

5. INFORMATION ON OUR GROUP

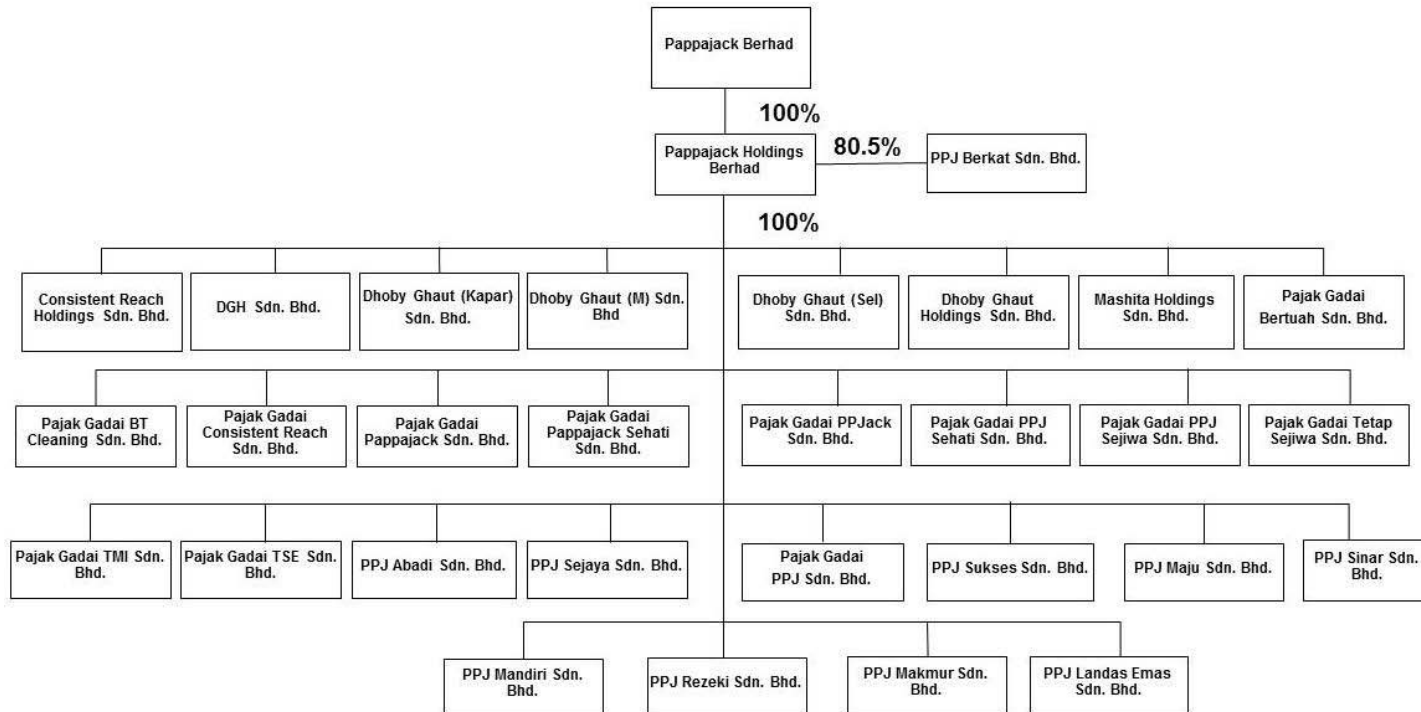
5.1 OUR COMPANY

We were incorporated in Malaysia under the Companies Act 2016 on 22 December 2020 as a private limited company under the name of Pappajack Sdn Bhd. Subsequently on 24 June 2021, our Company was converted into a public limited company and assumed our present name of Pappajack Berhad.

Our principal activity is investment holding while the principal activities of all our subsidiaries are licenced pawnshops.

5.2 OUR GROUP

An illustration of our Group structure is as follows:



5. INFORMATION ON OUR GROUP (Cont'd)**5.3 SHARE CAPITAL**

Our issued share capital as at the LPD is RM108,020,897 comprising 501,000,000 Shares.

