customers for payment.

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2. BUSINESS OVERVIEW (CONT'D)

2.5 Principal Markets

Our Group's revenue is predominantly derived from Malaysia for the Financial Periods Under Review. The breakdown of our revenue by business segment for the Financial Periods Under Review is as follows:

	Audited			
	FYE 2024		FYE 2025	
	(RM'000)	(%)	(RM'000)	(%)
Retail sales and wholesale of musical instruments and sound reinforcement systems	27,641	89.54	29,693	89.64
Provision of music education	3,230	10.46	3,432	10.36
Total	30,871	100.00	33,125	100.00

2.6 Competitive Strengths

2.6.1 We have an established history and track record

We have an established track record in Malaysia as we are involved in the retail sales and wholesale of musical instruments and sound reinforcement systems, with a history that spans 50 years since the commencement of our business in 1975. Over the years, we have grown our business from a single showroom retailer to 4 retail showrooms and offer major international brands in the musical instruments and sound reinforcement systems industry, allowing us to offer a wide range of musical instruments and sound reinforcement systems for residential and commercial use. Further, we have expanded into music education to nurture and cultivate talents.

We have established a network of retail showrooms in Peninsular Malaysia. As at the LPD, we manage and operate 4 retail showrooms with a total retail space of approximately 34,000 sq. ft. which allows us to reach a large base of customers across wide geographical area. It also enables our Group to build presence in different markets across the country and is a material factor in generating more revenue due to increased customer traffic and sales at our retail showrooms.

Through our retail showrooms, our musical instruments and sound reinforcement systems have increased visibility and accessibility, which can help to further drive sales and increase customer loyalty. The industry reputation that we have established over the years has also been instrumental to our Group in securing new customers and maintaining continued patronage by existing customers. It also helps to establish our Group as a major player in the market and differentiate us from local competitors.

2.6.2 We have a wide range of categories of musical instruments and sound reinforcement systems

As at the LPD, we offer over 12,000 musical instruments, accessories and sound reinforcement systems products under 150 brands. Our wide range of categories of musical instruments and sound reinforcement systems under various brands cater to different consumers with different musical interests, preferences and consumer budgets. The 'Bentley' brand is a recognisable brand in the market.

2. BUSINESS OVERVIEW (CONT'D)

Our wide product portfolio allows us to better serve our target demographic ranging from mass market to middle and high-end market and attract new customers. A wide product mix of various price points also allows us to appeal to the mass market to meet their needs. Arising from our product mix, we are able to offer a greater selection of products in one location.

A wide product mix can also help us to respond quickly to changing market conditions and customer preferences. We believe that it also enhances our brand image and reputation, which can be leveraged to build a strong brand identity to further distinguish ourselves from our peers.

Our high product mix is supported by high inventory levels to avoid incidences of product shortages. It also enables us to optimise our supply chain and distribution process by taking advantage of economies of scale and increased efficiencies. We believe that the savings derived from the economics of scale will translate to our continued ability to offer competitively priced musical instruments and sound reinforcement systems to our customers.

2.6.3 We have a diversified customer base

As we operate in a consumer-oriented industry, having an extensive market reach is crucial to ensure our products can be easily accessed and purchased by end-consumers. We leverage on our customer base which includes dealers for onward sales to consumers and project sales, to extend our market reach to consumers.

Apart from leveraging on our dealers and project sales, we also sell our products directly to consumers through our retail showrooms and online stores. The move towards establishing our online presence since 2017 was in recognition of the increasing popularity of online shopping, and the accessibility to consumer purchasing data which provides insights to our Group on the latest consumer preferences that serves as valuable feedback for product expansion.

Project sales provide us with access to a wide range of corporate and institutional customers, which will in turn enhance the growth of our financial performance and the sustainability of our Group.

2.6.4 We have a diversified curriculum of music education to nurture musical talents

We are committed to providing high-quality music education to our students and nurture their musical talents. We have dedicated our resources to developing comprehensive and diversified curriculums encompassing a broad range of practical major offerings. We believe that these courses are instrumental in equipping our students with readily applicable and practical skills in music.

Based on our research of current and anticipated market demands, we have established several faculties, courses and ensembles. As at the LPD, we have 10 faculties as well as 27 courses and ensembles.

We seek to cultivate musical talent and skills through a combination of theory and practice. We focus on various aspects of our students' growth. We provide personalised and tailored education to our students according to their individual capabilities and promote their innovative and creative capabilities.

2. BUSINESS OVERVIEW (CONT'D)

2.6.5 We have qualified and experienced teachers under Bentley Music Academy

We believe that hiring, retaining and training high quality teaching staff is a critical part of providing high quality education to students, as the quality of education we provide is closely tied to the quality of our teachers. Teacher recruitment and retention is one of our top priorities. We have formulated and implemented strict standards and procedures for teacher recruitment to ensure that our educators possess a high level of professional expertise as well as teaching experience.

We have an experienced teaching staff consisting of 52 teachers under Bentley Music Academy as at the LPD.

We offer on-the-job training courses for newly hired teachers, as well as continuing training programmes for existing teachers so that they can stay abreast of the changes in the profession and master new teaching techniques and skills. As at the LPD, approximately 65.00% of our teachers have been with us for five years or above, of which approximately 20.00% have been with us for over ten years. We believe that our qualified and stable teaching staff is one of the key reasons for the success of our music education under Bentley Music Academy.

2.6.6 Our Group is led by an experienced key management team

Our Group is led by Datuk Dr. Ken Phua, our Managing Director. He has more than 40 years of experience in the retail music industry in Malaysia and plays a pivotal role in leading our Group. He is supported by our Executive Director, Lewis Siu Man Hooper, as well as our key management team comprising:

- Phua Yoke Fun, our Director of Information Systems;
- Rachel Phua, our Director of Finance and Human Resource; and
- Datin Cathlyn Lee Ya Pin, our Director of Marketing (Steinway Piano Division).

Our management team has strong industry and functional expertise as a result of years of experience in their respective fields. Further, they take an active, hands-on role in spearheading their respective departments to support the growth of our Group. Their hands-on involvement in our Group demonstrates their strong commitment to our growth as we continue to expand. Please refer to Sections 3.1.2 and 3.2.3 of this Information Memorandum for the profiles of our Directors and key management.

2.7 Business Development and Marketing Strategies

Our Group has a dedicated team to manage marketing and sales activities, including branding, promotion and marketing of our musical instruments and sound reinforcement systems as well as music education to enhance our brand presence and recognition in the market. We actively engage in the following sales and marketing strategies:

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2. BUSINESS OVERVIEW (CONT'D)

(i) Multi-channel distribution network

We adopt a multi-channel distribution strategy to promote and sell our musical instruments and sound reinforcement systems through a network of dealers comprising of wholesalers and retailers. We also sell musical instruments and sound reinforcement systems via project sales. We operate our own retail showrooms and online stores to market and sell musical instruments and sound reinforcement systems directly to consumers.

(ii) Concerts and ensembles

We regularly conduct concerts and ensembles to promote music among local communities. These concerts and ensembles feature students from our Bentley Music Academy as well as notable musical talents locally and from overseas.

(iii) Digital and print advertising

We place digital advertisements to promote our Bentley Music brand and products on social media platforms. Our social media pages, namely Facebook, YouTube, Instagram and TikTok, are managed by our in-house team to increase brand awareness.

Our website, Bentleymusic.com, provides immediate searchable information on our Group and principal business activities for prospective customers, suppliers and the general public.

(iv) Referrals

We believe that positive word-of-mouth is the most effective marketing tool for us as it represents proof that our musical instruments and sound reinforcement systems as well as music education are well regarded by consumers.

2.8 Future Plans and Business Strategies

2.8.1 We intend to expand our retail showroom network to strengthen market presence and visibility

Moving forward, we intend to strengthen our market presence by expanding our network of retail showrooms to East Malaysia as we strive to make our musical instruments and sound reinforcement systems accessible to a wider consumer base. The set-up of new retail showrooms requires undertaking extensive market and feasibility studies to ensure ideal location is selected for the expansion.

In expanding to East Malaysia, we have taken into consideration several factors, among which include population and demographics, types of premises and locations available, economic conditions as well as future developments of the proposed locations. The expansion into new areas will enable our Group to build awareness and increase the visibility and presence of our brand.

2. BUSINESS OVERVIEW (CONT'D)

We plan to allocate RM2.00 million, representing approximately 66.67% of the gross proceeds from our Private Subscription, as start-up cost to establish a retail showroom in Kota Kinabalu, Sabah, or a retail showroom in Kuching, Sarawak. As at the LPD, our Group is in the midst of identifying suitable commercial retail units in areas with high human traffic, such as shopping malls in Kota Kinabalu or Kuching respectively.

2.9 Employees

As at the LPD, we have a total workforce of 68 employees. The analysis of our workforce as at 30 June 2024, 30 June 2025 and the LPD is as follows:

Department/ Division	Total number of employees		
	As at 30 June 2024	As at 30 June 2025	As at LPD
Board of Directors	3	3	2
Senior Management	4	4	4
Management	5	5	5
Sales and Distribution	33	32	31
Academy Operations	15	14	13
Admin, Finance and Operations	17	12	13
Total	77	70	68

None of our employees is a member of any union nor have we been involved in any major industrial disputes in the past.

As at the LPD, we have 5 foreign employees, from United Kingdom, USA, Japan and Hungary, who are employed as managers and teachers in the Group. As at the LPD, all of our foreign employees possess valid work permits and there has not been any breach of any immigration laws by the Group.

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2. BUSINESS OVERVIEW (CONT'D)

2.10 Major Customers

Save for our walk-in customers to our retail showrooms, our top 5 customers contributing to our Group's revenue for the Financial Periods Under Review are as follows:

FYE 2024

Customers / Country	Products/ Services	Revenue (RM'000)	Percentage of Group's revenue (%)	Length of relationship as at LPD (Years)
Customer A / Malaysia	Musical instruments	2,717	8.80	12
Customer B / Malaysia	Musical instruments	1,092	3.54	24
Customer C / Malaysia	Musical instruments	987	3.20	10
Customer D / Malaysia	Musical instruments	973	3.15	20
Customer E / Malaysia	Musical instruments	894	2.90	10
Total		6,663	21.59	

FYE 2025

Customers / Country	Products/ Services	Revenue (RM'000)	Percentage of Group's revenue (%)	Length of relationship as at LPD (Years)
Customer A / Malaysia	Musical instruments	2,167	6.54	12
Customer B / Malaysia	Musical instruments	1,131	3.41	24
Customer F / Malaysia	Musical instruments	1,126	3.40	37
Customer G / Malaysia	Musical instruments	930	2.81	1
Customer H / Malaysia	Musical instruments	921	2.78	1
Total		6,275	18.94	

We have sought the consent from our major customers for the disclosure of their names in this Information Memorandum. However, due to the confidentiality clauses in the contracts with our major customers and/or our major customer's internal policy, they are unwilling to waive the confidentiality requirement for the disclosure of their names in this Information Memorandum. In addition, certain individual customers have expressed a personal preference not to participate in interviews in order to protect their privacy.

2. BUSINESS OVERVIEW (CONT'D)

Collectively, our top 5 customers contributed 21.59% and 18.94% of our revenue for FYE 2024 and FYE 2025, respectively. For the Financial Periods Under Review, Customer C, Customer D, Customer G and Customer H represent private buyers. Our walk-in customers contributed 23.02% and 17.88% of our revenue for FYE 2024 and FYE 2025, respectively. Our business is not materially dependent on any single customer. All the transactions with our major customers are denominated in RM.

None of our Promoters, Directors, Substantial Shareholders or key management has any interest, direct or indirect, in the abovementioned major customers of our Group.

2.11 Major Suppliers

Our top 5 suppliers for the Financial Periods Under Review are as follows:

FYE 2024

Supplier/ Country	Products/ Services	Purchases (RM'000)	Percentage of Group's purchases (%)	Length of relationship as at LPD (Years)
Supplier A / USA	Pianos	4,346	22.45	20
Supplier B / Japan	Guitars and drums	4,162	21.51	49
Supplier C / USA	Professional audio gears	1,458	7.53	1
Supplier D / USA	Guitar strings	982	5.07	10
Supplier E / USA	Guitar strings and accessories	969	5.01	23
Total		11,917	61.57	

FYE 2025

Supplier/ Country	Products/ Services	Purchases (RM'000)	Percentage of Group's purchases (%)	Length of relationship as at LPD (Years)
Supplier A / USA	Pianos	4,233	25.44	20
Supplier B / Japan	Guitars and drums	3,907	23.48	49
Supplier D / USA	Guitar strings	1,148	6.90	10
Supplier E / USA	Guitar strings and accessories	1,022	6.14	23
Supplier F / USA	Cymbals, drumsticks and percussion mallets	574	3.45	40
Total		10,884	65.41	

2. BUSINESS OVERVIEW (CONT'D)

We have sought the consent from our major suppliers and major customers for the disclosure of their names in this Information Memorandum. However, due to the confidentiality clauses in the contracts with our major suppliers and/or our major customer's internal policy, they are unwilling to waive the confidentiality requirement for the disclosure of their names in this Information Memorandum.

Collectively, our top 5 suppliers contributed 61.57% and 65.41% of our total purchases for FYE 2024 and FYE 2025, respectively. For FYE 2024, we had entered into a distribution agreement with Supplier C, as such we had stocked up on inventory of sound reinforcement products. All the transactions with our major suppliers are denominated in USD save for Supplier A which is denominated in EUR and Supplier B which is denominated in YEN and USD.

We are not materially dependent on any one of our major suppliers.

None of our Promoters, Directors, Substantial Shareholders or key management has any interest, direct or indirect, in the abovementioned major suppliers of our Group.

2.12 Properties

As at the LPD, we do not own any properties which are or will be utilised for our Group's operations.

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2. BUSINESS OVERVIEW (CONT'D)

As at the LPD, we rent the following properties which are utilised for our Group's operations:

Tenant	Landlord	Postal address	Description of property / Permitted use	Monthly rental	Tenure of tenancy / Renewal option
Bentley Music	Regent Intan	140 & 142, Level 1 & 2, Jalan Bukit Bintang, 55100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Description Shophouse Permitted use Showroom	RM25,100.00	Tenure Twelve (12) Months from 1 January 2025 to 31 December 2025 Renewal option One (1) year at a rental to be mutually agreed upon
Bentley Music	Regent Intan	Wisma Bentley Music, Level 3 and 6, No. 3 Jalan PJU 7/2, Mutiara Damansara, 47810 Petaling Jaya, Selangor	Description Six-storey commercial building Permitted use Showroom, Warehouse and Office	RM80,797.00	Tenure Twelve (12) Months from 1 January 2025 to 31 December 2025 Renewal option One (1) year at a rental to be mutually agreed upon
Bentley Music Academy	Regent Intan	Wisma Bentley Music, Level 4, No. 3 Jalan PJU 7/2, Mutiara Damansara, 47810 Petaling Jaya, Selangor	Description Six-storey commercial building Permitted use Music Academy	RM22,208.00	Tenure Twelve (12) Months from 1 January 2025 to 31 December 2025 Renewal option One (1) year at a rental to be mutually agreed upon
Bentley Music Academy	Bentley Music ⁽¹⁾	140 & 142, Level 2 (approx. 500 sq. ft.) Jalan Bukit Bintang, 55100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Description Shophouse	RM2,000.00	Tenure Twelve (12) Months from 1 July 2025 to 30 June 2026

2. BUSINESS OVERVIEW (CONT'D)

Tenant	Landlord	Postal address	Description of property / Permitted use	Monthly rental	Tenure of tenancy / Renewal option
			<p>Permitted use Music Academy</p>		<p>Renewal option One (1) Year at a rental to be mutually agreed upon</p>
Bentley Music	Hunza Properties (Penang) Sdn Bhd	Gurney Paragon Mall, 163-D-L3-07 & 08, Level 3, Persiaran Gurney, 10250 Penang	<p>Description Shoplot within Shopping Complex</p> <p>Permitted use Retailing of Music Instruments, Provide Music Classes and related accessories</p>	<p>Base Rent of RM9,326.50 plus Service Charge of RM10,948.50 per month or Turnover Rent (4% of the Tenant's monthly Gross Sales Turnover OR 0.5% of the Tenant's monthly Gross Sales Turnover on the total sales of Steinway & Sons branded pianos only exceeding RM1,400,000 OR 4% of monthly Gross Sales Turnover AND 0.5% of the Tenant's monthly Gross Sales Turnover on the total sales of Steinway & Sons branded pianos only exceeding RM1,400,000), whichever is higher</p>	<p>Tenure Three (3) Years from 7 November 2025 to 6 November 2028⁽²⁾</p> <p>Renewal option One (1) Term of Three (3) Years</p>

2. BUSINESS OVERVIEW (CONT'D)

Tenant	Landlord	Postal address	Description of property / Permitted use	Monthly rental	Tenure of tenancy / Renewal option
Bentley Music	Pamir Development Sdn Bhd	Eko Galleria, Blok B, Level 2, B0309, Jalan Eko Botani 3, Taman Eko Botani, 79100 Iskandar Puteri Johor	Description Shoplot within Shopping Complex	From 1 February 2025 to 31 January 2026: RM9,500.00	Tenure Three (3) Years from 1 February 2024 to 31 January 2027
			Permitted use Sale of Music Instruments and related marketing activities	From 1 February 2026 to 31 January 2027: RM11,000.00	Renewal option Three (3) Years at the revised monthly rental of Malaysian Ringgit Twelve (12) Thousand Only.

Notes:

- (1) Bentley Music rented the premise at 140 & 142, Level 1 & 2, Jalan Bukit Bintang, 55100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur from Regent Intan and subsequently sub-let approximately 500 sq. ft. of Level 2 of the premise to Bentley Music Academy for use as a music academy.
- (2) Bentley Music established its retail showroom at Gurney Paragon Mall, 163D-5-36, 37 & A4, Level 5, Persiaran Gurney, 10250 Penang, in 2013 and subsequently relocated to its current showroom at 163D-L3-07 & 08, Level 3, Persiaran Gurney, 10250 Penang, in November 2025.

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2. BUSINESS OVERVIEW (CONT'D)

2.13 Approvals, Licences, Permits and Certificates

As at the LPD, we hold the following licences, approvals and certificates in relation to our Group's operations:

Company/ Licensee	Type of licence	Issuing authority	Description of the licences, approvals and certificates	Date of issuance / validity	Major conditions imposed	Status of compliance
Bentley Music	Composite License Licence no. L2024166526	Iskandar Puteri City Council	Business premises and signage license for Eko Galleria, Blok B, Level 2, B0309, Jalan Eko Botani 3, Taman Eko Botani 79100 Iskandar Puteri, Johor Darul Takzim.	1 January 2025 to 31 December 2025	The Iskandar Puteri City Council bans the use of polystyrene food/drink containers and plastic straws at business premises starting 1 July 2020.	Active and complied with
Bentley Music	Composite License Licence no. L160000097130	Petaling Jaya City Council	Business premises and signage license for, Wisma Bentley Music, Level 3, No. 3, Jalan PUJ 7/2, Mutiara Damansara, Petaling Jaya, 47810 Petaling Jaya.	1 January 2025 to 31 December 2025	This license must be prominently displayed at all times on the licensed premises.	Active and complied with
Bentley Music	Composite License Licence no. 201495860154	City Council of Penang Island	Business premises and signage license for Gurney Paragon, Persiaran Gurney, 10250 Georgetown, Pulau Pinang, Malaysia.	20 December 2024 to 31 December 2025	<ol style="list-style-type: none"> The license renewal fee shall be made before or on the end of February every year. The license shall be displayed at a convenient place at all times. Business activities shall be conducted within the premises only and it is prohibited to use the sidewalk or open area without council approval for business activities or related to business activities. Licensee is required to separate recyclable waste and residual waste. 	Active and complied with

2. BUSINESS OVERVIEW (CONT'D)

Company/ Licensee	Type of licence	Issuing authority	Description of the licences, approvals and certificates	Date of issuance / validity	Major conditions imposed	Status of compliance
Bentley Music	Composite License Licence no. DBKL.JPPP/01029/05/2 007/PR01	Kuala Lumpur City Hall	Business premises and signage license for Jalan Bukit Bintang, 55100 Kuala Lumpur.	15 November 2024 to 14 November 2025	<ol style="list-style-type: none"> 1. Renew license annually 60 days before expiry without notice from the Kuala Lumpur City Hall.⁽¹⁾ 2. Employees at the premises must consist of 50% citizens and 50% non-citizens with valid work permits. 	Active and complied with
Bentley Music	Certificate of Registration Registration no. K11710484154113985	Ministry of Finance Malaysia	Registration as a supplier / service provider for:- <ol style="list-style-type: none"> 1. Furniture, office equipment, interior and domestic decoration / electrical and electronic appliances / electrical appliances and accessories. 2. Furniture, office equipment, interior and domestic decoration / domestic equipment and appliances / domestic equipment and appliances (including non- wearable items). 3. Furniture, office equipment, interior and domestic decoration / clothing and accessories / clothing. 	12 March 2025 to 22 March 2028	<ol style="list-style-type: none"> 1. Any changes to the aforementioned information must be updated online via the Profile Update Module at www.eperolehan.gov.my within twenty-one (21) days from the date the change occurs. 2. The company must submit all required information within the stipulated time when requested by the Ministry of Finance Malaysia. 3. The company must ensure that the registered field(s) listed on the certificate do not overlap with the fields approved for any other company that: (i) has the same Owner or Board of Directors/Director, Management, and Employees; or; (ii) operates from the same premises. 4. The Ministry of Finance Malaysia reserves the right to conduct visits or audit inspections at any time without prior notice. 	Active and complied with

2. BUSINESS OVERVIEW (CONT'D)

Company/ Licensee	Type of licence	Issuing authority	Description of the licences, approvals and certificates	Date of issuance / validity	Major conditions imposed	Status of compliance
			<p>4. Furniture, office equipment, interior and domestic decoration / tarpaulin and canvas materials / tarpaulin / canvas.</p>		<p>5. Failure to apply for renewal after one year from the expiry of the registration period will result in the automatic cancellation of the company's registration with the Ministry of Finance Malaysia in the eProcurement System.</p>	
			<p>5. Sports, recreation, musical instruments and Malaysian handicrafts / musical instruments / musical instruments and accessories.</p>		<p>6. Company registration will be suspended/cancelled if the company is found to have committed the following offenses: (i) the company/owner/partnership/director/any member of management has committed a crime and is convicted by a court in Malaysia or overseas, or is involved in civil liabilities. (ii) The company fails to fulfill obligations under contracts signed with the Government. (iii) The company is found to have altered the Company Registration Certificate with fraudulent intent. (iv) the company allows the Company Registration Certificate to be misused by individuals/other companies. (v) The company is involved in price-fixing agreements with other companies during Government tenders or subcontracts without prior approval from the relevant Government Agency. (vi) the company withdraws its offer before the tender is evaluated.</p>	
			<p>6. Services / manpower / training services, trainers and moderators / negotiator.</p>			
			<p>7. Services / arts, entertainment and tourism / recording.</p>			
			<p>8. Services / arts, entertainment and tourism / audio visual.</p>			
			<p>9. Services / rental and management / p.a. system and musical instruments.</p>			
					<p>7. The company must submit a registration renewal application three (3) months before the registration expiry date.</p>	

2. BUSINESS OVERVIEW (CONT'D)

Company/ Licensee	Type of licence	Issuing authority	Description of the licences, approvals and certificates	Date of issuance / validity	Major conditions imposed	Status of compliance
					<p>8. The Virtual Company Registration Certificate issued is the property of the Government. The Government has the right to withdraw/suspend/cancel registration if the company is subject to disciplinary action in accordance with 1PP/PK8 (Treasury Circular on Government Procurement 8).</p> <p>9. The company must ensure that its registration with the Ministry of Finance Malaysia remains valid throughout the duration of the contract.</p> <p>10. Any act or attempt of corruption to offer or give, request or receive any bribe in relation to Government procurement is a criminal offense under the Malaysian Anti-Corruption Commission Act 2009 [Act 694].</p>	
Bentley Music Academy	Composite License License no. L640000117110	Petaling Jaya City Council	Business premises and signage license for Wisma Bentley Music, No. 3 Level 4, Jalan PJU 7/2, Mutiara Damansara, 47810 Petaling Jaya	1 January 2025 to 31 December 2025	This license must be prominently displayed at all times on the licensed premises.	Active and complied with
Bentley Music Academy	Composite License License no. DBKL.JPPP/00264/08/2 025/KM01	Kuala Lumpur City Hall	Business premises and signage license for 142, Jalan Bukit Bintang, 55100 Kuala Lumpur	31 July 2025 to 30 July 2026	<p>1. Renew license annually 60 days before expiry without notice from the Kuala Lumpur City Hall.</p> <p>2. Employees at the premises must consist of 50% citizens and 50% non-citizens with valid work permits.</p>	Active and complied with

2. BUSINESS OVERVIEW (CONT'D)

Company/ Licensee	Type of licence	Issuing authority	Description of the licences, approvals and certificates	Date of issuance / validity	Major conditions imposed	Status of compliance
Bentley Music and Bentley Music Academy	Certificate of Registration	BSI Assurance UK Limited	To certify that Bentley Music and Bentley Music Academy operates a quality management system which complies with the requirement of ISO 9001:2015 for the retail, wholesale, corporate and institutional sales of music instruments, provision of music, speech and drama education. ⁽²⁾	7 November 2025 to 6 November 2028	Nil	Active
					3. Business License holders are prohibited from using any polystyrene, single-use plastic bags, and plastic straw. Licensees must use approved biodegradable products (biodegradable or compostable types) that have certified by SIRIM Eco-001:2018 or SIRIM Eco-009:2016 from Sirim Berhad.	

