

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF SNS NETWORK TECHNOLOGY BERHAD (“SNS” OR THE “COMPANY”) DATED 27 JULY 2022 (“ELECTRONIC PROSPECTUS”)

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

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad’s (“**Bursa Securities**”) website at www.bursamalaysia.com (“**Website**”).

Availability and Location of Paper/Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, M & A Securities Sdn Bhd (“**M&A Securities**”), or Malaysian Issuing House Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Form is not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, M&A Securities and SNS take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from 10.00 a.m. on 27 July 2022 and will close at 5.00 p.m. on 18 August 2022.

In the event the Closing Date is extended, SNS will advertise the notice of the extension in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia prior to the original Closing Date.

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

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

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users’ access to the website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

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



SNS NETWORK TECHNOLOGY BERHAD
(201601002835 (1173761-W))
(Incorporated in Malaysia)

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

- (I) PUBLIC ISSUE OF 362,875,500 NEW ORDINARY SHARES IN OUR COMPANY ("SHARES") IN THE FOLLOWING MANNER:
- 80,639,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 48,383,400 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP;
 - 201,597,500 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY; AND
 - 32,255,600 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS

AND

- (II) OFFER FOR SALE OF 48,383,400 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS

AT AN ISSUE/OFFER PRICE OF RM 0.25 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Adviser, Sponsor, Underwriter and Placement Agent



M & A SECURITIES SDN BHD
(197301001503 (15017-H))
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

This Prospectus has been registered by the Securities Commission Malaysia ("SC"). The approval of the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities and registration of this Prospectus, should not be taken to indicate that the SC recommends the offering or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. The SC is not liable for any non-disclosure on the part of the company and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. No securities will be allotted or issued based on this Prospectus after 6 months from the date of this Prospectus.

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

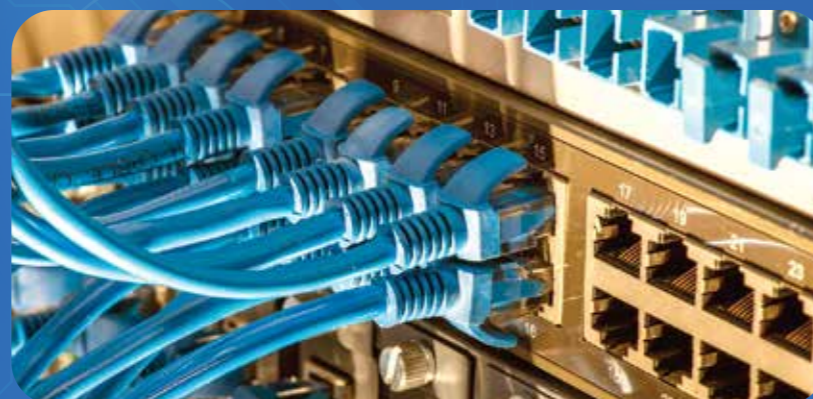
FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 187.

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

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

This Prospectus is dated 27 July 2022

PROSPECTUS



SNS NETWORK TECHNOLOGY BERHAD
(201601002835 (1173761-W))

No. 61, Jalan Sultan Nazrin Shah,
30250 Ipoh, Perak
Tel : +605-2424 616
Fax : +605-2434 389

www.sns.com.my



Our Directors, Promoters and Selling Shareholders (as defined herein) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in the Prospectus false or misleading.

M&A Securities Sdn Bhd, being our Adviser, Sponsor, Underwriter and Placement Agent to our IPO (as defined herein), acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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

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

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

Approval has been obtained from Bursa Securities for the listing of and quotation for our IPO Shares (as defined herein) on 10 March 2022 and 10 June 2022. Our admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares. Bursa Securities shall not be liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. The valuation utilised for the purpose of the Listing should not be construed as an endorsement by Bursa Securities, on the value of the subject assets.

The SC has on 28 April 2022 and 29 June 2022 approved the resultant equity structure of our Company under the Bumiputera equity requirements for public listed companies pursuant to our Listing (as defined herein).

Our securities are classified as Shariah compliant by the Shariah Advisory Council of the SC based on the audited combined financial statements for the financial year ended 31 January 2021. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review is undertaken by the Shariah Advisory Council of the SC. The new status will be released in the updated list of Shariah-compliant securities, on the last Friday of May and November.

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

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

It shall be your sole responsibility if you are or may be subject to the laws of countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether our IPO would result in the contravention of any law of such countries or jurisdictions.

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

However, we reserve the right, in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

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

ELECTRONIC PROSPECTUS

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

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

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

In the event of any discrepancy arising between the contents of the electronic and the contents of the paper printed copy of this Prospectus for any reason whatsoever, the contents of the paper printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC shall prevail.

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

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

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

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

- (i) The Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions and shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and
- (ii) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the internet participating financial institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

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INDICATIVE TIMETABLE

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

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

| Events | Indicative date |
|---|------------------------|
| Issuance of this Prospectus/Opening of Application | 27 July 2022 |
| Closing Date/Closing of Application | 18 August 2022 |
| Balloting of Application | 22 August 2022 |
| Allotment/Transfer of IPO Shares to successful applicants | 1 September 2022 |
| Date of Listing | 2 September 2022 |

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

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

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

All references to "SNS" and "Company" in this Prospectus are to SNS Network Technology Berhad (201601002835 (1173761-W)). Unless otherwise stated, references to "Group" are to our Company and our subsidiaries taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "Management" are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

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

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

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

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

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

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

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FORWARD-LOOKING STATEMENTS

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

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

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

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

- (i) Demand for our products and services;
- (ii) Our business strategies;
- (iii) Our future plans;
- (iv) Our future earnings, cash flows and liquidity; and
- (v) Our ability to pay future dividends.

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

- (i) The ongoing Covid-19 pandemic and possible similar future outbreak;
- (ii) The economic, political and investment environment in Malaysia; and
- (iii) Government policy, legislation or regulation.

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

DEFINITIONS

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

COMPANIES WITHIN OUR GROUP:

| | | |
|------------------------|---|--|
| "Acrux" | : | Acrux Technology Sdn Bhd (201201033528 (1018016-U)) |
| "GLOO" | : | GLOO Sdn Bhd (200801018602 (819899-X)) |
| "iTworld" | : | iTworld Services (M) Sdn Bhd (200801024311 (825635-H)) |
| "JOI" | : | JOI Sdn Bhd (202001001751(1358070-W)) |
| "Notebook Plaza" | : | Notebook Plaza Sdn Bhd (201001027593 (911512-M)) |
| "SNS Network ICT" | : | SNS Network (ICT) Sdn Bhd (201001016872 (900575-H)) |
| "SNS Network Malaysia" | : | SNS Network (M) Sdn Bhd (200001009450 (512056-K)) |
| "SNS Network Services" | : | SNS Network Services Sdn Bhd (200201011283 (578946-K)) |
| "SNS" or "Company" | : | SNS Network Technology Berhad (201601002835 (1173761-W)) |
| "SNS Group" or "Group" | : | SNS and its subsidiaries, collectively |

GENERAL:

| | | |
|------------------------|---|--|
| "ACE Market" | : | ACE Market of Bursa Securities |
| "Acquisitions" | : | Acquisitions comprising the following: <ul style="list-style-type: none">(i) Acquisition of Acrux(ii) Acquisition of GLOO(iii) Acquisition of iTworld(iv) Acquisition of JOI(v) Acquisition of Notebook Plaza(vi) Acquisition of SNS Network ICT(vii) Acquisition of SNS Network Malaysia(viii) Acquisition of SNS Network Services |
| "Acquisition of Acrux" | : | Acquisition by SNS of the entire equity interest of Acrux from Ko Yun Hung and Pah Wai Onn for a purchase consideration of RM669,900 which was wholly satisfied by the issuance of 13,265,346 new Shares at an issue price of RM0.0505 per share, which was completed on 4 July 2022 |
| "Acquisition of GLOO" | : | Acquisition by SNS of the entire equity interest of GLOO from Ko See Meng and Pah Wai Onn for a purchase consideration of RM680,790 which was wholly satisfied by the issuance of 13,480,990 new Shares at an issue price of RM0.0505 per share, which was completed on 4 July 2022 |

DEFINITIONS (Cont'd)

- "Acquisition of iTworld" : Acquisition by SNS of the entire equity interest of iTworld from Ko See Meng and Pah Wai Onn for a purchase consideration of RM565,620 which was wholly satisfied by the issuance of 11,200,396 new Shares at an issue price of RM0.0505 per share, which was completed on 4 July 2022
- "Acquisition of JOI" : Acquisition by SNS of the entire equity interest of JOI from Ko Yun Hung and Pah Wai Onn for a purchase consideration of RM464,570 which was wholly satisfied by the issuance of 9,199,406 new Shares at an issue price of RM0.0505 per share, which was completed on 4 July 2022
- "Acquisition of Notebook Plaza" : Acquisition by SNS of the entire equity interest of Notebook Plaza from Ko See Meng, Pah Wai Onn, Siow Wei Ming and Siow Wei Shan for a purchase consideration of RM14,919,310 which was wholly satisfied by the issuance of 295,431,880 new Shares at an issue price of RM0.0505 per share, which was completed on 4 July 2022
- "Acquisition of SNS Network ICT" : Acquisition by SNS of the entire equity interest of SNS Network ICT from Eng Su Fern and Tham Sau Har for a purchase consideration of RM743,660 which was wholly satisfied by the issuance of 14,725,942 new Shares at an issue price of RM0.0505 per share, which was completed on 4 July 2022
- "Acquisition of SNS Network Malaysia" : Acquisition by SNS of the entire equity interest of SNS Network Malaysia from Ko Yun Hung and Ong Mei Kwai for a purchase consideration of RM41,418,750 which was wholly satisfied by the issuance of 820,173,268 new Shares at an issue price of RM0.0505 per share, which was completed on 4 July 2022
- "Acquisition of SNS Network Services" : Acquisition by SNS of the entire equity interest of SNS Network Services from Ko See Meng and Pah Wai Onn for a purchase consideration of RM3,657,560 which was wholly satisfied by the issuance of 72,426,930 new Shares at an issue price of RM0.0505 per share, which was completed on 4 July 2022
- "Act" : Companies Act, 2016
- "ADA" : Authorised Depository Agent
- "Adviser" or "Sponsor" or "Placement Agent" or "Underwriter" : M&A Securities
- "AEON" : Aeon Co. (M) Bhd (198401014370 (126926-H)), including its departmental stores
- "Application" : Application for IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
- "Application Form" : Printed application form for the application of our IPO Shares accompanying this Prospectus
- "ATM" : Automated teller machine

DEFINITIONS (Cont'd)

| | | |
|------------------------------------|---|---|
| "BNM" | : | Bank Negara Malaysia |
| "Board" | : | Board of Directors of SNS |
| "Bursa Depository" or "Depository" | : | Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W)) |
| "Bursa Securities" | : | Bursa Malaysia Securities Berhad (200301033577 (635998-W)) |
| "CAGR" | : | Compound annual growth rate |
| "CCC" | : | Certificate of Completion and Compliance |
| "CDS" | : | Central Depository System |
| "CDS Account" | : | Account established by Bursa Depository for a depositor for the recording and dealing in securities by the depositor |
| "Central Depositories Act" | : | Securities Industry (Central Depositories) Act, 1991 |
| "Closing Date" | : | Date adopted in this Prospectus as the last date for acceptance and receipt of the Application |
| "CMSA" | : | Capital Markets and Services Act, 2007 |
| "Constitution" | : | Our constitution |
| "COVID-19" | : | Coronavirus disease 2019, an infectious disease which affects the respiratory system, and it is a global pandemic |
| "Depository Rules" | : | Rules of Bursa Depository and any appendices thereto as they may be amended from time to time |
| "Director(s)" | : | An executive director or a non-executive director of our Company within the meaning of Section 2 of the Act |
| "EBIT" | : | Earnings before interest and tax |
| "EBITDA" | : | Earnings before interest, tax, depreciation and amortisation |
| "Electronic Prospectus" | : | Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium |
| "Electronic Share Application" | : | Application for IPO Shares through a Participating Financial Institution's ATM |
| "EPS" | : | Earnings per share |
| "ERP" | : | Enterprise resource planning |
| "FYE" | : | Financial year(s) ended/ending 31 January, as the case may be |
| "Government" | : | Government of Malaysia |
| "GP" | : | Gross profit |

DEFINITIONS (Cont'd)

| | | |
|---|---|--|
| "IFRS" | : | International Financial Reporting Standards |
| "IMR" | : | Smith Zander International Sdn Bhd (201301028298 (1058128-V)) our Independent Market Researcher |
| "IMR Report" | : | Independent Market Research Report titled "Information and Communications Technology Products and Services Industry in Malaysia" dated 5 July 2022 |
| "Internet Participating Financial Institution(s)" | : | Participating financial institution(s) for Internet Share Application as listed in Section 16.6 |
| "Internet Share Application" | : | Application for IPO Shares through an online share application service provided by Internet Participating Financial Institution |
| "Initial Public Offering" or "IPO" | : | Our initial public offering comprising the Public Issue and Offer for Sale |
| "IPO Price" | : | Issue/offer price of RM0.25 per Share under our Public Issue and Offer for Sale |
| "IPO Share(s)" | : | Issue Share(s) and Offer Share(s), collectively |
| "Issuing House" | : | Malaysian Issuing House Sdn Bhd (199301003608 (258345-X)) |
| "Issue Share(s)" | : | New Share(s) to be issued under the Public Issue |
| "ISO" | : | International Organisation for Standardisation |
| "Listing" | : | Listing of and quotation for our entire enlarged share capital of RM153.84 million comprising 1,612,779,660 Shares on the ACE Market |
| "Listing Requirements" | : | ACE Market Listing Requirements of Bursa Securities, as amended from time to time |
| "Listing Scheme" | : | Comprising the Public Issue, Offer for Sale and Listing, collectively |
| "LPD" | : | 30 June 2022, being the latest practicable date for ascertaining certain information contained in this Prospectus |
| "M&A Securities" | : | M & A Securities Sdn Bhd (197301001503 (15017-H)) |
| "Malaysian Public" | : | Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia |
| "Management" | : | Directors and key senior management as at the date of this Prospectus |
| "Market Day" | : | Any day between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities |

DEFINITIONS (Cont'd)

| | | |
|--------------------------------|-----------|---|
| “MCO” | : | The 2020 Malaysia movement control order, commonly referred to as the MCO, implemented as a preventive measure by the Government of Malaysia in response to the Covid-19 pandemic in the country, which began from 18 March 2020 and unless otherwise specified, includes all its subsequent phases |
| “MFRS” | : | Malaysian Financial Reporting Standards |
| “MITI” | : | Ministry of International Trade and Industry Malaysia |
| “MyIPO” | : | Intellectual Property Corporation of Malaysia |
| “NA” | : | Net assets |
| “NBV” | : | Net book value |
| “NRP” | : | National Recovery Plan |
| “OEM” | : | Original equipment manufacturer |
| “Offer for Sale” | : | Offer for sale of 48,383,400 Offer Shares by our Selling Shareholders at our IPO Price |
| “Offer Share(s)” | : | Existing Share(s) to be offered under our Offer for Sale |
| “Participating Institution(s)” | Financial | Participating financial institution(s) for Electronic Share Application as listed in Section 16.5 |
| “PAT” | : | Profit after tax |
| “PBT” | : | Profit before tax |
| “PE Multiple” | : | Price-to-earnings multiple |
| “Pink Form Allocations” | : | Allocation of 48,383,400 Issue Shares to our eligible Directors, employees and persons who have contributed to the success of our Group, which forms part of our Public Issue |
| “Promoter(s)” | : | Ko Yun Hung, Pah Wai Onn, Siow Wei Ming, Eng Su Fern and Tham Sau Har, collectively |
| “Prospectus” | : | This prospectus dated 27 July 2022 in relation to our IPO |
| “Public Issue” | : | Public issue of 362,875,500 Issue Shares at our IPO Price |
| “Regional Hub” | : | A new regional hub to be set up by our Group in Petaling Jaya, Selangor, details of which are set out in Section 7.16.1 |
| “ROC” | : | Registrar of Companies |
| “R&D” | : | Research and development |
| “SC” | : | Securities Commission Malaysia |

DEFINITIONS (Cont'd)

| | | |
|--------------------------|---|--|
| "Selling Shareholder(s)" | : | Ko Yun Hung and Pah Wai Onn, who are undertaking the Offer for Sale, collectively |
| "Share(s)" | : | Ordinary share(s) in SNS |
| "SME(s)" | : | Small-medium enterprise(s) |
| "SOP" | : | Standard operating procedures |
| "sq ft" | : | Square foot |
| "TM" | : | Telekom Malaysia Berhad (198401016183 (128740-P)) |
| "Underwriting Agreement" | : | Underwriting agreement dated 14 June 2022 entered into between SNS and M&A Securities for the purpose of our IPO |
| "UK" | : | United Kingdom |
| "USA" | : | United States of America |

CURRENCY:

| | | |
|---------------|---|---------------------------------------|
| "RM" or "sen" | : | Ringgit Malaysia and sen respectively |
|---------------|---|---------------------------------------|

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TECHNICAL GLOSSARY

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

| | | |
|---------------------------------------|---|--|
| "Access control system" | : | An electronic door access system used to control unauthorised access |
| "Artificial intelligence" | : | A computer system or machine that leverages on algorithms to mimic the problem-solving and decision-making capabilities of the human mind |
| "Bandwidth" | : | The maximum amount of data transferred over an internet connection in a given amount of time |
| "Broadband" | : | The transmission of wide bandwidth data over a high-speed internet connection |
| "Cabling" | : | An infrastructure to provide physical network connection to devices such as providing telephone services or transmit data through computer network |
| "Closed-circuit television" or "CCTV" | : | Also known as video surveillance, it is the use of video cameras to transmit signals to a specific place on a set of monitors |
| "Cloud services" | : | A service hosted on servers in a remote location that can be easily accessed and used anywhere via internet access |
| "Cold calling" | : | A sales practice which involves products and services marketing through phone calls |
| "Computer vision" | : | A field of artificial intelligence that enables computers to interpret visual information such as digital images and videos |
| "Content media server" | : | A device with large data storage capacity where the digital content can be made available over the internet or a local area network |
| "Dedicated internet access" | : | Provision of a dedicated fixed-bandwidth internet connection to a single user and is not shared with other users |
| "Device" | : | A device is an electronic gadget comprising hardware and software integrated to perform specific functions |
| "Device-as-a-service" or "DaaS" | : | A subscription-based service that comprises the subscription of ICT products and/or services on a monthly basis |
| "Diagnosis" | : | The process of detecting and identifying technical issues of the ICT products |
| "Digital assets" | : | Digital contents such as digital images, photos, videos, and contents used for digital marketing activities |
| "Digital content management" | : | The process of storage, organisation and delivery of digital assets |

TECHNICAL GLOSSARY (Cont'd)

| | | |
|--|---|--|
| "Digital signages" | : | An electronic flat panel display that displays digital content |
| "Digital video disc" or "DVD" | : | A storage disc that stores video content |
| "End-of-life" | : | ICT products that have reached the end of its useful life |
| "E-wallet" | : | A registered electronic account that stores and transacts e-money, as well as enables credit or debit card payments by registering a credit or debit card in the e-wallet account. E-money is a form of electronic payment which refers to monetary transactions performed through electronic devices over the internet (both web based and mobile application based) or electronic mediums over-the-counter for the purchase of goods and/or services |
| "Fibre optic cable" | : | An assembly containing one or more optical fibres in which the technology used transmits information as light pulses along a glass or plastic fibre |
| "Graphic cards" | : | Electronic cards used to render images to the display screen of a device |
| "Hardware" | : | A physical component that, together with software, form a device. It works together with software to enable the device to perform its functions |
| "Information and communications technology" or "ICT" or "IT" | : | An umbrella term that includes any communication device or application, encompassing: radio, television, cellular phones, computer and network hardware and software |
| "Interactive smartboard" | : | A whiteboard size, interactive flat panel display with touchscreen function, that displays digital information and allows for wireless transfer of files and images from mobile devices |
| "Internet" | : | A global system of interconnected computer networks that use the internet protocol suites to link several billion devices worldwide. Internet protocol is a protocol which controls how the network data is forwarded to the targeted destination by choosing correct paths across interconnected networks |
| "Internet of Things" or "IoT" | : | A concept of internet connections embedded in everyday objects, which enables them to transmit data and messages, and allows objects to be controlled or sensed remotely by electronic devices across existing network infrastructure |
| "Internet Protocol private branch exchange" | : | A private branch exchange is a private phone system used within a company, hosted on a cloud server instead of on-premise deployment, which is provided through a secure office phone system and internet connection that connects internet protocol phones to a private branch exchange server |
| "Key opinion leader" | : | An influencer with a prominent level of influence within their social community |

TECHNICAL GLOSSARY (Cont'd)

| | | |
|-------------------------------------|---|---|
| "Light-emitting diode" or "LED" | : | A semiconductor device that emits light |
| "Liquid coolers" | : | Radiator for a computer's processor |
| "Mobile charging station" | : | A portable charging station that provides high speed charging to a wide range of electronic devices simultaneously with automatic power cut-off to prevent over charging |
| "Network cards" | : | A circuit board or chip installed within a computer to enable connection to a network |
| "Networking services" | : | Services of proposing the type of equipment for the network setup based on customer's requirements and the layout of the area, and setting up of wired and/or wireless network. Network set up refers to the design, configuration, installation and connection of network equipment including routers, switches and firewalls to link all the ICT equipment such as servers, computers, printers, storage and CCTV as an interconnected entity |
| "Next Unit of Computing" | : | A small, boxed-shape computer designed by Intel, which is designed to be space-saving but comprises a full system that enables it to function as a desktop |
| "Open Pluggable Specification" | : | A plugged-in computing module that is used to add computing capability to flat panel displays |
| "Patching" | : | A process of updating, fixing or improving a computer programme or its supporting data |
| "Point of sales materials" | : | Advertising materials used to convey product information to the consumers |
| "Power supply units" | : | A component used to convert alternating-current to low voltage direct current for internal components of a computer |
| "Random-access memory" or "RAM" | : | A computer's internal memory which is used for data storage and allows quick access to the data |
| "Search engines" | : | A software system which allows internet users to perform web searches for various content |
| "Servers" | : | An ICT hardware to store centralised information and data |
| "Stock-keeping unit(s)" or "SKU(s)" | : | Alphanumeric digits that are assigned to products to keep track of inventory level |
| "Solid state drives" or "SSD" | : | A device to store data, typically using flash memory |
| "Subscription" | : | An arrangement whereby a fixed fee is paid regularly (e.g. monthly) over a period of time for access to purchased products and/or services |

TECHNICAL GLOSSARY (Cont'd)

- "Troubleshooting" : A process of identifying and rectifying hardware and software issues
- "Uninterrupted power supply system" or "UPS" : An equipment to provide power protection to a device connected to it. It stabilises the input power and provide backup power via a battery in the event input power gets cut-off
- "Universal serial bus" or "USB" : A device that enables communication between the device and a host controller (e.g. laptop and power adapter)
- "Visual data devices" : Devices used for graphical presentation of information and data
- "Voice over Internet Protocol" : A technology for the delivery of voice communications and multimedia sessions over an internet connection instead of using traditional telephone lines
- "Workstations" : A high-performance computer system that has advanced graphics capabilities, large storage capacity and a powerful central processing unit, primarily used to perform computationally intensive tasks

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

| Name | Designation | Residential address | Nationality/ Profession | Gender |
|--------------------------|------------------------------------|---|------------------------------------|---------------|
| Dato' Zulkapli Bin Ahmad | Independent Non-Executive Chairman | 2, Jalan Ubin, U8/19A Section U8 Bukit Jelutong 40150 Shah Alam Selangor | Malaysian/ Director | Male |
| Ko Yun Hung | Managing Director | 37, Laluan Perajurit 6 Taman Ipoh Timur 31400 Ipoh Perak | Malaysian/ Director | Male |
| Pah Wai Onn | Executive Director | 18, Laluan Pinji Seni Taman Pinji Seni 31650 Ipoh Perak | Malaysian/ Director | Male |
| Siow Wei Ming | Executive Director | 6, Jalan DU5/5B Taman Damai Utama 47180 Puchong Selangor | Malaysian/ Director | Male |
| F'ng Meow Cheng | Independent Non-Executive Director | 7, Lorong Bukit Kecil 14 Taman Bukit Kecil 14000 Bukit Mertajam Penang | Malaysian/ Accountant | Female |
| Maylee Gan Suat Lee | Independent Non-Executive Director | 8, Jalan BK 5D/1C Kinrara Hills Bandar Kinrara 47180 Puchong Selangor | Malaysian/ Solicitor | Female |
| Tan Ee Ming | Independent Non-Executive Director | 8, Jalan SS1/32 Seapark 47300 Petaling Jaya Selangor | Malaysian/ Accountant | Female |

AUDIT AND RISK MANAGEMENT COMMITTEE

| Name | Designation | Directorship |
|---------------------|--------------------|------------------------------------|
| Tan Ee Ming | Chairman | Independent Non-Executive Director |
| F'ng Meow Cheng | Member | Independent Non-Executive Director |
| Maylee Gan Suat Lee | Member | Independent Non-Executive Director |

1. CORPORATE DIRECTORY (Cont'd)

REMUNERATION COMMITTEE

| Name | Designation | Directorship |
|---------------------|--------------------|------------------------------------|
| F'ng Meow Cheng | Chairman | Independent Non-Executive Director |
| Maylee Gan Suat Lee | Member | Independent Non-Executive Director |
| Tan Ee Ming | Member | Independent Non-Executive Director |

NOMINATION COMMITTEE

| Name | Designation | Directorship |
|---------------------|--------------------|------------------------------------|
| Maylee Gan Suat Lee | Chairman | Independent Non-Executive Director |
| F'ng Meow Cheng | Member | Independent Non-Executive Director |
| Tan Ee Ming | Member | Independent Non-Executive Director |

COMPANY SECRETARIES

: Tai Yit Chan
(SSM PC No. 202008001023) (MAICSA 7009143)
(Chartered Secretary and Chartered Governance Professional, Fellow of the Malaysian Institute of Chartered Secretaries and Administrators and Master of Corporate Governance)

12th Floor, Menara Symphony
5 Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor

Telephone: 03-7890 4700

Chan Eoi Leng
(SSM PC No. 202008003055) (MAICSA 7030866)
(Chartered Secretary and Chartered Governance Professional, Associate of the Malaysian Institute of Chartered Secretaries and Administrators)

55A, Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak

Telephone: 05-547 4833

REGISTERED OFFICE

: 55A, Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak

Telephone: 05-547 4833

1. CORPORATE DIRECTORY (Cont'd)

- HEAD OFFICE** : 61, Jalan Sultan Nazrin Shah
30250 Ipoh
Perak

Telephone: 05-242 4616
- WEBSITE AND EMAIL ADDRESS** : Website: www.sns.com.my
Email address: ir@sns.com.my
- AUDITORS AND REPORTING ACCOUNTANTS FOR OUR LISTING** : Deloitte PLT (LLP0010145-LCA)
Chartered Accountants AF (0080)

Level 2, WEIL Hotel
292, Jalan Sultan Idris Shah
30000 Ipoh
Perak

Telephone: 05-254 0288

Partner's name: Lim Keng Peo
Audit License No. 02939/01/2024 J
(Chartered Accountant, Member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants)
- SOLICITORS FOR OUR LISTING** : Rosli Dahlan Saravana Partnership
Level 16, Menara Dutamas 1
Solaris Dutamas
1, Jalan Dutamas 1
50480 Kuala Lumpur

Telephone: 03-6209 5400
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd
(199301003608 (258345-X))

Level 11, Menara Symphony
5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor

Telephone: 03-7890 4700
- SHARE REGISTRAR** : Boardroom Share Registrars Sdn Bhd
(199601006647 (378993-D))

Level 11, Menara Symphony
5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor

Telephone: 03-7890 4700

1. CORPORATE DIRECTORY (Cont'd)

- INDEPENDENT MARKET RESEARCHER** : Smith Zander International Sdn Bhd
(201301028298 (1058128-V))
- 15-01, Level 15
Menara MBMR
1, Jalan Syed Putra
58000 Kuala Lumpur
- Telephone number: 03-2732 7537
Managing Partner's name: Dennis Tan Tze Wen
(Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada)
- ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT** : M & A Securities Sdn Bhd (197301001503 (15017-H))
45-11, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
- Telephone: 03-2284 2911
- LISTING SOUGHT** : ACE Market
- SHARIAH STATUS** : Approved by Shariah Advisory Council of SC

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2. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

2.1 PRINCIPAL DETAILS OF IPO

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

No. of Shares to be issued and amount to be raised under Public Issue (No. of Shares / RM) 362,875,500 / RM90,718,875

No. of Shares to be offered and amount to be raised under Offer for Sale (No. of Shares / RM) 48,383,400 / RM12,095,850

Enlarged no. of Shares upon Listing 1,612,779,660

IPO Price per Share RM0.25

Market capitalisation (calculated based on our IPO Price and enlarged no. of Shares upon Listing) RM403,194,915

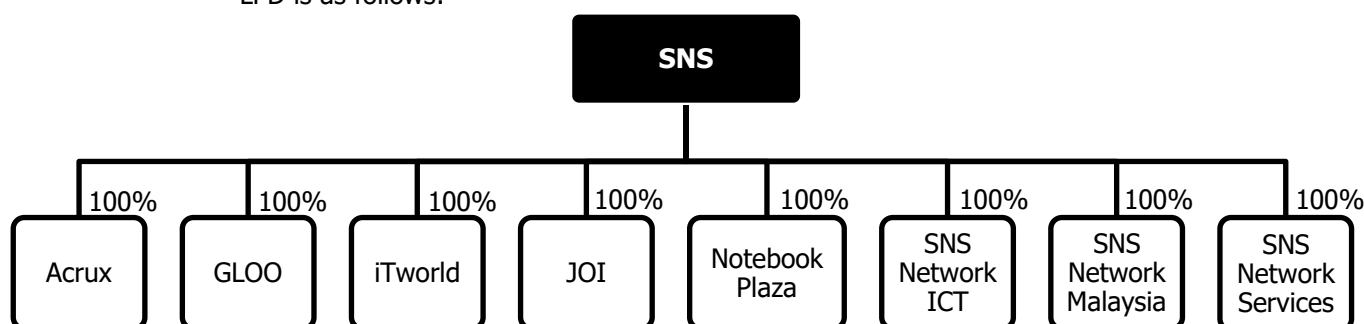
Further details of our IPO are set out in Section 4.