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

Date of Allotment	No. of Shares Allotted	Consideration	Cumulative Issued Share Capital (RM)	Cumulative No. of Shares
22.12.2020	1	Subscriber Shares	1.00	1
[●]	*500,999,999	Cash	108,020,897.00	501,000,000

Note:

* *The Shares allotted and issued as consideration pursuant to the Acquisition SSA.*

Upon completion of the Public Issue, our Company's issued share capital will increase to RM[●] comprising 668,000,000 Shares.

None of the Shares as tabulated above were issued at a discount, on special terms or on instalment payment terms.

As at the LPD, Pappajack does not have any warrant, option or convertible securities in issue or any uncalled capital.

5.4 DETAILS OF OUR SUBSIDIARIES

As at the LPD, our Company has 30 subsidiaries, as follows:

No.	Company	Date/ Place of Incorporation	Date of Commencement of Business	Issued Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
1.	DGH	02.04.2019/ Malaysia	06.02.2020	4,000,000	100	Licensed pawnshop
2.	DG Kapar	24.10.2018/ Malaysia	17.08.2019	4,000,000	100	Licensed pawnshop
3.	DGM	02.11.2018/ Malaysia	28.09.2019	4,000,000	100	Licensed pawnshop
4.	DG Sel	02.04.2019/ Malaysia	11.02.2020	4,000,000	100	Licensed pawnshop
5.	DG Holdings	27.06.2014/ Malaysia	09.08.2019	4,000,000	100	Licensed pawnshop
6.	PG Bertuah	10.07.2013/ Malaysia	17.12.2013	⁽¹⁾ 4,000,000	100	Licensed pawnshop

5. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Date/ Place of Incorporation	Date of Commencement of Business	Issued Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
7.	PG BT Cleaning	20.04.2011/ Malaysia	02.01.2019	4,000,000	100	Licensed pawnshop
8.	PG Consistent Reach	04.06.2018/ Malaysia	01.11.2018	4,000,000	100	Licensed pawnshop
9.	PG Mashita	16.11.2018/ Malaysia	20.09.2019	4,000,000	100	Licensed pawnshop
10.	PG Pappajack	21.06.2013/ Malaysia	01.02.2014	4,000,000	100	Licensed pawnshop
11.	PG Pappajack Sehati	25.02.2016/ Malaysia	27.12.2016	4,200,000	100	Licensed pawnshop
12.	PG PPJ	12.08.2016/ Malaysia	07.09.2017	4,000,000	100	Licensed pawnshop
13.	PG PPJack	12.08.2016/ Malaysia	01.03.2017	4,000,000	100	Licensed pawnshop
14.	PG PPJ Sehati	22.11.2016/ Malaysia	03.06.2017	4,000,000	100	Licensed pawnshop
15.	PG PPJ Sejiwa	02.04.2019/ Malaysia	19.2.2020	4,000,000	100	Licensed pawnshop
16.	PG Tetap Sejiwa	09.07.2009/ Malaysia	09.07.2012	^{(1) (2)} 1,000,000	100	Licensed pawnshop
17.	PG TMI	19.03.2018/ Malaysia	01.06.2019	4,000,000	100	Licensed pawnshop
18.	PG TSE	05.06.2018/ Malaysia	02.01.2019	4,000,000	100	Licensed pawnshop
19.	Pappajack Holdings	15.02.2019/ Malaysia	18.09.2019	106,940,233.33	100	Licensed pawnshop
20.	PPJ Abadi	01.08.2019/ Malaysia	19.08.2020	4,000,000	100	Licensed pawnshop
21.	PPJ Berkat	04.11.2019/ Malaysia	Has not commenced business ⁽⁴⁾	4,000,000	⁽³⁾ 80.5	Licensed pawnshop
22.	PPJ Consistent Reach	16.11.2018/ Malaysia	19.09.2019	4,000,000	100	Licensed pawnshop

5. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Date/ Place of Incorporation	Date of Commencement of Business	Issued Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
23.	PPJ Landas Emas	04.11.2019/ Malaysia	Has not commenced business ⁽⁴⁾	4,000,000	100	Licensed pawnshop
24.	PPJ Maju	04.11.2019/ Malaysia	Has not commenced business ⁽⁴⁾	3,200,000	100	Licensed pawnshop
25.	PPJ Makmur	19.07.2019/ Malaysia	13.10.2020	4,000,000	100	Licensed pawnshop
26.	PPJ Mandiri	04.11.2019/ Malaysia	Has not commenced business ⁽⁴⁾	4,000,000	100	Licensed pawnshop
27.	PPJ Rezeki	19.07.2019/ Malaysia	19.08.2020	4,000,000	100	Licensed pawnshop
28.	PPJ Sejaya	19.07.2019/ Malaysia	13.10.2020	4,000,000	100	Licensed pawnshop
29.	PPJ Sinar	01.08.2019/ Malaysia	19.08.2020	4,000,000	100	Licensed pawnshop
30.	PPJ Sukses	29.10.2019/ Malaysia	Has not commenced business ⁽⁴⁾	4,000,000	100	Licensed pawnshop

Notes:

- (1) *PG Tetap Sejiwa and PG Bertuah were acquired in 2014.*
- (2) *At the relevant application period for the pawnbroking license, the relevant guidelines imposed by KPKT then only required an entity, which seek to obtain and hold a pawnbroking licence, to have a cash capital of RM2,000,000 in a recognised bank account.*
- (3) *The remaining equity interests of 19.50% is held by an independent shareholder (Har Hock Lee) who is our strategic investor to assist us in the expansion of our first pawnbroking outlet in Pahang.*
- (4) *The subsidiary has yet to commence its business. The subsidiary will commence its licenced pawnshop operations after the completion of our Listing utilising the proceeds raised from the Public Issue as disclosed in Section 3.7 (i) of this Prospectus.*

As at the LPD, we do not have any associated company.

5. INFORMATION ON OUR GROUP (Cont'd)**5.4.1 Information on Our Material Subsidiaries**

As at the LPD, Pappajack Berhad has a total of 30 subsidiaries. Set out below are our material subsidiaries and further details on all our subsidiaries are set out in Section 5.4 of this Prospectus.

(i) PG Consistent Reach**(a) Background and History**

PG Consistent Reach was incorporated in Malaysia under the Act as a private company on 4 June 2018, under its present name.

(b) Principal Place of Business

PG Consistent Reach's principal place of business is located at No. 6, Ground Floor, Jalan PJU 5/8, Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor.

(c) Principal Activities and Products/Services

The principal activity of PG Consistent Reach is to operate as a licenced pawnshop.

(d) Share Capital

As at the LPD, the issued share capital of PG Consistent Reach is RM4,000,000 comprising 400,000,000 ordinary shares.

The changes in PG Consistent Reach's issued share capital since incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Consideration	Cumulative Number of Shares	Cumulative Issued Share Capital (RM)
04.06.2018	100,000	Cash	100,000	100,000
13.07.2018	3,900,000	Cash	4,000,000	4,000,000

(e) Shareholder

PG Consistent Reach is a wholly owned subsidiary of Pappajack Holdings and is our indirect wholly-owned subsidiary.

(f) Subsidiary or Associated Company

As at the LPD, PG Consistent Reach does not have any subsidiary or associated company.

5. INFORMATION ON OUR GROUP (Cont'd)**(ii) PG Pappajack****(a) Background and History**

PG Pappajack was incorporated in Malaysia under the Act as a private company on 21 June 2013, under its present name.

(b) Principal Place of Business

PG Pappajack's principal place of business is located at No. 27, Jalan Bayu Tinggi 7, Taman Bayu Tinggi, 41200 Klang Selangor Malaysia.

(c) Principal Activities and Products/Services

The principal activity of PG Pappajack is to operate as a licenced pawnshop.

(d) Share Capital

As at the LPD, the issued share capital of PG Pappajack is RM4,000,000 comprising 4,000,000 ordinary shares.

The changes in PG Pappajack's issued share capital since incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Consideration	Cumulative Number of Shares	Cumulative Issued Share Capital (RM)
21.06.2013	100,000	Cash	100,000	100,000
29.07.2013	3,900,000	Otherwise than cash*	4,000,000	4,000,000

Note:

* Shares allotted pursuant to a proposed capitalisation

(e) Shareholder

PG Pappajack is a wholly-owned subsidiary of Pappajack Holdings and is our indirect wholly-owned subsidiary.

(f) Subsidiary or Associated Company

As at the LPD, PG Pappajack does not have any subsidiary or associated company.