The Company has complied with all rules, regulations and requirements imposed under any relevant applicable laws and governmental authorities, including but not limited to the Local Government Act 1976 (including the Licensing of Trades, Businesses and Industries (Federal Territories of Kuala Lumpur) By-laws 2016, Licensing of Trades, Businesses and Industries (Petaling Jaya City Council) By-laws 2007, Municipal Council Of Penang Island (Trade, Businesses And Industries) By-Laws, 1991 (Amendment) and Trade, Business and Industrial Licensing Bylaws (Majlis Bandaraya Iskandar Puteri) 2018.

Notes:

⁽¹⁾ Bentley Music has renewed the Composite License for its business premise at Jalan Bukit Bintang, 55100 Kuala Lumpur in accordance to the conditions imposed by the Kuala Lumpur City Hall. The renewed Composite License is valid from 15 November 2025 to 15 November 2026.

⁽²⁾ The ISO 9001:2015 Certificate of Registration applies to the Quality Management System governing the retail, wholesale, corporate and institutional sales of musical instruments, provision of music, speech and drama education at Wisma Bentley Music, No. 3, Jalan PJU 7/2, Mutiara Damansara, 47810 Selangor, Malaysia.

2. BUSINESS OVERVIEW (CONT'D)

2.14 Investigations, Actions and Audits from Governmental Authorities

Our Board confirms that our Group is currently not subject to and/or has not been subject to any ongoing, impending investigations, actions, audits or checks by any governmental authorities as at the LPD.

2.15 Intellectual Property Rights

Our Group has registered the following trademark as at the LPD:

No.	Trademark	Registered owner	Issuing authority	Trademark no.	Date of filing/ Status	Registered class
1.		Bentley Music Sdn Bhd	Intellectual Property Corporation of Malaysia ("MyIPO")	08003998	3 March 2008 (expiring on 3 March 2028)	Class 16: Paper and paper articles; printed matter, instructional and teaching material for music education, teaching manuals, catalogues relating to musical apparatus, catalogues relating to operating musical instruments, musical scores, musical works in the form of printed matter, printed musical publications, sheet music, music books, textbooks for music education, stationery; all included in class 16.
	Nature of mark	Word and figurative				

2. BUSINESS OVERVIEW (CONT'D)

No.	Trademark	Registered owner	Issuing authority	Trademark no.	Date of filing/ Status	Registered class
2.	 <p>Nature of mark Word and figurative</p>	Bentley Music Sdn Bhd	MyIPO	08003999	3 March 2008 (expiring on 3 March 2028)	Class 35: The bringing together, for the benefit of others, of various kinds of musical instruments, enabling customers to conveniently view and purchase those goods in a music shop, dealers in musical instruments, retail store services specialising in musical instruments; all included in class 35
3.	 <p>Nature of mark Stylized Word Mark</p>	Bentley Music Sdn Bhd	MyIPO	08004000	3 March 2008 (expiring on 3 March 2028)	Class 16: Paper and paper articles; printed matter, instructional and teaching material for music education, teaching manuals, catalogues relating to musical apparatus, catalogues relating to musical instruments, catalogues relating to operating musical instruments, musical scores, musical works in the form of printed matter, printed musical publications, sheet music, music books, textbooks for music education, stationery; all included in class 16.

2. BUSINESS OVERVIEW (CONT'D)

No.	Trademark	Registered owner	Issuing authority	Trademark no.	Date of filing/ Status	Registered class
4.	 <p>BENTLEY MUSIC BENTLEY MUSIC</p> <p>Nature of mark Stylized Word Mark</p>	Bentley Music Sdn Bhd	MyIPO	08004001	3 March 2008 (expiring on 3 March 2028)	Class 35: The bringing together, for the benefit of others, of various kinds of musical instruments, enabling customers to conveniently view and purchase those goods in a music shop, dealers in musical instruments, retail store services specialising in musical instruments; all included in class 35.
5.	 <p>BENTLEY MUSIC</p> <p>Nature of mark Word and Figurative</p>	Bentley Music Sdn Bhd	MyIPO	2017070027	13 October 2017 (expiring on 13 October 2027)	Class 16: Paper and paper articles; printed matter, instructional and teaching material for music education, teaching manuals, catalogues relating to musical apparatus, catalogues relating to musical instruments, catalogues relating to operating musical instruments, musical scores, musical works in the form of printed matter, printed musical publications, sheet music, music books, textbooks for music education; all included in class 16.
6.	 <p>BENTLEY MUSIC</p> <p>Nature of mark Word and Figurative</p>	Bentley Music Sdn Bhd	MyIPO	2017070035	13 October 2017 (expiring on 13 October 2027)	Class 35: The bringing together, for the benefit of others, of various kinds of musical instruments, enabling customers to conveniently view and purchase those goods in a music shop, dealers in musical instruments, retail store services specialising in musical instruments; all included in class 35.

2. BUSINESS OVERVIEW (CONT'D)

No.	Trademark	Registered owner	Issuing authority	Trademark no.	Date of filing/ Status	Registered class
7.	 BENTLEY MUSIC Nature of mark Word and Figurative	Bentley Music Sdn Bhd	MyIPO	2017070036	13 October 2017 (expiring on 13 October 2027)	Class 41: Teaching of music, education academy services for teaching music, publication services of books relating to music, publishing of musical works, hire of musical instruments, musical concert services, musical education services, musical entertainment services, arranging of musical events, musical instructions services, musical performance services, organisation of musical competitions, organisation of musical concerts, organisation of musical entertainment, production of musical programmes, rendering of musical recordings, rental of musical instrument groups, rental of musical instrument; All included in class 41.
8.	 Nature of mark Word and Figurative	Bentley Music Sdn Bhd	MyIPO	TM2024037702	28 November 2024 (expiring on 28 November 2034)	Class 41: Teaching of music; Education academy services for teaching music; Publication services of books relating to music; Publishing of musical works; Hire of musical instruments; Musical concert services; Musical education services; Musical entertainment services; Arranging of musical events; Musical instructions services; Musical performance services; Organisation of musical competitions; Organisation of musical concerts; Organisation of musical entertainment; Performance of musical programmes; Production of musical recordings; Rendering of musical entertainment by instrumental groups; Rental of musical instrument.

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2. BUSINESS OVERVIEW (CONT'D)

2.16 Prospects of Our Group

The musical instruments market, based on industry revenue, increased from RM157.8 million in 2022 to RM207.4 million in 2024 at a CAGR of 9.5%. The musical instruments market in Malaysia comprises industry players that specialise in the wholesale and retail sales of musical instruments and sound reinforcement systems, as well as music education. Thus, the market size represents the revenues generated from the wholesale and retail sales of musical instruments and sound reinforcement systems as well as music education. Providence projects the musical instruments market in Malaysia to grow from RM207.4 million in 2024 to RM292.4 million by 2028 at a CAGR of 9.0%.

The demand for musical instruments is closely tied to music education and learning trends. Musical instruments play an essential role in schools, colleges and private institutions for teaching music theory, performance techniques and various instruments to students. Musical instruments are used in individual lessons, group classes and music programmes to foster skills development while broadening students' understanding of musical concepts. Online learning platforms and tutorials have made it easier for aspiring musicians to access educational resources and learn to play instruments, contributing to a growing pool of amateur and hobbyist musicians. The growing pool of music enthusiasts is expected to boost demand for musical instruments. Furthermore, children who begin learning a musical instrument at a young age are more likely to cultivate sustained interest in music. The developmental benefits of music for children serve as a key driver for parents to enrol their children in music education, thereby supporting increased demand for musical instruments and sound reinforcement systems.

Growth in the tourism and retail sectors will positively support demand for musical instruments and sound reinforcement systems. New openings of hotels, retail premises, and food and beverage outlets, as well as capacity expansion, upgrades or retrofitting of such existing premises will further contribute to increased requirements for these products.

The Malaysian Government has introduced several initiatives to supplement the income of the general population, which will contribute towards improving consumer sentiment and spending power. Among others, under Budget 2026, the Government has allocated RM13.00 billion for STR and SARA, which will benefit almost 9.0 million recipients. These initiatives are targeted at improving the disposable income of the general population and ease cost of living. Furthermore, these initiatives will contribute to improving consumer sentiment and spending power on necessities as well as luxury items, including musical instruments, sound reinforcement systems and music education.

Premised on this, the growth prospects of Bentley Music Group Berhad will be supported by the growing awareness on the benefits of music, socio-economic factors, growth in music education, and the rise of e-commerce as a distribution channel and the growing influence of social media in promoting music.

(Source: IMR Report by Providence)

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3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

3.1 Promoters, Substantial Shareholders and Directors

3.1.1 Shareholdings

The shareholdings of our Promoters, substantial shareholders and Directors upon the Proposed Listing are as follows:

	Upon Proposed Listing			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<u>Promoters, substantial shareholders and Directors</u>				
Datuk Dr. Ken Phua	103,500,000	41.40	108,000,000	43.20 ⁽¹⁾
Lewis Siu Man Hooper	13,500,000	5.40	20,250,000	8.10 ⁽²⁾
<u>Promoters and substantial shareholders</u>				
Yee Kim Yin	67,500,000	27.00	144,000,000	57.60 ⁽³⁾
Phua Yoke Fun	20,250,000	8.10	204,750,000	81.90 ⁽⁴⁾
Rachel Phua	20,250,000	8.10	191,250,000	76.50 ⁽⁵⁾
<u>Director</u>				
Dato' Liaw Choon Liang (Proposed)	10,000,000	4.00	-	-
Total	235,000,000	94.00	-	-

Notes:

⁽¹⁾ Deemed interest via his parent Yee Kim Yin who holds 67,500,000 Shares and his siblings Phua Yoke Fun and Rachel Phua who holds 20,250,000 Shares each in Bentley Music Group.

⁽²⁾ Deemed interest via his spouse Phua Yoke Fun who holds 20,250,000 Shares in Bentley Music Group.

⁽³⁾ Deemed interest via her children Datuk Dr. Ken Phua who holds 103,500,000 Shares, Phua Yoke Fun and Rachel Phua who holds 20,250,000 Shares each in Bentley Music Group.

⁽⁴⁾ Deemed interest via her parent Yee Kim Yin who holds 67,500,000 Shares, her siblings Datuk Dr. Ken Phua and Rachel Phua who holds 103,500,000 Shares and 20,250,000 Shares respectively and her spouse, Lewis Siu Man Hooper who holds 13,500,000 Shares in Bentley Music Group.

⁽⁵⁾ Deemed interest via her parent Yee Kim Yin who holds 67,500,000 Shares, her siblings Datuk Dr. Ken Phua and Phua Yoke Fun who holds 103,500,000 Shares and 20,250,000 Shares respectively in Bentley Music Group.

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

3.1.2 Profiles of our Promoters, Substantial Shareholders and Directors

(i) **Datuk Dr. Ken Phua**

Promoter, Managing Director and Major Shareholder

Datuk Dr. Ken Phua, a Malaysian aged 61, is our Promoter, Managing Director and Major Shareholder. He was appointed to the Board of Bentley Music Group on 7 November 2025. As our Managing Director, he is responsible for charting our Group's business directions, managing our strategic development, overseeing our Group's overall finance matters, business operations and business development strategies. He is also responsible for initiating and fostering business relationships with existing and potential stakeholders.

He graduated with a Bachelor of Management Science from the University of Bradford, United Kingdom in 1985. He subsequently obtained a Master of Business Administration from the University of Sunshine Coast, Australia in 2005. He then went on to obtain PhD in Management from INTI International University in 2025. He has been a Certified Financial Planner (CFP) with the Financial Planning Association of Malaysia (FPAM) since 2009.

Upon graduation, he joined Bentley Music as an Operations and Sales Executive where he assisted the late Phua Sin Loke and Yee Kim Yin in running the daily operations of Bentley Music which was then operating from the KL Showroom.

In 1990, he was appointed as Director of Bentley Music and took on a more significant role in managing the daily operations of Bentley Music, as well as overseeing our Group's overall finance matters. He has been instrumental in leading negotiations which have enabled our Group to secure distributions of musical instruments and sound reinforcement systems from various international brands.

In 2024, he was appointed as an Adjunct Professor at Wawasan Open University. Subsequently in 2025, he was appointed as an Adjunct Professor at INTI International University.

He is actively involved in the Malaysia Retail Chain Association and has held several positions leading up to his appointment as President in 2024, details of which are as follows:

Term	Position
2016 – 2018	Council Member
2018 – 2020	Secretary General
2020 – 2022	Vice President
2022 – 2024	Deputy President
2024 – 2026	President

He is the son of Yee Kim Yin, sibling of Phua Yoke Fun and Rachel Phua, and brother-in-law of Lewis Siu Man Hooper.

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

(ii) Lewis Siu Man Hooper

Promoter, Executive Director and Substantial Shareholder

Lewis Siew Man Hooper, a British national aged 57, is our Promoter, Executive Director and Substantial Shareholder. He was appointed to the Board of Bentley Music Group on 7 November 2025. As our Executive Director, he is responsible for implementing strategies that contribute to our Group's business strategies, overseeing our sales, procurement, human resources and showroom operations.

He graduated with a Bachelor of Science (Honours) in Finance and Economics from the University of East Anglia, United Kingdom in 1991.

Upon graduation, he joined Coopers Deloitte as a Trainee Auditor in 1991, where he participated in audit engagements for clients of the firm.

In 1994, he migrated to Malaysia and joined Bentley Music as Business Development Manager, where he assisted the late Phua Sin Loke managing the construction of Bentley Bukit Bintang in 1994 and subsequently the construction of Bentley Petaling Jaya in 2004. He subsequently spearheaded the setting up of Bentley Penang and Bentley Johor. Over the years, his responsibilities expanded and he was tasked to oversee our Group's sales, procurement, human resource and showroom operations.

In 2020, he was appointed as a Director of Bentley Music.

He is the son-in-law of Yee Kim Yin, brother-in-law of Datuk Dr. Ken Phua and Rachel Phua, and spouse of Phua Yoke Fun.

(iii) Yee Kim Yin

Promoter and Major Shareholder

Yee Kim Yin, a Malaysian aged 85, is our Promoter and Major Shareholder.

She played a key role in the historical growth of our Group since 1975 where she was instrumental in the early development of Bentley Music together where she supported her spouse, the late Phua Sin Loke, in growing the business of Bentley Music. Prior to retiring, she was involved in the daily operations of Bentley Music. Further, she provided valuable guidance and nurturing to our present key management that we continue to uphold in maintaining our corporate values and aspirations in growing the business of our Group.

She is the parent of Datuk Dr. Ken Phua, Phua Yoke Fun and Rachel Phua, and mother-in-law of Lewis Siu Man Hooper.

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

(iv) Phua Yoke Fun

Promoter and Substantial Shareholder

Phua Yoke Fun, a Malaysian aged 57, is our Promoter, Substantial Shareholder and Director of Information Systems. As our Director of Information Systems, she is responsible for managing our Group's information technology infrastructure and systems, including capital expenditure upgrades and investments as well as establishing standard operating procedures for point of sales systems and user training.

She graduated with a Bachelor of Science degree in Computerised Accountancy, from the University of East Anglia, United Kingdom in 1991.

In 1991, she joined Bentley Malaysia as an Electronic Data Processing Manager where she was tasked with planning and implementing our first adoption of computerised point of sales system, as well as planning our information technology infrastructure and systems management. She has since led the migration of our point of sales systems as we upgraded our information technology systems, implementation of point of sales systems in our showrooms, and adoption of inventory management system.

She was promoted to Electronic Data Processing Senior Manager in 2000. In 2025, she was promoted to Director of Information Systems.

She is the daughter of Yee Kim Yin, sibling of Datuk Dr. Ken Phua and Rachel Phua, and spouse of Lewis Siu Man Hooper.

(v) Rachel Phua

Promoter and Substantial Shareholder

Rachel Phua, a Malaysian aged 49, is our Promoter, Substantial Shareholder and Director of Finance and Human Resources. As our Director of Finance and Human Resources, she is responsible for managing our Group's finance and human resource related matters which include amongst others accounting, taxation, corporate finance, treasury functions, employee relations, training and development as well as recruitment.

She graduated with a Bachelor of Science (with Honors) in Accounting and Finance from the University of Warwick, United Kingdom in 1998. She then obtained the Association of Chartered Certified Accountants ("ACCA") qualification from ACCA United Kingdom in 2000. In 2025, she was registered as a member of ACCA United Kingdom and Chartered Accountant with the Malaysian Institute of Accountants.

Upon graduation, she joined KPMG Singapore as Graduate Assistant in 2000 where she participated in audit engagements for clients of the firm. In the same year, she was promoted to Auditor and carried on the same roles and responsibilities.

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

In 2007, she joined Bentley Malaysia as a Finance and Human Resource Executive in 2007 where she assisted in managing the human resource functions of the company. Over time, her role expanded and she was promoted to Finance and Human Resource Senior Manager in 2010. In 2025, she was promoted to Director of Finance and Human Resources, a position she continues to hold to date.

She is the daughter of Yee Kim Yin, sibling of Datuk Dr. Ken Phua and Phua Yoke Fun, and sister-in-law of Lewis Siu Man Hooper.

(vi) Dato' Liaw Choon Liang
Proposed Independent Non-Executive Director

Dato' Liaw Choon Liang, a Malaysian aged 58, is our Independent Non-Executive Director to be appointed upon the Proposed Listing.

He is a Registered Optician with the Malaysian Optical Council.

Following the completion of his A-Levels education from Tunku Abdul Rahman College in 1987, he co-founded Focus Vision Care Centre as a partnership in 1989, where he managed the company's daily business operations, brand development and business strategies. As the business expanded, he incorporated Focus Point Vision Care Group Sdn Bhd (a subsidiary of Focus Point Holdings Berhad, a company listed on the Main Market of Bursa Securities) in 1993 to assume its operations. Consequently, Focus Vision Care Centre was dissolved in 1993 following the incorporation of Focus Point Vision Care Group Sdn Bhd.

As the Managing Director of Focus Point Vision Care Group Sdn Bhd, he oversaw the company's daily operations, business growth and brand development, while managing key relationships with suppliers, franchisees and corporate clients to ensure consistent performance and sustainable expansion.

In 2009, he was appointed as the President and Chief Executive Officer of Focus Point Holdings Berhad. He leads the Group's strategic direction, long-term planning and business expansion initiatives. He oversees all major business divisions to ensure alignment with the Group's objectives and financial performance. His responsibilities include evaluating new market opportunities, driving corporate development, strengthening stakeholder engagement and ensuring strong governance and risk management. He also plays a key role in promoting organisational culture and leadership development to support the Group's continued growth. He continues to hold this position to date.

He has received multiple recognitions throughout his career. In 2002, he was awarded with the Certificate of Merit for the Outstanding Young Malaysian Awards 2002 by the Junior Chamber Malaysia. In 2009, he was also a finalist for the Best Franchise Entrepreneur Award and Most Promising Franchisor Awards by the Malaysian Franchise Association. In the same year, he received recognition for outstanding entrepreneurship at the Malaysia Retail Chain Association – 8TV Entrepreneur Awards.

He has been actively involved in the Malaysia Retail Chain Association ("MRCA"), holding several leadership roles leading up to his appointment as President in 2014. His tenure within MRCA is as follows:

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

Term	Position
2010 – 2012	Council Member
2012 – 2014	Deputy President
2014 – 2016	President

In recognition of his contribution, he was appointed as Life Time Honorary President of MRCA in 2016.

In 2015, he was elected as an Industry Advisory Council and CEO Faculty of Politeknik Malaysia under the Ministry of Education Malaysia, serving until 2017. In the same year, he was appointed as Council Member cum Deputy Chairman of the Commerce Committee of The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor (“**KLSCCCI**”) for the term 2015 – 2018.

In 2018, he was appointed as a Council Member cum Chairman of Small Medium Enterprises and Human Resources Development, as well as Deputy Chairman of the Membership Drive Committee of KLSCCCI, serving these roles until 2021.

In 2021, he was appointed as National Council Member and Chairman of the Commerce Committee of The Associated Chinese Chambers of Commerce and Industry of Malaysia (“**ACCCIM**”). In the same year, he was elected as Vice President of KLSCCCI, as well as Advisor of the Commerce Committee and Small Medium Enterprises Committee for the term 2021 to 2024. He was also appointed as a Business Investment Committee Member of the Malaysia-China Business Council (“**MCBC**”).

In 2024, he was elected as Deputy President of KLSCCCI and Advisor of the Commerce Committee of ACCCIM, positions he continues to hold. In the same year, he was appointed as the Chairman of the MRCA Branding Education Charity Foundation for the term 2024 to 2026.

In 2025, he was elected as Deputy Secretary-General of ACCCIM. In the same year, he was appointed as an Adjunct Professor at the Faculty of Business and Communication of INTI International University for the term of 2025-2026.

Please refer to Section 3.4 of this IM for his involvement in other business activities outside our Group.

3.1.3 Directors’ Remuneration

The aggregate remuneration and benefits-in-kind including salaries, fees, allowances and other benefits paid and proposed to be paid to our Directors for services rendered to our Group are as follows:

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

Remuneration Band	No. of Key Management		
	FYE 2024	FYE 2025	FYE 2026 (proposed)
Less than RM100,000	-	-	1
RM300,001 – RM400,000	-	1	2
RM400,001 – RM500,000	1	-	-
RM600,001 – RM700,000	1	1	-
RM700,001 – RM800,000	-	1	-
RM900,001 – RM1,000,000	1	-	-

Note:

⁽¹⁾ The higher remuneration bands for the FYE 2024 and FYE 2025 are due to scope of responsibilities covering a related company namely Regent Intan as governed by respective management agreement which is currently restructured to be outside the Listing Group.

3.2 Key Management

3.2.1 Shareholding

Save for the shareholdings of which are set out in Section 3.1.1 above, the direct and indirect shareholdings of our key management in our Company upon the Proposed Listing are set out below:

	Upon Proposed Listing			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Datin Cathlyn Lee Ya Pin	-	-	103,500,000	41.40 ⁽¹⁾

⁽¹⁾ Deemed interest via her spouse Datuk Dr. Ken Phua who holds 103,500,000 Shares in Bentley Music Group.

3.2.3 Profiles of Key Management

(i) Datuk Dr. Ken Phua

Promoter, Managing Director and Major Shareholder

His profile is set out in Section 3.1.2 (i) of this Information Memorandum.

(ii) Lewis Siu Man Hooper

Promoter, Executive Director and Substantial Shareholder

His profile is set out in Section 3.1.2 (ii) of this Information Memorandum.

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

(iii) Phua Yoke Fun

Director of Information Systems

Her profile is set out in Section 3.1.2 (iv) of this Information Memorandum.

(iv) Rachel Phua

Director of Finance and Human Resource

Her profile is set out in Section 3.1.2 (v) of this Information Memorandum.

(vi) Datin Cathlyn Lee Ya Pin

Director of Marketing (Steinway Piano Division)

Datin Cathlyn Lee Ya Pin, a Malaysian aged 45, is our Director of Marketing (Steinway Piano Division). She is primarily responsible for overseeing our Group's product portfolio, managing product strategy and development, as well as coordinating with the key departments to ensure product relevance, quality and performance in the market.

She graduated with a Bachelor's Degree in International Business Administration from University of Northumbria, United Kingdom in 2000. Thereafter, she studied Master of Business Administration at the University of Sunshine Coast, Australia and graduated in 2005.