Our Promoters' entire shareholdings after IPO will be held under moratorium for 6 months from the date of Listing. Further details on the moratorium on our Shares are set out in Section 3.2.

2.2 GROUP STRUCTURE, BUSINESS MODEL AND OPERATIONAL HIGHLIGHTS

Our Company was incorporated in Malaysia under the Companies Act, 1965 on 26 January 2016 as a private limited company under the name of SNS Network Technology Sdn Bhd. On 30 July 2021, we converted into a public limited company and adopted our present name.

Our principal activity is that of an investment holding company. Our Group structure as at LPD is as follows:



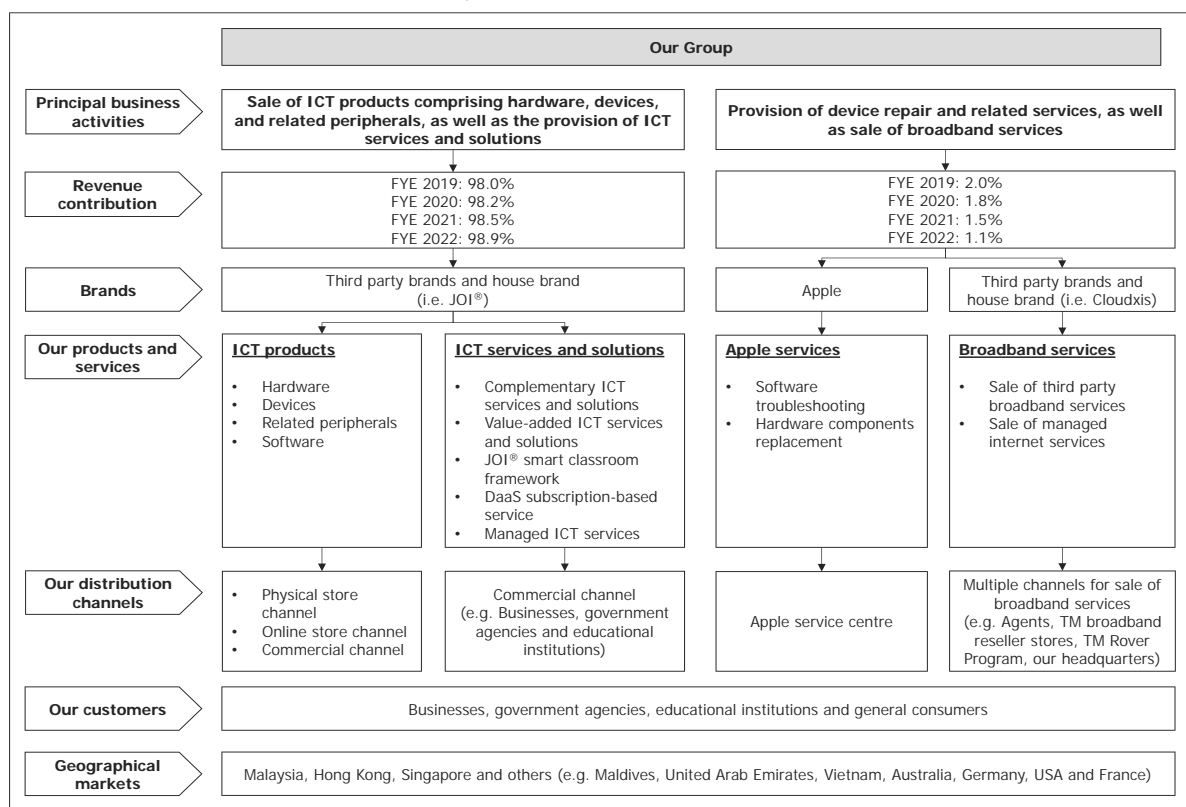
Through our subsidiaries, we are principally involved in the provision of ICT products, services and solutions:

- (a) Sale of ICT products comprising hardware, devices and related peripherals, as well as the provision of ICT services and solutions; and
- (b) Provision of device repair and related services, as well as sale of broadband services.

We have 24 years of operating history in the ICT products and services industry in Malaysia.

2. PROSPECTUS SUMMARY (Cont'd)

Our Group's business model, by principal business activities, is as illustrated below:



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

For FYE 2019 to 2022, between 98.0% to 98.9% of our revenue was derived from the sale of ICT products comprising hardware, devices and related peripherals and provision of ICT services and solutions segment. As at LPD, this segment remains our main revenue contributor.

On a geographical basis, Malaysia is the biggest market contributing between 67.1% to 89.3% of our Group's revenue for FYE 2019 to 2022, with the remaining revenue mainly derived from Hong Kong and Singapore.

Further details of our principal markets are set out in Sections 7.5 and 12.2.2(i).

2.3 IMPACT OF COVID-19, MCO AND NRP

Our business and operations faced temporary interruption from the outbreak of the COVID-19 pandemic. The 1st MCO was imposed from 18 March 2020 to 3 May 2020. From 4 May 2020 to 31 May 2021, the Government implemented different forms of MCOs. While our Group was allowed to operate throughout the second period, we are required to comply with the changes in SOP outlined by MITI and the respective local state authorities, as our operations are located nationwide.

The Government later implemented a four-phase recovery plan, known as NRP, whereby the Phase-1 NRP is a re-imposition of a nationwide lockdown beginning 1 June 2021. The phases of NRP vary from one state to another, depending on the improvement of COVID-19 cases in each state. Beginning 17 July 2021, the Government gradually announced the transition of phases for states with lower record of COVID-19 cases, whereby further relaxation of economic activities was granted to the respective states.

2. PROSPECTUS SUMMARY (Cont'd)

The impact of the MCO and NRP to our operations from 18 March 2020 up to LPD is as follows:

(a) Headquarters and regional offices

From 18 March 2020 to 6 May 2020, operations at our headquarters and regional offices were temporarily suspended. Nevertheless, we had implemented work-from-home arrangement to ensure the continued operations of our Group throughout the lockdown period. On 6 May 2020, we obtained an approval letter from MITI and resumed operations on 7 May 2020. Since then, we had rearranged our workforce capacity, implemented work-from-home arrangement and rotational work structure, as and when required, to comply with the latest SOP announced by MITI and the respective local state authorities.

Following the implementation of Phase-1 NRP nationwide, save for our online stores and broadband operations, all our other operations at headquarters and regional offices were temporarily suspended. Nevertheless, we had implemented work-from-home arrangement to ensure the continued operations of our Group throughout the lockdown period. We resumed operations at our headquarters on 5 July 2021; and our regional offices in Selangor and Penang on 16 July 2021 and 21 July 2021 respectively. As at LPD, we are operating at full workforce capacity.

(b) Physical stores and online stores

From 18 March 2020 to 6 May 2020, operations at our physical stores were temporarily suspended. On 6 May 2020, we obtained approval letters from MITI and resumed operations at our physical stores on 7 May 2020 at 30% workforce capacity. Since 7 May 2020 and up to LPD, we had rearranged our workforce capacity, as and when required, to comply with the latest SOP announced by MITI and the respective local state authorities.

Following the implementation of Phase-1 NRP nationwide, operations at our physical stores were temporarily suspended. Subject to the SOP of each individual state, we were able to gradually resume the operations of our physical stores beginning 5 July 2021. As at LPD, our physical stores are operating at full workforce capacity.

Throughout the MCO and NRP, we did not experience any disruptions to the operations of our online stores.

During the 1st MCO and Phase-1 NRP when there was a nationwide lockdown, our physical stores were unable to operate. This had impacted our sales from these avenues during the 1st MCO and Phase-1 NRP. After the 1st MCO and Phase-1 NRP, sales from our physical store channel gradually recovered which resulted in increased revenue for the financial years under review. Our Group experienced increased sales of ICT products from our online store channel increased as consumers shifted towards purchasing online. Further, the COVID-19 pandemic has led to a shift in consumers' behaviour, leading to a rise in work-from-home and virtual class practices which led to higher demand for ICT products and broadband services. Overall, our Group recorded higher revenue in the FYE 2021 and 2022 as compared to the FYE 2019 and 2020.

During the 1st MCO and Phase-1 NRP, the operations of our suppliers were temporarily suspended or their operating hours were limited to certain days and working hours. Consequently, this resulted in minor delays of 1 to 3 months in the delivery of ICT products to our physical stores, to customers who purchased our products online and to customers from our commercial channel. Save as disclosed above, we did not face major disruptions on the procurement of our supplies and as such, we did not experience any material adverse impact on our operations and financial performance for FYE 2021, FYE 2022 and up to LPD.

2. PROSPECTUS SUMMARY (Cont'd)

Beginning 1 April 2022, Malaysia entered into the "Transition to Endemic" phase. There were no material impact on our sales and earnings prospects, supply chain, operations and financial performance upon the enforcement of the "Transition to Endemic" phase.

As at LPD, we have cash and bank balances of approximately RM29.30 million and banking facilities (excluding lease liabilities) up to a limit of RM94.11 million, of which RM68.97 million has been utilised. Based on the above, we did not experience any material impact to our cash flows, liquidity, financial position and financial performance.

Further details on the impact and measures to commence and continue our operations are set out in Section 7.8.

2.4 COMPETITIVE STRENGTHS

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

- (a) We offer an extensive range of ICT products and services as evidenced by the wide range of ICT products and services offered by our Group. As at LPD, we carry a total of 33,633 SKUs of third party ICT products and 363 SKUs of JOI® products;
- (b) We have an established history and proven track record in the ICT products and services industry that spans over 24 years;
- (c) We have wide market coverage as our ICT products and services are sold to customers through our physical store channel, online store channel, and customers from our commercial channel;
- (d) We have developed and established long-term business relationships with our brand principals, appointed distributors, suppliers and OEMs. Among the notable brands of ICT products that our Group carries are Intel, Microsoft, Samsung, Apple, HP and AMD;
- (e) JOI®, our house brand ICT products was conceived in 2014 to address a pricing gap in the ICT market through the offering of affordable ICT products while ensuring good product quality and specifications. In 2016, we introduced our JOI® smart classroom framework and have secured 59 projects with educational institutions up to LPD; and
- (f) We have an experienced key management team. Our Managing Director, Ko Yun Hung, our Executive Directors, Pah Wai Onn and Siow Wei Ming, and key senior management have relevant working experience and in-depth industry knowledge as a result of years of experience in their respective roles.

Further details of our competitive strengths are set out in Section 7.15.

2.5 BUSINESS STRATEGIES

Our business objectives are to maintain sustainable growth in our business and create long term shareholder value. To achieve our business objectives, we will implement the following business strategies over a period of 36 months from the date of our Listing:

- (a) We are setting up our Regional Hub to support our future business in the commercial channel and expansion of our physical stores nationwide. Our Regional Hub aims to accelerate innovation by offering smart solutions to customers and facilitate greater collaboration with brand principals and technology partners to showcase latest ICT products and solutions on IoT such as smart homes, smart retail, smart education, smart signages and smart shelving. At the same time, our Regional Hub will achieve operational efficiencies and provide a conducive working environment for talent development and growth;

2. PROSPECTUS SUMMARY (Cont'd)

- (b) We intend to expand our DaaS subscription-based service, which is a service offered by our Group that provides customers with the flexibility to adjust their ICT usage according to their business and operational needs. Since 6 January 2020 up to LPD, we have entered into 82 DaaS subscriptions (of which 75 DaaS subscriptions are still active and 7 DaaS subscriptions have been completed as at LPD) with a total subscription value of RM255.86 million. Amongst the 75 DaaS subscriptions that are still active, 7 subscriptions have yet to commence. We expect potential growth from this segment, and we intend to expand our DaaS subscription-based service offerings to more customers going forward;
- (c) We intend to expand our retail operations in Malaysia, particularly in Klang Valley, Johor and Penang by setting up 10 new brand-specialty and/or multi-brand concept stores. We target shops located in established residential areas or shopping malls with high foot traffic; and
- (d) We intend to further enhance the brand recognition of JOI® through various marketing activities. This will include social media advertising, engagement of key opinion leaders, advertising through digital websites and search engines, online marketing solutions, organising physical and virtual events, advertising through radio broadcast and outdoor advertising.

Further details of our business strategies are set out in Section 7.16.

2.6 RISK FACTORS

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

- (a) We are dependent on our brand principals and appointed distributors for the provision of ICT products, services and solutions. If we are unable to maintain business relationships with our brand principals and appointed distributors or if they cease to be our suppliers, our Group's business and financial performance may be materially and adversely affected due to disruptions in our procurement activities;
- (b) We may be affected by the quality of products from brand principals, appointed distributors, OEMs and suppliers. The risk of third party product defects is dependent on the quality of ICT products manufactured or supplied by brand principals, quality of JOI® ICT products assembled by our OEMs as well as quality of manufactured components that we source for our in-house assembly. Any product defects that are not resolved to our customers' satisfaction may adversely affect our Group's relationship and reputation with our customers;
- (c) We are dependent on our Executive Directors and key senior management for continued success and growth of our business. The loss of any of our Executive Directors and key senior management simultaneously or within a short period of time may create unfavourable impact on our Group's operations and the future growth of our business;
- (d) Our business and operations are exposed to unexpected interruptions or delays as well as environmental factors, some of which may be beyond our control. The occurrence of fire and floods are beyond our control and may cause damage or destruction of all or part of our inventories in our storage facility and physical stores. We are also subject to risk of delays in shipping from our in-house logistics team and third party logistics service providers due to bad traffic and weather, loss of shipments, process and tracking errors as well as product mishandling;

2. PROSPECTUS SUMMARY *(Cont'd)*

- (e) We may not be able to manage our growth or successfully implement our business strategies effectively. Any failure or inefficiencies in managing our business growth may lead to a material adverse effect on our business operations and financial performance;
- (f) We cannot assure that we would have sufficient resources to successfully and accurately anticipate technological changes and market trends to adapt our offerings of third party ICT products as well as to enhance our JOI[®] ICT products in a timely and cost-effective manner;
- (g) We are dependent on third party suppliers and OEMs for our JOI[®] ICT products. Any disruptions in the supply of our JOI[®] ICT products may affect our brand reputation in the market as frequent shortages in supply may lead to negative market perception;
- (h) We are dependent on human resources and the availability of technical professionals as we need suitable personnel for front-line positions at our physical stores as well as experienced technical professionals to propose solutions that fulfil the budget and requirements of customers, as well as to provide ICT services and solutions;
- (i) We are exposed to the risk of not being able to renew our tenancy agreements and unexpected changes in terms of tenancy and increase in rental; and
- (j) Our business and operations are impacted by the outbreak of the COVID-19 pandemic and possible similar future outbreaks may have a significant adverse effect on our Group. Any imposition of restrictions and/or prohibitions, including the temporary closure of physical stores in the future as a result of periodic surges of COVID-19 cases in Malaysia, or if there is a pandemic or outbreak of other infectious diseases or other health epidemics, may cause disruptions to our business operations.

2.7 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

| Name | Designation |
|------------------------------|--|
| Directors | |
| Dato' Zulkapli Bin Ahmad | Independent Non-Executive Chairman |
| Ko Yun Hung | Managing Director |
| Pah Wai Onn | Executive Director |
| Siow Wei Ming | Executive Director |
| F'ng Meow Cheng | Independent Non-Executive Director |
| Maylee Gan Suat Lee | Independent Non-Executive Director |
| Tan Ee Ming | Independent Non-Executive Director |
| Key senior management | |
| Eng Su Fern | Development Director |
| Tham Sau Har | Administrative and Operations Director |
| Thong Soon Cheong | Group Financial Controller |

Further details of our Directors and key senior management are set out in Section 5.

2. PROSPECTUS SUMMARY (Cont'd)

2.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

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

| Name | Nationality | ⁽¹⁾ Before IPO | | | | ⁽²⁾⁽³⁾ After IPO | | | |
|---|-------------|---------------------------|------|--------------------------|--------------------|-----------------------------|------|--------------------------|--------------------|
| | | Direct | | Indirect | | Direct | | Indirect | |
| | | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Promoters and substantial shareholders | | | | | | | | | |
| Ko Yun Hung | Malaysian | 543,731,139 | 43.5 | 7,362,971 ⁽⁴⁾ | 0.6 ⁽⁴⁾ | 519,539,439 | 32.2 | 7,362,971 ⁽⁴⁾ | 0.5 ⁽⁴⁾ |
| Pah Wai Onn | Malaysian | 543,731,139 | 43.5 | 7,362,971 ⁽⁵⁾ | 0.6 ⁽⁵⁾ | 519,539,439 | 32.2 | 7,362,971 ⁽⁵⁾ | 0.5 ⁽⁵⁾ |
| Siow Wei Ming | Malaysian | 118,172,752 | 9.5 | - | - | 118,172,752 | 7.3 | - | - |
| Promoters | | | | | | | | | |
| Eng Su Fern | Malaysian | 7,362,971 | 0.6 | - | - | 7,362,971 | 0.5 | - | - |
| Tham Sau Har | Malaysian | 7,362,971 | 0.6 | - | - | 7,362,971 | 0.5 | - | - |

Notes:

- (1) Based on the share capital of 1,249,904,160 Shares after the completion of Acquisitions but before IPO.
- (2) Based on the enlarged share capital of 1,612,779,660 Shares after IPO.
- (3) After Public Issue and Offer for Sale.
- (4) Deemed interest in the shareholdings of his spouse, Eng Su Fern, who is our Promoter, shareholder and Development Director, pursuant to Section 59(11) of the Act.
- (5) Deemed interest in the shareholdings of his spouse, Tham Sau Har, who is our Promoter, shareholder and Administrative and Operations Director, pursuant to Section 59(11) of the Act.

Further details of our Promoters and substantial shareholders are set out in Section 5.

2. PROSPECTUS SUMMARY (Cont'd)

2.9 UTILISATION OF PROCEEDS

The gross proceeds to be raised by our Company from the Public Issue of RM90.72 million shall be utilised in the following manner:

| Utilisation of proceeds | (1) Estimated timeframe for utilisation | RM'000 | % |
|--|--|---------------|--------------|
| Capital expenditure | | | |
| • Expansion of DaaS subscription-based service | 36 months | 30,900 | 34.1 |
| • Set-up new retail stores | 36 months | 2,500 | 2.8 |
| Construction of Regional Hub | 36 months | 18,000 | 19.8 |
| Marketing activities for JOI® | 36 months | 1,500 | 1.7 |
| Repayment of bank borrowings | 12 months | 20,000 | 22.0 |
| General working capital | 24 months | 13,119 | 14.5 |
| Estimated listing expenses | Immediately | 4,700 | 5.1 |
| | | 90,719 | 100.0 |

Note:

(1) From the date of listing of our Shares.

There is no minimum subscription to be raised from IPO.

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

The gross proceeds from the Offer for Sale of approximately RM12.10 million shall accrue entirely to the Selling Shareholders.

2.10 FINANCIAL HIGHLIGHTS

The selected financial information included in this Prospectus is not intended to predict our Group's financial position, results and cash flows.

2.10.1 Combined statements of profit or loss and other comprehensive income

The following table sets out the financial highlights based on our combined statements of profit or loss and other comprehensive income for FYE 2019 to 2022:

| | Audited | | | |
|---|-----------------|-----------------|-----------------|-----------------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 594,140 | 675,282 | 721,469 | 1,112,008 |
| GP | 43,144 | 44,667 | 63,780 | 94,013 |
| PBT | 12,320 | 10,143 | 31,781 | 48,685 |
| PAT attributable to owners of our Company | 9,100 | 7,782 | 23,381 | 35,918 |
| Basic EPS (sen) ⁽¹⁾ | 0.7 | 0.6 | 1.9 | 2.9 |
| Diluted EPS (sen) ⁽²⁾ | 0.6 | 0.5 | 1.5 | 2.2 |
| GP margin (%) ⁽³⁾ | 7.3 | 6.6 | 8.8 | 8.5 |
| PBT margin (%) ⁽⁴⁾ | 2.1 | 1.5 | 4.4 | 4.4 |
| PAT margin (%) ⁽⁴⁾ | 1.5 | 1.2 | 3.2 | 3.2 |

Further details on the financial information are set out in Sections 12 and 13.

Notes:

(1) Calculated based on PAT attributable to owners of our Company divided by our number of Shares in issue before IPO.

2. PROSPECTUS SUMMARY (Cont'd)

- (2) Calculated based on PAT attributable to owners of our Company divided by our enlarged number of Shares in issue after IPO.
- (3) Calculated based on GP over revenue.
- (4) Calculated based on PBT or PAT over revenue.

There were no exceptional items during the financial years under review. Our audited combined financial statements for the financial years under review were not subject to any audit qualifications.

2.10.2 Pro forma statements of financial position

The following table sets out a summary of the pro forma statements of financial position of our Group based on our audited combined financial statements as at 31 January 2022 to show the effects of the Acquisitions, IPO and utilisation of proceeds. It is presented for illustrative purposes only and should be read together with the pro forma statements of financial position as set out in Section 14.

| | Audited | I | II | III |
|-------------------------------------|-----------------|---------------------|--------------------|-----------------------|
| | As at 31 | | | After II and |
| | January | After | After I and | utilisation of |
| | 2022 | Acquisitions | IPO | proceeds |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| ASSETS | | | | |
| Total non-current assets | 64,318 | 64,318 | 64,318 | 122,348 |
| Total current assets | 227,776 | 227,776 | 318,495 | 242,490 |
| TOTAL ASSETS | 292,094 | 292,094 | 382,813 | 364,838 |
| Share capital | * | 63,120 | 153,839 | 151,618 |
| Invested capital | 7,791 | - | - | - |
| Reorganisation reserve | - | (55,329) | (55,329) | (55,329) |
| Retained earnings | 85,228 | 85,228 | 85,228 | 82,744 |
| TOTAL EQUITY | 93,019 | 93,019 | 183,738 | 179,033 |
| Total non-current liabilities | 35,918 | 35,918 | 35,918 | 20,064 |
| Total current liabilities | 163,157 | 163,157 | 163,157 | 165,741 |
| TOTAL LIABILITIES | 199,075 | 199,075 | 199,075 | 185,805 |
| TOTAL EQUITY AND LIABILITIES | 292,094 | 292,094 | 382,813 | 364,838 |
| No. of Shares in issue ('000) | 7,791 | 1,249,904 | 1,612,780 | 1,612,780 |
| NA per Share (RM) | 11.94 | 0.07 | 0.11 | 0.11 |

Note:

- * Represents RM2.00 only.

2. PROSPECTUS SUMMARY (Cont'd)**2.10.3 Key financial ratios**

The key financial ratios of our Group for FYE 2019 to 2022 are as follows:

| | Audited | | | |
|-----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | 31 January 2019 | 31 January 2020 | 31 January 2021 | 31 January 2022 |
| Trade receivables turnover (days) | 19 | 18 | 28 | 25 |
| Trade payables turnover (days) | 39 | 36 | 42 | 38 |
| Inventory turnover (days) | 34 | 35 | 32 | 29 |
| Current ratio (times) | 1.18 | 1.19 | 1.31 | 1.40 |
| Gearing ratio (times) | 0.85 | 1.28 | 0.76 | 0.54 |

Further details on the key financial ratios are set out in Section 12.8.

2.11 DIVIDEND POLICY

Our Company presently does not have any formal dividend policy. It is our intention to pay dividends to shareholders in the future, however, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board. Dividends declared and paid for the financial years under review and up to LPD are as follows:

| | Audited | | | | Unaudited |
|---|-----------------|-----------------|-----------------|----------------------|--|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 | 1 February 2022 up to LPD |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| PAT attributable to owners of our Company | 9,100 | 7,782 | 23,381 | 35,918 | N/A |
| Dividends declared | 75 | 100 | 4,087 | 8,612 ⁽²⁾ | - |
| Dividends paid | 75 | 100 | 105 | 6,594 ⁽²⁾ | 6,000 |
| Dividend payout rate (%) ⁽¹⁾ | 0.8 | 1.3 | 17.5 | 16.7 | N/A |

Notes:

N/A Not applicable as we did not prepare financial statements from 1 February 2022 up to LPD.

⁽¹⁾ Computed based on dividend declared over PAT for each financial year.

⁽²⁾ Includes first interim dividend declared by SNS Network Malaysia in respect of FYE 2022 amounting to RM2,612,000 which was paid by way of contra with the issuance of 2,612,000 new ordinary shares at RM1 each to its existing shareholders.