5. INFORMATION ON OUR GROUP (Cont'd)**(iii) PPJ Sehati****(a) Background and History**

PPJ Sehati was incorporated in Malaysia under the Act as a private company on 22 November 2016, under its present name.

(b) Principal Place of Business

PPJ Sehati's principal place of business is located at No. 5, Ground Floor Jalan Raya Timur KS1 41000 Klang Selangor Malaysia.

(c) Principal Activities and Products/Services

The principal activity of PPJ Sehati is to operate as a licenced pawnshop.

(d) Share Capital

As at the LPD, the issued share capital of PPJ Sehati is RM4,000,000 comprising 4,000,000 ordinary shares.

The changes in PPJ Sehati's issued share capital since incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Consideration	Cumulative Number of Shares	Cumulative Issued Share Capital (RM)
22.11.2016	1,000	Cash	1,000	1,000
11.05.2017	3,999,000	Cash	4,000,000	4,000,000

(e) Shareholder

PPJ Sehati is a wholly-owned subsidiary of Pappajack Holdings and is our indirect wholly-owned subsidiary.

(f) Subsidiary or Associated Company

As at the LPD, PPJ Sehati does not have any subsidiary or associated company.

(iv) PG PPJack**(a) Background and History**

PG PPJack was incorporated in Malaysia under the Act as a private company on 12 August 2016, under its present name.

5. INFORMATION ON OUR GROUP (Cont'd)**(b) Principal Place of Business**

PG PPJack's principal place of business is located at No. 44A, Jalan TK1/11A, Taman Kinrara Seksyen 1 Batu 7 1/2, 47180 Puchong Selangor.

(c) Principal Activities and Products/Services

The principal activity of PG PPJack is to operate as a licenced pawnshop.

(d) Share Capital

As at the LPD, the issued share capital of PG PPJack is RM4,000,000 comprising 4,000,000 ordinary shares.

The changes in PG PPJack's issued share capital since incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Consideration	Cumulative Number of Shares	Cumulative Issued Share Capital (RM)
12.08.2016	1,000	Cash	1,000	1,000
27.10.2016	3,999,000	Cash	4,000,000	4,000,000

(e) Shareholder

PG PPJack is a wholly-owned subsidiary of Pappajack Holdings and is our indirect wholly-owned subsidiary.

(f) Subsidiary or Associated Company

As at the LPD, PG PPJack does not have any subsidiary or associated company.

(v) PG Tetap Sejiwa**(a) Background and History**

PG Tetap Sejiwa was incorporated in Malaysia under the Act as a private company on 9 July 2009, under the former name of Tetap Sejiwa Sdn. Bhd.

(b) Principal Place of Business

PG Tetap Sejiwa's principal place of business is located at No. 11, Jalan 1/116B, Kuchai Entrepreneurs Park, Jalan Kuchai Lama, 58200 Kuala Lumpur.

(c) Principal Activities and Products/Services

The principal activity of PG Tetap Sejiwa is to operate as a licenced pawnshop.

5. INFORMATION ON OUR GROUP (Cont'd)**(d) Share Capital**

As at the LPD, the issued share capital of PG Tetap Sejiwa is RM1,000,000 comprising 1,000,000 ordinary shares.

The changes in PG Tetap Sejiwa's issued share capital since incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Consideration	Cumulative Number of Shares	Cumulative Issued Share Capital (RM)
09.07.2009	2	Cash	2	2
11.03.2010	499,998	Cash	500,000	500,000
01.07.2016	500,000	Cash	1,000,000	1,000,000

(e) Shareholder

PG Tetap Sejiwa is a wholly-owned subsidiary of Pappajack Holdings and is our indirect wholly-owned subsidiary.

(f) Subsidiary or Associated Company

As at the LPD, PG Tetap Sejiwa does not have any subsidiary or associated company.

(vi) PG TSE**(a) Background and History**

PG TSE was incorporated in Malaysia under the Act as a private company on 5 June 2018, under its present name.

(b) Principal Place of Business

PG TSE's principal place of business is located at No. 20, Tingkat Bawah, Jalan Murni 25/61 Taman Sri Muda 40000 Shah Alam Selangor.

(c) Principal Activities and Products/Services

The principal activity of PG TSE is to operate as a licenced pawnshop.