Datin Cathlyn Lee Ya Pin started her career as a Negotiator at Rahim & Co International Sdn Bhd in 2002 where she was primarily responsible for leasing office spaces to potential clients. In 2004, she left Rahim & Co International Sdn Bhd and joined HVB Asia Sdn Bhd as an Administrative Executive where she managed administrative duties and daily office operations. In 2008, she joined Bentley Music as a Personal Assistant to Datuk Dr. Ken Phua. In 2012, she was promoted to Head of Corporate Communications where she led communication strategies, oversaw public and media relations, as well as took charge of the Steinway & Sons portfolio.

She is the daughter-in-law of Yee Kim Yin, sister-in-law of Lewis Siu Man Hooper, Phua Yoke Fun and Rachel Phua, and spouse of Datuk Dr. Ken Phua.

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

3.2.3 Remuneration of Key Management

The aggregate remuneration and benefits-in-kind including salaries, fees, allowances and other benefits paid and proposed to be paid to our Key Management for services rendered to our Group are as follows:

Remuneration Band	No. of Key Management		
	FYE 2024	FYE 2025	FYE 2026 (proposed)
RM200,001 – RM300,000	1	1	1
RM300,001 – RM400,000	2	2	2

3.3 Declaration by our Directors

None of our Directors:

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

3.4 Involvement of Our Promoters, Substantial Shareholders, Directors and Key Management in Business/Corporation Outside Our Group

Save as disclosed below, our Promoters, Substantial Shareholders, Directors and key management do not have any other principal directorship in other Malaysian corporations or any principal business activities performed outside our Group for the past 3 years, prior to the LPD:

(i) **Datuk Dr. Ken Phua**

No.	Company	Involvement (Director/Shareholder)	Equity interest (%)	Principal activities
Present Involvement				
1.	Regent Intan	Director and Shareholder	32.99	Letting out properties

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

(ii) Yee Kim Yin

No.	Company	Involvement (Director/Shareholder)	Equity interest (%)	Principal activities
Present Involvement				
1.	Regent Intan	Director and Shareholder	5.02	Letting out properties

(iii) Phua Yoke Fun

No.	Company	Involvement (Director/Shareholder)	Equity interest (%)	Principal activities
Present Involvement				
1.	Regent Intan	Shareholder	14.00	Letting out properties

(iv) Rachel Phua

No.	Company	Involvement (Director/Shareholder)	Equity interest (%)	Principal activities
Present Involvement				
1.	Regent Intan	Shareholder	14.00	Letting out properties

(v) Lewis Siu Man Hooper

No.	Company	Involvement (Director/Shareholder)	Equity interest (%)	Principal activities
Present Involvement				
1.	Regent Intan	Director and Shareholder	9.00	Letting out properties

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

(vi) Dato' Liaw Choon Liang

No.	Company	Involvement (Director/ Shareholder)	Equity interest (%)	Principal activities
Present Involvement				
1.	Hap & Pi Yogurt Sdn Bhd	Director	-	Retail sale of spectacles and other optical goods
2.	Focus Point Vision Care Group (HP) Sdn Bhd	Director	-	Business of opticians, optometrists, practitioners of contact lenses and dealers in optical and optometrical products and other eyes-care preparations
3.	Focus Point Management Sdn Bhd	Director	-	Management of franchised professional eye care centres
4.	Excelview Laser Eye Centre Sdn Bhd	Director	-	Provision of medical eye care services
5.	GPE Properties Sdn Bhd	Director / Shareholder	97.50	Dealing in properties investment
6.	Focus Point Vision Care Group Sdn Bhd	Director	-	Operations professional eye care centres, trading of eyewear and eye care products, investment holding and retail sale of other food products N.E.C.
7.	Anggun Optometrist Sdn Bhd	Director	-	Retail sale of spectacles and other optical goods
8.	Sound Point Hearing Solution Sdn Bhd	Director	-	Trading of hearing aid solutions and related accessories
9.	Multiple Reward Sdn Bhd	Director	-	To carry on business of food and beverages
10.	Focus Point Holdings Berhad	Director / Shareholder	28.14	Investment holding company

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

No.	Company	Involvement (Director/ Shareholder)	Equity interest (%)	Principal activities
11.	MRCA Branding Education Charity Foundation	Director	-	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 services of all kinds for the needy aged, sick, injured and those suffering from any disease or disability to organise
<u>Past Involvement</u>				
1.	Phipure Sdn Bhd	Director	-	Retail sale of other food products N.E.C.

3.5 Moratorium on Our Shares

In compliance with Rule 3.07 of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of 225,000,000 Shares, representing 90.00% of the entire issued share capital of the Company.

The Promoters who hold any of our Shares upon our Proposed Listing, directly or indirectly, have fully accepted the moratorium, whereby they will not be permitted to sell, transfer or assign any part of their interest in the Shares during the moratorium period, as follows:

- (i) the moratorium applies to the entire shareholdings of our Promoters for a period of twelve (12) months from the date of our admission to the Official List; and
- (ii) upon expiry of the 12-month period stated above, the aggregate shareholdings of our Promoters amounting to at least 45.00% of the total number of issued Shares shall remain under moratorium for a period of another 36 months.

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

In this respect, the moratorium shall be imposed according to the following:

	Shares under Moratorium for the First 12 Months ⁽¹⁾		Shares under Moratorium for the Next 36 Months ⁽²⁾	
	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾
Promoters				
Yee Kim Yin	67,500,000	27.00	33,750,000	13.50
Datuk Dr Ken. Phua	103,500,000	41.40	51,750,000	20.70
Phua Yoke Fun	20,250,000	8.10	10,125,000	4.05
Rachel Phua	20,250,000	8.10	10,125,000	4.05
Lewis Siu Man Hooper	13,500,000	5.40	6,750,000	2.70
Total	225,000,000	90.00	112,500,000	45.00

Notes:

⁽¹⁾ From the date of our Proposed Listing.

⁽²⁾ Upon the expiry of the 12 months from the date of our Proposed Listing.

⁽³⁾ Based on 250,000,000 issued Shares upon our Proposed Listing.

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4. PARTICULARS OF THE PROPOSED LISTING

4.1 Proposed Listing

Our Proposed Listing will be implemented by way of introduction and will not entail any fund-raising exercise upon admission to the LEAP Market.

The listing of and quotation for our entire issued share capital on the LEAP Market is subject to the approval-in-principle from Bursa Securities for the listing of the Shares.

Thus, we have concurrently made an application to Bursa Securities for the admission of our Company to the Official List and the listing of and quotation for our entire issued share capital of RM18,222,164 comprising 250,000,000 Shares on the LEAP Market and are awaiting Bursa Securities' decision on the same.

4.2 Basis of arriving at the Listing Reference Price

The Listing Reference Price of RM0.12 was determined and agreed by DWA Advisory and us, after taking into consideration the following factors:

- (i) our operating history and financial performance as described in Sections 2 and 5 of this Information Memorandum;
- (ii) a PE Multiple of approximately 11.29 times based on our Group's EPS of RM0.011 for FYE 2025, after taking into account our Group's combined audited PAT of approximately RM2.66 million and our enlarged number of Shares of 250,000,000;
- (iii) our Group's competitive strengths as set out in Section 2.6 of this Information Memorandum; and
- (iv) our Group's future plans and business strategies, and prospects as set out in Sections 2.8 and 2.16 of this Information Memorandum, respectively.

Prior to our Proposed Listing, there has been no trading market for our Shares within or outside of Malaysia. You should note that the market price of our Shares upon our Proposed Listing is subject to the vagaries of market forces and other uncertainties, which may affect the price of our Shares being traded. You should form your own views on the valuation of our Shares. You are reminded to carefully consider the risk factors as set out in Section 7 of this Information Memorandum.

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4. PARTICULARS OF THE PROPOSED LISTING (CONT'D)

4.3 Share Capital and Shareholding Structure

4.3.1 Share Capital, Classes of Share and Ranking

Upon completion of the Proposed Listing, our entire issued share capital would be as follows:

	(RM)
Issued share capital upon our Proposed Listing	18,222,164
Number of Shares upon our Proposed Listing (units)	250,000,000
Listing Reference Price	0.12
Market capitalisation upon our Proposed Listing (computed based on the Listing Reference Price)	30,000,000

There will be no allotment or issuance of new Shares in conjunction with our Proposed Listing. As at the LPD, we have only a single class of shares, being ordinary shares, all of which rank equally in all respects with one another including voting rights and rights to all dividends and other distributions that may be declared.

Subject to any special rights attached to any Shares which we may issue in the future, the holders of our Shares shall, in proportion to the amount of Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions, and in respect of surplus in the event of our liquidation, in accordance with our Constitution.

At any general meeting of our Company, each shareholder shall be entitled to vote in person, by proxy, by attorney or by any duly authorised representative. Each shareholder shall be entitled to appoint not more than two (2) proxies to attend and vote at any general meeting of our Company. 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. On a poll, each shareholder present either in person, by proxy, attorney or any other duly authorised representative shall have one (1) vote for each Share held.

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4. PARTICULARS OF THE PROPOSED LISTING (CONT'D)

4.3.2 Shareholding Structure

As at the LPD our shareholding structure pursuant to our Proposed Listing is as set out below:

	No. of Shares	% ⁽¹⁾
Promoters		
Yee Kim Yin	67,500,000	27.00
Datuk Dr. Ken Phua	103,500,000	41.40
Phua Yoke Fun	20,250,000	8.10
Rachel Phua	20,250,000	8.10
Lewis Siu Man Hooper	13,500,000	5.40
Private Investors (Public Shareholders)	25,000,000	10.00
Total	250,000,000	100.00

Note:

⁽¹⁾ Based on 250,000,000 issued Shares upon our Proposed Listing.

As the LEAP Market is a qualified market which is meant mainly for Sophisticated Investors, we are required, under Rule 2.24(2) of the Listing Requirements, to ensure that all our Shares to be issued and offered post-listing fall within Schedule 6 or 7 of the CMSA and are to our existing shareholders or Sophisticated Investors only (“**Qualified Market Restriction**”). For the avoidance of doubt, upon completion of our Proposed Listing, only Sophisticated Investors are allowed to buy and sell our Shares via Bursa Securities. On the other hand, our shareholders who are not Sophisticated Investors:

- (i) shall not buy or purchase our Shares via Bursa Securities, unless they subsequently qualify as Sophisticated Investors;
- (ii) subject to moratorium, if applicable, will only be able to sell their respective Shares after our Proposed Listing; and
- (iii) will only be able to deal with our Shares to be offered or issued by our Company (e.g. via a rights issue exercise by our Company) via Bursa Securities, after our Proposed Listing.

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

4. PARTICULARS OF THE PROPOSED LISTING (CONT'D)

4.4 Utilisation of Proceeds

The gross proceeds raised from the Private Subscription have accrued entirely to our Group.

We plan to utilise the gross proceeds raised for the following purposes:

Utilisation of proceeds	Estimated timeframe for utilisation from the date of this Information Memorandum	Gross proceeds	
		(RM'000)	(%)
Expansion to East Malaysia ⁽¹⁾	Within 36 months	2,000	66.67
Estimated listing expenses ⁽²⁾	Immediate	1,000	33.33
Total		3,000	100.00

Notes:

⁽¹⁾ We intend to utilise approximately RM2.00 million as start-up cost to establish a retail showroom in Kota Kinabalu, Sabah or Kuching, Sarawak. The start-up cost will include, but not limited to, planning and permission, renovation works, fit-out, and electrical and wiring as well as inventory and supplies. At this juncture, we are in the midst of conducting our market and feasibility study and concurrently, we are in the process of identifying suitable location for the retail outlet.

⁽²⁾ We have allocated approximately RM1.00 million of the proceeds raised to defray our listing expenses which include professional fees and other miscellaneous costs.

Our expansion to East Malaysia is in line with our Group's future plans to strengthen our market presence by expanding our network of retail showrooms to East Malaysia as we strive to make our musical instruments and sound reinforcement systems accessible to a wider consumer base.

The estimated total start-up cost to establish a retail showroom in Kota Kinabalu, Sabah or Kuching, Sarawak has yet to be determined and is subject to the market and feasibility study being conducted. Any shortfall in the estimated total start-up cost will be funded via our internally generated funds and/or bank borrowings. Conversely, if our actual total start-up cost is lower than the estimated, the excess fund will be utilised for our working capital requirements.

Any portion of the proceeds pending utilisation as at the date of this Information Memorandum is and will be kept in our Group's banking account maintained with a licensed financial institution pending the utilisation for the abovementioned purposes.

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4. PARTICULARS OF THE PROPOSED LISTING (CONT'D)

4.5 Purpose of Our Listing

The purposes of our Proposed Listing are as follows:

- (i) to further enhance our Company's profile and visibility and allow our shareholders to better ascertain the merits, risks profile and prospects of our Group;
- (ii) to enable us to tap into capital markets for future fund-raising to pursue future growth opportunities as and when the need arises, through other avenues of capital raising;
- (iii) to gain recognition and enhance the stature of our Company with a listing status as well as increase market awareness of our solutions so as to assist us in expanding our customer base and profitability; and
- (iv) to act as a stepping-stone to prepare our Group for the eventual transfer of our listing to the senior markets of Bursa Securities.

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5. HISTORICAL FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION ANALYSIS

5.1 Combined Historical Statements of Profit or Loss and Other Comprehensive Income

The following table sets out the Group's combined audited statements of comprehensive income for FYEs 2024 and 2025. These statements have been extracted from the combined audited financial statements, as set out in Appendix I of this Information Memorandum.

This section should be read in conjunction with the "Management Discussion and Analysis" as set out in Section 5.4 of this Information Memorandum.

	Audited	
	FYE 2024 (RM)	FYE 2025 (RM)
Revenue	30,871,177	33,124,967
Cost of sales	(20,204,151)	(20,830,893)
GP	10,667,026	12,294,074
Other income	405,059	723,990
Administrative expenses	(8,498,075)	(9,133,806)
Other expenses	(149,281)	(7,511)
Profit from operations	2,424,729	3,876,747
Finance costs	(292,990)	(358,947)
PBT	2,131,739	3,517,800
Taxation	(620,651)	(859,779)
PAT	1,511,088	2,658,021
Other comprehensive income	-	-
Total comprehensive income	1,511,088	2,658,021
GP margin (%) ⁽¹⁾	34.55	37.11
PBT margin (%) ⁽²⁾	6.91	10.62
PAT margin (%) ⁽³⁾	4.89	8.02
Effective tax rate (%) ⁽⁴⁾	29.11	24.44
EPS (RM) ⁽⁵⁾	0.006	0.011

Notes:

⁽¹⁾ GP margin is computed based on GP over revenue.

⁽²⁾ PBT margin is computed based on PBT over revenue.

⁽³⁾ PAT margin is computed based on PAT over revenue.

⁽⁴⁾ Effective tax rate is computed based on income tax expenses over PBT.

⁽⁵⁾ EPS is computed based on the Group's PAT over our issued share capital of 250,000,000 Shares upon our Proposed Listing. Our Company does not have any outstanding convertible securities.

5. HISTORICAL FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION ANALYSIS (CONT'D)**5.2 Combined Historical Statements of Financial Position**

The following table sets out the Group's combined audited statements of financial position as at 30 June 2024 and 2025, which have been extracted from the combined audited financial statements as set out in Appendix I of this Information Memorandum.

This section should be read in conjunction with the "Management Discussion and Analysis" as set out in Section 5.4 of this Information Memorandum.

	Audited	
	As at	As at
	30 June 2024	30 June 2025
	(RM)	(RM)
Assets		
Non-current assets		
Property, plant and equipment	1,013,109	1,122,131
Right-of-use assets	956,955	636,848
Deferred tax assets	175,000	209,000
Total non-current assets	2,145,064	1,967,979
Current assets		
Inventories	20,158,803	20,220,166
Trade receivables	1,377,655	1,364,218
Other receivables	479,685	809,714
Tax recoverable	319,626	89,947
Cash and cash equivalents	2,580,977	3,406,608
Total current assets	24,916,746	25,890,653
Total assets	27,061,810	27,858,632
Equity and liabilities		
Equity		
Share capital	-	10
Invested equity	650,000	650,000
Retained earnings	11,750,261	14,408,282
Total equity	12,400,261	15,058,292
Non-current liabilities		
Lease liabilities	1,316,294	1,032,104
Borrowings	285,521	249,490
Deferred tax liabilities	83,000	77,000
Total non-current liabilities	1,684,815	1,358,594

5. HISTORICAL FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION ANALYSIS (CONT'D)

	Audited	
	As at 30 June 2024 (RM)	As at 30 June 2025 (RM)
Equity and liabilities (Cont'd)		
Current liabilities		
Lease liabilities	272,378	284,191
Borrowings	7,272,089	4,440,380
Trade payables	972,287	201,151
Other payables	2,679,561	5,336,541
Contract liabilities	1,019,564	1,045,628
Amount due to a related party	691,780	113,255
Tax payable	69,075	20,600
Total current liabilities	12,976,734	11,441,746
Total liabilities	14,661,549	12,800,340
Total equity and liabilities	27,061,810	27,858,632
NA per share (RM) ⁽¹⁾	0.050	0.060

Note:

⁽¹⁾ Calculated based on our total equity divided by our entire share capital of 250,000,000 Shares upon the Proposed Listing.

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5. HISTORICAL FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION ANALYSIS (CONT'D)

5.3 Combined Historical Statements of Cash Flows

The following table sets out the Group's combined audited statements of cash flows for FYEs 2024 and 2025.

This section should be read in conjunction with the "Management Discussion and Analysis" as set out in Section 5.4 of this Information Memorandum.

	Audited	
	FYE 2024	FYE 2025
	(RM)	(RM)
CASH FLOW FROM OPERATING ACTIVITIES		
PBT	2,131,739	3,517,800
Adjustments for:		
Bad debts written off	106,565	349
Depreciation of property, plant and equipment	87,393	129,923
Depreciation of right-of-use assets	369,547	320,107
Gain on disposal of property, plant and equipment	(10,860)	(1,232)
Interest expenses	292,990	358,947
Interest Income	(40,996)	(49,750)
Property, plant and equipment written off	3,714	7,162
Provision for/(Reversal of) obsolete inventories	2,859	(5,125)
Unrealised loss/(gain) on foreign exchange	39,002	(166,503)
Operating profit before working capital changes	2,981,953	4,111,678
Changes in working capital:		
Inventories	(3,749,842)	(56,238)
Receivables	(32,925)	(309,976)
Payables	(1,127,420)	2,052,347
Contract liabilities	365,971	26,064
	(4,544,216)	1,712,197
Cash (used in)/generated from operations	(1,562,263)	5,823,875
Tax paid	(755,597)	(737,801)
Tax refund	-	19,226
Net cash (used in)/from operating activities	(2,317,860)	5,105,300
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(754,473)	(351,875)
Proceeds from disposal of property, plant and equipment	18,700	107,000
Interest received	33,835	42,785
Net cash used in investing activities	(701,938)	(202,090)

5. HISTORICAL FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION ANALYSIS (CONT'D)

	Audited	
	FYE 2024 (RM)	FYE 2025 (RM)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issuance of shares	-	10
Advance from/(Repayment to) a related party	399,033	(578,525)
Repayments of lease liabilities	(215,312)	(272,377)
Net repayment of bankers' acceptances	(1,742,000)	(521,000)
Net repayment of term loans	(32,695)	(34,290)
Net drawdown/(repayment) of bill payables	4,012,892	(1,537,235)
Net drawdown/(repayment) of revolving credits	1,200,000	(2,200,000)
Net drawdown of invoice financing	-	1,424,785
Interest paid	(292,990)	(358,947)
Net cash from/(used in) financing activities	3,328,928	(4,077,579)
NET INCREASE IN CASH AND CASH EQUIVALENTS	309,130	825,631
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	2,271,847	2,580,977
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	2,580,977	3,406,608

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5. HISTORICAL FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION ANALYSIS (CONT'D)

5.4 Management Discussion and Analysis

The following management discussion and analysis of our business, past financial conditions and results of operations should be read in conjunction with our combined audited financial statements for FYE 2024 and FYE 2025, as set out in Appendix I of this Information Memorandum.

This management discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that may cause future results to differ considerably from those projected in the forward-looking statements include but are not limited to, those discussed below or elsewhere in this Information Memorandum, particularly the risk factors as set out in Section 7 of this Information Memorandum.

5.4.1 Overview of our operations

We are principally involved in retail sales and wholesale of musical instruments and sound reinforcement systems. We are also involved in the development of musical talent through the provision of music education encompassing a wide range of faculties and courses for students of varying ages and skill levels.

Please refer to Section 5.7 of this Information Memorandum for significant factors that affect our financial position and results of operations and Section 7 of this Information Memorandum for the risk factors that may affect our revenue and financial performance.

Please refer to Section 2 of this Information Memorandum for further details on our Group's business overview and main business activities. Our revenue is solely generated from Malaysia.

5.4.2 Revenue

The following table sets out a breakdown of our Group's revenue by segment for the Financial Periods Under Review:

Segment	Audited			
	FYE 2024 (RM'000)	(%)	FYE 2025 (RM'000)	(%)
Retail sales and wholesale of musical instruments and sound reinforcement systems				
Wholesale	12,560	40.69	12,507	37.76
Retail and online sales	8,583	27.80	8,832	26.66
Piano sales	5,346	17.32	6,889	20.80
Project sales ⁽¹⁾	1,152	3.73	1,465	4.42
	27,641	89.54	29,693	89.64
Provision of music education	3,230	10.46	3,432	10.36
Total	30,871	100.00	33,125	100.00

5. HISTORICAL FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION ANALYSIS (CONT'D)

Note:

⁽¹⁾ Project sales mainly consist of sales to foundations, ministries, government agencies, government-linked companies, corporates and other agencies.

Comparison between FYE 2025 and FYE 2024

Our total revenue increased by RM2.26 million or approximately 7.30% to RM33.13 million in FYE 2025 (FYE 2024: RM30.87 million).

Our revenue for retail sales and wholesale of musical instruments and sound reinforcement systems increased by RM2.05 million or approximately 7.42% in FYE 2025 mainly attributed to the following:

- (i) revenue from the piano sales increased by RM1.54 million or approximately 28.86% to RM6.89 million in FYE 2025 (FYE 2024: RM5.35 million), mainly due to increase in sales of grand pianos which carried higher sales values;
- (ii) revenue from the project sales increased by RM0.31 million or approximately 27.17% to RM1.46 million in FYE 2025 (FYE 2024: 1.15 million), mainly due to increase in sales arising from three new corporate customers; and
- (iii) revenue from retail and online sales increased by RM0.25 million or approximately 2.90% to RM8.83 million in FYE 2025 (FYE 2024: RM8.58 million), mainly due to stronger online sales during the first half of FYE 2025 and a full-year revenue contribution from our Johor Showroom.

Our revenue from provision of music education increased by RM0.20 million or approximately 6.25% to RM3.43 million in FYE 2025 (FYE 2024: RM3.23 million), mainly due to ticket revenue and fees collected from our musical production.

The decrease in contribution percentage from the wholesale segment was in view of the increase in the other segments. Wholesale remains our most significant revenue contributor at approximately 37.76% in FYE 2025 (FYE 2024: 40.69%).

5.4.3 Cost of Sales

The following table sets out a breakdown of our Group's cost of sales by major components for the Financial Periods Under Review:

Segment	Audited			
	FYE 2024 (RM'000)	(%)	FYE 2025 (RM'000)	(%)
Purchases	15,607	77.25	16,576	79.58
Importation costs	2,455	12.15	2,117	10.16
Academy costs	2,142	10.60	2,138	10.26
Total	20,204	100.00	20,831	100.00

5. HISTORICAL FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION ANALYSIS (CONT'D)

Our cost of sales comprises of four (4) major components, namely purchases, importation costs, academy costs and staff costs, as follows:

(i) Purchases

This relates mainly to the acquisition of musical instruments and sound reinforcement systems as inventory.

(ii) Importation costs

This relates mainly to custom duties, freight charges and insurance fees in relation to the purchases of musical instruments and sound reinforcement systems.

(iii) Academy fees

This relates mainly to examination fees, musician fees and teaching fees.

Comparison between FYE 2025 and FYE 2024

Our cost of sales increased by RM0.63 million or approximately 3.10% to RM20.83 million in FYE 2025 (FYE 2024: RM20.20 million). This was mainly attributed to the following:

- (a) increase in purchases by RM0.97 million or approximately 6.21% to RM16.58 million in FYE 2025 (FYE 2024: RM15.61 million) in line with the increase in revenue for our retail sales and wholesale of musical instruments and sound reinforcement systems segment; and
- (b) partially offset by the decrease in importation costs by RM0.34 million or approximately 13.77% to RM2.12 million in FYE 2025 (FYE 2024: RM2.46 million) mainly due to decrease in custom duties in view of favourable foreign exchange rates for USD and EUR.

5.4.4 GP and GP Margin

The following table sets out a breakdown of our Group's GP and GP margin for the Financial Periods Under Review:

	Audited	
	FYE 2024	FYE 2025
GP (RM'000)	10,667	12,294
GP Margin (%)	34.55	37.11

Comparison between FYE 2025 and FYE 2024

Our GP increased by RM1.62 million or approximately 15.25% to RM12.29 million in FYE 2025 (FYE 2024: RM10.67 million) mainly due to higher revenue.

The increase of our overall GP margin from 34.55% in FYE 2024 to 37.11% in FYE 2025 was mainly due to the sales of higher margin musical instruments namely pianos.

5. HISTORICAL FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION ANALYSIS (CONT'D)

5.4.5 Other Income

The following table sets out a breakdown of our Group's other income for the Financial Periods Under Review:

	FYE 2024		Audited	
	(RM'000)	(%)	(RM'000)	(%)
Gain on foreign exchange	173	42.72	482	66.57
Other income from business activities ⁽¹⁾	39	9.63	60	8.29
Management fee ⁽²⁾	65	16.05	51	7.04
Interests income	41	10.12	50	6.91
Forfeited deposit ⁽³⁾	27	6.67	42	5.80
Rental income ⁽⁴⁾	37	9.13	38	5.25
Others ⁽⁵⁾	23	5.68	1	0.14
Total	405	100.00	724	100.00

Notes:

⁽¹⁾ Other income from business activities mainly consists of sponsorship received for our musical production, fuel subsidies, government grants and sponsorship received for other celebration and commemoration events.

⁽²⁾ Management fee comprises of fee charged to Regent Intan, a related party company, by virtue of the shareholdings of the Promoters, for administrative tasks undertaken on behalf. Kindly refer to Section 8 of this Information Memorandum for further information.

⁽³⁾ Forfeited deposit relates to deposit received from Bentley Music Academy's students which were forfeited to offset against any outstanding tuition fees and/or non-compliance of terms and conditions.

⁽⁴⁾ Rental income relates to rental received from the rental of halls and classrooms.

⁽⁵⁾ Others comprise of late payment interests, gain on disposal and insurance claim.

Comparison between FYE 2025 and FYE 2024

Our other income increased by RM0.32 million or 78.77% to RM0.73 million in FYE 2025 (FYE 2024: RM0.41 million). The increase in other income is mainly due to the gain on foreign exchange transactions in USD and EUR.

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5. HISTORICAL FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION ANALYSIS (CONT'D)**5.4.6 Administrative Expenses**

The following table sets out a breakdown of our Group's administrative expenses for the Financial Periods Under Review:

	FYE 2024		Audited		FYE 2025	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Director and staff cost	5,099	60.00	5,101	55.84		
Rental on premises	1,557	18.32	1,780	19.49		
Depreciation	457	5.38	450	4.93		
Events related expenses ⁽¹⁾	125	1.47	316	3.46		
Bank and facility charges ⁽²⁾	198	2.33	248	2.71		
Utility	198	2.33	209	2.29		
Travelling and transport	169	1.99	189	2.07		
Others ⁽³⁾	695	8.18	841	9.21		
Total	8,498	100.00	9,134	100.00		

Notes:

- ⁽¹⁾ Events related expenses consist of promotional and marketing purposes, including but not limited to artist and performance fees, entertainment licenses, performance-related royalties, hiring and courier charges of music scores, event materials and supplies, catering, engagement fee of stage manager, music director and lighting specialist and other supporting costs.
- ⁽²⁾ Bank and facility charges are general bank charges such as credit card merchant charges, bank overdraft, revolving credit commitment fee from OCBC and Public Bank, online platform charges, and pay later charges.
- ⁽³⁾ Others consist of professional fees, repair and service instruments fee, sales and marketing expenses, insurance expenses, general expenses, IT system maintenance, upkeep of premises, office equipment and motor vehicles as well as tax, subscription and licensing fees.

Comparison between FYE 2025 and FYE 2024

Our administrative expenses increased by RM0.63 million or approximately 7.48% to RM9.13 million in FYE 2025 (FYE 2024: RM8.50 million). This was mainly attributed to the following:

- (a) increase in rental on premises by RM0.22 million or approximately 14.32% in view of the higher rental incurred for KL Showroom, PJ Showroom and Academy due to the normalisation in total floor space rented as it was mutually agreed between the lessor and lessee to be reduced in view of the COVID 19 pandemic;
- (b) increase in events related expenses by RM0.19 million or approximately 152.80% mainly from the costs incurred for the musical production, such as artists and performance fees, entertainment licenses, performance-related royalties, hiring and courier charges of music scores, event materials and supplies, stage manager fee, music director and lighting specialist fees; and

5. HISTORICAL FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION ANALYSIS (CONT'D)

- (c) increase in bank and facility charges by RM0.05 million or approximately 25.25% due to increase in credit card merchant charges and online sales platform charges, in line with the increase in retail and online sales.

5.4.7 Other Expenses

	Audited			
	FYE 2024 (RM'000)	(%)	FYE 2025 (RM'000)	(%)
Fixed assets written off	4	2.68	7	95.36
Bad debt written off	106	71.14	-*	4.64
Loss on foreign exchange	39	26.18	-	0.00
Total	149	100.00	7	100.00

Note:

* Negligible.

Comparison between FYE 2025 and FYE 2024

Our other operating expenses decreased by RM0.14 million or approximately 94.63% to RM77,162 in FYE 2025 (FYE 2024: RM0.15 million) due to a non-recurring bad debt written off in FYE 2024 totaling approximately RM0.11 million being outstanding receivable from a distributor which is in the midst of voluntary winding up.

5.4.8 Finance Costs

The following table sets out a breakdown of our Group's finance costs for the Financial Periods Under Review:

	Audited			
	FYE 2024 (RM'000)	(%)	FYE 2025 (RM'000)	(%)
Banking facilities' interest charges	218	74.40	278	77.44
Lease liabilities interest	58	19.80	66	18.38
Term loan interest	17	5.80	15	4.18
Total	293	100.00	359	100.00

Comparison between FYE 2025 and FYE 2024

Our finance costs increased by RM0.07 million or approximately 22.53% to RM0.36 million in FYE 2025 (FYE 2024: RM0.29 million). This was mainly attributed to the increase in facility interest charges by RM0.06 million in view of higher utilisation of revolving credit and invoice financing facilities for working capital purposes, in line with increased sales during the year.

5. HISTORICAL FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION ANALYSIS (CONT'D)

5.4.9 PAT and PAT Margin

The following table sets out our Group's PAT and PAT margin for the Financial Periods Under Review:

	Audited	
	FYE 2024	FYE 2025
PAT (RM'000)	1,511	2,658
PAT Margin (%)	4.89	8.02

Comparison between FYE 2025 and FYE 2024

Our PAT increased by RM1.15 million or approximately 75.91% to RM2.66 million in FYE 2025 (FYE 2024: RM1.51 million). The increase in PAT is mainly due to higher revenue as explained in Section 5.4.2 of this Information Memorandum. Our PAT margin increased from 4.89% for FYE 2024 to 8.02% for FYE 2025 mainly due to the increase in GP Margin and other income.

5.5 Cash Flows

The following table sets out our Group's cash flow position for the Financial Periods Under Review:

	Audited	
	FYE 2024 (RM'000)	FYE 2025 (RM'000)
Net cash (used in)/from operating activities	(2,318)	5,106
Net cash used in investing activities	(702)	(202)
Net cash from/(used in) financing activities	3,329	(4,078)
Net increase in cash and cash equivalents	309	826
Cash and cash equivalents at beginning of the financial year	2,272	2,581
Cash and cash equivalents at end of the financial year	2,581	3,407

Net cash (used in)/from operating activities

For FYE 2024, our net cash used in operating activities was approximately RM2.32 million after taking into consideration the following:

- (i) increase in inventories by approximately RM3.75 million mainly due to increase in consolidated shipments from the US and higher value of inventories namely grand pianos purchased during the last quarter of FYE 2024;
- (ii) decrease in payables of approximately RM1.13 million mainly due to accelerated payments made to our piano supplier;
- (iii) increase in contract liabilities of approximately RM0.37 million due to higher prepayments received from Academy students for the FYE; and
- (iv) other payment includes approximately RM0.76 million in tax expense.

5. HISTORICAL FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION ANALYSIS (CONT'D)

For FYE 2025, our net cash from operating activities was approximately RM5.11 million after taking into consideration the following:

- (i) increase in payables of approximately RM2.06 million mainly due to higher volume as well as higher value of musical instruments and sound reinforcement systems purchased, which is in line with higher cost of sales;
- (ii) increase in receivables of approximately RM0.31 million mainly due to advances to our piano supplier and prepayments for deferred IPO expenses; and
- (iii) other payment includes approximately RM0.74 million in tax expense.

Net cash used in investing activities

For FYE 2024, our net cash used in investing activities of approximately RM0.70 million, after taking into consideration the following:

- (i) payment of approximately RM0.75 million for the purchase of property, plant and equipment, mainly for the renovation and furnishing of our JB Showroom;
- (ii) interest received of approximately RM0.03 million.

For FYE 2025, our net cash used in investing activities of approximately RM0.20 million, after taking into consideration the following:

- (i) payment of approximately RM0.35 million for the purchase of property, plant and equipment, namely purchase of pianos for the Academy; and
- (ii) partially offset by the proceeds received from disposal of property, plant and equipment of approximately RM0.11 million, mainly for the disposal of pianos by the Academy; and
- (iii) interest received of approximately RM0.04 million.

Net cash from/(used in) financing activities

For FYE 2024, our net cash generated from financing activities of approximately RM3.33 million was mainly attributable to the following:

- (i) net drawdown of bill payables of approximately RM4.01 million;
- (ii) net drawdown of revolving credit of approximately RM1.20 million; and
- (iii) advance from a related party of approximately RM0.40 million, namely Regent Intan.

5. HISTORICAL FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION ANALYSIS (CONT'D)

The cash inflow was partially offset by:

- (i) net repayment of banker's acceptances of approximately RM1.74 million;
- (ii) interest payment of approximately RM0.29 million; and
- (iii) repayment of lease liabilities of approximately RM0.22 million.

For FYE 2025, our net cash used in financing activities of approximately RM4.08 million was mainly attributable to the following:

- (i) net repayment of revolving credit of approximately RM2.20 million;
- (ii) net repayment of bill payables of approximately RM1.54 million;
- (iii) repayment to a related party of approximately RM0.58 million;
- (iv) net repayment of banker's acceptance of approximately RM0.52 million;
- (v) interest payment of approximately RM0.36 million; and
- (vi) repayment of lease liabilities of approximately RM0.27 million.

The cash outflow was partially offset by the net drawdown of invoice financing of approximately RM1.42 million.

5.6 Key Financial Ratios

The following table sets out specific key financial ratios of our Group for the Financial Periods Under Review:

	Audited	
	FYE 2024	FYE 2025
Gearing ratio (times) ⁽¹⁾	0.61	0.31
Current ratio (times) ⁽²⁾	1.92	2.26
Inventories turnover period (days) ⁽³⁾	365	354
Trade receivables turnover period (days) ⁽⁴⁾	16	15
Trade payables turnover period (days) ⁽⁵⁾	18	4

Notes:

- ⁽¹⁾ Computed as total borrowing over total equity.
- ⁽²⁾ Computed as total current assets over total current liabilities.
- ⁽³⁾ Computed as (inventories/cost of revenue) x number of days in the respective FYE.
- ⁽⁴⁾ Computed as (trade receivable/revenue) x number of days in the respective FYE.
- ⁽⁵⁾ Computed as (trade payables/cost of revenue) x number of days in the respective FYE.

5. HISTORICAL FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION ANALYSIS (CONT'D)

(i) Gearing Ratio

As at 30 June 2025, our Group's gearing ratio decreased to 0.31 times from 0.61 times as at 30 June 2024. This was attributable to the decrease in banking facilities in view of repayments of revolving credits and settlement of bill payables.

(ii) Current Ratio

As at 30 June 2025, our Group's current ratio increased to 2.26 times from 1.92 times. This was mainly attributable to the increase in cash and cash equivalents and decrease in utilisation of bank facilities.

(iii) Inventories Turnover Period (days)

As at 30 June 2025, our Group has RM20.22 million worth of inventories, consist mainly of musical instruments and sound reinforcement systems. Our inventories turnover days as at 30 June 2024 and 30 June 2025 were 365 days and 354 days, respectively.

Our inventories turnover period is typical of a distributor and retailer of musical instruments and sound reinforcement systems. We hold stocks to meet any unexpected increase in demands or unforeseeable delays in supplies. The level of turnover is also contributed by our inventories of higher value products such as pianos and sound reinforcement systems where it typically takes longer to sell compared to smaller value items such as guitars, drum kits and other accessories.

(iv) Trade receivables turnover period

Our retail and wholesale customers are granted credit periods ranging from cash term to 45 days for the Financial Periods Under Review.

For established customers who have maintained a good relationship with us, the credit term may be extended at the discretion of the management. We assess our established customers based on the period of business relationship. The credit periods can be extended up to an additional 30 days, subject to the customer's application and our assessment of the customer's historical track record.

The Group has recorded a decrease in trade receivable turnover period of 15 days as at 30 June 2025, as compared to 16 days as at 30 June 2024 which is within the duration of our normal credit terms.

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5. HISTORICAL FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION ANALYSIS (CONT'D)

	Trade receivable as at 30 June 2025		Collection from 1 July to LPD	Balance trade receivable as at LPD
	(a) (RM'000)	(%)	(b) (RM'000)	(c) = (a) - (b) (RM'000)
Not past due	855	62.68	855	-
Past due 1-30 days	478	35.05	477	1
Past due 31-60 days	2	0.15	2	-
Past due 61-90 days	1	0.07	1	-
Past due more than 90 days	28	2.05	8	20
Total	1,364	100.00	1,343	21
Subsequent receipt up to the LPD	1,343	98.46		
Outstanding balance as at the LPD	21	1.54		

As at 30 June 2025, the total outstanding net trade receivable was RM1.36 million, of which RM1.34 million or 98.46% of the total net trade receivable have been collected as at the LPD.

Most of the customers have a good relationship with us where the length of relationships spans between 1 to 24 years and we have not encountered any default in payment from them in the past.

(v) Trade payables turnover period

The normal credit period granted to us by our trade payables ranged from cash term to 60 days for the Financial Periods Under Review.

Our trade payables turnover period has decreased from 18 days as at 30 June 2024 to 4 days as at 30 June 2025, indicating the promptness in payments to our suppliers.

	Trade payable as at 30 June 2025	
	(RM'000)	(%)
Past due 1 - 30 days	197	98.01
Past due 61-90 days	1	0.50
Past due more than 90 days	3	1.49
Total	201	100.00
Subsequent payment up to the LPD	201	100.00
Outstanding balance as at the LPD	-	-

As at 30 June 2025, the total outstanding trade payables was RM0.20 million, of which 100.00% of the total outstanding trade payables have been paid as at the LPD.

5. HISTORICAL FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION ANALYSIS (CONT'D)

5.7 Significant Factors Affecting Our Financial Position and Results of Operation

Section 7 of this Information memorandum details out 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 revenue and financial performance. Sophisticated Investors should refer to the risk factors set out therein.

5.8 Material Capital Commitments

As at the LPD, we do not have any material capital commitments save for renovation expenses for our Penang Showroom estimated at RM0.60 million as at the LPD, as disclosed in Section 2.3.1 of this Information Memorandum.

5.9 Dividend Policy

We do not have any formal dividend policy presently. We intend to pay dividends to shareholders in the future while retaining adequate reserves for our future growth. However, such payments will depend upon the Company's income and dividends from our subsidiaries. Our subsidiaries' dividends payment will depend on their distributable profits, operating results, financial conditions, capital expenditure plans and other factors that their respective boards of directors deem relevant.

Our ability to pay future dividends to our shareholders is subject to various factors, including but not limited to our financial performance, cash flow requirements, availability of distributable reserves and capital expenditures plans. The actual dividend proposed and declared may vary depending on our financial performance and cash flow and may be waived if the payment of dividends would adversely affect our cash flow for operations.

We have not declared and do not propose to declare any dividends prior to our Proposed Listing.

5.10 Contingent liabilities

As at the LPD, no contingent liabilities could become enforceable or have a material impact on our financial position and business.

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6. INDEPENDENT MARKET RESEARCH REPORT



PROVIDENCE STRATEGIC PARTNERS SDN BHD
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T: +603 7625 1769

2 December 2025

The Board of Directors
BENTLEY MUSIC GROUP BERHAD
Wisma Bentley Music
Level 6, No 3 Jalan PJU 7/2
Mutiara Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
Malaysia.

Dear Sirs,

Outlook of the Musical Instruments, Sound Reinforcement Systems and Music Education Market in Malaysia in conjunction with the Listing of BENTLEY MUSIC GROUP BERHAD on the LEAP Market of Bursa Malaysia Securities Berhad

PROVIDENCE STRATEGIC PARTNERS SDN BHD (“**PROVIDENCE**”) has prepared this independent market research report on the Outlook of the Musical Instruments, Sound Reinforcement Systems and Music Education Market in Malaysia for inclusion in the Information Memorandum of BENTLEY MUSIC GROUP 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.



1 MUSICAL INSTRUMENTS, SOUND REINFORCEMENT SYSTEMS AND MUSIC EDUCATION MARKET IN MALAYSIA

Musical instruments

Musical instruments are objects or devices that produce sound, intentionally crafted or adapted to create music. Musical instruments have existed in human culture throughout history. They are the tools through which musicians express emotions, ideas and cultural identity. The primary function of a musical instrument is to enable musicians to shape and control sound. By varying parameters such as pitch, timbre, and volume, musicians can create melodies, harmonies, rhythms and textures that resonate with listeners.

The functioning of musical instruments is based on the principles of physics, and particularly acoustics, which refers to the science of sound. Sound is produced when an object vibrates, creating pressure waves in the air that are perceived as sound by the human ear. Each musical instrument manipulates these vibrations in unique ways to produce specific sounds. As illustrations:

- in string instruments such as violins or guitars, the vibration of the strings produces sound waves. The frequency of the vibration determines the pitch whereby a longer, thicker string produces a lower pitch, while a shorter, thinner string vibrates faster and produces a higher pitch. The body of the instrument acts as a resonator, amplifying the sound and giving it its distinctive timbre;
- wind instruments such as flutes or trumpets rely on the vibration of air columns. In these instruments, the length of the air column inside the instrument can be adjusted by opening and closing holes (as in a flute) or by changing the shape of the tubing (as in a trumpet). The vibration of the air column creates the sound, and the frequency of this vibration determines the pitch;
- percussion instruments such as drums, produce sound when struck, causing the material of the instrument to vibrate. The pitch of the sound can be controlled by altering the tension of the drumhead or the size of the drum; and
- in electronic instruments, sound is generated through electrical circuits and amplified through speakers. The manipulation of voltage, frequency modulation and sound synthesis allows electronic instruments to create a range of sounds, often imitating traditional acoustic instruments or generating entirely new timbres.

Sound reinforcement systems

Sound reinforcement systems play an important role in ensuring that audio signals are amplified and distributed evenly, making them an essential component of modern audio and entertainment systems. One of the primary reasons why reinforced sound systems are important is to ensure that audio signals are audible and clear for the audience. The human ear has limitations in terms of hearing range, and sound reinforcement systems help to amplify the audio signals to ensure that they reach everyone in the audience. The systems also help to distribute the sound evenly throughout the venue, ensuring that every listener hears the same level of sound quality.

Without these systems, speakers would have to rely on their natural voices to reach their audience, which is not always practical or effective, especially in large venues. Moreover, the sound quality may be compromised due to distortion or interference, making it difficult for the audience to understand or appreciate the audio signals.

Sound reinforcement systems also function to improve the acoustics of a venue. Every venue has unique acoustic properties, and properly designed and installed systems can help to adjust the sound to the characteristics of the room, compensating for any acoustic issues such as echoes or reverberations.

This is especially important for venues with large or unusual shapes, where sound can bounce around, making it difficult for the audience to hear clearly. Sound reinforcement systems can help to ensure that the sound is evenly distributed with minimal unwanted distortion or interference. This cultivates a more enjoyable and memorable experience for the audience.

Sound reinforcement systems play an essential role in enhancing the quality of live performances as they help to balance the sound levels, ensuring that the music, voice and sound effects are heard equally. These systems also help to reduce any unwanted background noise, ensuring that the sound is clear and free from any interference. This is especially important for live performances, where the quality of sound contributes to the success of the event. Sound reinforcement systems ensure that the audio signals are of quality, which enhances the overall performance and makes for a more enjoyable experience for the audience.

Sound reinforcement systems are an essential component of modern audio and entertainment systems, and their importance will continue to grow as technology advances and the need for high-quality audio signals becomes increasingly important.

The supply chain for musical instruments and sound reinforcement systems is complex as there are multiple

6. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



physical and electronic commerce (“e-commerce”) distribution channels. Physical distribution channels include chain and standalone stores. Industry players may also sell musical instruments and sound reinforcement systems online through their own e-commerce store or via third-party e-commerce and social media platforms. Project sales are typically used for the bulk sourcing of musical instruments and sound reinforcement systems.

Music education

Music can be defined as "organised sound". Through music education, students learn to play musical instruments, understand music theory and history, and develop skills such as ear training, sight-reading and conducting. It also focuses on creative aspects including composition and improvisation, while providing practical experience in performance and teaching. The objectives of music education are to develop appreciation and understanding of music, musical abilities as well as cognitive, social and emotional development.

Music education encompasses formal education, early childhood programmes and lifelong learning. Musical education curriculum can be structured into aesthetic perception, musical experience, creative expression and aesthetic appreciation whereby:

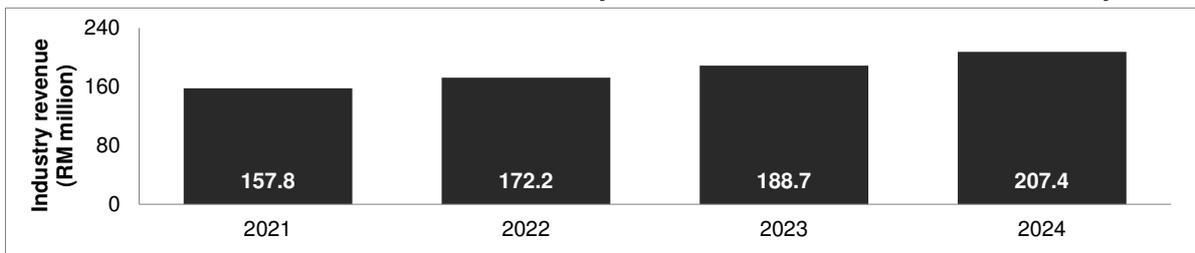
- in aesthetic perception, students are exposed to a wide range of knowledge and understanding of musical language, including rhythms (seconds, pressure, meters, tempo, note values, break marks and rhythm patterns), melodies (pic, solfege, skeleton, tone colour, harmony, texture and song shape), expressions (dynamics and mood) and also notation systems (music notes, rests, signs and musical terms);
- in musical experience, students sing and play instruments. Students are given the opportunity to build the skills of singing and playing musical instruments according to the correct techniques in practice;
- in creative expression, students are encouraged to expose their creative minds and feelings through exploration, improvisation and sound-based inventions. Students learn to choose, change, modify, adapt, arrange and form music; and
- in aesthetic appreciation, students express their opinions on the works and performances of music and musicians. Students experience and value music and performances through activities such as listening, feeling, distinguishing, identifying, comparing differences, classifying, analysing, outlining and sharing views.

Music education can be beneficial in the early ages of children as it helps in all areas of a child’s development and equips them with skills for school readiness. Music boosts brain and cognitive function that is important for learning. In turn, these heightened skills facilitate success in school. Music training sets up children’s brains to make them better learners by enhancing both sound processing in the brain and cognition.

INDUSTRY SIZE AND GROWTH

The musical instruments, sound reinforcement systems and music education market, based on industry revenue, increased from RM157.8 million in 2022 to RM207.4 million in 2024 at a compound annual growth rate (“CAGR”) of 9.5%. The musical instruments, sound reinforcement systems and music education market comprises industry players that specialise in the wholesale and retail sales of musical instruments and sound reinforcement systems, as well as offer music education in Malaysia. Thus, the market size represents the revenues generated from the wholesale and retail sales of musical instruments and sound reinforcement systems as well as music education.

Musical instruments, sound reinforcement systems and music education market in Malaysia



Source: PROVIDENCE analysis

PROVIDENCE projects the musical instruments, sound reinforcement systems and music education market in Malaysia to grow from RM207.4 million in 2024 to RM292.4 million by 2028 at a CAGR of 9.0%, driven by:

- the growing awareness on the benefits of music in the development of individuals and particularly children;

6. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



- socio-economic factors;
- growth in music education;
- the growing influence of e-commerce as a distribution channel and social media in promoting music; and
- music education curriculum in schools.

DEMAND CONDITIONS: KEY GROWTH DRIVERS

Growing awareness on the benefits of music in the development of individuals and particularly children

- **Influence of music on cognitive development**

- **Cognitive development**

Music engages various regions of the brain simultaneously, which in turn stimulates neural connections and fosters cognitive development in children. Studies have shown that exposure to music can have a profound impact on various cognitive abilities. For instance, research suggests that listening to and participating in music can enhance a child's ability to process information effectively. This heightened cognitive processing can lead to improvements in memory retention, attention span and problem-solving skills. By actively engaging with music, children enjoy its aesthetic appeal and reap the cognitive benefits that contribute to their overall development and academic success.

- **Language development**

The rhythm and patterns in music provide an auditory environment that aids language development in young children. Young children exposed to music tend to develop better language skills, including vocabulary and grammar, as it lays a foundation for effective communication. The rhythmic structure of music mirrors the cadence of spoken language, providing a natural framework for language learning. Through exposure to music, children develop a heightened sensitivity to the nuances of sound and rhythm, which in turn facilitates their ability to discern speech patterns and linguistic cues. In addition, actively engaging with music through activities such as singing along, clapping to the beat, or participating in musical games encourages verbal expression and communication skills.

- **Mathematical aptitude**

Music is inherently mathematical, as it involves rhythm, beat and timing which are fundamental to mathematical understanding. When children engage with music, they are exposed to intricate patterns and sequences that mirror mathematical structures. This lays the foundation for the development of mathematical aptitude. The rhythmic patterns in music provide a representation of mathematical concepts such as counting, grouping and sequencing. As children tap along to a beat or clap in rhythm, they intuitively internalise concepts of division and multiplication, experiencing firsthand the relationship between numbers and patterns. Also, musical compositions often follow specific structures and formulas, requiring children to recognise and anticipate recurring patterns. Through identifying the repetition of a melody or discerning the sequence of musical notes, children develop a sense of pattern recognition. This skill is essential for mathematical problem-solving.

- **Influence of music on emotional and social cognitive development**

- **Emotional expression**

Music plays a key role in emotional development, as it serves as an outlet for children to express and explore their feelings. Through music, children learn to identify and convey a wide range of emotions, ranging from joy and excitement to sadness which, in turn, contributes to emotional regulation. When they are feeling overwhelmed by emotions or seeking comfort during difficult times, children can turn to music as a source of solace and support. Engaging with music allows children to connect with the emotions conveyed in through the lyrics or the mood created by the music itself. By listening to songs that resonate with their experiences, children develop a deeper understanding of their own emotions and those of others, fostering empathy and emotional intelligence. In addition, musical activities such as singing, dancing and playing instruments offer opportunities for social connection and emotional expression. Collaborating with others in musical ensembles or sharing favourite songs with friends fosters a sense of belonging and camaraderie, thereby enhancing emotional well-being.

- **Social development**

Group music activities provide a platform for children to engage in collaborative endeavours which fosters a sense of community and cooperation. When singing in a choir, playing in an ensemble or participating in a music class, children come together to create and enjoy music collectively. In group settings, children learn the value of teamwork as they collaborate with their peers to achieve a common musical goal. Each

6. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



individual contributes to the collective sound, through harmonising vocals, blending instrumentals or maintaining rhythm. This highlights the importance of cooperation and mutual support. Sharing musical experiences also creates a sense of camaraderie and belonging. Through rehearsals, performances and collaborative problem-solving, children forge lasting friendships and develop a sense of unity within the group. In addition, group music activities promote inclusivity and diversity, welcoming children of all backgrounds and abilities to participate and contribute to the ensemble. Every child has a place within the musical community regardless of skill level or prior experience, fostering a culture of acceptance and support.

- **Empathy and cultural awareness**

Exposure to diverse range of musical styles introduces children to different cultures and perspectives. As children explore music from various cultures and traditions, they gain insights into different perspectives, values and experiences. Each musical style has unique cultural context, reflecting the history, beliefs and traditions of its origin. By immersing themselves in music from different parts of the world, children develop an appreciation for the diversity of human experience and expression. They also learn to recognise the distinct rhythms, melodies, and instruments associated with different cultures. Exposure to diverse musical styles also cultivates empathy and cultural awareness. As children listen to songs sung in different languages or infused with cultural elements, children gain a deeper understanding of the experiences and emotions of people from diverse backgrounds. They learn to empathise with the joys, sorrows and struggles expressed through music, fostering a sense of connection and solidarity across cultural boundaries. This may also inspire them to learn more about the history and traditions behind the music they encounter.

- **Influence of music on physical development**

- **Motor skills**

Playing musical instruments requires the coordination of fine and gross motor skills, and fosters physical coordination and dexterity. The physicality involved in making music such as plucking strings, tapping drums or pressing keys contributes to the development of precise motor skills in children. Mastering an instrument involves the manipulation of fingers, hands, arms and sometimes even the entire body. It also encompasses aspects such as posture, breath control and hand-eye coordination. Maintaining proper posture while playing an instrument promotes spinal alignment and strengthens core muscles. This contributes to overall physical health and well-being. It also involves the development of proprioception, being the awareness of one's body in space, as children learn to gauge the force and precision needed to produce desired sounds. This heightened proprioceptive awareness enhances spatial orientation and fine-tunes motor control, laying the foundation for skilled musical performance. The repetitive practice inherent in learning an instrument hones motor skills through consistent refinement and muscle memory. As children repeatedly perform scales, chords or rhythmic patterns, they strengthen neural pathways associated with motor control, leading to greater precision and fluency in their playing. Fine-tuned motor skills are not only essential for musical proficiency but also transferable to various other activities and disciplines, including sports, academics and daily tasks.

- **Sensory integration**

Music engages multiple senses simultaneously, namely auditory, visual and tactile. This sensory integration plays a crucial role in children's overall development, facilitating the refinement of sensory processing abilities and developing adaptability to a wide range of stimuli in their environment. Auditory engagement is perhaps the most obvious aspect of music, as it involves listening to melodies, harmonies and rhythms. Through music, children develop auditory identification skills, learning to distinguish between different pitches, tones and timbres. Visual elements also play a role in the musical experience, through observing performers, reading sheet music or interpreting visual cues such as conducting gestures. Visual engagement in music helps children develop visual tracking skills, eye-hand coordination and spatial awareness. Music also involves tactile engagement through the physical manipulation of instruments or interaction with musical materials. Children engage their sense of touch to produce sounds and create music when strumming guitar strings, tapping drumsticks or pressing piano keys. This tactile stimulation fosters sensory exploration and sensory-motor integration, enhancing children's ability to interact with and interpret tactile stimuli in their environment.

- **Influence of music on learning and creativity**

- **Creativity stimulation**

Music is an art form that encourages creativity and imagination. Children exposed to musical experiences are more likely to develop a creative mindset as they explore new ideas and express themselves freely through various forms of artistic expression. Engaging with music stimulates the brain's creative centre, inspiring children to explore diverse musical styles, experiment with different sounds and rhythms, and even

6. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



compose their own music. Children are empowered to express themselves freely and develop their unique artistic voice through improvising melodies on an instrument, creating original lyrics or arranging musical pieces. Music also encourages interdisciplinary connections and stimulates creativity across various domains of expression. Children may incorporate music into other forms of artistic expression, such as dance, visual arts or storytelling to create multi-dimensional and immersive artistic experiences. By integrating music with other art forms, children expand their creative horizons and develop a holistic approach to artistic expression. In addition, musical experiences foster a sense of playfulness and spontaneity, encouraging children to take risks, explore new possibilities and embrace the joy of creative experimentation.

• **Lifelong learning**

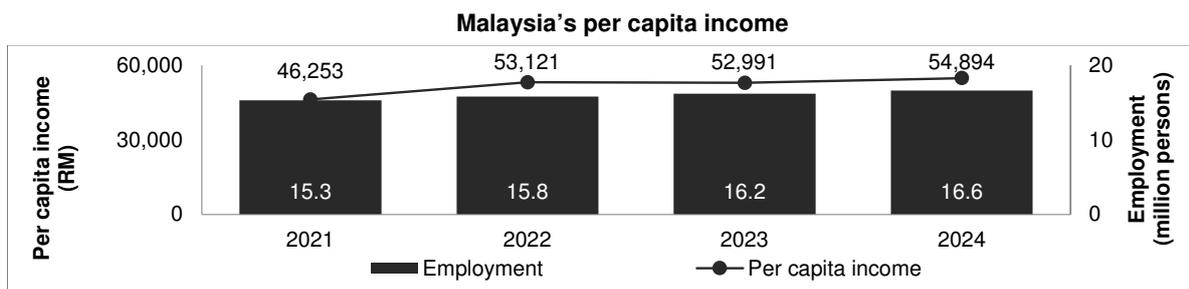
The joy and fulfilment derived from music creates a positive association with learning. Children who engage with music from an early age are more likely to develop a lifelong love for learning, approaching new challenges with curiosity and enthusiasm. Children are constantly challenged to explore new techniques, experiment with creative expression and overcome obstacles when learning to play an instrument, singing in a choir or exploring different genres of music. This sense of challenge and achievement fosters a positive attitude towards learning as children experience the satisfaction of mastering new skills and overcoming challenges through hard work and persistence. Children come to associate learning with feelings of fulfilment, happiness, and personal growth, reinforcing their motivation to continue exploring and expanding their horizons.

Additionally, the interdisciplinary nature of music exposes children to a wide range of learning experiences that extend beyond musical skills. Through music, children develop language and literacy skills through song lyrics and storytelling, mathematical concepts through rhythm and patterns, and social-emotional skills through collaboration and expression. This holistic approach to learning nurtures a well-rounded and adaptable mindset. It further prepares children to tackle challenges and pursue lifelong learning opportunities with enthusiasm and curiosity.

The developmental benefits of music for children serve as a key driver for parents to enrol their children in music education, thereby supporting increased demand for musical instruments and sound reinforcement systems.

Socio-economic factors create demand potential for musical instruments and education

Malaysia’s population grew from 32.6 million in 2021 to 34.1 million in 2025 at a CAGR of 1.5%. During this period, employment increased from 15.3 million persons in 2021 to 16.6 million persons in 2024 at a CAGR of 2.8%. The improvement in employment contributed to the rising income levels, which increased from RM46,253 in 2021 to RM54,894 in 2024 at a CAGR of 5.9%.



Source: Department of Statistics Malaysia, PROVIDENCE analysis

The steady growth in Malaysia’s population and improvements in employment and income levels will support householding spending for essential and non-essential items. Higher personal disposable incomes correlate with stronger consumer sentiment and spending power on necessities as well as luxury items, including musical instruments, sound reinforcement systems and music education.

The Government of Malaysia (“**Government**”) has introduced several initiatives to supplement the income of the general population, which will contribute towards improving consumer sentiment and spending power. Under Budget 2025, these initiatives include:

- The Government has agreed to raise the minimum wage from RM1,500 currently to RM1,700 per month, effective 1 February 2025;

6. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



- The Government has also decided that the enforcement of a minimum wage of RM1,700 per month for employers with fewer than 5 workers will have a grace period of 6 months, effective 1 August 2025;
- the Progressive Wage Policy is an effort by the MADANI Government to reform the labour market with the aim of increasing workers' income. This policy was piloted in June 2025 and will be fully enforced in 2026. The Progressive Wage Policy, with an allocation of RM200 million will benefit 50,000 workers;
- The People's Income Initiative (IPR) is our effort to eradicate hardcore poverty by increasing the income of the people. In 2026, RM250 million is allocated to increase the participation of more hardcore poor individuals in the IPR programme to boost their income.

Further under Budget 2026, the Government has committed to:

- The Government has allocated RM13.0 billion for Program Sumbangan Tunai Rahmah (“STR”) and Sumbangan Asas Rahmah (“SARA”), which will benefit almost 9.0 million recipients. For STR, payments up to Phase 3 have been made, worth RM6.0 billion. In conjunction with the Deepavali celebrations by the Indian community, Phase 4 of the 2025 STR Payments, scheduled for November 2025 and worth RM2 billion has been brought forward and was disbursed beginning 18 October 2025;
- the monthly SARA has been well received by the rakyat with the take up rate of nearly 98%. The targeted approach ensures SARA is used to purchase basic goods such as food, medicines and school supplies;
- For 2026, all 9.0 million STR recipients will also receive SARA up to RM100 per month or RM1,200 annually. Meanwhile, 1.0 million STR recipients under e-Kasih will receive SARA up to RM200 ringgit monthly or RM2,400 annually. Those in the single category will receive RM600 or RM50 per month through SARA
- The maximum rate received by a household with an income below RM2,500 a month and with five children, is RM4,600, comprising RM2,200 STR and RM2,400 SARA;
- On 31 August, all rakyat aged 18 years and above received RM100 Penghargaan SARA. More than 70% has been spent and, as promised, the unutilised SARA allocation by December will be redistributed for a future programme benefiting the poor.
- The Government will once again provide RM100 SARA to 22 million rakyat aged 18 years and above. This will be channelled in mid-February 2026, for the benefit of the rakyat as they prepare for Ramadan and to celebrate Chinese New Year;
- The combined allocation for STR and SARA 2026 amounts to RM15 billion. This increase is a result of the savings achieved from targeted subsidies such as diesel and RON95.

The Program Bantuan Subsidi MADANI (“Budi Madani”) is an initiative by the Government to re-target subsidies to eligible groups, combat smuggling activities and leakage of public subsidies. Eligible groups will receive subsidies to ease their cost of living. The Government began implementing the Budi Madani RON95 (BUDI95) targeted subsidy on 30 September 2025 where RON95 will be sold at a subsidised rate of RM1.99 per litre from 30 September 2025 onwards. Police and military personnel will enjoy the same rate sooner on 27 September 2025 onwards. Those who are eligible for STR will enjoy the new reduced price on 28 September 2025 onwards.

These initiatives are targeted at improving the disposable income of the general population and easing the cost of living. Further, these initiatives will contribute to improving consumer sentiment and spending power on necessities as well as luxury items, including musical instruments, sound reinforcement systems and music education.

Growth in tourism and retail sectors drive demand for musical instruments and sound reinforcement systems

Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal and/or business/professional purposes. These people are called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities, some of which involve tourism expenditure.

The tourism sector in Malaysia is an important economic sector that has experienced growth over the years and has been identified as a key driver for growth in the services sector. Tourism is a key source of foreign currency earnings for Malaysia, contributing to gross domestic product (GDP) growth, investment and employment as well as strengthening the services account in the nation's balance of payment. Malaysia's tourism industry encompasses leisure and business tourism, and includes the accommodation, shopping, tourism products, food and beverage as well as inbound and domestic transportation sub-sectors.

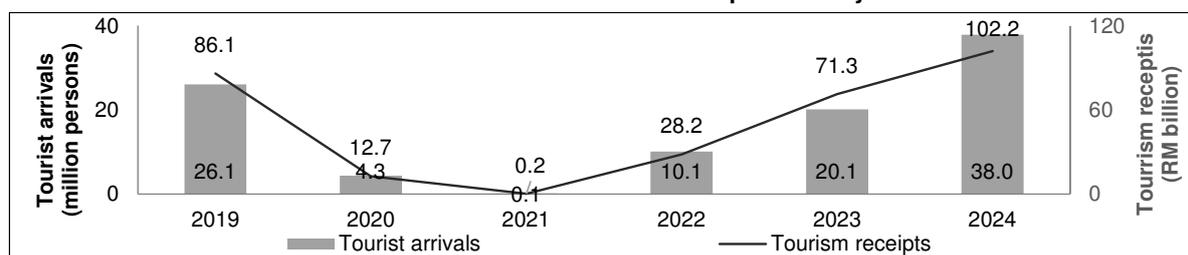
Malaysia's tourism receipts dropped from RM86.1 billion in 2019 to RM12.7 billion in 2020 due to the COVID-19 pandemic which saw Malaysia closing its international borders to curb the spread of the COVID-19 virus. After the World Health Organisation's declaration of COVID-19 as a pandemic on 11 March 2020, the Government

6. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



imposed the movement control order, barring entry of international tourists beginning 18 March 2020. As a result, tourist arrivals declined from 26.1 million persons in 2019 to 4.3 million persons in 2020. In 2021, Malaysia's tourism receipts continued declining to RM0.2 billion as tourist arrivals also dropped to 0.1 million. The reopening of Malaysia's international borders in April 2022 and the transition to the endemic phase of the pandemic supported growth of Malaysia's tourism industry in 2022, evidenced by the recovery in tourist arrivals to 10.1 million (2021: 0.1 million) which generated tourism receipts of RM28.2 billion (2021: RM0.2 billion). In 2023, tourist arrivals in Malaysia further rose to 20.1 million and tourism receipts increased to RM71.3 billion. In 2024, tourist arrivals in Malaysia continued witnessing positive growth as tourist arrivals increased to 38.0 million and tourism receipts increased to RM102.2 billion.

Tourist arrivals and tourism receipts in Malaysia



Source: Malaysia Tourism Promotion Board, PROVIDENCE analysis

The reopening of Malaysia's international borders in April 2022 and the transition to the endemic phase has supported retail spending and boosted human traffic at shopping malls. Several shopping malls have begun strengthening their retail lineup with new tenants, as well as introducing new eateries, lifestyle retail concepts and key supermarket chains aimed at attracting more traffic to shopping malls.

The growth in Malaysia's retail industry is evidenced by the growth in shopping mall area, which increased from 16.5 million square meters in 2019 to 17.7 million square meters in 2023. The occupancy rates for shopping malls in Malaysia have been gradually recovering post COVID-19 pandemic in line with improving consumer sentiment and retail spending, as occupancy rates which declined from 79.4% in 2019 to 77.4% in 2020 have over the years, reached 78.8% in 2024.

Supply of shopping malls and occupancy rates in Malaysia

	2019	2020	2021	2022	2023	2024
Total retail space (million square meters)	16.5	16.9	17.3	17.5	17.7	18.0
Space occupied (million square meters)	13.1	13.1	13.2	13.2	13.7	14.2
Occupancy rate (%)	79.4	77.5	76.3	75.4	77.4	78.8

Source: National Property Information Centre, Department of Statistics Malaysia, PROVIDENCE analysis

Growth in the tourism and retail sectors will positively support demand for musical instruments and sound reinforcement systems. New openings of hotels, retail premises and food and beverage outlets, as well as capacity expansion, upgrades or retrofitting of existing premises support greater demand for musical instruments and sound reinforcement systems.

Growth in music education will support demand for musical instruments and sound reinforcement systems

The demand for musical instruments is closely tied to music education and learning trends. Musical instruments play an essential role in schools, colleges and private institutions for teaching music theory, performance techniques and various instruments to students. Musical instruments are used in individual lessons, group classes and music programmes to foster skills development while broadening students' understanding of musical concepts. Online learning platforms and tutorials have made it easier for aspiring musicians to access educational resources and learn to play instruments, contributing to a growing pool of amateur and hobbyist musicians and this will bode well in supporting the demand for musical instruments.

Musical instruments are increasingly being adopted in schools and therapy centres, where they are being used for skills development and emotional well-being. As music is being embraced as both a profession and a leisure

6. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



pursuit, it will support demand for musical instruments such as acoustic guitars, violins and keyboards.

The growing pool of music enthusiasts is expected to boost demand for musical instruments. This category includes recreational players, aspiring professionals, students and parents of students. Further, children who begin learning a musical instrument at a young age are more likely to cultivate sustained interest in music. This inclination helps to drive such individuals to pursue a career in music and support demand for musical instruments.

The developmental benefits of music for children serve as a key driver for parents to enrol their children in music education, thereby supporting increased demand for musical instruments and sound reinforcement systems.

Growing influence of e-commerce as a distribution channel and social media in promoting music

Online shopping has become a new theme around the world, with internet retailing and e-commerce platforms showing growth in apparel sales in the past few years. To cater for changing consumer behaviour, industry players are investing in internet and mobile platforms in order to capture greater customer traffic. Industry players with a limited number of physical stores are able to achieve greater coverage through online retail efforts and e-commerce platforms.

Total broadband subscriptions in Malaysia grew from 43.4 million in 2019 to reach 49.6 million in 2024 at a CAGR of 2.7%. Malaysia's broadband market is predominantly mobile based with subscriptions, totalling 44.8 million and penetration rate of 131.1% in 2024, supported by 4G and 5G LTE population coverage. Wider coverage along with more affordable mobile data packages have increased usage of data-intensive content to suit digital lifestyle of Malaysians.

In Malaysia, smartphone penetration has increased from 51.0% in 2014 to 99.3% in 2024. Mobile devices, and particularly smartphones, are becoming part of the lifestyle for Malaysians who use it for communication, and as a platform for obtaining information, socialising, entertainment, shopping and performing banking activities. Mobile and digital devices play an important role in consumer lifestyles today, among both the urban and rural population. Consumers use and interact with their devices on a daily basis for communication, entertainment as well as for business use. Mobile and digital devices have altered the landscape, changing the way Malaysians communicate, obtain news and shop. Although personal computers are frequently used to shop online, smartphones are fast becoming the device of choice for Malaysians to remain connected.

According to We Are Social in their latest Digital 2025 report, Malaysia had 25.1 million active social media users in February 2025 who spend an average of 2 hours and 46 minutes on social media consumption daily. Social media penetration in Malaysia stood at 95.5% in February 2025. Social media provides brands with an intimate platform to connect with customers and shape their perceptions, whether through timely and targeted promotions, responsive customer service or the creation of communities of interest. Social media plays a critical role in music promotion today, influencing how businesses connect with consumers. Social media platforms have transformed retail sales through short-form videos and live commerce features. Micro-influencers generate immediate increases in product searches.

The proliferation of broadband, affordable mobile data packages, high smartphone and social media penetration rates support further growth of the delivery of music education through digital channels and the sales of musical instruments and sound reinforcement systems via e-commerce platforms.

Music education curriculum in schools supports children development and encourages the sales of musical instruments

Music education is important in the early years of children especially at primary school as it helps in all areas of a child's development and skills for school readiness. In Malaysia, music was first introduced as a compulsory subject in primary schools in 1983. Over the years the curriculum has changed with music being a component of arts education, taking only 30 minutes of one-hour slots in primary schools.

Notwithstanding this, in private and international schools, students continue to learn music and art as well as participate in a wide range of co-curricular activities so as to gain a holistic learning experience. This encourages students to explore new ideas, find their passions and share their feelings through music, art, drama and film.

As music education equips students with musical knowledge and encourages them to play music and master a musical instrument either as a passion or hobby, this will bode well and support the sales of musical instruments.

6. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



COMPETITIVE LANDSCAPE

The musical instruments market in Malaysia comprises industry players that specialise in the wholesale and retail sales of musical instruments and sound reinforcement systems, as well as offer music education include:

Industry player	Latest available FYE	Revenue ^a (RM)	Profit before tax (RM)	Profit / loss after tax (RM)	Profit / loss after tax margin (%)
Bentley Music Group Berhad	30 June 2025	33,124,967	3,517,800	2,658,021	8.0
BG Sound & Light Sdn Bhd	30 June 2024	40,891,193	241,076	140,635	0.3
Do Re Mi Sound & Light Sdn Bhd	31 July 2024	6,200,661	588,501	466,228	7.5
Kuantan Music Centre Sdn Bhd	31 March 2024	9,402,391	346,009	264,756	2.8
Mahogany Music Sdn Bhd	30 June 2024	628,166	178,569	162,289	25.8
Music Bliss Sdn Bhd	31 March 2024	33,469,787	1,464,250	1,180,385	3.5
Swee Lee Music Sdn Bhd	31 December 2024	29,169,788	-2,149,141	-2,149,141	-7.4
The Guitar Store (M) Sdn Bhd	31 December 2024	5,241,154	18,207	2,090	-
Yamaha Music (Malaysia) Sdn Bhd	31 March 2025	58,772,251	3,816,420	2,646,878	4.5

Notes:

The industry players that are involved in the provision of musical instruments and sound reinforcement systems and offer music education were identified based on publicly available sources, such as the internet, published documents and industry trade directories.

^a May include revenue derived from other businesses as segmental revenue is not publicly available from the audited financial statements of the identified private companies from the Companies Commission of Malaysia

Latest available as at 10 November 2025

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



2 PROSPECTS AND OUTLOOK

The musical instruments market, based on industry revenue, increased from RM157.8 million in 2022 to RM207.4 million in 2024 at a CAGR of 9.5%. The musical instruments market in Malaysia comprises industry players that specialise in the wholesale and retail sales of musical instruments and sound reinforcement systems, as well as offer music education. Thus, the market size represents the revenues generated from the wholesale and retail sales of musical instruments and sound reinforcement systems as well as music education. PROVIDENCE projects the musical instruments market in Malaysia to grow from RM207.4 million in 2024 to RM292.4 million by 2028 at a CAGR of 9.0%.

The demand for musical instruments is closely tied to music education and learning trends. Musical instruments play an essential role in schools, colleges and private institutions for teaching music theory, performance techniques and various instruments to students. Musical instruments are used in individual lessons, group classes and music programs to foster skills development while broadening students' understanding of musical concepts. Online learning platforms and tutorials have made it easier for aspiring musicians to access educational resources and learn to play instruments, contributing to a growing pool of amateur and hobbyist musicians. The growing pool of music enthusiasts is expected to boost demand for musical instruments. Further, children who begin learning a musical instrument at a young age are more likely to cultivate sustained interest in music. This inclination helps to drive such individuals to pursue a career in music and support demand for musical instruments. The developmental benefits of music for children serve as a key driver for parents to enrol their children in music education, thereby supporting increased demand for musical instruments and sound reinforcement systems.

Growth in the tourism and retail sectors will positively support demand for musical instruments and sound reinforcement systems. New openings of hotels, retail premises and food and beverage outlets, as well as capacity expansion, upgrades or retrofitting of existing premises support greater demand for musical instruments and sound reinforcement systems.

The Government has introduced several initiatives to supplement the income of the general population, which will contribute towards improving consumer sentiment and spending power. Among others, under Budget 2026, the Government has allocated RM13.0 billion for STR and SARA, which will benefit almost 9.0 million recipients. These initiatives are targeted at improving the disposable income of the general population and ease their cost of living. Furthermore, these initiatives will contribute to improving consumer sentiment and spending power on necessities as well as luxury items, including musical instruments, sound reinforcement systems and music education.

Premised on this, the growth prospects of Bentley Music Group Berhad will be supported by the growing awareness on the benefits of music, socio-economic factors, growth in music education, and the rise of e-commerce as a distribution channel and the growing influence of social media in promoting music.

7. RISK FACTORS

Any investment in our Shares may be subject to a number of risks. Before making any investment decisions, Sophisticated Investors should carefully consider the risk factors together with all other information in this Information Memorandum, in particular the risks and investment considerations described below. The information below does not purport to be complete nor exhaustive, as additional risks and uncertainties not presently known to our Group, or that our Group currently deems as not material, may have an adverse effect on our business.

If any of the following risks were to materialise, our Group's business, financial condition, results or future operations could be materially adversely affected. In such an event, the market price of our Shares could decline, and investors may lose part or all of their investments.

7.1 Risks Relating to Our Business

7.1.1 We are exposed to foreign exchange fluctuation risk

During the Financial Periods Under Review, a majority of our Group's purchases of musical instruments and sound reinforcement systems were sourced from overseas suppliers (i.e. international brands, suppliers and product principals). As such, our purchases are exposed to foreign exchange fluctuation risks as the purchases are mostly denominated in USD, EUR, YEN and RMB. The breakdown of our purchases by currencies in the Financial Periods Under Review is as follows:

	Audited			
	FYE 2024 (RM'000)	(%)	FYE 2025 (RM'000)	(%)
USD	12,844	63.57	11,025	52.93
RM	1,698	8.41	4,557	21.88
EUR	4,670	23.11	4,176	20.05
YEN	639	3.16	624	2.99
RMB	353	1.75	449	2.15
Total	20,204	100.00	20,831	100.00

We enter into forward foreign exchange contracts with banking institutions to buy foreign currencies for payment to our suppliers, to hedge our exposure to fluctuations in foreign currency exchange rates.

7.1.2 We may be subject to inventory risk

In order to ensure that our inventory is sufficient to support the distribution and retail of our musical instruments and sound reinforcement systems to dealers, project customers and consumers, we will maintain sufficient inventory to support our operation. During the Financial Periods Under Review, our average inventory turnover period was 365 days and 354 days respectively, further details of which are set in Section 5.6 of this Information Memorandum.

There is no assurance that our customers will place orders with us, or the demand for our musical instruments and sound reinforcement systems may change significantly and our customers may not order in the quantities that we expect.

7. RISK FACTORS (CONT'D)

7.1.3 We are dependent on international brands of musical instruments and sound reinforcement systems

Our Group is principally involved in the retail sales and wholesale of musical instruments and sound reinforcement systems from international brands. All of our musical instruments and sound reinforcement systems are sourced from international brands, and we are not involved in any manufacturing activities. We source final products from our international brands for onward sale to our customers.

These international brands are responsible for the design, purchase of raw materials, manufacturing and export price setting of musical instruments and sound reinforcement systems in accordance with their specifications and requirements. As such, our Group's business operations are dependent on the supply of the musical instruments and sound reinforcement systems from the international brands. Any significant increase in production costs and/or new pricing strategies set by the international brands may impact our cost of sales. If we are unable to pass the increased costs to our customers, our financial performance may be affected.

7.1.4 We are exposed to fluctuations in operating costs

Our Group's overall profitability levels may be affected due to increase in our overall operating costs including, but not limited to, product costs, staff costs, rental, inventory management and other operating costs. If we are unable to increase our sales volume and selling price of our musical instruments and sound reinforcement systems, or efficiently manage our inventories and other operational costs (such as labour costs and capital expenditure costs) or utilise our workforce effectively, our profit may be adversely affected to the extent we are unable to pass on any increasing costs to our customers, or where such costs are passed to our customers, demand is affected as a result of an increase in the price of our products.

7.1.5 We are dependent on our Executive Directors and key management

The future growth and success of our Group largely depend on the experience, business relationship, expertise, continuous contribution and involvement of our Managing Director, Executive Director and key management. Our Managing Director, Datuk Dr. Ken Phua, is responsible for steering the overall strategic direction of our Group. With his years of experience and in-depth knowledge in the retail and music industry and understanding of the demand of our business and customers' needs, he plays a pivotal role in formulating and implementing business strategies and policies to drive the future development and growth of our Group.

Further, our Executive Director and key management are equipped with relevant knowledge and skills in their respective roles and are responsible in executing our Group's business strategies and plans as well as ensuring the smooth operation of our business.

Any significant loss of the services of our Managing Director, Executive Director and key management without suitable and timely replacements may create unfavourable impact on our Group's operations, financial performance and business prospects.

7. RISK FACTORS (CONT'D)

7.1.6 Our business relies on our ability to recruit and retain dedicated and qualified teachers

We rely substantially on our teachers to deliver our music education to students. Our teachers are critical to maintaining the quality of our courses and services and to upholding our reputation.

To maintain the quality of our music education and further grow the business of Bentley Music Academy, we need to continue to attract qualified teachers who meet our standards. We seek to hire teachers who have expertise in their respective instruments and are capable of delivering innovative and inspirational classroom instruction. In addition, we look for teachers with extensive relevant work experience in their respective faculties. There is no guarantee that we can recruit and retain such personnel in the future. As a result, we may need to provide competitive compensation and benefits packages to attract and retain qualified teachers and administrative personnel.

We may not be able to hire and retain a sufficient number of qualified teachers and qualified school administrative personnel to keep pace with our anticipated growth. If we are unable to recruit and retain an appropriate number of qualified teachers and qualified school administrative personnel, the quality of our services or overall education courses may be affected, which may have an impact on our reputation, business and financial performance.

7.2 Risks Relating to Our Industry

7.2.1 We are affected by changing consumer preferences, demands and sentiment

Our products are primarily targeted at consumers who are in general influenced by changing market trends and consumer preferences. In this respect, our success depends on our ability to anticipate, identify, interpret and respond promptly to the changing consumer preferences, expectations and needs, trends and spending habits. As such, it is crucial that we have a wide variety of musical instruments and sound reinforcement systems as well as music education courses to meet these consumer demands.

We also strive to respond to changes in market trends and consumer preferences to suit the current industry trend by broadening our category, product and brand range. As a result of evolving market trends and consumer preferences, we face the risk of not being able to respond to these changes in a timely manner.

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

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7. RISK FACTORS (CONT'D)

7.2.2 Our business is exposed to the risk of competition

The music instruments industry in Malaysia is competitive due to the large number of brands available in the market, comprising local and foreign brands. Industry players selling these brands generally compete in terms of branding, pricing, range of products and quality of products.

There is no assurance that our Group will be able to consistently implement measures and strategies such as offering competitive prices, adopting effective branding, marketing and distribution strategies, to cater to changing market trends as well as consumer needs and preferences in order to remain competitive. If we cannot compete effectively, our business and financial performance may be adversely affected.

7.3 Risks Relating to Our Shares

7.3.1 There has been no prior trading market for our Shares

There was no public trading market for our Shares prior to the Proposed Listing. Our Shares may therefore be illiquid and, accordingly, the Sophisticated Investor may find it difficult to sell our Shares, either at all or at an acceptable price. Further, our Group can give no assurance that an active trading market for our Shares will develop, or if such a market develops, that it will be sustained.

If an active trading market does not develop or is not maintained, the liquidity and trading price of our Shares could be adversely affected and investors may have difficulty selling our Shares and may lose their entire investment. An investment in our Shares should be viewed as a long-term investment.

7.3.2 The trading and performance of our Shares is subject to fluctuations due to various factors and events

Upon our Proposed Listing, the trading price of the Shares could be subject to significant fluctuations due to various factors and events, some specific to our Group and our operations and some which may affect the business sectors in which our Group operates. These include any regulatory or economic changes affecting our operations, variations in our operating results, developments in our business or our competitors, or to changes in market sentiment towards the Shares, regardless of our performance.

Sophisticated Investors should not rely on comparisons with our historical results as an indication of future performance. Our operating results and prospects may occasionally fall below the expectations of market analysts and investors. In addition, stock markets may from time to time suffer significant price and volume fluctuations that affect the market prices for securities and which may be disconnected from our operating performance.

Any of these events could result in a decline in the market price of our Shares. The LEAP Listing Requirements are less onerous than those of the Main Market and ACE Market, and an investment in shares that are traded on the LEAP Market is likely to carry a higher risk than an investment in shares listed on the Main Market or ACE Market.

7. RISK FACTORS (CONT'D)

Furthermore, the participation in the LEAP Market is limited to mainly Sophisticated Investors only, which limits the potential purchasers of our Shares. Coupled with the lower public shareholding spread requirement of 10.00% for the LEAP Market at admission, it results in the liquidity levels of the LEAP Market being lower than those of the Main Market or ACE Market. Consequently, it may be more difficult for Sophisticated Investors to realise their investment on the LEAP Market than to realise an investment in a company whose shares are quoted on the Main Market or ACE Market.

7.3.3 We may not be able to pay dividends

Our Company, being an investment holding company, derives income mainly from dividends received from our subsidiaries. Hence, our ability to pay dividends in the future is largely dependent on the performance of our subsidiaries. In determining the size of any dividend recommendation, we will also take into consideration several factors, including but not limited to our financial performance, cash flow requirements, debt servicing and financing commitments, future expansion plans, loan covenants and compliance with regulatory requirements.

7.3.4 Our Proposed Listing may be delayed / terminated /aborted on the occurrence of certain events

Bursa Securities may not grant an approval-in-principle for our Proposed Listing, or if granted, we may not be able to proceed with or may experience a delay in our Proposed Listing due to any unforeseen circumstances beyond our control before our Proposed Listing. Nevertheless, we shall endeavour to comply with the Listing Requirements for the success of our Proposed Listing.

7.4 Other Risks

7.4.1 Our Promoters will be able to exert significant influence over our Company

Our Promoters will collectively hold 90.00% of our enlarged share capital upon Proposed Listing. Our Promoters will be able to, in the foreseeable future, effectively control the business direction and management of our Company as well as influence the outcome of certain matters requiring the voting of our shareholders, unless our Promoters are required to abstain from voting by law and/or by the relevant guidelines or regulations.

Nevertheless, we propose to appoint Dato' Liaw Choon Liang as our Independent Non-Executive Director upon the Proposed Listing to play an active and independent role in our Board's deliberations to ensure, amongst others, that any transactions involving related parties and are entered into on an arm's length basis and that good corporate governance practices are observed.

7.4.2 Disclosure regarding forward looking statements

Certain statements in this Information Memorandum are forward-looking in nature and are subject to uncertainty and contingencies. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, there can be no assurance that such expectations will materialise.

The inclusion of forward-looking statements in this Information Memorandum should not be regarded as a representation or warranty by our Company, DWA Advisory or any other advisers that the plans and objectives of our Company will be achieved.

8. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

8.1 Related Party Transactions

Under the Listing Requirements, a 'related party transaction' is a transaction entered between the listed corporation or its subsidiaries and a related party, other than a transaction of a revenue nature in the ordinary course of business. A 'related party' of a listed issuer is:

- (i) a director having the same meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director of the listed corporation or a chief executive of a listed corporation;
- (ii) a major shareholder who has an interest of 10.00% or more of the total number of voting shares in a corporation; or
- (iii) a person connected with such director or major shareholder.

8.2 Existing and Proposed Related Party Transactions

Save as disclosed below, there are no existing or presently proposed material related party transactions entered into by us which involve the interests, direct or indirect, of our Directors, Promoters, Substantial Shareholders and/or persons connected to them for the Financial Periods Under Review and subsequent period up to the LPD:

[The rest of this page has been intentionally left blank]

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

Transacting parties	Nature of relationship	Nature of transaction	Transaction value		
			FYE 2024 (RM'000)	FYE 2025 (RM'000)	1 July 2025 up to the LPD (RM'000)
Bentley Music and Regent Intan	Yee Kim Yin, Datuk Dr. Ken Phua and Lewis Siu Man Hooper are directors of both Bentley Music and Regent Intan	<p>(i) Bentley Music (as tenant) and Regent Intan (as landlord) have entered into tenancy agreement for the rental of:</p> <p>(1) Level 3 and 6, Wisma Bentley Music, No. 3, Jalan PJU 7/2, Mutiara Damansara, 47810 Petaling Jaya, Selangor; and</p> <p>(2) 140 & 142, Level 1 & 2, Jalan Bukit Bintang, 55100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur⁽¹⁾⁽²⁾;</p> <p>(ii) Bentley Music was charged by Regent Intan for utilities supplied to and used by Bentley Music at the properties mentioned at item (i) above⁽³⁾;</p> <p>(iii) Bentley Music has supplied musical instruments and accessories to Regent Intan⁽⁴⁾; and</p> <p>(iv) Bentley Music and Regent Intan have entered into a management agreement for shared manpower services.</p>	1,252	1,412	560

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

Transacting parties	Nature of relationship	Nature of transaction	Transaction value		
			FYE 2024 (RM'000)	FYE 2025 (RM'000)	1 July 2025 up to the LPD (RM'000)
Bentley Music and Bentley Music Academy	Yee Kim Yin, Datuk Dr. Ken Phua and Lewis Siu Man Hooper are directors of both Bentley Music and Bentley Music Academy	1. Bentley Music (as tenant) and Bentley Music Academy (as sub-tenant) have entered into a sub-let agreement for the sub-rental of the property at 140 & 142, Level 2, Jalan Bukit Bintang, 55100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur ⁽¹⁾ ⁽²⁾ , and 2. Bentley Music has supplied musical instruments and accessories to Bentley Music Academy. ⁽⁴⁾	87	284	58
Bentley Music Academy and Regent Intan	Yee Kim Yin, Datuk Dr. Ken Phua and Lewis Siu Man Hooper are directors of both Bentley Music Academy and Regent Intan.	1. Bentley Music (as tenant) and Regent Intan (as landlord) have entered into tenancy agreement for the rental of Level 4, Wisma Bentley Music, No. 3, Jalan PJU 7/2, Mutiara Damansara, 47810 Petaling Jaya, Selangor ⁽²⁾	191	266	111

Notes:

⁽¹⁾ For further details of the tenancy agreements, kindly refer to Section 2.13 of this Information Memorandum.

⁽²⁾ These transactions are recurrent in nature and will subsist after the Proposed Listing.

⁽³⁾ There is no additional surcharge imposed by Regent Intan to Bentley Music, and the arrangement has been conducted on an arm's length basis. All utility meters for electricity and water supplies for both the PJ Showroom and KL Showroom have been transferred from Regent Intan to Bentley Music as of October 2025.

⁽⁴⁾ The purchases have been conducted on an arm's length basis. These transactions are expected to continue in the future, where Bentley Music and Bentley Music Academy may supply equipment for Regent Intan to operate the auditorium in Wisma Bentley Music.

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

Having considered all aspects of the above related party transactions, our Directors are of the view that the above related party transactions were conducted on an arm's length basis and on competitive commercial terms not more favourable to the related parties than those generally available to the public and not to the detriment of our non-interested shareholders.

Upon the Proposed Listing, the Board will ensure that any related party transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to third parties dealing at arm's length and are not detrimental to the minority shareholders. In the event there are any proposed related party transactions that require the prior approval of our shareholders, the Directors and/or major shareholders who have any interest, direct or indirect, in the proposed related party transaction will abstain and also undertake to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution pertaining to the proposed related party transaction at a general meeting.

Our Company also proposes to appoint Dato' Liaw Choon Liang as our Independent Non-Executive Director upon the Proposed Listing to play an active and independent role in our Board's deliberations to ensure, amongst others, that any transactions involving related parties are entered into on an arm's length basis and that good corporate governance practices are observed.

8.3 Transactions that are Unusual in their Nature or Conditions

There are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Company or any of our subsidiaries was a party in respect of FYE 2024, FYE 2025 and for the subsequent period up to the LPD.

8.4 Outstanding Loans Made by Our Company or Our Subsidiary for the Benefit of Related Parties

There are no other outstanding loans (including guarantees of any kind) made by our Company or any of our subsidiaries to or for the benefit of any related party in respect of FYE 2025 and for the subsequent period up to the LPD.

8.5 Interests in Similar Businesses and other Conflict of Interest Situations

As at the LPD, none of our Promoters, Board, Substantial Shareholders and/or key management has any interest, direct or indirect in other businesses and/or corporations carrying on a trade similar to our Group or businesses or corporations which are the customers or suppliers of our Group, which would give rise to a conflict-of-interest situation.

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9. ADDITIONAL INFORMATION

9.1 Directors' Responsibility Statement

This Information Memorandum has been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information and statements contained in this Information Memorandum. After having made all reasonable enquiries, and to the best of their knowledge, information and belief, they confirm that there are no false or misleading statements or other material facts, which, if omitted, would make any statement in this Information Memorandum false or misleading.

9.2 Consents

The written consents of the Approved Adviser, Continuing Adviser, Company Secretary, Independent Market Researcher, Independent Internal Control Consultant, Auditors, Due Diligence Solicitors and Share Registrar to the inclusion in this Information Memorandum of their names in the form and context in which such names appear have been given before the issue of this Information Memorandum and have not subsequently been withdrawn.

9.3 Declarations of Conflict of Interest by Our Advisers

(i) Declaration by DWA Advisory

DWA Advisory confirms that there are no existing or potential conflicts of interest in its capacity as the Approved Adviser and Continuing Adviser to our Company in relation to the Proposed Listing.

(ii) Declaration by TGS TW PLT

TGS TW PLT confirm that there are no existing or potential conflicts of interest in their capacity as the Auditors to our Company in relation to the Proposed Listing.

(iii) Declaration by Messrs Peter Ling & van Geysel

Messrs Peter Ling & van Geysel confirm that there are no existing or potential conflicts of interest in their capacity as the Due Diligence Solicitors to our Company in relation to the Proposed Listing.

(iv) Declaration by Providence Strategic Partners Sdn Bhd

Providence Strategic Partners Sdn Bhd confirms that there are no existing or potential conflicts of interest in its capacity as the Independent Market Research Consultant to our Company in relation to the Proposed Listing.

(v) Declaration by Wensen Consulting Asia (M) Sdn Bhd

Wensen Consulting Asia (M) Sdn Bhd confirms that there are no existing or potential conflicts of interest in its capacity as the Independent Internal Control Consultant to our Company in relation to the Proposed Listing.

9. ADDITIONAL INFORMATION (CONT'D)

(vi) Declaration by the Company Secretary

Wong Youn Kim confirms that there are no existing or potential conflicts of interest in her capacity as the Company Secretary to our Company in relation to the Proposed Listing.

(vii) Declaration by Securities Services (Holdings) Sdn Bhd

Securities Services (Holdings) Sdn Bhd confirms that there are no existing or potential conflicts of interest in its capacity as the Share Registrar to our Company in relation to the Proposed Listing.

9.4 Material Capital Commitments, Material Litigation and Contingent Liabilities

(a) Material Capital Commitments

As at the LPD, save for the renovation expenses for our Penang Showroom, we are not aware of any material commitments incurred or known to be incurred by our Group that have not been provided for, which may substantially affect the financial result or position of our Group upon becoming enforceable. Our only potential material capital commitment is the establishment of a retail showroom in Kota Kinabalu, Sabah, or a retail showroom in Kuching, Sarawak, of which we are still in early planning stages.

(b) Material Litigation and Contingent Liabilities

As at the LPD, we are not aware of any material litigation and contingent liabilities, which may materially affect the financial results or position of our Group upon becoming enforceable.

9.5 Material Contracts

As at the LPD, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by our Company or our subsidiary companies within the past two (2) years immediately preceding the date of this Information Memorandum:

- (i) SSA dated 9 October 2025 in respect of the Acquisition of Bentley Music;
- (ii) SSA dated 9 October 2025 in respect of the Acquisition of Bentley Music Academy;
- (iii) Subscription Agreement between Dato' Liaw Choon Liang and the Company dated 17 November 2025, to subscribe for 10,000,000 Shares representing 4.00% of the Company's enlarged share capital at the issue price of RM0.12 per Share for a total consideration of RM1,200,000;
- (iv) Subscription Agreement between Felicia Lim Yen Yen and the Company dated 17 November 2025, to subscribe for 7,500,000 Shares representing 3.00% of the Company's enlarged share capital at the issue price of RM0.12 per Share for a total consideration of RM900,000; and

9. ADDITIONAL INFORMATION (CONT'D)

- (v) Subscription Agreement between Soon Yoke Keng and the Company dated 17 November 2025, to subscribe for 7,500,000 Shares representing 3.00% of the Company's enlarged share capital at the issue price of RM0.12 per Share for a total consideration of RM900,000.

9.6 Other Material Agreements

The are no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which we were a party during FYE 2024, FYE 2025 and up to the LPD.

There are no outstanding loans, including guarantees of any kind made by our Group to or for the benefit of related parties during FYE 2024, FYE 2025 and up to the LPD.

9.7 Documents Available for Inspection

Copies of the following documents are available for inspection at our Registered Office, free of charge, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for at least one (1) month after the listing of the Company on the LEAP Market:

- (i) the Information Memorandum;
- (ii) the Constitution of our Company;
- (iii) the Independent Market Research Report dated 2 December 2025;
- (iv) the letters of consents and declarations of conflict of interest as referred to in Sections 9.2 and 9.3 of this Information Memorandum, respectively; and
- (v) combined historical audited financial statements of Bentley Music Group for FYE 2024 and FYE 2025.

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Company No.: 202501023365 (1624778-H)

APPENDIX I
COMBINED FINANCIAL STATEMENTS OF
BENTLEY MUSIC GROUP BERHAD
AS AT 30 JUNE 2025 AND 2024

BENTLEY MUSIC GROUP BERHAD
[Registration No.: 202501023365 (1624778-H)]
(Incorporated in Malaysia)

COMBINED FINANCIAL STATEMENTS

AS AT 30 JUNE 2025 AND 30 JUNE 2024

Registered office:
Unit 11.07, Amcorp Tower
Amcorp Trade Centre
18, Persiaran Barat
46050 Petaling Jaya
Selangor Darul Ehsan

Principal places of business:
Wisma Bentley Music
Level 6, No. 3, Jalan PJU 7/2
Mutiara Damansara
47810 Petaling Jaya
Selangor Darul Ehsan

Registration No.: 202501023365 (1624778-H)

BENTLEY MUSIC GROUP BERHAD
(Incorporated in Malaysia)

COMBINED FINANCIAL STATEMENTS

AS AT 30 JUNE 2025 AND 30 JUNE 2024

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Registration No.: 202501023365 (1624778-H)

BENTLEY MUSIC GROUP BERHAD
(Incorporated in Malaysia)

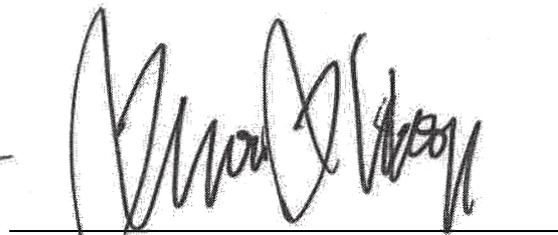
STATEMENT BY DIRECTORS

We, the undersigned, being two Directors of the combining entities, do hereby state that, in the opinion of the Directors, the combined financial statements set out on pages 7 to 52 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the combined financial position of the combining entities as at 30 June 2025 and 30 June 2024 and of their combined financial performance and cash flows for the financial years then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 17 November 2025.



DATUK DR. PHUA CHENG CHUEN



LEWIS SIU MAN HOOPER

KUALA LUMPUR



**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
BENTLEY MUSIC GROUP BERHAD**
[Registration No.: 202501023365 (1624778-H)]
(Incorporated in Malaysia)

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants
Unit E-16-2B,
Level 16, Icon Tower (East)
No.1, Jalan 1/68F, Jalan Tun Razak
50400 Kuala Lumpur.
Tel : +603 9771 4326
Email: tgsaudit@tgs-tw.com
www.tgs-tw.com

Report on the audit of the combined financial statements

Opinion

We have audited the combined financial statements of Bentley Music Group Berhad and its subsidiaries (“the combining entities”), which comprise the combined statements of financial position as at 30 June 2025 and 30 June 2024 of the combining entities, and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the combining entities for the financial years then ended, and notes to the combined financial statements, including material accounting policy information, as set out on pages 7 to 52.

These combined financial statements have been prepared for inclusion in the Information Memorandum of Bentley Music Group Berhad (“the Company” or “Bentley Music Group”) in connection with the listing of and quotation for the entire issued share capital of Bentley Music Group on the Leading Entrepreneur Accelerator Platform Market (“LEAP Market”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) (hereinafter defined as “the Listing”). This report is prepared for the purpose of complying with the LEAP Market listing requirements issued by Bursa Malaysia Securities Berhad and for no other purpose.

In our opinion, the accompanying combined financial statements give a true and fair view of the combined financial position of the combining entities as at 30 June 2025 and 30 June 2024, and of their financial performance and of their cash flows for the financial years then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
BENTLEY MUSIC GROUP BERHAD (CONT'D)**

[Registration No.: 202501023365 (1624778-H)]
(Incorporated in Malaysia)

Report on the audit of the combined financial statements (Cont'd)

Basis for opinion (Cont'd)

Independence and other ethical responsibilities

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

Responsibilities of the Directors for the combined financial statements

The Directors of the combining entities is responsible for the preparation of the combined financial statements of the combining entities that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors is also responsible for such internal control as the Directors determine is necessary to enable the preparation of combined financial statements of the combining entities that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
BENTLEY MUSIC GROUP BERHAD (CONT'D)**

[Registration No.: 202501023365 (1624778-H)]
(Incorporated in Malaysia)

Report on the audit of the combined financial statements (Cont'd)

Auditors' responsibilities for the audit of the combined financial statements

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

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

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

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
BENTLEY MUSIC GROUP BERHAD (CONT'D)**

[Registration No.: 202501023365 (1624778-H)]
(Incorporated in Malaysia)

Report on the audit of the combined financial statements (Cont'd)

Auditors' responsibilities for the audit of the combined financial statements (Cont'd)

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the combining entities' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the combined financial statements of the combining entities or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the combining entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements of the combining entities, including the disclosures, and whether the combined financial statements of the combining entities represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the combining entities audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the combining entities as a basis for forming an opinion on the financial statements of the combining entities. We are responsible for the direction, supervision and review of the audit work performed for purpose of the combining entities audit. We remain solely responsible for our audit opinion.

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

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
BENTLEY MUSIC GROUP BERHAD (CONT'D)**

[Registration No.: 202501023365 (1624778-H)]

(Incorporated in Malaysia)

Other matter

This report is made solely for inclusion in the Information Memorandum of the Company in connection with the listing of and quotation for the entire issued share capital of the Company on the LEAP Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'TGS'.

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Kuan Jun Xian'.

KUAN JUN XIAN
03758/06/2027 J
Chartered Accountant

KUALA LUMPUR
17 November 2025

BENTLEY MUSIC GROUP BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025 AND 30 JUNE 2024**

	Note	2025 RM	2024 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,122,131	1,013,109
Right-of-use assets	5	636,848	956,955
Deferred tax assets	6	209,000	175,000
		<u>1,967,979</u>	<u>2,145,064</u>
Current assets			
Inventories	7	20,220,166	20,158,803
Trade receivables	8	1,364,218	1,377,655
Other receivables	9	809,714	479,685
Tax recoverable		89,947	319,626
Cash and cash equivalents	10	3,406,608	2,580,977
		<u>25,890,653</u>	<u>24,916,746</u>
Total assets		<u><u>27,858,632</u></u>	<u><u>27,061,810</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11(a)	10	-
Invested equity	11(b)	650,000	650,000
Retained earnings		14,408,282	11,750,261
Total equity		<u>15,058,292</u>	<u>12,400,261</u>
LIABILITIES			
Non-current liabilities			
Lease liabilities	12	1,032,104	1,316,294
Borrowings	13	249,490	285,521
Deferred tax liabilities	6	77,000	83,000
		<u>1,358,594</u>	<u>1,684,815</u>

BENTLEY MUSIC GROUP BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025 AND 30 JUNE 2024 (CONT'D)**

	Note	2025 RM	2024 RM
EQUITY AND LIABILITIES (CONT'D)			
LIABILITIES (CONT'D)			
Current liabilities			
Lease liabilities	12	284,191	272,378
Borrowings	13	4,440,380	7,272,089
Trade payables	14	201,151	972,287
Other payables	15	5,336,541	2,679,561
Contract liabilities	16	1,045,628	1,019,564
Amount due to a related party	17	113,255	691,780
Tax payable		20,600	69,075
		<u>11,441,746</u>	<u>12,976,734</u>
Total liabilities		<u>12,800,340</u>	<u>14,661,549</u>
Total equity and liabilities		<u><u>27,858,632</u></u>	<u><u>27,061,810</u></u>

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

BENTLEY MUSIC GROUP BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED
30 JUNE 2025 AND 30 JUNE 2024**

	Note	2025 RM	2024 RM
Revenue	18	33,124,967	30,871,177
Cost of sales		<u>(20,830,893)</u>	<u>(20,204,151)</u>
Gross profit		12,294,074	10,667,026
Other income		723,990	405,059
Administrative expenses		(9,133,806)	(8,498,075)
Other expenses		<u>(7,511)</u>	<u>(149,281)</u>
Profit from operation		3,876,747	2,424,729
Finance costs	19	<u>(358,947)</u>	<u>(292,990)</u>
Profit before tax	20	3,517,800	2,131,739
Taxation	21	<u>(859,779)</u>	<u>(620,651)</u>
Profit for the financial year, representing total comprehensive income for the financial year		<u><u>2,658,021</u></u>	<u><u>1,511,088</u></u>
Profit for the financial year, representing total comprehensive income for the financial year attributable to:			
Owners of the combining entities		<u><u>2,658,021</u></u>	<u><u>1,511,088</u></u>

Registration No.: 202501023365 (1624778-H)

BENTLEY MUSIC GROUP BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED
30 JUNE 2025 AND 30 JUNE 2024 (CONT'D)**

	Note	2025 RM	2024 RM
Earnings per share:			
Basic (sen)	22	<u>1.06</u>	<u>0.60</u>
Diluted (sen)	22	<u>*</u>	<u>*</u>

* There are no dilutive earnings per share as the combining entities do not have any dilutive instruments for the financial years.

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

BENTLEY MUSIC GROUP BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2025 AND 30 JUNE 2024**

	Note	Share capital RM	Invested equity RM	Retained earnings RM	Total equity RM
At 1 July 2023		-	650,000	10,239,173	10,889,173
Profit for the financial year, representing total comprehensive income for the financial year		-	-	1,511,088	1,511,088
At 30 June 2024		-	650,000	11,750,261	12,400,261
At 1 July 2024		-	650,000	11,750,261	12,400,261
Transaction with owners:					
Issuance of ordinary shares	11(a)	10	-	-	10
Profit for the financial year, representing total comprehensive income for the financial year		-	-	2,658,021	2,658,021
At 30 June 2025		10	650,000	14,408,282	15,058,292

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

BENTLEY MUSIC GROUP BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2025 AND 30 JUNE 2024**

	Note	2025 RM	2024 RM
Cash flows from operating activities			
Profit before tax		3,517,800	2,131,739
Adjustments for:			
Bad debts written off		349	106,565
Depreciation of property, plant and equipment		129,923	87,393
Depreciation of right-of-use assets		320,107	369,547
Gain on disposal of property, plant and equipment		(1,232)	(10,860)
Interest expenses		358,947	292,990
Interest income		(49,750)	(40,996)
Property, plant and equipment written off		7,162	3,714
(Reversal of)/Provision for obsolete inventories		(5,125)	2,859
Unrealised (gain)/loss on foreign exchange		(166,503)	39,002
Operating profit before working capital changes		4,111,678	2,981,953
Changes in working capital:			
Inventories		(56,238)	(3,749,842)
Receivables		(309,976)	(32,925)
Payables		2,052,347	(1,127,420)
Contract liabilities		26,064	365,971
		1,712,197	(4,544,216)
Cash generated from/(used in) operations		5,823,875	(1,562,263)
Tax paid		(737,801)	(755,597)
Tax refund		19,226	-
Net cash from/(used in) operating activities		5,105,300	(2,317,860)

BENTLEY MUSIC GROUP BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2025 AND 30 JUNE 2024 (CONT'D)**

	Note	2025 RM	2024 RM
Cash flows from investing activities			
Acquisition of property, plant and equipment		(351,875)	(754,473)
Proceeds from disposal of property, plant and equipment		107,000	18,700
Interest received		42,785	33,835
Net cash used in investing activities		<u>(202,090)</u>	<u>(701,938)</u>
Cash flows from financing activities			
Proceed from issuance of shares		10	-
(Repayment to)/Advance from a related party		(578,525)	399,033
Repayments of lease liabilities	A	(272,377)	(215,312)
Net repayments of bankers' acceptances		(521,000)	(1,742,000)
Net repayments of term loans		(34,290)	(32,695)
Net (repayment)/drawdown of bill payables		(1,537,235)	4,012,892
Net (repayment)/drawdown of revolving credits		(2,200,000)	1,200,000
Net drawdown of invoice financing		1,424,785	-
Interest paid		(358,947)	(292,990)
Net cash (used in)/from financing activities		<u>(4,077,579)</u>	<u>3,328,928</u>
Net cash increase in cash and cash equivalents			
		825,631	309,130
Cash and cash equivalents at beginning of the financial year			
		<u>2,580,977</u>	<u>2,271,847</u>
Cash and cash equivalents at end of the financial year			
		<u>3,406,608</u>	<u>2,580,977</u>
Cash and cash equivalents at end of the financial year comprises:			
Cash and bank balances		1,706,608	1,130,977
Money market deposits		1,700,000	1,450,000
		<u>3,406,608</u>	<u>2,580,977</u>

BENTLEY MUSIC GROUP BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2025 AND 30 JUNE 2024 (CONT'D)**

NOTE TO THE COMBINED STATEMENTS OF CASH FLOWS

	Note	2025 RM	2024 RM
A. Cash outflows for leases as a lessee			
<u>Included in net cash from/(used in) operating activities:</u>			
Payment relating to short-term leases	20	1,861,043	1,574,208
Payment relating to low value assets	20	54,827	17,260
		<u>1,915,870</u>	<u>1,591,468</u>
<u>Included in net cash (used in)/from financing activities:</u>			
Payment of lease liabilities		272,377	215,312
Payment on interest of lease liabilities		65,677	58,309
		<u>338,054</u>	<u>273,621</u>
		<u>2,253,924</u>	<u>1,865,089</u>

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

BENTLEY MUSIC GROUP BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. **General information**

(a) **Introduction**

This report has been prepared solely for inclusion in the Information Memorandum of Bentley Music Group Berhad (“the Company” or “Bentley Music Group”) in connection with the listing of and quotation for the entire issued share capital of Bentley Music Group on the Leading Entrepreneur Accelerator Platform Market (“LEAP Market”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) (hereinafter defined as “the Listing”) and should not be relied upon for any other purpose.

(b) **Background**

The Company was incorporated on 26 May 2025 as a private limited liability company under the name of Bentley Music Group Sdn. Bhd. and domiciled in Malaysia. On 11 November 2025, the Company has converted to public limited liability company and assumed its present name.

The registered office of the Company is located at Unit 11.07, Amcorp Tower, Amcorp Trade Centre, 18, Persiaran Barat, 46050 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at Wisma Bentley Music, Level 6, No. 3, Jalan PJU 7/2, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.

(c) **Principal activities**

The Company’s principal activity is investment holding.

The details of the subsidiaries as of the date of this report is as follows:

Name of company	Effective interest %	Date of incorporation	Place of incorporation	Principal activities
Bentley Music Sdn. Bhd. (“BMSB”)	100	13 April 1983	Malaysia	Retailer and wholesaler of musical instruments and accessories.

1. **General information (Cont'd)**

(c) **Principal activities (Cont'd)**

The details of the subsidiaries as of the date of this report is as follows: (Cont'd)

Name of company	Effective interest %	Date of incorporation	Place of incorporation	Principal activities
Bentley Music Academy Sdn. Bhd. (“BMASB”)	100	23 July 1992	Malaysia	Institution for musical education, to teach and promote the study of music and sales of music material.

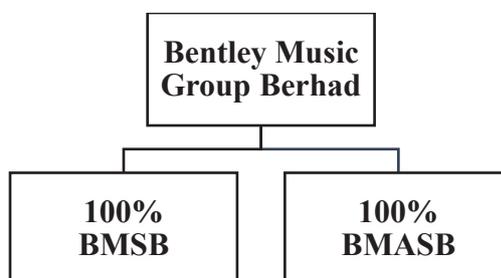
(d) **Acquisition**

The Bentley Music Group will be formed pursuant to the completion of the acquisition of BMSB and BMASB by the Company prior to the Listing.

The Company entered into a conditional share sale and purchase agreement on 9 October 2025 to acquire the entire equity interest in BMSB and BMASB for a total purchase consideration of RM15,222,154 to be satisfied by the issuance of 224,999,990 ordinary shares in the Company at an issue price of approximately RM0.07 per share.

The acquisition was completed on 7 November 2025 and consolidated using merger method of accounting.

Following the completion of the acquisition of BMSB and BMASB, the group structure of the Company is as follows:



1. General information (Cont'd)

(e) Auditors

The combined financial statements of Bentley Music Group for the financial years ended 30 June 2025 and 30 June 2024 reflect the financial information of BMSB and BMASB only. The financial information of Bentley Music Group is not included as it is incorporated on 26 May 2025 for the purpose of the listing.

The relevant financial years of the audited financial statements used for the purpose of the combined financial statements (“Relevant financial years”) and the auditors are as follows:

Company	Relevant financial years	Accounting standard applied	Auditors
BMSB	FYE 30 June 2025	Malaysian Financial Reporting Standards (“MFRS”)	TGS TW PLT (“TGS”)
	FYE 30 June 2024*	Malaysian Private Entities Reporting Standards (“MPERS”)	McMillan Woods PLT (“MMW”)
BMASB	FYE 30 June 2025	MFRS	TGS
	FYE 30 June 2024*	MPERS	MMW

FYE - Financial year ended

* Reaudited by TGS, prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRSs”) for the purpose of this report.

The audited financial statements of BMSB and BMASB for the Relevant Financial Years reported above were not subject to any qualification or modification.

2. Basis of preparation

(a) Statement of compliance

The combined financial statements of the combining entities have been prepared in accordance with MFRS and IFRSs.

The combined financial statements consist of the financial statements of combining entities as disclosed in Note 1(c) to this report, which were under common control throughout the reporting years by virtue of common controlling shareholders.

The combined financial statements have been prepared using financial information obtained from the records of the combining entities during the reporting years.

2. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

The combined financial statements of the combining entities have been prepared under the historical cost convention, unless otherwise indicated in the combined financial statements.

Adoption of amended standards

During the financial year, the combining entities have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for the current financial year:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

Standards issued but not yet effective

The combining entities have not applied the following MFRSs that have been issued by the MASB but are not yet effective for the combining entities:

	<u>Effective dates for financial periods beginning on or after</u>	
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	Annual Improvements - Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026

2. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The combining entities have not applied the following MFRSs that have been issued by the MASB but are not yet effective for the combining entities: (Cont'd)

		<u>Effective dates for financial periods beginning on or after</u>
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The combining entities intend to adopt the above MFRSs when they become effective.

The initial applications of the above-mentioned MFRSs are not expected to have any significant impacts on the combined financial statements of the combining entities

(b) Functional and presentation currency

The combined financial statements are presented in Ringgit Malaysia (“RM”), which is the combining entities’ functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the combining entities’ combined financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

2. **Basis of preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Judgements

The following are the judgements made by management in the process of applying combining entities' accounting policies that have the most significant effect on the amounts recognised in the financial statement:

Determining the lease term of contracts with renewal and termination options - combining entities as lessee

The combining entities determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The combining entities have several lease contracts that include extension and termination options. The combining entities apply judgement in evaluating whether they are reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the combining entities reassess the lease term if there is a significant event or change in circumstances that is within their control and affects their abilities to exercise or not to exercise the option to renew or to terminate.

The combining entities include the renewal period as part of the lease term for leases of building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Satisfaction of performance obligations in relation to contracts with customers

The combining entities are required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The combining entities recognise revenue over time in the following circumstances:

- (a) the customer simultaneously receives and consumes the benefits provided by the combining entities' performance as the combining entities perform;

2. **Basis of preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Judgement (Cont'd)

The following are the judgements made by management in the process of applying combining entities' accounting policies that have the most significant effect on the amounts recognised in the financial statement: (Cont'd)

Satisfaction of performance obligations in relation to contracts with customers (Cont'd)

The combining entities recognise revenue over time in the following circumstances: (Cont'd)

- (b) the combining entities do not create an asset with an alternative use to the combining entities and has an enforceable right to payment for performance completed to date; and
- (c) the combining entities' performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the combining entities assess each contract with customers to determine when the performance obligation of the combining entities under the contract is satisfied.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment and right-of-use ("ROU") asset

The combining entities regularly review the estimated useful lives of property, plant and equipment and ROU asset based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU asset would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU asset.

2. **Basis of preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Key sources of estimation uncertainty (Cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below: (Cont'd)

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The combining entities estimate the net realisable value of inventories based on an assessment of expected selling prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the combining entities' products, the combining entities might be required to reduce the value of their inventories.

Revenue from contracts customers

Contract revenue and costs are recognised over the period of the contracts in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation. The method used to measure stage of completion is proportion that costs incurred to date bear to estimated total costs of the contract. When the outcome of sales contract cannot be estimated reliably, revenue is recognised only to the extent to the expenses recognised that are recoverable.

Determination of transaction prices

The combining entities are required to determine the transaction price in respect of each of their contracts with customers. In making such judgement, the combining entities assess the impact of any variable consideration in the contract due to discounts or penalties.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the combining entities use the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the combining entities would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The combining entities estimate the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

2. **Basis of preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Key sources of estimation uncertainty (Cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below: (Cont'd)

Deferred tax assets

Deferred tax assets are recognised for all unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The combining entities recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. **Material accounting policies**

The combining entities apply the material accounting policies set out below, consistently throughout all periods presented in the combined financial statements, unless otherwise stated.

(a) **Basis of consolidation**

Common control business combination outside the scope of MFRS 3

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. A business combination involving common control entities, and accordingly the accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the combined financial statements.

3. Material accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

Common control business combination outside the scope of MFRS 3 (Cont'd)

In applying merger accounting, combined financial statements items of the combining entities or businesses for the reporting years in which the common control combination occurs, and for any comparative years disclosed, are included in the financial statements of the entity as if the combination had occurred from the date when the combining entities first came under the control of the controlling party or parties prior to the common control combination.

A single uniform set of accounting policies is adopted by the entity. Therefore, the entity recognised the assets, liabilities and equity of the combining entities or business at the carrying amounts in the combined financial statements of the controlling party or parties to the common control combination.

The carrying amounts are included as if such combined financial statements had been prepared by the controlling party, including adjustments required for conforming the entity's accounting policies and applying those policies to all years presented. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the combined financial statements of the entity.

Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been affected throughout the current and previous years. The assets and liabilities are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On combination, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any share premium, capital redemption reserve and any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in merger reserve.

3. **Material accounting policies (Cont'd)**

(b) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and less accumulated impairment losses.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance cost recognised in profit or loss as incurred.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the combining entities and the cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis over the estimated useful life of each component of an item of property, plant and equipment from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Carpark system	10%
Furniture and fittings	10%
Motor vehicles	20%
Music equipment	5% - 20%
Office equipment	10%
Renovation	10%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

3. Material accounting policies (Cont'd)

(b) Property, plant and equipment (Cont'd)

(iv) Derecognition

Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount recognised in profit or loss.

(c) Leases

(i) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the combining entities allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the combining entities are lessee, they have elected not to separate non-lease components and will instead account the lease and non-lease components as a single lease component.

(ii) Recognition exemption

The combining entities have elected not to recognised ROU assets and liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The combining entities recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) Depreciation

The ROU assets under cost model are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the ROU assets or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Motor vehicles	Over the lease term
Premises	Over the lease term

3. Material accounting policies (Cont'd)

(d) Financial instruments

At the reporting date, the combining entities only financial asset at amortised cost on the combined statements of financial position. The combining entities' financial asset at amortised cost includes trade receivables, other receivables, and cash and cash equivalents.

At the reporting date, the combining entities only have financial liabilities at amortised cost on the combined statements of financial position. The combining entities' financial liabilities at amortised cost includes borrowings, trade payables, other payables and amount due to a related party.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of trading goods comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(f) Contract liabilities

Contract liabilities are the obligation to transfer goods or services to customers for which the combining entities have received the consideration or has billed the customers. The combining entities' contract liabilities are the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the combining entities perform their obligations under the contracts.

(g) Revenue recognition

(i) Sales of goods

The combining entities sells music instruments and music books in local markets. Revenue from sale of goods is recognised when control of the products has transferred, being the products are delivered to the customers.

Following delivery of the goods to the customers' location, the customers have full discretion over the manner of distribution and price to sell the goods, and bear the risks of obsolescence and loss in relation to the goods.

Revenue is recognised based on the price specified in the contract net of the rebates, discounts and taxes.

3. Material accounting policies (Cont'd)

(g) Revenue recognition (Cont'd)

(ii) Renders of services

Revenue is allocated to the service obligations and recognised over the period of performance of services to customers. When consideration is collected from customer in advance of services being performed, a contract liability is recognised. The contract liability would be recognised as revenue the related services is rendered.

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

4. Property, plant and equipment

	Carpark system	Furniture and fittings	Motor vehicles	Music equipment	Office equipment	Renovation	Total
	RM	RM	RM	RM	RM	RM	RM
Cost							
At 1 July 2023	118,660	3,593,491	195,226	332,265	2,260,060	1,396,555	7,896,257
Additions	-	614,172	-	59,162	81,139	-	754,473
Disposals	-	-	(57,072)	(12,217)	-	-	(69,289)
Written off	-	(243)	-	(7,649)	(149)	-	(8,041)
At 30 June 2024	118,660	4,207,420	138,154	371,561	2,341,050	1,396,555	8,573,400
Additions	-	26,455	-	201,873	123,547	-	351,875
Disposal	-	-	-	(119,540)	-	-	(119,540)
Written off	(118,660)	(112)	-	-	(666,677)	-	(785,449)
At 30 June 2025	-	4,233,763	138,154	453,894	1,797,920	1,396,555	8,020,286
Accumulated depreciation							
At 1 July 2023	118,659	3,559,175	193,979	145,325	2,125,006	1,396,530	7,538,674
Charge for the financial year	-	33,515	829	20,265	32,784	-	87,393
Disposal	-	-	(57,071)	(4,378)	-	-	(61,449)
Written off	-	(145)	-	(4,034)	(148)	-	(4,327)
At 30 June 2024	118,659	3,592,545	137,737	157,178	2,157,642	1,396,530	7,560,291
Charge for the financial year	-	68,930	414	23,092	37,487	-	129,923
Disposal	-	-	-	(13,772)	-	-	(13,772)
Written off	(118,659)	(59)	-	-	(659,569)	-	(778,287)
At 30 June 2025	-	3,661,416	138,151	166,498	1,535,560	1,396,530	6,898,155
Carrying amount							
At 30 June 2025	-	572,347	3	287,396	262,360	25	1,122,131
At 30 June 2024	1	614,875	417	214,383	183,408	25	1,013,109

4. Property, plant and equipment (Cont'd)

- (a) Included in the property, plant and equipment of the combining entities are fully depreciated property, plant and equipment which are still in use, with a cost of approximately RM1,066,132 (2024: RM1,079,806).

5. Right-of-use assets

	Motor vehicles RM	Premises RM	Total RM
Cost			
At 1 July 2023	1,700,404	-	1,700,404
Addition	-	667,522	667,522
At 30 June 2024/30 June 2025	<u>1,700,404</u>	<u>667,522</u>	<u>2,367,926</u>
Accumulated depreciation			
At 1 July 2023	1,041,424	-	1,041,424
Charge for the financial year	323,191	46,356	369,547
At 30 June 2024	<u>1,364,615</u>	<u>46,356</u>	<u>1,410,971</u>
Charge for the financial year	208,853	111,254	320,107
At 30 June 2025	<u>1,573,468</u>	<u>157,610</u>	<u>1,731,078</u>
Carrying amount			
At 30 June 2025	<u>126,936</u>	<u>509,912</u>	<u>636,848</u>
At 30 June 2024	<u>335,789</u>	<u>621,166</u>	<u>956,955</u>

6. Deferred tax assets/(liabilities)

	Assets RM	Liabilities RM	Net RM
At 1 July 2023	91,000	(27,000)	64,000
Recognised in profit or loss	84,000	(56,000)	28,000
At 30 June 2024	<u>175,000</u>	<u>(83,000)</u>	<u>92,000</u>
Recognised in profit or loss	34,000	6,000	40,000
At 30 June 2025	<u>209,000</u>	<u>(77,000)</u>	<u>132,000</u>

6. **Deferred tax assets (Cont'd)**

The components and movements of deferred tax assets and liabilities are as follows:

	Property, plant and equipment RM	Contract liabilities RM	Unabsorbed capital allowances RM	Total RM
At 1 July 2023	(96,000)	157,000	3,000	64,000
Recognised in profit or loss	<u>(60,000)</u>	<u>88,000</u>	<u>-</u>	<u>28,000</u>
At 30 June 2024	(156,000)	245,000	3,000	92,000
Recognised in profit or loss	<u>34,000</u>	<u>6,000</u>	<u>-</u>	<u>40,000</u>
At 30 June 2025	<u><u>(122,000)</u></u>	<u><u>251,000</u></u>	<u><u>3,000</u></u>	<u><u>132,000</u></u>

7. **Inventories**

	2025 RM	2024 RM
Trading goods	18,875,295	18,638,317
Goods in transit	<u>1,344,871</u>	<u>1,520,486</u>
	<u><u>20,220,166</u></u>	<u><u>20,158,803</u></u>
	2025 RM	2024 RM
Recognised in profit or loss:		
Inventories recognised as cost of sales	16,963,084	15,725,967
(Reversal of)/Provision for obsolete inventories	<u>(5,125)</u>	<u>2,859</u>

Provision for obsolete inventories is presented in cost of sales.

The reversal of obsolete inventories was made during the financial year when the related inventories were sold.

8. **Trade receivables**

Trade receivables are non-interest bearing and are subject to credit term of cash term to 45 days (2024: cash term to 45 days). They are recognised at its original invoice amounts which represent its fair values on initial recognition.

8. Trade receivables (Cont'd)

The following table provides information about the exposure to credit risk and allowance for expected credit losses (“ECLs”) for trade receivables:

	Gross amount RM	ECLs RM	Gross amount RM
2025			
Not past due	854,813	-	854,813
Past due:			
Less than 30 days	477,583	-	477,583
30 to 60 days	2,254	-	2,254
60 to 90 days	1,260	-	1,260
More than 90 days	28,308	-	28,308
	<u>1,364,218</u>	<u>-</u>	<u>1,364,218</u>
2024			
Not past due	896,697	-	896,697
Past due:			
Less than 30 days	450,657	-	450,657
30 to 60 days	428	-	428
60 to 90 days	22,554	-	22,554
More than 90 days	7,319	-	7,319
	<u>1,377,655</u>	<u>-</u>	<u>1,377,655</u>

The foreign currency profile of trade receivables is as follows:

	2025 RM	2024 RM
EURO (“EUR”)	<u>1,298</u>	<u>1,298</u>

9. **Other receivables**

	2025	2024
	RM	RM
Non-trade receivables	65,764	398
Deposits	466,643	470,946
Prepayments	7,997	8,041
Prepayment for initial public offering expenses	100,800	-
Advances to staff	300	300
Advances to suppliers	168,210	-
	<u>809,714</u>	<u>479,685</u>

Non-trade receivables are unsecured, non-interest bearing and repayable on demand.

The foreign currency profile of other receivables as follows:

	2025	2024
	RM	RM
EUR	<u>64,499</u>	<u>-</u>

10. **Cash and cash equivalents**

	2025	2024
	RM	RM
Cash and bank balances	1,706,608	1,130,977
Money market deposits	1,700,000	1,450,000
	<u>3,406,608</u>	<u>2,580,977</u>

The bank balances held under money market deposits are maintained in designated Public qualifying money market deposit. The interest rate of money market deposits of the combining entities is 2.60% (2024: 2.60%). The maturity of money market deposits with a licensed bank of the combining entities is 1 month (2024: 1 month).

The foreign currency profile of cash and cash equivalents is as follows:

	2025	2024
	RM	RM
United States Dollar (“USD”)	<u>-</u>	<u>9,126</u>

11. **Share capital/Invested equity**

(a) **Share capital**

	Number of ordinary shares	
	2025	2024
	Units	Units
Issued and fully paid		
At date of incorporation/ end of the financial year	100	-
	Amount	
	2025	2024
	RM	RM
Issued and fully paid		
At date of incorporation/ end of the financial year	10	-

On 26 May 2025, the Company was incorporated with a paid-up share capital of 100 ordinary shares of RM0.10 each for a total consideration of RM10 that was subscribed as subscribers' shares on the date of incorporation.

The new ordinary shares issued during the financial period shall rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

(b) **Invested equity**

	Number of ordinary shares	
	2025	2024
	Units	Units
Issued and fully paid share capital of BMSB and BMASB		
At beginning/end of the financial year	650,000	650,000

11. **Share capital/Invested equity (Cont'd)**

(b) **Invested equity (Cont'd)**

	Amount	
	2025	2024
	RM	RM
Issued and fully paid share capital of BMSB and BMASB		
At beginning/end of the financial year	650,000	650,000

Invested equity comprised the number of issued and paid-up ordinary shares of BMSB and BMASB.

12. **Lease liabilities**

	2025	2024
	RM	RM
Non-current	1,032,104	1,316,294
Current	284,191	272,378
	1,316,295	1,588,672

The maturity analysis of lease liabilities at the end of the reporting period:

	2025	2024
	RM	RM
Within 1 year	337,031	338,120
Between 1 - 5 years	1,107,174	1,371,821
More than 5 years	6,605	78,989
	1,450,810	1,788,930
Less: Future finance charges	(134,515)	(200,258)
Present value of lease liabilities	1,316,295	1,588,672

The combining entities lease motor vehicles and premises. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

13. Borrowings

	2025	2024
	RM	RM
Secured		
Term loan	285,663	319,953
Bankers' acceptances	-	521,000
Bill payables	2,979,422	4,516,657
Revolving credits	-	2,200,000
Invoice financing	1,424,785	-
	<u>4,689,870</u>	<u>7,557,610</u>
	2025	2024
	RM	RM
Non-current		
Term loan	<u>249,490</u>	<u>285,521</u>
Current		
Term loan	36,173	34,432
Bankers' acceptances	-	521,000
Bill payables	2,979,422	4,516,657
Revolving credits	-	2,200,000
Invoice financing	1,424,785	-
	<u>4,440,380</u>	<u>7,272,089</u>
	<u>4,689,870</u>	<u>7,557,610</u>

The borrowings are secured by the following:

- (i) Third party legal charge over property owned by a related company in which the Directors have interest; and
- (ii) Joint and several guarantee by certain Directors of the combining entities.

The repayments on borrowings are as follows:

- (i) Term loan is repayable by 240 monthly instalments (2024: 240 monthly instalments);
- (ii) Bankers' acceptances facilities are repayable within 104 to 178 days (2024: 70 to 180 days);
- (iii) Bill payables are repayable within 90 to 180 days (2024: 150 days);
- (iv) Revolving credits are repayable on demand; and
- (v) Invoice financing is repayable within 150 days (2024: Nil days).

13. Borrowings (Cont'd)

The average effective interest rates per annum are as follows:

	2025	2024
	%	%
Term loan	4.92	4.92
Bankers' acceptances	2.97 - 4.44	3.50 - 4.44
Bill payables	1.44 - 6.90	0.09 - 7.56
Revolving credits	4.50 - 4.53	4.15 - 4.53
Invoice financing	4.49 - 5.56	-

14. Trade payables

The normal trade credit terms granted to the combining entities ranged from cash term to 30 days (2024: cash term to 30 days) depending on the terms of the contracts.

The foreign currency profile of trade payables is as follows:

	2025	2024
	RM	RM
EUR	-	64,304
Japan Yen ("YEN")	3,213	-
Renminbi ("RMB")	-	151,108
USD	145,512	723,577

15. Other payables

	2025	2024
	RM	RM
Non-trade payables	106,317	183,080
Accruals	804,303	756,602
Deposit received	4,425,921	1,739,879
	<u>5,336,541</u>	<u>2,679,561</u>

16. Contract liabilities

	2025	2024
	RM	RM
At beginning of the financial year	1,019,564	653,593
Addition during the financial year	814,738	797,946
Revenue recognised during the financial year	<u>(788,674)</u>	<u>(431,975)</u>
	<u><u>1,045,628</u></u>	<u><u>1,019,564</u></u>

The contract liabilities represent advance school fee deposits received from customers for the goods and services which is yet to transfer or perform by the combining entities as at the reporting date.

The combining entities apply the practical expedient in MFRS 15 on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a contract that has an original expected duration of less than one year.

17. Amount due to a related party

Amount due to a related party is non-trade in nature, unsecured, non-interest bearing and repayable demand.

18. Revenue

	2025	2024
	RM	RM
Revenue from contracts with customers:		
Sale of musical instruments and accessories	29,693,381	27,640,999
Rendering services	<u>3,431,586</u>	<u>3,230,178</u>
	<u><u>33,124,967</u></u>	<u><u>30,871,177</u></u>
Timing of revenue recognition:		
At a point in time	29,693,381	27,640,999
Over time	<u>3,431,586</u>	<u>3,230,178</u>
	<u><u>33,124,967</u></u>	<u><u>30,871,177</u></u>
Geographical market:		
Malaysia	<u><u>33,124,967</u></u>	<u><u>30,871,177</u></u>

19. **Finance costs**

	2025	2024
	RM	RM
Interest expenses on lease liabilities	65,677	58,309
Interest expenses on term loan	14,964	16,658
Interest expenses on bankers' acceptances	41,960	25,997
Interest expenses on bill payables	143,710	144,188
Interest expenses on revolving credits	81,535	47,838
Interest expenses on invoice financing	11,101	-
	<u>358,947</u>	<u>292,990</u>

20. **Profit before tax**

Profit before tax is determined after charging/(crediting) amongst other, the following items:

	2025	2024
	RM	RM
Auditors' remuneration	27,800	27,800
Bad debt written off	349	106,565
Depreciation of property, plant and equipment	129,923	87,393
Depreciation of right-of-use assets	320,107	369,547
Gain on disposal on property, plant and equipment	(1,232)	(10,860)
(Gain)/Loss on foreign exchange:		
- Realised	(315,247)	(172,433)
- Unrealised	(166,503)	39,002
Interest income from:		
- banks	(1,128)	(1,217)
- money market deposits	(41,657)	(32,618)
- late payment by customers	(6,965)	(7,161)
Management fee income	(50,643)	(65,270)
Property, plant and equipment written off	7,162	3,714
Rental income	(38,149)	(37,117)
(Reversal of)/Provision for obsolete inventories	(5,125)	2,859
Lease expenses related to:		
- Short-term leases (a)	1,861,043	1,574,208
- Low value assets (a)	54,827	17,260
	<u>1,861,043</u>	<u>1,574,208</u>

20. Profit before tax (Cont'd)

- (a) The combining entities lease equipment and premises with contract terms of not more than one year or with value not more than RM20,000. These leases are short-term and leases of low value items. The combining entities have elected not to recognise ROU assets and lease liabilities for these leases.

21. Taxation

	2025	2024
	RM	RM
Tax expenses recognised in profit or loss		
Current tax		
Current financial year provision	868,402	575,982
Under provision in prior financial year	31,377	72,669
	<u>899,779</u>	<u>648,651</u>
Deferred tax		
Origination and reversal of temporary differences	(40,000)	(28,000)
	<u>859,779</u>	<u>620,651</u>

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective income tax of the combining entities are as follows:

	2025	2024
	RM	RM
Profit before tax	<u>3,517,800</u>	<u>2,131,739</u>
At Malaysian statutory tax rate of 24% (2024: 24%)	844,272	511,617
Change in tax rate for the first and second tranches of chargeable income	(78,512)	(90,000)
Income not subject to tax	(43,715)	(57,648)
Expenses not deductible for tax purposes	106,357	184,013
Under provision of tax expenses in prior financial year	31,377	72,669
	<u>859,779</u>	<u>620,651</u>

22. Earnings per shareBasic earnings per share

The basic earnings per share are calculated based on the profit for the financial year attributable to owners of the combining entities and the weighted average number of ordinary shares in issued during the financial year as follows:

	2025	2024
	RM	RM
Profit attributable to owners of the combining entities	<u>2,658,021</u>	<u>1,511,088</u>
Number of enlarged ordinary shares (units)	<u>250,000,000</u>	<u>250,000,000</u>
Basic earnings per share (sen)	<u>1.06</u>	<u>0.60</u>

Diluted earnings per share

There are no diluted earnings per share as the combining entities do not have any dilutive potential ordinary shares outstanding as at the end of the reporting date.

23. Reconciliation of liabilities arising from financing activities

The table below show the details changes in the liabilities of the combining entities arising from financing activities, including both cash and non-cash changes:

	At			At
	1.7.2024	Drawdown	Repayment	30.6.2025
	RM	RM	RM	RM
Lease liabilities	1,588,672	-	(272,377)	1,316,295
Term loan	319,953	-	(34,290)	285,663
Bankers' acceptances	521,000	2,373,000	(2,894,000)	-
Bill payables	4,516,657	5,307,796	(6,845,031)	2,979,422
Revolving credits	2,200,000	2,100,000	(4,300,000)	-
Invoice financing	-	2,034,249	(609,464)	1,424,785
	<u>9,146,282</u>	<u>11,815,045</u>	<u>(14,955,162)</u>	<u>6,006,165</u>

23. Reconciliation of liabilities arising from financing activities (Cont'd)

The table below show the details changes in the liabilities of the combining entities arising from financing activities, including both cash and non-cash changes: (Cont'd)

	At 1.7.2023 RM	Drawdown RM	Repayment RM	At 30.6.2024 RM
Lease liabilities	1,136,462	667,522	(215,312)	1,588,672
Term loan	352,648	-	(32,695)	319,953
Bankers' acceptances	2,263,000	1,738,000	(3,480,000)	521,000
Bill payables	503,765	5,052,190	(1,039,298)	4,516,657
Revolving credits	1,000,000	2,600,000	(1,400,000)	2,200,000
	<u>5,255,875</u>	<u>10,057,712</u>	<u>(6,167,305)</u>	<u>9,146,282</u>

24. Staff costs

	2025 RM	2024 RM
Salaries, wages and other emoluments	6,489,531	6,445,900
Defined contribution plans	545,607	593,354
Social security contributions	50,652	47,053
Other benefits	44,542	46,229
	<u>7,130,332</u>	<u>7,132,536</u>

Included in staff costs is aggregate amount of remuneration received and receivable by the Directors of the combining entities during the financial year as below:

	2025 RM	2024 RM
Salaries, wages and other emoluments	1,422,400	1,788,200
Defined contribution plans	90,536	147,552
Social security contributions	2,685	2,723
Other benefits	137	198
	<u>1,515,758</u>	<u>1,938,673</u>

25. Related party disclosures

(a) Identifying related parties

For the purposes of these combined financial statements, parties are considered to be related to the combining entities if the combining entities have the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the combining entities and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the combining entities either directly or indirectly. The key management personnel comprise the Directors and management personnel of the combining entities, having authority and responsibility for planning, directing and controlling the activities of the combining entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the combined financial statements, the significant related party transactions of the combining entities are as follows:

	2025	2024
	RM	RM
Transactions with a related party in which Directors has interests		
- Sales	-	(23,989)
- Management fee income	(50,643)	(65,270)
- Rental expenses charged by	1,537,260	1,262,580
- Parking fee charged by	-	476
- Utilities charged by	90,529	90,616
	90,529	90,616

25. Related party disclosures (Cont'd)

(c) Compensation of key management personnel

The combining entities have no other members of key management personnel other than Board of Directors.

26. Segments information

(a) Business segments

For management purposes, the combining entities are predominantly involved in the retailing and wholesaling of musical instruments and accessories, and in providing musical education.

Management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the combined financial statements.

Information about operating segments has not been reported separately as the combining entities' revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment.

(b) Geographic information

No disclosure on geographical segment information as the combining entities predominantly operate in Malaysia.

(c) Major customers

There are no major customers with revenue more than 10% of the combining entities' revenue.

27. Financial instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis at amortised cost.

27. **Financial instruments (Cont'd)**

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the combined statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	2025	2024
	RM	RM
At amortised costs		
Financial assets		
Trade receivables	1,364,218	1,377,655
Other receivables	532,707	471,644
Cash and cash equivalents	3,406,608	2,580,977
	<u>5,303,533</u>	<u>4,430,276</u>
At amortised costs		
Financial liabilities		
Trade payables	201,151	972,287
Other payables	5,336,541	2,679,561
Borrowings	4,689,870	7,557,610
Amount due to a related party	113,255	691,780
	<u>10,340,817</u>	<u>11,901,238</u>

(b) Financial risk management objectives and policies

The combining entities' financial risk management policy is to ensure that adequate financial resources are available for the development of the combining entities' operations whilst managing their credit, liquidity and market risks. The combining entities operate within clearly defined guidelines that are approved by the Board and the combining entities' policy are not to engage in speculative transactions.

(i) Credit risk

Credit risk is the risk of a financial loss to the combining entities if a customer or counterparty to a financial instrument fails to meet their contractual obligations. The combining entities' exposure to credit risk arises principally from trade receivables, other receivables and cash and cash equivalents.

The combining entities have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

27. Financial instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

At each reporting date, the combining entities assess whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the combining entities determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the combined statements of financial position as at the reporting date represent the combining entities' maximum exposure to credit risk.

There are no significant changes as compared to previous financial years.

As at the end of the financial year, the combining entities had 1 customer (2024: 3 customers) that owed the combining entities more than 10% each and accounted for approximately 21% (2024: 39%) of the trade receivables outstanding.

(ii) Liquidity risk

Liquidity risk refers to the risk that the combining entities will encounter difficulty in meeting their financial obligations as they fall due. The combining entities' exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The combining entities' funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The combining entities finance their liquidity through internally generated cash flows and minimise liquidity risk by keeping committed credit lines available.

27. Financial instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the combining entities can be required to pay.

	On demand or within		More than	Total	Total
	1 year	1 to 5 years	5 years	contractual	carrying
	RM	RM	RM	cash flows	amount
				RM	RM
2025					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Lease liabilities	337,031	1,107,174	6,605	1,450,810	1,316,295
Borrowings	4,453,611	197,616	89,633	4,740,860	4,689,870
Trade payables	201,151	-	-	201,151	201,151
Other payables	5,336,541	-	-	5,336,541	5,336,541
Amount due to a related party	113,255	-	-	113,255	113,255
	<u>10,441,589</u>	<u>1,304,790</u>	<u>96,238</u>	<u>11,842,617</u>	<u>11,657,112</u>
2024					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Lease liabilities	338,120	1,371,821	78,989	1,788,930	1,588,672
Borrowings	7,287,061	197,616	135,861	7,620,538	7,557,610
Trade payables	972,287	-	-	972,287	972,287
Other payables	2,679,561	-	-	2,679,561	2,679,561
Amount due to a related party	691,780	-	-	691,780	691,780
	<u>11,968,809</u>	<u>1,569,437</u>	<u>214,850</u>	<u>13,753,096</u>	<u>13,489,910</u>

27. Financial instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risk****(a) Foreign currency risk**

The combining entities are exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of the combining entities. The currencies giving rise to this risk are EUR, YEN, RMB, and USD.

The combining entities have not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. However, the exposure to foreign currency risk is monitored from time to time by management. The combining entities' foreign exchange exposures in transactional currencies are kept to a minimum level.

The carrying amounts of the combining entities' foreign currency denominated financial assets at the end of the reporting period are as follows:

	Financial assets RM	Financial liabilities RM	Total RM
2025			
EUR	65,797	-	65,797
YEN	-	(3,213)	(3,213)
USD	-	(145,512)	(145,512)
	<u>65,797</u>	<u>(145,512)</u>	<u>(79,715)</u>
2024			
EUR	1,298	(64,304)	(63,006)
RMB	-	(151,108)	(151,108)
USD	9,126	(723,577)	(714,451)
	<u>10,424</u>	<u>(938,989)</u>	<u>(928,565)</u>

27. Financial instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risk (Cont'd)****(a) Foreign currency risk (Cont'd)**Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the combining entities' profit before tax for the financial year to a reasonable possible change in the EUR, YEN, RMB and USD exchange rates against the functional currencies of the combining entities, with all other variables held constant.

		Effect on	
		profit before tax	
Change in		2025	2024
currency rate		RM	RM
EUR	Strengthened 1% (2024: 1%)	658	(630)
	Weakened 1% (2024: 1%)	(658)	630
YEN	Strengthened 1% (2024: 1%)	(32)	-
	Weakened 1% (2024: 1%)	32	-
RMB	Strengthened 1% (2024: 1%)	-	(1,511)
	Weakened 1% (2024: 1%)	-	1,511
USD	Strengthened 1% (2024: 1%)	(1,455)	(7,145)
	Weakened 1% (2024: 1%)	1,455	7,145

(b) Interest rate risk

The combining entities' variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The combining entities manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The combining entities manage their interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The combining entities constantly monitor their interest rate risk by reviewing their debts portfolio to ensure favourable rates are obtained. The combining entities do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

27. Financial instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risk (Cont'd)****(b) Interest rate risk (Cont'd)**

The interest rate profile of the combining entities' significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2025	2024
	RM	RM
Fixed rate instruments		
Financial asset		
Money market deposits	<u>1,700,000</u>	<u>1,450,000</u>
Financial liabilities		
Lease liabilities	(1,316,295)	(1,588,672)
Bankers' acceptances	-	(521,000)
Bill payables	(2,979,422)	(4,516,657)
Revolving credits	-	(2,200,000)
Invoice financing	<u>(1,424,785)</u>	<u>-</u>
	<u>(5,720,502)</u>	<u>(8,826,329)</u>
Net financial liabilities	<u>(4,020,502)</u>	<u>(7,376,329)</u>
Floating rate instruments		
Financial liability		
Term loan	<u>(285,663)</u>	<u>(319,953)</u>

Interest rate risk sensitivity analysisFair value sensitivity analysis for fixed rate instruments

The combining entities do not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

27. Financial instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the combining entities' profit before tax by RM2,857 (2024: RM3,200), arising mainly as a result of lower/higher interest expense on floating rate borrowing. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents, and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

28. Capital management

The combining entities' objectives when managing capital are to safeguard the combining entities' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the combining entities may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

28. Capital management (Cont'd)

The combining entities monitor capital using a gearing ratio. The combining entities' policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting periods are as follows:

	2025	2024
	RM	RM
Total lease liabilities	1,316,295	1,588,672
Total borrowings	4,689,870	7,557,610
Less: Cash and cash equivalents	<u>(3,406,608)</u>	<u>(2,580,977)</u>
Net debt	<u><u>2,599,557</u></u>	<u><u>6,565,305</u></u>
Total equity	<u><u>15,058,292</u></u>	<u><u>12,400,261</u></u>
Gearing ratio (times)	<u><u>0.17</u></u>	<u><u>0.53</u></u>

There were no changes in the combining entities' approach to capital management during the financial years.