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

3. APPROVALS AND CONDITIONS

3.1 APPROVALS AND CONDITIONS

3.1.1 Bursa Securities approval

Bursa Securities had, vide its letters dated 10 March 2022 and 10 June 2022, approved our admission to the Official List of the ACE Market and the Listing. The approval from Bursa Securities is subject to the following conditions:

| No. | Details of conditions imposed | Status of compliance |
|------------|---|-----------------------------|
| (a) | Submit the following information with respect to the moratorium on the shareholdings of the promoter to Bursa Depository: <ul style="list-style-type: none"> (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of shares. | Complied |
| (b) | Approvals from other relevant authorities have been obtained for implementation of the listing proposal; | Complied |
| (c) | Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Note 15 of the Listing Requirements; | To be complied |
| (d) | Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of SNS on the first day of Listing; | To be complied |
| (e) | In relation to the Public Issue to be undertaken by SNS, to announce at least 2 Market Days prior to the listing date, the result of the offering including the following: <ul style="list-style-type: none"> (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/allocation; (iii) A table showing the distribution for placement tranche; and (iv) Disclosure of placees who become substantial shareholders of SNS arising from the Public Issue, if any; and | To be complied |
| (f) | SNS / M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of SNS to the Official List of the ACE Market. | To be complied |

3.1.2 SC approval

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

3. APPROVALS AND CONDITIONS (Cont'd)

The SC had, vide its letters dated 28 April 2022 and 29 June 2022, approved our resultant equity structure pursuant to our Listing under the Bumiputera equity requirement for public listed companies. The approval from the SC is subject to the following conditions:

| No. | Details of conditions imposed | Status of compliance |
|------------|---|-----------------------------|
| (a) | SNS allocating shares equivalent to 12.5% of its enlarged number of issued shares at the point of Listing to Bumiputera investors to be approved by the MITI; and | To be complied |
| (b) | SNS is to make available at least 50.0% of the shares offered to the Malaysian Public via balloting to Bumiputera public investors at the point of Listing. | To be complied |

The effects of our Listing on our equity structure is as follows:

| Category of shareholders | As at 30 September 2021 | | After Listing | |
|---|--------------------------------|--------------|----------------------------|------------------|
| | No. of Shares | % | No. of Shares | % |
| Bumiputera | | | | |
| • Bumiputera investors to be approved by MITI | - | - | ⁽¹⁾ 201,597,500 | 12.5 |
| • Bumiputera public investors via balloting | - | - | ⁽¹⁾ 40,319,500 | 2.5 |
| • Others | - | - | ⁽²⁾ 200,000 | ⁽³⁾ - |
| Total Bumiputera | - | - | 242,117,000 | 15.0 |
| Non-Bumiputera | 2 | 100.0 | 1,370,662,660 | 85.0 |
| Malaysians | 2 | 100.0 | 1,612,779,660 | 100.0 |
| Foreigners | - | - | - | - |
| Total | 2 | 100.0 | 1,612,779,660 | 100.0 |

Notes:

- (1) Based on the assumption that the Shares allocated to Bumiputera investors to be approved by MITI and Bumiputera public investors via balloting shall be fully subscribed.
- (2) Based on the assumption that the Shares allocated to Dato' Zulkapli Bin Ahmad (our Independent Non-Executive Chairman), who is not recognised by MITI, shall be fully subscribed.
- (3) Represents less than 0.1%.

The Shariah Advisory Council of SC had, vide its letter dated 17 November 2021 classified our Shares as shariah-compliant based on our audited combined financial statements for FYE 2021.

3. APPROVALS AND CONDITIONS (Cont'd)**3.1.3 MITI approval**

The MITI had, vide its letter dated 4 January 2022, taken note and has no objection to our Listing.

3.2 MORATORIUM ON OUR SHARES

In accordance with Rule 3.19(1A)(b) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of those Shares held by our Promoters. The moratorium shall apply to the entire shareholdings of our Promoters for a period of 6 months from the date of our admission to the ACE Market.

Details of our Promoters and their Shares which will be subject to the abovesaid moratorium, are set out below:

| Promoters | ⁽¹⁾ No. of Shares | ⁽²⁾ % |
|------------------|-------------------------------------|-------------------------|
| Ko Yun Hung | 519,539,439 | 32.2 |
| Pah Wai Onn | 519,539,439 | 32.2 |
| Siow Wei Ming | 118,172,752 | 7.3 |
| Eng Su Fern | 7,362,971 | 0.5 |
| Tham Sau Har | 7,362,971 | 0.5 |
| | 1,171,977,572 | 72.7 |

Notes:

(1) After Offer for Sale.

(2) Based on the enlarged share capital of 1,612,779,660 Shares after IPO.

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

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

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4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 27 July 2022 and will remain open until 5.00 p.m. on 18 August 2022. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

| Events | Indicative date |
|---|------------------------|
| Issuance of this Prospectus/ Opening of Application | 27 July 2022 |
| Closing Date/Closing of Application | 18 August 2022 |
| Balloting of Application | 22 August 2022 |
| Allotment/Transfer of IPO Shares to successful applicants | 1 September 2022 |
| Date of Listing | 2 September 2022 |

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

4.3 DETAILS OF OUR IPO

4.3.1 Listing scheme

(i) Public Issue

A total of 362,875,500 Issue Shares, representing approximately 22.5% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(a) Malaysian Public

80,639,000 Shares, representing approximately 5.0% of our enlarged share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

- (aa) 40,319,500 Shares, representing approximately 2.5% of our enlarged share capital, made available to public investors; and
- (bb) 40,319,500 Shares, representing approximately 2.5% of our enlarged share capital, made available to Bumiputera public investors.

(b) Eligible Directors, employees and persons who have contributed to the success of our Group

48,383,400 Shares, representing approximately 3.0% of our enlarged share capital, are reserved for our eligible Directors, employees and persons who have contributed to the success of our Group under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.3.

(c) Private placement to Bumiputera investors approved by MITI

201,597,500 Shares, representing approximately 12.5% of our enlarged share capital, are reserved for private placement to Bumiputera investors approved by MITI.

4. DETAILS OF OUR IPO (Cont'd)

(d) Private placement to selected investors

32,255,600 Shares, representing approximately 2.0% of our enlarged share capital, are reserved for private placement to selected investors.

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

The allocation of Issue Shares to selected Bumiputera investors shall be subject to the allocation as approved by MITI. Any unsubscribed Issue Shares under this allocation shall firstly be reallocated to institutional investors. If after the above reallocation, there are still Issue Shares not taken up, the said unsubscribed Issue Shares shall then be offered to Bumiputera general public and thereafter, to the other public investors via balloting and/or selected investors via private placement, the proportion of which will be determined by our Board or the Placement Agent.

Any other remaining Issue Shares not subscribed for by the Malaysian Public or Pink Form Allocations (after reallocation) will then be made available to selected investors via private placement.

Upon completion of our Public Issue, our share capital will increase from RM63.12 million comprising 1,249,904,160 Shares to RM153.84 million comprising 1,612,779,660 Shares. There is no over-allotment or 'greenshoe' option that will increase the number of our IPO Shares.

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

(ii) Offer for Sale

Our Selling Shareholders will undertake an offer for sale of 48,383,400 Offer Shares, representing approximately 3.0% of our enlarged share capital at our IPO Price. The Offer for Sale shall be undertaken by way of private placement to selected investors.

Further details of our Selling Shareholders are set out in Section 4.3.2.

Our Offer for Sale is subject to the terms and conditions of this Prospectus.

(iii) Listing

Upon completion of our IPO, our Company's entire enlarged share capital of RM153.84 million comprising 1,612,779,660 Shares shall be listed on the ACE Market.

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4. DETAILS OF OUR IPO (Cont'd)

4.3.2 Selling Shareholders

A total of 48,383,400 Offer Shares, representing 3.0% of our enlarged share capital, are offered by our Selling Shareholders to selected investors by way of private placement at our IPO Price. Our Offer for Sale is subject to the terms and conditions of this Prospectus. Details of our Selling Shareholders are as follows:

| Name/ Residential address | Material relationship with our Group | ⁽¹⁾ Before IPO | | Offer Shares offered | | After IPO | |
|---|--|---------------------------|------------------|----------------------|------------------|------------------|------------------|
| | | No. of Shares | ⁽²⁾ % | No. of Shares | ⁽²⁾ % | No. of Shares | ⁽³⁾ % |
| Ko Yun Hung/ 37, Laluan Perajurit 6 Taman Ipoh Timur 31400 Ipoh Perak | Promoter, substantial shareholder and Managing Director | 543,731,139 | 43.5 | 24,191,700 | 1.9 | 519,539,439 | 32.2 |
| Pah Wai Onn/ 18, Laluan Pinji Seni Taman Pinji Seni 31650 Ipoh Perak | Promoter, substantial shareholder and Executive Director | 543,731,139 | 43.5 | 24,191,700 | 1.9 | 519,539,439 | 32.2 |

Notes:

- (1) After completion of Acquisitions but prior to Public Issue.
- (2) Based on the share capital of 1,249,904,160 Shares before IPO.
- (3) Based on the enlarged share capital of 1,612,779,660 Shares after IPO.

The Selling Shareholders shall bear all expenses such as placement fee and miscellaneous fees estimated at approximately RM0.24 million relating to the Offer Shares. The Offer Shares are not underwritten by our Underwriter.

Further details of our Selling Shareholders, who are also our Promoters, substantial shareholders and Directors can be found in Sections 5.1 and 5.2.

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

4.3.3 Pink Form Allocations

We have allocated 48,383,400 Issue Shares under the Pink Form Allocations to our eligible Directors, employees and persons who have contributed to the success of our Group as follows:

| Category | No. of eligible persons | Aggregate no. of Issue Shares allocated |
|--|--------------------------------|--|
| Eligible Directors | 4 | 550,000 |
| Eligible employees | 130 | 27,929,200 |
| Persons who have contributed to the success of our Group | 51 | 19,904,200 |
| | 185 | 48,383,400 |

Entitlements which are not accepted by certain eligible Directors, employees and persons who have contributed to the success of our Group will be made available for excess application by the other eligible Directors as set out in the table below and other eligible employees and persons who have contributed to the success of our Group at the discretion of our Board.

(a) Allocation to eligible Directors

The criteria for allocation to our eligible Directors are based on amongst others their anticipated contribution to our Group. Ko Yun Hung (our Managing Director), Pah Wai Onn and Siow Wei Ming (our Executive Directors), have opted not to participate in the Pink Form Allocations as they are already our substantial shareholders.

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

| Name | Designation | No. of Issue Shares allocated |
|--------------------------|------------------------------------|--------------------------------------|
| Dato' Zulkapli Bin Ahmad | Independent Non-Executive Chairman | 200,000 |
| F'ng Meow Cheng | Independent Non-Executive Director | 200,000 |
| Maylee Gan Suat Lee | Independent Non-Executive Director | 50,000 |
| Tan Ee Ming | Independent Non-Executive Director | 100,000 |
| | | 550,000 |

(b) Allocation to our eligible employees

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

- (i) Our employees must be confirmed employees of at least 18 years of age and on the payroll of our Group; and
- (ii) The number of shares allocated to our eligible employees are based on their seniority, position, their length of service and their respective performance and contribution made to our Group as well as other factors deemed relevant to our Board.

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

Included in the allocation to our eligible employees are the proposed allocation to our key senior management:

| <u>Name</u> | <u>Designation</u> | <u>No. of Issue Shares allocated</u> |
|-------------------|----------------------------|--------------------------------------|
| Thong Soon Cheong | Group Financial Controller | 400,000 |

Eng Su Fern (our Development Director) and Tham Sau Har (our Administrative and Operations Director) have opted not to participate in the Pink Form Allocations as they are already our shareholders.

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

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

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

4.3.4 Placement and underwriting arrangement

Our Underwriter will underwrite 129,022,400 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 233,853,100 Issue Shares and 48,383,400 Offer Shares available for application by Bumiputera investors approved by MITI and selected investors will be placed out by our Placement Agent and will not be underwritten.

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

- (a) If any Issue Shares allocated to the Malaysian Public are undersubscribed, the balance portion will be allocated for excess application by our eligible Directors, employees and persons who have contributed to the success of our Group. Likewise, any Issue Shares which are not taken up by our eligible Directors and employees and persons who have contributed to the success of our Group, will be allocated to the Malaysian Public.
- (b) After (a) above, the remaining portion will be made available for application by way of private placement to selected investors to be identified. Thereafter, any remaining Issue Shares that are still not subscribed for will be subscribed by our underwriter based on the terms and conditions of the Underwriting Agreement.
- (c) The allocation of Issue Shares to identified Bumiputera investors shall be subject to the allocation as approved by MITI. Any unsubscribed Issue Shares under this allocation shall firstly be reallocated to institutional investors. If after the above reallocation, there are still Issue Shares not taken up, the said unsubscribed Issue Shares shall then be offered to Bumiputera public investors via public balloting.
- (d) After (c) above, the remaining portion will be made available for:
 - (i) Malaysian Public, in the event of an oversubscription; or
 - (ii) application by way of private placement to selected investors to be identified,

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

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

- (e) Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms of the Underwriting Agreement.

The clawback and reallocation shall not apply in the event of over-application of the Issue Shares allocated to the Malaysian Public, Pink Form Allocations and private placement to selected investors.

4.3.5 Minimum and over-subscription

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

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

Under the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market. In such an event, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly, whereby in addition to our liability to repay such monies, our officers (i.e. our Directors, secretary or executive officer) shall be jointly and severally liable to repay such money with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC from the expiration of that period. Our Company is also not aware as to whether there is any person intending to subscribe for more than 5.0% of the IPO Shares.

4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

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

| Details | No. of Shares | RM |
|--|----------------------|--------------------|
| Share capital | | |
| As at the date of this Prospectus | 1,249,904,160 | 63,120,162 |
| To be issued under our Public Issue | 362,875,500 | 90,718,875 |
| Enlarged share capital upon our Listing | 1,612,779,660 | 153,839,037 |

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

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

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

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

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

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

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

4.5 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- (a) To enable our Group to raise funds for the purposes specified in Section 4.9 herein;
- (b) To increase our visibility in the ICT products and services industry and to widen our market reach and customer base in the ICT products and services industry in Malaysia;
- (c) To gain recognition through our listing status which will enhance our corporate reputation and image as well as to retain and attract new and skilled employees from the ICT products and services industry;
- (d) To provide an opportunity for the Malaysian Public, including our eligible Directors, employees and persons who have contributed to the success of our Group to participate in our equity; and
- (e) To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise.

4.6 BASIS OF ARRIVING AT OUR IPO PRICE

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

- (a) Our pro forma NA per Share as at 31 January 2022 after Acquisitions, IPO and utilisation of proceeds of RM0.11 calculated based on our pro forma NA after Acquisitions, IPO and utilisation of proceeds as at 31 January 2022 of approximately RM179.03 million and enlarged share capital of 1,612,779,660 Shares upon Listing;
- (b) The PE Multiple of our IPO Price of approximately 11.21 times based on our EPS of approximately 2.23 sen for FYE 2022, calculated based on our PAT attributable to owners of our Company for FYE 2022 of RM35.92 million and enlarged share capital of 1,612,779,660 Shares upon Listing;
- (c) Our historical financial track record as follows:

| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
|---------|-----------------|-----------------|-----------------|-----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 594,140 | 675,282 | 721,469 | 1,112,008 |
| GP | 43,144 | 44,667 | 63,780 | 94,013 |

4. DETAILS OF OUR IPO (Cont'd)

| | <u>FYE 2019</u> <u>RM'000</u> | <u>FYE 2020</u> <u>RM'000</u> | <u>FYE 2021</u> <u>RM'000</u> | <u>FYE 2022</u> <u>RM'000</u> |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| PAT attributable to owners of our Company | 9,100 | 7,782 | 23,381 | 35,918 |

(d) Our competitive strengths as set out in Section 7.15; and

(e) Our business strategies and prospects as set out in Section 7.16.

You should note that our market price upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in them. You are reminded to carefully consider the risk factors as set out in Section 9 before deciding to invest in our Shares.

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 1,612,779,660 Shares upon Listing, our total market capitalisation will be RM403.19 million.

4.8 DILUTION

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

| | <u>RM</u> |
|--|-----------|
| IPO Price | 0.25 |
| Pro forma NA per Share as at 31 January 2022 after Acquisitions and before IPO | 0.07 |
| Pro forma NA per Share as at 31 January 2022 after Acquisitions, IPO and utilisation of proceeds | 0.11 |
| Increase in pro forma NA per Share attributable to existing shareholders | 0.04 |
| Dilution in pro forma NA per Share to our new public investors | 0.14 |
| Dilution in pro forma NA per Share as a percentage of our IPO Price | 56.0% |

Further details of our pro forma NA per Share as at 31 January 2022 is set out in Section 14.

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

| <u>Shareholders</u> | <u>(1) No. of Shares received</u> | <u>Total consideration</u> <u>RM</u> | <u>Average effective cost per Share</u> <u>RM</u> |
|---------------------|-----------------------------------|---|--|
| Ko Yun Hung | 543,731,139 | 27,458,423 | 0.0505 |
| Pah Wai Onn | 543,731,139 | 27,458,423 | 0.0505 |
| Siow Wei Ming | 118,172,752 | 5,967,724 | 0.0505 |
| Eng Su Fern | 7,362,971 | 371,830 | 0.0505 |
| Tham Sau Har | 7,362,971 | 371,830 | 0.0505 |
| Siow Wei Shan | 29,543,188 | 1,491,932 | 0.0505 |
| | <u>1,249,904,160</u> | <u>63,120,162</u> | |

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

- (1) Issued under the Acquisitions and includes the 2 subscriber shares issued upon the incorporation of our Company, registered in the name of Ko Yun Hung and Ong Mei Kwai (hold in trust via Trust Agreement dated 26 January 2016) respectively. Subsequently, Ong Mei Kwai (mother to Pah Wai Onn) had on 16 November 2021 transferred her 1 subscriber share to Pah Wai Onn.

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

4.9 UTILISATION OF PROCEEDS**4.9.1 Public Issue**

The estimated gross proceeds from our Public Issue of RM90.72 million will accrue entirely to us and are planned to be utilised in the following manner:

| Utilisation of proceeds | Notes | (1)Estimated timeframe for utilisation | RM'000 | % |
|--|--------------|---|---------------|--------------|
| Capital expenditure | | | | |
| • Expansion of DaaS subscription-based service | (a) | 36 months | 30,900 | 34.1 |
| • Set-up new retail stores | (a) | 36 months | 2,500 | 2.8 |
| Construction of Regional Hub | (b) | 36 months | 18,000 | 19.8 |
| Marketing activities for JOI® | (c) | 36 months | 1,500 | 1.7 |
| Repayment of bank borrowings | (d) | 12 months | 20,000 | 22.0 |
| General working capital | (e) | 24 months | 13,119 | 14.5 |
| Estimated listing expenses | (f) | Immediately | 4,700 | 5.1 |
| | | | 90,719 | 100.0 |

Note:

- (1) From the date of listing of our Shares.

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

(a) Capital expenditure

We distribute and sell our ICT products through physical store channel, online store channel, and commercial channel. We intend to utilise RM33.40 million of the proceeds to expand our business presence via the physical store channel and commercial channel respectively. Further details on the distribution channels are set out in Section 7.3.4.

Expansion of DaaS subscription-based service

For the commercial channel, we plan to utilise RM30.90 million to expand our DaaS subscription-based service. DaaS is a model for device leasing which generally consists of:

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

- (i) Leasing of hardware devices such as desktops, laptops, interactive smartboards, workstation, digital signages, printers, servers and accessories;
- (ii) Configuration, deployment, commissioning, provision of software/hardware solutions and provision of on-site installation and deployment services;
- (iii) Centralised enterprise IT asset management and IT repair services including but not limited to system updates and patching, remote diagnosis and maintenance, live technical support, extended warranty, data backup and data migration;
- (iv) Management of old devices such as the return of equipment after lease expiration and refurbishment or disposal of old equipment; and
- (v) Certification training to customers' IT personnel on hardware specifications, if required.

A traditional computer leasing service focuses on equipment leasing or subscription without consideration for configuration or deployment, IT asset management and IT service, and certification training. We are not involved in traditional computer leasing services. DaaS addresses the issues in after-sales services which includes configuration or deployment of software/hardware solutions, IT asset management and IT services and certification training, which are customised based on customers' requirements. It integrates and includes many facets such as hardware, software, and value-added services. Not only are users able to select hardware configurations and customise deployment plans according to their own requirements and enjoy efficient equipment maintenance, they are also able to adjust and scale up or down at any time in terms of subscription content, hardware, software, value-added services depending on their ICT operating needs and on the level of development of their business.

Since 6 January 2020 (i.e. the date when our DaaS subscription first commenced) up to LPD, we have entered into 82 DaaS subscriptions amounting to RM255.86 million (of which 75 DaaS subscriptions are still active and 7 DaaS subscriptions have been completed as at LPD) and received 75 enquiries from governmental bodies (i.e. Ministry of Education and Ministry of Health) and public listed companies (i.e. Media Prima Berhad and Bank Muamalat Malaysia Berhad). Amongst the 75 DaaS subscriptions that are still active, 7 subscriptions amounting to RM77.15 million with tenure ranging from 36 to 60 months have yet to commence as at LPD, and is expected to commence in the 4th quarter of 2022. These remaining 7 subscriptions will commence once we receive the ordered devices from our suppliers. From the above-mentioned enquiries, we have entered into contracts with 26 governmental bodies amounting to RM247.49 million and 3 public listed companies amounting to RM0.55 million since 6 January 2020 up to LPD.

The contract period of our DaaS subscriptions typically ranges up to 5 years. Pursuant to the notice period stated in our subscription agreements which is generally between 30 to 60 days before the subscription expires, our customers may choose to either purchase the devices and hardware based on prevailing market prices, renew the subscription on an annual basis or enter into a new subscription with us for new models of devices and hardware based on new specifications which they require.

This subscription-based service helps to simplify the set-up of a company's ICT system and reduces the cost and difficulties that comes with procuring and managing hardware devices in-house. Our DaaS subscriptions are also highly customisable based on customers' requirements (e.g. different types, models and IT solutions and services). Customers that subscribe for DaaS will be able to reduce their overall IT expenditure in the following manner:

- (i) Upfront cost of device purchases and deployment;
- (ii) IT lifecycle cost such as software upgrade and device maintenance; and
- (iii) End of life device cost.

4. DETAILS OF OUR IPO (Cont'd)

Our customers are able to manage their cash flow more effectively as the monthly payments are fixed and predictable. This outsourcing of device management also reduces the workload of our customer's ICT team. In addition, this service also increases IT asset utilisation via a subscription-based solution and offers a more flexible IT expenditure which helps satisfy our customers' requirements. For this arrangement, we will purchase the quantity and brand of ICT products based on our customers' requirements. Although we incur a higher cost of ICT products upfront, we are able to secure a fix recurring revenue and better manage our resources as we utilise our existing technicians for ICT products deployment and/or after-sales services. Our customers can also receive upgraded devices with the latest technology, as well as avoid costly repairs and productivity delays from aged devices.

Based on enquires from potential customers such as governmental bodies, public listed and private companies (located in the Central, Northern and East Coast regions) which have generally enquired on desktops, laptops, workstations, we intend to utilise our proceeds from the Public Issue to purchase the following devices to support the expansion of our DaaS subscription-based service for our existing DaaS subscription agreements and/or future DaaS subscription agreements to be entered with us:

| Items | Principal usage | Purchase quantity | Total cost RM'000 |
|------------------------|--|--------------------------|--------------------------|
| Desktop | Personal computer designed for regular use at a single location | 1,000 | 4,000 |
| Laptop | Small, portable personal computer with a screen and alphanumeric keyboard | 4,000 | 16,000 |
| Interactive smartboard | Large-format touchscreen display ideal for meeting rooms and collaborative spaces | 100 | 1,800 |
| Workstation | High performing computer designed for technical or scientific applications | 800 | 6,000 |
| Digital signage | Remote digital content management through hardware devices | 120 | 1,500 |
| Printers | Output device that prints paper documents | 500 | 400 |
| Server | Computer or system that provides resources, data, services, or programmes to other computers, over a network | 100 | 1,200 |
| | | | 30,900 |

The above devices will be purchased locally and from various overseas suppliers, which device costs in the table above was estimated based on quotations of devices provided. We will time the purchases of the above devices based on our customers' requirements and timing of their DaaS subscription-based service contracts over the period of 36 months from our Listing.

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

4. DETAILS OF OUR IPO (Cont'd)***Set-up new retail stores***

As at LPD, we have 56 brand-specialty stores (with additional 5 brand-specialty stores which are expected to commence operations by September 2022) and 7 multi-brand concept stores in Klang Valley.

For the physical store channel, we plan to utilise RM2.50 million to set-up 10 new stores in Malaysia, particularly 8 stores in Klang Valley, 1 store in Johor Bahru and 1 store in Penang. Our Group's strategy is to lease and set up self-operated stores in shop lots setting located within established residential areas or prominent locations in shopping mall in the above-mentioned regions. As at LPD, we have sufficient in-house trainers and supervisors to manage our employees in the new stores. As and when the stores are set-up upon Listing, we will employ additional sales staff to facilitate the operations of the stores.

Our business strategy in determining a suitable store location is generally to reassess our current retail locations yearly, and to relocate any existing stores that are underperforming (e.g. to a different and more prominent location in the same shopping mall). For our physical stores, we will determine the sales target for each store upfront. If our physical stores do not achieve the required sales target for 6 months consecutively, we will run promotional activities and campaigns, reassess the store's product assessment strategy and/or transfer our sales employees from different store locations. In the event that we are still unable to revive the sales of our stores after implementing the abovementioned strategies by the time our tenancy of the affected store is nearing expiry, we will plan to relocate or cease the operations of the underperforming stores.

We target to expand to Klang Valley, Johor Bahru and Penang regions to increase our consumer base. We plan to set up 5 stores within the first 2 years from date of Listing, and another 5 stores in the following year. The proceeds allocated are not to replace or relocate existing stores but for the set-up of new stores, which exact location we have not identified as at LPD. Upon identifying exact locations and types of the proposed stores to be set-up, we will perform feasibility studies with our selected brand principals to ascertain if the location is suitable. Prior to performing feasibility studies, we will take into account our target demographics, the location of the mall and lot to be rented, the size and rental cost of the store.

The proceeds will be used as set-up cost and to purchase various machineries and equipment for the new stores, details as follows:

| Items | Principal usage | Purchase quantity | Total cost RM'000 |
|---------------------------------------|---|--------------------------|--------------------------|
| General renovation ⁽¹⁾ | To renovate the retail outlets to adapt to our store design | 10 | 1,900 |
| Point-of-sales system | Cash register to monitor sales to customers | 10 | 50 |
| Security system | To protect outlets from burglary | 10 | 100 |
| Advertising works and digital signage | To promote our brand and ICT products | 10 | 350 |
| Others | Labour cost, transportation, installation and preliminaries | 10 | 100 |
| | | | 2,500 |

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

Note:

- (1) General renovation includes flooring works, painting works, air-conditioning ducting works, sprinkler fit-out works, wiring and electrical works, carpentry works and roller shutter works.

The set-up cost in the table above was estimated based on costs from our past experiences and quotations of various machineries of our existing stores. In the event the allocated proceeds are insufficient for the set-up cost of our stores, any shortfall will be funded via internally generated funds and/or additional bank borrowings. Conversely, if the actual set-up cost of our stores is lower than the amount budgeted above, any excess will be allocated for our general working capital requirements. Depending on whether we have enough inventories at hand when we set-up the above-mentioned retail stores, we will purchase the additional inventories required via internally generated funds and/or additional bank borrowings.

(b) Construction of Regional Hub

With the ongoing growth and development of our business, we intend to build a Regional Hub comprising storage facility, experience centre for customers, live video areas, training centres, workshops and office facilities. On 31 March 2019, we completed the acquisition of a freehold land measuring 35,929.93 sq ft located in Petaling Jaya, Selangor for a cash consideration of RM21.56 million, which is earmarked for our Regional Hub.

In view of the above, we have earmarked RM18.00 million of our proceeds from the Public Issue to partly finance the construction of the Regional Hub with built-up area of approximately 261,155 sq ft. Our Regional Hub will include experience centres for us to showcase new and innovative ICT solutions on IoT such as smart homes, smart retail, smart education, smart signages and smart shelving where we will install demonstration sets for an immersive experience for customers. For example, we intend to showcase a smart classroom experience centre, comprising the display of various devices such as laptops, tablets, interactive smartboards, mobile charging station and smart cameras connected to one another, in which these devices can be controlled through a mobile application. We also intend to collaborate with brand principals and technology partners, on a project basis, to showcase the latest ICT products and solutions and to provide live demonstrations through our experience centres. Further details on the proposed usage of our Regional Hub by floor are set out in Section 7.16.1.

The approximate construction costs of the Regional Hub are as follows:

| Description | (2) Estimated timeframe for utilisation | (3) Total estimated cost RM'000 | % |
|--|---|---------------------------------------|--------------|
| Construction works (including mechanical and electrical as well as infrastructure works) | 30 months | 56,812 | 75.6 |
| Professional fees ⁽¹⁾ | 36 months | 7,101 | 9.4 |
| Authority and utilities | 30 months | 3,063 | 4.1 |
| Interior fit-out and loose furnitures | 36 months | 5,006 | 6.7 |
| Contingencies | 12 months | 3,196 | 4.2 |
| | | 75,178 | 100.0 |

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

- (1) Comprising legal and project consulting fees.
- (2) From the date of listing of our Shares.
- (3) Total estimated cost is based on fees estimation by our professional consultants.

We have allocated RM18.00 million from the Public Issue to finance our construction cost. The remaining RM57.18 million will be funded via our internally-generated funds and/or bank borrowings. As at LPD, we have yet to secure any bank borrowings to fund the construction of our Regional Hub. We target to apply for bank borrowings after we receive our approved building plan from Majlis Bandaraya Petaling Jaya.

We have obtained the Development Order and approvals for the layout from Majlis Bandaraya Petaling Jaya on 8 January 2021. We had on 15 December 2021 requested for an extension on the Development Order, which was obtained on 9 March 2022 and will remain valid until 8 March 2023. As at LPD, we are in the midst of preparing the building plan for submission to Majlis Bandaraya Petaling Jaya, which we target to submit in August 2022. The indicative timeline for constructing our Regional Hub is expected to be as follows:

| Timeline | Details |
|-----------------|---|
| September 2022 | <ul style="list-style-type: none"> • Approved building plan obtained |
| December 2022 | <ul style="list-style-type: none"> • Commencement of construction |
| June 2025 | <ul style="list-style-type: none"> • Completion of construction • Obtain CCC |
| July 2025 | <ul style="list-style-type: none"> • Obtain fire certificate from Fire and Rescue Department of Malaysia |
| November 2025 | <ul style="list-style-type: none"> • Complete internal renovation |
| December 2025 | <ul style="list-style-type: none"> • Commencement of relocation from our existing offices at 3 Two Square, Petaling Jaya⁽¹⁾ |
| January 2026 | <ul style="list-style-type: none"> • Commencement of operations |

Note:

- (1) Upon completion of the Regional Hub, we will relocate our 2 offices from 3 Two Square, Petaling Jaya, Selangor with the combined built-up area of approximately 4,413.2 sq ft. to the Regional Hub. Once the renovation works and interior design works are completed, we will give sufficient notice to the landlords of our intention to cease the rentals and to time the cessation of the rental to accommodate our expected date of completion. The total rental for the 2 offices is RM0.88 million per annum.

Further details of our Regional Hub are set out in Section 7.16.1.

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

(c) Marketing activities for JOI®

We have allocated RM1.50 million for marketing activities to enhance our product awareness for our house brand of ICT products, JOI®, throughout Malaysia as follows:

| Marketing activities | Total cost RM'000 |
|--|------------------------------|
| Social media sponsored advertisement and engagement of key opinion leaders (local social influencer or celebrity) to present JOI® products on their social media platform such as Facebook, Instagram, LinkedIn, Twitter and TikTok. | 480 |
| Advertising via: | 660 |
| <ul style="list-style-type: none"> • Digital websites such as Cari.com, LowYat.net and TheEdge via syncing posting from website to social media as to leverage reach and impressions to different end-users; • Search engines, where we can display advertisements on our products and services to web users via google search and display advertisements on most visited third-party IT website with linking to JOI® landing page; and • Online marketing solutions, to enhance visibility for JOI® product listing on marketplace search pages with bidding for selected keywords and prominent banner placement on the main page of the marketplace sites (such as Lazada and Shopee). | |
| On-site or virtual events to showcase JOI® devices live demonstrations with offerings. | 130 |
| Radio Broadcast Advertisement, reserving slot for airtime on radio stations for live read (customers' experiences with JOI® products and services) to our target audience. | 110 |
| Outdoor advertising which entails printed or digital placement with JOI® branding or promotional messaging on available channels with high traffic location such as billboards, transits, retail outlets or vehicles. | 120 |
| | 1,500 |

The estimated costs in the table above were based on past experiences from our Group's marketing activities. In the event the allocated proceeds are insufficient for the marketing activities for JOI®, any shortfall will be funded via internally generated funds and/or additional bank borrowings. Conversely, if the actual marketing activities requirement is lower than the amount budgeted above, any excess will be allocated for our general working capital requirements.

(d) Repayment of bank borrowings

We have allocated RM20.00 million to partially repay our term loans from firstly, CIMB Islamic Bank Berhad amounting to RM14.65 million. The balance after which will be used to repay RHB Islamic Bank Berhad. The repayment is proposed to reduce our financing cost, details of which are as follows:

4. DETAILS OF OUR IPO (Cont'd)

| Bank | Purpose | Interest rate | Tenure | Principal amount RM'000 | Balance as at LPD RM'000 | Amount to be repaid from gross proceeds RM'000 |
|--|---|----------------------|---------------|------------------------------------|---|---|
| CIMB Islamic Bank Berhad, secured in February 2019 | Part finance the land acquisition of our Regional Hub | 3.5% | 180 months | 19,400 | 16,989 | 14,650 |
| RHB Islamic Bank Berhad, secured in April 2020 | Part finance the acquisition of our Ipoh headquarters | 3.5% | 240 months | 6,250 | 5,702 | 5,350 |
| | | | | 25,650 | 22,691 | 20,000 |

The expected annual interest savings from the proposed repayment is approximately RM0.70 million based on the interest rate of 3.5% per annum for the banking facilities. However, the actual interest savings may vary depending on the then applicable interest rate.

The above-mentioned banks have the right to charge penalty upon early settlement made within the first 3 years from the first drawdown date ("**Lock-in Period**"). However, the proposed repayment for the above term loans will occur after the Lock-in Period. As such, there will be no penalty associated with the early repayment of the term loans.

Our total outstanding borrowings (excluding lease liabilities arising from right-of-use assets of RM12.74 million) as at 31 January 2022 is RM49.96 million. After the proposed repayment, our Group's total borrowings will amount to RM29.96 million. The proposed repayment of bank borrowings coupled with the increase in total equity from the issuance of new Shares under our Public Issue will reduce our pro forma gearing level from 0.27 times (after the Public Issue and Offer for Sale but prior to utilisation of proceeds) to 0.17 times (after the utilisation of proceeds).

(e) General working capital

A total of RM13.12 million of the proceeds from our Public Issue has been earmarked to supplement the general working capital requirements of our Group.

The following is a breakdown of the utilisation of proceeds for our working capital:

| Utilisation | RM'000 |
|---|---------------|
| General overheads such as payment of rental for new retail stores and offices | 1,000 |
| Purchase of the following inventories for onward sale of ICT products: | |
| (i) desktops | 1,250 |
| (ii) laptops | 10,869 |
| | 13,119 |

4. DETAILS OF OUR IPO (Cont'd)**(f) Estimated listing expenses**

An amount of RM4.70 million is allocated to meet the estimated cost of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

| Estimated listing expenses | RM'000 |
|---|---------------|
| Professional fees ⁽¹⁾ | 2,323 |
| Fees payable to authorities | 81 |
| Underwriting, placement and brokerage fees | 2,094 |
| Printing, advertising fees and contingencies ⁽²⁾ | 202 |
| | 4,700 |

Notes:

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

If our actual listing expenses are higher than the amount budgeted, the deficit will be funded out of the portion allocated for our general working capital requirements. Conversely, if our actual listing expenses are lower than the amount budgeted, the excess will be utilised for our general working capital requirements.

4.9.2 Offer for Sale

The Offer for Sale will raise gross proceeds of approximately RM12.10 million which will accrue entirely to our Selling Shareholders.

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

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

4.10.2 Placement fees

Our Placement Agent will place out a total of 233,853,100 Issue Shares and 48,383,400 Offer Shares to Bumiputera investors approved by MITI and selected investors.

We will pay our Placement Agent a placement fee of 2.0% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

The placement fee of 2.0% of the value of those Offer Shares placed out by our Placement Agent will be borne entirely by the Selling Shareholders.

4.10.3 Underwriting commission

Our Underwriter has agreed to underwrite 129,022,400 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We will pay our Underwriter an underwriting commission of 2.5% of our IPO Price multiplied by the number of Shares underwritten.

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

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 129,022,400 Issue Shares ("**Underwritten Shares**") as set out in Section 4.3.4.

The salient terms in the Underwriting Agreement are as follows:

Conditions precedent

- 1.1 The several obligations of the Underwriter under the Underwriting Agreement shall further be conditional upon ("**Conditions Precedent**"):
- (a) The acceptance of the listing proposal from Bursa Securities, the clearance of registrable prospectus from the SC and the lodgement of registrable prospectus with the ROC respectively together with copies of all documents required under Section 154 of the Act prior to the issuance of the Prospectus to the public;
 - (b) The issuance of the Prospectus (including all procedures, requirements, letters and documents) required under Section 154 of the Act to the public within 3 months from the date hereof or such extension as consented by the Underwriter;
 - (c) There having been, as at any time hereafter up to and including the Closing Date, no material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise of the Company and its subsidiaries (which in the reasonable opinion of the Underwriter is or will be material in the context of the issue of the Issue Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to an extent which is or will be material in any of the representations, warranties and undertakings contained the Underwriting Agreement, if they are repeated on and as of the Closing Date;
 - (d) The issue, offering and subscription of the Issue Shares in accordance with the provisions hereof and the Prospectus not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
 - (e) All necessary approvals and consents required in relation to the Public Issue including but not limited to governmental approvals having been obtained and are in full force and effect;
 - (f) The Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in the Underwriting Agreement;
 - (g) The delivery to the Underwriter prior to the date of registration of the Prospectus of (i) a copy certified as a true copy by an authorised officer of the Company of all the resolutions of the Directors of the Company and the shareholders in general meeting approving the Underwriting Agreement, the Prospectus, the Public Issue and authorising the execution of the Underwriting Agreement and the issuance of the Prospectus; (ii) a certificate dated the date of the Prospectus signed by duly authorised officers of the Company stating that, after having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in paragraph 1.1(c);

4. DETAILS OF OUR IPO (Cont'd)

- (h) The delivery to the Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from the Board of Directors of the Company as the Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of the Company or its subsidiaries nor the occurrence of any event rendering, untrue or incorrect, to a material extent any representations and/or warranties contained in the Underwriting Agreement as though they have been given and/or made on such date; and
 - (i) The Underwriter being satisfied that the Company will, following completion of the Public Issue be admitted to the official list and its issued share capital listed and quoted on the ACE Market of Bursa Securities without undue delay.
- 1.2 In the event any of the Conditions Precedent are not satisfied by the Closing Date, the Underwriter shall thereupon be entitled but not bound to terminate the Underwriting Agreement by notice given to the Company not later than 3 market days after the Closing Date and upon such termination the Company and the Underwriter shall be released and discharged from their obligations save for the Company's obligations pursuant to the Underwriting Agreement and none of the parties shall have a claim against the other save for antecedent breaches by the Company and claims arising therefrom. Each party shall in such event return any and all monies paid to the other under the Underwriting Agreement within 72 hours of the receipt of such notice (except for monies paid by the Company for the payment of the expenses as provided in the Underwriting Agreement). The Underwriter reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice the Underwriter's rights under the Underwriting Agreement.

Termination

- 1.3 Notwithstanding anything herein contained, the Underwriter may by notice in writing to the Company given at any time on or before the allotment and issuance of the Issue Shares, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if:
- (a) There is any breach by the Company of any of the representations, warranties or undertakings, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, or by the Closing Date, whichever is earlier, or withholding of information of a material nature from the Underwriter, which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue, or the distribution of the Issue Shares; or
 - (b) There is withholding of information of a material nature from the Underwriter, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group and the success of the Public Issue, or the distribution of the Issue Shares; or

4. DETAILS OF OUR IPO (Cont'd)

- (c) There shall have occurred, happened or come into effect in the opinion of the Underwriter any material and/or adverse change to the business or financial condition of the Company or any of its subsidiaries; or
- (d) There shall have occurred, happened or come into effect any of the following circumstances:
 - (i) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (ii) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Company and/or the Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); which, (in the reasonable opinion of the Underwriter), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of the Company or any of its subsidiaries and the success of the Public Issue, or the distribution of the Issue Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or
 - (iii) the FTSE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:
 - (1) on or after the date of the Underwriting Agreement; and
 - (2) prior to the allotment of the Issue Shares,

lower than 90% of the level of the Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to such date and remains at or below that level for at least 3 Market Days; or
 - (iv) in the event of national disorder, outbreak of war or the declaration of a state of national emergency; or
- (e) There is failure on the part of the Company to perform any of their respective obligations herein contained; or
- (f) Any matter which arose immediately before the date of the Prospectus would have constituted a material and adverse omission in the context of the Public Issue; or
- (g) Any event, act or omission which gives or is likely to give rise to any liability which will have a material and adverse effect on the Company pursuant to the indemnities contained under the Underwriting Agreement.

4. DETAILS OF OUR IPO (Cont'd)

- 1.4 Upon such notice(s) being given, the Underwriter shall be released and discharged of its obligations without prejudice to its rights whereby the Underwriting Agreement shall be of no further force or effect and no Party shall be under any liability to any other in respect of the Underwriting Agreement, except that the Company shall remain liable in respect of its obligations and liabilities for the payment of the costs and expenses already incurred prior to or in connection with such termination, for the payment of any taxes, duties or levies or such outstanding fees, and for any antecedent breach, and its undertaking to indemnify the Underwriter.

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

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

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

Upon our Listing, transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS Account being debited with the number of Shares sold and the buyer's CDS Account being credited with the number of Shares acquired.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares will trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

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

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

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

| Name | Nationality | ⁽¹⁾ Before IPO | | | ⁽²⁾⁽³⁾ After IPO | | |
|---|-------------|----------------------------|------|------------------------------|-----------------------------|------|------------------------------|
| | | Direct No. of Shares | % | Indirect No. of Shares | Direct No. of Shares | % | Indirect No. of Shares |
| Promoters and substantial shareholders | | | | | | | |
| Ko Yun Hung | Malaysian | 543,731,139 | 43.5 | 7,362,971 ⁽⁴⁾ | 519,539,439 | 32.2 | 7,362,971 ⁽⁴⁾ |
| Pah Wai Onn | Malaysian | 543,731,139 | 43.5 | 7,362,971 ⁽⁵⁾ | 519,539,439 | 32.2 | 7,362,971 ⁽⁵⁾ |
| Siow Wei Ming | Malaysian | 118,172,752 | 9.5 | - | 118,172,752 | 7.3 | - |
| Promoters | | | | | | | |
| Eng Su Fern | Malaysian | 7,362,971 | 0.6 | - | 7,362,971 | 0.5 | - |
| Tham Sau Har | Malaysian | 7,362,971 | 0.6 | - | 7,362,971 | 0.5 | - |

Notes:

- (1) After completion of Acquisitions but before Public Issue and Offer for Sale.
- (2) After Public Issue and Offer for Sale.
- (3) Based on enlarged share capital of 1,612,779,660 Shares after IPO.
- (4) Deemed interest in the shareholdings of his spouse, Eng Su Fern, who is our Promoter, shareholder and Development Director, pursuant to Section 59(11) of the Act.
- (5) Deemed interest in the shareholdings of his spouse, Tham Sau Har, who is our Promoter, shareholder and Administrative and Operations Director, pursuant to Section 59(11) of the Act.

Our Promoters and substantial shareholders do not have different voting rights from other shareholders of our Group.

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

5.1.2 Profiles of Promoters and/or substantial shareholders

The profiles of our Promoters who are also our Executive Directors and key senior management are set out in Sections 5.2.2 and 5.3.3.

5.1.3 Changes in Promoters' and substantial shareholders' shareholdings

The changes in our Promoters and substantial shareholders' respective shareholdings since our incorporation are as follows:

| Name | As at incorporation | | | | | | ⁽²⁾⁽³⁾ After IPO | | | | | | | | |
|---|---------------------|------|---------------|----------|---------------|------|-----------------------------------|--------------------|---------------|--------|--------------------------|--------------------|---------------|---|--|
| | Direct | | | Indirect | | | ⁽¹⁾ After Acquisitions | | | Direct | | | Indirect | | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | |
| Promoters and substantial shareholders | | | | | | | | | | | | | | | |
| Ko Yun Hung | 1 | 50.0 | - | - | 543,731,139 | 43.5 | 7,362,971 ⁽⁵⁾ | 0.6 ⁽⁵⁾ | 519,539,439 | 32.2 | 7,362,971 ⁽⁵⁾ | 0.5 ⁽⁵⁾ | | | |
| Pah Wai Onn | 1 ⁽⁴⁾ | 50.0 | - | - | 543,731,139 | 43.5 | 7,362,971 ⁽⁶⁾ | 0.6 ⁽⁶⁾ | 519,539,439 | 32.2 | 7,362,971 ⁽⁶⁾ | 0.5 ⁽⁶⁾ | | | |
| Siow Wei Ming | - | - | - | - | 118,172,752 | 9.5 | - | - | 118,172,752 | 7.3 | - | - | | | |
| Promoters | | | | | | | | | | | | | | | |
| Eng Su Fern | - | - | - | - | 7,362,971 | 0.6 | - | - | 7,362,971 | 0.5 | - | - | | | |
| Tham Sau Har | - | - | - | - | 7,362,971 | 0.6 | - | - | 7,362,971 | 0.5 | - | - | | | |

Notes:

- (1) After completion of Acquisitions but before Public Issue and Offer for Sale.
- (2) After Public Issue and Offer for Sale.
- (3) Based on enlarged share capital of 1,612,779,660 Shares after IPO.
- (4) Registered in the name of Ong Mei Kwai (mother of Pah Wai Onn) in trust for and on behalf of Pah Wai Onn in accordance with a declaration of trust made by the parties on 26 January 2016. Ong Mei Kwai (mother to Pah Wai Onn) has subsequently transferred 1 ordinary share to Pah Wai Onn on 16 November 2021.
- (5) Deemed interest in the shareholdings of his spouse, Eng Su Fern, who is our Promoter, shareholder and Development Director, pursuant to Section 59(11) of the Act.

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

- (6) Deemed interest in the shareholdings of his spouse, Tham Sau Har, who is our Promoter, shareholder and Administrative and Operations Director, pursuant to Section 59(11) of the Act.

5.1.4 Persons exercising control over the corporation

Save for our Promoters as set out in Section 5.1.1, which collectively hold approximately 72.7% of our enlarged share capital upon Listing, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company. As at LPD, our Promoters have the same voting rights as our other shareholders and there is no arrangement between our Company and its shareholders with any third parties, the operation of which may, at a subsequent date, result in the change in control of our Company.

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

5.2 DIRECTORS

5.2.1 Directors' shareholdings

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

| Name | Designation/ Nationality | (1) Before IPO | | | (2)(3) After IPO | | | | |
|--------------------------|--|------------------|------|------------------|------------------|------------------|------|------------------|--------|
| | | Direct | | Indirect | | Direct | | Indirect | |
| | | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Dato' Zulkapli Bin Ahmad | Independent Non-Executive Chairman/ Malaysian | - | - | - | - | 200,000 | -(5) | - | - |
| Ko Yun Hung | Managing Director/ Malaysian | 543,731,139 | 43.5 | 7,362,971(4) | 0.6(4) | 519,539,439 | 32.2 | 7,362,971(4) | 0.5(4) |
| Pah Wai Onn | Executive Director/ Malaysian | 543,731,139 | 43.5 | 7,362,971(5) | 0.6(5) | 519,539,439 | 32.2 | 7,362,971(5) | 0.5(5) |
| Siow Wei Ming | Executive Director/ Malaysian | 118,172,752 | 9.5 | - | - | 118,172,752 | 7.3 | - | - |
| F'ng Meow Cheng | Independent Non-Executive Director/ Malaysian | - | - | - | - | 200,000 | -(6) | - | - |
| Maylee Gan Suat Lee | Independent Non-Executive Director/ Malaysian | - | - | - | - | 50,000 | -(6) | - | - |
| Tan Ee Ming | Independent Non-Executive Director/ Malaysian | - | - | - | - | 100,000 | -(6) | - | - |

Notes:

(1) After completion of Acquisitions but before Public Issue and Offer for Sale.

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

- (2) After Public Issue and Offer for Sale.
- (3) Based on enlarged share capital of 1,612,779,660 Shares after IPO and assuming that our Directors will fully subscribe for their respective entitlements under the Pink Form Allocations.
- (4) Deemed interest in the shareholdings of his spouse, Eng Su Fern, who is our Promoter, shareholder and Development Director, pursuant to Section 59(11) of the Act.
- (5) Deemed interest in the shareholdings of his spouse, Tham Sau Har, who is our Promoter, shareholder and Administrative and Operations Director, pursuant to Section 59(11) of the Act.
- (6) Represents less than 0.1%.

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

5.2.2 Profiles of Directors

The profiles of our Directors are as follows:

Dato' Zulkapli bin Ahmad, a Malaysian male age 67, is our Independent Non-Executive Chairman. He was appointed to our Board on 19 July 2021.

He obtained his Malaysia Certificate of Education from Sekolah Menengah St Paul Seremban in 1974. In 1983, he obtained his Chartered Institute of Transport (UK) qualification from Institut Teknologi Mara, Shah Alam. In 1996, he obtained a Certificate in Maintenance Management from Crown Agents Management Training Centre Worthing, UK. He subsequently obtained a Diploma in Police Sciences from Universiti Kebangsaan Malaysia in 2003.

In 1975, he pursued further studies at Institute Teknologi Mara, Shah Alam. Prior to completing his studies there, he left the institution in 1977 to work at his family's grocery business in Seremban.

In 1977, he joined Polis Diraja Malaysia ("**PDRM**") where he obtained basic police training in Kuala Lumpur before being posted to Johor Contingent where he was involved in intelligence gathering. From 1981 to 1983, he took a study leave from PDRM to pursue further studies, in which he subsequently obtained his Chartered Institute of Transport (UK) qualification. In 1983, he returned to PDRM where he was ranked Assistant Force Transport Officer (Administration). He served at the Bukit Aman Police Headquarters, Kuala Lumpur and was involved in executing the day-to-day operations of the transport division. Over the years, he was posted to different state branches within the transport division. In 1994, he was posted back to the Bukit Aman Police Headquarters, Kuala Lumpur where he was ranked Deputy Force Transport Officer and served the transport division until 1998.

In 1998, he was transferred to the Shah Alam District Police Headquarters and was promoted to the rank of Deputy Head of Police District Shah Alam to perform police duties. From 2002 to 2003, he took a study leave from PDRM to pursue his diploma studies. In 2003, he returned to PDRM and was ranked Principal Assistant Director Logistics (Procurement) - Assistant Commissioner Police, where he was involved in overseeing and managing the procurement activities of the procurement division. He continued to serve in PDRM and was promoted and posted to different divisions where he oversaw the daily operational functions of each division including supplies division, human resource division, as well as finance and budgeting division of the logistics department. He retired from PDRM in 2015 as Deputy Commissioner of Police of the Bukit Aman Police Headquarters, Kuala Lumpur.

In 2016, he was appointed as a Business Consultant for Samsung Malaysia Electronics (SME) Sdn Bhd, a company involved in the trading and distribution of electrical and electronic products and after-sales services, until 2018 where he provided consulting services to the company in relation to the procurement processes and procedures involved in supplying products to the government. In the same year, he was also appointed as Secretary of Koperasi Polis Diraja Malaysia Berhad, an investment holding company that invests in various industries such as hotel management, construction, aviation and tourism industries, where he was involved in overseeing its administrative functions in relation to membership matters, conducting membership drive programmes, coordinating board meetings and annual general meetings, and preparing quarterly reports to Suruhanjaya Koperasi Malaysia on the performance and activities of the co-operative up to completion of his term in 2018.

In 2020, he joined Kop Tradtech Sdn Bhd, a subsidiary of Kop Mantap Berhad, a company involved in general trading and supply of uniform and uniform accessories mainly to PDRM, as Chief Executive Officer (non-board member), a position he presently holds. He is responsible for overseeing the overall operations of the company.

Kindly refer to Section 5.2.3 for his involvement in other business activity outside our Group.

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

Ko Yun Hung, a Malaysian age 47, is our Promoter and Managing Director. He is responsible for determining the strategic direction and growth of our Group, formulating business policies, roadmaps and corporate strategies, and overseeing the overall business and product development of our Group. He was appointed to our Board on 26 January 2016.

In 1999, he graduated with a Bachelor of Engineering (Hons) Mechanical Engineering from Universiti Sains Malaysia.

Upon graduation, he joined SNS Network, a sole proprietorship, as part of its pioneer management team and was involved in the assembly and supply of desktops and related peripherals, as well as the provision of ICT services such as structured cabling work, networking services and software installation. With growing orders from customers and seeing the potential of the industry, he co-founded SNS Network Malaysia in 2000.

Under his leadership, he led the launch of our first brand of retail outlet, iTworld, in 2010. To further enhance our brand name and market presence, he also initiated the launch of our consignment counters in AEON in 2004 and led the rebranding of these consignment counters to GLOO in 2012. He also spearheaded the development and launch of our house brand of ICT products, JOI® in 2014.

With over 23 years of experience in the ICT products and services industry, he has developed vast experience and in-depth understanding of the industry. Building on his experience and industry knowledge, he plays a major role in spearheading the expansion of our Group, as well as helm ongoing product development and improvement initiatives for our products, services and solutions to support the continued growth of our Group. In 2018, he received the "SME Icons Recognition" award from the Malaysian Service Providers Confederation, in recognition for his outstanding contribution toward innovative, articulative and motivative talents that lead the industry and place Malaysia on the world map.

Kindly refer to Section 5.2.3 for his involvement in other business activity outside our Group.

Pah Wai Onn, a Malaysian male age 47, is our Promoter and Executive Director. He is responsible for managing and overseeing the sales and marketing functions of our Group including sales planning and budgeting, developing marketing and brand awareness strategies, leading the implementation of sales and marketing initiatives and leading the sales team to achieve annual sales target and building business relationships with industry stakeholders to be continuously updated with the latest trends and products for sales and marketing purposes. He was appointed to our Board on 19 July 2021.

He obtained his Sijil Pelajaran Malaysia from Sekolah Menengah Jenis Kebangsaan Sam Tet Ipoh, Perak in 1993. From 2017 to 2019, he studied part-time and obtained a certificate for International Executive Master of Business Administration in International Business Management from Paris Graduate School of Management, France in Mantissa College, Kuala Lumpur.

Upon completing his Sijil Pelajaran Malaysia, he pursued further studies in Tunku Abdul Rahman College. Nevertheless, prior to completing his studies, he left in 1995 and became involved in freelance IT works where he was involved in sourcing and selling desktops until 1999.

In 1999, he joined SNS Network, a sole proprietorship, as part of its pioneer management team and was involved in the assembly and supply of desktops and related peripherals, as well as the provision of ICT services such as structured cabling work, networking services and software installation.

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

In 2000, he left SNS Network and joined SNS Network Malaysia (which was co-founded by Ko Yun Hung and Ong Mei Kwai) as part of its pioneer management team and undertook the position as Project Coordinator. His responsibilities include developing, implementing and executing sales and marketing strategies, managing and coordinating projects as well as building and managing supplier relationships.

In 2007, he was promoted to Sales and Marketing Director. Throughout the years, he supported our Managing Director, Ko Yun Hung, in various sales and marketing strategies and initiatives, as well as building brand awareness for our house brands, namely iTworld and GLOO. He was also involved in the development of marketing strategies for our house brand of ICT products, namely JOI®.

With over 23 years of experience in the ICT products and services industry, he has developed vast experience and in-depth understanding of the industry. Building on his experience and industry knowledge, he continues to play a critical role in spearheading the overall sales and marketing functions of our Group.

Kindly refer to Section 5.2.3 for his involvement in other business activity outside our Group.

Siow Wei Ming, a Malaysian male age 49, is our Executive Director. He is responsible for product planning including developing product pricing, new product launching, identifying new market potential, developing market entry approaches such as identifying new brands of products to be sold and developing strategies to promote the sales of new brands, as well as reviewing and enhancing product mix and offerings. He was appointed to our Board on 19 July 2021.

He obtained his Sijil Tinggi Persekolahan Malaysia from Sekolah Menengah Sulaiman, Bentong, Pahang in 1993.

In 1994, he began his career when he joined Alpha Data Sdn Bhd, a company involved in the sales and distribution of electronics and computer equipment, as Sales Executive where he was involved in the sale of laptops to retail dealers throughout Malaysia. In 1998, he left Alpha Data Sdn Bhd and joined Intranet Sendirian Berhad, a company involved in the trading of computer products, as Account Manager where he was responsible for product sourcing and purchasing, supplier management and selling ICT products. In 2000, he was promoted to Assistant Sales Manager and was responsible for product distribution to branches located throughout Malaysia.

In 2001, he left Intranet Sendirian Berhad and joined PM Distribution Sdn Bhd, a company involved in the distribution of laptops, motherboards, hard disk drives and digital versatile disk rewritable, as Sales Manager where he was responsible for sourcing products, managing business development activities, building brand awareness for the company's own brand of laptop and achieving yearly sales targets.

In April 2010, he left PM Distribution Sdn Bhd and set up Note Plaza Sdn Bhd, a company involved in the trading of computer and computer accessories, and the provision of cyber internet and network IT solutions and services, with 2 other shareholders namely, Yap Teck Soon and Ang Liuk Keong, and was involved in the sale of laptops.

In August 2010, he incorporated Notebook Plaza, with 2 other shareholders namely, Siow Wei Shan (our shareholder) and Tham Soon Fatt (who had since 2014 ceased to be a shareholder and Director of Notebook Plaza), for the sale of ICT hardware, devices and related peripherals. With that, he led the development and execution of business plans and strategies, overseeing daily operations and building business relationships with industry stakeholders. Upon incorporating Notebook Plaza, he gradually ceased the operations and business of Note Plaza Sdn Bhd. He joined our Group in 2010 upon incorporating Notebook Plaza. As at LPD, he has been with our Group for 12 years.

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

Kindly refer to Section 5.2.3 for his involvement in other business activity outside our Group.

F'ng Meow Cheng, a Malaysian female age 56, is our Independent Non-Executive Director. She was appointed to our Board on 28 September 2021.

She graduated with a Bachelor of Science in Business Administration from University of Southwestern Louisiana, USA in 1991. She has been a member of the Malaysian Association of Certified Public Accountants ("**MACPA**") (now known as the Malaysian Institute of Certified Public Accountants) and the Malaysian Institute of Accountants since 1997 and 1998 respectively. In 2016, she pursued further studies on a part-time basis and obtained her Master of Management from the Australian Institute of Business, Australia through distance learning in Malaysia.

In 1991, she began her career in Sony Electronics (M) Sdn Bhd, a company involved in the manufacturing of consumer electronic products, as System Planner, where she assisted in the preparation and drafting of SOP for the company's overall processes for the application of ISO certification.

In 1992, she left Sony Electronics (M) Sdn Bhd and joined Russ Ooi & Associates, an audit firm, as Junior Auditor, where she was involved in audit and corporate advisory works. She was an Assistant Manager when she left the firm in 1996 to pursue full-time studies for her MACPA examination.

In 1997, she joined H.B. Ooi & Co., an audit firm, as Manager and was involved in providing consultancy and advisory services for corporate exercises, audit and taxation matters.

In February 1998, she left H.B. Ooi & Co. and in March 1998, she joined K.B. Tan & Co., an audit firm, as Audit Manager where she was involved in providing audit, taxation and corporate advisory services. In November 1998, she left the main office in Klang, Selangor to set up and manage a new branch office in Bukit Mertajam, Penang.

In 2002, she set up MC F'ng & Associates, an audit firm and brought along her clientele base from K.B. Tan & Co., as the latter ceased its Penang operations. As at to-date, she still operates as a sole practitioner of the firm and is involved in providing audit services.

In 2006, she set up MC F'ng Consultancy Sdn Bhd. a company involved in the provision of tax consulting and financial management services, to provide advisory and tax planning services as well as compliance consultancy services.

She was appointed as an Independent Non-Executive Director of UWC Berhad (listed on Main Market of Bursa Securities) and Aurelius Technologies Berhad (listed on Main Market of Bursa Securities), both positions she presently holds since 2018 and 2021 respectively.

Kindly refer to Section 5.2.3 for her involvement in other business activity outside our Group.

Maylee Gan Suat Lee, a Malaysian female age 45, is our Independent Non-Executive Director. She was appointed to our Board on 19 July 2021.

She graduated with a Bachelor of Laws from the University of London, UK in 1999. She obtained her Certificate in Legal Practice from the Legal Profession Qualifying Board Malaysia in 2000. She pursued further studies and obtained the University Postgraduate Certificate in Information Technology and the University Postgraduate Diploma in Information Technology in 2001 and 2003, respectively from Staffordshire University, UK. Following that, she continued to pursue her part-time studies and obtained her Master of Science in Information Technology in 2005 from Staffordshire University, UK.

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

She was admitted as an Advocate and Solicitor of the High Court of Malaya in 2005. She has been a member of the Malaysian Association of Company Secretaries since 2016, a member of the Fintech Association of Malaysia since 2016 and a registered Company Secretary of the ROC since 2019.

In 2003, she joined Hiew & Loh (now known as SW Tham, Yong & Co), a law firm, to perform her pupillage. In January 2004, she left Hiew & Loh and took a 6-month career break to focus on her studies.

In July 2004, she joined Lee Hishammuddin Allen & Gledhill, a law firm, and completed her pupillage in October 2004. She continued practising as a Legal Assistant where she was responsible for performing legal tasks pertaining to corporate matters. Following that, she was called to the bar in 2005. In 2008, she left Lee Hishammuddin Allen and Gledhill and co-founded Maylee Gan & Tai, a law firm, to provide legal services pertaining to corporate matters.

She has over 17 years of experience in providing legal services pertaining to corporate matters to clients in a wide range of industries. Her portfolio of clients includes public listed companies and multinational corporations in various industries such as real estate development and construction, investment, retail and consumer banking and financial services, private equity funding, financial technology, peer to peer lending, automotive, electronics and IT, industrial manufacturing, as well as oil and gas. Amongst the key areas of her practise are commercial and corporate matters, securities and capital markets, compliance and regulatory matters as well as banking and finance.

In 2021, she was appointed as an Independent Non-Executive Director of Kerjaya Prospek Group Berhad, a company listed on the Main Market of Bursa Securities, a position she presently holds.

Kindly refer to Section 5.2.3 for her involvement in other business activity outside our Group.

Tan Ee Ming, a Malaysian female age 49, is our Independent Non-Executive Director. She was appointed to our Board on 19 July 2021.

She obtained her qualification in 1994 from The Chartered Association of Certified Accountants (now known as Association of Chartered Certified Accountants) and has been a member since 1999. She has also been a member of the Malaysian Institute of Accountants since 2000.

In 1994, she began her career when she joined KPMG, an audit firm, as Audit Assistant where she was involved in audit works. Over the years, she was promoted to various positions within KPMG. She was last appointed as Manager in July 2000 in which she served until 2002. During her tenure, she was responsible for managing and supervising team members in performing audit tasks for companies from various industries, recruitment of new staff and managing the career development of her team members.

In 2002, she left KPMG and joined UPHA Corporation (M) Sdn Bhd (now known as CCM Pharmaceuticals Sdn Bhd), a company involved in the manufacturing of pharmaceutical products, as Management Accounting Manager where she was responsible for managing the accounting and finance functions of the pharmaceutical division regionally, including Malaysia, Singapore, Vietnam and Indonesia. In 2004, she was promoted to Finance Manager, where she took on further responsibilities to lead the accounting and finance functions of the pharmaceutical division.

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

In 2008, she left CCM Pharmaceuticals Sdn Bhd and joined Comfez Limited, a company involved in the manufacturing of animal feed, as Regional Financial Controller where she was involved in leading and managing the accounting and finance functions of the company and its regional subsidiaries, monitoring financial performance and operational issues, as well as enhancing internal control processes. In 2009, she was transferred to Gold Coin Holdings Sdn Bhd, a company involved in the manufacturing of animal feed, as Group Regional Controller and assumed similar responsibilities.

In 2015, she left Gold Coin Holdings Sdn Bhd and joined iSentia Library Group Sdn Bhd, a public relations firm, as Finance Director (Asia), where she was responsible for managing the overall finance functions of the regional office including providing financial decision analysis on the development and implementation of financial strategies, dealing with various stakeholders for corporate exercises, and streamlining accounting and finance operations across subsidiaries. In 2021, she left iSentia Library Group Sdn Bhd and was on a career break until her appointment to our Board.

In 2022, she joined Boilermach Sdn Bhd (a wholly-owned subsidiary of Boilermach Holdings Berhad which is listed on the Main Market of Bursa Securities) as Group Financial Controller, Accounts where she is responsible for overseeing the financial and accounting functions of the company and its subsidiaries.

In 2022, she was also appointed as an Independent Non-Executive Director of Wastech Resources Berhad, a position she presently holds.

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

5.2.3 Principal business performed outside our Group

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

(a) Dato' Zulkapli Bin Ahmad

| Company | Principal activities | Position held | Date of appointment | Date of resignation | % of shareholdings held | |
|--|---|--------------------------|---------------------|---------------------|-------------------------|----------|
| | | | | | Direct | Indirect |
| <u>Present involvement</u> Guard 360 Security Services Sdn Bhd | Provision of security services | Director/ Shareholder | 27 January 2020 | - | 30.0 | - |
| <u>Past involvement</u> Dian Bakti Sdn Bhd | Property development, struck off on 8 June 2018 | Director/ Shareholder | 18 November 2009 | - | 51.0 | - |
| Auxiliary Force Sdn Bhd ⁽¹⁾ | Provision of security services | Director | 1 November 2016 | 1 August 2018 | - | - |
| Kop Educators & Consultants Sdn Bhd | Provision of academic programmes related to policing and crimes | Director | 1 November 2016 | 1 August 2018 | - | - |
| Secom (Malaysia) Sdn Bhd | Provision of electronic surveillance of premises and other security related services and sale of security equipment | Director | 11 January 2017 | 21 February 2019 | - | - |
| Kop Construction Services (Malaysia) Sdn Bhd | Construction | Director | 20 February 2017 | 1 August 2018 | - | - |

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

| Company | Principal activities | Position held | Date of appointment | Date of resignation | % of shareholdings held | |
|-------------------------------------|--|---------------|---------------------|---------------------|-------------------------|----------|
| | | | | | Direct | Indirect |
| KLI Hotel Management Sdn Bhd | Hotel management | Director | 4 May 2017 | 31 December 2018 | - | - |
| Kop Logistic & Distribution Sdn Bhd | Distribution and wholesale of safety equipment | Director | 15 April 2020 | 1 July 2020 | - | - |

Note:

(1) The company has submitted a winding up application on 28 February 2020.

(b) Ko Yun Hung

| Company | Principal activities | Position held | Date of appointment | Date of resignation | % of shareholdings held | |
|---------------------------------------|--|-----------------|---------------------|---------------------|-------------------------|----------|
| | | | | | Direct | Indirect |
| <u>Present involvement</u> Nil | | | | | | |
| <u>Past involvement</u> GLOO Store | Sales and services of ICT products, sole proprietorship terminated on 11 June 2021 | Sole proprietor | 22 September 2011 | - | - | - |
| SNS Network Pte Ltd | Trading in computer software and hardware, struck off on 8 November 2021 | Director | 12 November 2014 | - | - | - |
| Acestar Sdn Bhd | Trading in computer hardware and software, provision of IT solutions and computer maintenance services | Shareholder | - | - | - | (1)25.0 |

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

| Company | Principal activities | Position held | Date of appointment | Date of resignation | % of shareholdings held | |
|-------------------|--|---------------|---------------------|---------------------|-------------------------|---------------------|
| | | | | | Direct | Indirect |
| ClickAsia Sdn Bhd | Trading in ICT, consumer electronics and other related products and/ or services | Shareholder | - | - | - | ⁽²⁾ 25.0 |

Notes:

(1) Held on trust by Ko See Meng, father of Ko Yun Hung. Ko See Meng disposed his entire shareholdings in the company to Sit Pooi Sze and Chin Chong Seng, which are non-related parties on 15 October 2017.

(2) Held on trust by Ko See Meng, father of Ko Yun Hung. Ko See Meng disposed his entire shareholdings in the company to Yeat Chow Tiong, a non-related party on 21 January 2021.

(c) Pah Wai Onn

| Company | Principal activities | Position held | Date of appointment | Date of resignation | % of shareholdings held | |
|-----------------------------------|--|-----------------------|---------------------|---------------------|-------------------------|----------|
| | | | | | Direct | Indirect |
| <u>Present involvement</u> | | | | | | |
| Nil | | | | | | |
| <u>Past involvement</u> | | | | | | |
| Micropurple Sdn Bhd | Provision of IT solutions and networking services | Director/ Shareholder | 10 July 2006 | 14 January 2021 | ⁽¹⁾ 51.0 | - |
| Microblue Sdn Bhd | Provision of IT solutions and networking services | Director/ Shareholder | 1 August 2006 | 14 January 2021 | ⁽²⁾ 51.0 | - |
| Acestar Sdn Bhd | Trading in computer hardware and software, provision of IT solutions and computer maintenance services | Director/ Shareholder | 18 April 2013 | 3 October 2017 | ⁽³⁾ 25.0 | - |

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

| Company | Principal activities | Position held | Date of appointment | Date of resignation | % of shareholdings held | |
|-----------------------|--|--------------------------|---------------------|---------------------|-------------------------|----------|
| | | | | | Direct | Indirect |
| SNS Network Pte Ltd | Trading in computer software and hardware, struck off on 8 November 2021 | Director/ Shareholder | 12 November 2014 | - | 100.0 | - |
| ClickAsia Sdn Bhd | Trading in ICT, consumer electronics and other related products and/ or services | Director/ Shareholder | 2 March 2015 | 14 January 2021 | (4)25.0 | - |
| ClickAsia (S) Pte Ltd | Retail sale via internet, struck off on 10 August 2021 | Director | 15 August 2016 | - | - | - |

Notes:

- (1) Disposed his entire shareholdings in the company to Yeat Chow Tiong and Yong Kong Weei, non-related parties, on 21 January 2021.
- (2) Disposed his entire shareholdings in the company to Yeat Chow Tiong and Cheah Thean Soo, non-related parties, on 23 January 2021.
- (3) Disposed his entire shareholdings in the company to Sit Pooi Sze, a non-related party, on 16 October 2017.
- (4) Disposed his entire shareholdings in the company to Yeat Chow Tiong, a non-related party, on 21 January 2021.

(d) Siow Wei Ming

| Company | Principal activities | Position held | Date of appointment | Date of resignation | % of shareholdings held | |
|---|---|--------------------------|---------------------|---------------------|-------------------------|----------|
| | | | | | Direct | Indirect |
| <u>Present involvement</u> Nil | | | | | | |
| <u>Past involvement</u> Note Plaza Sdn Bhd | Trader and distributor of computer and computer accessories, and IT solutions and networking services provider, struck off on 8 June 2018 | Director/ Shareholder | 14 April 2010 | - | 10.0 | - |

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

| Company | Principal activities | Position held | Date of appointment | Date of resignation | % of shareholdings held | |
|----------------------|--|---------------|---------------------|---------------------|-------------------------|----------|
| | | | | | Direct | Indirect |
| Mobile Plaza Sdn Bhd | Retailer of computers, computer equipment and supplies | Director | 1 November 2013 | 9 July 2021 | - | - |

(e) F'ng Meow Cheng

| Company | Principal activities | Position held | Date of appointment | Date of resignation | % of shareholdings held | |
|--|--|--------------------------|---------------------|---------------------|-------------------------|----------|
| | | | | | Direct | Indirect |
| Present involvement AEMC Consulting | Corporate and management advisory services | Sole proprietor | 17 January 2013 | - | - | - |
| Astaman Development Sdn Bhd | Property development whereby the company is a joint venture partner providing land for development | Director | 2 September 2004 | - | - | - |
| Aurelius Technologies Berhad | Investment holding with subsidiary involved in the provision of electronics manufacturing services for industrial electronics products | Director | 2 April 2021 | - | - | - |
| CBL Global Sdn Bhd (previously known as BH Polymer Technology (M) Sdn Bhd) | Property investment | Director/ Shareholder | 3 July 2009 | - | 50.0 | - |
| KS Wan Properties Sdn Bhd | Property investment | Director/ Shareholder | 18 July 2014 | - | 99.99 | - |

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

| Company | Principal activities | Position held | Date of appointment | Date of resignation | % of shareholdings held | |
|---|---|-----------------------|---------------------|---------------------|-------------------------|----------|
| | | | | | Direct | Indirect |
| Lebar Mekar Development Sdn Bhd | Investment holding in a company involved in the provision of construction services | Shareholder | - | - | 5.0 | - |
| MC F'ng & Associates | Provision of audit services | Sole proprietor | - | - | - | - |
| MC F'ng Consultancy Sdn Bhd | Provision of tax compliance and consultation, financial and management services | Director/ Shareholder | 30 March 2006 | - | 99.98 | - |
| Muncul Megah Development Sdn Bhd | Property investment | Director/ Shareholder | 16 February 2007 | - | 99.99 | - |
| Sierra Avenue BPO Sdn Bhd (previously known as Sierra Avenue Sdn Bhd) | Provision of business process outsourcing services | Director/ Shareholder | 4 January 2021 | - | 50.0 | - |
| UWC Berhad | Investment holding with subsidiaries involved in the provision of precision sheet metal fabrication and value-added assembly services | Director/ Shareholder | 7 November 2018 | - | 0.1 | - |

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

| Company | Principal activities | Position held | Date of appointment | Date of resignation | % of shareholdings held | |
|---|--|------------------------------------|----------------------------|---------------------|-------------------------|----------|
| | | | | | Direct | Indirect |
| <u>Past involvement</u> HS Life Venture | Trading in household products, kitchen wares, costumes, accessories, health foods, foodwares, foodstuffs, sole proprietorship expired on 17 October 2017 | Sole proprietor | 1 July 2009 | - | - | - |
| (f) Maylee Gan Suat Lee | | | | | | |
| <u>Present involvement</u> G & L Trading Sdn Bhd | Supplier of cleaning detergent | Director/ Shareholder | 19 May 2008 | - | 20.0 | - |
| Kerjaya Prospek Group Berhad ⁽¹⁾ | Investment holding with subsidiaries mainly involved in construction | Independent Non-Executive Director | 27 May 2021 ⁽¹⁾ | - | - | - |
| Maylee Gan & Tai | Provision of legal services | Partner | - | - | - | - |
| Rhiti Sports Management Sdn Bhd | Dormant, no intended activities in the future | Director | 15 March 2019 | - | - | - |
| <u>Past involvement</u> Prime Global Capital Group Incorporated | Investment holding with subsidiaries involved in plantation and property investment | Director | 1 April 2016 | 15 July 2020 | - | - |

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

| Company | Principal activities | Position held | Date of appointment | Date of resignation | % of shareholdings held | |
|---|--|------------------------------------|---------------------|----------------------------|-------------------------|----------|
| | | | | | Direct | Indirect |
| G & L Trading Co. | Merchandise and trading of cleaning chemicals, ceased operations on 3 April 2020 | Sole proprietor | 19 May 2008 | - | - | - |
| G & L Chem Industries Sdn Bhd | Dormant, struck off on 13 December 2018 | Director/ Shareholder | 20 July 2016 | - | 50.0 | - |
| Kerjaya Prospek Group Berhad ⁽¹⁾ | Investment holding with subsidiaries mainly involved in construction | Independent Non-Executive Director | 12 May 2021 | 27 May 2021 ⁽¹⁾ | - | - |

Note:

⁽¹⁾ She was appointed as an Independent Non-Executive Director of the company on 12 May 2021. Article 83 of the company's constitution states that every director appointed shall hold office only until the conclusion of the next annual general meeting ("AGM") unless is re-elected. As her appointment only took place after the notice of the 37th AGM was sent out to the shareholders, her re-election as director was not in the agenda of the AGM. Thus, she has accordingly retired at the conclusion of the AGM held on 27 May 2021. The board of directors of the company then passed a resolution to re-appoint her as an Independent Non-Executive Director of the company immediately after the conclusion of the AGM.

(g) Tan Ee Ming

| Company | Principal activities | Position held | Date of appointment | Date of resignation | % of shareholdings held | |
|--|--|------------------------------------|---------------------|---------------------|-------------------------|----------|
| | | | | | Direct | Indirect |
| Present involvement Wastech Resources Berhad | Investment holding with subsidiaries mainly involved in the manufacturing of specialty fertilisers and design, supply and installation of agriculture and landscape irrigation systems | Independent Non-Executive Director | 1 January 2022 | - | - | - |

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

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

As at LPD, our Executive Directors do not have involvement outside of our Group and hence their ability to perform their executive roles and responsibilities to our Group is not affected.

5.2.4 Directors remuneration and benefits

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

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2021, 2022 and 2023 are as follows:

| | (2) Directors' fees | Salaries | (1) Commission/ Bonuses | Allowances | Other emolument | Benefits-in-kind | Total |
|--------------------------|---------------------|----------|----------------------------|------------|-----------------|------------------|-------|
| | RM'000 | | | | | | |
| FYE 2021 | | | | | | | |
| Ko Yun Hung | 300 | 240 | 191 | - | 32 | 18 | 781 |
| Pah Wai Onn | 191 | 240 | - | - | 34 | 11 | 476 |
| Siow Wei Ming | 200 | 273 | - | - | 36 | 24 | 533 |
| FYE 2022 | | | | | | | |
| Dato' Zulkapli Bin Ahmad | 28 | - | - | - | - | - | 28 |
| Ko Yun Hung | - | 792 | - | 63 | 113 | 10 | 978 |
| Pah Wai Onn | - | 792 | - | 21 | 108 | 13 | 934 |
| Siow Wei Ming | - | 570 | - | 49 | 81 | 10 | 710 |
| F'ng Meow Cheng | 16 | - | - | - | - | - | 16 |
| Maylee Gan Suat Lee | 22 | - | - | - | - | - | 22 |
| Tan Ee Ming | 28 | - | - | - | - | - | 28 |

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

| | (2) Directors' fees | Salaries | (1) Commission/ Bonuses | Allowances | Other emolument | Benefits-in-kind | Total |
|------------------------------|---------------------|----------|----------------------------|------------|-----------------|------------------|-------|
| | | | | | | | |
| Proposed for FYE 2023 | | | | | | | |
| Dato' Zulkapli Bin Ahmad | 45 | - | - | 5 | - | - | 50 |
| Ko Yun Hung | 35 | 852 | - | 108 | 127 | - | 1,122 |
| Pah Wai Onn | 35 | 852 | - | 36 | 118 | 17 | 1,058 |
| Siow Wei Ming | 35 | 615 | - | 84 | 92 | - | 826 |
| F'ng Meow Cheng | 35 | - | - | 5 | - | - | 40 |
| Maylee Gan Suat Lee | 35 | - | - | 5 | - | - | 40 |
| Tan Ee Ming | 45 | - | - | 5 | - | - | 50 |

Notes:

- (1) The bonuses for FYE 2023 are not included. Such bonuses, if any, will be determined at a later date based on our Group's performance, and will be subject to recommendation of our Remuneration Committee and approval by our Board. Commission relates to sales commission payable to our Executive Directors.
- (2) The directors' fees payable are on a pro-rata basis.

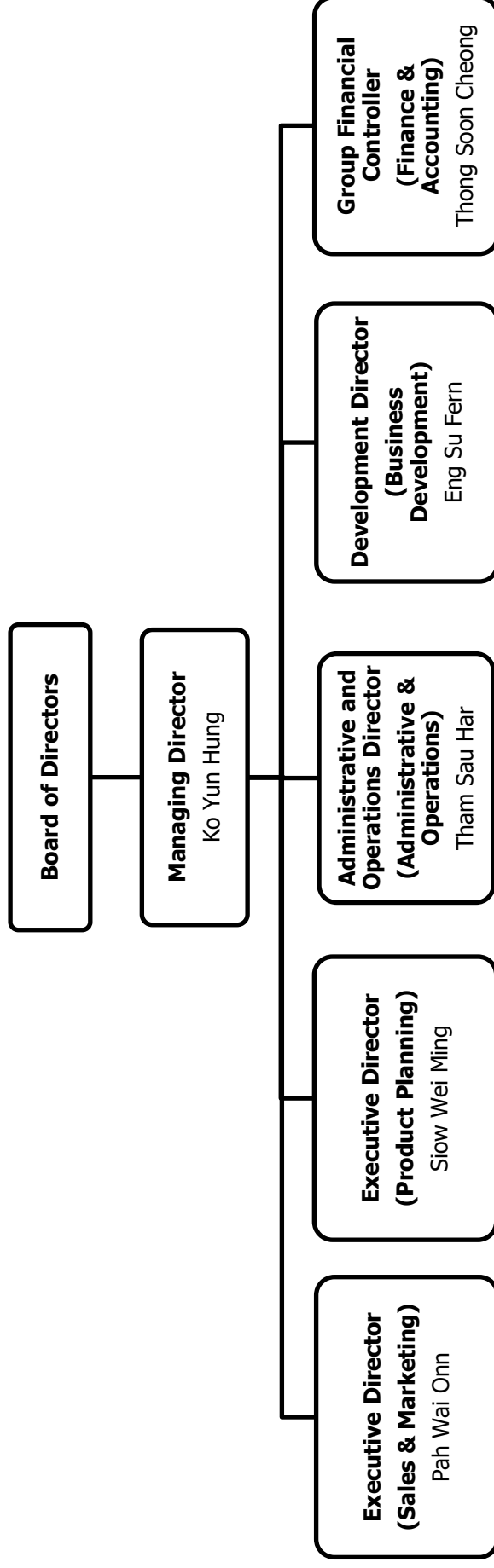
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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3 KEY SENIOR MANAGEMENT

5.3.1 Management structure

The management reporting structure of our Group is as follows:



Our Managing Director oversees the respective departments in the reporting structure mainly to grasp the overall condition of its operations. However, to ensure the independence from the spousal relationship between Ko Yun Hung and Eng Su Fern, there are:

- (a) authority limits set by our Board whereby key decisions in the development department would require the approval of the executive committee, which comprises Ko Yun Hung and Pah Wai Onn; and
- (b) internal controls in place through the approval of banking transactions where the signatories of Ko Yun Hung and Pah Wai Onn are required.

The roles and responsibilities of our executive committee, which comprises Ko Yun Hung and Pah Wai Onn is that they will collectively make decisions and provide approvals for our business development department as well as approve banking transactions of any limit by our Group.

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

5.3.2 Key senior management shareholdings

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

| | ⁽¹⁾ Before IPO | | | ^{(2),(3)} After IPO | | |
|---|----------------------------|------|------------------------------|------------------------------|------------------|------------------------------|
| | Direct No. of Shares | % | Indirect No. of Shares | Direct No. of Shares | % | Indirect No. of Shares |
| Name | | | | | | |
| Designation/ Nationality | | | | | | |
| Ko Yun Hung | 543,731,139 | 43.5 | 7,362,971 ⁽⁴⁾ | 519,539,439 | 32.2 | 7,362,971 ⁽⁴⁾ |
| Managing Director/ Malaysian | | | | | | 0.5 ⁽⁴⁾ |
| Pah Wai Onn | 543,731,139 | 43.5 | 7,362,971 ⁽⁵⁾ | 519,539,439 | 32.2 | 7,362,971 ⁽⁵⁾ |
| Executive Director/ Malaysian | | | | | | 0.5 ⁽⁵⁾ |
| Siow Wei Ming | 118,172,752 | 9.5 | - | 118,172,752 | 7.3 | - |
| Executive Director/ Malaysian | | | | | | - |
| Eng Su Fern | 7,362,971 | 0.6 | - | 7,362,971 | 0.5 | - |
| Development Director/ Malaysian | | | | | | - |
| Tham Sau Har | 7,362,971 | 0.6 | - | 7,362,971 | 0.5 | - |
| Administrative and Operations Director/ Malaysian | | | | | | - |
| Thong Soon Cheong | - | - | - | 400,000 | - ⁽⁶⁾ | - |
| Group Financial Controller/ Malaysian | | | | | | - |

Notes:

(1) After completion of Acquisitions but before Public Issue and Offer for Sale.

(2) After Public Issue and Offer for Sale.

(3) Based on enlarged share capital of 1,612,779,660 Shares after IPO.

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

- (4) Deemed interest in the shareholdings of his spouse, Eng Su Fern, who is our Promoter, shareholder and Development Director, pursuant to Section 59(11) of the Act.
- (5) Deemed interest in the shareholdings of his spouse, Tham Sau Har, who is our Promoter, shareholder and Administrative and Operations Director, pursuant to Section 59(11) of the Act.
- (6) Represents less than 0.1%.

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

5.3.3 Profiles of key senior management

Save for the profiles of Ko Yun Hung, Pah Wai Onn and Siow Wei Ming, which are set out in Section 5.2.2, the profiles of the other key senior management of our Group are as follows:

Eng Su Fern, a Malaysian female age 41, is our Development Director. She is responsible for leading our business development activities and overseeing the development of our e-commerce and omnichannel platform as well as our software and system development activities. She is also involved in overseeing the daily operations of our Apple Authorised service centres.

In 2004, she graduated with a Bachelor of IT with Honours from Universiti Utara Malaysia. She pursued further studies and obtained her Master of Business Administration from Universiti Sains Malaysia in 2019.

In 2004, she began her career as System Development Engineer in SNS Network Malaysia where she was involved in software and system R&D activities, primarily focusing on website development and creating online presence for the company.

In 2007, she was promoted to Development Director where she led a team of engineers in software and system development activities, exploring new product offerings and performing business development matters pertaining to identifying new locations for retail expansion. She also led R&D activities for new products, services and solutions development, and/or continuous upgrade of existing products, services and solutions for our JOI[®] smart classroom framework, JOI[®] Smart Sense solution and JOI[®] ICT products services and solutions. She also spearheaded the launch of our online stores on third party marketplaces in 2015 and our in-house online stores in 2017.

She is the spouse of Ko Yun Hung, our Managing Director.

Kindly refer to Section 5.3.4 for her involvement in other business activity outside our Group.

Tham Sau Har, a Malaysian female age 41, is our Administrative and Operations Director. She is responsible for overseeing the day-to-day administrative and operational functions of our Group, planning and supervising inventory management, building relationships with brand principals, appointed distributors, OEMs and suppliers for procurement and operational purposes, as well as ensuring our Group's internal operations, processes and practices comply with regulatory requirements.

She obtained her Sijil Pelajaran Malaysia from Sekolah Menengah Kebangsaan Raja Perempuan, Ipoh, Perak in 1998. She continued her education and obtained her Accounting – Third Level certification from the London Chamber of Commerce and Industry ("**LCCI**") Examinations Board in 2000.

In 2000, she joined SNS Network Malaysia as Business Administrator where she was responsible for the execution of daily administrative and accounting tasks.

In 2007, she was promoted to Finance Director and was responsible for the management of daily administrative and accounting functions including controlling monthly expenses, managing payment collections, overseeing the continuous improvement of financial processes involving internal control policies and standard operating procedures, securing loans and financial facilities from financial institutions, and ensuring compliance of quality controls and quality assurance procedures.

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

In 2017, she handed over her financial responsibilities to our Group Financial Controller to focus on the administrative and operational functions of our Group. In February 2021, she was redesignated as Administrative and Operations Director and assumed her current responsibilities.

She is the spouse of Pah Wai Onn, our Executive Director.

Kindly refer to Section 5.3.4 for her involvement in other business activity outside our Group.

Thong Soon Cheong, a Malaysian male age 52, is our Group Financial Controller. He is responsible for overseeing and managing the overall financial and accounting functions of our Group including preparing financial budgets and providing financial advice to the management for decision making, as well as developing and implementing financial policies to improve the profitability of our Group.

He obtained his Unified Examination Certificate for Independent Chinese Secondary Schools in Malaysia from Sekolah Menengah Shen Jai, Ipoh, Perak in 1989. He continued his education in Sekolah Menengah Shen Jai Ipoh, Perak and obtained his Accounting – Third Level certification from the LCCI Examinations Board in 1991. He has been a member of The Chartered Institute of Management Accountants ("**CIMA**") and the Malaysian Institute of Accountants, both since 1999.

In January 1991, he began his career in Francis Lee & Co. as Audit Assistant for 2 months where he assisted in the financial audit processes for clients. In March 1991, he joined MBF Construction Sdn Bhd as Accounts Assistant where he handled payments, prepared accounts receivables and assisted in debtor reconciliation. In 1992, he left to join Hexza Corporation Berhad as Accounts Assistant where he was responsible for preparing subsidiaries' accounts and consolidating accounts. In 1993, he left to pursue full-time studies in CIMA which he completed in 1995 and obtained his CIMA professional certification.

In 1995, he joined Sportma Corporation Berhad as Accounts Manager where he was responsible for the preparation of cash flows, monthly reporting, reviewing and updating the costing system, and assisted in the listing exercise of the company.

In 2000, he left Sportma Corporation Berhad and joined Maju Weko Timber Industries Sdn Bhd as Accountant where he was responsible for managing the administrative and finance functions including tax and regulatory requirements, licensing applications and renewals, and securing loan facilities from financial institutions. He also participated in the listing exercise of the company. In March 2003, he was transferred to Kota Pinang Sdn Bhd (a related company to Maju Weko Timber Industries Sdn Bhd) as Accountant and assumed similar responsibilities. In December 2003, he was promoted to Group Finance Manager when Leweko Resources Berhad, the holding company of Maju Weko Timber Industries Sdn Bhd and Kota Pinang Sdn Bhd, was listed Main Market on Bursa Securities through a reverse takeover exercise. He left the group in 2010.

In 2010, he joined his family business, Square One Concept Interior Design, a sole proprietorship involved in interior design and renovation, as Finance Manager where he was responsible for its finance and administrative functions.

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

In February 2012, he left to join another family business, Greenster Trading, a partnership involved in landscaping design and flowerpot manufacturing, as Finance Manager where he was responsible for its finance and administrative functions. In May 2012, he left to join Yayasan Bina Upaya Darul Ridzuan as Manager where he managed the overall finance and administrative operations of the company. In 2013, he left to join YBU Holdings Sdn Bhd where he managed the overall finance and accounting functions of the company and was involved in management decision making. In 2015, he was promoted to Finance Manager.

In 2017, he left YBU Holdings Sdn Bhd and joined SNS Network Malaysia as Financial Controller. In June 2020, he was promoted to Group Financial Controller and assumed his current responsibilities.

Kindly refer to Section 5.3.4 for his involvement in other business activity outside our Group.

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

5.3.4 Principal business performed outside our Group

Save as disclosed in Section 5.2.3 and below, none of our key senior management has any other principal directorship and/or principal business activities performed outside our Group as at LPD:

(a) Eng Su Fern

| Company | Principal activities | Involvement/ Position held | Date of appointment | Date of resignation | % of shareholdings held | |
|----------------------------|--|-------------------------------|------------------------|------------------------|-------------------------|----------|
| | | | | | Direct | Indirect |
| <u>Present involvement</u> | | | | | | |
| Nil | | | | | | |
| <u>Past involvement</u> | | | | | | |
| iTworld Trading | Dormant, sole proprietorship was terminated on 24 June 2021 | Sole proprietor | 1 April 2006 | - | - | - |
| (b) Tham Sau Har | | | | | | |
| Company | Principal activities | Involvement/ Position held | Date of appointment | Date of resignation | Direct | Indirect |
| <u>Present involvement</u> | | | | | | |
| Nil | | | | | | |
| <u>Past involvement</u> | | | | | | |
| Intcomax Sdn Bhd | Trading in computer hardware and software, provision of IT solutions and computer maintenance services | Shareholder | - | - | - | (1)33.3 |
| Intcomax (KB) Sdn Bhd | Trading in computer hardware and software, provision of IT solutions and computer maintenance services | Shareholder | - | - | - | (1)25.0 |

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

Note:

- (1) Held on trust by Chiew Sam Mooi, mother of Tham Sau Har. Chiew Sam Mooi disposed her entire shareholdings in the respective company to Azlina Binti Mohd Sharip, a non-related party on 21 January 2021.

(c) Thong Soon Cheong

| Company | Principal activities | Involvement/ Position held | Date of appointment | Date of resignation | % of shareholdings held | |
|---|---|-------------------------------|------------------------|------------------------|-------------------------|----------|
| | | | | | Direct | Indirect |
| Present involvement Albizia Enterprise | Agriculture estate maintenance, nursery, general contractor, food supply | Partner | 30 March 2018 | - | - | - |
| Eucalyptus Agro Cultivation Sdn Bhd | Saplings plantation and forestry | Director/ Shareholder | 23 May 2013 | - | 20.0 | - |
| Eucalyptus Cultivation Marketing (M) Sdn Bhd | Marketing of saplings | Director/ Shareholder | 26 September 2013 | - | 15.0 | - |
| Fajar Forest Plantation Sdn Bhd | Contractor for agricultural activities (crops production) | Director/ Shareholder | 15 May 2016 | - | 5.0 | - |
| Goal Goal Planting Development Sdn Bhd | Property investment of plantation land | Director/ Shareholder | 5 July 2019 | - | 32.5 | - |
| Glorify Technics Sdn Bhd | Plantation of fruits | Director/ Shareholder | 2 August 2019 | - | 32.5 | - |
| Tropical Cultivation Marketing (M) Sdn Bhd | Plantation contractor | Director/ Shareholder | 19 February 2014 | - | 15.0 | - |

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

| Company | Principal activities | Involvement/ Position held | Date of appointment | Date of resignation | % of shareholdings held | |
|--|---|-------------------------------|------------------------|------------------------|-------------------------|----------|
| | | | | | Direct | Indirect |
| Past involvement Bina Upaya Group Sdn Bhd | Property development and construction | Director | 13 April 2017 | 1 November 2017 | - | - |
| RH Consortium Sdn Bhd | Investment holding in companies involved in property development | Director | 31 May 2017 | 16 July 2018 | - | - |
| RH Engineers & Constructors Sdn Bhd | Construction of residential buildings | Director | 31 May 2017 | 16 July 2018 | - | - |
| RH Silver Sdn Bhd | Property development | Director | 29 March 2013 | 16 July 2018 | - | - |

The involvement of our Group Financial Controller in those business activities outside our Group does not give rise to any conflict of interest situation with our business. He is not directly involved in the day-to-day operations of those business activities which are managed by the other shareholders. As such, his involvement does not affect his ability to perform his role and responsibilities to our Group.

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

5.3.5 Key senior management remuneration and benefits

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

The aggregate remuneration and material benefits-in-kind (in bands of RM50,000) paid and proposed to be paid to our key senior management (save for our Managing Director and Executive Directors which are disclosed in Section 5.2.4) for services rendered in all capacities to our Group for FYE 2021, FYE 2022 and FYE 2023 are as follows:

| | <u>(1)(2) Remuneration</u> | <u>Benefits-in-kind</u> | <u>Total</u> |
|-------------------------------------|----------------------------|-------------------------|---------------|
| | | <u>RM'000</u> | |
| <u>FYE 2021</u> | | | |
| Eng Su Fern | 650 - 700 | 0 - 50 | 650 - 750 |
| Tham Sau Har | 650 - 700 | 0 - 50 | 650 - 750 |
| Thong Soon Cheong | 200 - 250 | - | 200 - 250 |
| <u>FYE 2022</u> | | | |
| Eng Su Fern | 900 - 950 | 0 - 50 | 900 - 1,000 |
| Tham Sau Har | 900 - 950 | 0 - 50 | 900 - 1,000 |
| Thong Soon Cheong | 200 - 250 | - | 200 - 250 |
| <u>Proposed for FYE 2023</u> | | | |
| Eng Su Fern | 1,000 - 1,050 | - | 1,000 - 1,050 |
| Tham Sau Har | 1,000 - 1,050 | - | 1,000 - 1,050 |
| Thong Soon Cheong | 200 - 250 | - | 200 - 250 |

Notes:

- (1) The remuneration for key senior management includes salaries, commission, bonuses, allowances and other emoluments.
- (2) The bonuses for FYE 2023 are not included. Such bonuses, if any, will be determined at a later date based on our Group's performance, and will be subject to recommendation of our Remuneration Committee and approval by our Board.

5.4 BOARD PRACTICE

5.4.1 Board

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

- (a) Together with the senior management, promote good corporate governance culture within our Company which reinforces ethical, prudent and professional behaviour;
- (b) To review and adopt strategic plans for our Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;

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

- (c) To review the adequacy and the integrity of our Group's risk management, legal and compliance management and internal control systems to safeguard our Group's reputation, and our employees and assets and to ensure compliance with applicable laws and regulations;
- (d) To ensure that our Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the Malaysian Code on Corporate Governance ("MCCG");
- (e) To review and approve our annual business plans, financial statements and annual reports;
- (f) To monitor the relationship between our Group and our management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for our Group;
- (g) To ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of board and senior management;
- (h) To ensure the integrity of our Group's financial and non-financial reporting;
- (i) To appoint our Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by our Board committees and deliberate on the recommendations thereon; and
- (j) To address sustainability risk and opportunities in an integrated and strategic manner to support its long-term strategy and success.

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

The details of members of our Board and date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in that office as at LPD are as follows:

| Director | Designation | Date of appointment | Date of expiration of the current term of office at AGM | No. of years and months in office |
|--------------------------|------------------------------------|----------------------------|--|--|
| Dato' Zulkapli Bin Ahmad | Independent Non-Executive Chairman | 19 July 2021 | Subject to retirement at the AGM in 2023 ⁽¹⁾ | Less than 1 year |
| Ko Yun Hung | Executive Director | 26 January 2016 | Subject to retirement at the AGM in 2024 ⁽¹⁾ | 6 years 6 months |
| | Managing Director | 29 June 2021 | | |

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

| Director | Designation | Date of appointment | Date of expiration of the current term of office at AGM | No. of years and months in office |
|---------------------|------------------------------------|----------------------------|--|--|
| Pah Wai Onn | Executive Director | 19 July 2021 | Subject to retirement at the AGM in 2023 ⁽¹⁾ | Less than 1 year |
| Siow Wei Ming | Executive Director | 19 July 2021 | Subject to retirement at the AGM in 2022 ⁽¹⁾ | Less than 1 year |
| F'ng Meow Cheng | Independent Non-Executive Director | 28 September 2021 | Subject to retirement at the AGM in 2022 ⁽²⁾ | Less than 1 year |
| Maylee Gan Suat Lee | Independent Non-Executive Director | 19 July 2021 | Subject to retirement at the AGM in 2024 ⁽¹⁾ | Less than 1 year |
| Tan Ee Ming | Independent Non-Executive Director | 19 July 2021 | Subject to retirement at the AGM in 2022 ⁽¹⁾ | Less than 1 year |

Notes:

(1) Retirement pursuant to Clause 18.4 of our Constitution which provides that an election of Directors shall take place each year at the AGM. At our first AGM, all our Directors shall retire from office, and at the AGM in every subsequent year, one-third of our Directors for the time being or, if their number is not 3 or a multiple of 3, then, the number nearest to one-third shall retire from office and be eligible for re-election provided always that all our Directors including a Managing Director shall retire from office at least once every 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

(2) Retirement pursuant to Clause 18.10 of our Constitution which provides, among others, that any Director appointed by our Board shall hold office only until the next following AGM and shall then be eligible for re-election at that AGM.

5.4.2 Audit and Risk Management Committee ("ARMC")

The primary function of our ARMC is to assist our Board in the discharge of its responsibilities in relation to accounting and financial reporting practices of our Group.

Our ARMC acts on behalf of our Board and shall assist our Board in the following matters:

- (a) Complying with specified accounting standards and required disclosure as administered by Bursa Securities, relevant accounting standards bodies, and any other laws and regulations as amended from time to time;
- (b) Overseeing a formal and transparent arrangement as well as appraising the quality of the audits conducted both by our Company's internal and external auditors;

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

- (c) Maintaining open lines of communication between our Board, the internal and external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities;
- (d) Maintaining a sound system of internal controls covering administrative, operating and accounting and risk management to safeguard shareholders' interest and our Company's assets;
- (e) Oversee financial reporting; and
- (f) Investigate any concerns received on possible irregularities within our Group.

Our ARMC was established on 1 October 2021 and the members were appointed by our Board. Our Nomination Committee will review the composition, performance and effectiveness of our ARMC annually.

The members of our ARMC as at LPD are as follows:

| Name | Designation | Directorship |
|---------------------|--------------------|------------------------------------|
| Tan Ee Ming | Chairman | Independent Non-Executive Director |
| F'ng Meow Cheng | Member | Independent Non-Executive Director |
| Maylee Gan Suat Lee | Member | Independent Non-Executive Director |

5.4.3 Remuneration Committee

Our Remuneration Committee will undertake the following responsibilities and functions, among others, in fulfilment of the MCCG and the Listing Requirements and report on the same to our Board:

- (a) Determine and recommend to our Board the framework or board policy for the remuneration structure of our Executive Directors and key senior management, drawing from outside advice as necessary; covering all aspects of remuneration including directors' fees, salaries, allowances, bonuses, options and benefit-in-kind;
- (b) Review and assess the adequacy and relevance of key duties and responsibilities annually and recommend any changes to the policy, as necessary;
- (c) Determine and recommend to our Board any performance related pay schemes for the Executive Directors and key senior management;
- (d) Implement/ maintain a reward system for our Executive Directors and key senior management based on their performance against our Company's results. The following factors shall be taken into consideration in determining the quantum of remuneration:
 - (i) Position and scope of work;
 - (ii) Business strategy and long term objectives of our Company;
 - (iii) Complexity of our Company's activities;
 - (iv) Performance;
 - (v) Number of years of service;
 - (vi) Experience; and
 - (vii) Salary based on industry standard,
- (e) Review and recommend the entire individual remuneration package for each of our Executive Directors and key senior management;

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

- (f) Determine the policy for and scope of service agreements for our Executive Directors, termination payment and compensation commitments;
- (g) Determine the remuneration packages of Non-Executive Directors, including Non-Executive Chairman which should be a matter for our Board as a whole. The individuals concerned should abstain from discussion of their own remuneration;
- (h) Recommend to our Board the appointment of the services of such advisers or consultants as it deems necessary to fulfil its responsibilities; and
- (i) Carry out such other functions as may be agreed to by our Remuneration Committee and our Board.

Our Remuneration Committee was established on 1 October 2021 and the members were appointed by our Board. Our Nomination Committee will review the composition, performance and effectiveness of our Remuneration Committee annually.

The members of our Remuneration Committee as at LPD are as follows:

| Name | Designation | Directorship |
|---------------------|--------------------|------------------------------------|
| F'ng Meow Cheng | Chairman | Independent Non-Executive Director |
| Maylee Gan Suat Lee | Member | Independent Non-Executive Director |
| Tan Ee Ming | Member | Independent Non-Executive Director |

5.4.4 Nomination Committee

Our Nomination Committee will undertake the following responsibilities and functions, among others, in fulfilment of the MCCG as well as Rules 15.08 and 15.08A of the Listing Requirements, and report on the same to our Board:

- (a) Make recommendations to our Board with regard to any appointment of Directors considering their skills, knowledge, education, qualities, expertise and experience, professionalism, integrity, time commitment, contribution, boardroom diversity including gender diversity and other factors that will best qualify a nominee to serve on our Board; and for the position of Independent Non-Executive Directors, the ability to discharge such responsibilities/ functions as expected;
- (b) Consider, in making its recommendations, candidates for directorships proposed by the chairman and within the bounds of practicability, by any other senior executive or any other Director or shareholder;
- (c) Assist our Board to review regularly our Board structure, size and composition and the required mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to our Board;
- (d) Assess the effectiveness of our Board, any other committees of our Board and the contributions of each individual Director, including the independence of Independent Non-Executive Directors, as well as Group Financial Controller, based on the process and procedures laid out by our Board; and to provide the necessary feedback to Directors in respect of their performance;
- (e) Ensure proper documentation of all assessments and evaluations so carried out;
- (f) Recommend to our Board, the Directors to fill the seats on any committees of our Board;

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

- (g) Propose to our Board the responsibilities of non-executive directors, including membership and chairmanship of our Board;
- (h) Recommend to our Board for continuation or discontinuation in service of Directors as an Executive Director or Non-Executive Director;
- (i) Recommend to our Board, Directors who are retiring by rotation to be put forward for re-election;
- (j) Requiring the Directors to attend training courses, where necessary;
- (k) Arrange induction programmes for newly appointed directors to familiarise themselves with the operations, products and services of our Group through briefings by the relevant management teams;
- (l) Recommend to our Board the employment of the services of such advisers as it deems necessary to fulfil our Board's responsibilities; and
- (m) Carry out other responsibilities, functions or assignments as may be defined by our Board from time to time.

Our Nomination Committee was established on 1 October 2021 and its members were appointed by our Board.

The members of our Nomination Committee as at LPD are as follows:

| Name | Designation | Directorship |
|---------------------|--------------------|------------------------------------|
| Maylee Gan Suat Lee | Chairman | Independent Non-Executive Director |
| F'ng Meow Cheng | Member | Independent Non-Executive Director |
| Tan Ee Ming | Member | Independent Non-Executive Director |

5.5 RELATIONSHIPS AND/OR ASSOCIATIONS

Save as disclosed below, there are no family relationships (as defined under Section 197 of the Act) or association between or amongst our Promoters, substantial shareholders, Directors and key senior management as at LPD:

- (a) Ko Yun Hung who is our Promoter, substantial shareholder and Managing Director, is the spouse of Eng Su Fern;
- (b) Pah Wai Onn who is our Promoter, substantial shareholder and Executive Director is the spouse of Tham Sau Har;
- (c) Eng Su Fern who is our Promoter, shareholder and Development Director, is the spouse of Ko Yun Hung;
- (d) Tham Sau Har who is our Promoter, shareholder and Administrative and Operations Director, is the spouse of Pah Wai Onn; and
- (e) Siow Wei Ming who is our Promoter, substantial shareholder and Executive Director is the brother of Siow Wei Shan, our shareholder and Distribution Manager of Notebook Plaza.

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

5.6 EXISTING OR PROPOSED SERVICE AGREEMENTS

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

5.7 DECLARATION FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

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

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

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6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON SNS

Our Company was incorporated in Malaysia under the Companies Act, 1965 on 26 January 2016 as a private limited company under the name SNS Network Technology Sdn Bhd. On 30 July 2021, we converted into a public limited company and adopted our present name.

Our Company is principally an investment holding company. There has been no material change in the manner in which we conduct our business or activities since our incorporation and up to LPD.

Please refer to Section 7.1 for detailed information of our Group's history.

As at LPD, our share capital is RM2.00 comprising 2 Shares, all of which have been issued and fully paid-up. The movements in our share capital since the date of our incorporation are set out below:

| Date of allotment | No. of Shares allotted | Consideration/ Types of issue | Cumulative share capital RM |
|--------------------------|-------------------------------|--|--|
| 26 January 2016 | 2 | RM2/Subscriber's shares | 2 |
| 4 July 2022 | 1,249,904,158 | RM63,120,160/ Consideration for the Acquisitions (otherwise than cash) | 63,120,162 |

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

Upon completion of our IPO, our enlarged share capital will increase to RM153.84 million comprising 1,612,779,660 Shares.

6.2 DETAILS OF OUR ACQUISITIONS

In preparation for our Listing, we have undertaken the Acquisitions. On 14 July 2021 and 10 May 2022, we entered into the following agreements:

- (a) Conditional sale and purchase agreement dated 14 July 2021 (and supplemental agreement dated 10 May 2022) with Ko Yun Hung and Pah Wai Onn to acquire the entire equity interest in Acrux comprising 200,000 ordinary shares for a purchase consideration of RM0.67 million which was satisfied by the issuance of 13,265,346 new Shares to Ko Yun Hung and Pah Wai Onn at an issue price of RM0.0505 each;
- (b) Conditional sale and purchase agreement dated 14 July 2021 (and supplemental agreement dated 10 May 2022) with Ko See Meng and Pah Wai Onn to acquire the entire equity interest in GLOO comprising 1,000 ordinary shares for a purchase consideration of RM0.68 million which was satisfied by the issuance of 13,480,990 new Shares to Ko Yun Hung⁽¹⁾ and Pah Wai Onn at an issue price of RM0.0505 each;
- (c) Conditional sale and purchase agreement dated 14 July 2021 (and supplemental agreement dated 10 May 2022) with Ko See Meng and Pah Wai Onn to acquire the entire equity interest in iTworld comprising 20,100 ordinary shares for a purchase consideration of RM0.57 million which was satisfied by the issuance of 11,200,396 new Shares to Ko Yun Hung⁽¹⁾ and Pah Wai Onn at an issue price of RM0.0505 each;

6. INFORMATION ON OUR GROUP (Cont'd)

- (d) Conditional sale and purchase agreement dated 14 July 2021 (and supplemental agreement dated 10 May 2022) with Ko Yun Hung and Pah Wai Onn to acquire the entire equity interest in JOI comprising 470,000 ordinary shares for a purchase consideration of RM0.46 million which was satisfied by the issuance of 9,199,406 new Shares to Ko Yun Hung and Pah Wai Onn at an issue price of RM0.0505 each;
- (e) Conditional sale and purchase agreement dated 14 July 2021 (and supplemental agreement dated 10 May 2022) with Ko See Meng, Pah Wai Onn, Siow Wei Ming and Siow Wei Shan to acquire the entire equity interest in Notebook Plaza comprising 1,000,000 ordinary shares for a purchase consideration of RM14.92 million which was satisfied by the issuance of 295,431,880 new Shares to Ko Yun Hung⁽¹⁾, Pah Wai Onn, Siow Wei Ming and Siow Wei Shan at an issue price of RM0.0505 each;
- (f) Conditional sale and purchase agreement dated 14 July 2021 (and supplemental agreement dated 10 May 2022) with Eng Su Fern and Tham Sau Har to acquire the entire equity interest in SNS Network ICT comprising 100,000 ordinary shares for a purchase consideration of RM0.74 million which was satisfied by the issuance of 14,725,942 new Shares to Eng Su Fern and Tham Sau Har at an issue price of RM0.0505 each;
- (g) Conditional sale and purchase agreement dated 14 July 2021 (and supplemental agreement dated 10 May 2022) with Ko Yun Hung and Ong Mei Kwai to acquire the entire equity interest in SNS Network Malaysia comprising 5,000,000 ordinary shares for a purchase consideration of RM41.42 million which was satisfied by the issuance of 820,173,268 new Shares to Ko Yun Hung and Pah Wai Onn⁽²⁾ at an issue price of RM0.0505 each; and
- (h) Conditional sale and purchase agreement dated 14 July 2021 (and supplemental agreement dated 10 May 2022) with Ko See Meng and Pah Wai Onn to acquire the entire equity interest in SNS Network Services comprising 1,000,000 ordinary shares for a purchase consideration of RM3.66 million which was satisfied by the issuance of 72,426,930 new Shares to Ko Yun Hung⁽¹⁾ and Pah Wai Onn at an issue price of RM0.0505 each.

Notes:

- (1) The Shares were issued to Ko Yun Hung as Ko See Meng (father of Ko Yun Hung) previously held shares in such companies on trust for Ko Yun Hung in accordance with 4 declarations of trust made by the parties between year 2012 to 2014.
- (2) The Shares were issued to Pah Wai Onn as Ong Mei Kwai (mother of Pah Wai Onn) previously held shares in SNS Network Malaysia on trust for Pah Wai Onn in accordance with a declaration of trust made by the parties in year 2000.

6. INFORMATION ON OUR GROUP (Cont'd)

Details of the vendors of Acrux, GLOO, iTworld, JOI, Notebook Plaza, SNS Network ICT, SNS Network Malaysia and SNS Network Services and the number of Shares issued under the Acquisitions are as follows:

Acrux

| <u>Acrux Vendors</u> | <u>Shareholdings in Acrux</u> | | <u>Purchase consideration</u> | <u>No. of Shares issued</u> |
|----------------------|-------------------------------|---------------------------|-------------------------------|-----------------------------|
| | <u>No. of shares acquired</u> | <u>% of share capital</u> | | |
| | | | RM | |
| Ko Yun Hung | 100,000 | 50.0 | 334,950 | 6,632,673 |
| Pah Wai Onn | 100,000 | 50.0 | 334,950 | 6,632,673 |
| | 200,000 | 100.0 | 669,900 | 13,265,346 |

The purchase consideration for the Acquisition of Acrux of RM0.67 million was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Acrux as at 31 January 2021 of RM0.67 million.

GLOO

| <u>GLOO Vendors</u> | <u>Shareholdings in GLOO</u> | | <u>Purchase consideration</u> | <u>No. of Shares issued</u> |
|----------------------------|-------------------------------|---------------------------|-------------------------------|-----------------------------|
| | <u>No. of shares acquired</u> | <u>% of share capital</u> | | |
| | | | RM | |
| Ko See Meng ⁽¹⁾ | 500 | 50.0 | 340,395 | 6,740,495 ⁽¹⁾ |
| Pah Wai Onn | 500 | 50.0 | 340,395 | 6,740,495 |
| | 1,000 | 100.0 | 680,790 | 13,480,990 |

Note:

- (1) Ko See Meng held shares in GLOO on trust for his son Ko Yun Hung in accordance with a declaration of trust dated 11 January 2013. Pursuant to the Acquisition of GLOO, the Shares are issued to Ko Yun Hung. The Shares are issued in accordance with the relevant rules and regulations.

The purchase consideration for the Acquisition of GLOO of RM0.68 million was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of GLOO as at 31 January 2021 of RM0.68 million.

iTworld

| <u>iTworld Vendors</u> | <u>Shareholdings in iTworld</u> | | <u>Purchase consideration</u> | <u>No. of Shares issued</u> |
|----------------------------|---------------------------------|---------------------------|-------------------------------|-----------------------------|
| | <u>No. of shares acquired</u> | <u>% of share capital</u> | | |
| | | | RM | |
| Ko See Meng ⁽¹⁾ | 10,050 | 50.0 | 282,810 | 5,600,198 ⁽¹⁾ |
| Pah Wai Onn | 10,050 | 50.0 | 282,810 | 5,600,198 |
| | 20,100 | 100.0 | 565,620 | 11,200,396 |

Note:

- (1) Ko See Meng held shares in iTworld on trust for his son Ko Yun Hung in accordance with a declaration of trust dated 31 March 2012. Pursuant to the Acquisition of iTworld, the Shares are issued to Ko Yun Hung. The Shares are issued in accordance with the relevant rules and regulations.

6. INFORMATION ON OUR GROUP (Cont'd)

The purchase consideration for the Acquisition of iTworld of RM0.57 million was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of iTworld as at 31 January 2021 of RM0.56 million.

JOI

| JOI Vendors | Shareholdings in JOI | | Purchase consideration RM | No. of Shares issued |
|-------------|------------------------|--------------------|------------------------------|----------------------|
| | No. of shares acquired | % of share capital | | |
| Ko Yun Hung | 235,000 | 50.0 | 232,285 | 4,599,703 |
| Pah Wai Onn | 235,000 | 50.0 | 232,285 | 4,599,703 |
| | 470,000 | 100.0 | 464,570 | 9,199,406 |

The purchase consideration for the Acquisition of JOI of RM0.46 million was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of JOI as at 31 January 2021 of RM0.46 million.

Notebook Plaza

| Notebook Plaza Vendors | Shareholdings in Notebook Plaza | | Purchase consideration RM | No. of Shares issued |
|----------------------------|---------------------------------|--------------------|------------------------------|---------------------------|
| | No. of shares acquired | % of share capital | | |
| Ko See Meng ⁽¹⁾ | 250,000 | 25.0 | 3,729,827.5 | 73,857,970 ⁽¹⁾ |
| Pah Wai Onn | 250,000 | 25.0 | 3,729,827.5 | 73,857,970 |
| Siow Wei Ming | 400,000 | 40.0 | 5,967,724 | 118,172,752 |
| Siow Wei Shan | 100,000 | 10.0 | 1,491,931 | 29,543,188 |
| | 1,000,000 | 100.0 | 14,919,310 | 295,431,880 |

Note:

- (1) Ko See Meng held shares in Notebook Plaza on trust for his son Ko Yun Hung in accordance with a declaration of trust dated 21 August 2014. Pursuant to the Acquisition of Notebook Plaza, the Shares are issued to Ko Yun Hung. The Shares are issued in accordance with the relevant rules and regulations.

The purchase consideration for the Acquisition of Notebook Plaza of RM14.92 million was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Notebook Plaza as at 31 January 2021 of RM14.92 million.

SNS Network ICT

| SNS Network ICT Vendors | Shareholdings in SNS Network ICT | | Purchase consideration RM | No. of Shares issued |
|-------------------------|----------------------------------|--------------------|------------------------------|----------------------|
| | No. of shares acquired | % of share capital | | |
| Eng Su Fern | 50,000 | 50.0 | 371,830 | 7,362,971 |
| Tham Sau Har | 50,000 | 50.0 | 371,830 | 7,362,971 |
| | 100,000 | 100.0 | 743,660 | 14,725,942 |

The purchase consideration for the Acquisition of SNS Network ICT of RM0.74 million was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of SNS Network ICT as at 31 January 2021 of RM0.74 million.

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

| SNS Network Malaysia Vendors | Shareholdings in SNS Network Malaysia | | Purchase consideration | No. of Shares issued |
|---|--|-------------------------------|-----------------------------------|---------------------------------|
| | No. of shares acquired | % of share capital | | |
| | | | RM | |
| Ko Yun Hung | 2,500,000 | 50.0 | 20,709,375 | 410,086,634 |
| Ong Mei Kwai ⁽¹⁾ | 2,500,000 | 50.0 | 20,709,375 | 410,086,634 ⁽¹⁾ |
| | 5,000,000 | 100.0 | 41,418,750 | 820,173,268 |

Note:

- (1) Ong Mei Kwai held shares in SNS Network Malaysia on trust for her son Pah Wai Onn in accordance with a declaration of trust dated 21 April 2000. Pursuant to the Acquisition of SNS Network Malaysia, the Shares are issued to Pah Wai Onn. The Shares are issued in accordance with the relevant rules and regulations.

The purchase consideration for the Acquisition of SNS Network Malaysia of RM41.42 million was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of SNS Network Malaysia as at 31 January 2021 of RM41.42 million.

SNS Network Services

| SNS Network Services Vendors | Shareholdings in SNS Network Services | | Purchase consideration | No. of Shares issued |
|---|--|-------------------------------|-----------------------------------|---------------------------------|
| | No. of shares acquired | % of share capital | | |
| | | | RM | |
| Ko See Meng ⁽¹⁾ | 500,000 | 50.0 | 1,828,780 | 36,213,465 ⁽¹⁾ |
| Pah Wai Onn | 500,000 | 50.0 | 1,828,780 | 36,213,465 |
| | 1,000,000 | 100.0 | 3,657,560 | 72,426,930 |

Note:

- (1) Ko See Meng held shares in SNS Network Services on trust for his son Ko Yun Hung in accordance with a declaration of trust dated 27 December 2012. Pursuant to the Acquisition of SNS Network Services, the Shares are issued to Ko Yun Hung. The Shares are issued in accordance with the relevant rules and regulations.

The purchase consideration for the Acquisition of SNS Network Services of RM3.66 million was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of SNS Network Services as at 31 January 2021 of RM3.66 million.

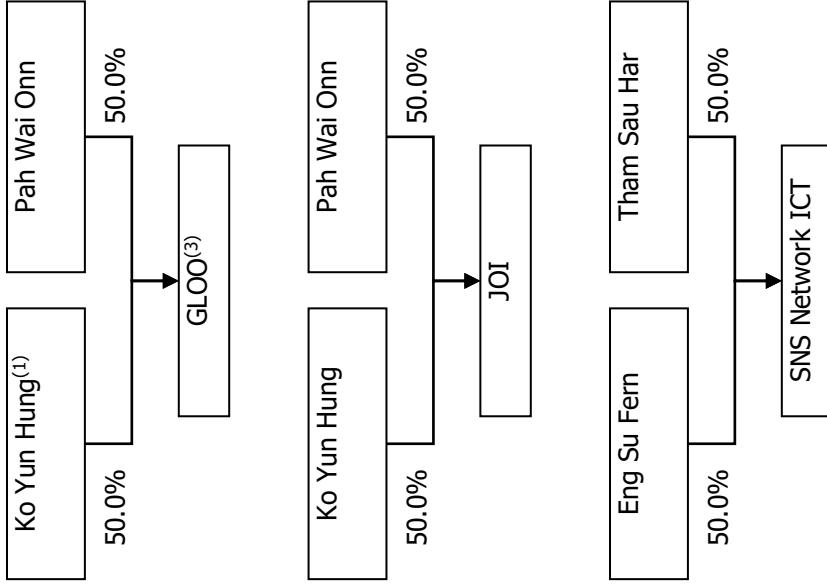
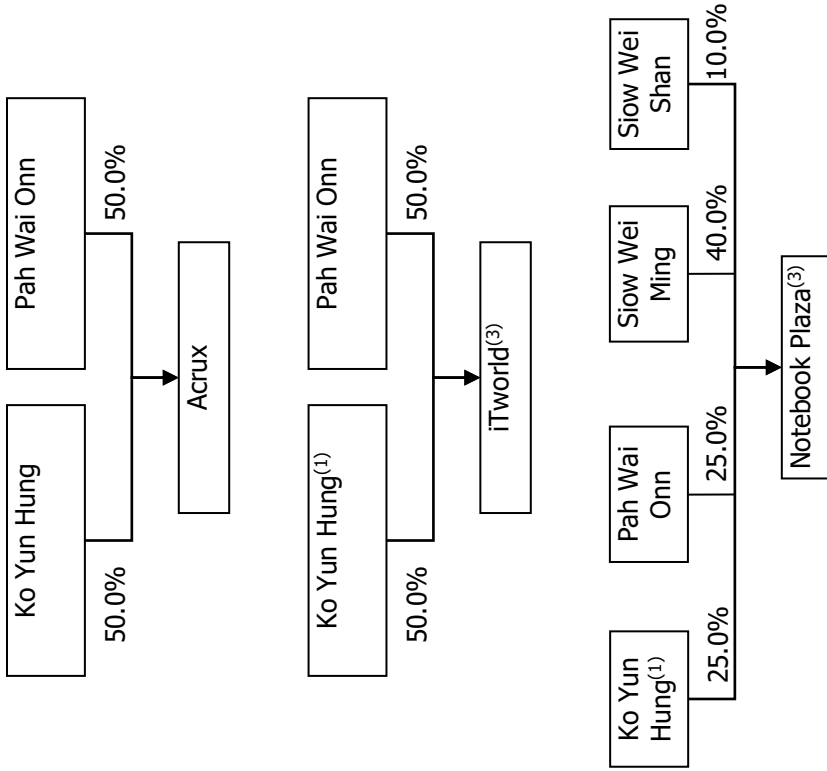
The Acquisitions were completed on 4 July 2022. Thereafter, Acrux, GLOO, JOI, iTworld, Notebook Plaza, SNS Network ICT, SNS Network Malaysia and SNS Network Services became our wholly-owned direct subsidiaries.

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

6. INFORMATION ON OUR GROUP (Cont'd)

6.3 GROUP STRUCTURE

Before Acquisitions



6. INFORMATION ON OUR GROUP (Cont'd)



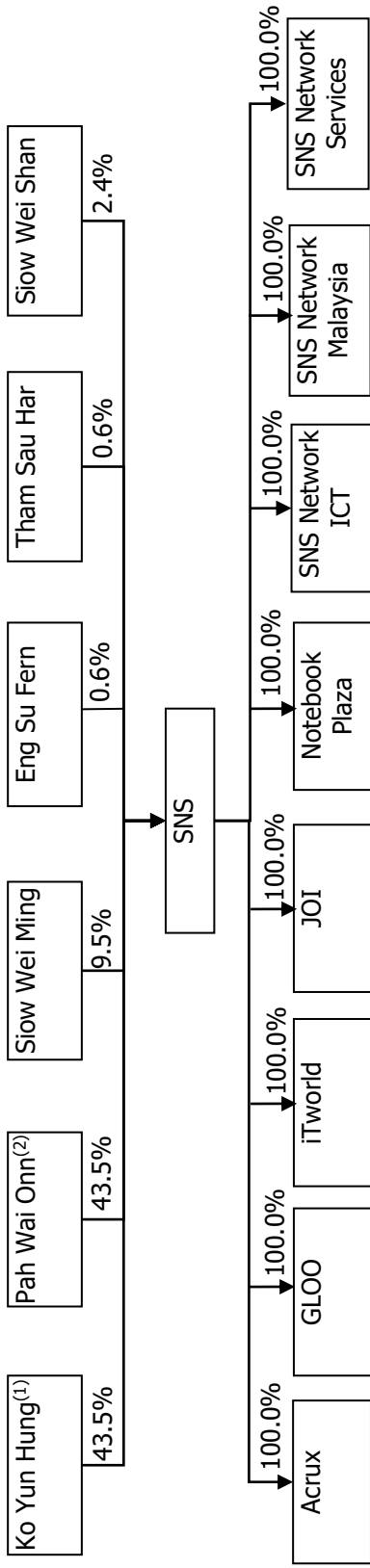
Notes:

- (1) Ko See Meng (father of Ko Yun Hung) previously held shares in such companies on trust for Ko Yun Hung in accordance with 4 declarations of trust made by the parties between year 2012 to 2014.
- (2) Ong Mei Kwai (mother of Pah Wai Onn) previously held shares in SNS Network Malaysia on trust for Pah Wai Onn in accordance with a declaration of trust made by the parties in year 2000.
- (3) These subsidiaries were incorporated in year 2000 to 2010. During the initial days, Ko See Meng and Ong Mei Kwai provided financial support to assist their children (Ko Yun Hung and Pah Wai Onn).

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6. INFORMATION ON OUR GROUP (Cont'd)

After Acquisitions but before IPO

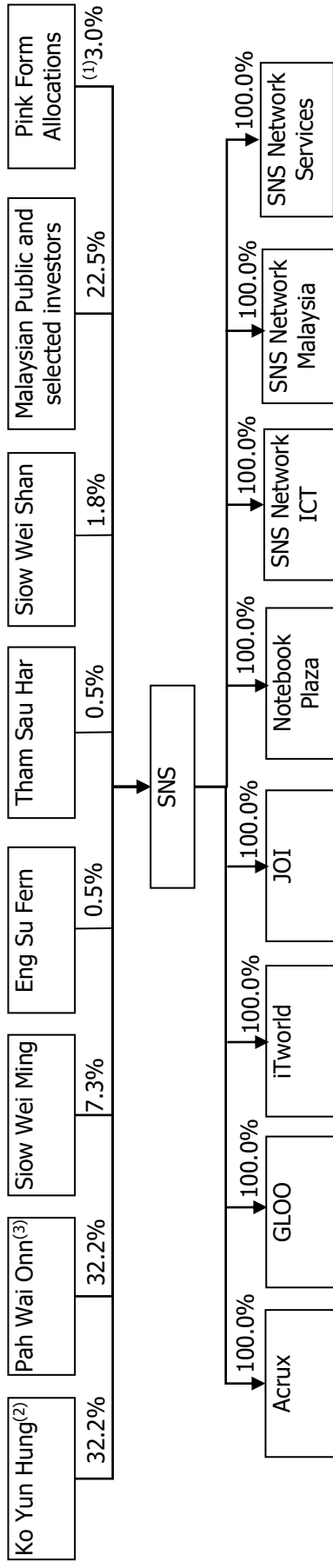


Notes:

- (1) The Shares were issued to Ko Yun Hung after the Acquisitions of GLOO, iTworld, Notebook Plaza and SNS Network Services as Ko See Meng (father of Ko Yun Hung) previously held shares in such companies on trust for Ko Yun Hung in accordance with 4 declarations of trust made by the parties between year 2012 to 2014. The Shares issued to Ko Yun Hung are in accordance with the relevant rules and regulations.
- (2) The Shares were issued to Pah Wai Onn after the Acquisition of SNS Network Malaysia as Ong Mei Kwai (mother of Pah Wai Onn) previously held shares in SNS Network Malaysia on trust for Pah Wai Onn in accordance with a declaration of trust made by the parties in year 2000. In addition, Ong Mei Kwai also holds 1 share in the Company on trust for Pah Wai Onn in accordance with a declaration of trust made by the parties in year 2016. The Shares issued to Pah Wai Onn are in accordance with the relevant rules and regulations.

6. INFORMATION ON OUR GROUP (Cont'd)

After Acquisitions and IPO



Notes:

- (1) Assuming that all our eligible Directors, employees and persons who have contributed to the success of our Group will subscribe for the Pink Form Allocations.
- (2) The Shares were issued to Ko Yun Hung after the Acquisitions of GLOO, iTworld, Notebook Plaza and SNS Network Services as Ko See Meng (father of Ko Yun Hung) previously held shares in such companies on trust for Ko Yun Hung in accordance with 4 declarations of trust made by the parties between year 2012 to 2014. The Shares issued to Ko Yun Hung are in accordance with the relevant rules and regulations.
- (3) The Shares were issued to Pah Wai Onn after the Acquisition of SNS Network Malaysia as Ong Mei Kwai (mother of Pah Wai Onn) previously held shares in SNS Network Malaysia on trust for Pah Wai Onn in accordance with a declaration of trust made by the parties in year 2000. In addition, Ong Mei Kwai also holds 1 share in the Company on trust for Pah Wai Onn in accordance with a declaration of trust made by the parties in year 2016. The Shares issued to Pah Wai Onn are in accordance with the relevant rules and regulations.

6. INFORMATION ON OUR GROUP (Cont'd)

6.4 SUBSIDIARIES AND ASSOCIATED COMPANIES

As at LPD, we do not have any associated companies. Details of our subsidiaries are summarised as follows:

| Company | Date/ Place of incorporation | Principal place of business | Issued share capital RM | Effective equity interest % | Principal activities |
|-------------------------|---|--|--|--|--|
| Acruz | 24 September 2012/ Malaysia | Malaysia | 200,000 | 100.0 | Provision of ICT products and services ⁽¹⁾ |
| GLOO | 2 June 2008/ Malaysia | Malaysia | 1,000 | 100.0 | Provision of broadband services |
| ITworld | 16 July 2008/ Malaysia | Malaysia | 20,100 | 100.0 | Provision of ICT solutions ⁽²⁾ |
| JOI | 15 January 2020/ Malaysia | Malaysia | 470,000 | 100.0 | Dormant ⁽³⁾ |
| Notebook Plaza | 12 August 2010/ Malaysia | Malaysia | 1,000,000 | 100.0 | Provision of ICT products ⁽⁴⁾ |
| SNS Network ICT | 11 May 2010/ Malaysia | Malaysia | 100,000 | 100.0 | Provision of web-based solutions ⁽⁵⁾ |
| SNS Network Malaysia | 21 April 2000/ Malaysia | Malaysia | 5,000,000 | 100.0 | Provision of ICT products, services and solutions, device repair and related services as well as sale of broadband services ⁽⁶⁾ |
| SNS Network Services | 6 May 2002/ Malaysia | Malaysia | 1,000,000 | 100.0 | Provision of ICT products and services as well as broadband services ⁽⁷⁾ |

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) This company was originally set up with a local partner, Liu Chen Chuan, to penetrate the Johor market. On 23 January 2021, the local partner sold his entire 50% shareholdings in Acrux to Ko Yun Hung for a consideration of RM0.34 million, based on the audited NA of Acrux as at 31 January 2020, and Acrux was subsequently acquired by our Company. Ko Yun Hung saw an opportunity to expand in Johor and acquired Acrux with the intention of expanding our market reach. Moving forward, we plan to consolidate the operations of this company with SNS Network Malaysia. As at the date of this Prospectus, Acrux is still in operation. We intend to gradually transfer Acrux's employees and property held by Acrux to SNS Network Malaysia by FYE 2023. Upon the clearance of the remaining tax, trade receivables and payables, we plan to wind up the company in FYE 2024. We plan to consolidate the operations of Acrux and SNS Network Malaysia in line with our Group's growth strategy and market recognition of the "SNS" brand. Our Group will utilise part of the proceeds from our Public Issue to expand in Johor by first setting up a new physical store. In addition, minimal cost will be incurred for our business expansion as we will utilise our existing resources (i.e. Acrux's employees and property held by Acrux).
- (2) This company solely provides in-house ICT solutions such as technical and after-sales support to our Group.
- (3) Incorporated in 2020 with the intention to develop our JOI® ICT products for the education industry. The agreements to develop our JOI® ICT products were previously executed between the trade suppliers and SNS Network Malaysia. However, due to the COVID-19 pandemic, we had insufficient time to transfer the said registrations from SNS Network Malaysia to JOI. Therefore, SNS Network Malaysia undertook the said principal activities. We target to commence the company's operations in FYE 2024, and use this company to develop our JOI® ICT products for the education industry moving forward.
- (4) This company specialises in the sale of desktops and laptops.
- (5) This company is the only company in the Group that provides web-based solutions solely for Multimedia Super Corridor ("MSC") Malaysia qualified activities as it was awarded the MSC Malaysia Status in 2010, and is entitled to a set of incentives, rights and privileges from the Government under the MSC Malaysia Bill of Guarantees. The company does not require a license and does not need to be registered with any authority to provide web-based solutions for MSC qualified activities.
- (6) Currently also involved in the development of JOI® ICT product for education industry. We plan to move the said development to JOI upon commencement of its operations.
- (7) This company mainly sources and distributes commercial related ICT products and services (i.e. workstations and servers).

6. INFORMATION ON OUR GROUP (Cont'd)

For the financial years under review, the revenue contribution from SNS Network Malaysia and Notebook Plaza to our Group's total revenue are as follows:

| | Audited | | | |
|-------------------------------------|-----------------|-----------------|-----------------|------------------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| SNS Network Malaysia | 341,931 | 436,791 | 414,436 | 706,293 |
| Notebook Plaza | 233,499 | 227,458 | 299,581 | 399,865 |
| Total | 575,430 | 664,249 | 714,017 | 1,106,158 |
| Group revenue | 594,140 | 675,282 | 721,469 | 1,112,008 |
| As a % of our Group's total revenue | 96.9% | 98.4% | 98.9% | 99.5% |

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

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6. INFORMATION ON OUR GROUP (Cont'd)

6.5 MATERIAL CONTRACTS

Save as disclosed below, there were no contracts which are or may be material (not being contracts entered into in the ordinary course of business) entered into by our Group for FYE 2019 to 2022 and up to LPD:

- (a) Sale and purchase agreement between SNS Network Malaysia and SYM World Ventures Sdn Bhd dated 30 November 2018 for the acquisition of a freehold vacant land held under the title GRN 98935, Lot 42406, Pekan Cempaka, District of Petaling, Selangor measuring 35,929.93 sq ft for a cash consideration of RM21,558,000 based on valuation of the land by an independent property valuer, which was completed on 31 March 2019;
- (b) Letter of award between SNS Network Malaysia and Solar Solution Sdn Bhd dated 18 March 2022 for the purchase and installation of a unit of 78.48kWp solar photovoltaic module system at our Group's headquarters which is located at 61, Jalan Sultan Nazrin Shah, 30250 Ipoh, Perak, for a total purchase consideration of RM326,832;
- (c) Conditional sale and purchase agreement dated 14 July 2021 (and supplemental agreement dated 10 May 2022) between our Company, Ko Yun Hung and Pah Wai Onn for the Acquisition of Acrux, which was completed on 4 July 2022;
- (d) Conditional sale and purchase agreement dated 14 July 2021 (and supplemental agreement dated 10 May 2022) between our Company, Ko See Meng and Pah Wai Onn for the Acquisition of GLOO, which was completed on 4 July 2022;
- (e) Conditional sale and purchase agreement dated 14 July 2021 (and supplemental agreement dated 10 May 2022) between our Company, Ko See Meng and Pah Wai Onn for the Acquisition of iTworld, which was completed on 4 July 2022;
- (f) Conditional sale and purchase agreement dated 14 July 2021 (and supplemental agreement dated 10 May 2022) between our Company, Ko Yun Hung and Pah Wai Onn for the Acquisition of JOI, which was completed on 4 July 2022;
- (g) Conditional sale and purchase agreement dated 14 July 2021 (and supplemental agreement dated 10 May 2022) between our Company, Ko See Meng, Pah Wai Onn, Siow Wei Ming and Siow Wei Shan for the Acquisition of Notebook Plaza, which was completed on 4 July 2022;
- (h) Conditional sale and purchase agreement dated 14 July 2021 (and supplemental agreement dated 10 May 2022) between our Company, Eng Su Fern and Tham Sau Har for the Acquisition of SNS Network ICT, which was completed on 4 July 2022;
- (i) Conditional sale and purchase agreement dated 14 July 2021 (and supplemental agreement dated 10 May 2022) between our Company, Ko Yun Hung and Ong Mei Kwai for the Acquisition of SNS Network Malaysia, which was completed on 4 July 2022;
- (j) Conditional sale and purchase agreement dated 14 July 2021 (and supplemental agreement dated 10 May 2022) between our Company, Ko See Meng and Pah Wai Onn for the Acquisition of SNS Network Services, which was completed on 4 July 2022; and
- (k) Underwriting agreement dated 14 June 2022 between our Company and M&A Securities for the underwriting of 129,022,400 Issue Shares for an underwriting commission of 2.5% of the IPO Price multiplied by the number of Issue Shares underwritten.