(d) Share Capital

As at the LPD, the issued share capital of PG TSE is RM4,000,000 comprising 4,000,000 ordinary shares.

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

The changes in PG TSE's issued share capital since incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Consideration	Cumulative Number of Shares	Cumulative Issued Share Capital (RM)
05.06.2018	100,000	Cash	100,000	100,000
27.07.2018	3,900,000	Cash	4,000,000	4,000,000

(e) Shareholder

PG TSE is a wholly-owned subsidiary of Pappajack Holdings and is our indirect wholly-owned subsidiary.

(f) Subsidiary or Associated Company

As at the LPD, PG TSE does not have any subsidiary or associated company.

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5. INFORMATION ON OUR GROUP (Cont'd)**5.5 LISTING SCHEME****5.5.1 Details of the Listing Scheme**

In conjunction with and as an integral part of our listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities, our Company undertook a Listing Scheme which involved the following which are inter-conditional among each other:

(a) Pre-IPO Reorganisation**Acquisition of Pappajack Holdings via Acquisition SSA**

On 9 June 2021, Pappajack entered into a conditional share sale agreement with the shareholders of Pappajack Holdings to acquire the entire issued share capital of Pappajack Holdings comprising 103,230,866 ordinary shares in Pappajack Holdings for a purchase consideration of RM108,020,896 to be wholly satisfied by the issuance of 500,999,999 new Shares. The issue price is approximately RM0.22 per Share. Details of the issuance of Shares are as follows:

Shareholders of Pappajack Holdings	Number of Ordinary Shares Held in Pappajack Holdings	(1) % of Pappajack Holdings's Issued Share Capital	Purchase Consideration (RM)	No. of Pappajack Shares Issued for Payment of Purchase Consideration	(2) % of Shareholding in Pappajack
Lim Boon Hua	36,389,247	35.25	38,077,750	⁽³⁾ 176,604,280	35.25
Lim Siew Fang	19,989,461	19.36	20,916,995	⁽³⁾ 97,012,844	19.36
Law Book Ching	9,482,656	9.19	9,922,662	⁽³⁾ 46,021,222	9.19
Lee Kooi Lan	3,186,625	3.09	3,334,488	15,465,327	3.09
Soo Jon Teng	3,872,921	3.75	4,052,629	18,796,059	3.75
Lau Nian Choon	3,872,921	3.75	4,052,629	18,796,059	3.75
Chew Leng Chow	5,056,606	4.90	5,291,238	24,540,718	4.90
Ng Cheng Lam	3,232,018	3.13	3,381,987	15,685,629	3.13
Datuk Lim Tong Lee	4,128,840	4.00	4,320,423	20,038,085	4.00
Tan Hui Koon	1,888,370	1.83	1,975,993	9,164,637	1.83
Tan Chai Heng	2,133,495	2.07	2,232,492	10,354,277	2.07
Ng Shyh Chyuh	2,568,092	2.49	2,687,254	12,463,463	2.49
See Swee Choy	2,723,610	2.64	2,849,989	13,218,223	2.64
Tan Poo Chun	1,174,389	1.14	1,228,882	5,699,544	1.14
Chin Sook Fong	844,319	0.82	883,496	4,097,649	0.82
Teoh Kok Khong	1,298,254	1.26	1,358,494	6,300,686	1.26
Chua Ang Lee	980,500	0.95	1,025,996	4,758,562	0.95
Lim Chee Hsiung	281,440	0.27	294,499	1,365,884	0.27
Ong Tian Yang	127,102	0.12	133,000	616,851	0.12
Total	103,230,866	100.00	108,020,897	500,999,999	100.00

Notes:

- (1) All percentages are rounded to two decimal points.
- (2) Based on the issued share capital of Pappajack after the Acquisition and before the IPO.
- (3) Pursuant to the terms of the Acquisition SSA, TSE Sejahtera, being the nominated private limited company owned by Lim Boon Hua, Lim Siew Fang and Law Book Ching, was (at the request of such shareholders) allotted and issued all of the Pappajack Shares to be issued to Lim Boon Hua, Lim Siew Fang and Law Book Ching for payment of the purchase consideration payable to such persons in accordance with the terms of the Acquisition SSA.