6. INFORMATION ON OUR GROUP (Cont'd)

6.6 PUBLIC TAKE-OVERS

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

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

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6. INFORMATION ON OUR GROUP (Cont'd)

6.7 MAJOR APPROVALS AND LICENCES

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

| No. | Licencee | Issuing authority | Date of issue/ Date of expiry | Nature of approval/ Licences | Equity and/or major conditions imposed | Compliance status |
|-----|----------------------|--------------------------------------|----------------------------------|---|---|-------------------|
| (a) | SNS Network Malaysia | Ministry of Finance Malaysia ("MOF") | 3 June 2020/ 12 August 2023 | (i) Certificate of Registration with the MOF pursuant to the Malaysian's Government Procurement Regime published by the Government Procurement Division of the MOF ⁽¹⁾ (3) | (i) SNS Network Malaysia must submit all the information within the prescribed period when requested by MOF. (ii) SNS Network Malaysia shall ensure that the field that have been registered in this certificate do not overlap with the fields that have been approved in respect of companies which: | Noted |
| | | | | <u>Licensed Scope</u> (ii) Publications and broadcasting/ educational equipment and training/ educational kit | (a) have the same owner or directors, management and employees; or (b) operates at the same premises. | Complied |
| | | | | (iii) ICT / equipment and computer equipment, hardware and components/ hardware (low end and high end technology) | (iii) Newly registered companies are not allowed to make any changes to the owners or directors during the period 6 months from the date the company is registered. | Complied |
| | | | | (iv) ICT / equipment and computer equipment, hardware and components/ telecommunication/ networking-supply | (iv) SNS Network Malaysia shall submit an application for renewal 3 months before the expiry of this registration. | Noted |

6. INFORMATION ON OUR GROUP (Cont'd)

| No. Licensee | Issuing authority | Date of issue/ Date of expiry | Nature of approval/ Licences | Equity and/or major conditions imposed | Compliance status |
|--------------|-------------------|----------------------------------|--|--|-------------------|
| | | | (v) ICT / equipment and computer equipment, hardware and components/ multimedia-products, services and maintenance | | |
| | | | (vi) ICT / equipment and computer equipment, hardware and components/ hardware and software leasing/ renting | | |
| | | | (vii) ICT / equipment and telecommunication on equipment/ systems communications/ telecommunications | | |

6. INFORMATION ON OUR GROUP (Cont'd)

| No. | Licencee | Issuing authority | Date of issue/ Date of expiry | Nature of approval/ Licences | Equity and/or major conditions imposed | Compliance status |
|-----|----------------------|--|---------------------------------------|--|---|---|
| (b) | SNS Network Malaysia | Construction Industry Development Board of Malaysia ("CIDB") | 10 February 2022/ 30 April 2025 | Certificate of Registration and Accreditation of Contractors pursuant to Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 ("CIDB Act") ⁽²⁾⁽³⁾ | <p>(i) SNS Network Malaysia shall comply with the provisions of the CIDB Act, the regulations made thereunder and any terms, conditions or restrictions imposed by CIDB from time to time.</p> <p>(ii) SNS Network Malaysia shall not undertake any construction project which exceeds the value of construction works specified under the registration grade and shall not carry out any construction works not within the category of its registration.</p> <p>(iii) SNS Network Malaysia shall submit information regarding any construction works or contracts within 14 days of the date of award or before the commencement of construction or whichever is earlier.</p> <p>(iv) SNS Network Malaysia shall comply with all requirements and stipulations in the contractor's code of ethics.</p> <p>(v) SNS Network Malaysia shall appoint skilled construction workers and site supervisors who are accredited and certified by the CIDB.</p> | Noted Complied Complied Complied Complied |
| | | | Grade: G7 | | | |
| | | | Categories: | | | |
| | | | (i) Building construction (B); | | | |
| | | | (ii) Civil Engineering (CE); and | | | |
| | | | (iii) Mechanical and electrical (ME). | | | |

Notes:

- (1) Required to supply ICT products and services to the Government.
- (2) Required to undertake the installation of network cabling services.
- (3) We have not faced any difficulty to renew the certificates and there has not been any past breaches or non-compliances of our Group in respect of the certificates.

6. INFORMATION ON OUR GROUP (Cont'd)

6.8 INTELLECTUAL PROPERTIES

Further details of brand names, patents, trademark or other intellectual property rights registered by us with MyIPO are set out in Appendix I.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.9 PROPERTY, PLANT AND EQUIPMENT

6.9.1 Properties owned by our Group

The summary of the material properties owned by our Group as at LPD are set out below:

| No. | Particulars of title/ Postal address | Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)/ Express conditions/ Restriction- in- interest | Beneficial owner | Land area/ Built-up area sq ft | Date of purchase/ Date of CCC | Encumbrance | Audited NBV as at 31 January 2022 RM'000 |
|------------|--|--|-----------------------------|---|--|--|---|
| (a) | Geran 183363, Lot 400211, Bandar Ipoh (U), District of Kinta, Perak/ 61, Jalan Sultan Nazrin Shah, 30250 Ipoh, Perak | Four storey detached office building/ SNS Network Malaysia's Ipoh headquarters and Apple service centre under the trading name "ITworld"/ Freehold/ Building/ Building for business use/ Nil | SNS Network Malaysia | 41,053.6/ 33,721.8 | 9 April 2012/ 8 May 2015 | (a) Private caveat over the land registered by RHB Islamic Bank Berhad on 4 May 2020 (b) Charge on the land registered in favour of RHB Islamic Bank Berhad on 29 July 2020 | 12,670 |

6. INFORMATION ON OUR GROUP (Cont'd)

| No. | Particulars of title/ Postal address | Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)/ Express conditions/ Restriction- in- interest | Beneficial owner | Land area/ Built-up area sq ft | Date of purchase/ Date of CCC | Encumbrance | Audited NBV as at 31 January 2022 RM'000 |
|-----|--|---|-------------------------|---|-------------------------------------|--|--|
| (b) | PN 50495, Lot 103 Seksyen 36, Block M1-B, Level 1, Lot 47, Bandar Petaling Jaya, District of Petaling, Selangor/ B-07-01, Block B, 3 Two Square, Jalan 19/1, 46300 Petaling Jaya, Selangor | An office unit located on the ground floor of a six-storey shop lot/ Apple service centre under the brand name "ITworld"/ Leasehold expiring 6 September 2106/ Building/ Building for business use/ This land can be transferred, leased or mortgaged after obtaining the permission of the state authorities | SNS Network Malaysia | 239,863.0 / 1,539.2 | 16 May 2017 / 8 August 2007 | (a) Private caveat over the land registered by RHB Bank Berhad on 29 August 2017 (b) Charge on the land registered in favour of RHB Bank Berhad dated 25 October 2017 | 1,699 |
| | | | | | | (c) Charge on the land registered in favour of RHB Islamic Bank Berhad dated 12 August 2020 | |

6. INFORMATION ON OUR GROUP (Cont'd)

| No. | Particulars of title/ Postal address | Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)/ Express conditions/ Restriction- in- interest | Beneficial owner | Land area/ Built-up area sq ft | Date of purchase/ Date of CCC | Encumbrance | Audited NBV as at 31 January 2022 RM'000 |
|-----|---|--|----------------------|---|--------------------------------------|---|--|
| (c) | PM 3894, No. Lot 50859, M1-B-321, Bandar Petaling Jaya, District of Petaling, Selangor/ Block A, 816, Kelana Centre Points, 3, Jalan SS7/19, 47301 Petaling Jaya, Selangor | A unit of office on the 8 th floor of a ten-storey office building, one of the two combined office blocks, which comprises another 13-storey office building/ Rented out to Juara ICT Sdn Bhd ⁽²⁾ / Leasehold expiring 23 January 2094/ Building / Building for business use/ This land may not be sold, leased, mortgaged, or transferred in any way except with the permission of the state authority | SNS Network Malaysia | 337,373.2/ 1,194.8 | 27 February 2013/ 6 December 1997 | (a) Charge on the land registered in favour of RHB Bank Berhad dated 26 June 2013 (b) Charge on the land registered in favour of RHB Islamic Bank Berhad dated 3 August 2020 | 205 |

6. INFORMATION ON OUR GROUP (Cont'd)

| No. | Particulars of title/ Postal address | Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)/ Express conditions/ Restriction- in- interest | Beneficial owner | Land area/ Built-up area sq ft | Date of purchase/ Date of CCC | Encumbrance | Audited NBV as at 31 January 2022 RM'000 |
|-----|---|---|-------------------------|---|---|--|--|
| | | | | | | | |
| (d) | GRN 98935, Lot 42406, Pekan Cempaka, District of Petaling, Selangor/ 42406, Jalan Bukit Mayang Mas, 47301 Petaling Jaya, Selangor ⁽³⁾ | Vacant land currently used as parking lot/ Rented out to First City Parking Sdn Bhd ⁽²⁾ / Freehold/ Building/ Construction of building according to the Selangor Town and Country Planning Department/ Nil | SNS Network Malaysia | 35,929.9 / N/A ⁽¹⁾ | 30 November 2018 / N/A ⁽¹⁾ | (a) Private caveat over the land registered by CIMB Islamic Bank Berhad on 12 February 2019 (b) Charge on the land registered in favour of CIMB Islamic Bank Berhad on 18 March 2019 | 23,064 |
| (e) | GRN 72771, Lot 230753, Mukim Hulu Kinta, District of Kinta, Perak/ 5, Lalan Tawas Damai 6, Anjung Tawas Damai, 30010 Ipoh, Perak | A unit of double storey shop lot/ Storage of past business records/ Freehold/ Building/ Business – Shop lot building/ This land may be transferred or leased with the written permission of the state authority | SNS Network Malaysia | 1,399.3/ 2640 | 9 August 2019/ 3 March 2021 | Nil | 152 |

6. INFORMATION ON OUR GROUP (Cont'd)

| No. | Particulars of title/ Postal address | Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)/ Express conditions/ Restriction- in- interest | Beneficial owner | Land area/ Built-up area sq ft | Date of purchase/ Date of CCC | Encumbrance | Audited NBV as at 31 January 2022 RM'000 |
|-----|---|---|---------------------|---|-------------------------------------|--|--|
| (f) | PN 100104, Lot 1486 Seksyen 14, Bandar Petaling Jaya, District of Petaling, Selangor/ 16B, Jalan 14/20, 46100 Petaling Jaya, Selangor | A unit of four-storey shop office/ Notebook Plaza's office (ground floor), rented out to Lim Wei Loon ⁽²⁾ (first floor), Notebook Plaza's storeroom (second floor) and rented out to Web Temple Sdn Bhd ⁽²⁾ (third floor)/ Leasehold expiring 22 December 2098/ Building/ Building for business use/ This land may not be transferred, leased or mortgaged except with the permission of the state authority | Notebook Plaza | 1,496.2/ 6,000.0 | 27 October 2016/ 27 June 1996 | Charge on the land registered in favour of Public Bank Berhad on 10 March 2017 | 3,271 |

6. INFORMATION ON OUR GROUP (Cont'd)

| No. | Particulars of title/ Postal address | Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)/ Express conditions/ Restriction- in- interest | Beneficial owner | Land area/ Built-up area sq ft | Date of purchase/ Date of CCC | Encumbrance | Audited NBV as at 31 January 2022 RM'000 |
|-----|---|--|---------------------|---|-------------------------------------|---|--|
| (g) | HS(D) 591111, PTD 199999, Mukim Tebrau, Johor Bahru, Johor/ | Double-storey cluster factory with office space/ Office/ Freehold/ | Acruz | 7,800.0/ 4,283.0 | 13 July 2017/ 20 August 2019 | Charge on the land registered in favour of Public Bank Berhad on 11 August 2020 | 1,505 |
| | Lot 1131, Eco Business Park 2, 81400 Johor Bahru, Johor | (i) This land should be used as an industrial cluster area for the purpose of light enterprise and other related uses, constructed in accordance with plans which are approved by the local state authority | | | | | |
| | | (ii) All impurities and pollution due to these activities shall be channelled to the designated locations | | | | | |
| | | (iii) All policies and conditions prescribed and enforced from time to time by the relevant authorities shall be complied with/ | | | | | |
| | | Nil | | | | | |
| | | | | | | | 42,566 |

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

(1) Not applicable as it is currently a vacant land.

(2) A non-related party.

(3) Relates to the land for the construction of our Regional Hub stated in to Sections 4.9.1(b) and 7.16.1.

The properties owned by our Group are not in breach of any other land use conditions and/or complies with current statutory requirements, land rules or building regulations/by-laws as at LPD.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.9.2 Properties rented by our Group

The summary of the material properties rented by our Group as at LPD are set out below:

(a) Outlets

We have a total of 66 retail outlets, one of which is rented from Ko Yun Hung, our Managing Director and the rest are rented from third parties. Our retail outlets are located in 24 shopping malls and 2 retail shop lots across Selangor, Kuala Lumpur, Perak, Kelantan and Putrajaya. The location and description of the retail outlets are set out in Appendix II.

The property rented from our related party relates to a corner retail shop lot located at 1-G, Jalan Meru Bestari B5 Medan Meru Bestari, 30020 Ipoh, Perak, which is currently operated as an authorised dealer selling TM products and services (i.e.TMpoint). Further details of the retail shop lot rented by us from Ko Yun Hung are set out in No. 61, of Appendix II (i).

(b) Material properties rented by our Group

Save for our outlets, the other material properties rented by our Group as at LPD are set out below:

| No. | Address | Landlord/ Tenant | Description/ Existing use | Built-up area sq ft | Period of tenancy | Rental per annum RM |
|------|---|---------------------------------------|---|---------------------------|--|---------------------------|
| (i) | C-11-02, Block C, 3 Two Square, Jalan Petaling Jaya, Selangor | Ko Yun Hung/ SNS Network Malaysia | A corner office unit located on the 1 st floor of a six-storey shop lot/ Office | 2,206.6 | 27 January 2022 to 26 January 2023 (with option to renew for another 1 year) | 50,400 |
| (ii) | C-12-05, Block C, 3 Two Square, Jalan Petaling Jaya, Selangor | Lau Gee Chow/ SNS Network Malaysia | An office unit located on the 4 th floor of a six-storey shop lot/ Office | 1,797.57 | 1 February 2021 to 31 January 2023 (with option to renew for another 1 year) | 37,200 |

6. INFORMATION ON OUR GROUP (Cont'd)

| No. | Address | Landlord/ Tenant | Description/ Existing use | Built-up area sq ft | Period of tenancy | Rental per annum RM |
|------------|--|---|--|------------------------------------|---|------------------------------------|
| (iii) | No. 72-1-58, Arena Curve, Jalan Mahsuri, 11900 Bayan Lepas, Penang | Ng Chai Eng/ SNS Network Malaysia | An office unit located on the ground floor of a three- storey shop lot/ Office | 1,022.6 | 1 April 2021 to 31 March 2023 (with option to renew for another 1 year) | 45,600 |
| (iv) | B3-A7, Basement 3, Plaza Low Yat, No. 7, Jalan Bintang, Off Jalan Bukit Bintang, Bukit Bintang Central, 55100 Kuala Lumpur | LYC Mall Sdn Bhd/ SNS Network Malaysia | A storage unit located in the basement parking of a mall/ Storage of retail stock | 3,770.0 | 11 February 2022 to 10 August 2022 | 113,100 |
| (v) | 4-022 & 4-023, Fourth Floor, Plaza Low Yat, No. 7, Jalan Bintang, Off Jalan Bukit Bintang, Bukit Bintang Central, 55100 Kuala Lumpur | LYC Mall Sdn Bhd/ SNS Network Malaysia | Storage unit located on the fourth floor of a mall/ Storage of retail stock | 5,571.0 | 1 August 2022 to 31 July 2024 | 200,556 |
| (vi) | 4-025, Fourth Floor, Plaza Low Yat, No. 7, Jalan Bintang, Off Jalan Bukit Bintang, Bukit Bintang Central, 55100 Kuala Lumpur | LYC Mall Sdn Bhd/ SNS Network Malaysia | A unit of office located on the 4 th floor of a mall/ Office | 1,794.0 | 1 October 2020 to 30 September 2022 (with option to renew for another 1 year) | 64,584 |
| (vii) | 4-029 & 4-032, Fourth Floor, Plaza Low Yat, No. 7, Jalan Bintang, Off Jalan Bukit Bintang, Bukit Bintang Central, 55100 Kuala Lumpur | LYC Mall Sdn Bhd/ SNS Network Malaysia | A unit located on the 4 th floor of a mall/ Office | 570.0 | 1 January 2022 to 31 December 2022 | 77,634 |

6. INFORMATION ON OUR GROUP (Cont'd)

| No. | Address | Landlord/ Tenant | Description/ Existing use | Built-up area sq ft | Period of tenancy | Rental per annum RM |
|------------|--|--|--|------------------------------------|--|------------------------------------|
| (viii) | 4-030 & 4-031, Fourth Floor, Plaza Low Yat, No. 7, Jalan Bintang, Off Jalan Bukit Bintang, Bukit Bintang Central, 55100 Kuala Lumpur | LYC Mall Sdn Bhd/ SNS Network Malaysia | A unit of office located on the 4 th floor of a mall/ Office | 1,098.0 | 1 January 2022 to 31 December 2022 | 150,206 |
| (ix) | 4-035, Fourth Floor, Plaza Low Yat, No. 7, Jalan Bintang, Off Jalan Bukit Bintang, Bukit Bintang Central, 55100 Kuala Lumpur | LYC Mall Sdn Bhd/ SNS Network Malaysia | A unit of office located on the 4 th floor of a mall/ Office | 259.0 | 1 January 2022 to 31 December 2023 (with option to renew for 1 year) | 55,322 |
| (x) | Suite 1B, Level 10, Perak Techno Trade Centre (PTTC), Off Jalan Jelapang, 30020 Ipoh, Perak | Pengurusan Murni Sdn Bhd/ SNS Network ICT | A unit of office located on the 10 th floor of a 19-storey detached corporate building/ Office | 452.45 | 1 May 2021 to 30 April 2023 | 16,657 |

For the material properties rented by our Group which tenancy periods are expiring soon, we will exercise the option to renew the tenancy where there is such option. If required, we will negotiate with the landlords in respect of the renewal of tenancy.

The properties rented by our Group are not in breach of any other land use conditions and/or complies with current statutory requirements, land rules or building regulations/by-laws as at LPD.

6. INFORMATION ON OUR GROUP (Cont'd)

6.9.3 Acquisition of properties

Save as disclosed below, we have not entered into any agreements to acquire any properties during FYE 2019 to 2022 and up to LPD:

| No. | Date of purchase | Postal address/ Title No. | Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)/ Express conditions/ Restriction- in- interest | Land area/ Built-up area sq ft | Date of CCC | Audited | Purchase |
|-----|---------------------------------------|--|--|--------------------------------------|--------------------|------------------------------|----------|
| | | | | | | NBV as at 31 January 2022 | value |
| | | | | | | RM'000 | RM'000 |
| (a) | 30 November 2018 ⁽¹⁾ | 42406, Jalan Bukit Mayang Mas, 47301 Petaling Jaya, Selangor/ GRN 98935, Lot 42406, Pekan Cempaka, District of Petaling, Selangor | Vacant land currently used as a parking lot/ Rented out to First City Parking Sdn Bhd ⁽⁴⁾ / Freehold/ Building/ Construction of building according to the Selangor Town and Country Planning Department/ Nil | 35,929.9/ N/A ⁽²⁾ | N/A ⁽²⁾ | 23,064 | 21,558 |
| (b) | 9 August 2019 ⁽³⁾ | 5, Laluan Tawas Damai 6, Anjung Tawas Damai, 30010 Ipoh, Perak/ GRN 72771, Lot 230753, Mukim Hulu Kinta, District of Kinta, Perak | A unit of double storey shop lot/ Storage of past business records/ Freehold/ Building/ Business – Shop lot building/ This land may not be sold, leased, or transferred in any way except with the permission of the state authority | 1,399.3/ 2,640.0 | 3 March 2021 | 152 | 160 |

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) This agreement was completed on 31 March 2019.
- (2) Not applicable as it is currently a vacant land.
- (3) This agreement was completed on 24 September 2019.
- (4) A non-related party.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.9.4 Regulatory requirements and environmental issues

As at LPD, save as disclosed below, there are no other laws, regulations, rules or requirements governing the conduct of our business and environmental issues which may materially affect our Group's business or operations.

(a) Communications and Multimedia (Technical Standards) Regulations 2000

Our ICT products are subject to certain standards as prescribed under the Communications and Multimedia (Technical Standards) Regulations 2000, which is a subsidiary legislation of the Communications and Multimedia Act 1998. For the purposes of these regulations, communications equipment generally means communications network facilities or customer equipment which may include fixed and wireless equipment.

Pursuant to the Communications and Multimedia (Technical Standards) Regulations 2000, our JOI® products (including any newly developed/ designed JOI® products i.e. JOI® Smart Sense solution before its commercialisation) are required to be certified by either the Malaysian Communications and Multimedia Commission or a registered certifying agency, (i.e. SIRIM QAS International Sdn Bhd) in order to declare that our products have been tested by an accredited agency and is compliant with the prescribed standards, as well as mark or affix our products with the prescribed conformity marks. Any person who fails to comply with the regulation will be liable on conviction to either a fine not exceeding RM300,000 or to imprisonment for a term not exceeding 3 years or to both. As a general penalty, any person who is convicted of an offence under the Communications and Multimedia Act 1998 and all its subsidiary legislation shall be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 2 years or both. In addition, our Group will not be able to market and sell the JOI® products.

As at LPD, we have obtained 19 certificates of conformity in relation to JOI® products which we design, install and modify.

(b) Corporate Governance

Our Board acknowledges and takes cognisance of the MCCG which contains best practices and guidance for listed companies to improve upon or to enhance their corporate governance as it forms an integral part of their business operations and culture. Hence, our Board is committed to uphold the standards of corporate governance throughout our Group, with a view of realising long-term shareholder value while taking into account the interests of our stakeholders.

As at LPD,

- the positions of Chairman and Managing Director are held by different individuals;
- our current Board composition provides an appropriate balance in terms of skills, knowledge and experience to govern our Group effectively and comprising a majority of Independent Non-Executive Directors;
- our Chairman of the Board is not a member of our Audit and Risk Management Committee, Nomination Committee or Remuneration Committee;
- our current Board consist of 30% women directors;
- our Board has adopted a Board Charter and Code of Conduct and Ethics; and
- our Board has a policy to limit the tenure of our Independent Directors to 9 years without further extension.

6. INFORMATION ON OUR GROUP (Cont'd)

In addition to the above, our Board is cognisance of the increasing importance of Environmental, Social and Governance (“ESG”) matters as sustainability considerations in supporting our long-term strategies. Therefore, our Board intends to address the sustainability risks and opportunities of our Group in an integrated and strategic manner to support our long-term success. To achieve this, our Board will take guidance from, amongst others, the recommendations under the MCCG as well as the Sustainability Reporting Guide by Bursa Securities. We will also consider the engagement of the relevant advisers as needed, to develop a holistic approach on managing sustainability, and will report such developments in our annual report, in accordance with the Listing Requirements.

6.9.5 Material capital expenditures and divestitures**(a) Material capital expenditures**

Save for the expenditures disclosed below, there were no other capital expenditures (including interests in other corporations) made by us for FYE 2019 to 2022 and up to LPD:

| | Audited | | | | Unaudited |
|--|--------------------|-----------------------|----------------------|-----------------|----------------------------------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 | 1 February 2022 up to LPD |
| Capital expenditures | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Additions | | | | | |
| Freehold land | 2,343 | ⁽¹⁾ 21,850 | - | - | - |
| Building | - | 160 | - | - | - |
| Signboard and elevator | 19 | 10 | 4 | 170 | - |
| Furniture, fixtures, electrical fittings and machinery | ⁽⁵⁾ 547 | 159 | 165 | 988 | 11 |
| Renovation | ⁽⁵⁾ 744 | 509 | 249 | - | - |
| Motor vehicles | 84 | - | 21 | 43 | - |
| Motor vehicles under hire purchase ⁽²⁾ | 9 | 538 | 750 | 1,247 | 116 |
| Computer software and office equipment | 350 | 376 | 695 | 586 | 159 |
| Computer software and office equipment under hire purchase | - | - | ⁽³⁾ 1,330 | 163 | 42 |
| Capital work-in-progress ⁽⁴⁾ | - | - | 471 | 208 | 10 |
| | 4,096 | 23,602 | 3,685 | 3,405 | 338 |

Notes:

- (1) Relates to land cost and legal fee for the acquisition of freehold vacant land earmarked for the construction of our Regional Hub amounting to RM21.56 million and RM0.14 million respectively. The remaining RM0.15 million relates to part of the acquisition cost for our cluster factory in Johor.
- (2) Mainly used for our in-house logistic team for deliveries and as mobile kiosks (i.e. TM Rover Program to promote TM products and services on the move).

6. INFORMATION ON OUR GROUP (Cont'd)

- (3) Purchase of computer equipment in FYE 2021 under hire purchase for our DaaS subscription-based service. We anticipate that this is not a one-off expenditure with the roll-out of our DaaS subscription-based service.
- (4) Preliminary costs incurred such as survey fees, architect fees and consultancy fees in relation to the construction of our Regional Hub.
- (5) Mainly due to general renovation cost and installation of security system for our 5 new retail outlets which were opened in FYE 2019 and for 10 existing retail outlets.

The above capital expenditures were primarily financed by a combination of bank borrowings and internally generated funds.

(b) Material capital divestitures

Save for the divestitures disclosed below, there were no other capital divestitures (including interests in other corporations) made by us for FYE 2019 to 2022 and up to LPD:

| | Audited | | | | Unaudited |
|--|------------|------------|------------|--------------|---------------------------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 | 1 February 2022 up to LPD |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Capital divestitures | | | | | |
| Disposals | | | | | |
| Motor vehicles | (1)376 | 104 | - | 25 | - |
| Motor vehicles under hire purchase | - | (2)369 | 371 | (2)1,215 | - |
| Assets written off | | | | | |
| Furniture, fixtures, electrical fittings and machinery | - | - | 99 | 359 | - |
| Renovation | 27 | - | - | 132 | - |
| Computer software and office equipment | 32 | - | - | 189 | - |
| | 435 | 473 | 470 | 1,920 | - |

Notes:

- (1) Relates to disposal of a passenger car amounting to RM0.37 million to Siow Wei Shan, our shareholder.
- (2) Relates to disposal of passenger cars. In FYE 2020, a passenger car amounting to RM0.08 million was disposed to Eng Su Fern, our Development Director. In FYE 2022, 5 passenger cars amounting to RM1.01 million were disposed to Ko Yun Hung (1 passenger car), Pah Wai Onn (2 passenger cars), Siow Wei Ming (1 passenger car), our Executive Directors and Eng Su Fern (1 passenger car), our Development Director.

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

6. INFORMATION ON OUR GROUP (Cont'd)

Moving forward, other than the proposed utilisation of proceeds from our Public Issue for our capital expenditure as disclosed in Section 4.9.1, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia.

6.9.6 Material plans to construct, expand or improve our facilities

Save for the proposed utilisation of proceeds from our IPO vis-à-vis our proposed capital expenditure as set out in Section 4.9.1, our Group does not have any other immediate plans to construct, expand and improve our facilities as at LPD.

6.10 EMPLOYEES

As at LPD, we have a total workforce of 299 employees, of which all are permanent employees. Our total workforce consists of only local employees as we do not employ any foreign workers.

The breakdown of our employees as at 31 January 2022 and LPD are as follows:

| Category of employees | No. of employees | |
|--|------------------------------|------------------|
| | As at 31 January 2022 | As at LPD |
| Executive Directors ⁽¹⁾ | 3 | 3 |
| Key senior management | 3 | 3 |
| Administrative and Operations ⁽¹⁾ | 69 | 66 |
| Accounting and Finance | 21 | 20 |
| Development | 6 | 7 |
| Human Resource | 7 | 6 |
| Marketing | 17 | 18 |
| Sales | 146 | 143 |
| Services | 36 | 33 |
| | 308 | 299 |

There were no significant changes in the number of employees of our Group for FYE 2022 and up to LPD.

None of our employees belong to any labour union and as at LPD, there is no material dispute between our management and our employees. Over FYE 2019 to 2022, there has not been any incident of work stoppage or labour disputes that has materially affected our operations.

Note:

- ⁽¹⁾ Ko Yun Hung, our Managing Director is accredited and certified by CIDB as site supervisor and 4 employees under our Administrative and Operations department are accredited and certified by CIDB as skilled construction workers, complying with one of the major conditions imposed by CIDB as set out in Section 6.7(b)(v).