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

The purchase consideration of RM108,020,896 was arrived at on a willing-buyer willing-seller basis, after taking into consideration the net asset (excluding the non-controlling interests) of Pappajack Holdings of RM108,020,897 as at 31 December 2020.

The Acquisition SSA was completed on [●]. After the completion of the Acquisition, the issued share capital of Pappajack increased to RM108,020,897, comprising 501,000,000 Shares.

(b) IPO

Subsequently, we will undertake an IPO, the details of which are set out in Section 3.3 of this Prospectus.

(c) Listing of and Quotation for Our Shares

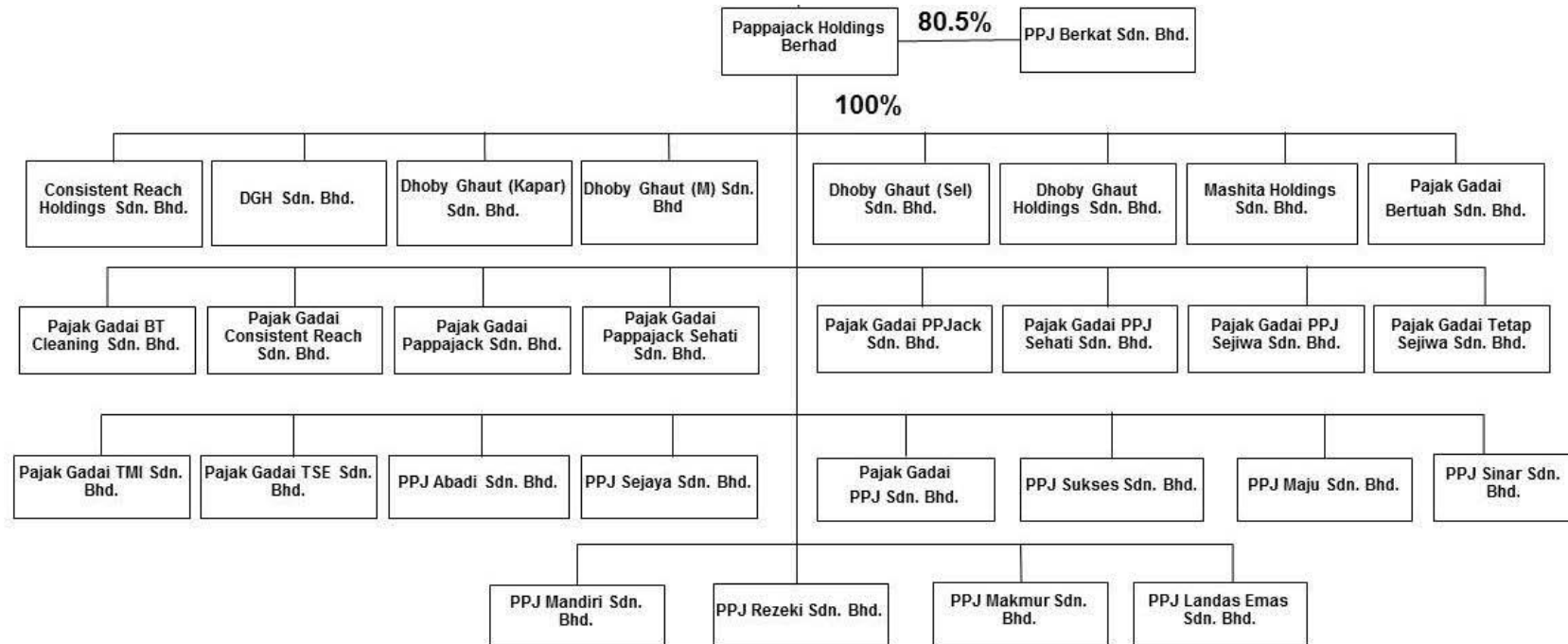
Upon completion of the abovementioned IPO, we will seek the admission of our Shares into the Official List and the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities.

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5. INFORMATION ON OUR GROUP (Cont'd)

5.5.2 Our Group Structure Before and After the IPO

Our Group structure as at the LPD is as follows:



5. INFORMATION ON OUR GROUP (Cont'd)

Our Group structure after the IPO is as follows:

