

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF CLOUDPOINT TECHNOLOGY BERHAD ("CLOUDPOINT" OR THE "COMPANY") DATED 9 MAY 2023 ("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 Tricor Investor & Issuing House Services 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 Cloudpoint 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 9 May 2023 and will close at 5.00 p.m. on 15 May 2023 ("**Closing Date**"). In the event the Closing Date is extended, Cloudpoint will make an announcement on Bursa Securities' website and 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.

cloudpoint

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CLOUDPOINT TECHNOLOGY BERHAD

(Registration No.: 202101020879 (1421179-X))
(Incorporated in Malaysia)

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

- (I) PUBLIC ISSUE OF 106,320,000 NEW ORDINARY SHARES IN OUR COMPANY (“**SHARES**”) IN THE FOLLOWING MANNER:
 - 26,580,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 13,290,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES;
 - 66,450,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY; AND
- (II) OFFER FOR SALE OF 53,160,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,

AT AN ISSUE/OFFER PRICE OF RM0.38 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT



M&A SECURITIES SDN BHD
Registration No.: 197301001503 (15017-H)
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Bursa Securities has approved this IPO and this Prospectus has been registered by Bursa Securities. The registration of this Prospectus, should not be taken to indicate that the Bursa Securities recommends the offering or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. Bursa Securities has not, in any way, considered the merits of the securities being offered for investment. Bursa Securities 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 157.

THE ACE MARKET 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 NOT A PROPOSAL REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SECURITIES COMMISSION MALAYSIA UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

CLOUDPOINT TECHNOLOGY BERHAD | PROSPECTUS

www.cloudpoint-technology.com

cloudpoint

Cloudpoint Technology Berhad
(Registration No.: 202101020879 (1421179-X))
(Incorporated in Malaysia)

Our Directors, Promoters and Selling Shareholder (as defined herein) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm 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 listed on Bursa Securities are offered to the public premised on 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 13 January 2023. 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.

The SC has on 17 January 2023 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. 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 Bursa Securities 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 Bursa Securities 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	9 May 2023
Closing Date/ Closing of Application	15 May 2023
Balloting of Application	18 May 2023
Allotment/ Transfer of IPO Shares to successful applicants	25 May 2023
Date of Listing	29 May 2023

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

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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 "Cloudpoint" and "Company" in this Prospectus are to Cloudpoint Technology Berhad (Registration No.: 202101020879 (1421179-X)). Unless otherwise stated, references to "Group" are to our Company and our subsidiary taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiary. 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 reference 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 in Malaysia.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 8 – "Risk Factors" and Section 11 – "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.

Should we become aware of any subsequent material change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment/ transfer of our IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMA and Paragraph 1.02, Chapter 1 of Part II (Division 6 on Supplementary and Replacement Prospectus) of the Prospectus Guidelines of the SC.

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:

- "Cloudpoint" or "Company" : Cloudpoint Technology Berhad
(Registration No.: 202101020879 (1421179-X))
- "Cloudpoint Group" or "Group" : Cloudpoint and its subsidiary
- "CSSB" : Cloudpoint Solutions Sdn Bhd
(Registration No.: 200301001892 (604312-H))

MAJOR CUSTOMERS OF OUR GROUP:

The following are details of our major customers whose names have been redacted for confidentiality throughout this Prospectus:

- "Customer A" : Customer A is a company engaged in underwriting of life insurance business, including investment-linked business and all classes of general insurance business. The principal market of Customer A is in Malaysia.

Customer A is an indirect wholly-owned subsidiary of a company that is listed on the Main Board of Hong Kong Stock Exchange which provides individual life insurance, individual accident and health insurance and savings plans throughout Asia through its various operating entities.

We are unable to disclose the identity of Customer A as Customer A is not agreeable to provide consent for disclosure emphasising the business relationship and information our Group maintain with Customer A shall be kept as confidential information at all time considering the security concerns of Customer A.

- "Customer B" : Customer B is a company engaged in all aspects of banking business and provision of related financial services. The company is listed on the Main Market of Bursa Securities and its principal market is in Malaysia.

We are unable to disclose the identity of Customer B as Customer B is not agreeable to provide consent for disclosure due to the non-disclosure agreement executed with Customer B which prohibits the disclosure of information in relation to the customer without prior written consent.

DEFINITIONS (Cont'd)

"Customer C" : Customer C is a company engaged in Islamic banking business and licensed under Islamic Financial Services Act 2013. The company is listed on the Main Market of Bursa Securities and its principal market is in Malaysia.

We are unable to disclose the identity of Customer C as Customer C is not agreeable to provide consent for disclosure due to the non-disclosure agreement executed with Customer C which prohibits the disclosure of information in relation to the customer without prior written consent.

"Customer D" : Customer D is a company engaged in commercial banking business and in the provision of related services. The company is listed on the Main Market of Bursa Securities and its principal market is in Malaysia.

The holding company of Customer D is principally an investment holding company listed on Main Market of Bursa Securities, providing services to its subsidiaries to enhance group value. The holding company and its subsidiaries are diversified financial group whose businesses provide a broad range of financial products and services to consumer, corporate and institutional customers.

We are unable to disclose the identity of Customer D as Customer D is not agreeable to provide consent for disclosure due to the non-disclosure agreement executed with Customer D which prohibits the disclosure of information in relation to the customer without prior written consent.

"Customer E" : Customer E is a company which is a provider of a full suite converged telecommunications, digital and related services and solutions, and corporate support and services functions to its holding companies and fellow subsidiaries. Its principal market is in Malaysia.

The holding company of Customer E is an investment holding company listed on the Main Market of Bursa Securities. The principal activities of the holding company and its subsidiaries, are to offer a full suite of converged telecommunications, digital and related services and solutions, and corporate support and services functions for the group.

We are unable to disclose the identity of Customer E as Customer E is not agreeable to provide consent for disclosure due to the non-disclosure agreement executed with Customer E which prohibits the disclosure of information in relation to the customer without prior written consent.

DEFINITIONS (Cont'd)

"Customer F" : Customer F is a company engaged in all aspects of commercial banking and the provision of related financial services. The company is listed on the Main Market of Bursa Securities and its principal market is in Malaysia.

We are unable to disclose the identity of Customer F as Customer F is not agreeable to provide consent for disclosure emphasising the business relationship and information our Group maintain with Customer F shall be kept as confidential information at all time considering the security concerns of Customer F.

"Customer G" : Customer G is a company engaged in commercial banking and finance related business and the provision of related services. The company is listed on the Main Market of Bursa Securities and its principal market is in Malaysia.

We are unable to disclose the identity of Customer G as Customer G is not agreeable to provide consent for disclosure due to the non-disclosure agreement executed with Customer G which prohibits the disclosure of information in relation to the customer without prior written consent.

"Customer H" : Customer H is a company engaged in the provision of higher education. Its principal market is in Malaysia.

Customer H is a subsidiary of a company that is listed on the Main Market of Bursa Securities. The company is a diversified conglomerate with core businesses in plantation, property and industrial, pharmaceutical, heavy industries as well as trading, finance and investment.

We are unable to disclose the identity of Customer H as Customer H is not agreeable to provide consent for disclosure emphasising the business relationship and information our Group maintain with Customer H shall be kept as confidential information at all time considering the security concerns of Customer H.

GENERAL:

"ACE Market" : ACE Market of Bursa Securities

"Acquisition of CSSB" : Acquisition by Cloudpoint of the entire equity interest of CSSB from the Promoters for a purchase consideration of RM15,650,304 which was wholly satisfied by the issuance of 425,279,999 new Shares at an issue price of RM0.0368 per share, which was completed on 3 February 2023.

"Act" : Companies Act, 2016 as amended from time to time and any re-enactment thereof

"ADA" : Authorised Depository Agent

DEFINITIONS (Cont'd)

"Adviser" or "Sponsor" or "Placement Agent" or "Underwriter"	:	M&A Securities
"Application(s)"	:	Application(s) 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
"AWS"	:	Amazon Web Services
"BNM"	:	Bank Negara Malaysia
"Board"	:	Board of Directors of Cloudpoint
"Bursa Depository" or "Depository"	:	Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
"CAGR"	:	Compound annual growth rate
"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
"CF"	:	Certificate of fitness for occupation
"Central Depositories Act" or "SICDA"	:	Securities Industry (Central Depositories) Act, 1991, as amended from time to time and any re-enactment thereof
"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 as amended from time to time and any re-enactment thereof
"Constitution"	:	Our constitution as amended from time to time
"COVID-19"	:	Coronavirus disease 2019, an infectious disease which is a global pandemic
"DDWG"	:	Due diligence working group established for the purpose of our Listing
"Depository Rules"	:	Rules of Bursa Depository and any appendices thereto as they may be amended from time to time

DEFINITIONS (Cont'd)

"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(s)
"EPS"	:	Earnings per share
"Era Jasakita"	:	Era Jasakita Sdn Bhd (Registration No.: 201801020169 (1282188-U)), our Promoter and substantial shareholder
"FYE"	:	Financial year(s) ended/ending 31 December, as the case may be
"Government"	:	Government of Malaysia
"GP"	:	Gross profit
"ICT"	:	Information and communications technology
"IFRS"	:	International Financial Reporting Standards
"IMR"	:	Providence Strategic Partners Sdn Bhd (Registration No.: 201701024744 (1238910-A)), our Independent Market Researcher
"IMR Report"	:	Independent Market Research Report titled "Networking and Cybersecurity Solutions Industries and Cloud Solution Industry in Malaysia" dated 10 April 2023
"Internet Participating Financial Institution(s)"	:	Participating financial institution(s) for Internet Share Application as listed in Section 15.6
"IPO Price"	:	Issue/Offer price of RM0.38 per Share under our Public Issue and Offer for Sale
"Initial Public Offering" or "IPO"	:	Our initial public offering comprising the Public Issue and Offer for Sale
"Internet Share Application"	:	Application for IPO Shares through an online share application service provided by Internet Participating Financial Institution
"IPO Share(s)"	:	Issue Share(s) and Offer Share(s), collectively
"Issue Share(s)"	:	New Share(s) to be issued under the Public Issue
"Issuing House"	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No.: 197101000970 (11324-H))

DEFINITIONS (Cont'd)

"ISO"	:	International Organisation for Standardisation
"IT"	:	Information technology
"Listing"	:	Listing of and quotation for our entire enlarged share capital of RM56,051,905 comprising 531,600,000 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"	:	10 April 2023, being the latest practicable date for ascertaining certain information contained in this Prospectus
"M&A Securities"	:	M & A Securities Sdn Bhd (Registration No.: 197301001503 (15017-H))
"Malaysian Public"	:	Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
"Market Day(s)"	:	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 which may include a Surprise Holiday
"MCMC"	:	Malaysian Communications and Multimedia Commission
"MCO"	:	The Malaysia movement control order, commonly referred to as the MCO, a restriction imposed on the movement of people implemented as a preventive measure by the federal government of Malaysia in response to the COVID-19 pandemic in the country, and includes all its subsequent phases, being the conditional MCO (" CMCO "), recovery MCO (" RMCO "), enhanced MCO (" EMCO "), full MCO (" FMCO ") and/or variations of these thereof
"MFRS"	:	Malaysian Financial Reporting Standards
"MITI"	:	Ministry of International Trade and Industry Malaysia
"MOF"	:	Ministry of Finance, Malaysia
"NA/NL"	:	Net assets/net liabilities
"NBV"	:	Net book value
"Offer for Sale"	:	Offer for sale of the Offer Shares by our Selling Shareholder at our IPO Price
"Offer Share(s)"	:	53,160,000 existing Shares to be offered under our Offer for Sale
"Participating Financial Institution(s)"	:	Participating financial institution(s) for Electronic Share Application as listed in Section 15.5
"PAT"	:	Profit after tax

DEFINITIONS (Cont'd)

"PBT"	:	Profit before tax
"PE Multiple"	:	Price-to-earnings multiple
"Pink Form Allocations"	:	Allocation of 13,290,000 Issue Shares to our eligible Directors and employees of our Group, which forms part of our Public Issue
"Promoter(s)"	:	Era Jasakita, Choong Wai Hoong, Yew Choong Cheong, Soo Kit Teng and Soong Chee Hoe, collectively
"Prospectus"	:	This prospectus dated 9 May 2023 in relation to our IPO
"Prospectus Guidelines"	:	Prospectus Guidelines issued by the SC, as amended from time to time
"Public Issue"	:	Public issue of 106,320,000 Issue Shares at our IPO Price
"QA/QC"	:	Quality Assurance/Quality Control
"ROC"	:	Registrar of Companies
"SC"	:	Securities Commission Malaysia
"Selling Shareholder"	:	Era Jasakita, who is undertaking the Offer for Sale
"Share(s)"	:	Ordinary share(s) in Cloudpoint
"SOP"	:	Standard operating procedure
"Specified Shareholder(s)"	:	Era Jasakita, Choong Wai Hoong, Yew Choong Cheong, Soo Kit Teng and Soong Chee Hoe
"sq ft"	:	Square feet
"Subscriber Shareholder"	:	Teh Poh Choo
"Underwriting Agreement"	:	Underwriting agreement dated 22 March 2023 entered into between the Company and M&A Securities for the purpose of our IPO

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:

- "application" : Web applications and content management systems that are programmed or installed in physical hardware and facilities to enable their functionality
- "application latency" : A term to describe delays for an application to respond to an action
- "ASP(C)" : Application Service Provider Class Licence, which is a licence required by the MCMC for companies that provide facilities and/or network and/or application services and/or content application services in Malaysia
- "bandwidth" : Amount of data transmitted over an internet connection for a period
- "burn-in test" : A test in which a system or hardware is made to run for an extended period of time to detect problems
- "cyber-attack" : An attempt by hackers to disrupt, disable, destroy or maliciously control a computer network infrastructure, or steal controlled information or destroy the integrity of data
- "cybersecurity solutions" : A solution aimed at preventing and defending an enterprise's network and endpoints against cyber threats and attacks
- "cyber threat" : A possibility of a cyber-attack on a network infrastructure
- "data centre" : A dedicated facility which houses the IT infrastructure (such as storage systems and computing infrastructure) that is used to process, store and disseminate large amounts of data
- "data packets" : A unit of data consisting of controlled information and user data, made into a single package that travels along a given network path
- "DDoS" : Distributed Denial of Service, a cyber-attack in the form of high volumes of requests sent simultaneously from multiple points on the internet to overwhelm network system resources or overload the bandwidth of the network infrastructure
- "e-mail" : Electronic mail, which is a method of exchanging mails between people
- "encryption" : A method of securing digital data through encoding information
- "end-users" : The ultimate users of our solutions
- "endpoint" : A hardware device that is internet-enabled and connected to the network infrastructure. Examples include desktops, laptops and mobile devices
- "enterprise" : A business or company

TECHNICAL GLOSSARY (Cont'd)

"espionage"	:	A form of cyber-attack that steals classified, sensitive data or intellectual property to gain an advantage
"HTTP"	:	Hypertext Transfer Protocol, a communications protocol used to transfer data to/from a hosting server connected to the internet
"HTTPS"	:	Hypertext Transfer Protocol Secure, a communications protocol used to transfer encrypted data over a secured connection
"IOC"	:	Indicators of Compromise, data that indicates that a system has been compromised by a cyber-attack
"IP"	:	Internet Protocol, which is a set of rules governing the format sent over the internet
"IT assets"	:	Components of an IT infrastructure, namely all IT hardware or system, that is owned by an entity
"IT infrastructure"	:	Infrastructures that can provide connectivity and data storage
"IT workload"	:	Computing processes which run and consume computing resources
"LAN"	:	Local Area Network, a private network infrastructure that securely connects computers in different offices/ branches in an enterprise
"large corporation"	:	A business or company that may either be public listed or privately owned, with an annual sales turnover of more than RM20 million if they are operating in the services sector, and more than RM50 million if they are operating in the manufacturing sector
"load capacity"	:	Maximum performance of the hardware
"malware"	:	Malicious software that is transmitted over the internet or through e-mails
"managed cybersecurity services"	:	Services provided to monitor, manage and respond to cyber-attacks and threats
"managed network services"	:	Services provided to operate, monitor and manage networking infrastructure on a remote basis
"Multiprotocol label switching VPN"	:	A family of methods for using multiprotocol label switching to create virtual private networks
"NAC"	:	Network Access Control, a solution which enables visibility of network users to allow for access management, as well as policy enforcement on devices and users of corporate networks
"NDR"	:	Network Detection and Response, a solution which monitors network traffic for malicious and suspicious behavioural patterns
"network latency"	:	A term to describe the delays in communication over a network
"networking solution"	:	A solution used in enterprise's offices and data centres to enable data transmission and connectivity

TECHNICAL GLOSSARY (Cont'd)

"NOC"	:	Network Operations Centre, a centralised location from which activities are performed to ensure smooth running of a network infrastructure
"on-premises infrastructure"	IT :	Dedicated IT network and data storage hardware located within the customer's premises
"packet"	:	A formatted unit of data carried by a packet-switched network
"patch"	:	Changes to a software application or its supporting data that aims to repair, update or enhance the software application
"PCI-DSS"	:	Payment Card Industry Data Security Standard, a standard specifying requirements for any entity which stores, processes or transmits credit card payments
"professional IT services"	:	Services that relate to the maintenance and management of the network and the hardware utilised in the network infrastructure
"proof of concept"	:	A demonstration that a certain solution or method is feasible
"RMiT"	:	Risk Management in Technology, requirements set out by the Central Bank of Malaysia with regard to financial institutions' management of technology risk
"SIEM"	:	Security Information and Event Management, a console which monitors security alerts and events
"SMS"	:	Short Message Service, a service for sending short text message through mobile phones
"SOAR"	:	Security Orchestration, Automation and Response, a set of software programs which allow data to be collected, analysed to create automated processes, and respond after a cyber threat is detected
"SOC"	:	Security Operations Centre, a centralised location from which activities are performed to monitor, analyse, prevent and protect a network from cyberthreats and attacks
"SOX"	:	Sarbanes-Oxley Act of 2002, a federal law in the United States of America to ensure transparency in financial reporting
"Technology Vendor(s)"	:	Brand owners of hardware component and software
"threat intelligence"	:	The process of identifying and analysing data on existing or emerging threats to make informed security decisions and prevent future cyber attacks
"ticketing system"	:	A software program that a customer support team uses to create, manage, and maintain a list (or lists) of customer problems

TECHNICAL GLOSSARY (Cont'd)

"UAT"	:	User Acceptance Test, a final test conducted to ensure that the system is functional and is deployment-ready, which involves testing out different functions, procedures, performance and scenarios, in both a simulated environment and real time
"UPS"	:	Uninterrupted Power Supply, device used to backup power supply to prevent disruptions
"VoIP"	:	Voice over IP, which allows for transmission of voice and multimedia content over the internet
"VPN"	:	Virtual Private Network, is a private network which extends across a public network which enables users to send and receive data across shared or public networks as if their computing devices were directly connected to the private network
"WAN"	:	Wide Area Network, a network infrastructure that allows for connectivity over a wide geographic area
"Zero-day threat"	:	A threat that exploits a potentially serious software security weakness that the vendor or developer may be unaware of

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TABLE OF CONTENTS

1.	CORPORATE DIRECTORY	1
2.	APPROVALS AND CONDITIONS	
2.1	APPROVALS AND CONDITIONS.....	5
2.2	MORATORIUM ON OUR SHARES	8
3.	PROSPECTUS SUMMARY	
3.1	PRINCIPAL DETAILS RELATING TO OUR IPO	9
3.2	BUSINESS MODEL	9
3.3	IMPACT OF COVID-19	11
3.4	COMPETITIVE POSITIONS AND BUSINESS STRATEGIES	12
3.5	RISK FACTORS	13
3.6	DIRECTORS AND KEY SENIOR MANAGEMENT	14
3.7	PROMOTERS AND SUBSTANTIAL SHAREHOLDERS.....	15
3.8	UTILISATION OF PROCEEDS	16
3.9	FINANCIAL AND OPERATIONAL INFORMATION	16
3.10	DIVIDEND POLICY	18
4.	DETAILS OF OUR IPO	
4.1	OPENING AND CLOSING OF APPLICATION PERIOD	19
4.2	INDICATIVE TIMETABLE	19
4.3	LISTING SCHEME.....	19
4.4	BASIS OF ARRIVING AT OUR IPO PRICE	23
4.5	SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS	24
4.6	PURPOSES OF OUR IPO	24
4.7	TOTAL MARKET CAPITALISATION UPON LISTING	24
4.8	DILUTION	25
4.9	UTILISATION OF PROCEEDS	26
4.10	UNDERWRITING, PLACEMENT AND BROKERAGE	34
4.11	SALIENT TERMS OF THE UNDERWRITING AGREEMENT	35
4.12	TRADING AND SETTLEMENT IN SECONDARY MARKETS.....	38
5.	INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT	
5.1	PROMOTERS AND SUBSTANTIAL SHAREHOLDERS.....	39
5.2	DIRECTORS.....	41
5.3	KEY SENIOR MANAGEMENT.....	66
5.4	RELATIONSHIPS AND ASSOCIATIONS.....	70
5.5	REMUNERATION AND BENEFITS.....	71
5.6	MANAGEMENT REPORTING STRUCTURE	73
5.7	DECLARATIONS FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT	74
6.	INFORMATION ON OUR GROUP	
6.1	BACKGROUND INFORMATION	75
6.2	OUR SUBSIDIARY	84
6.3	MATERIAL INVESTMENTS AND DIVESTITURES.....	85
6.4	PUBLIC TAKE-OVERS	86
6.5	BUSINESS OVERVIEW	87
6.6	BUSINESS STRATEGIES AND PROSPECTS	121
6.7	MATERIAL CONTRACTS.....	128
6.8	PROPERTY, PLANT AND EQUIPMENT	130
6.9	EMPLOYEES.....	133
6.10	MAJOR CUSTOMERS	135
6.11	MAJOR SUPPLIERS.....	141
6.12	EXCHANGE CONTROL	145
7.	IMR REPORT	146

TABLE OF CONTENTS (Cont'd)

8.	RISK FACTORS	
8.1	RISKS RELATING TO OUR BUSINESS AND OPERATIONS	157
8.2	RISKS RELATING TO OUR INDUSTRY	162
8.3	RISKS RELATING TO THE INVESTMENT IN OUR SHARES	163
8.4	OTHER RISKS	165
9.	RELATED PARTY TRANSACTIONS	
9.1	MATERIAL RELATED PARTY TRANSACTIONS	166
9.2	TRANSACTIONS ENTERED INTO THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS	170
9.3	LOANS MADE TO OR FOR THE BENEFIT OF THE RELATED PARTY	170
9.4	FINANCIAL ASSISTANCE PROVIDED FOR THE BENEFIT OF THE RELATED PARTY	170
9.5	OTHER TRANSACTIONS	170
10.	CONFLICT OF INTEREST	
10.1	INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND SUPPLIERS	172
10.2	DECLARATIONS OF CONFLICT OF INTEREST BY OUR ADVISERS	173
11.	FINANCIAL INFORMATION	
11.1	HISTORICAL AND PROFORMA FINANCIAL INFORMATION	175
11.2	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	179
11.3	LIQUIDITY AND CAPITAL RESOURCES	203
11.4	KEY FINANCIAL RATIOS	208
11.5	TREND INFORMATION	214
11.6	ORDER BOOK	215
11.7	DIVIDEND POLICY	216
11.8	SIGNIFICANT FACTORS AFFECTING OUR REVENUE	216
11.9	CAPITALISATION AND INDEBTEDNESS	217
12.	ACCOUNTANTS' REPORT	218
13.	REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	296
14.	STATUTORY AND OTHER INFORMATION	
14.1	OUR SHARE CAPITAL	314
14.2	SHARE CAPITAL OF OUR SUBSIDIARY	314
14.3	CONSTITUTION	315
14.4	GENERAL INFORMATION	320
14.5	CONSENTS	320
14.6	DOCUMENTS FOR INSPECTION	321
14.7	RESPONSIBILITY STATEMENTS	321
15.	SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE	
15.1	OPENING AND CLOSING OF APPLICATION PERIOD	322
15.2	METHODS OF APPLICATIONS	322
15.3	ELIGIBILITY	323
15.4	APPLICATION BY WAY OF APPLICATION FORMS	324
15.5	APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS	325
15.6	APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS	325
15.7	AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE	325
15.8	OVER/ UNDERSUBSCRIPTION	326
15.9	UNSUCCESSFUL/ PARTIALLY SUCCESSFUL APPLICANTS	326
15.10	SUCCESSFUL APPLICANTS	328
15.11	ENQUIRIES	328

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Designation	Residential address	Nationality	Gender
Dato' Keripin Anak Nangkai	Independent Non-Executive Chairperson	Lot 5431, 1 st Floor Block G, RH Plaza Jalan Lapangan Terbang 93350 Kuching Sarawak, Malaysia	Malaysian	Male
Choong Wai Hoong	Executive Director cum Chief Executive Officer	No. 6, Jalan 1A Taman Ukay Prima Saujana Melawati 53100 Kuala Lumpur Wilayah Persekutuan Malaysia	Malaysian	Male
Yew Choong Cheong	Executive Director cum Head of Sales	No. 72 Jalan Setia Damai U13/14D Setia Alam 40170 Shah Alam Selangor, Malaysia	Malaysian	Male
Soo Kit Teng	Executive Director cum Financial Controller	B-9-12 Pangsapuri Seri Pinang Jalan BS 3/1 Taman Bukit Serdang 43300 Seri Kembangan Selangor, Malaysia	Malaysian	Female
Suresh Narain Singh Sidhu	Independent Non-Executive Director	8, Jalan Tanjong 5/4 Section 5 46000 Petaling Jaya Selangor, Malaysia	Malaysian	Male
Lim See Tow	Independent Non-Executive Director	656, Tivolli Villas Jalan Medang Tanduk Bukit Bandaraya 59100 Kuala Lumpur Wilayah Persekutuan Malaysia	Malaysian	Female
Yap Ee Ling	Independent Non-Executive Director	No. 32 Jalan Cangkat Duta Kiara 1 Villa Aseana, Mont Kiara 50480 Kuala Lumpur Wilayah Persekutuan Malaysia	Malaysian	Female

1. CORPORATE DIRECTORY (Cont'd)

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Lim See Tow	Chairperson	Independent Non-Executive Director
Suresh Narain Singh Sidhu	Member	Independent Non-Executive Director
Yap Ee Ling	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Yap Ee Ling	Chairperson	Independent Non-Executive Director
Lim See Tow	Member	Independent Non-Executive Director
Suresh Narain Singh Sidhu	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Suresh Narain Singh Sidhu	Chairperson	Independent Non-Executive Director
Yap Ee Ling	Member	Independent Non-Executive Director
Lim See Tow	Member	Independent Non-Executive Director

COMPANY SECRETARIES

: Tan Tong Lang (MAICSA 7045482)
(SSM PC No. 202208000250)
(Chartered Secretary)

Thien Lee Mee (LS0010621)
(SSM PC No. 201908002254)
(Chartered Secretary)

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Telephone: +60 3 9770 2200

REGISTERED OFFICE

: B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Telephone: +60 3 9770 2200

HEAD OFFICE

: Unit J-6-13, Block J, Solaris Mont' Kiara
No. 2, Jalan Solaris, Mont' Kiara
50480 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Telephone: +60 3 6411 3883
Facsimile: +60 3 6411 3882

1. CORPORATE DIRECTORY (Cont'd)

- EMAIL ADDRESS AND WEBSITE** : Website: www.cloudpoint-technology.com
Email address: info@cloudpoint-technology.com
- ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT** : M & A Securities Sdn Bhd
(Registration No.: 197301001503 (15017-H))

45-11, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Telephone: +60 3 2284 2911
- AUDITORS AND REPORTING ACCOUNTANTS FOR OUR LISTING** : Baker Tilly Monteiro Heng PLT
Registration number: 201906000600 (LLP0019411-LCA)
Firm number: AF 0117
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Partner-in-charge: Paul Tan Hong
Approval number: 03459/11/2023 J
(Chartered Accountant of the Malaysian Institute of Accountants and Fellow Member of the Association of Chartered Certified Accountants)

Telephone number: +60 3 2297 1000
- SOLICITORS FOR OUR LISTING** : Teh & Lee

A-3-3 & A-3-4, Northpoint Offices
Mid Valley City
No. 1 Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Telephone: +60 3 2283 2800
- INDEPENDENT MARKET RESEARCHER** : Providence Strategic Partners Sdn Bhd
(Registration No.: 201701024744 (1238910-A))

67-1, Block D, Jaya One
No. 72A, Jalan Prof Diraja Ungku Aziz
46200 Petaling Jaya
Selangor, Malaysia

Person-in-charge's name: Melissa Lim
(Bachelor of Commerce from Murdoch University, Australia)

Telephone: +60 3 7625 1769

1. CORPORATE DIRECTORY (Cont'd)

ISSUING HOUSE AND SHARE REGISTRAR : Tricor Investor & Issuing House Services Sdn Bhd
(Registration No.: 197101000970 (11324-H))

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

Telephone: +60 3 2783 9299

LISTING SOUGHT : ACE Market

SHARIAH STATUS : Approved by Shariah Advisory Council of SC

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2. APPROVALS AND CONDITIONS

2.1 APPROVALS AND CONDITIONS

2.1.1 Bursa Securities approval

Bursa Securities had, vide its letter dated 13 January 2023, 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
(i)	Submit the following information with respect to the moratorium on the shareholdings of the Specified Shareholders to Bursa Depository: <ul style="list-style-type: none"> (a) Name of shareholders; (b) Number of Shares; and (c) Date of expiry of the moratorium for each block of Shares; 	Complied
(ii)	Confirmation that approvals from other relevant authorities have been obtained for implementation of the Listing proposal;	Complied
(iii)	The Bumiputera equity requirements for public listed companies as approved/ exempted by the SC including any conditions imposed thereon;	Complied
(iv)	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements;	To be complied
(v)	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 Cloudpoint on the first day of Listing;	To be complied
(vi)	In relation to the Public Issue to be undertaken by Cloudpoint, 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"> (a) Level of subscription of public balloting and placement; (b) Basis of allotment/ allocation; (c) A table showing the distribution for placement tranche as per the format in Appendix I of Bursa Securities' approval letter; and (d) Disclosure of placees who become substantial shareholders of Cloudpoint arising from the Public Issue, if any; 	To be complied

2. APPROVALS AND CONDITIONS (Cont'd)

<u>No.</u>	<u>Details of conditions imposed</u>	<u>Status of compliance</u>
	Please be reminded that M&A Securities must ensure that the overall distribution of Cloudpoint's securities is properly carried out to mitigate any disorderly trading in the secondary market; and	
(vii)	Cloudpoint/ 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 Cloudpoint to the Official List of the ACE Market.	To be complied

2.1.2 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.

The SC had, vide its letter dated 17 January 2023, 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:

<u>No.</u>	<u>Details of conditions imposed</u>	<u>Status of compliance</u>
(i)	Cloudpoint 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	Complied
(ii)	Cloudpoint is to make available at least 50.0% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors at the point of Listing.	Complied

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

<u>Category of shareholders</u>	<u>As at LPD</u>		<u>After Listing</u>	
	<u>No. of Shares</u>	<u>% of number of issued Shares</u>	<u>No. of Shares</u>	<u>% of enlarged number of issued Shares</u>
Bumiputera				
Bumiputera investors to be approved by MITI	-	-	⁽¹⁾ 66,450,000	12.5
Bumiputera public investors via balloting	-	-	⁽²⁾ 13,290,000	2.5
Others	-	-	⁽³⁾ 500,000	0.1
Total Bumiputera	-	-	80,240,000	15.1

2. APPROVALS AND CONDITIONS (Cont'd)

Category of shareholders	As at LPD		After Listing	
	No. of Shares	% of number of issued Shares	No. of Shares	% of enlarged number of issued Shares
Non-Bumiputera				
Promoters	425,280,000	100.0	⁽⁴⁾ 376,520,000	70.8
Non-Bumiputera public investors via balloting	-	-	⁽⁵⁾ 13,290,000	2.5
Others	-	-	⁽⁶⁾ 61,550,000	11.6
Total Non-Bumiputera	425,280,000	100.0	451,360,000	84.9
Malaysians	425,280,000	100.0	531,600,000	100.0
Foreigners	-	-	-	-
Total	425,280,000	100.0	531,600,000	100.0

Notes:

- (1) Based on the assumption that the Shares allocated to the Bumiputera investors to be approved by MITI shall be fully subscribed.
- (2) Based on the assumption that the Shares offered to the Bumiputera public investors via balloting shall be fully subscribed.
- (3) Based on the assumption Dato' Keripin Anak Nangkai, who is a Bumiputera investors recognised by MITI will fully subscribe for his entitlement under the Pink Form Allocations.
- (4) After Offer for Sale and based on the assumption that Soo Kit Teng (our Promoter and Executive Director cum Financial Controller) and Soong Chee Hoe (our Promoter and Head of Technical Services) will fully subscribe for their entitlements under the Pink Form Allocations.
- (5) Based on the assumption that the Shares offered to the non-Bumiputera public investors via balloting shall be fully subscribed.
- (6) Based on the assumption that the Offer Shares will be placed to non-Bumiputera selected investors and the Pink Form Allocations (excluding the entitlements of Dato' Keripin Anak Nangkai, Soo Kit Teng and Soong Chee Hoe) will be fully subscribed by non-Bumiputera eligible Directors and employees of our Group.

The Shariah Advisory Council of SC had, vide its letter dated 19 April 2023 classified our Shares as shariah-compliant based on our audited combined financial statements for FYE 2022.

2.1.3 MITI approval

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

2. APPROVALS AND CONDITIONS *(Cont'd)*

2.2 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 Specified Shareholders. The moratorium shall apply to the entire shareholdings of our Specified Shareholders for a period of 6 months from the date of our admission to the ACE Market.

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

Specified Shareholder	⁽¹⁾No. of Shares	⁽³⁾%
Era Jasakita	276,403,647	52.0
Choong Wai Hoong	43,072,359	8.1
Yew Choong Cheong	43,072,358	8.1
Soo Kit Teng	⁽²⁾ 6,985,818	1.3
Soong Chee Hoe	⁽²⁾ 6,985,818	1.3
	376,520,000	70.8

Notes:

- (1) After Offer for Sale.
- (2) Inclusive of 2,200,000 Issue Shares allocated to Soo Kit Teng and Soong Chee Hoe, each, under the Pink Form Allocations assuming that she/ he will fully subscribe for her/ his entitlement under the Pink Form Allocations.
- (3) Based on the enlarged share capital of 531,600,000 Shares after IPO.

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

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

Separately, the ultimate shareholders of Era Jasakita, namely, Choong Wai Hoong, Yew Choong Cheong, Soo Kit Teng and Soong Chee Hoe have also undertaken not to sell, transfer or assign their shareholdings in Era Jasakita during the abovementioned moratorium period.

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3. PROSPECTUS SUMMARY

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

3.1 PRINCIPAL DETAILS RELATING TO OUR 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:

Allocation	No. of Shares	RM	%⁽¹⁾
<u>Public Issue</u>			
Malaysian Public via balloting process:			
- Public investors	13,290,000	5,050,200	2.50
- Bumiputera public investors	13,290,000	5,050,200	2.50
Eligible Directors and employees of our Group	13,290,000	5,050,200	2.50
Private placement to Bumiputera investors approved by MITI	66,450,000	25,251,000	12.50
<u>Offer for sale</u>			
Private placement to selected investors	53,160,000	20,200,800	10.00
Enlarged no. of Shares upon Listing		531,600,000	
IPO Price per Share		RM0.38	
Market capitalisation ⁽²⁾		RM202,008,000	

Notes:

- (1) Based on our enlarged share capital of 531,600,000 Shares after IPO.
 (2) Based on our IPO Price and our enlarged number of Shares upon Listing.

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

In compliance with the Listing Requirements, our Specified Shareholders have provided written undertakings that they will not to sell, transfer or assign their shareholdings under moratorium for a period of 6 months from the date of our admission to the ACE Market.

The ultimate shareholders of Era Jasakita, namely, Choong Wai Hoong, Yew Choong Cheong, Soo Kit Teng and Soong Chee Hoe have also undertaken not to sell, transfer or assign their shareholdings in Era Jasakita during the abovementioned moratorium period.

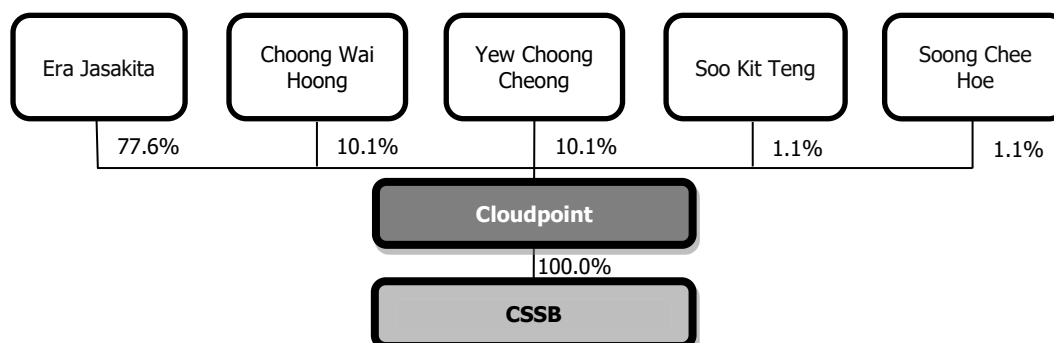
Further details on the moratorium on our Shares are set out in Section 2.2.

3.2 BUSINESS MODEL

Our Company was incorporated in Malaysia under the Act on 9 June 2021 as a private limited company under the name of Cloudpoint Technology Sdn Bhd. On 29 June 2022, we converted into a public limited company and adopted our present name.

3. PROSPECTUS SUMMARY (*Cont'd*)

Our Company is principally an investment holding company. Our Group structure after the Acquisition of CSSB but before IPO is as follows:







Through our subsidiary, CSSB, we are principally engaged in the provision of IT solutions comprising enterprise and data centre networking, and cybersecurity solutions, professional IT services as well as cloud services and software applications. As at the LPD, we implement solutions and provide our services mainly to large enterprises, particularly companies in the financial services, insurance, telecommunications industries and other technology service providers in Malaysia.

Enterprise and data centre networking solutions are solutions that are used in enterprises' offices and data centres to enable data transmission and connectivity. Meanwhile, cybersecurity solutions prevent cyber threats and attacks to IT infrastructures, including network infrastructure. Professional IT services are the maintenance and management of the network and the hardware utilised in the network infrastructure such as servers, switches and routers. Meanwhile, cloud solutions refer to scalable solutions delivered on a subscription basis and software applications refer to various software applications which enable IT services management and workflow automation.

As an IT solutions provider, we typically carry out the following services:

- (i) designing and proposing solutions that are tailored to customers' IT environment, and business requirements and needs;
- (ii) providing project management, installation and system integration services to customers based on proposed solutions; and
- (iii) providing professional IT services, which involves maintenance and network monitoring services for the abovementioned solutions.

Our Group's business model is summarised in the diagram below:

Business segment	Provision of IT solutions			
	One-off project-based income model		One-off project-based and recurring income model	Recurring income model
Revenue model				
Product/ service categories	 Enterprise and data centre networking solutions	 Cybersecurity solutions	 Cloud services and software applications	 Professional IT services
Solutions	<ul style="list-style-type: none"> • Network infrastructure • Software-defined infrastructure • WAN optimisation • Application delivery • IP telephony and collaboration tools 	<ul style="list-style-type: none"> • Firewall • Intrusion prevention system • Secure web gateway • Web application firewall • Data loss prevention • Email security • SIEM • SOAR • Cloud security • DDoS protection tools 	<ul style="list-style-type: none"> • Cloud consultancy and management • Cloud migration • Public cloud infrastructure • Deployment of IT workloads 	<ul style="list-style-type: none"> • Maintenance and technical support services • Remediation of technical issues • Providing software upgrades • Network monitoring services

3. PROSPECTUS SUMMARY (*Cont'd*)

Customer segment	<ul style="list-style-type: none"> • End-user customers in the financial services, insurance and telecommunications industries • Technology service providers • Large corporations in other end-user industries such as property development, plantation and education industries 	<ul style="list-style-type: none"> • Vulnerability scanning software • Endpoint protection platform • Threat intelligence platform • NAC • Database security gateway • NDR 		
Principal market	Malaysia			

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

3.3 IMPACT OF COVID-19

(i) Impact of COVID-19 on our Group's business operations

During the MCOs and lockdowns implemented throughout 2020 and 2021, all government and private premises were required to be closed and to cease operations except those involved in essential services. We serve companies involved in essential services, i.e. financial services, insurance and telecommunications industries. As such, during the first MCO, our Group was able to partially resume our operations in our office in Malaysia on 4 May 2020 after receipt of approval from MITI, and our other employees worked from home. Despite working from home, we could continue to carry out the design, implementation and maintenance of solutions on-site at our customers' premises for customers operating in the essential services sector and at our business premises. We subsequently fully resumed our operations in our corporate office on 10 June 2020.

(ii) Impact of COVID-19 and MCOs on our supply chain

Since the implementation of the first MCO, we experienced delays in shipment of hardware, which have resulted in delays in implementation of our projects of up to 6 months for several of our projects. These delays were largely contributed by a shortage in components used by our Technology Vendors to manufacture the hardware. The shortage in components was due to the global shortage in microchips as fabrication activities were disrupted when foundries could not operate due to the national lockdowns, and imposition of tariff barriers to restrict companies in both the United States and China from trading.

(iii) Impact of COVID-19 on our liquidity, financial position and financial performance

Our Group's revenues continued to improve from RM50.63 million in FYE 2019 to RM90.60 million in FYE 2022, registering a CAGR of 21.41% during the period. Our Group mainly served end-user industries such as financial services, insurance and telecommunications industries, all of which are deemed as essential services and could continue operating during the national lockdown policies that were implemented in Malaysia. As such, our business operations experienced minimal disruptions throughout 2020 and 2021.

Further details on the impact of COVID-19 to our Group are set out in the Section 6.5.15.

3. PROSPECTUS SUMMARY (*Cont'd*)

3.4 COMPETITIVE POSITIONS AND BUSINESS STRATEGIES

3.4.1 Competitive positions

Some of our competitive positions are summarised below:

- (i) We have built a track record of serving the financial services, insurance and telecommunications industries in Malaysia. It is crucial for companies operating in these industries to have high performance network infrastructures to support mission-critical applications. Our success in securing and retaining customers in the financial services, insurance and telecommunications industries is a testament to the quality of the solutions we have implemented, as well as our after-sales support in providing professional IT services. Further, our success in securing sales from these companies serve as a reference for our Group as we continue to secure new orders and contracts.
- (ii) We have a wide and complementary range of solutions comprising enterprise and data centre networking solutions and cybersecurity solutions, as well as professional IT services. Our wide and complementary range of solutions allows our Group to cross sell our products to our customers. From our customers' perspective, the ability to liaise with a single service provider to implement its solutions will eliminate the cost and inconvenience of dealing with multiple service providers. This sets us apart from industry players that offer only enterprise and data centre networking solutions or cybersecurity solutions, as well as industry players with a limited range of solutions offered. By providing professional IT services, we are also able to provide after-sales technical support to our customers. We view this as crucial in maintaining good business relationships with our customers. In addition, we are able to enjoy recurring income from our customer base.
- (iii) We have built relationships with a well-established network of Technology Vendors since our commencement of business, from whom we source our hardware and software for our enterprise and data centre networking solutions and cybersecurity solutions. We have built good working relationships with our network of Technology Vendors and their distributors, which has allowed us to source and place orders easily. We also leverage on our relationship with these reputable brand names, enabling us to build more reliable solutions for our customers. We received recognitions from Technology Vendors which enable us to obtain better pricing arrangements and rebates from them, which in turn could lead to us being able to offer more competitive pricing to our customers. We may also obtain rebates from the Technology Vendors as a reward for achieving the sales volume targets set by the Technology Vendors.

Further details of our competitive positions are set out in Section 6.5.6.

3.4.2 Business strategies

Our business strategies are summarised below:

- (i) We intend to venture into providing managed cybersecurity services by setting up a SOC. A SOC is a facility which facilitates the monitoring and management of cyber threats and attacks impacting an enterprise's network infrastructure. Managed cybersecurity services prevent customers from incurring substantial operational expenses in setting up their own dedicated IT team to monitor cyber threats and attacks. With the abovementioned plans, we aim to benefit from the potential growth in demand for managed cybersecurity services.

3. PROSPECTUS SUMMARY (*Cont'd*)

- (ii) We intend to enhance our existing NOC to enable the offering of additional managed network services. With the enhancement of our existing NOC, we will not only be able to cater for more customers but will also be able to carry out more services as well as to enhance our competitiveness in securing managed network services projects. This will allow us to increase our revenue stream with the subscription fees earned for the managed network services offered.
- (iii) We intend to expand our cloud services and software applications segment. According to the IMR Report, cloud solutions have been gaining traction. Our Group has gained knowledge and understanding of network infrastructure by implementing enterprise and data centre networking solutions. This knowledge and understanding of network infrastructure have allowed us to have in-depth understanding of customers' needs of the network infrastructure. Thus, we intend to leverage on this knowledge and understanding to provide cloud services and software applications. By doing so, we are able to tap on the growing market trend for cloud solutions. We intend to expand the segment by collaborating with new and existing Technology Vendors to offer a wider range of cloud services and software applications. We expect the expansion of our cloud services and software applications segment will broaden our range of solutions and allow us to cross-sell these solutions to our existing customer base.

Further details of our business strategies are set out in Section 6.6.1.

3.5 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 8. Some of the more important risk factors are summarised below:

- (i) We provide enterprise and data centre networking and cybersecurity solutions as well as professional IT services to end-user customers which largely consist of enterprises in the financial services, insurance and telecommunications industries, as well as other technology service providers. As such, we are dependent on customers involved in the financial services industry and we may be adversely impacted should there be a slowdown in the financial services industry. Any material changes in regional and global economic conditions may impact the financial services industry in Malaysia. This could in turn impact the demand for our Group's solutions, and adversely affect our Group's business, financial conditions and results of operations.
- (ii) Due to the nature of our business, our future profitability and financial performance depend on our ability to secure new projects and customers. The absence of long-term contracts of more than 3 years poses a risk of losing our existing customers since they are not obliged to continue engaging us for our solutions and services. If we were to lose any of our customers, particularly our major customers, and are unable to secure sales from new customers or additional sales from existing customers in a timely manner, our business and financial performance may be adversely affected.

3. PROSPECTUS SUMMARY (*Cont'd*)

- (iii) The design and implementation of IT solutions, including enterprise and data centre networking solutions, cybersecurity solutions as well as cloud services and software applications (which we have recently begun offering), are subject to unexpected delays or interruptions caused by factors beyond our control. Thus, if there are any delays in the progress of our projects, our timing of delivery will be affected and this will subsequently affect our timing for revenue recognition and collection of payment from our customers, thus affecting our financial performance.
- (iv) Our Group presently undertakes network monitoring services as part of our Group's professional IT services offered to our customers. We plan to enhance our existing NOC to enable the offering of managed network services and set up a new SOC to provide managed cybersecurity services as part of our professional IT services to our customer. We also plan to set up a public cloud infrastructure to offer public cloud services. We rely on software systems and internet connection to operate our NOC and SOC facilities as well as public cloud infrastructure for the provision of our managed network and cybersecurity services, and public cloud services. As such, should there be any system failures caused by events that may be beyond our control, such as power failures, internet downtime and equipment failure may materially impact our ability to carry out our managed network and cybersecurity services, and public cloud services.
- (v) We believe that our success is heavily dependent upon the continued service of our Executive Directors and key senior management who have extensive knowledge and experience in our business and industry. As such, the loss of any of our Executive Directors and key senior management without suitable or timely replacements may result in an adverse effect on our Group's operations and may eventually affect our ability to maintain and/or improve our business or financial performances.

3.6 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
Directors	
Dato' Keripin Anak Nangkai	Independent Non-Executive Chairperson
Choong Wai Hoong	Executive Director cum Chief Executive Officer
Yew Choong Cheong	Executive Director cum Head of Sales
Soo Kit Teng	Executive Director cum Financial Controller
Suresh Narain Singh Sidhu	Independent Non-Executive Director
Lim See Tow	Independent Non-Executive Director
Yap Ee Ling	Independent Non-Executive Director
Key senior management	
Soong Chee Hoe	Head of Technical Services
Hiew Hoong Tat	Head of Cloud Services and Software Applications

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

3. PROSPECTUS SUMMARY (*Cont'd*)

3.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

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

Name	Country of incorporation/ Nationality	⁽¹⁾ Before IPO				⁽²⁾ After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and substantial shareholders									
Era Jasakita	Malaysia	329,563,647	77.6	-	-	276,403,647	52.0	-	-
Choong Wai Hoong	Malaysian	43,072,359	10.1	⁽³⁾ 329,563,647	77.6	43,072,359	8.1	⁽³⁾ 276,403,647	52.0
Yew Choong Cheong	Malaysian	43,072,358	10.1	⁽³⁾ 329,563,647	77.6	43,072,358	8.1	⁽³⁾ 276,403,647	52.0
Promoters									
Soo Kit Teng	Malaysian	4,785,818	1.1	-	-	⁽⁴⁾ 6,985,818	1.3	-	-
Soong Chee Hoe	Malaysian	4,785,818	1.1	-	-	⁽⁴⁾ 6,985,818	1.3	-	-

Notes:

- (1) Based on the share capital of 425,280,000 Shares before Public Issue and Offer for Sale, but after completion of Acquisition of CSSB and transfer of 1 subscriber share in Cloudpoint from Subscriber Shareholder to Choong Wai Hoong.
- (2) Based on the enlarged share capital of 531,600,000 Shares after Public Issue and Offer for Sale.
- (3) Deemed interest by virtue of his shareholding in Era Jasakita pursuant to Section 8 of the Act.
- (4) Assuming that she/he will fully subscribe for her/his entitlement under the Pink Form Allocations.

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

3. PROSPECTUS SUMMARY (Cont'd)**3.8 UTILISATION OF PROCEEDS**

The estimated gross proceeds to be raised from our Public Issue of RM40.40 million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	RM'000	%	⁽¹⁾Estimated timeframe for utilisation
Business expansion	13,300	32.9	Within 36 months
Relocation of corporate office	7,800	19.3	Within 48 months
Working capital requirements	15,802	39.1	Within 24 months
Estimated listing expenses	3,500	8.7	Within 1 month
Total	40,402	100.0	

Note:

(1) From the date of Listing.

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 RM20.20 million shall accrue entirely to the Selling Shareholder.

3.9 FINANCIAL AND OPERATIONAL INFORMATION

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

3.9.1 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 FYE 2022:

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	50,634	51,230	59,541	90,595
GP	12,658	14,346	17,806	24,711
PBT	9,200	11,022	13,577	17,801
PAT	6,536	8,349	10,246	13,153
Basic EPS (sen) ⁽¹⁾	1.54	1.96	2.41	3.09
Diluted EPS (sen) ⁽²⁾	1.23	1.57	1.93	2.47
GP margin (%) ⁽³⁾	25.0	28.0	29.9	27.3
PAT margin (%) ⁽⁴⁾	12.9	16.3	17.2	14.5

Further details on the financial information are set out in Sections 11 and 12.

3. PROSPECTUS SUMMARY (*Cont'd*)

Notes:

- (1) Basic EPS is calculated based on PAT for the financial year divided by 425,280,000 enlarged number of Shares in issue before IPO.
- (2) Diluted EPS is calculated based on PAT for the financial year divided by 531,600,000 enlarged number of Shares in issue after IPO.
- (3) Calculated based on GP divided by revenue.
- (4) Calculated based on PAT divided by revenue.

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

3.9.2 Pro forma consolidated statements of financial position

The following table sets out a summary of the pro forma consolidated statements of financial position of our Group to show the effects of the Acquisition of CSSB, Public Issue and utilisation of proceeds. It is presented for illustrative purposes only and should be read together with the pro forma consolidated statements of financial position as set out in Section 13.

	Audited	I	II	III
	As at 31 December 2022	After Acquisition of CSSB	After I and Public Issue	After II and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Total non-current assets	-	4,682	4,682	9,075
Total current assets	150	61,897	102,299	95,331
TOTAL ASSETS	150	66,579	106,981	104,406
EQUITY AND LIABILITIES				
TOTAL EQUITY	(848)	20,797	61,199	58,624
Total non-current liabilities	-	85	85	85
Total current liabilities	998	45,697	45,697	45,697
TOTAL LIABILITIES	998	45,782	45,782	45,782
TOTAL EQUITY AND LIABILITIES	150	66,579	106,981	104,406
No. of Shares in issue ('000)	*	425,280	531,600	531,600
(NL)/NA per Share (RM)	(848,076.40)	0.05	0.12	0.11
Lease liability (RM'000)	-	281	281	281
Gearing (times)	-	0.01	~	~

Notes:

* Less than 1,000 Shares

~ Less than 0.005

3. PROSPECTUS SUMMARY (Cont'd)**3.9.3 Key financial ratios**

The key financial ratios of our Group as at 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022 are as follows:

	As at 31 December			
	2019	2020	2021	2022
Trade receivables turnover (days) ⁽¹⁾	36	37	78	106
Trade payables turnover (days) ⁽²⁾	36	38	64	58
Current ratio (times) ⁽³⁾	2.64	2.45	1.48	1.35
Gearing ratio (times) ⁽⁴⁾	-	-	0.02	0.01
Inventory turnover (days) ⁽⁵⁾	26	20	21	13

Notes:

- (1) Computed based on average opening and closing trade receivables over revenue for each of the financial year and multiplied by 365 days.
- (2) Computed based on average opening and closing trade payables over costs of sales for each of the financial year and multiplied by 365 days.
- (3) Computed based on current assets over current liabilities as at each financial year end.
- (4) Computed based on total borrowings over total equity as at each financial year end.
- (5) Computed based on average opening and closing inventory over cost of sales for each of the financial year and multiplied by 365 days.

Further details on the key financial ratios are set out in Section 11.4.

3.10 DIVIDEND POLICY

The dividend declared and paid by CSSB for the FYE 2019 to FYE 2022 as well as up to the LPD were as follows:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	1 January 2023 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividends declared	1,000	8,000	16,000	8,000	-
Dividends paid	1,000	8,000	8,000	⁽¹⁾ 8,000	⁽²⁾ 8,000

Notes:

- (1) Dividend paid on 3 March 2022 in relation to dividend declared in FYE 2021.
- (2) Dividend paid on 2 March 2023 in relation to dividend declared in FYE 2022.

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. Our Group does not intend to declare and pay further dividend prior to the Listing.

Further details of our dividend policy are set out in Section 11.7.

4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 9 May 2023 and will remain open until 5.00 p.m. on 15 May 2023. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Indicative date
Issuance of this Prospectus/ Opening of Application	9 May 2023
Closing Date/ Closing of Application	15 May 2023
Balloting of Application	18 May 2023
Allotment/ Transfer of IPO Shares to successful applicants	25 May 2023
Date of Listing	29 May 2023

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

4.3 LISTING SCHEME

4.3.1 Public Issue

A total of 106,320,000 Issue Shares, representing 20.0% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(i) Malaysian Public

26,580,000 Issue Shares, representing 5.0% of our enlarged share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

- (a) 13,290,000 Issue Shares made available to public investors; and
- (b) 13,290,000 Issue Shares made available to Bumiputera public investors.

(ii) Eligible Directors and employees of our Group

13,290,000 Issue Shares, representing 2.5% of our enlarged share capital, are reserved for our eligible Directors and employees of our Group under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.3.

(iii) Private placement to Bumiputera investors approved by MITI

66,450,000 Issue Shares, representing 12.5% of our enlarged share capital, are reserved for private placement to Bumiputera investors approved by MITI.

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.

Our Public Issue is subject to the terms and conditions of this Prospectus. We are not aware of any person(s) who intends to subscribe for more than 5.0% of the Public Issue.

4. DETAILS OF OUR IPO (Cont'd)

4.3.2 Offer for Sale

A total of 53,160,000 Offer Shares, representing 10.0% of our enlarged share capital, are offered by our Selling Shareholder to selected investors by way of private placement at our IPO Price. Details of our Selling Shareholder are as follows:

Name/address	Material relationship with our Group	⁽¹⁾ Before IPO		Offer Shares offered			After IPO	
		No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %	⁽³⁾ %	No. of Shares	⁽³⁾ %
Era Jasakita/ Unit J-6-13, Block J Solaris Mont' Kiara No. 2, Jalan Solaris Mont' Kiara 50480 Kuala Lumpur Wilayah Persekutuan ⁽⁴⁾	Promoter and substantial shareholder	329,563,647	77.6	53,160,000	12.5	10.0	276,403,647	52.0

Notes:

- (1) After completion of Acquisition of CSSB but prior to IPO.
- (2) Based on the share capital of 425,280,000 Shares before IPO.
- (3) Based on the enlarged share capital of 531,600,000 Shares after IPO.
- (4) The principal activity of Era Jasakita is solely the investment holding in Cloudpoint. Era Jasakita is registered under the same address as Cloudpoint to better facilitate the dealing by Era Jasakita of matters related to its investment holding in Cloudpoint.

The Selling Shareholder shall bear all expenses such as placement fee and miscellaneous fees estimated at approximately RM0.30 million relating to the Offer Shares. The Offer Shares are not underwritten by our Underwriter.

Further details of our Selling Shareholder, who is also our Promoter and substantial shareholder can be found in Section 5.1.

4. DETAILS OF OUR IPO (Cont'd)**4.3.3 Pink Form Allocations**

We have allocated 13,290,000 Issue Shares under the Pink Form Allocations to our eligible Directors and employees of our Group as follows:

Category	No. of eligible persons	Aggregate No. of Issue Shares allocated
Eligible Directors	5	3,600,000
Eligible employees	62	9,690,000
	67	13,290,000

Entitlements which are not accepted by certain eligible Directors and employees of our Group will be re-allocated to the other eligible Directors as set out in the table below and other eligible employees of our Group at the discretion of our Board.

(i) Allocation to eligible Directors

The criteria for allocation to our eligible Directors are based on amongst others their anticipated contribution to our Group.

Choong Wai Hoong (our Executive Director cum Chief Executive Officer) and Yew Choong Cheong (our Executive Director cum Head of Sales) 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' Keripin Anak Nangkai	Independent Non-Executive Chairman	500,000
Soo Kit Teng	Executive Director cum Financial Controller	2,200,000
Suresh Narain Singh Sidhu	Independent Non-Executive Director	300,000
Lim See Tow	Independent Non-Executive Director	300,000
Yap Ee Ling	Independent Non-Executive Director	300,000
		3,600,000

(ii) 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:

- (a) Our employees must be an eligible and confirmed employee and on the payroll of our Group;

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

- (b) The number of shares allocated to our eligible employees are based on their seniority, position, length of service and respective contribution made to our Group as well as other factors deemed relevant to our Board; and
- (c) Full time employee of at least 18 years of age.

Included in the allocation to our eligible employees are the proposed allocations to our key senior management as set out below:

<u>Name</u>	<u>Designation</u>	<u>No. of Issue Shares allocated</u>
Soong Chee Hoe	Head of Technical Services	2,200,000
Hiew Hoong Tat	Head of Cloud Services and Software Applications	1,600,000
		3,800,000

As at the LPD, save as disclosed in Section 4.3.3, to the extent known to our Company:

- (a) there are no substantial shareholder(s), Directors, or key senior management of our Company who have indicated to our Company that they intend to subscribe for the IPO Shares; and
- (b) there are no person(s) who have indicated to our Company that they intend to subscribe for more than 5.0% of the IPO Shares.

4.3.4 Placement and underwriting arrangement

Our Underwriter will underwrite 39,870,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 66,450,000 Issue Shares and 53,160,000 Offer Shares available for application by Bumiputera investors approved by MITI and selected investors, respectively, will not be underwritten and will be placed out by our Placement Agent.

Any of our Issue Shares not subscribed for by the Malaysian Public or Pink Form Allocations (after re-allocation to the other eligible Directors and other eligible employees of our Group) will be made available to selected investors via private placement.

However, if all Issue Shares offered to the Malaysian Public are oversubscribed, shares not subscribed for under the Pink Form Allocations (if any), will firstly be made available for application by the Malaysian Public before being made available to selected investors via private placement. Likewise, if any Issue Shares offered to the Malaysian Public are undersubscribed, shares not subscribed for will be allocated for excess application by our eligible Directors and eligible employees before being made available to selected investors via private placement. Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms of the Underwriting Agreement.

Any of our Issue Shares not subscribed or accepted by Bumiputera investors approved by MITI under the private placement as stated in Section 4.3.1(iii) above will be firstly offered to institutional investors via private placement. Subsequently, any Issue Shares not taken up will be made available for subscription by the Bumiputera general public via the balloting process and thereafter to other public investors via balloting process.

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

Our Board will ensure that any excess IPO Shares will be allocated on a fair and equitable manner.

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 Directors.

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.

4.4 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:

- (i) Our pro forma NA per Share as at 31 December 2022 after IPO and utilisation of proceeds of RM0.11, calculated based on our pro forma NA after IPO and utilisation of proceeds as at 31 December 2022 of approximately RM58.62 million and enlarged share capital of 531,600,000 Shares upon Listing;
- (ii) The PE Multiple of our IPO Price of approximately 15.38 times based on our EPS of approximately 2.47 sen for FYE 2022, calculated based on our PAT for FYE 2022 of RM13.15 million and enlarged share capital of 531,600,000 Shares upon Listing;
- (iii) Our historical financial track record as follows:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	50,634	51,230	59,541	90,595
GP	12,658	14,346	17,806	24,711
PAT	6,536	8,349	10,246	13,153

- (iv) Our competitive positions as set out in Section 6.5.6; and
- (v) Our business strategies and prospects as set out in Section 6.6.

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 8 before deciding to invest in our Shares.

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

4.5 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	425,280,000	15,650,305
To be issued under our Public Issue	106,320,000	40,401,600
Enlarged share capital upon our Listing	531,600,000	56,051,905

Our Offer for Sale will not have any 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 ordinary 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 ordinary 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.

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 ordinary share held.

4.6 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- (i) To enable our Group to raise funds for the purposes specified in Section 4.9 herein;
- (ii) To gain recognition through our listing status to enhance our reputation and to retain and attract new, skilled employees from the IT industry;
- (iii) To provide an opportunity for the Malaysian Public, including our eligible Directors and employees to participate in our equity; and
- (iv) 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.

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 531,600,000 Shares upon Listing, our total market capitalisation will be RM202.01 million.

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

	RM
IPO Price	0.38
Pro forma NA per Share as at 31 December 2022 after Acquisition of CSSB but before IPO	0.05
Pro forma NA per Share as at 31 December 2022 after Acquisition of CSSB, IPO and utilisation of proceeds	0.11
Increase in pro forma NA per Share attributable to existing shareholders	0.06
Dilution in pro forma NA per Share to our new public investors	0.27
Dilution in pro forma NA per Share as a percentage of our IPO Price	71.05%

Further details of our pro forma NA per Share as at 31 December 2022 is set out in Section 13.

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:

Shareholders	⁽¹⁾No. of Shares received	Total consideration	Average effective cost per Share
		RM	RM
Era Jasakita	329,563,647	12,127,942	0.0368
Choong Wai Hoong	⁽²⁾ 43,072,359	1,585,064	0.0368
Yew Choong Cheong	43,072,358	1,585,063	0.0368
Soo Kit Teng	4,785,818	176,118	0.0368
Soong Chee Hoe	4,785,818	176,118	0.0368
	425,280,000	15,650,305	

Notes:

- (1) Issued under the Acquisition of CSSB.
- (2) Inclusive of 1 subscriber share issued upon incorporation of our Company which was transferred to him on 30 August 2021 at the consideration of RM1.00.

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. DETAILS OF OUR IPO (Cont'd)**4.9 UTILISATION OF PROCEEDS****4.9.1 Public Issue**

The estimated gross proceeds from our Public Issue of RM40.40 million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	Notes	RM'000	%	⁽¹⁾Estimated timeframe for utilisation
Business expansion	(i)	13,300	32.9	Within 36 months
Relocation of corporate office	(ii)	7,800	19.3	Within 48 months
Working capital requirements	(iii)	15,802	39.1	Within 24 months
Estimated listing expenses	(iv)	3,500	8.7	Within 1 month
Total		40,402	100.0	

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

Notes:

(1) From the date of Listing.

(i) Business expansion

Our Group intends to expand our IT solution offerings to increase our competitiveness and enhance the comprehensiveness and quality of our enterprise and data centre networking solutions, cybersecurity solutions and cloud services. Our Group intends to allocate RM13.30 million, representing 32.9% of the proceeds from the Public Issue for the business expansion by establishing a new SOC in our corporate office located at Solaris Mont' Kiara, Kuala Lumpur, Wilayah Persekutuan, enhancing our existing NOC and establishing a new public cloud infrastructure.

(a) Establishment of new SOC

The SOC is a facility which facilitates the monitoring and management of cyber threats and attacks impacting an enterprise's network infrastructure. It also enhances our competitiveness in securing managed cybersecurity services projects. Managed cybersecurity services are a cost-effective alternative avenue for customers to procure cybersecurity solutions without incurring substantial operational expenses in setting up their own dedicated IT team.

Therefore, by having a SOC of our own, our Group is able to provide managed cybersecurity services as part of our professional IT services to our customers and our Group will benefit from the potential growth in demand for managed cybersecurity services driven by the forecast growth in the cybersecurity solutions industry in Malaysia by CAGR of 16.1%, from an estimated RM4.5 billion in 2023 to RM6.1 billion in 2025 (based on the IMR Report) as well as the convenience of our customers to engage our Group for a one-stop solutions instead of engaging numerous solution providers for different types of solutions. For avoidance of doubt, our Group does not require any special licence/permit as well as certified/qualified resources to establish the SOC. Please refer to Sections 6.5.5(i)(a) and 6.6.1(i) for further details on our business strategies in relation to the establishment of new SOC.

4. DETAILS OF OUR IPO (Cont'd)**(b) Enhancement of existing NOC**

Our Group presently undertakes network monitoring services as part of our Group's professional IT services offered to our customers. This includes monitoring of the status of hardware devices connected to the network such as switches and routers, and troubleshooting and maintaining a functional and efficient network infrastructure.

By setting up a more comprehensive NOC, we will be able to expand our solution offering from offering network monitoring services to offering managed network services which will include:

- (aa) monitoring of network performance, availability, fault and latency for on-premises IT infrastructure;
- (bb) detection of IT workload, cloud performance analysis and application latency for cloud IT infrastructure;
- (cc) network configuration management such as automatic backup, configuration change management and network devices inventory management; and
- (dd) customised reporting services based on respective customers' compliance and audit requirements.

In order to do so, we will be improving the infrastructure of our existing NOC by upgrading our network bandwidth, software toolsets, switches, servers and storage as detailed in the table below. This will enable us to cater for more customers and expand our managed network services solution offerings. In line with the expansion of our managed network services offerings, we will require additional IT staffs to support the additional scope of operations for our managed network services solutions as well as the anticipated increase in customer base.

With the enhancement of the NOC, we will be able to enhance our competitiveness in securing managed network services projects. This will allow us to increase our professional IT services revenue stream from the additional subscription fees charged for the managed network services offered as we expand our range of service offering as well as new customers secured. Please refer to Sections 6.5.5(i)(b) and 6.6.1(ii) for further details on our business strategies in relation to the enhancement of existing NOC.

Our Group intends to allocate a total of RM7.40 million for the establishment of new SOC and enhancement of existing NOC. The detailed breakdown of the utilisation of RM7.40 million for the establishment of new SOC and enhancement of existing NOC is as follows:

Purpose	Description	Estimated cost RM'000
<u>Establishment of new SOC</u>		
IT software	Software such as SIEM and SOAR	(1)3,487
Staff cost	Recruitment of IT staff:	
	- 1 SOC Manager	(2)234

4. DETAILS OF OUR IPO (Cont'd)

<u>Purpose</u>	<u>Description</u>	<u>Estimated cost</u> <u>RM'000</u>
	- 2 Senior Security Analysts	(2)312
	- 8 Security Analysts	(2)749
	Staff training cost including courses for SOC operations, incident response, network forensics, malware analysis and threat intelligence analysis	(2)170
	Subtotal	4,952
<u>Enhancement of existing NOC</u>		
IT software	Networking management and monitoring, network performance monitoring, network configuration management, endpoint management and traffic analysis software	(1)1,394
Staff cost	Recruitment of IT staff:	
	- 1 NOC Manager	(2)187
	- 8 Network Analysts	(2)499
	Subtotal	2,080
Facilities enhancement ⁽⁴⁾	Setup cost such as power conditioning system, air conditioning systems and electrical cabling works for the new SOC and existing NOC	(3)100
	Hardware required for the new SOC and existing NOC:	(1)150
	- 2 sets of routers, firewalls, switches and racks each;	
	- 1 set of server system;	
	- 2 sets of video wall display solutions;	
	- 1 set of uninterrupted power supply system;	
	- 1 set of phone system;	
	- 1 set of help desk system; and	
	- 3 sets of computers	
Other ancillary expenses	Utilities, transportation cost, other miscellaneous expenses and contingencies	(3)118
	TOTAL	7,400

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

Notes:

- (1) The estimated cost is based on the quotation obtained from our local and oversea suppliers. The estimated procurement cost for the IT software to be funded via the proceeds from our Public Issue is for a one-off cost for the software (which valid for 12 months period). Subsequently, the IT software will be renewed on yearly basis upon expiry of the validity period.
- (2) The estimated staff cost is based on management's internal estimations using existing and historical staff cost of our Group. The estimated staff cost is for a period of 12 months beginning from the date of employment of the respective staff. The estimated staff cost mainly consists of salaries, medical expenses, staff benefits and other related expenses.
- (3) The estimated cost is based on management's internal estimations using existing and/or historical costs incurred such as subcontractor cost.
- (4) For avoidance of doubt, the facilities enhancement is for the purpose of both new SOC and existing NOC as they are designed to share the same facilities to maximise the operational efficiency.

(c) Establishment of new public cloud infrastructure

Public cloud infrastructure is a service that allows users to access computing resources over the internet. In comparison with local data centres or private cloud infrastructure, embarking on public cloud infrastructure allows flexibility and scalability in terms of resources allocation as well as efficiency in management and operations as the users can easily adjust the amount of computing resources they need based on their current demands. Besides, it is also cost-effective as the public cloud infrastructure is charged based on usage, with varied plans according to the different type of services and capacity required.

Therefore, by establishing a public cloud infrastructure of our own, our Group is able to provide public cloud infrastructure services to our customers, mainly for the technology services providers and customers who are involved in the telecommunication, education, construction, oil and gas and property industries. Our Group will be able to tap into the potential growth in demand for public cloud infrastructure services driven by the forecast growth in the cloud solutions industry in Malaysia from an estimated RM3.8 billion in 2022 to RM9.2 billion in 2026 (based on the IMR Report). In addition, offering our public cloud infrastructure services can help us retain our existing customers as our Group is able to provide a comprehensive suite of IT solutions and making it easier for our customers to manage their IT infrastructure and reduce their reliance on multiple solution providers.

Our Group will require ASP (C) licence registered with the MCMC in order to provide public cloud infrastructure services. For avoidance of doubt, our Group does not require any certified/qualified personnel to establish the new public cloud infrastructure. Please refer to Sections 6.6.1(iii) for further details on our business strategies in relation to the establishment of new public cloud infrastructure.

4. DETAILS OF OUR IPO (Cont'd)

Our Group intends to allocate RM5.90 million for the establishment of new public cloud infrastructure. The detailed breakdown is as follows:

Purpose	Description	Estimated cost RM'000
<u>Establishment of new public cloud infrastructure</u>		
IT infrastructure	IT hardware and software: <ul style="list-style-type: none"> - Management cluster infrastructure for the management of cloud computing environment; - Compute cluster infrastructure for the running of the workloads; and - Network and security infrastructures such as switches and firewalls 	(1)3,468
Staff cost	Recruitment of IT staff: <ul style="list-style-type: none"> - 4 Cloud Engineers 	(2)749
Other expenses	Hosting infrastructure, utilities, professional setup fees, other miscellaneous expenses and contingencies	(3)1,683
TOTAL		5,900

Notes:

- (1) The estimated cost is based on the quotation obtained from our local suppliers. The estimated procurement cost for the IT infrastructure to be funded via the proceeds from our Public Issue is for a one-off IT infrastructure costs (which the IT software valid for 5 years for management cluster infrastructure and compute cluster infrastructure, and the IT software valid for 12 months for network and security infrastructures). Subsequently, the IT software of the abovementioned infrastructures will be renewed upon expiry of the validity period and the additional fees to be incurred for the renewal of IT software will be borne by our Group via internally generated funds.
- (2) The estimated staff cost is based on management's internal estimations using the existing market data. The estimated staff cost is for a period of 24 months beginning from the date of employment of the respective staff. The estimated staff cost mainly consists of salaries, medical expenses, staff benefits and other related expenses.
- (3) The estimated cost is based on management's internal estimations using existing and/or historical costs incurred.

4. DETAILS OF OUR IPO (Cont'd)**(ii) Relocation of corporate office**

Our Group intends to allocate RM7.80 million, representing 19.3% of the proceeds from the Public Issue, for the purpose of relocation of our existing corporate office.

Our Group currently operates from our rented corporate office located at Solaris Mont' Kiara, Kuala Lumpur, Wilayah Persekutuan with total built-up area of approximately 6,000 square feet ("**Existing Office**"). We have entered into a sale and purchase agreement on 12 April 2022 to acquire 2 units of corporate offices with a total built-up area of 4,768 square feet located at Pavilion Damansara Heights, Kuala Lumpur, Wilayah Persekutuan ("**New Office**") for a total purchase consideration of RM7.32 million. Upon relocation of our corporate office to the New Office, we will discontinue our rental of Existing Office.

Notwithstanding the built-up area of the New Office is smaller than our Existing Office, the New Office is expected to have the capacity to accommodate up to 80 staffs which is sufficient for our business operations. The relocation to the New Office will allow us to optimise our office space and mitigate redundancy of workspace via implementation of hybrid workplace policy and hot-desking arrangement and in view that a high proportion of our employees are either working on shift basis or on-site at the customers' premises for implementation of our solutions. This will in turn promote better collaboration and work relationship among our employees and positive work culture. Additionally, by owning our own office, our Group will be able to eliminate the possibility that the rental agreement of our Existing Office is not renewed which may potentially disrupt our business operation in particular our managed IT services in the event we are required to relocate within a short period of time.

The comparison between the usage of our Existing Office and intended usage of our New Office are as follows:

Usage	Existing Office sqft	New Office sqft
Director and key senior management office	780	500
Sales, finance and administration	1,641	⁽¹⁾ 800
Technical Services	1,849	⁽¹⁾ 1,219
NOC and SOC	108	300
Testing room	121	300
Storage and server room	604	799
Meeting room	331	450
Other usages such as reception area, office pantry, toilets and storage space for air-conditioner compressors	731	⁽²⁾ 400
Total floor space utilised/intends to utilised:	6,615	4,768

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

- (1) Smaller floor space required as we plan to optimise our office space and mitigate redundancy of workspace via implementation of hybrid workplace policy and hot-desking arrangement in view that a high proportion of our employees are either working on shift basis or on-site at the customers' premises for implementation of our solutions.
- (2) Our New Office will be having centralised toilet and air-conditioning system therefore we will be able to save up floor space for toilets and storage area for air-conditioner compressors.

Further information in relation to our Existing Office and New Office are set out in Sections 6.8.1.2 and 6.8.1.3 of this Prospectus, respectively. As at the LPD, the construction of the New Office is still ongoing and is expected to complete by first half of 2026.

We plan to finance RM0.73 million or 10.0% of the purchase consideration via internally generated funds. The RM7.80 million gross proceeds from Public Issue earmarked for the relocation of corporate office will be used to finance the remaining RM6.59 or 90.0% of the purchase consideration, renovation costs, purchase of office furniture and equipment as well as transportation and manpower cost for the relocation.

The proposed allocations of the proceeds for the relocation of corporate office are set out as follows:

Description	RM'000
Purchase consideration for the New Office	6,590
Office renovation costs and purchase of office furniture and equipment	1,192
Other expenses such as transportation and manpower cost for relocation	18
	<u>7,800</u>

The New Office is designed by the property developer to meet the Malaysia Digital Economy Corporation (MDEC) regulations for MSC Malaysia Cybercentres and the BCA Green Mark, GreenRE. MSC Malaysia Cybercentres are designated MSC Malaysia area with conducive business environment that provides the ecosystem to attract ICT investors and promote the growth of local ICT companies. MSC Malaysia Cybercentres serve as the physical location and environment to catalyse and support the growth of ICT-enabled industries, and in tandem, extend the benefits of ICT to the local community. The qualifying criteria of an MSC Malaysia Cybercentres include, amongst others, broadband and infrastructure, talent pool availability, proximity and linkages with universities and research centres. BCA Green Mark is a green building rating system designed to evaluate a building's environmental impact and performance. The key criteria of BCA Green Mark including but not limited to, energy and water efficiency during construction and building operation, design practices and selection of materials and resources used to reduce environmental impact, and building energy performance.

4. DETAILS OF OUR IPO (Cont'd)

The New Office is part of an integrated development located in the prime location in Kuala Lumpur, Wilayah Persekutuan. The relocation of corporate office will enable us to utilise the advantages of MSC Malaysia Cybercentres status such as the availability of high-capacity telecommunication infrastructures with minimal service disruptions. Besides, we will be able to grow our awareness and align our strategies towards environmental sustainability by having our corporate office situated in a building that is in compliance with BCA Green Mark. As a result, the relocation of the corporate office will elevate our corporate image, bringing new level of prestige and attract new customers and employees.

(iii) Working capital requirements

Our Group has allocated RM15.80 million, representing 39.1% of the proceeds from the Public Issue to supplement the working capital requirements of our Group to finance our new projects which is expected to increase in line with the growth in our Group's business operations.

The proceeds will be allocated in the following manners:

Description	RM'000
Purchase of hardware and software for the implementation of our solutions and services:	15,802

Hardware

- servers, network switches, routers and/or firewalls

Software

- operating systems, cybersecurity software and/or virtualisation software

The breakdown of allocation of proceeds between the purchase of hardware and software will be determined after new projects have been secured from our customers. The purchase of hardware and software that are used in the implementation of our Group's solutions and services to our customers is the largest cost component of our total cost of sales which consists of RM29.49 million or 77.7%, RM27.43 million or 74.4%, RM32.65 million or 78.2% and RM53.46 million or 81.1% of our total cost of sales for FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively. As such, we have allocated entire proceeds earmarked for working capital requirements for the purchase of hardware and software for the implementation of our solutions and services.

As the number and size of projects that we can undertake at any point in time largely depend on the availability of our working capital, the allocation of proceeds for our working capital requirements will strengthen our Group's financial position to tender and undertake more projects concurrently. Further, the additional working capital will enhance our cash flow position and will enable us to conduct our operations and expansion efficaciously.

(iv) Estimated listing expenses

An amount of RM3.50 million representing 8.7% of the proceeds from the Public Issue is allocated to meet the estimated expenses of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

4. DETAILS OF OUR IPO (Cont'd)

Estimated listing expenses	RM'000
Professional fees ⁽¹⁾	1,900
Underwriting, placement and brokerage fees	800
Printing, advertising fees and contingencies ⁽²⁾	800
	3,500

Notes:

- (1) Includes advisory fees for, amongst others, our Principal Adviser, solicitors, reporting accountants, IMR and Issuing House.
- (2) Includes fees payable to authorities and other incidental or related expenses in connection with our IPO.

Any variations from the amounts budgeted for (i), (ii) and (iv) above, shall be adjusted towards or against, as the case may be, the proceeds allocated for our working capital requirements. Pending the receipt of our IPO proceeds, we may proceed with our plans as set out in (i), (ii), (iii) and (iv) above by utilising our internally generated funds. Therefore, when the IPO proceeds are received, we will use the proceeds allocated to replenish our internally generated funds.

4.9.2 Offer for Sale

The Offer for Sale is expected to raise gross proceeds of approximately RM20.20 million which will accrue entirely to our Selling Shareholder and we will not receive any of the proceeds.

The Selling Shareholder shall bear all of the expenses relating to the Offer Shares, the aggregate of which is estimated to be approximately RM0.30 million.

4.10 UNDERWRITING, PLACEMENT AND BROKERAGE**4.10.1 Underwriting arrangement and commission**

Our Underwriter has agreed to underwrite 39,870,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We will pay our Underwriter an underwriting commission of 2.0% of our IPO Price multiplied by the number of Shares underwritten.

4.10.2 Placement arrangement and fee

Our Placement Agent has agreed to place out a total of 66,450,000 Issue Shares and 53,160,000 Offer Shares to Bumiputera investors approved by MITI and selected investors, respectively.

We will pay our Placement Agent a placement fee of 1.5% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

The placement fee of 1.5% of the value of those Offer Shares placed out by our Placement Agent will be paid by our Selling Shareholder.

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

4.10.3 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.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 39,870,000 Issue Shares ("**Underwritten Shares**") as set out in Section 4.3.4.

The salient terms of the Underwriting Agreement are as follows:

Conditions precedent

- (i) The several obligations of our Underwriter under the Underwriting Agreement shall further be conditional upon:
 - (a) The acceptance of the Listing and the clearance of registrable Prospectus from Bursa Securities, the approval from SC (Equity Compliance Unit) for the resultant equity structure and the lodgment 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 thereof or such extension as consented by our Underwriter;
 - (c) There having been, as at any time thereafter 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 our Group (which in the reasonable opinion of our 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 in the Underwriting Agreement, if they are repeated on and as of the Closing Date;
 - (d) The issue, offer and subscription of the Issue Shares in accordance with the provisions thereof 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) Our Underwriter having been satisfied that arrangements have been made by our Company to ensure payment of the expenses referred to in the Underwriting Agreement;

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

- (g) The delivery to our Underwriter prior to the date of registration of the Prospectus of (i) a copy certified as a true copy by an authorised officer of our Company of all the resolutions of our Directors and our 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 our Company stating that, after having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in Paragraph (i)(c) above;
- (h) The delivery to our Underwriter on the Closing Date of Application of such reports and confirmations dated the Closing Date of Application from our Board as our Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of our Group 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) Our Underwriter being satisfied that our Company will, following completion of the Public Issue be admitted to the official list and its issued and paid-up share capital listed and quoted on the ACE Market without undue delay.

(collectively, the "**Conditions Precedent**")

- (ii) In the event any of the Conditions Precedent are not satisfied by the Closing Date, our Underwriter shall thereupon be entitled but not bound to terminate the Underwriting Agreement by notice given to our Company not later than 3 Market Days after the Closing Date and upon such termination our Company and our Underwriter shall be released and discharged from their obligations save for our 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 our 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 our Company for the payment of the expenses as provided in the Underwriting Agreement). Our Underwriter reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice our Underwriter's rights under the Underwriting Agreement.

Termination

- (iii) Notwithstanding anything herein contained, our Underwriter may by notice in writing to our 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 our 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 our Company, or by the Closing Date, whichever is earlier, or withholding of information of a material nature from our Underwriter, which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of our Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the Public Issue, or the distribution of the Issue Shares; or

4. DETAILS OF OUR IPO (Cont'd)

- (b) There is withholding of information of a material nature from our 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 our Company, which, in the opinion of our Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group and the success of the Public Issue, or the distribution of the Issue Shares; or
- (c) There shall have occurred, happened or come into effect in the opinion of our Underwriter any material and/or adverse change to the business or financial condition of our Group; or
- (d) There shall have occurred, happened or come into effect any of the following circumstances:
 - (aa) 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
 - (bb) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of our Company and/or our Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); which, (in the reasonable opinion of our Underwriter), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of our Group and the success of the Public Issue, or the distribution of our 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
 - (cc) the FTSE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:
 - (aaa) on or after the date of the Underwriting Agreement; and
 - (bbb) 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
 - (dd) 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 our 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

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

- (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 our Company pursuant to the indemnities contained under the Underwriting Agreement.

- (iv) Upon such notice(s) being given, our 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 our Company shall remain liable in respect of our 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 our undertaking to indemnify our Underwriter.

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKETS

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 SICDA, 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 SICDA 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	Country of incorporation/ Nationality	⁽¹⁾ Before IPO				⁽²⁾ After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and substantial shareholders									
Era Jasakita	Malaysia	329,563,647	77.6	-	-	276,403,647	52.0	-	-
Choong Wai Hoong	Malaysian	43,072,359	10.1	⁽³⁾ 329,563,647	77.6	43,072,359	8.1	⁽³⁾ 276,403,647	52.0
Yew Choong Cheong	Malaysian	43,072,358	10.1	⁽³⁾ 329,563,647	77.6	43,072,358	8.1	⁽³⁾ 276,403,647	52.0
Promoters									
Soo Kit Teng	Malaysian	4,785,818	1.1	-	-	⁽⁴⁾ 6,985,818	1.3	-	-
Soong Chee Hoe	Malaysian	4,785,818	1.1	-	-	⁽⁴⁾ 6,985,818	1.3	-	-

Notes:

- (1) Based on the share capital of 425,280,000 Shares before Public Issue and Offer for Sale, but after completion of Acquisition of CSSB and transfer of 1 subscriber share in Cloudpoint from Subscriber Shareholder to Choong Wai Hoong.
- (2) Based on the enlarged share capital of 531,600,000 Shares after Public Issue and Offer for Sale.
- (3) Deemed interest by virtue of his shareholding in Era Jasakita pursuant to Section 8 of the Act.
- (4) Assuming that she/he will fully subscribe for her/his entitlement under the Pink Form Allocations.

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 substantial shareholders

The profiles of Choong Wai Hoong, Yew Choong Cheong and Soo Kit Teng who are also our Directors are set out in Section 5.2.1. The profile of Soong Chee Hoe who is our Head of Technical Services is set out in Section 5.3.1. The profile of our other Promoter and substantial shareholder, Era Jasakita is set out below.

Era Jasakita was incorporated in Malaysia on 3 June 2018 under the Act as a private limited company. Era Jasakita is an investment holding company. As at LPD, the issued capital of Era Jasakita is RM100,000 comprising 100,000 ordinary shares. As at LPD, the Directors and substantial shareholders of Era Jasakita are as follows:

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	%	No. of shares	%
Choong Wai Hoong	Director/ Shareholder	Malaysian	45,000	45.00	-	-
Yew Choong Cheong	Director/ Shareholder	Malaysian	45,000	45.00	-	-
Soo Kit Teng	Director/ Shareholder	Malaysian	5,000	5.00	-	-
Soong Chee Hoe	Shareholder	Malaysian	5,000	5.00	-	-

5.1.3 Changes in Promoters' and substantial shareholders' shareholdings

The changes in our Promoters and substantial shareholders' respective shareholdings in our Company since the date of incorporation up to completion of the IPO are as follows:

Name	As at incorporation				After Acquisition of CSSB ⁽¹⁾				After IPO ⁽²⁾			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Era Jasakita	-	-	-	-	329,563,647	77.6	-	-	276,403,647	52.0	-	-
Choong Wai Hoong	-	-	-	-	43,072,359	10.1	⁽³⁾ 329,563,647	77.6	43,072,359	8.1	⁽³⁾ 276,403,647	52.0
Yew Choong Cheong	-	-	-	-	43,072,358	10.1	⁽³⁾ 329,563,647	77.6	43,072,358	8.1	⁽³⁾ 276,403,647	52.0
Soo Kit Teng	-	-	-	-	4,785,818	1.1	-	-	⁽⁴⁾ 6,985,818	1.3	-	-
Soong Chee Hoe	-	-	-	-	4,785,818	1.1	-	-	⁽⁴⁾ 6,985,818	1.3	-	-

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

Notes:

- (1) Based on the share capital of 425,280,000 Shares before Public Issue and Offer for Sale, but after completion of Acquisition of CSSB and transfer of 1 subscriber share in Cloudpoint from Subscriber Shareholder to Choong Wai Hoong.
- (2) Based on enlarged share capital of 531,600,000 Shares after Public Issue and Offer for Sale.
- (3) Deemed interest by virtue of his shareholding in Era Jasakita pursuant to Section 8 of the Act.
- (4) Assuming that she/he will fully subscribe for her/his entitlement under the Pink Form Allocations.

5.1.4 Persons exercising control over the corporation

Save for our Promoters as set out in Section 5.1.1, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company. There are no arrangements which may at a subsequent date result in a change in control in our Company.

5.1.5 Benefits paid or intended to be paid

Save for the dividends paid to our Promoters and substantial shareholders as disclosed in Section 11.7, our Directors and key senior management remuneration and benefits as disclosed in Section 5.5 below, there is no amount and benefit that has been or is intended to be paid or given to our Promoters and substantial shareholders within the 2 years preceding the date of this Prospectus.

5.2 DIRECTORS

5.2.1 Profiles of Directors

The profiles of our Directors are as follows:

(i) Dato' Keripin Anak Nangkai

Dato' Keripin Anak Nangkai, a Malaysian, aged 70, is our Independent Non-Executive Chairperson. He was appointed to our Board on 30 May 2022.

Dato' Keripin Anak Nangkai graduated from Institut Teknologi MARA with a Diploma in Business Studies in 1976. He also completed Part 1 of the Banking Diploma from the Institute of Bankers, London with a Diploma in Banking in 1978. He is an Associate of American Institute of Management (AIMA) since 1979.

His career began in 1976, when he joined Malayan Banking Berhad as Trainee Officer. During that time, he was involved in banking operations across various departments including retail banking and commercial banking. He was promoted to Sub-Accountant I in 1980 and was subsequently promoted to Senior Manager in 1984. During this time, he was responsible for managing several branches located across Sabah and Sarawak. In 1985, he left Malayan Banking Berhad.

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

He subsequently joined East Malaysia Finance Berhad as General Manager in 1986. During his tenure as General Manager, he was responsible for overseeing and managing the business operations of the company including the preparation of financial statements, and budget and forecast reports. He left East Malaysia Finance Berhad in 1990.

While he held the above-mentioned positions, he was also providing consultancy services in business portfolio diversification and finance function of his clients on ad hoc basis between 1987 and 2017.

In 1995, he co-founded Wonderland Transport Services Sdn Bhd, a government linked corporation involved in palm oil transportation. He assumed the position of Managing Director, where he was involved in overseeing and managing the overall business activities. In 2006, he resigned from Wonderland Transport Services Sdn Bhd.

He then co-founded Debessa Development Sdn Bhd, a construction company in 1996. He assumed the role of Executive Director of Debessa Development Sdn Bhd, where he was responsible for the strategic direction of the company as well as implementing business strategies and undertaking business development. In 2010, he resigned as Executive Director from Debessa Development Sdn Bhd.

At the same time, he also co-founded Amalgamated Plant Engineering (Sabah) Sdn Bhd, an oil and gas service provider in 2008. At the time, he was responsible for providing financial advisory to the company.

In 2019, he took on an executive role to be Executive Chairman of the board of directors of Amalgamated Plant Engineering Sdn Bhd, a position he stills holds today. As an Executive Chairman, he is responsible for overseeing the legal and financial functions of the company.

Dato' Keripin Anak Nangkai has been an active member of the Dayak Chamber of Commerce & Industry since 2002. Currently, he is on the Panel of Advisors for the Dayak Chamber of Commerce & Industry. He is also a Member of the board of the Sarawak Energy Bumiputera Participation Board Committee (BPBC) since 2015.

Please refer to Section 5.2.2(i) of this Prospectus for details of Dato' Keripin Anak Nangkai's principal directorships and/or principal business activities performed outside our Group in the past 5 years up to LPD.

(ii) Choong Wai Hoong

Choong Wai Hoong, a Malaysian, aged 55, is our Promoter, Substantial Shareholder, and Executive Director cum Chief Executive Officer. He was appointed to our Board on 19 August 2021. Choong Wai Hoong is responsible for the overall strategic direction and business development of our Group.

He graduated from Southeast Missouri State University, the United States with a Bachelor of Science in Business Administration with Honours in 1989.

Upon graduation, he started his career with Malaysia British Assurance Berhad as Administrative Officer in 1990. As an Administrative Officer, he assisted the branch manager in managing the daily operations of a branch whereby he was tasked to supervise the operations of insurance underwriting and claims as well as to oversee the operations of the agents training and development divisions of the branch. He later resigned and joined Mesiniaga Sdn Bhd as Trainee Systems Engineer in 1991

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

where he was responsible for providing technical support services. In the same year, he was promoted to Associate Systems Engineer where he was in charge of proposing and implementing computer systems as well as providing technical support to customers. He was subsequently transferred to the company's sales division and assumed the role of Sales Representative in 1993, where he was responsible for securing new customers and managing the company's customers in the manufacturing industry.

In 1994, he resigned from Mesiniaga Sdn Bhd to join Datacraft (Malaysia) Sdn Bhd as Account Manager in 1994. He was later promoted to Senior Accounts Manager in 1996. During his tenure there, he was in charge of securing new customers and maintaining business relationships with customers. In 2001, he was promoted to Sales Manager where he was responsible for managing a team in carrying out sales activities. In 2003, he left Datacraft (Malaysia) Sdn Bhd.

In 2003, he founded CSSB (then known as DDI Systems (M) Sdn Bhd) with Kuak Mee Ing and assumed the role of Managing Director of CSSB where he was in charge of overseeing the business operations in Malaysia and business development of CSSB. He later assumed his present role as Chief Executive Officer of our Group in 2021.

Please refer to Section 5.2.2(ii) of this Prospectus for details of Choong Wai Hoong's principal directorships and/or principal business activities performed outside our Group in the past 5 years up to LPD.

(iii) Yew Choong Cheong

Yew Choong Cheong, a Malaysian, aged 52, is our Promoter, Substantial Shareholder, and Executive Director cum Head of Sales. He was appointed to our Board on 30 May 2022. Yew Choong Cheong is in charge of managing our Group's Sales division and oversees our sales and marketing activities.

He graduated from University of Southampton, the United Kingdom with a Bachelor of Engineering in Electronic Engineering in July 1995.

He began his career with Mutiara Telecommunications Sdn Bhd as Network Engineer in 1995, where he was involved in designing and implementing network infrastructures. In 1996, he resigned from Mutiara Telecommunications Sdn Bhd to join Datacraft (Malaysia) Sdn Bhd as Network Consultant. During his tenure there, he was responsible for preparing proposals, presenting proposed solutions and designing network infrastructure. In 1999, he was promoted to Technical Marketing Manager, where he was in charge of managing the pre-sales division. As Technical Marketing Manager, he was responsible for obtaining new business opportunities, preparing proposals of suitable solutions for prospective customers and demonstrating proof of concepts. In 2003, he left Datacraft (Malaysia) Sdn Bhd.

In 2003, he joined CSSB (then known as DDI Systems (M) Sdn Bhd) as Technical Manager where he was in charge of managing the Technical Services division in designing and implementing networking solutions where he oversaw the design of networking infrastructure using solutions that were tailored to the customers' IT environment, business requirements and needs as well as managing the installation and system configuration of the solutions. In 2004, he was promoted to his current position as Sales Director of CSSB. He later assumed his present role as Head of Sales of our Group in 2022.

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

Please refer to Section 5.2.2(iii) of this Prospectus for details of Yew Choong Cheong's principal directorships and/or principal business activities performed outside our Group in the past 5 years up to LPD.

(iv) Soo Kit Teng

Soo Kit Teng, a Malaysian, aged 44, is our Executive Director cum Financial Controller. She was appointed to our Board on 30 May 2022. Soo Kit Teng is responsible for overseeing the Group's finance, human resources and administrative related matters.

She graduated from Jasa Accountancy Centre with a Third Level Group Diploma in Accounting under the London Chamber of Commerce and Industry in 1999. In 2003, she was admitted as a Member of the Association of Chartered Certified Accountants. Subsequently in 2017, she was certified as a Fellow under the Association of Chartered Certified Accountants. In July 2021, she received her Certificate of Membership and was admitted as a Chartered Accountant of the Malaysian Institute of Accountants.

Upon graduation, she began her career with Yee & Co. Chartered Accountant as Audit Assistant in 1999, where she was responsible for the preparation of financial statements, bookkeeping as well as conducting audits and general tax computations for small and medium enterprises. In 2003, she resigned from Yee & Co. Chartered Accountant to join Dynatax Services Sdn Bhd as Tax Senior. During her tenure there, she managed a team in carrying out tax filling, planning and audit activities.

In 2004, she left Dynatax Services Sdn Bhd to join Novelco (M) Sdn Bhd as Accountant in the same year, where she in charge of managing the company's finance and accounting related functions. She left Novelco (M) Sdn Bhd to join Pembinaan HTC Sdn Bhd as Internal Auditor in 2008. During her tenure there, she was responsible for preparing and analysing monthly budgeting reports and forecasts as well as ensuring the company's business conduct and standard operating procedures comply with regulatory requirements. She left Pembinaan HTC Sdn Bhd in 2011.

In 2011, she joined CSSB (then known as Packet Systems (Malaysia) Sdn Bhd) and assumed the role of Finance Manager where she was in charge of finance, human resources, procurement and administrative-related matters. She later assumed her present position as Financial Controller of our Group in 2022.

Please refer to Section 5.2.2(iv) of this Prospectus for details of Soo Kit Teng's principal directorships and/or principal business activities performed outside our Group in the past 5 years up to LPD.

(v) Suresh Narain Singh Sidhu

Suresh Narain Singh Sidhu, a Malaysian, aged 56 is our Independent Non-Executive Director. He was appointed to our Board on 30 May 2022.

Suresh Narain Singh Sidhu graduated from Queens' College in the University of Cambridge, the United Kingdom with a Bachelors (Honours) in Natural Sciences in 1990. He subsequently obtained his Master of Business Administration from the European Institute of Business Administration (INSEAD), France in 1997.

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

His career began in 1990 when he joined Sime Darby Berhad as Communication Executive where he was involved in, among other things, the preparation and execution of communication plans for Sime Darby Berhad and its subsidiaries, the creation of communication materials including press releases, corporate brochures and other relevant documents as well as managing corporate events and sponsorships. Subsequently in 1992, he was transferred to Subang Jaya Medical Centre Sdn Bhd (a subsidiary of Sime Darby Berhad) where he assumed the role of Manager (Management Services). During his tenure there, he was involved in improving the performance and processes of the company. In 1995, he was promoted to Marketing Manager, where he was responsible for developing and executing marketing strategies for the company. In 1996, he resigned from Subang Jaya Medical Centre Sdn Bhd and took a break from his professional career to pursue his Master of Business Administration in France.

In 1997, he resumed his career and joined Boston Consulting Group Malaysia as Consultant, where he was involved in the provision of management consultancy services for companies in various industries including the fast-moving consumer goods, financial services and the telecommunications industries. In 2000, he was promoted to Project Leader and subsequently in 2002, he was promoted to Principal. During his tenure as these positions, he was in charge of overseeing the execution of projects.

In 2004, he left Boston Consulting Group to join Maxis Berhad as General Manager of Strategy and Development. His role as General Manager of Strategy and Development involved the development and implementation of growth strategies and overseeing mergers and acquisitions for the group. In 2006, he was subsequently transferred to the wholesale telecommunication division to assume the position of General Manager of International Wholesale, where he led the wholesale telecommunication division, which involved roaming services, international voice, submarine cable laying, and other bulk connectivity services for both domestic and international markets.

In 2009, he left Maxis Berhad and joined Axiata Group Berhad (formerly known as TM International Berhad) as Vice President – Regional Development, Group Operations. During his tenure there, he was responsible for overseeing the performance management of key subsidiaries, which included the creation of the key performance indicator framework for the company, as well as selected development and improvement projects such as wholesale telecommunication services.

In 2010, he was promoted and transferred to Dialog Telekom PLC, Sri Lanka (a member of Axiata Group), where he assumed his position as Chief Officer, Enterprise and Global Business. During his tenure there, he was in charge of managing the enterprise and wholesale telecommunication division. He was subsequently transferred to Celcom Axiata Berhad (a member of Axiata Group) in 2012, where he assumed the position of Chief Corporate and Operations Officer. As Chief Corporate and Operations Officer, he was responsible for overseeing the network and ICT operations in the country as well as key corporate functions including strategy, regulatory and project management functions. In 2014, he was appointed as Chief Executive Officer of Edotco Malaysia Sdn Bhd (a member of Axiata Group), where he was responsible for the development of the company as a tower infrastructure company in Southeast Asia.

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

In 2020, he resigned from Edotco Malaysia Sdn Bhd and founded EdgePoint Infrastructure Sdn Bhd, a telecommunications towers infrastructure company, and assumed his position as Chief Executive Officer. He is presently responsible for the company's strategic decision making and oversees operational activities in Malaysia, Indonesia and the Philippines.

Please refer to Section 5.2.2(v) of this Prospectus for details of Suresh Narain Singh Sidhu's principal directorships and/or principal business activities performed outside our Group in the past 5 years up to LPD.

(vi) Lim See Tow

Lim See Tow, a Malaysian, aged 48 is our Independent Non-Executive Director. She was appointed to our Board on 30 May 2022.

Lim See Tow graduated from Tunku Abdul Rahman College with an Advanced Diploma in Commerce (Financial Accounting) in 1999. She became a Member of the Association of Chartered Certified Accountant and a Member of the Malaysian Institute of Accountants since 2003. She is also currently a Fellow Member of the Institute of Corporate Directors Malaysia since November 2021.

Upon graduation in 1999, she began her career as Audit Assistant in Kassim Chan & Co/Deloitte Touche Tohmatsu (now known as Deloitte PLT). She was involved in the financial audit for companies across various industries. During her tenure in Kassim Chan & Co/Delotte Touche Tohmatsu, she held several positions up till she was promoted to Audit Senior where she was responsible for leading a group of auditors in conducting financial audit, audit planning and financial due diligence. She left Kassim Chan & Co/Delotte Touche Tohmatsu in 2003.

In 2003, she joined Debut Supreme Capital Sdn Bhd as Consultant and was subsequently transferred to TAP Partners Sdn Bhd in 2004 (Debut Supreme Capital Sdn Bhd and TAP Partners Sdn Bhd have common management team in 2004) to assume the role of Consultant. Over the years, she held several positions in TAP Partners Sdn Bhd and was involved in project management for its customers' corporate exercises including IPO, merger and acquisitions, reverse takeovers, fund raising and corporate restructuring. She also advised customers on matters pertaining to improvements of their operational management and corporate governance practices. She was an Associate Director in TAP Partners Sdn Bhd before she left in 2006.

Upon leaving TAP Partners Sdn Bhd in 2006, she joined Clear Water Developments Sdn Bhd to assume the position of Chief Operating Officer. Her responsibilities include overall operations management and planning of property development projects, including feasibility studies, land purchase negotiation, project design and conceptualisation, appointment of contractors as well as developing marketing and pricing strategies.

In January 2007, while at Clear Water Developments Sdn Bhd, she was appointed as Consultant for Finance and Special Project in Antah Holdings Berhad, where she was in charge of the restructuring exercise of Antah Holdings Berhad prior to the reverse takeover by Sino Hua-An International Berhad (currently known as Techna-X Berhad) in March 2007. On 31 December 2022, she left Clear Water Developments Sdn Bhd to pursue her personal interest.

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

Please refer to Section 5.2.2(vi) of this Prospectus for details of Lim See Tow's principal directorships and/or principal business activities performed outside our Group in the past 5 years up to LPD.

(vii) Yap Ee Ling

Yap Ee Ling, a Malaysian, aged 47 is our Independent Non-Executive Director. She was appointed to our Board on 30 May 2022.

Yap Ee Ling graduated from University of Glamorgan (now known as University of South Wales), the United Kingdom with a Bachelor of Laws in 1998. She was called to the Malaysian Bar and admitted as an Advocate and Solicitor of the High Court of Malaya in 2000.

She began her career with Lee Hishammuddin (now known as Lee Hishammuddin Allen & Gledhill) as Legal Assistant in 2001. During her tenure there, her main areas of practice included corporate, conveyancing and banking. In 2004, she left Lee Hishammuddin and joined Mazlan & Associates as Legal Assistant, and subsequently in 2009, was made a Partner. During this time, her main areas of practice consisted of corporate and commercial laws including restructuring, initial public offerings, mergers and acquisitions, joint ventures, carrying out due diligence audits and drafting commercial contracts. In 2014, she left Mazlan & Associates and co-founded Ilham Lee in 2015, a law firm, where she remains as a Partner to date.

Please refer to Section 5.2.2(vii) of this Prospectus for details of Yap Ee Ling's principal directorships and/or principal business activities performed outside our Group in the past 5 years up to LPD.

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

5.2.2 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:

(i) Dato' Keripin Anak Nangkai

Company	Principal activities	Position held	Date of appointment/cessation	% of shareholdings held	
				Direct	Indirect
Present involvement					
Pesaka Development Sdn Bhd	Real estate activities with own or leased property.	Director	23 December 2022/ -	-	-
Begunan Management Services Sdn Bhd	Dormant.	Director	11 November 2022/ -	25.00	-
Borneo Multigrow Holdings Sdn Bhd	Wholesale of agriculture raw material and live animal and growing of other non-perennial crops.	Director	16 August 2022/ -	20.00	-
Yayasan Dee Hati	To run Diyana Zuraimi Centre for grief, bereavement and trauma and all related activities as well as promoting health and charity.	Director	1 August 2022/ -	-	-
Mega Tiasa Sdn Bhd	Wholesale of construction materials.	Director	6 April 2021/ -	55.00	-
Kuari Batuh Sdn Bhd	Quarrying, rough trimming and sawing of monumental and building stone such as marble, granite (dimension stone), sand stone and management services.	Director	5 April 2021/ -	19.00	-

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

Company	Principal activities	Position held	Date of appointment/cessation	% of shareholdings held	
				Direct	Indirect
Rigu Quarry Sdn Bhd	Involved in mining business activities.	Director	24 December 2019/ -	100.00	-
Amalgamated Plant Engineering Sdn Bhd	General contract work.	Director	10 April 2019/ -	-	-
Panggau Dayak Sdn Bhd	Development of building projects for own operation, i.e. for renting of space in these buildings, real estate activities with own or leased property.	Director	19 March 2019/ -	-	-
Permodalan Dayak Berhad	Property investment holding.	Director	26 November 2003/ -	3.07	-
<u>Past involvement</u>					
OCK Energy Venture Sdn Bhd	Struck off on 18 November 2022. Previously involved in installation of non-electric solar energy collectors; operation of generation facilities that produce electric energy; other retail sale not in stores, stalls or markets.	Director	22 April 2021/ -	-	-
Begunan Resources Sdn Bhd	Struck off on 26 November 2019. Previously was dormant.	Director	21 November 1997/ -	16.67	-
Redcon Resources Sdn Bhd	Struck off on 21 July 2021. Previously involved in wholesale of other solid, liquid and gaseous fuels and related products.	Director	19 June 2014/ 23 May 2019	40.00	-
Amalgamated Plant Engineering (Sabah) Sdn Bhd	Struck off on 8 June 2018. Previously involved in the business of oil and gas related products, services and general contractor.	Director	21 April 2008/ -	25.50	-

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

Company	Principal activities	Position held	Date of appointment/cessation	% of shareholdings held	
				Direct	Indirect
Redcon Enterprise Sdn Bhd	Real estate activities with own or leased property.	Director	19 June 2014/ 8 November 2017	⁽¹⁾ 40.00	-

Note:

(1) Disposed his equity interest on 2 August 2018.

(ii) Choong Wai Hoong

Company	Principal activities	Position held	Date of appointment/cessation	% of shareholdings held	
				Direct	Indirect
<u>Present involvement</u>					
Era Jasakita	Investment holding in our Group.	Director	3 July 2018/ -	45.00	-
Three Amber (M) Sdn Bhd	Property investment holding. ⁽¹⁾	Director ⁽²⁾	30 November 2009/ -	50.00	-
Harbourine Sdn Bhd	Property investment holding. ⁽¹⁾	Director ⁽²⁾	10 July 2007/ -	60.00	-
Advance Prominent Sdn Bhd	Property investment holding. ⁽¹⁾	Director ⁽²⁾	21 April 2003/ -	50.00	-
Sunglass & Visionworld Sdn Bhd	Dealing and trading of sunglasses, eyewear and optical goods or other related goods.	Director ⁽²⁾	17 May 2002/ -	50.00	-

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

Company	Principal activities	Position held	Date of appointment/cessation	% of shareholdings held	
				Direct	Indirect
<u>Past involvement</u>					
DMX Technologies Sdn Bhd	Dissolved on 25 September 2019. Previously involved in the provision, installation, consultation, configuration, testing and support of network infrastructure, network security software and services, and business software system architecture design, implementation and delivery.	Director ⁽³⁾	3 April 2012/ -	-	-

Notes:

- (1) Investment holding company with investments in residential and commercial properties.
- (2) Presently holds a non-executive role in the company.
- (3) Acted as a representative of DMX Technologies Group Limited in managing the company's operations during its liquidation exercise.

(iii) Yew Choong Cheong

Company	Principal activities	Position held	Date of appointment/cessation	% of shareholdings held	
				Direct	Indirect
<u>Present involvement</u>					
Era Jasakita	Investment holding in our Group.	Director	27 September 2018/ -	45.00	-
Advance Prominent Sdn Bhd	Property investment holding. ⁽¹⁾	Director ⁽²⁾	3 June 2010/ -	50.00	-

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

Company	Principal activities	Position held	Date of appointment/cessation	% of shareholdings held	
				Direct	Indirect
<u>Past involvement</u>					
DMX Technologies Sdn Bhd	Dissolved on 25 September 2019. Previously involved in the provision, installation, consultation, configuration, testing and support of network infrastructure, network security software and services, and business software system architecture design, implementation and delivery.	Director ⁽³⁾	29 July 2016/ -	-	-

Notes:

- (1) Investment holding company with investments in residential and commercial properties.
- (2) Presently holds a non-executive role in the company.
- (3) Acted as a representative of DMX Technologies Group Limited in managing the company's operations during its liquidation exercise.

(iv) Soo Kit Teng

Company	Principal activities	Position held	Date of appointment/cessation	% of shareholdings held	
				Direct	Indirect
<u>Present involvement</u>					
Era Jasakita	Investment holding in our Group.	Director	27 September 2018/ -	5.00	-
<u>Past involvement</u>					
Eiscan Sdn Bhd	Trading and supply in specialized range of wellness products and health supplements, health equipment supply and services as well as trading of properties.	Director	11 January 2021/ 25 April 2022	⁽¹⁾ 33.33	-

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

Company	Principal activities	Position held	Date of appointment / cessation	% of shareholdings held	
				Direct	Indirect
Tres Chic Marketing	Selling of cloth, bag, hair accessories, necklace, men and women accessories.	Partner	10 December 2012/ 9 December 2018	-	-

Note:

(1) Disposed her equity interest on 27 April 2022.

(v) **Suresh Narain Singh Sidhu**

Company	Principal activities	Position held	Date of appointment / cessation	% of shareholdings held	
				Direct	Indirect
<u>Present involvement</u>					
Edgepoint Towers Sdn Bhd ⁽¹⁾⁽⁴⁾	Renting out telecommunication network facilities.	Director	31 March 2021/ -	-	⁽²⁾ 10.26
GTP Network Sdn Bhd ⁽¹⁾⁽⁴⁾	Developing and providing telecommunication infrastructure solutions to telecommunications service providers.	Director	4 February 2021/ -	-	⁽²⁾ 10.26
Rangkaian Data Sdn Bhd ⁽¹⁾⁽⁴⁾	Investment holding company with subsidiaries principally involved in telecommunication infrastructure.	Director	4 January 2021/ -	⁽³⁾ 48.84	-
Mercu Infiniti Sdn Bhd ⁽⁴⁾	Investment holding company with subsidiaries principally involved in telecommunication infrastructure.	Director	4 January 2021/ -	-	-
Edgepoint Malaysia Holdings Sdn Bhd ⁽¹⁾⁽⁴⁾	Investment holding company with subsidiaries principally involved in telecommunication infrastructure.	Director	4 January 2021/ -	-	⁽²⁾ 10.26

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

Company	Principal activities	Position held	Date of appointment/cessation	% of shareholdings held	
				Direct	Indirect
Edgepoint Holdco Pte Ltd ⁽⁴⁾	Investment holding company with subsidiaries principally involved in telecommunication infrastructure.	Director	19 November 2020/ -	0.12	-
Edgepoint Infrastructure Sdn Bhd ⁽⁴⁾	Other telecommunications activities.	Director	29 June 2020/ -	-	⁽⁵⁾ 0.12
Kenobi Ventures Sdn Bhd	Other telecommunications activities.	Director	3 June 2020/ -	51.00	-
Silver Stag Ventures Sdn Bhd	Activities of holding companies; other management consultancy activities specialise in strategy and business development in telecommunication and technology industries.	Director	20 May 2020/ -	100.00	-
Betacard Sdn Bhd	Other information technology service activities, business and other applications and computer consultancy.	-	-	0.99	-
<u>Past involvement</u>					
Digital Milestone Sdn Bhd	Dormant and dissolved based on company search dated 20 March 2023.	Director	20 July 2012/ -	-	-
Edotco Malaysia Sdn Bhd ⁽⁶⁾	Investment holding company with subsidiaries principally involved in telecommunication infrastructures.	Director	11 February 2014/ 30 April 2020	-	-
Edotco Group Sdn Bhd ⁽⁶⁾	Investment holding company; provision of technical and operation support services in the telecommunications and related industries in local and international markets.	Director	18 December 2013/ 29 March 2020	-	-

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

Notes:

- (1) Suresh Narain Singh Sidhu owns 48.84% equity interest in Rangkaian Data Sdn Bhd which in turn owns 21.0% equity interest in Edgepoint Malaysia Holdings Sdn Bhd. Edgepoint Malaysia Holdings Sdn Bhd is the holding company of two of its wholly-owned subsidiaries, Edgepoint Towers Sdn Bhd and GTP Network Sdn Bhd.
- (2) Deemed interested by virtue of his shareholdings in Rangkaian Data Sdn Bhd.
- (3) Suresh Narain Singh Sidhu has 100% voting rights in Rangkaian Data Sdn Bhd as the remaining 51.16% equity interest are redeemable preference shares with no voting rights.
- (4) In addition to his role as a director in Edgepoint Towers Sdn Bhd, GTP Network Sdn Bhd, Mercu Infiniti Sdn Bhd, Rangkaian Data Sdn Bhd, Edgepoint Malaysia Holdings Sdn Bhd, Edgepoint Holdco Pte Ltd and Edgepoint Infrastructure Sdn Bhd (collectively, the "**Edgepoint Group**"), Suresh Narain Singh Sidhu also acts as a corporate representative for other companies in foreign countries within the Edgepoint Group such as those based in Singapore, Indonesia and Philippines. Further, Suresh Narain Singh Sidhu holds 1 common share each in Edgepoint Holdings Inc and Edgepoint Towers Inc (both are subsidiaries of Edgepoint Holdco Pte Ltd based in the Philippines) in which his voting rights are negligible. Save as disclosed, Suresh Narain Singh Sidhu does not have any other shareholdings within the Edgepoint Group.
- (5) Deemed interested by virtue of his shareholdings in Edgepoint Holdco Pte Ltd.
- (6) During the course of Suresh Narain Singh Sidhu's tenure with Edotco Malaysia Sdn Bhd and Edotco Group Sdn Bhd (collectively, the "**Edotco Group**"), Suresh Narain Singh Sidhu was also appointed as a corporate representative to represent the Edotco Group for its operations within South East Asia.

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

(vi) Lim See Tow

Company	Principal activities	Position held	Date of appointment/cessation	% of shareholdings held	
				Direct	Indirect
<u>Present involvement</u>					
Seng Fong Holdings Berhad	Investment holding and trading of various glove grades of natural rubber of which subsidiaries are principally involved in processing and sale of natural rubber of various grades and premium grades block rubber.	Independent Non-Executive Director	9 September 2021/ -	-	-
Yew Lee Pacific Group Berhad	Activities of holding companies with subsidiaries principally involved in manufacturing of industrial and household brushes, trading and distribution of industrial hardware and machinery parts.	Independent Non-Executive Director	6 August 2021/ -	0.06	-
Mobilia Holdings Berhad	Investment holding of which subsidiaries, are principally involved in design, manufacturing and sale of furniture.	Independent Non-Executive Director	15 June 2020/ -	-	-

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

Company	Principal activities	Position held	Date of appointment/cessation	% of shareholdings held	
				Direct	Indirect
<u>Past involvement</u>					
Be Urban Wellness Sdn Bhd	Principally engaged in beauty, wellness, health therapy and nutraceutical products and services.	-	-	(1)99.00	-
Project HEA Sdn Bhd	Principally engaged in the business of healthy food.	Director	1 July 2014/ 9 December 2022	(2)50.00	-
Techna-X Berhad	Investment holding company listed on the Main Market of Bursa Securities. Its subsidiaries are involved in the manufacturing and sale of metallurgical coke and other related by-products.	Independent Non-Executive Director	18 January 2008/ 31 May 2022	-	-
Clearwater Xperience Sdn Bhd	Activities of holding companies that are involved in food, beverage and restaurant services, and investment advisory services.	Director	23 October 2020/ 1 March 2022	(3)50.00	-
CS Global Consultancy (M) Sdn Bhd	Struck off on 3 August 2020. Previously involved in the business of organisers, consultants, managers and agents of event and promotion.	Director	29 December 2009/ -	33.00	-
Taska Riang Cemerlang Sdn Bhd (now known as Eternal Clinic MBR Sdn Bhd)	Planning, designing, building, operating and commercialising of a health and wellness business.	Director	27 June 2016/ 10 December 2019	-	-
Clear Water Developments Sdn Bhd	Property development.	Director	18 February 2008/ 12 October 2019	-	-
Project M Media Sdn Bhd	Principally engaged in retailing, distributing and supplying of garments, apparels and accessories.	Director	11 October 2012/ 3 July 2018	-	-

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

Company	Principal activities	Position held	Date of appointment/cessation	% of shareholdings held	
				Direct	Indirect
Ploy Sdn Bhd	Food and beverage and restaurant services.	-	-	(4)50.00	-
Clear Water Hospitality Sdn Bhd	Managing the day to day general management, operation and administration of services.	-	-	(5)50.00	-

Notes:

- (1) Disposed her equity interest on 30 March 2023.
- (2) Disposed her equity interest on 2 February 2023
- (3) Disposed her equity interest on 21 March 2022.
- (4) Disposed her equity interest on 30 March 2022.
- (5) Disposed her equity interest on 23 March 2022.

(vii) Yap Ee Ling

Company	Principal activities	Position held	Date of appointment/cessation	% of shareholdings held	
				Direct	Indirect
Present involvement					
DC Healthcare Holdings Berhad	Investment holding of which subsidiaries, are principally involved in aesthetic services.	Independent Non-Executive Director	6 October 2022/ -	-	-

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

Company	Principal activities	Position held	Date of appointment/cessation	% of shareholdings held	
				Direct	Indirect
Mobilia Holdings Berhad	Investment holding of which subsidiaries, are principally involved in design, manufacturing and sale of furniture and furniture parts.	Independent Non-Executive Director	17 August 2022/ -	-	-
Ilham Lee	Provision of legal services (law firm).	Partner	1 January 2015/ -	30.00	-
<u>Past involvement</u>					
Quantum Three Sdn Bhd	Trading of air disinfection and purification system and related activities.	Director	15 June 2009/ 29 March 2022	⁽¹⁾ 30.00	-

Note:

(1) Disposed her equity interest on 4 April 2022.

As at LPD, the directorships of our Directors in other companies are in compliance with the Listing Requirements.

The involvement of our Directors in those business activities outside our Group does not give rise to any conflict of interest situation with our business. Additionally, the involvement of our Executive Directors in those business activities does not require significant amount of time as those businesses are mainly investment holdings of our Group and/or property investment holdings, and hence does not affect their ability to perform their executive roles and responsibilities to our Group. The involvement of Choong Wai Hoong as non-executive Director and shareholder of Sunglass & Visionworld Sdn Bhd does not require him to be involved in its day-to-day operations as they are managed by the company's personnel, and he only attends meeting of the board of directors to which he discharges his principal areas of responsibilities as a director of the company.

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

5.2.3 Board practice

(i) Board

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

- (a) to provide leadership and oversee the overall conduct of the Group's businesses to ensure that the businesses are being properly managed;
- (b) to review and adopt strategic plans for the Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
- (c) to review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard the Group's reputation, and the employees and assets and to ensure compliance with applicable laws and regulations;
- (d) to ensure that the 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;
- (e) to review and approve the annual business plans, financial statements and annual reports;
- (f) to monitor the relationship between the Group and the management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for the Group; and
- (g) to appoint the 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 the Board committees and deliberate on the recommendations thereon.

In accordance with our Constitution, an election of Directors shall take place each year at the annual general meeting 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 and be eligible for re-election. 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. All our Directors had retired and were re-elected in our first annual general meeting held on 30 June 2022.

(ii) Audit and Risk Management Committee

The main function of our Audit and Risk Management Committee is to assist our Board in fulfilling its fiduciary responsibilities relating to corporate accounting, financial reporting practices, system of risk management and internal control, the audit process and the process of monitoring compliance with laws and regulations. The Audit and Risk Management Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

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

- (a) to review the quarterly and annual financial statements of the Group prepared by the management, where necessary, together with the external auditor, focusing particularly on:
 - (aa) any significant changes to accounting policies and practices;
 - (bb) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;
 - (cc) significant adjustments arising from the audit;
 - (dd) compliance with accounting standards and other legal requirements; and
 - (ee) going concern assumption;
- (b) to review the annual performance assessment, including the suitability and independence of the external auditors and make recommendations to the Board, the appointment or re-appointment of the external auditors;
- (c) to review the external auditors' audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and co-ordination of the external auditors;
- (d) to consider the effectiveness of the internal control system and risk management framework adopted within the Group and to be satisfied that the methodology employed allows identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to mitigate losses and maximise opportunities;
- (e) to review any related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (f) to receive and review on a regular basis the reports, findings and recommendations of the internal audit team and/or outsourced internal auditors and to ensure that appropriate actions have been taken to implement the audit recommendations; and
- (g) to carry out any other function that may be mutually agreed upon by the Audit and Risk Management Committee and the Board.

The recommendations of our Audit and Risk Management Committee are subject to the approval of our Board.

The members of our Audit and Risk Management Committee as at LPD are as follows:

Name	Designation	Directorship
Lim See Tow	Chairperson	Independent Non-Executive Director
Suresh Narain Singh Sidhu	Member	Independent Non-Executive Director
Yap Ee Ling	Member	Independent Non-Executive Director

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

Our Nomination and Remuneration Committee will review the composition, performance and effectiveness of our Audit and Risk Management Committee annually.

(iii) Nomination Committee

The duties and responsibilities as stated in the terms of reference of our Nomination Committee include the following:

- (a) to assist our Board in ensuring that our Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- (b) to ensure appropriate selection criteria and processes and to identify and recommend to our Board, candidates for directorships of our Company and members of the relevant Board committees;
- (c) to evaluate the performance and effectiveness of our Board and the relevant Board committees annually;
- (d) to ensure appropriate selection criteria and processes and to identify and recommend to the Board, candidates for directorships of the Company and members of the relevant Board committees;
- (e) to assist our Board to assess and evaluate circumstances where a Director's involvement outside our Group may give rise to a potential conflict of interest with our Group's businesses, upon receiving declaration of the same from our Director and thereafter, to inform our Audit and Risk Management Committee of the same. After deliberation with our Audit and Risk Management Committee, to recommend to our Board the necessary actions to be taken in circumstances where there is a conflict of interest; and
- (f) to ensure an appropriate framework and succession planning for our Board and management succession, including our future chairman, Executive Directors and chief executive officer.

The recommendations of our Nomination Committee are subject to the approval of our Board.

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

Name	Designation	Directorship
Yap Ee Ling	Chairperson	Independent Non-Executive Director
Lim See Tow	Member	Independent Non-Executive Director
Suresh Narain Singh Sidhu	Member	Independent Non-Executive Director

(iv) Remuneration Committee

The duties and responsibilities as stated in the terms of reference of our Remuneration Committee include the following:

- (a) to recommend a remuneration framework for the Managing Director, Executive Directors, and key senior management for the Board's approval taking into consideration of the following;

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

- (aa) to ensure a balance in determining the remuneration package, which should be sufficient to attract and retain Directors of caliber, and yet not excessive; and
- (bb) the framework should cover all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and benefit-in-kind and take into account the complexity of the Company's business and the individual's responsibilities;
- (b) to recommend specific remuneration packages for the Managing Director, Executive Directors and key senior management taking into consideration of the following:
 - (aa) the remuneration package should be structured such that it is competitive;
 - (bb) salary scales drawn up should be within the scope of the general business policy and not be dependent on short-term performance to avoid incentives for excessive risk-taking;
 - (cc) the remuneration should also be aligned with the business strategy and long-term objectives of the Company and take into consideration the Company's performance in managing material sustainability risks and opportunities; and
 - (dd) for Non-Executive Directors and Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board;
- (c) to ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of the Managing Director, Executive Directors and key senior management.

The recommendations of our Remuneration Committee are subject to the approval of our Board.

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

Name	Designation	Directorship
Suresh Narain Singh Sidhu	Chairperson	Independent Non-Executive Director
Yap Ee Ling	Member	Independent Non-Executive Director
Lim See Tow	Member	Independent Non-Executive Director

5.2.4 Existing or Proposed Service Agreements

As at LPD, there are no existing or proposed service agreements entered into between our Company with any Directors.

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

5.2.5 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	Before IPO ⁽¹⁾				After IPO ⁽²⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Keripin Anak Nangkai	Independent Non-Executive Chairperson/ Malaysian	-	-	-	-	⁽⁴⁾ 500,000	0.1	-	-
Choong Wai Hoong	Executive Director cum Chief Executive Officer/ Malaysian	43,072,359	10.1	⁽³⁾ 329,563,647	77.6	43,072,359	8.1	⁽³⁾ 276,403,647	52.0
Yew Choong Cheong	Executive Director cum Head of Sales/ Malaysian	43,072,358	10.1	⁽³⁾ 329,563,647	77.6	43,072,358	8.1	⁽³⁾ 276,403,647	52.0
Soo Kit Teng	Executive Director cum Financial Controller/ Malaysian	4,785,818	1.1	-	-	⁽⁴⁾ 6,985,818	1.3	-	-
Suresh Narain Singh Sidhu	Independent Non-Executive Director/ Malaysian	-	-	-	-	⁽⁴⁾ 300,000	0.1	-	-
Lim See Tow	Independent Non-Executive Director/ Malaysian	-	-	-	-	⁽⁴⁾ 300,000	0.1	-	-
Yap Ee Ling	Independent Non-Executive Director/ Malaysian	-	-	-	-	⁽⁴⁾ 300,000	0.1	-	-

Notes:

- (1) Based on the share capital of 425,280,000 Shares before Public Issue and Offer for Sale, but after completion of Acquisition of CSSB and transfer of 1 subscriber share in Cloudpoint from Subscriber Shareholder to Choong Wai Hoong.

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

- (2) Based on the enlarged share capital of 531,600,000 Shares after Public Issue and Offer for Sale.
- (3) Deemed interest by virtue of his shareholding in Era Jasakita pursuant to Section 8 of the Act.
- (4) Assuming that he/she will fully subscribe for his/her entitlement under the Pink Form Allocations.

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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 Profiles of key senior management

The profiles of the key senior management of our Group are as follows:

(i) Soong Chee Hoe

Soong Chee Hoe, a Malaysian, aged 51, is our Head of Technical Services. Soong Chee Hoe is responsible for leading our Group's Technical Services division in carrying out solutions consultation, design and implementation of enterprise and data centre networking solutions and cybersecurity solutions, as well as the professional IT services.

He graduated from Kolej Damansara Utama with a Graduate Diploma in Information Technology in 1994. He subsequently obtained Master of Science in Information Technology in Business from University of Lincolnshire & Humberside, the United Kingdom in 1996. He is a Cisco Certified Internetwork Expert since 1998, which indicates that he has been trained and certified by Cisco Systems, Inc. in the design, implementation, maintenance and troubleshooting of complex enterprise networking infrastructures utilising Cisco System, Inc. products.

He began his career with Datacraft Malaysia Sdn Bhd as Datacom Engineer in 1996. During his tenure there, he was responsible for providing engineering support for networking solutions. In 2000, he was promoted to Advisory Engineer where he led teams in carrying out projects and provided relatively more advanced on-site technical support services. In 2001, he was further promoted to Assistant Manager - Projects where he advised the company's team of technical engineers on project implementation. He was promoted again in 2003, to Manager, Managed Services where he was in charge of managing the entire managed services division in providing managed services which include maintenance and support for IT hardware and infrastructures as well as networking solution implementation services. In 2004, he resigned from Datacraft Malaysia Sdn Bhd.

In 2004, he joined CSSB (then known as Packet Systems (Malaysia) Sdn Bhd) as Professional Service Manager. In 2015, he was promoted to Head of Technical Services of CSSB and assumed his current position as Head of Technical Services of our Group in 2022.

(ii) Hiew Hoong Tat

Hiew Hoong Tat, a Malaysian, aged 41, is our Head of Cloud Services and Software Applications. Hiew Hoong Tat is responsible for spearheading our Group's Cloud Services and Software Applications segment.

He graduated from Coventry University, the United Kingdom with a Bachelor of Science (Hons) in Software Engineering in 2004. He also became an AWS Certified Solutions Architect-Associate in October 2021, which indicates that he has been trained and certified to design, implement, maintain and troubleshoot solutions utilising AWS cloud-based products and services.

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

He began his career with Didadee Sdn Bhd as a Software Engineer in 2004. During his tenure there, he was involved in maintaining and improving the company's internal reporting system, analysing business data for the management and marketing divisions as well as working closely with the finance division to provide in-depth revenue reports and third-party revenue sharing reports for the finance division. In 2006, he was promoted to Senior Software Engineer where he was in charge of maintaining and improving the finance division's reporting system as well as designing and developing various software to aid the marketing division in broadcasting Short Message Service (SMS) to customers based on purchasing behaviour and preference. In 2007, he resigned from Didadee Sdn Bhd.

In 2007, he co-founded Uncover Technology Sdn Bhd. During his tenure there, he was the Technical Director where he led the technical division in designing and developing Short Message Service (SMS) gateways for major telecommunications companies in Malaysia as well as designing and developing application programming interfaces to support integration with third-party systems. He subsequently founded Lavish Team Sdn Bhd in 2008 and later assumed the position of Director in 2013. As a Director, he led the technical division and oversaw software development projects for customised software, websites and mobile applications as well as led the division in providing outsourced IT services.

In 2018, he stepped down as Technical Director for Uncover Technology Sdn Bhd. In August 2021, he joined CSSB (then known as DMX Packet (M) Sdn Bhd) and assumed his current position in our Group as Head of Cloud Services and Software Applications. Since he joined CSSB, he gradually began to handover his duties in Lavish Team Sdn Bhd and subsequently disposed his entire shareholdings in Lavish Team Sdn Bhd to the existing management team members who are not related to Hiew Hoong Tat in April 2022. Following the disposal of his shares in Lavish Team Sdn Bhd, he has also resigned as Director of Lavish Team Sdn Bhd in April 2022.

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

5.3.2 Principal business performed outside our Group

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

(i) Soong Chee Hoe

Company	Principal activities	Position held	Date of appointment/ cessation	% of shareholdings held	
				Direct	Indirect
<u>Present involvement</u>					
Era Jasakita	Investment holding in our Group.	-	-	5.00	-
<u>Past involvement</u>					
Zen Global Capital Sdn Bhd	Provision of business consultancy services. ⁽¹⁾	Director	23 February 2006/ 1 November 2022	⁽²⁾ 50.00	-

Notes:

- (1) Provides consultancy services in relation to financial and business management.
- (2) Disposed his equity interest on 21 December 2022.

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

(ii) Hiew Hoong Tat

Company	Principal activities	Position held	Date of appointment/ cessation	% of shareholdings held	
				Direct	Indirect
Past involvement					
Lavish Team Sdn Bhd	Information communicating system, messaging services, mobile marketing, information disseminating, line and radio communication and data networking.	Director	1 April 2013/ 18 April 2022	(1)-	-
Uncover Technology Sdn Bhd	Struck off on 4 January 2021. Previously involved in IT information technology services.	Director	11 April 2007/ -	35.00	-

Note:

- (1) He had previously held 80.0% equity interest and disposed his entire equity interest on 21 April 2022 to the existing management team members who are not related to him.

The involvement of Soong Chee Hoe as shareholder of Era Jasakita does not require him to be involved in its day-to-day operations as they are managed by the company's personnel, therefore does not require significant amount of time, and hence does not affect his ability to perform his executive role and responsibilities to our Group.

5.3.3 Existing or Proposed Service Agreements

As at LPD, there are no existing or proposed service agreements entered into between our Company with any key senior management.

5.3.4 Key senior management's 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:

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

Name	Designation/ Nationality	Before IPO ⁽¹⁾				After IPO ⁽²⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Soong Chee Hoe	Head of Technical Services/ Malaysian	4,785,818	1.1	-	-	⁽³⁾ 6,985,818	1.3	-	-
Hiew Hoong Tat	Head of Cloud Services and Software Applications/ Malaysian	-	-	-	-	⁽³⁾ 1,600,000	0.3	-	-

Notes:

- (1) Based on the share capital of 425,280,000 Shares before Public Issue and Offer for Sale, but after completion of Acquisition of CSSB and transfer of 1 subscriber share in Cloudpoint from Subscriber Shareholder to Choong Wai Hoong.
- (2) Based on the enlarged share capital of 531,600,000 Shares after Public Issue and Offer for Sale.
- (3) Assuming that he will fully subscribe for his entitlement under the Pink Form Allocations.

5.4 RELATIONSHIPS AND ASSOCIATIONS

There are no family relationships and association between or amongst our Promoters, substantial shareholders, Directors and key senior management as at LPD.

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

5.5 REMUNERATION AND BENEFITS

5.5.1 Directors remuneration and benefits

The remuneration of our 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 14.3 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, FYE 2022 and FYE 2023 are as follows:

	Directors'			Other	Benefits	
	fees	Salaries	Bonuses	emolument	-in-kind	Total
FYE 2021	RM'000					
Choong Wai Hoong	-	468	(3)-	89	-	557
Yew Choong Cheong	-	468	(3)-	90	-	558
Soo Kit Teng	-	216	33	27	-	276
FYE 2022						
Dato' Keripin Anak Nangkai	(1)35	-	-	-	-	35
Choong Wai Hoong	-	552	(2)-	105	-	657
Yew Choong Cheong	-	552	(2)-	106	-	658
Soo Kit Teng	-	252	(2)-	37	-	289
Suresh Narain Singh Sidhu	(1)28	-	-	-	-	28
Lim See Tow	(1)28	-	-	-	-	28
Yap Ee Ling	(1)28	-	-	-	-	28
FYE 2023 (Proposed)						
Dato' Keripin Anak Nangkai	60	-	-	-	-	60
Choong Wai Hoong	-	552	(2)-	105	-	657
Yew Choong Cheong	-	552	(2)-	106	-	658
Soo Kit Teng	-	313	(2)-	37	-	350
Suresh Narain Singh Sidhu	48	-	-	-	-	48
Lim See Tow	48	-	-	-	-	48
Yap Ee Ling	48	-	-	-	-	48

Notes:

- (1) Pro-rated based on their respective date of appointment.
- (2) The bonuses for FYE 2022 and 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.
- (3) Choong Wai Hoong and Yew Choong Cheong had voluntarily elected not to receive bonuses for FYE 2021.

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

5.5.2 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 for services rendered in all capacities to our Group for FYE 2021, 2022 and 2023 are as follows:

	⁽¹⁾ Remuneration band		
	FYE 2021 (Paid)	⁽²⁾ FYE 2022 (Paid)	⁽²⁾ FYE 2023 (Proposed)
	RM'000		
Soong Chee Hoe	450 - 500	450 - 500	550 - 600
Hiew Hoong Tat	⁽³⁾ 50 - 100	150 - 200	200 - 250

Notes:

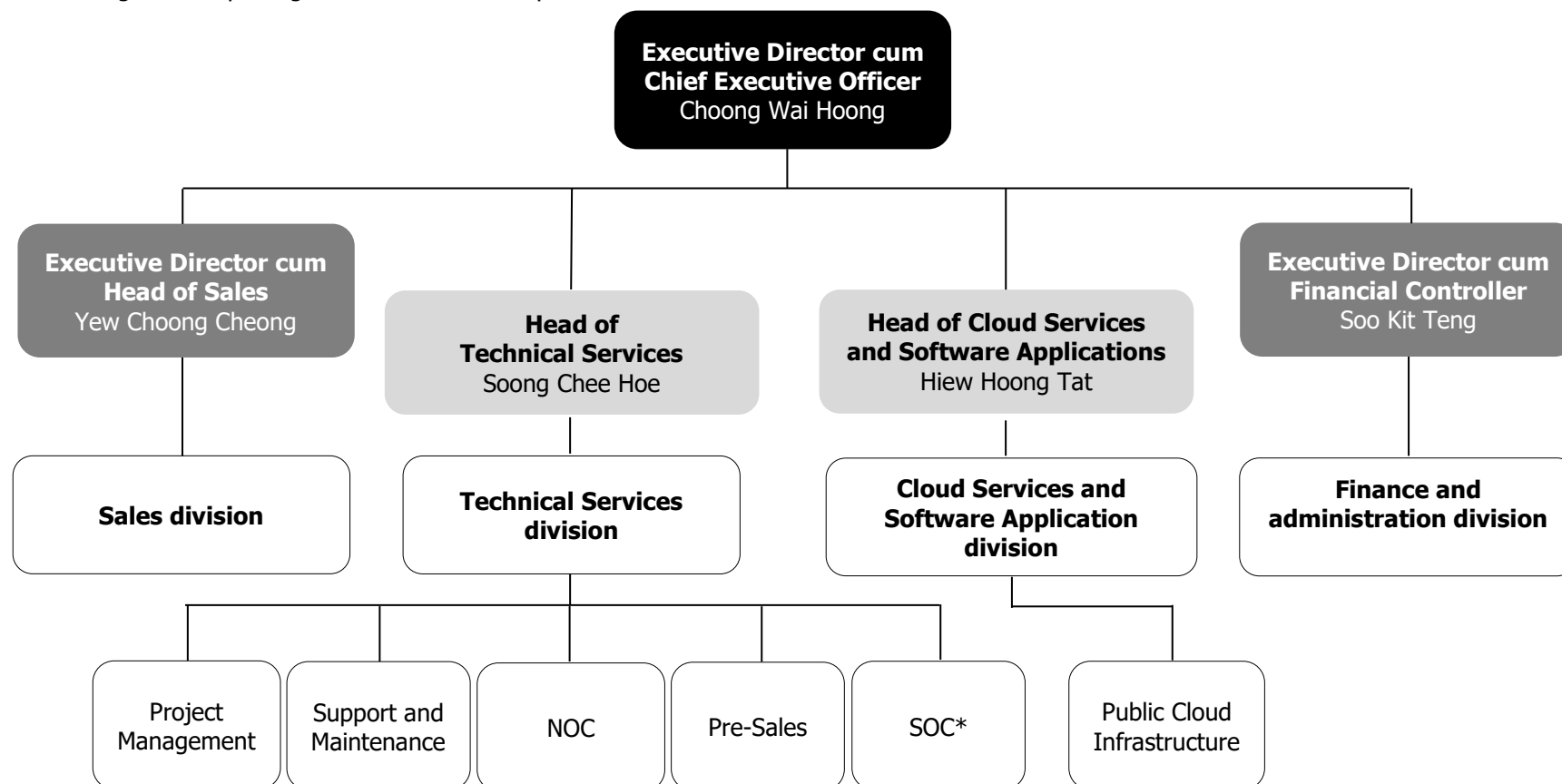
- (1) The remuneration for key senior management includes salaries, bonuses, allowances and other emoluments.
- (2) The bonuses for FYE 2022 and FYE 2023 are not included. Such bonuses, if any, will be determined at a later date based on our Group's performance, and will be subject to recommendation of our Remuneration Committee and approval by our Board.
- (3) Pro-rated based on his date of appointment.

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

5.6 MANAGEMENT REPORTING STRUCTURE

The management reporting structure of our Group is as follows:



Note:

* Future division upon setting up of a SOC as detailed in Section 6.5.5 (ii)(a).

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

5.7 DECLARATIONS 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 (whether in or outside Malaysia):

- (i) In the last 10 years, a petition under any bankruptcy or insolvency laws that was 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;
- (ii) Disqualified from acting as a Director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) In the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) 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;
- (v) 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;
- (vi) 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;
- (vii) In the last 10 years has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (viii) Has any unsatisfied judgment against him.

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6. INFORMATION ON OUR GROUP

6.1 BACKGROUND INFORMATION

6.1.1 Incorporation

Our Company was incorporated in Malaysia under the Act on 9 June 2021 as a private limited company under the name Cloudpoint Technology Sdn Bhd. On 29 June 2022, we were converted into a public limited company and adopted our present name.

Our Company is principally an investment holding company. Through our subsidiary, CSSB, we are principally engaged in the provision of IT solutions comprising enterprise and data centre networking, and cybersecurity solutions, professional IT services as well as cloud services and software applications. As at the LPD, we implement solutions and provide our services mainly to large enterprises, particularly companies in the financial services, insurance, telecommunications industries and other technology service providers in Malaysia. We also provide our solutions to multinational companies to cater for their operations based in Malaysia.

6.1.2 History and Development

(i) Ownership

Our history dates back to 2003 when CSSB was founded by our Executive Director cum Chief Executive Officer, Choong Wai Hoong and another shareholder, Kuak Mee Ing under the name, DDI Systems (M) Sdn Bhd. With Choong Wai Hoong as the Managing Director of CSSB, our business commenced in 2003 when we secured our first enterprise networking solution projects.

At the point of incorporation on 22 January 2003, 35.0% equity shareholding was held by Ong Bee Nah (spouse of Choong Wai Hoong) which was subsequently transferred to him on 3 November 2003, while Kuak Mei Ing held 65.0% equity shareholding in CSSB. In an effort to grow the business, Choong Wai Hoong and Kuak Mee Ing sold their entire equity interest in CSSB (then known as DDI Systems (M) Sdn Bhd) to Packet Systems Pte Ltd, which is a regional ICT solution provider based in Singapore, in 2004. Subsequent to the acquisition by Packet Systems Pte Ltd, Choong Wai Hoong continued to assume the role as Managing Director of CSSB whereas Kuak Mee Ing exited CSSB following the disposal of her equity interest in CSSB to Packet Systems Pte Ltd in 2004, and DDI Systems (M) Sdn Bhd changed its name to Packet Systems (Malaysia) Sdn Bhd.

In 2005, following the acquisition of Packet Systems Pte Ltd by DMX Technologies Group Limited, which is an ICT solution provider that is public listed on Singapore Stock Exchange, CSSB (then known as Packet Systems (Malaysia) Sdn Bhd) became a subsidiary of DMX Technologies Group Limited. Our Executive Director cum Chief Executive Officer, Choong Wai Hoong, continued to spearhead the operations of CSSB and there were no changes to our business activities.

6. INFORMATION ON OUR GROUP (Cont'd)

CSSB changed its company name to DMX Packet (Malaysia) Sdn Bhd in 2012. Later in 2018, Era Jasakita, which was jointly owned by Choong Wai Hoong (our Executive Director cum Chief Executive Officer), Yew Choong Cheong (our Executive Director cum Head of Sales), Soo Kit Teng (our Executive Director cum Financial Controller) and Soong Chee Hoe (our Head of Technical Services), undertook a management buyout to acquire the entire shareholdings of CSSB (then known as DMX Packet (Malaysia) Sdn Bhd) from DMX (BVI) Limited. Choong Wai Hoong, Yew Choong Cheong, Soo Kit Teng and Soong Chee Hoe held 45.0%, 45.0%, 5.0% and 5.0% equity shareholding in Era Jasakita, respectively. DMX (BVI) Limited had offered them to acquire CSSB in conjunction with DMX Technologies Group Limited's liquidation exercise.

The total purchase consideration for the acquisition of CSSB was RM12.00 million, which was based on a "willing-buyer willing-seller" basis and the audited NA of CSSB as at 31 December 2017 of RM19.4 million (which was inclusive of RM5.4 million dividends declared and subsequently paid to DMX (BVI) Limited). CSSB assumed its present name in January 2022.

On 1 April 2022, our Promoters have undertaken an internal shareholding reorganisation whereby Choong Wai Hoong, Yew Choong Cheong, Soo Kit Teng and Soong Chee Hoe acquired 151,920 (10.1%), 151,920 (10.1%), 16,880 (1.1%) and 16,880 (1.1%) ordinary shares in CSSB respectively, from Era Jasakita which resulted in Era Jasakita holding the remaining 77.6% in CSSB.

(ii) Our business

In the early years of our business, i.e. between 2003 and 2009, we designed and implemented enterprise networking solutions for other technology service providers such as HeiTech Padu Berhad as well as enterprises which are mainly involved in the property development and insurance industries. Concurrently, we also began offering professional IT services to our customers, where we provided maintenance and technical support, remediation of technical issues and software updates.

In 2009, we began to secure projects directly from end-user customers in the financial services industry, when we secured a project from Customer D, a financial institution, amounting to RM8.78 million. The project entailed the design and implementation of network infrastructure for the financial institution's data centre to store all critical business information. It was our first network infrastructure solution project for a data centre, as well as WAN optimisation and application delivery solutions. To complement our network infrastructure solutions, we also began offering cybersecurity solutions to protect the network infrastructure for the data centre as the project entailed the design and implementation of cybersecurity solutions such as firewalls, intrusion prevention system, secure web gateway and vulnerability scanning software.

We expanded our cybersecurity solution offerings when we secured our first cybersecurity solution project to design and implement email security solutions amounting to RM0.04 million for a local insurance company in 2012. The project entailed the design of email security solutions in terms of capacity of the solution and integration design with the existing network infrastructure and routing of email traffic to the solution, as well as implementation of the solutions for the customer to protect the company's email from spam emails.

6. INFORMATION ON OUR GROUP (Cont'd)

Subsequently in 2015, we began offering SIEM, thus expanding our cybersecurity solution offerings. We secured our first project to provide SIEM for a power utility company in the year, with a project value of RM3.85 million. SIEM systems allowed for real-time monitoring and analysis of cyber threats and attacks as well as tracking and logging of security data for compliance or auditing purposes.

In 2016, we expanded our cybersecurity solution offerings when we secured our first project to provide DDoS protection tools for Customer F, that had a project value of RM2.78 million. DDoS protection tools prevent DDoS attacks which are high volumes of requests sent simultaneously from multiple points on the internet to a customer's network. In the same year, we also expanded our range of enterprise and data centre networking solutions when we secured a project amounting to RM4.79 million from Customer D to provide IP telephony and collaboration tools, which is a set of communication tools.

We further enhanced our professional IT services in 2016 when we provided network monitoring services after we secured our first service contract from Customer G, a financial institution. In light of this, we set up a NOC in the same year to facilitate the network monitoring services.

We began to serve the telecommunications industry when we secured a cybersecurity solution project in 2017 for an established telecommunications service provider. Through this project, we also expanded our cybersecurity solution offerings to include web application firewall and database security gateway. The cybersecurity solution project had a project value of RM1.93 million. Web application firewall protects web applications from attacks while database security gateway secures sensitive data in databases.

Meanwhile, we continued to expand our solution offerings for our cybersecurity solution segment and in 2017, we secured a project to provide endpoint protection platform and NAC solutions for Customer G which amounted to RM2.71 million. Endpoint protection solutions are solutions that protect endpoints such as desktops, laptops and mobile devices to mitigate cyber threats and attacks. Meanwhile, NAC allows for visibility of users to enable access management and policy enforcement.

We also expanded our cybersecurity solutions offering when we secured a project from Customer B to provide data loss prevention solutions in 2017. The project value amounted to RM0.80 million. Data loss prevention solutions stop data breaches or unauthorised data leakage by authorised users.

In line with the latest technological trends in the networking solutions industry, we began offering software-defined infrastructure solutions and implemented our first software-defined infrastructure solutions for Customer G in 2018, which had a project value of RM6.25 million. This project entailed the migration of the financial institution's conventional network infrastructure which hosts all of its operating core banking services, to a software-defined infrastructure, which uses software to automate, manage and program the network infrastructure.

6. INFORMATION ON OUR GROUP (Cont'd)

In 2021, we further expanded our cybersecurity solution offering when we secured our first project to design and implement SOAR and threat intelligence platform for Customer F, a local financial institution, at a project value of RM1.11 million. SOAR is used to automate security operation related tasks and threat intelligence platforms which collects, aggregates and analyses threat intelligence data. The project entailed the design of the solutions in terms of the processes that should be undertaken in relation to each type of cyber-attack and programming of the solution based on these processes as well as integration of the solution with the customer's existing cybersecurity solutions.

We also began to offer cloud security when we secured our first project to design and implement cloud security for Customer E, a telecommunications service provider, in the same year, which amounted to RM4.50 million. The project entailed the design and configuration of the customer's network traffic routing. In the same year, we also began to offer NDR solutions when we secured our first project from a company in the insurance industry, which amounted to RM0.80 million. NDR solutions monitor network traffic for malicious and suspicious behavioural patterns.

Recognising the growth potential of cloud-based solutions, we ventured into cloud services and software applications and began offering these solutions since April 2022. We secured our first order to provide cloud services and software applications which amounted to RM1.67 million for a company in the insurance industry in December 2022.

Throughout the years, we have established our experience and credibility as a reliable networking and cybersecurity solution provider. As such, we have been granted recognitions by several Technology Vendors of hardware and software we utilise in our solutions, and this has also assisted us in securing some of our projects in the past. As at the LPD, we have been granted the Growth Partner of the Year from McAfee Corporation (now part of Trellix group of companies) in 2017. We have also been awarded Reseller of the Year (Central Region of Peninsular Malaysia) by Cisco Systems, Inc. in 2017, 2018, 2019 and 2022. In addition, we received the 2022 Huawei Malaysia Best Partner Award (Financial Service Institutions).

As at the LPD, we have also been granted Platinum Partner by Trellix group of companies, Gold Integrator (or commonly known as Gold Partner) by Cisco Systems, Inc., Gold Partner by Imperva, Inc., Silver Partner by Huawei Technologies Co. Ltd., and Silver Partner by F5, Inc. All of these recognitions are among the highest recognitions provided by the Technology Vendors based on amongst others, the sales volume of their hardware and software sold to us and/or the number of personnel trained by the respective Technology Vendor. For instance, Trellix group of companies require a minimum of USD500,000 per annum in sales and a minimum number of hours of training attended by personnel to be granted Platinum Partner; Cisco Systems, Inc. require Cisco Certified Internetwork Experts certifications, a 24-hour help-desk operating 7 days a week and a clear set of processes set for maintenance and support to be granted Gold Integrator (or commonly known as Gold Partner); Imperva, Inc. require a minimum of USD250,000 per annum in sales and personnel to undergo training to be granted Gold Partner; Huawei Technologies Co. Ltd. require a minimum of USD250,000 per annum in sales and pre-sales personnel to undergo training to be granted Silver Partner; and F5, Inc. require a minimum of USD350,000 per annum in sales and personnel to undergo training to be granted Silver Partner.

(iii) Major achievements, milestones and awards

Our milestones, awards and achievements are as summarised below:

6. INFORMATION ON OUR GROUP (Cont'd)

- 2003** • CSSB (then known as DDI Systems (M) Sdn Bhd) was founded by our Executive Director cum Chief Executive Officer, Choong Wai Hoong and another shareholder, Kuak Mee Ing.
 - Commenced business in providing enterprise networking solutions as well as professional IT services.

- 2004** • CSSB was sold to Packet Systems Pte Ltd.

- 2009** • Secured first end-user customer in the financial services industry when secured a project to design and implement a network infrastructure for a financial institution's data centre. Our Group also expanded its enterprise and data centre networking and cybersecurity solution offering as the project involved the design and implementation of WAN optimisation and application delivery solutions. Through the project, we ventured into offering cybersecurity solutions as we were engaged to design and implement firewalls, intrusion prevention system, secure web gateway and vulnerability scanning software.

- 2012** • Expanded cybersecurity solution offerings by securing first project to design and implement email security.

- 2015** • Expanded cybersecurity solution offerings by securing project to design and implement SIEM.

- 2016** • Expanded cybersecurity solution offerings to include DDoS protection tools.
 - Expanded enterprise and data centre offerings to include IP telephony and collaboration tools.
 - Enhanced professional IT service offerings to include network monitoring services.
 - Set up NOC in headquarters.

- 2017** • Secured first customer in telecommunications industry. Through the project, we also expanded our cybersecurity solution offerings to include web application firewall and database security gateway.
 - Expanded cybersecurity solution offerings by securing project to design and implement endpoint protection platform, NAC and data loss prevention solutions.
 - Granted Growth Partner of the Year from McAfee Corporation (now part of Trellix group of companies).
 - Granted Reseller of the Year Award (Central Region of Peninsular Malaysia) by Cisco Systems, Inc.

- 2018** • Expanded enterprise and data centre networking solution offerings by securing project to design and implement software-defined infrastructure solutions. This entailed the migration of conventional network infrastructure to a software-defined infrastructure.
 - Acquisition of CSSB by Era Jasakita (jointly owned by Choong Wai Hoong, Yew Choong Cheong (our Executive Director cum Sales Director), Soo Kit Teng (our Executive Director cum Financial Controller) and Soong Chee Hoe (our Head of Technical Services)).
 - Granted Reseller of the Year Award (Central Region of Peninsular Malaysia) by Cisco Systems, Inc.

- 2019** • Granted Reseller of the Year Award (Central Region of Peninsular Malaysia) by Cisco Systems, Inc.

6. INFORMATION ON OUR GROUP (Cont'd)

- 2021**
- Expanded cybersecurity solution offering by securing project to design and implement SOAR, threat intelligence platform, cloud security and NDR solutions.
- 2022**
- Launched cloud services and software application solutions.
 - Recognised as Platinum Partner by Trellix group of companies, Gold Integrator (or commonly known as Gold Partner) by Cisco Systems, Inc., Gold Partner by Imperva, Inc., Silver Partner by Huawei Technologies Co. Ltd., and Silver Partner by F5, Inc.
 - Granted Reseller of the Year Award (Central Region of Peninsular Malaysia) by Cisco Systems, Inc.
 - Granted the 2022 Huawei Malaysia Best Partner Award (Financial Service Institutions).
 - Secured first cloud services and software applications project.

6.1.3 Pre-IPO restructuring**(i) Promoters' reorganisation**

In preparation for our Listing, the Promoters have undertaken an internal reorganisation. On 1 April 2022, Choong Wai Hoong, Yew Choong Cheong, Soo Kit Teng and Soong Chee Hoe entered into a sale and purchase of shares agreement with Era Jasakita to acquire 337,600 ordinary shares in CSSB for a total purchase consideration of RM2,700,800. The said share sale agreement was completed on 29 July 2022 and resulted in the following changes to the shareholdings of CSSB:

Promoters	Before Promoters' reorganisation		After Promoters' reorganisation	
	No. of shares	% of share capital	No. of shares	% of share capital
Era Jasakita	1,500,000	100.0	1,162,400	77.6
Choong Wai Hoong	-	-	151,920	10.1
Yew Choong Cheong	-	-	151,920	10.1
Soo Kit Teng	-	-	16,880	1.1
Soong Chee Hoe	-	-	16,880	1.1
Total:	1,500,000	100.0	1,500,000	100.0

The purchase consideration for the Promoters' reorganisation of RM2,700,800 was arrived at based on a "willing-buyer willing-seller" basis after taking into consideration the original cost of investment of the acquisition of CSSB by Era Jasakita on 20 August 2018 of RM12,000,000. The Promoters' reorganisation was undertaken with the objective that Era Jasakita will remain as a majority shareholder of Cloudpoint while the Promoters are provided with the flexibility to sell, transfer or assign their individual shareholdings.

The purchase consideration for the Promoters' reorganisation was determined based on the original cost of investment of CSSB by Era Jasakita as the Promoters' reorganisation was only an internal reorganisation of shareholding structure in CSSB between the Promoters that did not result in any changes in the effective shareholding of the Promoters in CSSB. The number of ordinary shares in CSSB acquired by Choong Wai Hoong, Yew Choong Cheong, Soo Kit Teng and Soong Chee Hoe from Era Jasakita were in proportion to their respective shareholdings in Era Jasakita.

6. INFORMATION ON OUR GROUP (Cont'd)

Further, Choong Wai Hoong, Yew Choong Cheong, Soo Kit Teng and Soong Chee Hoe will not undertake any Offer for Sale on the Shares issued to them as a consideration for the Acquisition of CSSB and a moratorium will be imposed on the sale, transfer or assignment of those Shares for a period of 6 months from the date of our admission to the ACE Market as detailed in Section 2.2.

(ii) Acquisition of CSSB

In preparation for our Listing, we have undertaken the Acquisition of CSSB. On 20 June 2022, we entered into a conditional share sale agreement with Era Jasakita, Choong Wai Hoong, Yew Choong Cheong, Soo Kit Teng and Soong Chee Hoe to acquire the entire equity interest in CSSB comprising 1,500,000 ordinary shares for a purchase consideration of RM15,650,304 which was satisfied by the issuance of 425,279,999 new Shares to Era Jasakita, Choong Wai Hoong, Yew Choong Cheong, Soo Kit Teng and Soong Chee Hoe at an issue price of RM0.0368 each share.

Details of the vendors of CSSB and the number of Shares issued to the vendors under the Acquisition of CSSB are as follows:

CSSB Vendor	Shareholdings in CSSB		Purchase consideration	No. of Shares issued
	No. of shares acquired	% of share capital		
Era Jasakita	1,162,400	77.6	12,127,942	329,563,647
Choong Wai Hoong	151,920	10.1	1,585,063	43,072,358
Yew Choong Cheong	151,920	10.1	1,585,063	43,072,358
Soo Kit Teng	16,880	1.1	176,118	4,785,818
Soong Chee Hoe	16,880	1.1	176,118	4,785,818
	1,500,000	100.0	15,650,304	425,279,999

The purchase consideration for the Acquisition of CSSB of RM15,650,304 was arrived at based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of CSSB as at 31 December 2021 of RM15,650,618.

The Acquisition of CSSB was completed on 3 February 2023. Thereafter, CSSB became our wholly-owned subsidiary.

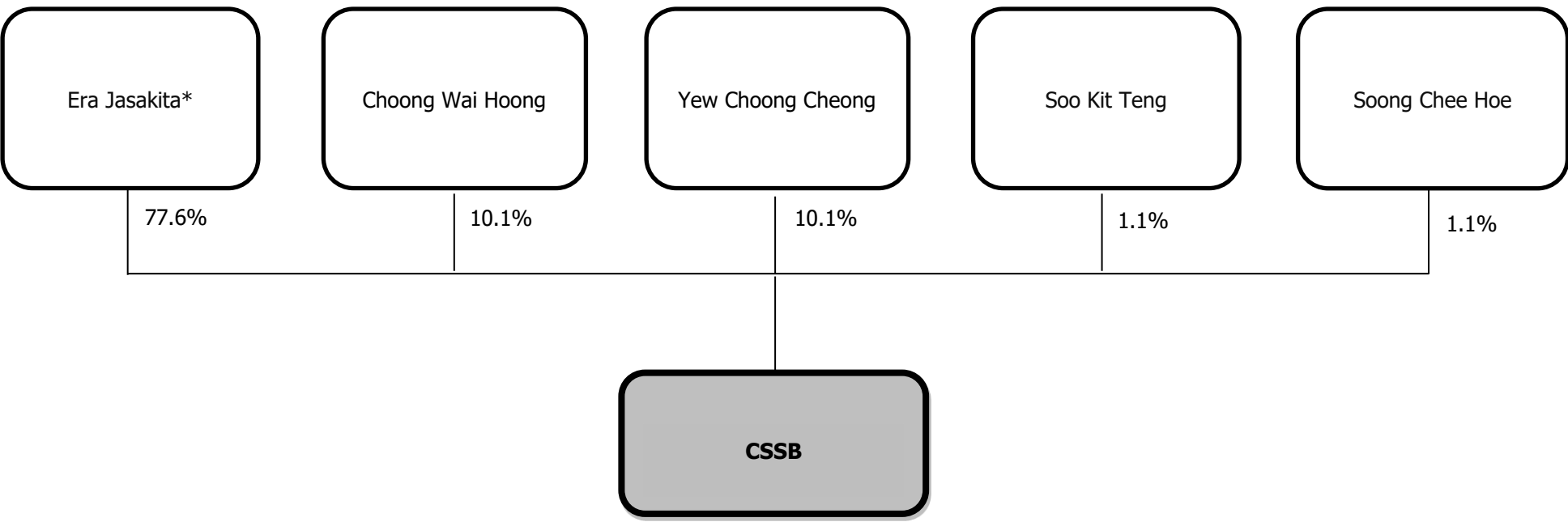
The new Shares issued under the Acquisition of CSSB rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.1.4 Our Group Structure

Before Acquisition of CSSB

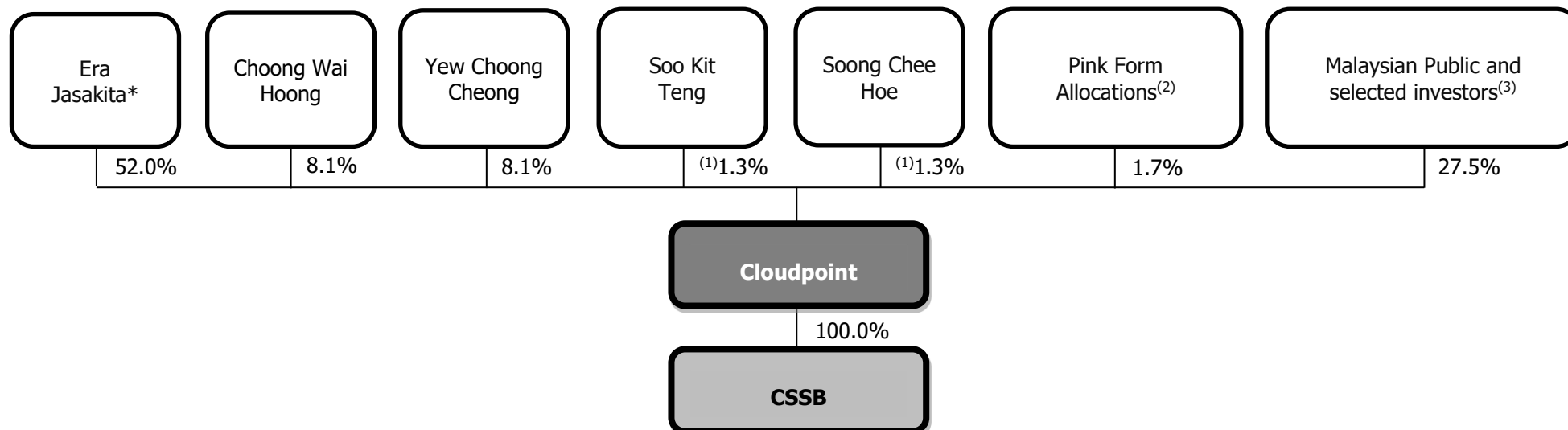


Note:

* An investment holding company held by our Promoters namely Choong Wai Hoong (45.0%), Yew Choong Cheong (45.0%), Soo Kit Teng (5.0%) and Soong Chee Hoe (5.0%). The Promoters holds equity shareholdings individually as well as through Era Jasakita so that Era Jasakita will remain as a majority shareholder of Cloudpoint while Promoters are provided with the flexibility to sell, transfer or assign their individual shareholdings.

6. INFORMATION ON OUR GROUP (Cont'd)

After Acquisition of CSSB and IPO



Notes:

- * An investment holding company held by our Promoters namely Choong Wai Hoong (45.0%), Yew Choong Cheong (45.0%), Soo Kit Teng (5.0%) and Soong Chee Hoe (5.0%). Our Promoters hold equity shareholdings individually as well as through Era Jasakita so that Era Jasakita will remain as a majority shareholder of Cloudpoint while Promoters are provided with the flexibility to sell, transfer or assign their individual shareholdings.
- (1) Inclusive of his/her entitlement under the Pink Form Allocations and assuming that he/she will subscribe for the Pink Form Allocations.
- (2) Assuming that all of our eligible Directors and employees will subscribe for the Pink Form Allocations. Excluding the Pink Form Allocations for Soo Kit Teng and Soong Chee Hoe.
- (3) Including Bumiputera investors approved by MITI.

6. INFORMATION ON OUR GROUP (Cont'd)

6.2 OUR SUBSIDIARY

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

Company	Date/ Place of incorporation	Principal place of business	Issued share capital	Effective equity interest	Principal activities
			RM	%	
CSSB	22 January 2003/ Malaysia	Malaysia	1,500,000	100.0	Provision of IT solutions comprising enterprise and data centre networking, and cybersecurity solutions as well as professional IT services

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6. INFORMATION ON OUR GROUP (Cont'd)**6.3 MATERIAL INVESTMENTS AND DIVESTITURES****6.3.1 Material investments**

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

Investments	FYE 2019	FYE 2020	FYE 2021	FYE 2022	1 January 2023 up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Computer equipment	59	85	59	116	-
Engineering spares ⁽¹⁾	122	288	65	322	98
Furniture and fittings	-	20	-	5	1
Office equipment	11	57	31	24	7
Right-of-use ⁽²⁾	-	-	390	389	-
Building-in-progress	-	-	-	⁽³⁾ 2,929	-
Motor vehicle	-	-	-	-	267
	192	450	545	3,785	373

Notes:

- (1) Being switches, routers, server appliances and other IT hardware components as the replacement IT hardware components as and when required by our customers.
- (2) Right-of-use asset for the lease of our headquarter as detailed in Section 6.8.1.2.
- (3) Being the progressive milestone payment for the New Office amounting to RM2.93 million.

The above investments were made within Malaysia. They were primarily financed by our internally generated funds.

6.3.2 Material divestitures

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

Divestitures	FYE 2019	FYE 2020	FYE 2021	FYE 2022	1 January 2023 up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Computer equipment	-	-	8	-	-
Engineering spares	-	-	1	-	-
Furniture and fittings	-	-	-	-	-
Office equipment	-	-	-	-	-
Renovation	-	-	-	-	-
	-	-	9	-	-

The above divestitures involve assets located in Malaysia and 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 investments as disclosed in Section 4.9.1 and our material commitment as disclosed in Section 11.3.5, we do not have any material investments and divestitures currently in progress or which we have made firm commitments, within or outside Malaysia.

6.3.3 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 the LPD.

6.4 PUBLIC TAKE-OVERS

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

- (i) No public take-over offers by third parties in respect of our Shares; and
- (ii) 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)

6.5 BUSINESS OVERVIEW

We are an IT solutions provider based in Malaysia, with a focus on the following products and services:

- (i) enterprise and data centre networking solutions;
- (ii) cybersecurity solutions;
- (iii) professional IT services; and
- (iv) cloud services and software applications.

We have 2 main revenue models for our business as follows:

- (i) one-off project-based income model which we charge for the design and implementation of enterprise and data centre networking, cybersecurity solutions as well as cloud services and software applications. This revenue model comprises:
 - sales of hardware;
 - software licence subscription fees;
 - implementation service fees, which are one-off fees charged for the design and implementation works of the project; and/or
 - one-off project-based fees for cloud consultancy services and the use of cloud-based infrastructure and software licences, as well as a service fee for configuration and IT workloads migration; and
- (ii) recurring income model for our professional IT services business segment which typically comprises annual contract fees and service fees with a contract tenure of between 1 and 3 years. We charge customers an annual contract fee when we are contractually engaged to provide professional IT services, and a service fee for the provision of professional IT services on periodic (monthly or quarterly). We also earn recurring income from our cloud services and software application segment as we charge a cloud management service fee and software licence subscription fees depending on the type of cloud-based infrastructure and software sourced from the relevant Technology Vendors.

Enterprise and data centre networking solutions are solutions that are used in enterprises' offices and data centres to enable data transmission and connectivity. Meanwhile, cybersecurity solutions prevent cyber threats and attacks to IT infrastructures, including network infrastructure. Professional IT services are the maintenance and management of the network and the hardware utilised in the network infrastructure such as servers, switches and routers. Meanwhile, cloud solutions refer to scalable solutions delivered on a subscription basis and software applications refer to various software applications which enable IT services management and workflow automation.

As an IT solutions provider, we typically carry out the following services:

- (i) designing and proposing solutions that are tailored to customers' IT environment, and business requirements and needs;
- (ii) providing project management, installation and system integration services to customers based on proposed solutions; and

6. INFORMATION ON OUR GROUP (Cont'd)

- (iii) providing professional IT services, which involves maintenance and network monitoring services for the abovementioned solutions.

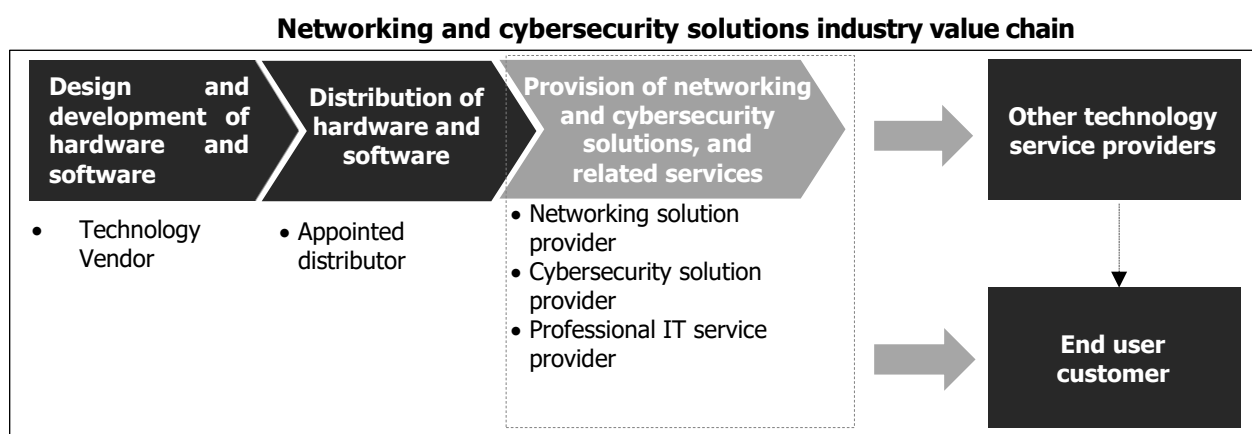
There is no certification or qualification required to be obtained in order to carry out our business activities, even for cybersecurity solutions. However, we send our personnel for training to be certified by Technology Vendors to ensure that our personnel are well equipped with the necessary expertise to design and implement solutions utilising the Technology Vendor’s hardware and/or software, and to achieve certain recognitions granted by the Technology Vendors.

We source the components of the enterprise and data centre networking and cybersecurity solutions as well as cloud services and software applications which we design and implement, i.e. hardware and software, from our Technology Vendors and/or their distributors. Technology Vendors, who are the brand owners of the hardware or software, are typically involved in the design and development of these hardware and software. Technology Vendors may appoint distributor(s) in each region or country to market and sell their hardware and software.

The Technology Vendor(s) will set the pricing for distributor(s) to sell the hardware and software to solution providers, and the solution providers can only purchase the hardware and software from the Technology Vendor or Technology Vendor’s distributor(s). Despite procuring products from the Technology Vendors’ distributor(s), we may engage with the Technology Vendor(s) to negotiate better pricing arrangements, particularly for projects that are larger in sales volume or value. Once the pricing has been agreed upon, the Technology Vendors will then inform the distributor(s) to sell the said hardware and software at the pre-agreed pricing to us.

We have formal arrangements, such as reseller agreements and partner agreements with some of these Technology Vendors and we have been granted recognitions (such as Platinum, Gold or Silver Partner, and Gold Integrator), thus allowing us to utilise their hardware and/or software in our solutions as well as directly negotiate with these Technology Vendors for specific projects to obtain better pricing arrangements. The Technology Vendors will then inform their distributors of the pricing arrangement, if we are required to purchase the hardware and software through their distributors. We may also obtain rebates from the Technology Vendors and/or their distributors as a reward for achieving the sales volume targets set by the Technology Vendors.

Our Group’s relationship with these Technology Vendors and their appointed distributor in a typical networking and cybersecurity industry value chain is as depicted in the diagram below:



6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (i) [] Denotes the segment in which our Group presently operates.
- (ii) This list is not exhaustive.

(Source: Extracted from the IMR report)

Our Group's relationship with Technology Vendors and their appointed distributor for our cloud services and software applications is also similar to our relationship with the Technology Vendors and their appointed distributors for networking and data centre and cybersecurity solutions.

We may either be engaged directly by end-user customers to provide our solutions, or engaged by other technology service providers to undertake the design and implementation of our solutions for their customers (who are the end-users in these cases). Technology service providers refer to any service provider providing IT related solutions and/or services, and includes our Group.





As at the LPD, our Group's customer base comprises end-user customers which largely consist of enterprises in the financial services, insurance and telecommunications industries, as well as other technology service providers. In addition, we also serve large corporations in other end-user industries such as property development, plantation and education industries. For the FYE 2019, FYE 2020, FYE 2021 and FYE 2022, 82.8%, 88.5%, 98.2% and 96.2% of our Group's revenues were generated from end-user customers while the remaining 17.2%, 11.5%, 1.8% and 3.8% were generated from other technology service providers, respectively.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.5.1 Description of our business

Our Group's business model is summarised in the diagram below:

Business segment	Provision of IT solutions			
Revenue model	One-off project-based income model		One-off project-based and recurring income model	Recurring income model
Product/ service categories	 Enterprise and data centre networking solutions	 Cybersecurity solutions	 Cloud services and software applications	 Professional IT services
Solutions	<ul style="list-style-type: none"> • Network infrastructure • Software-defined infrastructure • WAN optimisation • Application delivery • IP telephony and collaboration tools 	<ul style="list-style-type: none"> • Firewall • Intrusion prevention system • Secure web gateway • Web application firewall • Data loss prevention • Email security • SIEM • SOAR • Cloud security • DDoS protection tools • Vulnerability scanning software • Endpoint protection platform • Threat intelligence platform • NAC • Database security gateway • NDR 	<ul style="list-style-type: none"> • Cloud consultancy and management • Cloud migration • Public cloud infrastructure • Deployment of IT workloads 	<ul style="list-style-type: none"> • Maintenance and technical support services • Remediation of technical issues • Providing software upgrades • Network monitoring services

6. INFORMATION ON OUR GROUP (Cont'd)

Customer segment	<ul style="list-style-type: none"> • End-user customers in the financial services, insurance and telecommunications industries • Technology service providers • Large corporations in other end-user industries such as property development, plantation and education industries
Principal market	Malaysia

Our Group is principally involved in the provision of IT solutions, with a focus on the following products and services:

(i) Enterprise and data centre networking solutions

Network infrastructures are required in enterprises' offices as well as data centres to allow for connectivity and data transmission between offices, as well as between offices and the data centre and the internet. A well-designed enterprise and data centre networking solution facilitates and automates customers' business or operational processes, allowing for workable network connectivity and efficient processing of applications to enable our customers to communicate and perform their daily operational activities efficiently and effectively.

Based on the customers' requirements of a network infrastructure, we have the required expertise and experience to:

- (a) propose solutions that are tailored to customers' IT environment, business requirements and needs as well as design a network infrastructure utilising these proposed solutions. The design of networking solutions may differ in terms of the layout design of the infrastructure, and quantity, specifications and location of IT hardware used to support the solutions. This is because each enterprise may differ in terms of its existing IT infrastructure layout, physical layout of the premises and/or location of branches as well as amount of bandwidth required based on data volume; and
- (b) set up, install and configure these hardware and software to form the required enterprise and data centre networking solution at our customers' premises.

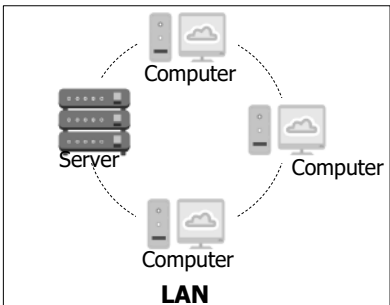
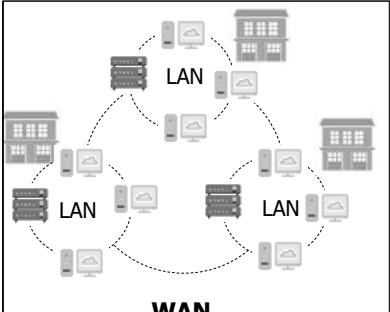
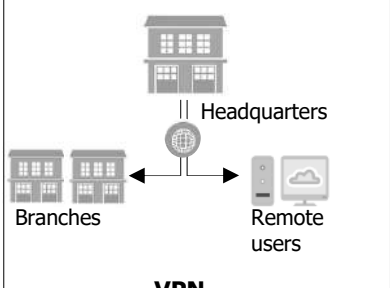
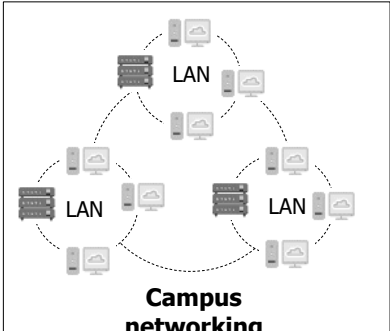
Our enterprise and data centre networking solutions are customised based on our customers' business environment, business needs, requirements and budget.

The hardware and software of the enterprise and data centre we design and implement are sourced from Technology Vendors and/or their distributors. We typically use reputable brands of hardware and software from Technology Vendors, including Cisco Systems, Inc and F5, Inc. Thus, we can cater to a diverse range of needs based on factors such as organisation size, budget and complexity of the solution. As at the LPD, for enterprise and data centre networking solutions, all of the Technology Vendors we source from provide both hardware and software.

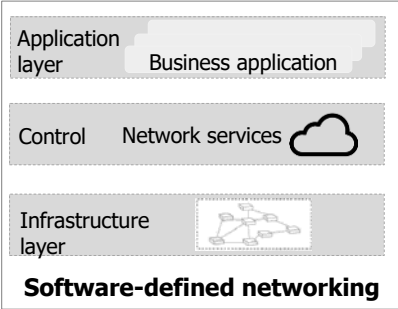
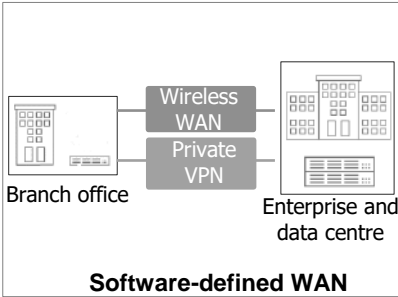
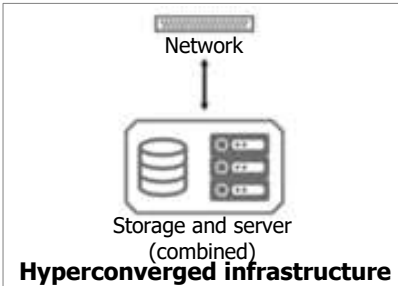
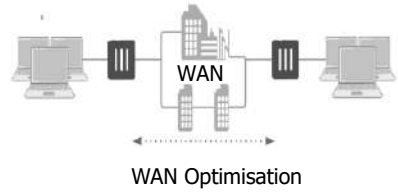
6. INFORMATION ON OUR GROUP (Cont'd)

We charge based on a one-off project-based income model comprising the sale of hardware, software licensing fee for the use of required software as well as design and implementation service fee for the design and implementation of enterprise and data centre networking solution projects. The duration taken to design and implement an enterprise and data centre networking solution can range from 1 month to 12 months, depending on the complexity of the project as well as type and quantity of hardware required for the project. However, the timeframe taken to complete the project may extend should there be any delays in obtaining the required hardware.

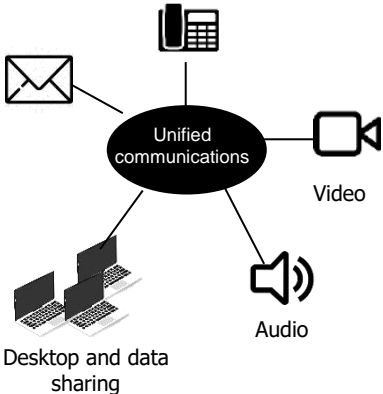
Among the enterprise and data centre networking solutions which we can provide include:

Solution	Description
<p>Network infrastructure</p>  <p style="text-align: center;">LAN</p>	<p>Our network infrastructure comprises various types, including:</p> <ul style="list-style-type: none"> • LAN, a private network infrastructure that securely connects computers in different offices/branches in an enterprise. An enterprise's LAN is mainly set up to share computer resources.
 <p style="text-align: center;">WAN</p>	<ul style="list-style-type: none"> • WAN, a network infrastructure that allows for connectivity over a wide geographic area. The network infrastructure will be integrated with telecommunication circuits provided by telecommunications companies.
 <p style="text-align: center;">VPN</p>	<ul style="list-style-type: none"> • VPN, a private network which extends across a public network and enables users to send and receive data across shared or public networks as if their computing devices were directly connected to the private network. Applications running on a VPN may therefore benefit from the functionality, security, and management of the private network.
 <p style="text-align: center;">Campus networking</p>	<ul style="list-style-type: none"> • Campus networking, a network that involves the interconnection within an office as well as across several offices. Such a network requires the installation of LAN switches and wireless access points to provide a secured wired and wireless network connection to support the needs of the employees within the offices.

6. INFORMATION ON OUR GROUP (Cont'd)

Solution	Description
<p>Software-defined infrastructure</p>  <p>Software-defined networking</p>  <p>Software-defined WAN</p>  <p>Hyperconverged infrastructure</p>	<p>Software-defined infrastructure utilises software to automate, manage and program an infrastructure. With software-defined infrastructure, customers can centralise the management of their hardware which allows for better visibility and management of hardware. Software-defined infrastructure also simplifies backup and recovery configuration functions, and simplifies operation and management of data centre infrastructure through a single platform.</p> <p>The types of software-defined infrastructure solutions we offer include:</p> <ul style="list-style-type: none"> • Software-defined networking is a system that automates, manages and programmes a LAN and/or storage infrastructure located in a single location through software interfaces. • Software-defined WAN is a virtual WAN architecture that allows enterprises to leverage on WAN connectivity to securely connect users to software applications. It uses a centralised control function to securely and intelligently direct traffic across the WAN. This increases business productivity and reduces operational IT costs. • Hyperconverged infrastructure is a unified system that combines all elements of a traditional data centre, including storage, computing and network management.
<p>WAN optimisation and application delivery</p>  <p>WAN Optimisation</p>	<p>WAN optimisation and application delivery allow for the prioritisation of the most important software applications. These applications will be prioritised in WAN traffic to allow for faster data transfer and improved application performance, with the aim of improving productivity within the organisation.</p>

6. INFORMATION ON OUR GROUP (Cont'd)

Solution	Description
<p>IP telephony and collaboration tools</p> <p>Mobility, call control and VoIP</p>  <p>The diagram illustrates a central 'Unified communications' hub. It is connected to five icons: an envelope for 'Email', a mobile phone for 'Mobile', a video camera for 'Video', a speaker for 'Audio', and three laptops for 'Desktop and data sharing'.</p>	<p>IP telephony and collaboration tools refers to a set of communication solutions including, amongst others:</p> <ul style="list-style-type: none"> • Instant messaging; • VoIP; • Call control which allows routing of telephone calls and features which allow each user to have separate or individual extension numbers, dial permissions and other features; • Audio and video conferencing; and • Desktop sharing.

(ii) Cybersecurity solutions

Cybersecurity solutions aim to protect IT assets and system resources from cyber-attacks and threats, in order to ensure business continuity and system availability.

As the cyber threat landscape is constantly evolving, enterprises would need to constantly procure different types of cybersecurity solutions in order to ensure that their IT infrastructure is sufficiently protected due to increasing cyber-attacks and threats. We provide a comprehensive range of cybersecurity solutions utilising hardware and software sourced from various established Technology Vendors in order to provide a wide range of cybersecurity solutions that protect the end-user's IT infrastructure in terms of different attack vectors, and to keep up with the latest cyber threats.

We specialise in the design and implementation of cybersecurity solutions which include:

- (a) recommending suitable solutions, sourcing the necessary hardware and software and designing the solutions in terms of:
 - (aa) assessing the multiple points of entry for traffic or traffic flow to determine the layout for the solutions to be installed in the network infrastructure in order to optimally intercept traffic;
 - (bb) laying out the steps or processes to be undertaken for each event, in order to program the solutions; and
 - (cc) examining the existing IT infrastructure and other existing cybersecurity solutions in order to integrate the solutions with the existing IT infrastructure or cybersecurity solutions;
- (b) installing and configuring these hardware and software to form a cybersecurity solution.

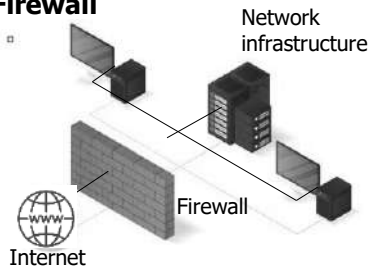
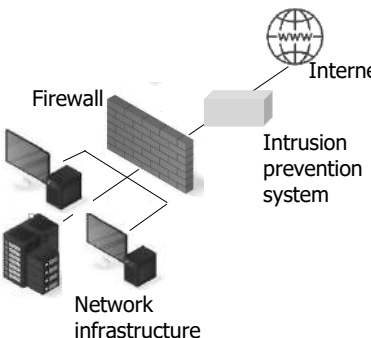
Our cybersecurity solutions are customised to suit our customers' business needs, industry requirements and budget.

6. INFORMATION ON OUR GROUP (Cont'd)


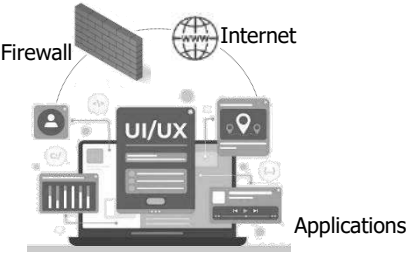



We source our cybersecurity hardware and software from established Technology Vendors such as Cisco Systems, Inc., Check Point Software Technologies Ltd., Darktrace Ltd., ExtraHop Networks, Inc., F5, Inc., FireEye, Inc., Fortinet, Inc., Group-IB Global Pte. Ltd., Imperva Inc., Netscout Systems, Inc., Palo Alto Networks, Inc., Tenable, Inc. and Trellix group of companies. As at the LPD, for cybersecurity solutions, all of the Technology Vendors we source from provide both hardware and software, save for Group-IB Global Pte. Ltd. and Tenable, Inc. who only provide us with software.

We charge based on a one-off project-based income model which includes the sale of hardware, software licensing fee for the use of required software as well as installation and implementation service fee for the design and implementation of cybersecurity solution projects. Typically, the duration to design and implement a cybersecurity solution project range from 1 month to 12 months, depending on the complexity of the project as well as type and quantity of cybersecurity hardware required for the project. However, the timeframe taken to complete the project may extend should there be any delays in obtaining the required hardware.

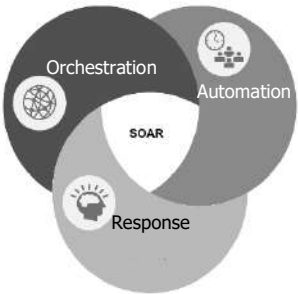

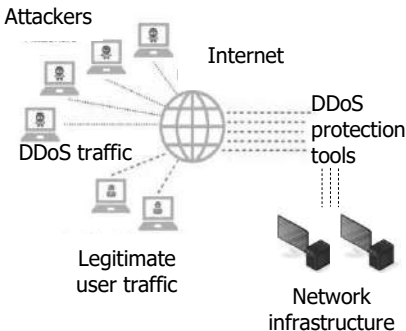
We have a wide range of cybersecurity solutions that aim to detect and protect different types of IT assets and system resources from various types of cyber-attacks and threats. Each of these solutions can be sold on its own or integrated with other solutions or existing solutions. Among the cybersecurity solutions which we can provide include:

Solution	Description
<p>Firewall</p> 	<p>A firewall monitors a network’s incoming and outgoing traffic and prevents unauthorised access or activities. It is typically the first line of defence against cyber-attacks.</p>
<p>Intrusion prevention system</p> 	<p>An intrusion prevention system monitors a network and actively analyses any activity to detect possible threats. The system may use several techniques to identify these threats, such as:</p> <ul style="list-style-type: none"> • anomaly-based detection – identifying abnormal behaviour; • policy-based detection – identifying any activity which violates security policies which have been defined; and • signature-based detection – matching activity to well-known threats, such as recognising bad patterns. <p>Once a potential incident has been detected, the system will prevent the attack from happening by blocking it.</p>

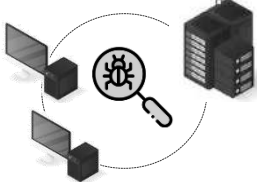



6. INFORMATION ON OUR GROUP (Cont'd)

Solution	Description
<p>Secure web gateway</p> 	<p>A secure web gateway protects a network and its users from internet-based threats and infections. The gateway would filter traffic between the organisation's network and the internet based on the organisation's security policy. Among the functions which it can perform include blocking access to inappropriate websites, inspecting for malicious content, enforcing security policies and preventing unauthorised data transfer.</p>
<p>Web application firewall</p> 	<p>A web application firewall protects web applications from attacks. It functions by filtering out and blocking malicious HTTP or HTTPS traffic.</p>
<p>Data loss prevention</p> 	<p>Data loss prevention stops data breaches or unauthorised data leakage by users.</p>
<p>Email security</p> 	<p>Email security involves procedures undertaken to protect an organisation's email accounts against unauthorised access, attacks or loss of confidential information. These include encrypting and scanning incoming and outgoing emails.</p>
<p>SIEM</p> 	<p>SIEM is a console which monitors security alerts and events, thus enhancing the monitoring, detection and management of threats. It also monitors user activity logs.</p> <p>SIEM also has the ability to collect data and store this data for future reference, as well as automate the creation of reports as required by the authorities under relevant standards, rules, laws and regulations such as the BNM's RMIT, PCI-DSS and SOX. These reports will document and record, amongst others:</p> <ul style="list-style-type: none"> detected issues on the cybersecurity solutions;



6. INFORMATION ON OUR GROUP (Cont'd)

Solution	Description
	<ul style="list-style-type: none"> • non-compliances to PCI-DSS requirements such as absence of deployment of firewall, malware or anti-virus solutions and usage of default passwords; and • occurrences of tampering of financial information. <p>Essentially, SIEM will allow the determination of the effectiveness of compliance initiatives that have been undertaken and the areas that need to be worked on to ensure full compliance.</p>
<p>SOAR</p> 	<p>SOAR involves the following functions:</p> <ul style="list-style-type: none"> • Orchestration – connects various cybersecurity components such as vulnerability scanners, endpoint protection platform, firewall, intrusion prevention and SIEM, and consolidating the data collected; • Automation – analyses the collected data in order to create automated processes such as vulnerability scanning, log analysis and automated responses, as well as escalate if human intervention is required; and • Response – assists in managing, monitoring and reporting the actions taken after a threat is detected.
<p>Cloud security</p> 	<p>Cloud security refers to the measures taken to securing cloud computing solutions, which facilitates the delivery of services such as data storage, servers, databases, networking and software via the internet. Cloud security measures include data security, user identity and access management, regulatory compliance and customer privacy protection.</p>
<p>DDoS protection tools</p> 	<p>DDoS protection tools specifically target DDoS attacks. A typical DDoS attack takes the form of high volumes of requests sent simultaneously from multiple points on the internet to a customer's network. The DDoS attack aims to overwhelm network system resources or overload the bandwidth of the network infrastructure. Should a DDoS attack be successful, it will render a network infrastructure unstable or unavailable to its users. DDoS protection tools are used to mitigate these DDoS attacks by:</p> <ul style="list-style-type: none"> • analysing data packets quickly in real-time to detect an anomaly that indicates a possibility of a DDoS attack; • separating and filtering non-legitimate requests from legitimate requests; and

6. INFORMATION ON OUR GROUP (Cont'd)

Solution	Description
<p>Vulnerability scanning software</p> 	<ul style="list-style-type: none"> analysing emerging internet threats to develop defences for future attacks. <p>Vulnerability scanning software identifies any security vulnerabilities in networks, systems and software, which could be exploited by attackers. These may include vulnerabilities in operating system programmes or code, and erroneous security configurations.</p>
<p>Endpoint protection platform</p> 	<p>Endpoint protection platform protects endpoints on a network or cloud from cybersecurity threats. These endpoints include desktops, laptops and mobile devices.</p> <p>Endpoint protection platforms can specify a range of approved software and executed files permitted to be present or active on the device. It can also detect and track abnormal behavioural patterns, remediate and respond to cyber threats, perform forensics on threats, and employ threat mitigation protocols.</p>
<p>Threat intelligence platform</p> 	<p>A threat intelligence platform collects, aggregates and analyses threat intelligence data from multiple sources such as hacking patterns, virus signatures, location of hackers and hacking tools used. This intelligence can help enterprises better manage their threat detection, identification, analysis and defence, due to the growing number of incidents and the complexity of the cyber-attacks.</p>
<p>NAC</p> 	<p>NAC enables visibility of network users to allow for access management, as well as policy enforcement on devices and users of corporate networks. It provides the following functions:</p> <ul style="list-style-type: none"> Enforcing security policies that block, isolate, and repair non-compliant machines without administrator attention; Recognition and profiling of users and their devices; Management of guest access through a customisable, self-service portal that includes guest registration, guest authentication, guest sponsoring, and a guest management portal; Evaluation of security policy compliance by user type, device type, and operating system; and

6. INFORMATION ON OUR GROUP (Cont'd)

Solution	Description
	<ul style="list-style-type: none"> Better management of mobile devices and own devices used to access the network infrastructure.
<p>Database security gateway</p> 	<p>Database security gateway secures sensitive data stored in databases. It provides full visibility into data usage, vulnerabilities, and access rights. It also enables security, audit and risk professionals to improve data security and meet compliance mandates.</p>
<p>NDR</p> 	<p>NDR monitors network traffic for malicious and suspicious behavioural patterns. This solution also responds to these detected cyber threats by sending signals to firewalls to drop suspicious traffic, perform threat hunting and responding to the incident.</p>

(iii) Provision of professional IT services

In order to better serve the customers of our enterprise and data centre networking and cybersecurity solutions, we provide the following professional IT services:

- Maintenance and technical support services

Our Group provides preventive maintenance services for the hardware used in the enterprise and data centre networking and cybersecurity solutions on a periodic basis. Technical support services are also provided to troubleshoot any issues concerning any of the hardware and/or software used in the enterprise and data centre networking and cybersecurity solutions provided. Our Group's in-house Technical Services personnel are on standby to provide technical support services 24 hours daily to its customers.

- Remediation of technical issues

Our Group assists its customers to remediate the technical issues faced while using its enterprise and data centre networking and cybersecurity solutions. If the source of the technical issue is faulty hardware, our Group will replace the said hardware sourced from the respective Technology Vendors.

If the source of the technical issue is due to corrupted software or a bug, our Group will communicate with the Technology Vendors so that a patch (a set of changes to the software) will be sent to remediate the issue. Should there be any technical issues arising from configuration of the solutions, our Group's Technical Services personnel have the required expertise to remediate these issues.

6. INFORMATION ON OUR GROUP (Cont'd)

- Providing software updates

As and when required, our Group will assist its customers to upgrade the software used in their solutions by installing the latest patch received from its Technology Vendors. This ensures that the software is compatible with latest operating systems used in computing devices and has functions that are relevant to the latest functionalities and features.

- Network monitoring services

Our Group undertakes 24-hour status monitoring of hardware devices connected to the network, where steps will be taken to remediate any network issues, and troubleshooting and maintenance of a functional network infrastructure.

In general, customers typically sign a 1-year professional IT service contract after the completion of an enterprise and data centre networking or cybersecurity solution for the customer. The customer would thereafter have an option to renew the professional IT service contract for a tenure of between 1 and 3 years. The contract fee is typically paid on a periodic basis. We generally charge based on a recurring income model which typically comprises annual contract fees and service fees.

(iv) Cloud services and software applications

We have launched cloud services and software applications for our customers in April 2022. Cloud solutions refer to scalable solutions delivered on a subscription basis. Among the benefits that our prospective customers can derive from this service are as follows:

- (a) Pay-per-use model – Rather than investing heavily in IT infrastructure such as servers or licensing software, our customers will be able to use the resources they need on an “as-needed” basis. The usage of cloud solutions is charged based on usage, with varied plans according to the different types of services and capacity required; and
- (b) Flexibility and scalability – Cloud solutions are particularly well-suited to businesses which are growing and have dynamic computing needs, and as such may require the flexibility to scale their backup and storage capacities as needed, and in line with business growth.

Our cloud services and software application solutions involve us carrying out the following activities:

- (a) Cloud consultancy and management – We seek to understand the enterprise’s requirements, consult and propose suitable cloud-based infrastructure and solutions, as well as assist customers to resolve complex technical issues in relation to the cloud-based infrastructure by coordinating with the Technology Vendors so that customers can focus on their day-to-day business activities;

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

- (b) Cloud migration – We assist enterprises to migrate their software applications and data from on-premises infrastructure (where servers are owned and managed by the customers) to cloud-based infrastructure. At present, the enterprises' software applications and data are migrated to public cloud infrastructure provided by third-party public cloud service providers. In the future, we intend to become a public cloud service provider, thus allowing enterprises to have the option of subscribing to our public cloud infrastructure to host their data. As detailed in Section 6.6.1 (iii) of this Prospectus, we will be working with suitable data centres to host this public cloud infrastructure; and
- (c) Deployment of IT workloads on the cloud-based infrastructure.

We charge a one-off project-based fee for the cloud consultancy service and the use of cloud-based infrastructure and software licences, as well as a service fee for configuration and IT workloads migration. Subsequently, we also charge our customer a cloud management service fee (if required by our customer) and software licence subscription fees on periodic basis depending on the type of cloud-based infrastructure and software sourced from the relevant Technology Vendors. Thereafter we pay the relevant Technology Vendors the software licence subscription fees.

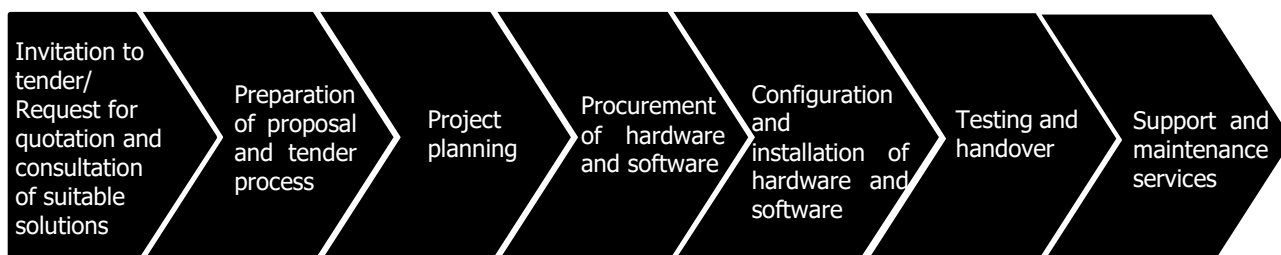
As at the LPD, we are an AWS Registered Partner and a reseller of Microsoft Azure and Alibaba Cloud's range of cloud-based products and services, which allow us to provide solutions using AWS and Alibaba Cloud's cloud-based software and services. We are also a Registered Segment Partner of ServiceNow Sales and Services Partner Program allowing us to provide solutions that enable IT services management and workflow automation using ServiceNow software and services. In addition, we have signed a memorandum of understanding with Sunline Technology (Malaysia) Sdn Bhd, a digital core banking solutions provider. With the memorandum of understanding signed with Sunline Technology (Malaysia) Sdn Bhd, we are able to implement their core banking software applications, which allows us to cross-sell and extend our range of solutions to our customer base of financial institutions.

As at the LPD, we have secured orders to provide cloud services and software applications, as follows:

- an order to provide ServiceNow IT services management for a company in the insurance industry amounting to RM1.67 million; and
- an order to provide cloud migration services for a company in the insurance industry amounting to RM0.55 million.

6.5.2 Business processes

Our operational processes for the implementation of our IT solutions are as depicted below:



6. INFORMATION ON OUR GROUP (Cont'd)

(i) Invitation to tender/ Request for quotation and consultation of suitable solutions

We typically obtain business opportunities via a tendering process and/or through referrals and recommendations from a Technology Vendor.

Prior to participating in a tender, personnel from our Technical Services division will carry out a preliminary site-visit to assess and evaluate the potential customers' IT environment. The preliminary site-visit will allow us to understand the customer's requirements and budget, assess their current network and/or cybersecurity infrastructure, as well as evaluate for areas of improvement. Under our cybersecurity solutions, at this stage, our Technical Services personnel will study the current cybersecurity architecture via existing network diagrams, examining the traffic flow of the current network, identify the entry and exit point of traffic, hence the layout of the solutions can be identified to optimally intercept traffic. Our Technical Services personnel will also examine the existing IT infrastructure and other existing solutions in order to determine if any integration works are required between existing and proposed new solutions. On the other hand, our Cloud Services and Software Applications personnel will assess the storage required to migrate the data from on-premises infrastructure to cloud-based infrastructure, should cloud migration services be required.

By doing so, we will not only be able to effectively prepare our tender and/or proposal, but also advise the potential customer on the suitable solutions to meet their requirements and needs.

Typically, the Technical Services personnel will present several options of suitable solutions. The Technical Services personnel may also demonstrate a proof of concept based on the solution design, if required by the potential customer. The potential customer will then select the most suitable solution design.

(ii) Preparation of proposal and tender process

Once the potential customer has selected a suitable solution design, our Technical Services personnel will work with our Sales personnel to prepare a tender response and/or proposal.

The information requested at this stage typically consists of:

- (a) Technical specifications and scope of work, which will detail our track record and capabilities of our Technical Services divisions, solution design specifications, information on major hardware and software used as well as timeframe taken to complete the project; and
- (b) Commercial terms such as costing, milestones and payment terms.

For solutions relating to wireless network infrastructure, we may use a wireless surveyor tool to prepare proposed wireless network infrastructure designs and determine the specifications and quantity of hardware and software required for the design.

Thereafter, we may meet with the potential customer to discuss and negotiate the technical and commercial terms of the submitted tender response or proposal.

6. INFORMATION ON OUR GROUP (Cont'd)

Should we win the tender or should the customer accept our proposal, the customer will either issue a letter of award and/or a purchase order to us. The letter of award will specify the technical and commercial terms that have been agreed upon. At this point, our Technical Services division will then be informed to commence the project.

(iii) Project planning

A project team is then formed. A typical project team comprises a Project Manager, a Project Consultant as well as a Technical Lead and a few implementation engineers (all of whom are from the Technical Services division).

Based on the design of the solution, the project team will prepare a project execution plan which entails the schedule and deliverables, resource allocation, required hardware and software, risk management and mitigation plans, and other administrative procedures of the project.

(iv) Procurement of hardware and software

Next, our Sales personnel will inform the Finance and Administration personnel to begin procuring the required hardware (such as servers, network switches, routers and/or firewalls) and software (such as operating systems, cybersecurity software, and/or virtualisation software).

For larger projects where costs of hardware and software is substantial (typically for projects above RM1.00 million), we will only procure the required hardware and software after receipt of our milestone payment for commencement of work.

We acknowledge the importance of providing quality enterprise and data centre networking as well as cybersecurity solutions to customers. Thus, we source reputable brands of hardware and software. The Technology Vendors of these reputable hardware and software brands generally undertake the necessary quality procedures to maintain their market reputation and are responsible for providing warranties for any defects relating to their hardware and software. Generally, Technology Vendors provide a 90 days warranty period.

Once the hardware arrives at our headquarters, we conduct physical inspections on the hardware to ensure that they are in good condition and meet the specifications and quantity ordered. Software licensing is delivered virtually with the relevant activation keys or pre-configured in the hardware.

We also perform a burn-in test by running the hardware for an extended period to ensure its durability and stability, in order determine its load capacity and identify any potential defects.

In addition, we may also engage suitable subcontractors to undertake any non-IT works such as electrical wiring, building structural works and complex cabling installation works. Our project team will brief the subcontractor on the works that needs to be done, and project manage the execution of these works.

For cloud services, we may engage third-party cloud hosting providers to host our customers' software applications on a cloud-based infrastructure.

6. INFORMATION ON OUR GROUP (Cont'd)

(v) Configuration and installation of hardware and software

Prior to configuring and installing the hardware and software, our project team will first undertake the staging process using a modelling software. Staging is the simulation of solution configurations in order to anticipate the outcome when the configuration is deployed. This allows us to assess the functionality of our solution configuration before it is installed.

Should the staging process yield the desired results, our project team will then configure hardware and software according to the solution design. If the staging process does not yield the desired results, our project team will rectify the solution configurations until the outcome is satisfactory.

If required, our project team will also configure the new solution for integration with any of our customer's existing systems. Under our cybersecurity solutions, based on the assessment performed as mentioned in Section 6.5.2(i), our Technical Services personnel will also determine the steps or processes that the solution should be configured for each cyber threat or attack, depending on the solution. These steps and processes will be the basis for programming the solutions to respond to each cyber threat or attack. We may also work with Technology Vendors and/or distributors to configure specific products.

For our cloud services and software application projects involving cloud migration services, we will utilise online data transfer and migration tools, data migration cloud services, file transfer tools and data transfer devices to facilitate the cloud migration process.

(vi) Testing and handover

Once the solution has been implemented, our project team will conduct a UAT and this is witnessed by the customer. The UAT involves testing out different functions, procedures, performance and scenarios, in both simulated and real-time environments. This is to ensure that the solution is functional and is deployment-ready. We will monitor the performance and functions of the solution to ensure it works according to our contractual requirements. Any errors that occur will be rectified to the satisfaction of the customer.

Once the customer is satisfied with the UAT, the customer will sign off on the UAT report and project handover document. This signifies the completion of the project. The solution will then be officially handed over to the customer and the final payment is made.

(vii) Support and maintenance services

Should our Group be engaged to provide professional IT services under professional IT service contracts with the customers, we will troubleshoot and/or replace any hardware utilised in our solutions.

We provide a warranty for our solutions to our customers, where we will troubleshoot and/or replace any hardware utilised in our solutions. The warranty period is generally 1 year. For hardware that is covered under our Technology Vendors' warranty period, any required replacements will be provided by the respective Technology Vendors and/or distributors.

6. INFORMATION ON OUR GROUP (Cont'd)

If the professional IT service contract includes network monitoring services, our Technical Services personnel will carry out the necessary activities at our NOC. Our Technical Services personnel is equipped with a network protocol analyser to capture and analyse signals and data traffic in order to troubleshoot and maintain a functional and efficient network infrastructure. The Technical Services personnel also utilises a network performance monitoring platform to provide visibility of status and performance of network infrastructure environment, in order to ensure that the network is functional at all times.

We use a trouble ticketing system to log incidents of any issues raised by the customer or issues faced with the solutions and network in carrying out our maintenance and technical support services. This enables monitoring and management of incidents.

6.5.2.1 QA/QC procedures

We have established an internal set of QA/QC procedures to be implemented throughout our processes to minimise any issues faced by customers post the handover of the solution to them. Our Technical Lead and Project Manager oversee all QA/QC procedures that are carried out throughout our processes. The following are the QA/QC procedures which are implemented at various stages of our operational process:

- (i) Ensuring all hardware and software are sourced from reputable Technology Vendors

Reputable Technology Vendors are generally multinational corporations which may stand to suffer from damages of industry reputation should there be major issues with their hardware and software. They thus undertake the necessary quality procedures on their hardware and software and are responsible for providing warranties for any defects relating to their hardware and software. We thus source for reputable brands of hardware and software.

- (ii) Inspections and tests on hardware received

Upon receipt of the hardware, the project team will conduct a physical inspection to ensure that the hardware is in good condition and the quantity and type of hardware are in accordance with the delivery note and purchase order raised.

Our project team performs a burn-in test by running the hardware for an extended period to ensure its durability and stability, in order to determine its load capacity and identify any potential defects.

- (iii) Staging of solutions to test solution configurations

Staging is the simulation of solution configurations that are performed to mimic the actual environment in order to anticipate the outcome when the configuration is deployed. We carry out staging using a modelling software to assess the functionality of our solution configuration before it is installed.

- (iv) UAT

A UAT will be conducted to demonstrate that the solution is working in accordance with the system solution design. The UAT involves the setup and running of the entire solutions under a simulated environment and real-time environment. The purpose of the UAT is to validate that the system integrity and performance are in accordance with the contractual requirements.

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

We conduct a UAT after the solution has been implemented, and this process is witnessed by the customer.

6.5.3 Technology used and to be used

We utilise the following technologies in carrying out our operational processes:

Type of solution/service	Technology	Description
Professional IT services	Trouble ticketing system	Logs incidents when they occur to enable monitoring and managing of incidents
Enterprise and data centre networking solution	Wireless surveyor tool	Assists in preparing wireless network plans as well as specifications and quantity of hardware and software required based on the network design
Enterprise and data centre networking and cybersecurity solutions	Modelling software	Creates simulated network environment for configuration testing and staging for solutions
Professional IT services	Network protocol analyser	Capture and analyse signals and data traffic to troubleshoot and maintain a functional and efficient network infrastructure
Professional IT services	Network performance monitoring platform	Provide visibility of status and performance of network infrastructure environment, in order to ensure that the network is functional
Cloud services and software applications	Online data transfer and migration tool	Automates the transfer of data between on-premises and cloud storage systems
Cloud services and software applications	Data migration cloud services	Eases the migration of databases on cloud and on-premises storage systems
Cloud services and software applications	File transfer tools	Fast and secure transfer of data files between existing storage systems and web-based cloud storage systems
Cloud services and software applications	Data transfer device	Portable and secure device used to collect, process and transfer data to cloud storage systems, either physically by shipping the device to the cloud storage vendor or online using an online data transfer and migration tool

6.5.4 Principal markets

Our business is operated in Malaysia and as such, our sales are solely generated from Malaysia. The analysis of revenue by revenue model and type of customers is set out in Section 11.2.2.

6. INFORMATION ON OUR GROUP (Cont'd)

6.5.5 Significant products/services introduced/to be introduced

Save as disclosed below, there are no other significant products/services introduced/to be introduced by our Group.

(i) Managed IT services

As detailed in Sections 6.6.1(i) and 6.6.1(ii), we intend to offer the following types of managed IT services:

(a) Managed cybersecurity services

Our Group intends to venture into offering managed cybersecurity services, which entails the provision of the following services:

- To provide 24-hour monitoring services to the customer based on security events collected from the customer's network and security devices across multiple brands and manufacturers for both cloud and on-premise IT infrastructure. This is the first line of defense to potentially identify threats or anomalies in the customer's environment;
- Analysing and correlating the security incidents from different sources to identify if there are any potential security threats, anomalies and security breaches that have occurred;
- To provide threat intelligence and Indicators of Compromise (IOC) to customers. This is a prevention stage as with the help of threat intelligence and IOCs, we can identify and detect for threats in the customer's network environment before the threats is executed and prevent it to propagate in the customer's environment; and
- To provide compliance management reports to customer. Reports to be tailored according to customer's industry and compliance requirement. Examples of compliance reports to be based on authorities such as BNM's RMIT, PCI-DSS and SOX.

In order to provide managed cybersecurity services, we intend to set up a SOC, which is a facility that has been equipped to carry out the abovementioned services in order to monitor and manage cyber threats and attacks.

(b) Managed network services

We intend to offer managed network services, which would entail providing the following services:

- 24-hour network monitoring services to customer which include network performance, network availability, network fault and network latency for on-premises IT infrastructure.
- 24-hour cloud infrastructure monitoring services to customer which includes detection of IT workload, cloud performance analysis and application latency for cloud IT infrastructure.

6. INFORMATION ON OUR GROUP (Cont'd)

- Network configuration management such as automatic backup, configuration change management and network device inventory (keeping track of all network devices, firmware versions and when the devices will be obsolete).
- To provide customised reporting services to customers based on their respective compliance and audit requirements.

To this end, we will be enhancing our NOC to enable the offering of the abovementioned services as well as to cater for more customers.

Both managed cybersecurity services and managed network services will be charged based on a recurring income model which typically comprises annual contract fees with a prespecified contract tenure. In general, the contract tenure for managed IT services is between 1 and 3 years.

6.5.6 Competitive positions

Our competitive positions are as follows:

(i) We have a built a track record of serving the financial services, insurance and telecommunications industries

Our customer base largely comprises enterprises operating in the financial services, insurance and telecommunications industries in Malaysia. It is crucial for companies operating in these industries to have high performance network infrastructures to support mission-critical applications. Revenues from enterprises operating in the financial services, insurance and telecommunications industries, comprised 61.9%, 82.7%, 92.9% and 88.9% of our total Group's revenues in the FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively. Our Group has 15 to 17 customers which are the enterprises operating in the financial services, insurance and telecommunications industries in Malaysia for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022.

In addition, these companies need to ensure that their IT operations are not disrupted over prolonged periods and/or IT assets and system resources are protected from cyber-attacks and threats. This ensures service availability and business continuity, which is crucial in upholding their reputation in the industry.

As such, some of these companies generally require their solution providers to participate in a tendering process where the solution providers will undergo a thorough due-diligence in terms of:

- Financial capability;
- Product quality and operating standards;
- Technical capabilities, track record and experience;
- Type of solutions offered and pricing; and/or
- Business conduct.

6. INFORMATION ON OUR GROUP (Cont'd)

Our success in securing and retaining customers in the financial services, insurance and telecommunications industries is a testament to the quality of the solutions we have implemented, as well as our after-sales support in providing professional IT services. Further, our success in securing sales from these companies serve as a reference for our Group as we continue to secure new orders and contracts as evidenced by the growth in our revenue from RM50.63 million in FYE 2019 to RM90.60 million in FYE 2022 in particular revenue from financial institutions which have increased from RM30.21 million in FYE 2019 to RM80.32 million in FYE 2022 as well as our unbilled purchase orders and unbilled contracts value as at LPD amounted to RM65.33 million.

(ii) We have a wide and complementary range of solutions

Under our IT solutions, we presently provide enterprise and data centre networking solutions and cybersecurity solutions, as well as professional IT services. These solutions are complementary to one another.

While enterprise and data centre networking solutions are solutions that are used to enable data transmission and connectivity, cybersecurity solutions protect these enterprise and data centre networking infrastructure from cyber threats and attacks. To complement both of these solutions, we also provide professional IT services which comprises maintenance and technical support and network monitoring services. We also provide cloud services and software applications for customers seeking scalable solutions.

Our wide and complementary range of solutions allows our Group to cross sell our products to our customers. From our customers' perspective, the ability to liaise with a single service provider to implement its solutions will eliminate the cost and inconvenience of dealing with multiple service providers. This sets us apart from industry players that offer only enterprise and data centre networking solutions or cybersecurity solutions, as well as industry players with a limited range of solutions offered.

By providing professional IT services, we are also able to provide after-sales technical support to our customers. We view this as crucial in maintaining good business relationships with our customers. In addition, we are able to enjoy recurring income from our customer base.

Meanwhile, we have also signed a memorandum of understanding with Sunline Technology (Malaysia) Sdn Bhd, a digital core banking solutions provider, which will allow us to implement their core banking software applications. This allows us to cross-sell and extend our range of solutions to our customer base of financial institutions.

(iii) We have built relationships with a well-established network of Technology Vendors

Since our commencement of business, we have been working with numerous Technology Vendors and their distributors from whom we source our hardware and software for our enterprise and data centre networking solutions and cybersecurity solutions as well as cloud services and software applications.

6. INFORMATION ON OUR GROUP (Cont'd)

By working with multiple Technology Vendors and distributors, we are not tied to a particular brand. Our ability to access a wide range of hardware and software from numerous brands has allowed us to create customised solutions for our customers, depending on their needs, industry requirements and budget. Thus, we can cater to a diverse range of needs based on factors such as organisation size, budget and complexity of the solution.

As at the LPD, we are authorised partners of Cisco Systems, Inc., Check Point Software Technologies Ltd., Darktrace Ltd., ExtraHop Networks, Inc., F5, Inc., FireEye, Inc., Fortinet, Inc., Group-IB Global Pte. Ltd., Huawei Technologies Co. Ltd., Imperva Inc., Netscout Systems, Inc., Palo Alto Networks, Inc. and Trellix group of companies. We have also been granted Platinum Partner by Trellix group of companies, Gold Integrator (or commonly known as Gold Partner) by Cisco Systems, Inc., Gold Partner by Imperva, Inc., Silver Partner by Huawei Technologies Co. Ltd., and Silver Partner by F5, Inc. We are also an AWS Registered Partner and a reseller of Microsoft Azure and Alibaba Cloud's range of cloud-based products and services, and a Registered Segment Partner of ServiceNow Sales and Services Partner Program.

In general, Technology Vendors grant these recognitions based on criteria on sales achievement on an annual basis and/or number of our in-house Technical Services personnel that have attended their training courses and received training certifications from the respective Technology Vendors.

These recognitions from the Technology Vendors enable us to obtain better pricing arrangements and rebates from them, which in turn could lead to us being able to offer more competitive pricing to our customers. We may also obtain rebates from the Technology Vendors as a reward for achieving the sales volume targets set by the Technology Vendors. In such cases, the Technology Vendors typically inform us on the sales volume targets that need to be achieved in order to attain the rewards (in the form of rebates) on a periodic (quarterly or annually) basis. Should we achieve the sales volume targets, the reward (in the form of rebates) will be given to us, either directly by the Technology Vendors or via the distributors. Apart from the above, the recognitions also contribute to our industry reputation and provides our customers with the assurance that we can deliver the solutions.

Further, we have built good working relationships with our network of Technology Vendors and their distributors, which has allowed us to source and place orders easily. We also leverage on our relationship with these reputable brand names, enabling us to build more reliable solutions for our customers.

We believe that our strong network of Technology Vendors and/or their distributors, will continue contributing to our business development and growth.

(iv) We have an experienced and committed senior management team, and technically strong Technical Services division

We have an experienced and committed senior management team which comprises our Executive Directors and key senior management. On average, our senior management team has approximately 26 years of working experience in their respective fields. The senior management team's combined skills, extensive knowledge, strong management capabilities and continued focus on realising strategies are vital to our Group's continued growth and future development. The combination of our senior management team's experience and expertise have been integral to our success and will continue to be a key factor in our future development.

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

As at the LPD, we have also recruited and trained 51 skilled personnel in our Project Management, Support and Maintenance, NOC and Pre-sales divisions, who are involved in carrying out project design and implementation as well as professional IT services. As these processes require specific skills and knowledge, we ensure that our employees receive the necessary on-the-job training. Some of these personnel have also received the necessary training from our Technology Vendors and are Cisco Certified Internetwork Experts (CCIE). As at the LPD, 2 of our Technical Services personnel have also been certified by AWS, which is one of the criteria for us being an AWS Consulting Partner in the future.

6.5.7 Seasonal or cyclical effects

Our operations are not significantly affected by seasonal/cyclical effects as our customers generally operate throughout the year.

6.5.8 Types, sources and availability of input

The key inputs for our business include hardware, software, direct labour, subcontractor and other inputs.

Hardware and software are generally available from Technology Vendors and/or their distributors, though we may experience some delays in receiving hardware from Technology Vendors due to a global shortage of microchips. These hardware and software are the key supplies used in the design and implementation of our solutions.

In addition, we engage subcontractors to perform non-IT related works such as mechanical and electrical works and building structural works, that are required in the design, implementation, configuration, installation, and maintenance of enterprise and data centre networking solutions and cybersecurity solutions.

The breakdown of our key inputs is as follows:

	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	(1)%	RM'000	(1)%	RM'000	(1)%	RM'000	(1)%
Hardware and software	29,490	77.7	27,432	74.4	32,654	78.2	53,461	81.1
Direct labour cost	4,320	11.4	4,913	13.3	4,569	11.0	6,146	9.3
Subcontractor cost	3,166	8.3	3,703	10.0	3,701	8.9	5,436	8.3
Other direct cost ⁽²⁾	1,000	2.6	836	2.3	811	1.9	841	1.3
	37,976	100.0	36,884	100.0	41,735	100.0	65,884	100.0

Notes:

- (1) As a percentage of total cost of sales
- (2) Comprises incidental expenses incurred for the implementation of our solutions and services such as freight charges, depreciation charges on equipment and travelling expenses of technical personnel.

6. INFORMATION ON OUR GROUP (Cont'd)

Save as disclosed in Section 6.5.15, we have not faced acute shortages or major price differentials for our required purchases during FYE 2019 to FYE 2022 which has materially affected our financial performance. In addition, we have not experienced major cost differentials for any of our subcontract agreements during the FYE 2019 to FYE 2022 which has materially affected our financial performance.

6.5.9 Sales and marketing

We generally have 2 customer segments, namely:

(i) Customers who are end-users

End-users are the users of the IT solutions that we design, implement, maintain and manage. These end-users are typically large corporations that are mainly in the financial services, insurance and telecommunications industries, as well as small and medium enterprises.

(ii) Customers who are technology service providers

We also work with other technology service providers for larger and more complex projects that constitute provision of solutions other than enterprise and data centre networking solutions and cybersecurity solutions.

We secure our sales using the following approaches:

(i) Direct engagement with new customers in the financial services, insurance and telecommunications industries

Our active participation in reaching out to new enterprises allows us to create awareness of our Group and solutions offered.

We tender and/or receive request for proposals from these enterprises who are generally large corporations and multinational companies by submitting our tender responses and/or proposals to the relevant parties. Once we determine we have met the requirements of these enterprises, i.e. the required technical capability, track record and experience, type of solution and resources to deliver the specifications, parameters and requirements of the project, we will submit our tender response or proposal to the relevant party.

(ii) Referrals and joint-marketing programs with Technology Vendors

Having had approximately 20 years of experience in the enterprise and data centre networking and cybersecurity industries in Malaysia, we have developed a network of Technology Vendors and distributors. We secure new customers through referrals from Technology Vendors and distributors as well as existing customers.

At times, end-users will reach out to Technology Vendors to procure enterprise and data centre networking solutions and cybersecurity solutions. As these Technology Vendors typically do not design, implement, maintain and manage these solutions, these Technology Vendors will pass us these leads for us to follow up and offer our solutions. For the financial years under review, we have secured 2 new customers through referrals from Technology Vendors.

6. INFORMATION ON OUR GROUP (Cont'd)

We have the capability to design and implement enterprise and data centre networking as well as cybersecurity solutions using hardware and software sourced from various Technology Vendors. We design enterprise and data centre networking solutions according to the layout design of the infrastructure, quantity, specifications and location of IT hardware used to support the solutions. We also design cybersecurity solutions tailored to optimally intercept traffic, undertake a series of processes if a particular type of cyber-attack or threat were to occur. Apart from that, we also provide professional IT services to better serve our enterprise and data centre networking and cybersecurity solution customers with maintenance and technical support, remediation of technical issues and/or network monitoring services.

As we offer a wide range of enterprise and data centre networking and cybersecurity solutions, as detailed in Section 6.5.1, we are able to leverage on our existing customer base to optimise revenue generation by offering more comprehensive solutions to cater to our customers' needs. This benefits our customers as they only need to deal with a single solution provider instead of multiple solution providers for multiple solutions.

Further, our Technology Vendors also provide us with rebates for expenses relating to marketing activities carried out in conjunction with their hardware and software.

(iii) Recurring orders from existing customers

We also secure new orders from our existing customers. Customers who are satisfied and have confidence with the quality of service provided by us typically return to us for further solutions. We may also cross-sell other solutions such as cloud services and software applications to existing customers.

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

6.5.10 Major approvals and licences

As at LPD, there are no other major approvals, major 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
(1)	CSSB	MOF	21 July 2021/ 25 July 2024	<p>Certificate of Registration under the following categories and description:</p> <p>(a) 010302 - publishing and broadcasting, publishing equipment/ printing/ sound system equipment/ speaker and projector;</p> <p>(b) 010501 - publishing and broadcasting/ photography and filming/ camera and accessories;</p> <p>(c) 020201 - furniture, office equipment, interior and domestic decorations/ office machineries and accessories;</p> <p>(d) 020301 - furniture, office equipment, interior and domestic decorations/ electrical and electronic appliances/ electric appliance and accessories;</p> <p>(e) 120401 - defence and security/ safety and enforcement equipment/ safety tool, protection and protection control;</p> <p>(f) 140301 - electrical and electronic engineering equipment/ cables, electric wires and accessories/ electric cables and accessories;</p>	<p>(a) CSSB shall ensure that the field registered in this certificate of registration does not overlap with the approved field given to any other companies that:</p> <p>(i) have the same shareholder or board of directors/ director, management and employee; or</p> <p>(ii) operate in the same premises.</p> <p>(b) A newly registered company is not allowed to change the composition of its shareholders or directors within 6 months from the date of registration.</p> <p>(c) CSSB shall submit an application for renewal 3 months prior to the date of expiry.</p>	<p>Complied</p> <p>Complied</p> <p>Noted</p>

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
				(g) 140302 - electrical and electronic engineering equipment/ cables, electric wires and accessories/ electric wires and accessories;		
				(h) 210201 - ICT (information communication technology)/ equipment and telecommunication equipment/ communication tool; or		
				(i) 221502 - services/ rental and management/ machines and office equipment.		
(2)	CSSB	Kuala Lumpur City Hall ("DBKL")	30 September 2022/ 29 September 2023	Business premise license for Unit J-6-12, Block J, Solaris Mont Kiara. No.2, Jalan Solaris Mont Kiara, 50480 Kuala Lumpur bearing licence No.: DBKL.JPPP/00461/05/2018/PR01	None.	-
(3)	CSSB	DBKL	13 September 2022/ 12 September 2023	Business premise and advertising license for Unit J-6-13, Block J, Solaris Mont Kiara, No.2, Jalan Solaris Mont Kiara, 50480 Kuala Lumpur bearing licence No.: DBKL.JPPP/02709/07/2020/KM01	None.	-

As at the LPD, our Group has obtained all necessary licences and approvals for our operations and our Group has not experienced any non-compliance issues and/or failure to renew any of our licences and permits which has materially affected our business or financial performance during the financial period under review.

6. INFORMATION ON OUR GROUP (Cont'd)

6.5.11 Intellectual property rights

Save as disclosed below, our Group does not have any other intellectual property rights:

Trademark	Application No.	Class/Description	Status
	TM2022012982	Class 9/ Computer hardware; computer hardware and downloadable computer software for use in data storage, data retrieval, data access, data backup, data security, data replication, data availability, data transmission, data recovery, data restoration, data translation, data conversion, virtualization, networking, collaboration, remote access, remote support, and data encryption; computer hardware and software for use in cloud computing; computer hardware and software for database management; computer hardware for telecommunications; computer hardware for network access servers and computer network services; computer database servers; cloud servers; data storage devices; data protection backup units; data processing apparatus; computer peripheral devices; computer programs and software; application software for cloud computing; cloud based software; downloadable computer software in the field of database management, audio and audio-visual media access, storage, retrieval and playback, cloud computing, and the Internet, namely, downloadable computer software for transmitting, sharing, receiving, downloading, displaying and transferring content, text, visual works, audio works, audio visual works, literary works, data, files, documents and electronic works; computer software in the field of data security for secure network access, data and software security, encryption, content compliance and governance; downloadable computer software for information technology resource planning and management; computer software for compliance management and risk analysis in the fields of computer and network security; computer programs for data processing; computer software platforms for cloud computing networks and application; computer programs for Internet of Things (IoT) enabled devices; computer programs for project management; computer programs for the control of telecommunication apparatus; computer programs for use in telecommunications; computer programs for using the Internet and the World Wide Web; all included in Class 9.	Provisional refusal notice dated 27 December 2022 ⁽¹⁾
	TM2022012987	Class 35/ Administration of business affairs; administrative services; business management; business administration; office functions; business consultancy; business consultation; business consulting; business administration consultancy; business advice and consultancy; business management assistance services; business intelligence and business analytical services; advisory services for business management; advisory and consulting services in relation to information technology infrastructure, streamlining business intelligence and providing application modernization and migration services; collating of data in computer	Provisional refusal notice dated 27 December 2022 ⁽¹⁾

6. INFORMATION ON OUR GROUP (Cont'd)

Trademark	Application No.	Class/Description	Status
		databases; compilation of business information into computer databases; providing business information via global computer networks; systematization of data into computer databases; compilation and input of information into computer databases; provision of business information via global computer networks; collection, systematization, compilation and analysis of business data and information stored in computer databases; data processing; computerised data processing; data management; collection of data; computerized database and file management; compilation and systemization of data into computer databases; compilation and systemization of information into computer databases; data searches in computerized files for others; promotion; promotional services; sales promotion; promotional marketing; business promotion; computerised business promotion; publicity services; direct mail advertising; advertising; advertising and promotional services provided over the internet; display services for merchandise; dissemination of advertising matter; mobile advertising services on telecommunication apparatus; advisory and consultancy services to the aforesaid services; all included in Class 35.	
	TM2022012992	Class 42/ Software as a service (SaaS); platform as a service (PaaS); infrastructure as a service (SaaS); computerised data storage services; cloud computing consultancy; cloud computing services; design and development of computer software for cloud computing; programming of operating software for accessing and using a cloud computing network; providing temporary use of online non-downloadable operating software for accessing and using a cloud computing network; providing web servers and co-locations to third party cloud computing and data storage facilities; rental of computer software; leasing of operating software for accessing and using a cloud computing network; rental of decentralized cloud storage facility for containerized data centers of others; rental of operating software for accessing and using a cloud computing network; cloud storage services for electronic data; cloud storage services for electronic files; cloud hosting services; providing virtual computer systems and virtual computer environments through cloud computing; creating and maintaining web sites for others, hosting computer sites (web sites); computer software technical support services; software consulting services; software design; software design services; software development; software development services; software installation and maintenance; software maintenance services; computer system development; computer system design, computer systems analysis; computer services concerning electronic data storage; computerised data storage; design and development of data storage systems; information technology consultancy; information technology services provided on an outsourcing basis; computer technology consultancy; information technology security services in the nature of protection and recovery of computer data; computer disaster recovery planning; computer disaster recovery planning services; back-up services for computer hard drive data; electronic data back-up; off-site data backup; computer security consultancy; internet security consultancy; data security consultancy; data	Provisional refusal notice dated 27 December 2022 ⁽¹⁾

6. INFORMATION ON OUR GROUP (Cont'd)

Trademark	Application No.	Class/Description	Status
		encryption services; advisory and consultancy services relating to computer software and hardware; all included in Class 42.	

Note:

- (1) On 27 December 2022, we received provisional refusal notice from MyIPO in relation to our trademark application on the ground that the combined words of "cloud" and "point" may have reference that the goods or services applied under this trademark relate to computers and cloud computing. We had on 24 February 2023 submitted an appeal against the provisional refusal to MyIPO. Our trademark agent had vide its letter dated 21 March 2023 opined that we have a reasonably good chance of overcoming the said provisional refusal and that the outcome of the appeal is expected to be known approximately 6 months or more from the date of submission of our appeal letters.

Since we do not rely on the trademark for our business operations, there will be no material adverse impact on our business operations as well as the performance of our Group in the event of unsuccessful registration of the trademark.

6.5.12 Dependency on contracts, intellectual property rights, licences or processes

The business or profitability of our Group is not materially dependent on any contracts, intellectual property rights, licences or processes.

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

6.5.13 Research and development

Due to the nature of our business, we do not undertake any research and development activities for our existing business in providing enterprise and data centre networking solutions, cybersecurity solutions, and professional IT services as well as cloud services and software applications.

6.5.14 Regulatory requirements and environmental issues

The following is an overview of the regulatory requirements governing our Group which are material to our business operation, which is not intended to be an exhaustive description of all laws and regulations to which our business is subject to:-

(i) **Local Government Act 1976 ("LGA 1976")**

Pursuant to Section 102(s) of the LGA 1976, the relevant local authorities may control and supervise, by registration, licensing or otherwise, a trade, business or industry. Businesses in Kuala Lumpur, Wilayah Persekutuan are regulated by the Licensing of Trades, Businesses and Industries (Federal Territory of Kuala Lumpur) By-Laws 2016. The local authorities may prescribe for breach of any by-law, a fine not exceeding RM2,000 or a term of imprisonment not exceeding 1 year, or both and in the case of a continuing offence, a sum not exceeding RM200 for each day during which the offence is continued after conviction. As at the LPD, our Group holds and maintains valid business and signboard licences issued by the respective local authorities.

As at LPD, there are no environmental issues which may materially affect our Group's operations arising from the utilisation of our assets.

6.5.15 Interruptions to our business and operations

Save for lockdowns and restrictions imposed in Malaysia due to COVID-19, our Group has not experienced any interruption in our business and operations which had a significant effect on our business and operations during the past 12 months preceding the LPD.

(i) **Impact of COVID-19 on our Group's business operations**

During the MCOs and lockdowns implemented throughout 2020 and 2021, all government and private premises were required to be closed and to cease operations except those involved in essential services.

We serve companies involved in essential services, i.e. financial services, insurance and telecommunications industries. As such, during the first MCO, our Group was able to partially resume our operations in our office in Malaysia on 4 May 2020 after receipt of approval from MITI, and our other employees worked from home. Despite working from home, we could continue to carry out the design, implementation and maintenance of solutions on-site at our customers' premises for customers operating in the essential services sector and at our business premises. We subsequently fully resumed our operations in our corporate office on 10 June 2020.

However, as we were restricted from operating at full capacity throughout certain periods of the MCOs, and some of our customers had certain strict SOPs put in place, we took longer to deliver certain projects. As a result, the implementation of some of our projects during the MCO period were prolonged by 1 month to 6 months. Nevertheless, there were no cancellations of orders or penalties imposed by our customers for any delays as at the LPD.

6. INFORMATION ON OUR GROUP (Cont'd)

Malaysia has entered into the "Transition to Endemic" phase since 1 April 2022, and "Endemic" phase since 1 May 2022. Since then, all restrictions limiting business operating hours and number of employees in a workplace have been uplifted. Our Group does not expect that it will face any material operational disruptions moving forward as a result of the COVID-19 pandemic.

(ii) Impact of COVID-19 and MCOs on our supply chain

Since the implementation of the first MCO, we experienced delays in shipment of hardware, which have resulted in delays in implementation of our projects for several of our projects. These delays were largely contributed by a shortage in components used by our Technology Vendors to manufacture the hardware. The shortage in components was due to the global shortage in microchips as fabrication activities were disrupted when foundries could not operate due to the national lockdowns, and imposition of tariff barriers to restrict companies in both the United States and China from trading.

(iii) Impact of COVID-19 on our liquidity, financial position and financial performance

Our Group's revenues continued to improve from RM50.63 million in FYE 2019 to RM90.60 million in FYE 2022, registering a CAGR of 21.41% during the period. Our Group mainly served end-user industries such as financial services, insurance and telecommunications industries, all of which are deemed as essential services and could continue operating during the national lockdown policies that were implemented in Malaysia. As such, our business operations experienced minimal disruptions throughout 2020 and 2021.

However, due to the longer implementation time for some of our projects resulting from the operational restrictions of the MCOs and shortage in components used by our Technology Vendors to manufacture the hardware, we experienced delays in recognition of revenues for these said projects. Projects that were supposed to be completed within FYE 2020 but were only completed in FYE 2021 amounted to a project value of approximately RM4.91 million. Meanwhile, projects that were supposed to be completed in FYE 2021 but will only be completed in FYE 2022 and FYE 2023 amounted to approximately RM7.07 million. Out of the RM7.07 million, our Group has recognised RM6.33 million, while the remaining RM0.74 million has not been recognised as the project is ongoing as at the LPD.

In addition, the COVID-19 pandemic played a part in driving the digital economy as many corporations implemented work-from-home policies during the MCO and National Recovery Plan, which gave rise to the use of digital tools to enable file sharing, virtual video and audio teleconferencing and project management applications. These digital tools require the use of enterprise and data centre networking solutions and cybersecurity solutions. As such, we benefitted from the growth of the industry during the period.

Moving forward, we expect to continue benefiting from the growth of the industry as enterprise and data centre networking solutions and cybersecurity solutions become increasingly essential in carrying out daily operational tasks.

6. INFORMATION ON OUR GROUP (Cont'd)

(iv) Measures and steps taken in our business operations in response to COVID-19 pandemic

Our Group complies with the regulatory requirements that are imposed from time to time by the Malaysian Government to safeguard the safety and health of our employees from the outbreak of diseases including that of COVID-19. As at the LPD, all of our employees are fully vaccinated for COVID-19. Since implementation of the first MCO up to the LPD, there has been no breach of laws relating to COVID-19 restrictions or SOPs which have led to penalties imposed by relevant authorities.

There was no material disruption to our business operations, and our Group's financial performance was not materially impacted by the COVID-19 pandemic.

6.6 BUSINESS STRATEGIES AND PROSPECTS

6.6.1 Business strategies

The following are our business strategies:

(i) We intend to venture into providing managed cybersecurity services by setting up a SOC

A SOC is a facility which facilitates the monitoring and management of cyber threats and attacks impacting an enterprise's network infrastructure. Generally, a SOC has the necessary platforms that can carry out the following primary functions, amongst others:

- To provide 24-hour monitoring services to customer to potentially identify threats or anomalies in customer's environment;
- Analysing and correlating the security incidents of different sources to identify if there are any potential security threats, anomaly and security breaches that have occurred;
- To provide threat intelligence and IOC to customers; and
- To provide compliance management reports to customer according to customer's industry and compliance requirements such as the BNM's RMiT, PCI-DSS and SOX. Under the BNM's RMiT, issues in the cybersecurity solutions are required to be detected and reported to the customer. Meanwhile under the PCI-DSS, the network infrastructure is required to be monitored to ensure that it meets requirements such as deployment of firewalls, malware or anti-virus solutions, and no usage of default passwords. Under the SOX, any tampering of financial information is required to be detected and stopped.

These platforms will be monitored and managed by our in-house personnel in the SOC division.

The SOC will not only facilitate us providing the abovementioned services, but also enhance our competitiveness in securing managed cybersecurity services projects.

The differences between the managed cybersecurity services and the cybersecurity solutions that we currently offer are as follows:

6. INFORMATION ON OUR GROUP (Cont'd)

	Cybersecurity solutions	Managed cybersecurity services
Internal IT team	Customer needs to set up an internal IT team to manage solutions and monitor cyber-attacks and threats	We assist customers to manage solutions and monitor cyber-attacks and threats
Keeping abreast to latest cyber threat landscape	Customer will constantly need to send its internal IT team for training in order to keep abreast with latest cyber threat landscape and cybersecurity solutions	Customers can leverage on our expertise in developing best practices, procedures and policies for cybersecurity

The SOC will share the same facility as the NOC to encourage operational efficiency, though the platforms and equipment will differ. To this end, we have allocated RM0.37 million for facilities enhancement which will include renovation costs and acquisition of hardware such as servers, racks, switches, video wall display solutions and uninterrupted power supply, as well as other ancillary expenses such as utilities, transportation cost, other miscellaneous expenses and contingencies.

We intend to allocate RM4.95 million to set up a SOC, which will be fully funded via the IPO proceeds. Out of the RM4.95 million, RM3.49 million will be used to acquire software such as SIEM for security events collection and correlation, SOAR for threats response automation and threat intelligence subscriptions. We plan to complete the facilities enhancement works for the SOC within 18 months upon receiving the IPO proceeds.

We will thereafter begin recruiting new personnel to set up a SOC team. We plan to recruit and train 1 SOC Manager, 2 Senior Security Analysts and 8 Security Analysts. We intend to complete the recruitment of the new SOC team within 24 months upon receiving the IPO proceeds. Our allocation of RM1.46 million used to set up a team will be used for the salaries and training of these personnel over a 12-month period.

A summary of our estimated timeframe for setting up a SOC are as follows:

Timeframe (from the date of listing)	Milestone
1 st to 6 th month	<ul style="list-style-type: none"> Procurement of hardware such as servers, racks, switches, video wall display solutions and uninterrupted power supply Appointment of contractor and other third-party consultants to carry out facilities enhancement works
7 th to 12 th month	<ul style="list-style-type: none"> Obtain approval from relevant authorities such as management of our office building Commencement of facilities enhancement works
13 th to 18 th month	<ul style="list-style-type: none"> Complete facilities enhancement works Commence recruitment of SOC team

6. INFORMATION ON OUR GROUP (Cont'd)

Timeframe (from the date of listing)	Milestone
19 th to 24 th month	<ul style="list-style-type: none"> • Installation of hardware and software in SOC • Setup and running of the SOC under a simulated environment to validate the system integrity and integration among all IT components • Complete recruitment of initial SOC team comprising 1 SOC Manager, 2 Senior Security Analysts and 8 Security Analysts
25 th to 36 th month	<ul style="list-style-type: none"> • SOC team to undergo training • Complete training of SOC team • SOC in operation

In view of the above milestone, our Group is of the view that the estimated timeframe to set up the new SOC of our Group is reasonable.

In the initial stage, the new SOC will be able to serve 140 devices, based on the software licences we intend to procure. We intend to increase the capacity to cater for more devices as and when we secure new contracts. As at the LPD, we have received 1 enquiry from our existing customer in the financial services industry on provision of managed cybersecurity services.

Managed cybersecurity services prevent customers from incurring substantial operational expenses in setting up their own dedicated IT team to monitor cyber threats and attacks. With the abovementioned plans, we aim to benefit from the potential growth in demand for managed cybersecurity services driven by the forecast growth in the cybersecurity solutions industry in Malaysia by CAGR of 16.1%, from an estimated RM4.5 billion in 2023 to RM6.1 billion in 2025 (based on the IMR Report) as well as the convenience of our customers to engage our Group for a one-stop solutions instead of engaging numerous solution providers for different types of solutions.

(ii) We intend to enhance our existing NOC to enable the offering of managed network services

We began to offer network monitoring services as part of our professional IT services to our customers since 2016. However, these network monitoring services are presently limited to the monitoring of the status of hardware devices connected to the network such as switches and routers, and troubleshooting and maintaining a functional and efficient network infrastructure.

By enhancing our existing NOC, we will be improving the infrastructure of our existing NOC by upgrading our network bandwidth, software toolsets, switches, servers and storage.

With the enhancement of our existing NOC, we will not only be able to cater for more customers but will also be able to carry out more services. The difference in service offerings between the present and future NOC are as follows:

6. INFORMATION ON OUR GROUP (Cont'd)

Present:	Future:
24-hour hardware health status monitoring, where steps will be taken to remediate any network issues, and troubleshooting and maintenance of a functional network infrastructure.	24-hour network monitoring services to customer which includes network performance, network availability, network fault and network latency for on-premises IT infrastructure.
	24-hour cloud infrastructure monitoring services to customer which includes detection of IT workload, cloud performance analysis and application latency for cloud IT infrastructure.
	Network configuration management such as automatic backup, configuration change management and network devices inventory (keeping track of all network devices firmware versions and when the devices will be obsolete).
	Customised reporting services to customers based on their respective compliance and audit requirements. This includes report on the status of the customers' networking equipment and software which allows the determination of the requirement for upgrade, renewal or replacement to be undertaken), unauthorised configurations or configuration errors or non-compliant networking equipment in the network infrastructure.

In order to enhance our existing NOC, we intend to acquire new software for network management and monitoring, network performance monitoring, network configuration management, endpoint management and traffic analysis. We will also need to hire 9 new personnel in our NOC division, comprising 1 NOC Manager and 8 network analysts.

As such, we will allocate RM2.08 million of our IPO proceeds, of which RM1.39 million will finance the acquisition of new software from Solarwinds and PRTG branded networking management and monitoring, network performance monitoring, network configuration management, endpoint management and traffic analysis software. The remaining RM0.69 million will be used to finance the setting up of the new team, which include costs relating to salaries and training of these personnel over a 12-month period.

Our NOC will share the same facility as the SOC to encourage operational efficiency, though the platforms and equipment will differ. To this end, we have allocated RM0.37 million as mentioned in Section 6.6.1(i) above for facilities enhancement which will include renovation costs and acquisition of hardware such as servers, racks, switches, video wall display solutions and uninterrupted power supply, as well as other ancillary expenses such as utilities, transportation cost, other miscellaneous expenses and contingencies.

We plan to complete the facilities enhancement works for the NOC within 18 months upon receiving the IPO proceeds and complete the enhancement of our existing NOC within 24 months from the receipt of our IPO proceeds.

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

A summary of our timeframe for enhancement of our existing NOC are as follows:

Timeframe (from the date of listing)	Milestone
1 st to 6 th month	<ul style="list-style-type: none"> • Procurement of hardware such as servers, racks, switches, video wall display solutions and uninterrupted power supply • Appointment of contractor and other third-party consultants to carry out facilities enhancement works
7 th to 12 th month	<ul style="list-style-type: none"> • Obtain approval from relevant authorities such as management of our office building • Commencement of facilities enhancement works
13 th to 18 th month	<ul style="list-style-type: none"> • Complete facilities enhancement works • Commence recruitment of NOC team
19 th to 24 th month	<ul style="list-style-type: none"> • Installation of hardware and software in NOC • Setup and running of the enhanced NOC under a simulated environment to validate the system integrity and integration among all IT components • Complete recruitment of initial NOC team comprising 1 NOC Manager and 8 Network Analysts
25 th to 36 th month	<ul style="list-style-type: none"> • New NOC team to undergo training • Complete training of new NOC team • Enhanced NOC in operation

In view of the above milestone, our Group is of the view that the estimated timeframe to enhance the existing NOC of our Group is reasonable.

With the enhancement of our existing NOC, we will be able to enhance our competitiveness in securing managed network services projects. This will allow us to increase our revenue stream with the subscription fees earned for the managed network services offered.

As at the LPD, we presently offer network monitoring services and have not begun to offer managed network services. We are presently providing network monitoring services for 1 customer, serving approximately 2,300 devices. With the enhancement of NOC to cater for managed network services, we will be able to serve 14,400 devices. For clarification purpose, the number of customers that we cater to for our network monitoring services will depend on the number of devices in which our customers would require us to serve.

6. INFORMATION ON OUR GROUP (Cont'd)

(iii) We intend to expand our cloud services and software applications segment

Since April 2022, we have launched cloud services and software applications for our customers. As at the LPD, we have secured 2 customers for our cloud services and software applications segment.

According to the IMR Report, cloud solutions have been gaining traction and there are approximately 50 cloud service providers in Malaysia in 2022. Our Group has gained knowledge and understanding of network infrastructure by implementing enterprise and data centre networking solutions. This knowledge and understanding of network infrastructure have allowed us to have in-depth understanding of customers' needs of the network infrastructure. Thus, we intend to leverage on this knowledge and understanding to provide cloud services and software applications. By doing so, we are able to tap on the growing market trend for cloud solutions.

In addition, to facilitate and expedite our expansion in the cloud services and software applications segment, we have established a cloud services and software applications division in August 2021, which is led by Hiew Hoong Tat, the Head of Cloud Services and Software Applications. We intend to recruit 4 new Cloud Engineers who will be tasked to undertake consultation and implementation works for our customers.

Further, as we have been receiving enquiries from existing customers to host their data on public cloud infrastructure, we intend to become a public cloud service provider by establishing our own public cloud infrastructure. In the past, we generally refer them to local public cloud service providers. By being a public cloud service provider, this will allow enterprises to subscribe to our public cloud infrastructure to host their data.

Public cloud infrastructure is a service that allows users to access computing resources over the internet. This service will allow for more flexibility and scalability in terms of resources allocation as well as efficiency in management and operations as compared to private cloud infrastructure as the users can easily adjust the amount of computing resources they need based on their current demands. This service will also be more cost-effective than private cloud infrastructure as the public cloud infrastructure is charged based on usage, with varied plans according to the different type of services and capacity required.

We plan to capture the market for customers who are required to comply to data sovereignty within Malaysia, as well as customers who would like to begin having their IT workload hosted in a cloud infrastructure, which offers better infrastructure resiliency, reduced existing data center footprint, better management and operational efficiency. We will be required to obtain the ASP (C) licence registered with the MCMC in order to provide public cloud infrastructure services. The requirements to obtain the ASP (C) licence include company profile and organisation chart, incorporation documents from the Companies Commission Malaysia, brief description of the services/solutions provided and an annual registration fee of RM2,500. In the event we are unable to obtain the ASP (C) licence, we will not be able to provide public cloud infrastructure services. Nevertheless, our Group is confident that with the competitive positions of our Group as stipulated in Section 6.5.6, the ASP (C) licence can be easily obtained. For avoidance of doubt, our Group does not require any certified/qualified personnel to establish the new public cloud infrastructure.

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

As at LPD, we are in the midst of identifying suitable data centres to host our public cloud infrastructure. According to the IMR Report, the cloud solution industry size in Malaysia, as indicated by the expenditure on public cloud, is forecast to grow to USD2.1 billion (RM9.2 billion) in 2026. We will be allocating RM5.90 million to establish the new public cloud infrastructure, which includes procuring the required hardware and software as well as recruiting 4 Cloud Engineers.

Once we have identified suitable data centres to host our public cloud infrastructure, we will then acquire the required IT hardware and software to form a hosting platform which includes the management cluster infrastructure for the management of cloud computing environment; compute cluster infrastructure for the running of the workloads; and network and security infrastructures such as switches and firewalls sourced from Technology Vendors such as Hewlett Packard Enterprise, VMware, Inc., Fortinet, Inc. and Imperva, Inc and/or their appointed distributors. We intend to set up a public cloud infrastructure which have a storage capacity of 360 terabyte. We estimate that this will cost approximately RM3.47 million, and this cost will be fully funded via our proceeds to be raised from our Public Issue.

The timeline for establishment of our public cloud infrastructure is as follows:

Timeframe (from the date of listing)	Milestone
1 st to 3 rd month	<ul style="list-style-type: none"> Identify suitable data centres
4 th to 12 th month	<ul style="list-style-type: none"> Design of public cloud infrastructure Procurement of IT hardware and software
13 th to 18 th month	<ul style="list-style-type: none"> Submit application for ASP (C) licence to MCMC Implementation of IT hardware and software in public cloud infrastructure Commence recruitment of Cloud Engineers
19 th to 24 th month	<ul style="list-style-type: none"> ASP (C) licence obtained Setup and running of the public cloud infrastructure under a simulated environment to validate the integrity and integration among all IT components Complete recruitment of Cloud Engineers Commence offering public cloud infrastructure

Further, we intend to expand the segment by collaborating with new and existing Technology Vendors to offer a wider range of cloud services and software applications. As at the LPD, we are exploring to work with 1 new Technology Vendor to provide financial technology services.

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

We envisage the expansion of our cloud services and software applications segment will incur costs of RM0.60 million, which will include salaries of the cloud services and software applications division as well as costs of obtaining the necessary certifications after undergoing training by the new Technology Vendors, i.e. AWS, Microsoft Azure, Alibaba Cloud, ServiceNow and Sunline, over the next 12 months. This will be funded via our internally generated funds.

We expect the expansion of our cloud services and software applications segment will broaden our range of solutions and allow us to cross-sell these solutions to our existing customer base. Thus, our success in developing this segment is expected to contribute towards further growth in our operations and financial performance.

6.6.2 Our prospects

The networking solutions industry in Malaysia grew from RM432.9 million in 2017 to an estimated RM1.2 billion in 2022 at a CAGR of 23.1%. Meanwhile, the cybersecurity solutions industry in Malaysia grew from RM2.1 billion in 2017 to an estimated RM4.0 billion in 2022 at a CAGR of 13.8%.

Moving forward, the networking and cybersecurity solutions industries in Malaysia are forecast to grow by a further CAGR of 18.9% and 16.1%, respectively between 2023 and 2025. This is expected to be driven by:

- (i) Rapid pace of technological evolution and uptake of these technologies;
- (ii) Government initiatives to develop the networking and cybersecurity solutions industries;
- (iii) Increased occurrences and level of sophistication of cyber threats and attacks;
- (iv) Need for regulatory compliance to protect against cyber threats and attacks; and
- (v) Growing number of companies and businesses.

(Source: IMR Report)

6.7 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 FYE 2022 and up to LPD:

- (i) Conditional share sale agreement dated 20 June 2022 entered into between Cloudpoint and the Promoters for the acquisition of 1,500,000 ordinary shares in CSSB representing 100.0% equity interest in CSSB for a total consideration of RM15,650,304. This transaction has been completed on 3 February 2023.
- (ii) Sale and purchase agreement dated 12 April 2022 between CSSB and Jendela Mayang Sdn Bhd for the acquisition of an office unit identified as Parcel No. CT10/16-05 under the PDH2 Development provisionally known as Pavillion Damansara Heights, Kuala Lumpur erected on a freehold land held under H.S.(D) 122739 PT 50018, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 1,916 sq ft for a total cash consideration of RM2,951,000.

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

- (iii) Sale and purchase agreement dated 12 April 2022 between CSSB and Jendela Mayang Sdn Bhd for the acquisition of an office unit identified as Parcel No. CT10/16-06 under the PDH2 Development provisionally known as Pavillion Damansara Heights, Kuala Lumpur erected on a freehold land held under H.S.(D) 122739 PT 50018, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 2,852 sq ft for a total cash consideration of RM4,371,000.

- (iv) Underwriting Agreement.

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

6.8 PROPERTY, PLANT AND EQUIPMENT

6.8.1 Material properties

6.8.1.1 Properties owned by our Group

As at LPD, our Group does not own any property.

6.8.1.2 Properties rented by our Group

The summary of the 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	Date of CF/CCC	Period of tenancy/ Rental per annum
(i)	Unit 6-12 and Unit 6-13, Block J, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur, Wilayah Persekutuan.	OPN Capital Sdn Bhd/ CSSB	Two units of office on the sixth floor of an office building/ Office and NOC	6,178	8 January 2008	1 June 2022 to 31 May 2024/ RM205,368.48 ⁽¹⁾
(ii)	No. 144, Jalan Batu Estate, Segambut, 51200 Kuala Lumpur, Wilayah Persekutuan.	Extra Space Segambut Sdn Bhd/ CSSB	Two units of self-storage space located at a self-storage facility/ Storeroom utilised for the storage of our Group's engineering spares and accounting records	N/A ⁽²⁾	N/A ⁽³⁾	14 February 2023 to 13 August 2023/ RM16,992.00 ⁽⁴⁾

Notes:

- (1) The properties are rented concurrently from the same landlord namely OPN Capital Sdn Bhd at total monthly rental rate of RM17,114.04.

6. INFORMATION ON OUR GROUP (Cont'd)

- (2) We have rented one medium and one large unit of self-storage space that have a build-up area of approximately 69 sq ft and 117 sq ft, respectively. However, the built-up area is not stipulated in the storage licence.
- (3) The landlord has not provided us with a copy of the CF/CCC. We do not foresee any material adverse impact on our business operations as these storage spaces are rented to store our Group's engineering spares and accounting records. We are also able to relocate to other storage facilities easily.
- (4) The two units of self-storage space are rented from the same landlord namely Extra Space Segambut Sdn Bhd at a total monthly rate of RM1,416.00 for a total rental period of 6 months as the current rental period offers us the most competitive pricing as compared to a longer period of tenancy due to the pricing policy set by the landlord. Furthermore, the 6 months tenancy period will allow us to evaluate the suitability of this storage facility in terms of its accessibility and security while we consider a longer-term tenancy.

The properties rented by our Group are not in breach of any other land use conditions, current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations as at LPD.

6.8.1.3 Acquisition of properties

Save as disclosed below and Section 6.7, we have not entered into any agreements to acquire any properties during FYE 2019 to FYE 2022 and up to LPD.

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6. INFORMATION ON OUR GROUP (Cont'd)

No.	Date of purchase	Registered owner/ Title details	Description of property/ Tenure/ Category of land use (if any)	Land area/ Built-up area sq ft	Date of CF/CCC	Purchase value RM'000
(i)	12 April 2022	CSSB Office unit identified as Parcel No. CT10/16-05 erected on a freehold land held under H.S.(D) 122739 PT 50018, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur.	Description of property: Office unit on the sixteenth floor of a hotel and office tower Tenure: Freehold Category of land use: Building	Not applicable/ 1,916	Not applicable ⁽¹⁾	2,951
(ii)	12 April 2022	CSSB Office unit identified as Parcel No. CT10/16-06 erected on a freehold land held under H.S.(D) 122739 PT 50018, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur.	Description of property: Office unit on the sixteenth floor of a hotel and office tower Tenure: Freehold Category of land use: Building	Not applicable/ 2,852	Not applicable ⁽¹⁾	4,371

Note:

(1) This property is still under construction as at the LPD.

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

6.8.2 Operating capacities and output

Our Group is principally involved in the provision of enterprise and data centre networking solutions and cybersecurity solutions, as well as professional IT services. As such, conventional measures of production capacity and utilisation are not relevant to our operations.

6.8.3 Material plans to construct, expand or improve our facilities.

Save for the proposed utilisation of proceeds from our IPO 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 the LPD.

6.9 EMPLOYEES

As at the LPD, we have a total workforce of 77 full time employees and all of our employees are Malaysian. The following depicts the breakdown of employees in our Group:

Division	Number of employees	
	As at 31 December 2022	As at the LPD
Directors and key senior management	5	5
Finance and administration	10	11
Sales	8	8
Technical Services ⁽¹⁾	52	53
- Project management ⁽²⁾	6	5
- Support and maintenance ⁽³⁾	37	40
- NOC ⁽⁴⁾	3	3
- Pre-sales ⁽⁵⁾	4	3
- Cloud services and software applications ⁽⁶⁾	2	2
Total	75	77

Notes:

- (1) Our Technical Services personnel does not require specific certification or qualification to carry out their jobs. Some of our Technical Services personnel attended the training organised by our Technology Vendors to ensure that they have the necessary expertise to design and implement solutions utilising the Technology Vendor's hardware and/or software, and as part of the requirement for our Group to achieve recognitions granted by the Technology Vendor such as Platinum Partner, Gold Integrator (or commonly known as Gold Partner), Gold Partner and Silver Partner.
- (2) Project management team is in charge of ensuring all project deliverables are met within the stipulated timeframe.
- (3) Support and maintenance team is responsible for carrying out labour intensive works such as implementation and installation works, maintenance and technical support, remediation of technical issues and software updates.
- (4) NOC team is in charge of carrying out network monitoring services.

6. INFORMATION ON OUR GROUP (Cont'd)

- (5) Pre-sales is in charge of the design of solutions tailored to customers' requirements and business needs, as well as demonstration of proof of concepts.
- (6) Cloud services and software application team is in charge of carrying out cloud services and software application solutions/services.

None of our employees belong to any trade unions and there has been no industrial dispute since we commenced operations.

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

6.10 MAJOR CUSTOMERS

Our Group's revenue from customers varies from year to year depending on the types and quantity of products sold. Our top 5 major customers for each of FYE 2019 to 2022 are as follows:

FYE 2019

No.	Customers	Types of solutions sold	Revenue contribution in FYE 2019		Length of relationship ⁽⁷⁾ Years
			RM'000	⁽⁶⁾ %	
1	Customer G ⁽¹⁾	<ul style="list-style-type: none"> • Enterprise and data centre networking solutions; • Cybersecurity solutions; and • Professional IT services 	15,912	31.4	10
2	Customer D ⁽¹⁾	<ul style="list-style-type: none"> • Enterprise and data centre networking solutions; • Cybersecurity solutions; and • Professional IT services 	6,462	12.8	14
3	Infomina Berhad ⁽²⁾	<ul style="list-style-type: none"> • Enterprise and data centre networking solutions; • Cybersecurity solutions; and • Professional IT services 	5,645	11.1	4
4	Advance Prominent Sdn Bhd ⁽⁵⁾	<ul style="list-style-type: none"> • Enterprise and data centre networking solutions; and • Cybersecurity solutions 	3,483	6.9	4

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Customers	Types of solutions sold	Revenue contribution in FYE 2019		Length of relationship⁽⁷⁾
			RM'000	(6)%	Years
5	Customer A ⁽³⁾	<ul style="list-style-type: none"> Enterprise and data centre networking solutions; Cybersecurity solutions; and Professional IT services 	3,231	6.4	19
			34,733	68.6	

FYE 2020

No.	Customers	Types of solutions sold	Revenue contribution in FYE 2020		Length of relationship⁽⁷⁾
			RM'000	(6)%	Years
1	Customer G ⁽¹⁾	<ul style="list-style-type: none"> Enterprise and data centre networking solutions; Cybersecurity solutions; and Professional IT services 	13,404	26.2	10
2	Customer D ⁽¹⁾	<ul style="list-style-type: none"> Enterprise and data centre networking solutions; Cybersecurity solutions; and Professional IT services 	9,020	17.6	14
3	Customer F ⁽¹⁾	<ul style="list-style-type: none"> Cybersecurity solutions; and Professional IT services 	6,521	12.7	16

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Customers	Types of solutions sold	Revenue contribution in FYE 2020		Length of relationship ⁽⁷⁾
			RM'000	⁽⁶⁾ %	Years
4	Customer C ⁽¹⁾	<ul style="list-style-type: none"> Enterprise and data centre networking solutions; Cybersecurity solutions; and Professional IT services 	5,574	10.9	9
5	Heitech Padu Berhad ⁽²⁾	<ul style="list-style-type: none"> Enterprise and data centre networking solutions; Professional IT services 	4,709	9.2	20
			39,228	76.6	

FYE 2021

No.	Customers	Types of solutions sold	Revenue contribution in FYE 2021		Length of relationship ⁽⁷⁾
			RM'000	⁽⁶⁾ %	Years
1	Customer G ⁽¹⁾	<ul style="list-style-type: none"> Enterprise and data centre networking solutions; Cybersecurity solutions; and Professional IT services 	23,018	38.7	10
2	Customer D ⁽¹⁾	<ul style="list-style-type: none"> Enterprise and data centre networking solutions; Cybersecurity solutions; and Professional IT services 	9,307	15.6	14

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Customers	Types of solutions sold	Revenue contribution in FYE 2021		Length of relationship ⁽⁷⁾
			RM'000	⁽⁶⁾ %	Years
3	Customer B ⁽¹⁾	<ul style="list-style-type: none"> Enterprise and data centre networking solutions; Cybersecurity solutions; and Professional IT services 	5,537	9.3	17
4	Customer E ⁽⁴⁾	<ul style="list-style-type: none"> Cybersecurity solutions; and Professional IT services 	4,363	7.3	6
5	Customer F ⁽¹⁾	<ul style="list-style-type: none"> Enterprise and data centre networking solutions; Cybersecurity solutions; and Professional IT services 	4,323	7.3	16
			46,548	78.2	

FYE 2022

No.	Customers	Types of solutions sold	Revenue contribution in FYE 2022		Length of relationship ⁽⁷⁾
			RM'000	⁽⁶⁾ %	Years
1	Customer G ⁽¹⁾	<ul style="list-style-type: none"> Enterprise and data centre networking solutions; Cybersecurity solutions; and Professional IT services 	31,947	35.3	10

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Customers	Types of solutions sold	Revenue contribution in FYE 2022		Length of relationship ⁽⁷⁾
			RM'000	⁽⁶⁾ %	Years
2	Customer D ⁽¹⁾	<ul style="list-style-type: none"> Enterprise and data centre networking solutions; Cybersecurity solutions; and Professional IT services 	25,822	28.5	14
3	Customer B ⁽¹⁾	<ul style="list-style-type: none"> Enterprise and data centre networking solutions; Cybersecurity solutions; and Professional IT services 	7,564	8.3	17
4	Customer F ⁽¹⁾	<ul style="list-style-type: none"> Enterprise and data centre networking solutions; Cybersecurity solutions; and Professional IT services 	7,029	7.8	16
5	Customer H	<ul style="list-style-type: none"> Enterprise and data centre networking solutions; Cybersecurity solutions; and Professional IT services 	3,118	3.4	10
			75,480	83.3	

Notes:

- (1) Involved in the financial services industry.
(2) Technology service provider.

6. INFORMATION ON OUR GROUP (Cont'd)

- (3) Involved in the insurance industry.
- (4) Involved in the telecommunication industry.
- (5) Involved in the business of trading of IT hardware and software.
- (6) Divided by total revenue of the respective financial year.
- (7) Length of relationship is as at the LPD.

Our enterprise and data centre networking and cybersecurity solution projects secured from any given customer may contribute a significant portion to our Group's annual revenue for a given year. As such, our Group's top 5 customers generally contribute a large percentage to our Group's revenue. Our major customers for FYE 2019 to FYE 2022 contributed to the majority of our revenue, representing 68.6%, 76.6%, 78.2% and 83.3% of our total revenue.

As our Group's enterprise and data centre networking and cybersecurity solution projects are secured based on a one-off project-based income model, the composition of our top 5 customers generally changes from year-to-year depending on:

- the value of the project secured which is determined by the type and nature of projects undertaken; and
- complexity of the solutions provided.

While most of our top 5 customers fluctuated from year to year, Customer G and Customer D were consistently our top 5 customers during the financial years under review, collectively contributing 44.2%, 43.8%, 54.3% and 63.8% in the FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively. Save for Advance Prominent Sdn Bhd, all of our major customers remain as customers of our Group during the financial years under review. Customer G and D were consistently our top 5 customers during the financial years under review as we continued to secure subsequent projects for upgrade and expansion activities relating to enterprise and data centre networking solutions and cybersecurity solutions. This is because our Group strives to maintain long-term business relationships with all of our major customers, including Customer G and Customer D, by providing quality solutions and services that meet our customers' needs and requirements as well as professional IT services after the completion of each project, which are key factors that may have led to our customers engaging us for their future upgrade and expansion activities. Further, as companies in the financial services industry require high performance network infrastructures to support mission-critical applications, they generally prefer to continue engaging IT solution providers that have a track record of providing reliable solutions to the financial services industry. Our Group has built our track record of serving the financial services industry, having been able to secure and retain customers in the financial services industry.

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

In view of the above, our Group is not dependent on any particular customer. It is important to note that we also have a diversified customer base, with 49 customers in FYE 2019, 46 customers in FYE 2020, 41 customers in FYE 2021, 40 customers in FYE 2022 and 30 customers as at the LPD. Notwithstanding the revenue contribution from Customer G amounting to 31.4%, 26.2%, 38.7% and 35.3% of our total revenue in FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively, we are not dependent on any single customer as we have a diversified customer base.

Save for professional IT service contracts, we do not enter into long-term agreement or contract with our major customers as our sales with them are transacted based on purchase order basis.

6.11 MAJOR SUPPLIERS

Our Group's top 5 suppliers for FYE 2019 to FYE 2022 are as follows:

FYE 2019

No.	Suppliers	Types of products sourced	Product brands sourced	Value of purchases		Length of relationship ⁽⁴⁾
				RM'000	⁽³⁾ %	Years
1	VSTECs Pericomp Sdn Bhd	Network and cybersecurity hardware	Cisco, F5, Huawei and Palo Alto	11,165	29.4	18
2	East Net Data System Sdn Bhd	Network and cybersecurity hardware	Cisco	4,059	10.7	3
3	Ingram Micro Malaysia Sdn Bhd	Network and cybersecurity hardware	Cisco and Fortinet	3,088	8.1	18
4	Advance Prominent Sdn Bhd ⁽¹⁾	Network and cybersecurity hardware	Cisco and Palo Alto	2,284	6.0	4

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Suppliers	Types of products sourced	Product brands sourced	Value of purchases		Length of relationship⁽⁴⁾
				RM'000	⁽³⁾%	Years
5	M-Security Technology Sdn Bhd	Network and cybersecurity hardware	Darktrace, Log Rhythm, Imperva, Tenable and Trellix	1,969	5.2	17
				22,565	59.4	

FYE 2020

No.	Suppliers	Types of products sourced	Product brands sourced	Value of purchases		Length of relationship⁽⁴⁾
				RM'000	⁽³⁾%	Years
1	VSTECs Pericomp Sdn Bhd	Network and cybersecurity hardware	Cisco, F5, Huawei and Palo Alto	7,007	19.0	18
2	Ingram Micro Malaysia Sdn Bhd	Network and cybersecurity hardware	Cisco and Fortinet	6,264	17.0	18
3	Secure Source Distribution Sdn Bhd	Cybersecurity hardware	Imperva	3,930	10.7	16
4	M-Security Technology Sdn Bhd	Network and cybersecurity hardware	Darktrace, Log Rhythm, Imperva, Tenable and Trellix	2,761	7.5	17
5	Tec D Distribution Sdn Bhd ⁽²⁾	Network hardware	Huawei	2,288	6.2	5
				22,250	60.4	

6. INFORMATION ON OUR GROUP (Cont'd)

FYE 2021

No.	Suppliers	Types of products sourced	Product brands sourced	Value of purchases		Length of relationship ⁽⁴⁾
				RM'000	⁽³⁾ %	Years
1	VSTECs Pericomp Sdn Bhd	Network and cybersecurity hardware	Cisco, F5, Huawei and Palo Alto	11,513	27.6	18
2	M-Security Technology Sdn Bhd	Network and cybersecurity hardware	Darktrace, Log Rhythm, Imperva, Tenable and Trellix	7,601	18.2	17
3	CSP Global Technologies Sdn Bhd	Cybersecurity hardware	Trellix	4,426	10.6	10
4	Ingram Micro Malaysia Sdn Bhd	Network and cybersecurity hardware	Cisco and Fortinet	2,488	6.0	18
5	Exclusive Networks Malaysia Sdn Bhd	Network hardware	Fortinet, Netscout, Palo Alto and Solarwinds	2,337	5.6	5
				28,365	68.0	

FYE 2022

No.	Suppliers	Types of products/ services sourced	Product brands sourced	Value of purchases		Length of relationship ⁽⁴⁾
				RM'000	⁽³⁾ %	Years
1	VSTECs Pericomp Sdn Bhd	Network and cybersecurity hardware	Cisco, Juniper, HP, IBM Security, F5, Huawei, Trend Micro and Palo Alto	26,491	40.2	18

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Suppliers	Types of products/ services sourced	Product brands sourced	Value of purchases		Length of relationship ⁽⁴⁾
				RM'000	⁽³⁾ %	Years
2	Adaptive Netpoleon Malaysia Sdn Bhd	Network and cybersecurity hardware	Checkpoint, Allot, Arbor, Force Point, Tipping Point and Netscout	6,684	10.2	10
3	CSP Global Technologies Sdn Bhd	Cybersecurity hardware	Trellix, McAfee and Pulse Secure	5,104	7.8	10
4	ES Connect Sdn Bhd	Network cables	Panduit	3,386	5.1	2
5	M-Security Technology Sdn Bhd	Network and cybersecurity hardware	Darktrace, Brocade, Talariax, Log Rhythm, Imperva, Tenable, RSA, Symantec and Trellix	3,318	5.0	17
				44,983	68.3	

Notes:

- (1) Advance Prominent Sdn Bhd was then intended to be part of our Group as the dedicated vehicle to undertake the IT equipment trading business. Pursuant to that, CSSB had purchased network and cybersecurity hardware from Advance Prominent Sdn Bhd with the intention to strengthen the profile of Advance Prominent Sdn Bhd and build up the supplier relationship of Advance Prominent Sdn Bhd. CSSB had also provided enterprise and data centre networking and cybersecurity solutions (in particular the network and cybersecurity hardware) to Advance Prominent Sdn Bhd to enable Advance Prominent Sdn Bhd to resell to other customers in order to further strengthen the sales track record of Advance Prominent Sdn Bhd. Please refer to Section 9.1 for further details of Advance Prominent Sdn Bhd.
- (2) Formerly known as Innovix Distribution Sdn Bhd.
- (3) Divided by total cost of sales of the respective financial year.
- (4) Length of relationship is as at the LPD.

6. INFORMATION ON OUR GROUP (Cont'd)

Our Group's top 5 suppliers make up more than 59.4%, 60.4%, 68.0% and 68.3% of our Group's purchases for FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

We are not dependent on any individual Technology Vendors and/or their distributors for our business operations for the financial years under review as we are able to source similar hardware and software from other suppliers. The percentage of purchases from our top 5 suppliers are high because we chose to purchase physical hardware components and software from the above suppliers in bulk to obtain competitive pricing.

Although the percentage contribution of purchases from VSTECS Pericomp Sdn Bhd increased from 29.4% in FYE 2019 to 40.2% in FYE 2022, we are not dependent on VSTECS Pericomp Sdn Bhd as we are able to source similar hardware and software from other suppliers. We, however, increased our purchases from them due to the competitive pricing offered for the brands of the products they distribute.

Save for Advance Prominent Sdn Bhd and East Net Data System Sdn Bhd, all of our major suppliers are distributors of Technology Vendors and they remain as suppliers of our Group during the financial years under review. We have not experienced any major disruptions in supplies for the financial years under review. Over the years we have built good relationships with our suppliers.

6.12 EXCHANGE CONTROL

Our Group has not established any place of business outside of Malaysia and is not subject to any governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and remittance of profits by or to our Group.

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7. IMR REPORT



PROVIDENCE STRATEGIC PARTNERS SDN BHD
(1238910-A)
67-1, Block D, Jaya One, Jalan Prof Diraja Ungku Aziz,
46200 Petaling Jaya, Selangor, Malaysia.
T: +603 7625 1769

Date: 10 April 2023

The Board of Directors
CLOUDPOINT TECHNOLOGY BERHAD
Unit J-6-13, Block J, Solaris Mont' Kiara
No. 2, Jalan Solaris, Mont' Kiara
50480 Kuala Lumpur
Malaysia

Dear Sirs,

Independent Market Research (“IMR”) Report on the Networking and Cybersecurity Solutions Industries and Cloud Solution Industry in Malaysia in conjunction with the Proposed Listing of Cloudpoint Technology Berhad on the ACE Market of Bursa Malaysia Securities Berhad

PROVIDENCE STRATEGIC PARTNERS SDN BHD (“**PROVIDENCE**”) has prepared this IMR report on the Networking and Cybersecurity Solutions Industries and Cloud Solution Industry in Malaysia for inclusion in the Prospectus of Cloudpoint Technology Berhad.

PROVIDENCE has taken prudent measures to ensure reporting accuracy and completeness by adopting an independent and objective view of these industries within the confines of secondary statistics, primary research and evolving industry dynamics. We believe that this IMR report presents a balanced view of the industries within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive.

For and on behalf of PROVIDENCE:

MELISSA LIM
EXECUTIVE DIRECTOR

About PROVIDENCE STRATEGIC PARTNERS SDN BHD:

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

About MELISSA LIM:

Melissa Lim is the Executive Director of PROVIDENCE. She has more than 10 years of experience in market research for capital market exercises. Melissa Lim holds a Bachelor of Commerce (Double major in Marketing and Management) from Murdoch University, Australia.

7. IMR REPORT (Cont'd)



Cloudpoint Technology Berhad and its subsidiary (collectively referred to as “**Cloudpoint Group**”) is an IT solutions provider based in Malaysia which focuses on providing enterprise and data centre networking solutions, cybersecurity solutions and professional IT services. The Group has also recently launched cloud services and software applications and is planning to venture into managed network and cybersecurity services. As such, this IMR report focuses on the following:

- **The networking and cybersecurity solutions industries in Malaysia**, which are the industries in which Cloudpoint Group presently operates as it offers enterprise and data centre networking, cybersecurity solutions and professional IT services. The new services which the Group intends to offer, i.e. managed network and cybersecurity solutions, are also part of the networking and cybersecurity industries; and
- **The cloud solution industry in Malaysia**, which is the industry which Cloudpoint Group has recently begun to operate in, when it began to offer cloud services and software applications.

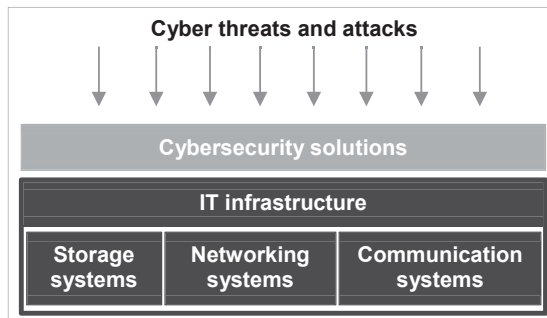
1 THE NETWORKING AND CYBERSECURITY SOLUTIONS INDUSTRIES IN MALAYSIA

DEFINITION AND SEGMENTATION

Networking solutions are systems that are used in offices and data centres to enable data transmission and connectivity. Networking systems fall under information technology (“IT”) infrastructure solutions which facilitate and support the management and usage of digital data. Other IT infrastructure solutions include storage systems which enable storage and backup of digital data, as well as communication systems which allow users to communicate and collaborate through different avenues such as e-mail, video conferencing and voice over internet protocol. Networking and other IT infrastructure solutions have become increasingly crucial for enterprises’ business operations.

Meanwhile, cybersecurity solutions prevent cyber threats and attacks to IT infrastructure. This includes a variety of solutions aimed at preventing and defending an enterprise’s network, endpoints (such as computers and mobile devices) and data against cyber threats and attacks.

With the increased utilisation of networking solutions, cybersecurity solutions have become critical to protect enterprise networks, endpoints and data from cyber-attacks and unauthorised access, thus mitigating these cybersecurity risks and any costs associated with dealing with these attacks. As such, both cybersecurity and networking solutions are complementary as an enterprise requires both of these solutions to safely and securely transmit data, facilitate connectivity and defend against cyber threats and attacks. Both cybersecurity and networking solutions refer to a combination of physical hardware components and software, as well as services to install, implement and/or manage these solutions.



The networking and cybersecurity solutions industries’ value chains are generally similar. Both of these industry value chains comprise companies that are involved in:

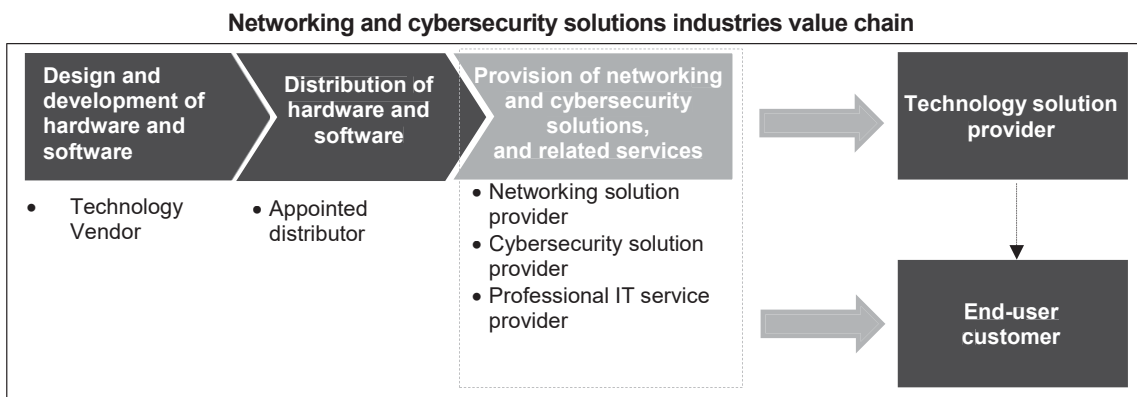
- Design and development of hardware and software** – companies which design and develop the physical hardware components (such as servers, routers and switches), as well as the software required to enable its functionality (such as vulnerability scanning software, anti-malware software and network management software). These companies are typically established multinational companies, and are referred to as “**Technology Vendors**”;
- Distribution of hardware and software** – companies which market and sell physical hardware components and software on behalf of the Technology Vendors; and

7. IMR REPORT (Cont'd)



(iii) **Provision of networking and cybersecurity solutions, and related services** – companies which evaluate and consult enterprises to design a networking solution tailored to the organisational needs and/or propose a suitable cybersecurity solution to protect the IT infrastructure, as well as implement and integrate various physical hardware components and software to form a complete solution. Some of these companies may also provide professional IT services, such as real-time network monitoring, implementing protective measures and/or responding to any cyber threats and attacks.

Cloudpoint Group is principally involved in the provision of IT solutions, comprising enterprise and data centre networking and cybersecurity solutions to enterprises. In addition, Cloudpoint Group provides professional IT services to better serve their customers of enterprise and data centre networking and cybersecurity solutions.



Notes:

- (i) Denotes the segment in which Cloudpoint Group presently operates.
- (ii) This list is not exhaustive.

Source: PROVIDENCE

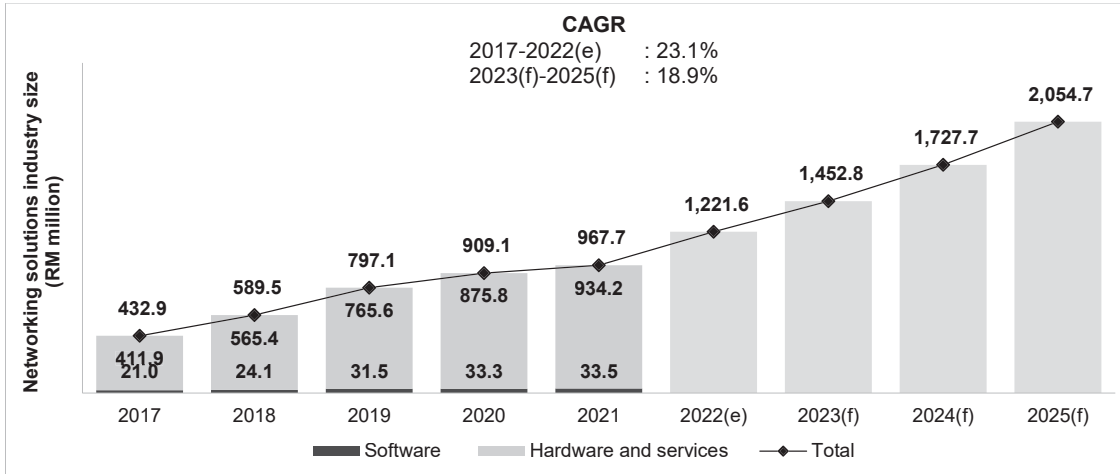
INDUSTRY PERFORMANCE, SIZE AND GROWTH – NETWORKING SOLUTIONS

The networking solutions industry in Malaysia is depicted by the sales of networking hardware, software and services (including managed network services) in the country. The total networking solutions industry grew from RM432.9 million in 2017 to an estimated RM1.2 billion in 2022 at a compound annual growth rate (“CAGR”) of 23.1%. Moving forward, the total networking solutions industry in Malaysia is forecast to grow by a further CAGR of 18.9%, from an estimated RM1.5 billion in 2023 to RM2.1 billion in 2025.

7. IMR REPORT (Cont'd)



Networking solutions industry size in Malaysia



Note:

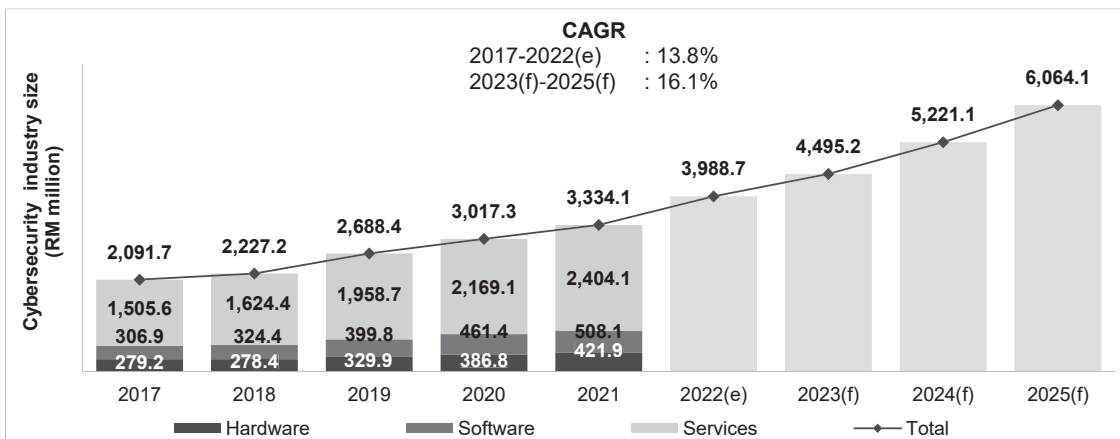
(i) (f) – Forecast

Source: International Data Corporation, PROVIDENCE analysis

INDUSTRY PERFORMANCE, SIZE AND GROWTH – CYBERSECURITY SOLUTIONS

The cybersecurity solutions industry in Malaysia is depicted by the sales of cybersecurity hardware, software and services, including managed cybersecurity services, in the country. The total cybersecurity solutions industry grew from RM2.1 billion in 2017 to an estimated RM4.0 billion in 2022 at a CAGR of 13.8%. Moving forward, the total cybersecurity solutions industry in Malaysia is forecast to grow by a further CAGR of 16.1%, from an estimated RM4.5 billion in 2023 to RM6.1 billion in 2025.

Cybersecurity solutions industry size in Malaysia



Notes:

(i) (f) – Forecast

(ii) Numbers may not add up due to rounding

Source: International Data Corporation, PROVIDENCE analysis

The cybersecurity solutions industry in Malaysia is largely driven by sales of cybersecurity services which include services such as penetration tests, consulting and on-site technical support as well as managed security services. In 2021, cybersecurity services comprised 72.1% of the total cybersecurity solutions industry in Malaysia. Meanwhile, spending on cybersecurity hardware and software comprised 12.7% and 15.2% respectively of the total cybersecurity solutions industry in Malaysia in 2021. Spending on

7. IMR REPORT (Cont'd)



cybersecurity services and software has been growing at a relatively faster pace as compared to spending on cybersecurity hardware. Between 2017 and 2021, spending on cybersecurity services and software grew at CAGRs of 12.4% and 13.4%, while spending on cybersecurity hardware grew at a CAGR of 10.9%.

KEY GROWTH DRIVERS

Rapid pace of technological evolution as well as uptake of these technologies create demand for networking and cybersecurity solutions

The proliferation and evolution of technologies in daily lives, for both personal and business reasons, have increased the usage of consumer electronics and other personal devices. Examples of these technologies include:

- Artificial Intelligence (AI)
- Big data
- Cloud computing
- Internet of Things (“IoT”)
- Mobile and social computing

To stay competitive, governments and corporations are utilising these technologies as part of their business operations in the wake of globalisation and to improve efficiency. The use of these technologies has also led to increasing amount of data due to digitalisation. Digital data is valuable and crucial to organisations across various economic sectors, as it facilitates their day-to-day business operations, enables customer transactions, allows for collaboration even from different locations and is used in analysis, which leads to the need to protect this data.

The COVID-19 pandemic has also forced organisations to adapt to remote working arrangements as countries around the world had to impose lockdowns to curb the spread of this disease. Realising the need for the flexibility of allowing their employees to work from home, organisations have harnessed the use of technology such as file sharing, messaging platforms, project management and video conferencing. The increased popularity of electronic commerce platforms during this time has also encouraged organisations to take their business online as an additional revenue channel.

The National IoT Strategic Framework estimates that the market for IoT in Malaysia will reach RM42.5 billion by 2025, growing at a CAGR of 34.9% from RM9.5 billion in 2020. Meanwhile, the Government of Malaysia intends to accelerate the adoption of big data through the National Big Data Analytics Framework, which would spur demand for big data in all sectors, catalyse the adoption of big data in the public sector and build the big data industry in Malaysia. Further, the National Fiberisation and Connectivity Plan 2019-2023 will provide the robust infrastructure needed to support these technologies.

As these technologies continue to become more significant in our daily lives, this will subsequently create demand for supporting networking and cybersecurity solutions to safely and securely transmit data, facilitate connectivity and defend against cyber threats and attacks.

Government initiatives to develop the networking and cybersecurity solutions industries in Malaysia

The Government of Malaysia recognised cybersecurity as a national priority and developed the National Cyber Security Policy (“NCSP”) in 2016 to address its risks to the Critical National Information Infrastructure (CNII), which encompasses National Defence and Security; Banking and Finance; Information and Communications; Energy; Transportation; Water; Health Services; Government; Emergency Services; and Food and Agriculture. The NCSP has a series of frameworks to ensure that these sectors, which are vital to Malaysia, are protected by the appropriate cybersecurity controls.

7. IMR REPORT (Cont'd)



The National Cyber Security Agency (“**NACSA**”) was established in February 2017 to secure and strengthen Malaysia’s resilience in facing the threats of cyber-attacks. NACSA is responsible for developing and implementing national-level cybersecurity policies and strategies, spearheading cybersecurity awareness, taking strategic measures in combatting cyber threats and advising on organisational cyber risk management, among others.

Recognising the opportunities arising from the growth of the digital economy in Malaysia, a Memorandum of Understanding (“**MoU**”) was signed between Malaysia Digital Economy Corporation (MDEC) and Axiata Group Berhad in July 2018. This strategic collaboration intends to further boost the nation’s cybersecurity industry by strengthening talent development in the cybersecurity industry through upskilling internships and providing mentorships.

In February 2021, the Government of Malaysia launched Malaysia Digital Economy Blueprint (“**MyDIGITAL**”), a national initiative which aims to transform Malaysia into a digitally-driven, high income nation and a regional leader in digital economy. The Malaysia Digital Economy Blueprint maps out the strategies which will be undertaken in 3 phases (2021-2022, 2023-2025 and 2026-2030) to achieve the targeted outcomes of MyDIGITAL. The key thrusts in the Malaysia Digital Economy Blueprint pertaining to the cybersecurity and networking solutions industries are:

- (i) Build enabling digital infrastructure – providing access to extensive and high-quality digital infrastructure (such as broadband, data centres and cable landing stations) to better enable people, businesses and the Government of Malaysia to participate in the digital economy; and
- (ii) Build trusted, secure and ethical digital environment – creating a conducive environment for businesses and society to reap the benefits of digital services without compromising safety, data security, privacy, reliability and ethical standards.

In March 2021, the Government of Malaysia announced that the first fifth generation (“**5G**”) cybersecurity test laboratory in Southeast Asia would be established by 2023 as part of an MoU between CyberSecurity Malaysia (the national cyber security specialist agency under the Ministry of Communications and Multimedia Malaysia), Huawei Technologies (M) Sdn Bhd and Celcom Axiata Berhad. The MoU aims to better understand, learn, manage and reduce cybersecurity threats related to 5G, as the rollout of 5G is expected to result in an increase in cybersecurity threats which would affect national security and public safety. The test laboratory will be conducting test cases on IoT security and telecommunications security, as well as improve the country’s preparedness in responding to 5G-related cyber-attacks.

In 2022, the National Scam Response Centre was established as a command centre to coordinate rapid response for online financial scams, including phishing and malware attacks. Under Budget 2023, an operational grant of RM10.0 million has been allocated to strengthen the role of the National Scam Response Centre in combatting online fraud and scams.

Further, one of the measures identified in Budget 2023 is prioritising the digital agenda, whereby cybersecurity is one of the key areas which will be targeted. To this end, the Government of Malaysia will be allocating funds for several action plans, including the following:

- Advanced cyber technology security assessment and testing capabilities development – RM15.0 million;
- Malaysia cybersecurity empowerment programme for small and medium enterprises – RM8.0 million;
- Digital security and privacy certification – RM8.0 million;
- Strengthening, monitoring, detection and reporting of cyber threats – RM8.0 million;
- Strengthening cyber forensic capabilities – RM15.0 million;
- Malaysia as a global data centre hub – RM15.0 million; and
- Development of Modul Etika Siber Nasional at school level and Cyber Ethics Readiness Index application – RM4.0 million.

7. IMR REPORT (Cont'd)



These Government initiatives in Malaysia are expected to further create awareness of the need for cybersecurity measures and contribute to the growth of the networking and cybersecurity solutions industries.

Increased occurrence and level of sophistication of threats will create demand for cybersecurity solutions

The number of reported cybersecurity incidents in Malaysia increased between 2017 and 2021, from 7,962 incidents to 10,016 incidents, before declining to 7,292¹ incidents in 2022.² Furthermore, with the increasing number of devices, appliances and even vehicles which can be connected to the internet, this has increased the risk of exposure to cyber-attacks. Besides targeting corporations, individuals are also at risk as they are less likely to implement protective measures.

Cybersecurity incidents have increased in size, risk and severity. In Malaysia, notable incidents include a data breach in 2017 whereby 46.2 million mobile number subscribers had their private information leaked. In 2022, the personal information of 22.5 million Malaysians was leaked, allegedly stolen from the National Registration Department. In the same year, there was a data breach involving a major local payment gateway service provider which led to a breach in data on card details used in online transactions. In October 2022, an online second-hand goods selling platform experienced a breach of its database, causing 2.6 million Malaysian and Singaporean users' data to be compromised. Since the COVID-19 pandemic, there has been increased use of video conferencing software / platform for both business and personal use and one such platform was the subject of intrusion by uninvited users in private video conferencing sessions.

To keep up with increasingly sophisticated attacks, organisations may choose to rely on the services of cybersecurity solution providers in order to protect their data.

The need for regulatory compliance will drive demand for cybersecurity solutions

The Personal Data Protection Act 2010 ("PDPA") was passed to prevent and monitor misuse of any personal data collected to process commercial transactions. The Personal Data Protection Department, an agency under the Ministry of Communications and Multimedia Commission Malaysia, is responsible for enforcing the PDPA. Personal data includes any information which may identify a person or is sensitive (e.g. physical or mental health, political opinions and religious beliefs). This personal data should be protected from any loss, misuse, modification, unauthorised or accidental access or disclosure, alteration or destruction. This includes the way that the data is collected, used, stored and destroyed. In line with the PDPA, cybersecurity solutions will be crucial in strengthening consumer confidence in view of the increasing number of online business transactions.

Thus, the requirements to comply with laws related to data protection are expected to increase demand for cybersecurity solutions.

Growing number of companies and businesses

Malaysia has seen a steady growth of newly registered companies at an average increase of 3.5% annually between 2017 and 2022. According to latest available data from the Companies Commission of Malaysia, companies that are newly incorporated in Malaysia grew from 1.3 million in 2016 to 1.5 million in 2022. This steady growth trend is expected to continue in light of the nation's developing economy over the long-term. The growing number of registered companies will indicate the growing number of users for networking and cybersecurity solutions, which provides opportunities for growth of the networking and cybersecurity solutions industries in Malaysia.

¹ 2022 figure excludes cyber harassment

² Source: Malaysia Computer Emergency Response Team (MyCERT)

7. IMR REPORT (Cont'd)



PRODUCT / SERVICE SUBSTITUTION

Networking and cybersecurity solutions are essential to both individuals and corporations as it provides connectivity, and protects personal data and information which are critical to business operations. Thus, there is no available substitute.

SUPPLY FACTORS

Availability of hardware and software

Physical hardware components and software are critical components of networking and cybersecurity solutions, and are typically purchased from third-party hardware and software distributors or retailers. Physical hardware components and software are the basic components needed before the service provider is able to customise, configure, implement and maintain proper networking and cybersecurity solutions. Thus, service providers are dependent on their network of hardware and software Principals, distributors and retailers, and their ability to obtain a reliable supply of the physical hardware components and software required for implementing their systems.

Availability of human resources

A critical element of being able to provide networking and cybersecurity services is the availability of qualified and experienced talent. It is essential that a networking and cybersecurity solution provider is able to hire, train and retain talented, experience and qualified employees. Generally, there is no shortage of skilled resources in the IT sector. According to the Department of Statistics Malaysia, the number of persons employed in the IT industry increased from 1.09 million in 2017 to 1.21 million in 2021, at a CAGR of 2.6%. The rise in the number of persons employed in the IT industry indicates that there are sufficient skilled resources to take on the IT jobs that are available in the country.

RISKS AND CHALLENGES

Competition from other industry players

The networking and cybersecurity solutions industries in Malaysia are fragmented, with numerous networking and cybersecurity solution providers that are capable of providing similar solutions, competing on the basis of price and networking and cybersecurity solution design in terms of layout design of the infrastructure, quantity, specifications, location and/or traffic flow, among others. Thus, the industries are highly competitive, and industry players have to leverage on their existing strengths and advantages in order to gain larger market share and remain competitive. Further, industry players also compete in terms of recruiting and retaining skilled and trained technical professionals, particularly personnel with suitable experience and appropriate skill set. While there is no shortage of skilled resources in the IT sector, it is a challenge to retain trained technical professionals as they may be recruited by other industry players, and it may be difficult to identify and recruit suitable technical professionals with experience and appropriate skill set in a timely manner.

Lack of awareness on the need for cybersecurity solutions and services

Generally, there is a lack of awareness amongst organisations and enterprises on the importance of cybersecurity solutions and services. As the effects of a cybersecurity solution are not immediately visible, organisations and enterprises may view cybersecurity solutions as an unnecessary additional business cost and may choose to redirect their resources to other areas which are deemed more critical to their business operations. There are also organisations and enterprises which continue to operate with legacy cybersecurity solutions, that have not been updated to keep up with increasingly sophisticated cyber threats and attacks.

7. IMR REPORT (Cont'd)



COMPETITIVE OVERVIEW

Cloudpoint Group is headquartered in Malaysia and serves the Malaysia market. As such, for the purpose of this IMR report, this section will detail networking and cybersecurity solutions industry players in Malaysia so as to be comparable with Cloudpoint Group.

The competitive landscapes of the networking and cybersecurity solutions industries in Malaysia are fragmented, with over 80 companies competing in these industries. PROVIDENCE has identified the following 20 players on the basis that:

- (i) they are involved in offering both networking and cybersecurity solutions (which may include professional IT services) and are based in Malaysia; and
- (ii) they have revenues of RM10.0 million and above.

These 20 identified industry players are as detailed below:

Company name	Latest FYE	Revenue (RM '000)	Gross Profit (RM '000)	Gross Profit Margin (%)	Profit After Tax (RM '000)	Profit After Tax Margin (%)
Sarawak Information Systems Sdn Bhd	31 December 2021	270,436 ^a	81,948	30.3	41,237 ^a	15.2
NTT Malaysia Solutions Sdn Bhd	31 March 2021	480,434 ^a	138,439	28.8	36,050 ^a	7.5
CTC Global Sdn Bhd	31 March 2022	768,106	71,290	9.3	21,101	2.7
Cloudpoint Solutions Sdn Bhd	31 December 2022	90,595	24,711	27.3	13,153	14.5
Infoline Tec Group Berhad	31 December 2022	72,841	26,275	36.1	12,118	16.6
Bridgenet Solutions Sdn Bhd ^c	31 December 2021	103,477	22,257	21.5	8,220	7.9
Mesiniaga Berhad	31 December 2022	292,919 ^a	N/A	N/A	6,692 ^a	2.3
Integrated Global Solutions Sdn Bhd	31 December 2021	100,437	21,267	21.2	6,331	6.3
DXC Technology Malaysia Sdn Bhd	31 March 2021	252,481 ^a	194,353	77.0	4,645 ^a	1.8
CLL Systems Sdn Bhd	31 December 2021	76,913	15,185	19.7	3,536	4.6
Hitachi Sunway Information Systems Sdn Bhd	31 March 2022	163,177 ^a	63,232	38.8	3,439 ^a	2.1
Ensign InfoSecurity (Malaysia) Sdn Bhd	31 December 2021	76,123	19,611	25.8	2,650	3.5
Fortesys Sdn Bhd	31 December 2021	66,823	13,607	20.4	1,940	2.9
CommVerge Solutions (M) Sdn Bhd	31 December 2021	26,538 ^a	9,011	34.0	1,202 ^a	4.5
Wiki Labs Sdn Bhd	31 December 2021	63,051	3,889	6.2	1,093	1.7
Softline Solutions International Sdn Bhd	31 December 2021	126,614	10,744	8.5	427	0.3
NS Distribution (M) Sdn Bhd	31 December 2021	13,487 ^a	3,267	24.2	230 ^a	1.7
TMT Solutions Sdn Bhd	31 December 2021	20,651	2,250	10.9	163	0.8
Microtree Sdn Bhd	31 December 2021	20,301	3,246	16.0	(175)	-

7. IMR REPORT (Cont'd)

Company name	Latest FYE	Revenue (RM '000)	Gross Profit (RM '000)	Gross Profit Margin (%)	Profit After Tax (RM '000)	Profit After Tax Margin (%)
Dataprep Holdings Berhad	31 December 2022	28,127 ^b	N/A	N/A	(17,983) ^a	-

Notes:

- The list above is based on publicly available information and is not exhaustive as it may not include companies whose financial information have been private exempted and cannot be viewed by the public.
- The list above has been arranged based on the company's profit after tax in descending order.
- ^a Revenues may be derived from business activities other than networking and cybersecurity solutions.
- ^b Segmental revenue comprising revenue from contracts with customers for Information and Communications Technology (ICT) related products and services.
- ^c Bridgenet Solutions Sdn Bhd has been acquired by Celcom Axiata Berhad in 2021, and is now part of CelcomDigi Berhad.
- N/A – Not publicly available as the quarterly report on consolidated results does not disclose gross profit.

Sources: Various company websites, Companies Commission of Malaysia, PROVIDENCE

While the competitive landscape in the total networking and cybersecurity industries are highly competitive, the competitive landscape of industry players offering networking and cybersecurity solutions to the financial services industry (which is the industry which Cloudpoint Group serves) is relatively less competitive, i.e. moderately competitive. This is because the financial services industry usually conducts supplier selection processes to ensure that the solution providers they engage has the necessary track record and experience to provide solutions to the financial services industry. As industry players must have the necessary track record and experience to qualify as an approved supplier by enterprises in the financial services industry, this restricts entry of new industry players. Thus, the barriers to entry of the networking and cybersecurity industries for industry players serving the financial services industry is moderately high.

MARKET SHARE

Cloudpoint Group garnered a market share of 1.4% of the networking and cybersecurity solutions industries in Malaysia, based on its revenue generated from Malaysia of RM59.5 million for the FYE 2021, computed against the total networking and cybersecurity solutions industries' size in Malaysia of RM4.3 billion in 2021. In particular, Cloudpoint Group garnered a market share of 2.1% of the networking solutions industry in Malaysia based on its revenue generated from Malaysia of RM20.5 million for the FYE 2021, computed against the networking solutions industry size in Malaysia of RM967.7 million in 2021. Meanwhile, Cloudpoint Group garnered a market share of 0.6% of the cybersecurity solutions industry in Malaysia based on its revenue generated from Malaysia of RM21.3 million for the FYE 2021, computed against the cybersecurity solutions industry size in Malaysia of RM3.3 billion in 2021.

Cloudpoint Group garnered an estimated market share of 1.7% of the networking and cybersecurity solutions industries in Malaysia, based on its revenue generated from Malaysia of RM90.6 million for the FYE 2022, computed against the estimated total networking and cybersecurity solutions industries' size in Malaysia of RM5.2 billion in 2022. In particular, Cloudpoint Group garnered a market share of 3.0% of the networking solutions industry in Malaysia based on its revenue generated from Malaysia of RM36.5 million for the FYE 2022, computed against the estimated networking solutions industry size in Malaysia of RM1.2 billion in 2022.

7. IMR REPORT (Cont'd)



Meanwhile, Cloudpoint Group garnered a market share of 0.9% of the cybersecurity solutions industry in Malaysia based on its revenue generated from Malaysia of RM36.3 million for the FYE 2022, computed against the estimated cybersecurity solutions industry size in Malaysia of RM4.0 billion in 2022.

2 OVERVIEW OF THE CLOUD SOLUTION INDUSTRY IN MALAYSIA

Cloud solutions refer to computing services and/or resources that are delivered through the internet, typically on a subscription or on-demand basis. Cloud solutions can be used by organisations of all sizes ranging from enterprises to government agencies, across a wide range of applications such as data storage, data backup, disaster recovery, software development and testing, as well as big data analytics.

Meanwhile, cloud services refer to the services involved in the implementation of these cloud solutions. This includes consultancy and management to propose suitable cloud-based solutions, cloud migration services which aim to assist enterprises to migrate their software applications and data from on-premises IT infrastructure to cloud-based infrastructure as well as deployment of cloud solutions.

All cloud solutions can be hosted on a public cloud or private cloud infrastructure. Public cloud infrastructure refers to the hosting of data and software applications in a data centre where the infrastructure is shared amongst numerous organisations, whilst private cloud infrastructure is the hosting of data and software applications on infrastructure in a data centre that is sectioned for a single organisation. Cloud solutions offers various benefits, including scalability and elasticity, as resources can be scaled according to changing demand based on factors such as organisational size and workload. This leads to reduced operating costs as an enterprise or organisation is only required to pay for what they use. Further, there is no need for upfront capital expenditure to purchase and run hardware and software, allowing funds to be used for other critical business operations. Cloud service providers typically deploy the latest hardware to ensure efficient performance, reliability and reduced downtime.

The cloud solution industry size in Malaysia, as indicated by the expenditure on public cloud infrastructure, grew from USD558.9 million (RM2.3 billion³) in 2019 to an estimated USD860.0 million (RM3.8 billion⁴) in 2022 at a CAGR of 15.4%. Moving forward, the cloud solution industry size in Malaysia in terms of spending on public cloud infrastructure is forecast to grow to USD2.1 billion (RM9.2 billion⁵) in 2026.⁶ In 2022, there are approximately 50 cloud service providers in Malaysia.

Apart from the benefits it offers, as elaborated above, the cloud solution industry in Malaysia is expected to be driven by government initiatives to encourage adoption of cloud solutions and grow the industry. In February 2021, the Government of Malaysia announced conditional approvals to 4 cloud service providers, namely Microsoft, Google, Amazon and Telekom Malaysia, to build and manage hyper-scale data centres and cloud services, thus improving digital infrastructure in the country. These cloud service providers are expected to invest between RM12.0 and RM15.0 billion over the next 5 years.

The Government of Malaysia launched MyDIGITAL, a national initiative which aims to transform Malaysia into a digitally-driven, high income nation and a regional leader in digital economy. One of the strategic thrusts is to drive digital transformation in the public sector, in order to optimise government resources, improve accessibility to data and information, as well as improve the remote work approach among civil servants. To this end, the Government of Malaysia announced MyGovCloud in May 2022, an upgrade of the Public Sector Data Centre into a hybrid cloud solution for the use of all government agencies. The growth of the cloud solution industry in Malaysia is expected to give rise for cloud services in the country, as this would increase demand for services relating to the consultation and implementation of cloud solutions.

³ Exchange rate from USD to RM in 2019 was converted based on average annual exchange rates in 2019 extracted from published information from Bank Negara Malaysia at USD1 = RM4.1427

⁴ Exchange rate from USD to RM in 2022 was converted based on average annual exchange rates in 2022 extracted from published information from Bank Negara Malaysia at USD1 = RM4.4005

⁵ Exchange rate from USD to RM in 2026 was converted based on average annual exchange rates in 2022 extracted from published information from Bank Negara Malaysia at USD1 = RM4.4005

⁶ Source: Twimbit

8. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF OUR GROUP, IN ADDITION TO ALL OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

8.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

8.1.1 We are dependent on the performance of the financial services industry and customers in the financial services industry

We provide enterprise and data centre networking and cybersecurity solutions as well as professional IT services to end-user customers which largely consist of enterprises in the financial services, insurance and telecommunications industries, as well as other technology service providers. In addition, we also serve large corporations in other end-user industries such as property development, plantation and education industries.

Collectively, the revenue generated from enterprises in the financial services industry amounted to 59.7%, 80.8%, 85.6% and 88.7% of our Group's revenues in the FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively. Please refer to Section 6.10 of this Prospectus for the detailed breakdown of the companies in the financial services industry which are our major customers during the FYE under review.

As such, we are dependent on customers involved in the financial services industry and we may be adversely impacted should there be a slowdown in the financial services industry. Any material changes in regional and global economic conditions may impact the financial services industry in Malaysia. The slowdown in the financial services industry would lead to most, if not all, financial institutions cutting back on capital expenditure on enterprise and data centre networking and cybersecurity solutions which could in turn impact the demand for our Group's solutions in particular one-off project based solutions which we generally do not enter into any long-term contract with our customers and comprises 70.5%, 68.8%, 70.1% and 80.4% of our Group's revenue in the FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively.

Further, as a large proportion of our Group's revenue is generated from enterprises in the financial services industry, we may also be affected should we be unable to secure recurring projects from all of our existing customers from the financial services industry or secure projects from new customers from the financial services industry. We may also be exposed to the risk of delays in payments or non-payments by a majority of enterprises from the financial services industry.

The abovementioned risks may result in an adverse impact to our Group's business, financial conditions and results of operations.

Since our commencement of business up to the LPD, our Group's business, financial conditions and results of operations have not been adversely affected by the any slowdown in the financial services industry and we have generally been able to secure new projects from existing and new customers from the financial services industry. Despite this, there can be no assurance that we will not face any adverse impact from any of the abovementioned risks moving forward.

8. RISK FACTORS (Cont'd)

8.1.2 We depend on our ability to secure new projects and customers

Due to the nature of our business, our future profitability and financial performance depend on our ability to secure new projects and customers. Projects related to the provision of enterprise and data centre networking solutions, cybersecurity solutions as well as cloud services and software applications (which we have recently begun offering) secured by our Group are generally on a purchase order basis and lasts for a period of 1 to 12 months, depending on the complexity of the project. Upon completion of the projects, we typically enter into professional IT service contracts with some of these customers, ranging between 1 and 3 years. Although it is not compulsory for customers to enter into professional IT service contracts with us after the implementation of the projects, most of our customers prefer to do so. For the financial years under review, only 10 customers (or 13.5% of our total customers during the financial years under review) did not enter into professional IT service contracts after we have implemented enterprise and data centre networking and/or cybersecurity solutions for them.

The absence of long-term contracts of more than 3 years poses a risk of losing our existing customers since they are not obliged to continue engaging us for our solutions and services. If we were to lose any of our customers, particularly our major customers, and are unable to secure sales from new customers or additional sales from existing customers in a timely manner, our business and financial performance may be adversely affected.

Additionally, the number and scale of projects and the amount of revenue that we are able to derive therefrom are affected by a number of factors including but not limited to changes in our customers' businesses, economic downturn, slowdown in a particular industry in which our customers operate and lack of funds on the part of customers. Consequentially, our revenue may vary significantly from period to period.

Our quotations and success of our tenders are affected by a range of factors such as pricing and tendering strategy and number of competitors. There is no assurance that we will be able to successfully secured a tender every time we put in bids. Depending on the market condition and competitive landscape, we may have to lower our pricing or adjust our tendering strategy in order to maintain the competitiveness of our quotations and tenders. In the event that our Group fails to secure new projects from our customers with contract values, sizes and/or margins comparable to existing ones, our business and financial performance may be materially and adversely affected.

8.1.3 We are exposed to unexpected delays or interruptions that are beyond our control in carrying out our project deliverables

The design and implementation of IT solutions, including enterprise and data centre networking solutions, cybersecurity solutions as well as cloud services and software applications (which we have recently begun offering), are subject to unexpected delays or interruptions caused by factors beyond our control. These include delays by our customers on the completion of projects. Customers could delay the completion of projects due to unforeseen circumstances such as unavailability of persons-in-charge at the customers' sites to facilitate the implementation of the project, or unexpected difficulties in accessing our customers' infrastructure due to sudden breakdowns or unscheduled system maintenance.

8. RISK FACTORS (Cont'd)

Any other unexpected events such as accidents and natural disasters may also restrain our employees' movements where our Technical Services personnel are unable to travel to customer premises, or in more serious cases, lead to loss of some of our Technical Services personnel which may cause temporary disruptions to our projects. As the delivery of our services and project deliverables is dependent on our employees and cannot be replaced or automated with machines at this juncture, any unexpected significant interruptions to our manpower which are not resolved in a timely manner may lead to a delay in the progress of our projects.

Thus, if there are any delays in the progress of our projects due to the abovementioned reasons, our timing of delivery will be affected and this will subsequently affect our timing for revenue recognition and collection of payment from our customers, thus affecting our financial performance.

Save for the delays disclosed in Section 6.5.15 and 8.1.8 of this Prospectus, we have not faced any delays in the progress of our projects due to the abovementioned reasons during the financial years under review.

8.1.4 Our managed network and cybersecurity services as well as public cloud infrastructure may be affected by system failures

Our Group presently undertakes network monitoring services as part of our Group's professional IT services offered to our customers. We plan to enhance our existing NOC to enable the offering of managed network services (as detailed under Section 6.6.1 (ii)) and set up a new SOC to provide managed cybersecurity services (as detailed under Section 6.6.1 (i)) as part of our professional IT services to our customer.

Our managed network and cybersecurity services will involve the 24-hour real-time monitoring and management of our customers' IT infrastructure, including any network issues and cybersecurity threats and attacks to the customers' network remotely from our NOC and SOC.

In addition, we plan to set up a public cloud infrastructure to offer public cloud services (as detailed under Section 6.6.1 (iii)).

We rely on software systems and internet connection to operate our NOC and SOC facilities as well as public cloud infrastructure for the provision of our managed network and cybersecurity services, and public cloud services. As such, should there be any system failures caused by events that may be beyond our control, such as power failures, internet downtime and equipment failure may materially impact our ability to carry out our managed network and cybersecurity services, and public cloud services.

8.1.5 We are dependent on our Executive Directors and key senior management for the continued success of our Group

We believe that our success is heavily dependent upon the continued service of our Executive Directors and key senior management who have extensive knowledge and experience in our business and industry. Our Executive Directors and key senior management are vital for the strategic direction, leadership, business planning and development, and management of our Group's operations, in addition to formulating and implementing strategies to drive the future growth of our Group.

As such, the loss of any of our Executive Directors and key senior management without suitable or timely replacements may result in an adverse effect on our Group's operations and may eventually affect our ability to maintain and/or improve our business or financial performances.

8. RISK FACTORS (Cont'd)

8.1.6 Our Group may face risks of security breaches which could lead to interruption of our business operations

We have a NOC to support our network monitoring services, which has the necessary facilities to monitor and manage our customers' network infrastructure. We also plan to enhance our existing NOC to enable the offering of managed network services (as detailed under Section 6.6.1 (ii)) and set up a new SOC to provide managed cybersecurity services (as detailed under Section 6.6.1 (i)) as part of our professional IT services to our customer. Further, we intend to set up a public cloud infrastructure to facilitate our offering of public cloud services (as detailed in Section 6.6.1 (iii)).

As such, we may also face risks of external security threats and internal security breaches. External security threats include malware attacks, hacking, espionage and cyber intrusion. Meanwhile, internal security breaches include unauthorised access to restricted information by employees, or attacks which originate from malware-infected devices which are brought into the network system by employees.

Any such security attacks and breaches can compromise the security of our data, and this would materially disrupt our business operations. Although our Group has implemented cybersecurity solutions to protect our network infrastructure against security breaches, there can be no assurance that our network infrastructure can be protected against all cyber threats and attacks. For our public cloud infrastructure, we intend to set up the infrastructure within an established data centre, which would have implemented the necessary cybersecurity solutions. Since our commencement of business till the LPD, there have been no incidents of security attacks and breaches that have materially and adversely affected our business operations.

8.1.7 Our business could suffer if we are unable to attract, train, motivate and retain qualified senior management personnel and technical personnel

Our success depends, to a large extent, on our ability to attract and retain qualified senior management personnel and technical personnel with the right technical expertise, professional integrity and commitment that can adapt to these industry changes and growth. To this end, we actively recruit new talent and strive to retain our existing senior management personnel and employees. Our ability to operate and compete could be adversely affected if we are unable to attract, train, motivate and retain qualified individuals.

This, in turn, could negatively impact our business and financial results. We could also lose our senior management personnel and qualified technical personnel to our competitors, our customers or other participants in the networking and cybersecurity solutions industries and it may be difficult for us to find suitable and timely replacement(s) given that talent with suitable experience and appropriate skill set requires more time and effort to be identified and recruited. A high turnover and/or any reduction in numbers to our headcount of Technical Services personnel may be disruptive to our business and may result in loss of crucial and confidential knowledge about our customers (particularly in relation to the knowledge of our customers' IT environment such as network and cybersecurity infrastructure as well as customer needs and requirements) which, in turn, could lead to the loss of our customers. We retained our senior management personnel since they joined.

8. RISK FACTORS (Cont'd)

As at the LPD, we have put in place competitive remuneration packages and attractive incentives to reward and motivate our performing personnel and to retain their services in our Group. We also believe that effective succession planning is vital to the long-term success of our business and have thus encouraged senior management/technical staff to groom lower and middle management staff to gradually assume greater responsibilities. However, despite our efforts, there is no assurance that we will be able to attract, integrate or retain personnel with the necessary skills to fulfil our current or future needs. If we are unable to do so, this could temporarily disrupt our business operations, which could impact our financial performance.

8.1.8 Our business operations and financial performance may be affected by pandemics and epidemics such as the COVID-19 pandemic

On 16 March 2020, the Government announced the MCO under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 which took effect from 18 March 2020. Our Group was able to partially resume our operations in our office in Malaysia on 4 May 2020 after receipt of approval from MITI, and subsequently fully resumed our operations in our head office on 10 June 2020.

However, during this period, our enterprise and data centre networking and cybersecurity projects were interrupted as some of the projects which required physical installation and configuration at the customers' premises could not be carried out during the MCO period. Further, there were also delays in delivery of IT components required for our IT projects due to shortages in the materials used, i.e. semiconductor chips. As a result, the implementation of some of our projects during the MCO period were prolonged by 1 month to 6 months, though there were no penalty imposed by our customers for any project delays. As such, there were no adverse impact on our financial performance arising from such delays. Despite the challenges faced, our Group's revenues increased from RM50.63 million in FYE 2019 to RM51.23 million in FYE 2020 and further increased to RM59.54 million and RM90.60 million in FYE 2021 and FYE 2022, respectively.

Although our business operations have continued throughout the MCO, the operating environment changed during this period since the COVID-19 pandemic with the need to adhere to strict SOPs at additional costs.

Although Malaysia has entered the Endemic phase of COVID-19, any deterioration in the conditions of the COVID-19 pandemic may also potentially result in a tightening of the MCO including targeted enhanced MCO in a specific location, which could potentially interrupt and/or suspend our IT projects at our customers' premises. This could lead to an adverse impact on our business and financial conditions.

While our Group's financial performance was not adversely impacted by the COVID-19 pandemic thus far, there is no assurance that the COVID-19 pandemic will not impact us in the future. There is no assurance that the outbreak of COVID-19 can be effectively controlled, or that another pandemic or epidemic of similar nature to COVID-19 will not happen in the future.

Such future outbreaks or pandemics may materially and adversely affect our business operations and financial performance. It could also lead to delays in implementing our business strategies and capital expenditure in accordance with the expected timeline as set out in Section 6.6 of this Prospectus. Failure to implement our business strategies in a timely manner may adversely affect our future business and financial performance.

Please refer to Section 6.5.15 of this Prospectus on the effect of COVID-19 on our business operations and the implementation of standard operating procedures by us to reduce the risk of COVID-19 transmission.

8. RISK FACTORS (Cont'd)

8.1.9 We may not be able to successfully implement our future plans and business strategies to grow our business which could limit our growth prospects

We intend to expand our operations in accordance with our future plans and business strategies set out in Section 6.6.1 of this Prospectus. Whilst we believe that the business expansion strategies will be beneficial to the performance of our Group, the expected benefits may not materialise immediately or at all or may take a longer time to be realised and/or could reduce our profitability in the short term.

There is also no assurance that we will be able to recruit or attract a sufficient number of skilled employees required to support our future plans and business strategies. In addition, the implementation of our future plans and business strategies may also be influenced by various factors beyond our control, such as changes in economic conditions as well as the social and political environment in Malaysia which may affect the commercial viability of such strategies and plans.

Further, the business strategies also require a certain level of capital expenditure for which the outcome may be uncertain due to the risks involved coupled with changes in the economic condition and business environment such as increased competition.

As such, we are not able to assure that we will be successful in executing our business strategies, nor can we be assured that we will be able to anticipate all the business and operational risks arising from our business strategies. Any failure or inefficiencies in managing our business growth may lead to a material adverse effect on our business operations and financial performance.

8.2 RISKS RELATING TO OUR INDUSTRY

8.2.1 We face competition from other industry players

The competitive landscape of all networking and cybersecurity industry players is highly competitive, as the industries are fragmented with numerous industry players. On the other hand, the competitive landscape of networking and cybersecurity industry players offering similar products and services to the financial services industry is moderately competitive as there are not many existing and prospective competitors which have a track record of offering similar products and services to the financial services industry. These existing and prospective competitors comprise both private and public listed companies providing networking and/or cybersecurity solutions and services.

We will leverage on our future expansion plans to enhance our competitiveness. Additionally, through our IPO, we expect to establish a stronger corporate profile and higher market presence in the industry in Malaysia, through our track record in the industry as well as existing customer base and professional network of our senior management team.

Whilst we strive to remain competitive, there can be no assurance that any change in the competitive environment would not have any material and adverse impact on our business and financial performance.

8.2.2 We are exposed to the risk of supply disruption of IT hardware resulting from global shortages of semiconductors

Semiconductors are an integral component in the manufacturing of IT hardware, which is an important component used in the implementation of our IT solutions.

8. RISK FACTORS (Cont'd)

There was also a global shortage in semiconductors as fabrication activities were disrupted when foundries could not operate due to the national lockdowns, and imposition of tariff barriers to restrict companies in both the United States and China from trading. The higher demand for electronic products further exacerbated the shortage of semiconductors globally.

Further, the recent Russia-Ukraine war which began in February 2022 could also exacerbate the shortage in microchips globally. Both Russia and Ukraine are key suppliers of palladium and neon, which are raw materials used in semiconductor manufacturing. While foundries have stocked up on these materials, a prolonged war could affect the supply of semiconductors globally which would consequently have an adverse impact on the manufacturing of IT hardware.

While our Group has experienced delays in receiving supplies of IT hardware, we have not experienced any material adverse impact on our financial performance due to such disruptions in supplies of IT hardware. However, there can be no assurance that any future disruption in the supply of IT hardware will not have a negative impact on our Group's financial performance.

8.2.3 We are subject to economic, social, political and regulatory risks as well as global pandemic risks

Our business is subject to risks associated with conducting business in Malaysia because we sell our solutions to customers within Malaysia and purchase IT hardware from distributors who obtain their hardware from Technology Vendors, all of whom are based in international markets. We may also obtain hardware and software directly from Technology Vendors, who are based in international markets.

Since we conduct our business in Malaysia, we are thus susceptible to legal, regulatory, political and economic conditions as well as operational risks in Malaysia. As we continue to expand our business within Malaysia, our financial condition and results of operations could be affected by a variety of factors, including:

- Political and economic instability, such as global and regional macroeconomic disruptions such as economic downturns and slowdowns related to the local market or countries where we procure our IT hardware or sell our solutions; and/or
- Risks with respect to social and political crises resulting from terrorism and war, amongst others.

There can be no assurance that any adverse economic, political and regulatory factors will not materially affect our Group's future financial results.

8.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

8.3.1 There has been no prior market for our Shares

Prior to our Listing, there was no public trading for our Shares. Accordingly, there can be no assurance that an active market for our Shares will develop upon our Listing or, if developed, that such market will be sustained. Our IPO Price was determined after taking into consideration several factors including but not limited to our historical earnings, our competitive strengths, our business strategies and prospects as well as our financial and operating history. There can be no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the ACE Market upon or after our Listing.

8. RISK FACTORS (Cont'd)

The price at which our Shares will trade on the ACE Market may be influenced by several factors including, amongst others, the depth and liquidity of the market for our Shares, investors' perceptions of our Group, market and economic conditions.

8.3.2 Our Listing is exposed to the risk that it may be aborted or delayed

Our Listing is exposed to the risk that it may be aborted or delayed on the occurrence of any one or more of the following events:

- (i) The identified investors fail to subscribe for the portion of our IPO Shares;
- (ii) Our Underwriter in exercising its rights pursuant to the Underwriting Agreement discharges itself from its obligations therein; and
- (iii) We are unable to meet the public shareholding spread requirement as determined by Bursa Securities, whereby at least 25.0% of our total number of Shares for which listing is sought must be held by a minimum number of 200 public shareholders each holding not less than 100 Shares upon the completion of our IPO and at the point of our Listing.

Upon the occurrence of any of these events, investors will not receive any Shares and we will return in full without interest, all monies paid in respect of any Application within 14 days, failing which the provisions of sub-sections 243(2) of the CMSA will apply accordingly and we will be liable to repay the monies with interest at the rate of 10.0% per annum or such other rate as may be prescribed by the SC upon expiration of that period until full refund is made.

If our Listing is aborted and/or terminated, and our Shares have been allotted to the shareholders, a return of monies to all holders of our Shares can only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires, among others, the sanction of our shareholders by special resolution in a general meeting and consent of our creditors (if required). There can be no assurance that such monies can be recovered within a short period of time.

8.3.3 The trading price and volume of our Shares following our Listing may be volatile

The trading price and volume of our Shares could be subjected to fluctuations in response to various factors, some of which are not within our control and may be unrelated or disproportionate to our operating results. These factors may include variations in the results of our business operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

In addition, the performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our listed Shares.

8. RISK FACTORS (Cont'd)

8.4 OTHER RISKS

8.4.1 Our future fund-raising exercise may result in dilution of shareholdings

Our capital requirements are dependent on, amongst others, our business, the availability of our resources for attracting, maintaining and enlarging our customer base and the need to maintain and expand our product offering. Thus, we may need additional capital expenditure for future expansions and/or investments. An issue of new Shares or other securities to raise funds will dilute shareholders' equity interest and may, in case of a rights issue, require additional investment by shareholders.

8.4.2 Forward-looking/prospective statements in this Prospectus may not be achievable

Certain statements in this Prospectus are based on historical data which may not be reflective of future results and others are forward-looking in nature that are based on assumptions and subject to uncertainties and contingencies which may or may not be achievable. Whether such statements would ultimately prove to be accurate depends upon a variety of factors that may affect our businesses and operations, and such forward-looking statements also involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance and achievements, or industry results, to be materially different from any future results, plans, performances and achievements, expressed or implied, by such prospective statements. Although we believe that the expectations reflected in such future statements are reasonable at this time, there can be no assurance that such prospective statements or expectations will prove to be correct in the future. Any deviation from the expectations may have a material adverse effect on our business and financial performance.

The above is not an exhaustive list of challenges we are currently facing or that may develop in the future. Additional risks whether known or unknown, may in the future have a material adverse effect on us and/or our Shares.

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

Upon completion of our IPO, our Promoters will collectively hold an aggregate of 376,520,000 Shares, representing approximately 70.8% of our enlarged issued Shares. As a result, these shareholders, acting together, will be our controlling shareholders and have voting control over our Company and are expected to have significant influence on the outcome of certain matters, unless they are required to abstain from voting by law and/or by the relevant authorities.

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9. RELATED PARTY TRANSACTIONS

9.1 MATERIAL RELATED PARTY TRANSACTIONS

Save for the Acquisition of CSSB and as disclosed below, there were no transactions, existing and/or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our Directors, substantial shareholders and/or persons connected with them which are material to our Group during FYE 2019 to FYE 2022 and up to LPD:

Related party	Transacting company in our Group	Interested person	Nature of transaction	Transaction value									
				FYE 2019		FYE 2020		FYE 2021		FYE 2022		1 January 2023 up to LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Advance Prominent Sdn Bhd	CSSB	Choong Wai Hoong ⁽¹⁾ and Yew Choong Cheong ⁽²⁾	Provision of enterprise and data centre networking and cybersecurity solutions by CSSB to Advance Prominent Sdn Bhd	3,483	⁽³⁾ 6.9	-	-	-	-	-	-	-	-
			Purchase of network and cybersecurity hardware by CSSB from Advance Prominent Sdn Bhd	2,284	⁽⁴⁾ 6.0	-	-	-	-	-	-	-	-
East Net Data System Sdn Bhd	CSSB	Choong Wai Hoong ⁽¹⁾	Provision of network and cybersecurity solutions by CSSB to East Net Data System Sdn Bhd	1,730	⁽³⁾ 3.4	287	⁽³⁾ 0.6	-	-	-	-	-	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Transacting company in our Group	Interested person	Nature of transaction	Transaction value									
				FYE 2019		FYE 2020		FYE 2021		FYE 2022		1 January 2023 up to LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
			Purchase of IT hardware and equipment by CSSB from East Net Data System Sdn Bhd	4,059	⁽⁴⁾ 10.7	-	-	-	-	-	-	-	-
Harbourine Sdn Bhd	CSSB	Choong Wai Hoong ⁽¹⁾	Rental payment for the rental of storeroom by CSSB from Harbourine Sdn Bhd	19	⁽⁵⁾ 0.7	19	⁽⁵⁾ 0.8	19	⁽⁵⁾ 0.6	19	⁽⁵⁾ 0.4	3	⁽⁵⁾ 0.3

Notes:

- (1) Choong Wai Hoong is our Promoter, substantial shareholder and Executive Director cum Chief Executive Officer;
- (a) He is a director and shareholder of Advance Prominent Sdn Bhd. Advance Prominent Sdn Bhd was incorporated as a property investment holding company. In 2019, the company was then intended to be part of our Group as the dedicated vehicle to undertake the IT equipment trading business. Pursuant to that, CSSB had purchased network and cybersecurity hardware from Advance Prominent Sdn Bhd with the intention to strengthen the profile of Advance Prominent Sdn Bhd and build up the supplier relationship of Advance Prominent Sdn Bhd. CSSB had also provided enterprise and data centre networking and cybersecurity solutions (in particular the network and cybersecurity hardware) to Advance Prominent Sdn Bhd to enable Advance Prominent Sdn Bhd to resell to other customers in order to further strengthen the sales track record of Advance Prominent Sdn Bhd. By having an established profile and strong supplier relationship and sales track record, Advance Prominent Sdn Bhd will then possess the capabilities to undertake larger projects from other customers. However, CSSB and Advance Prominent Sdn Bhd had subsequently decided not to proceed further with the plan to venture into the trading business due to the low profit margin and the Promoters had decided to solely focus on the business operations of CSSB which commanded a higher margin. Given the cessation of trading business, Advance Prominent Sdn Bhd then refocused its principal activities as a property investment holding company since May 2021;

9. RELATED PARTY TRANSACTIONS (Cont'd)

- (b) The principal activities of East Net Data System Sdn Bhd is the provision of maintenance, technology upgrade and outsourcing services in relation to IT. His mother was a director and shareholder of East Net Data System Sdn Bhd up to 30 July 2021. She disposed her entire 52.0% equity interest in East Net Data System Sdn Bhd to the existing shareholder of East Net Data System Sdn Bhd, Teh Poh Choo, on 29 July 2021 and resigned as a director of the company on 30 July 2021. The transactions entered between our Group and East Net Data System Sdn Bhd subsequent to 30 July 2021 are not shown as East Net Data System Sdn Bhd is no longer a related party to our Directors, substantial shareholders and/or persons connected with them. As at LPD, East Net Data System Sdn Bhd is no longer our Group's supplier; and
- (c) He is a director and 60.0% shareholder of Harbourine Sdn Bhd. The remaining 40.0% shareholding in Harbourine is held by Ong Bee Nah.
- (2) Yew Choong Cheong is our Promoter, substantial shareholder and Executive Director cum Head of Sales. He is a director and shareholder of Advance Prominent Sdn Bhd.
- (3) Calculated based on our Group's total revenue for each of the respective financial years.
- (4) Calculated based on our Group's total cost of sales for each of the respective financial years.
- (5) Calculated based on our Group's total administrative expenses for each of the respective financial years/ period.

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9. RELATED PARTY TRANSACTIONS (Cont'd)

Our Directors are of the view that the above related party transactions were conducted on an arm's length basis and on competitive commercial terms not more favourable to the related parties than those generally available to third parties based on the market price for comparable products and/or services.

The rental of our storeroom from Harbourine Sdn Bhd, in which our Executive Director cum Chief Executive Officer is the director and shareholder of Harbourine Sdn Bhd was mutually terminated effective 28 February 2023. As at LPD, there are no subsisting agreements by our Group with related parties.

Moving forward, in order to ensure that related party transactions are undertaken on arm's length basis and on normal commercial terms, we have established the following procedures:

(i) Recurrent related party transactions

- (a) At least 2 other contemporaneous transactions with third parties for similar products and/or quantities will be used as comparison, wherever possible, to determine if the price and terms offered by related parties are fair and reasonable and comparable to those offered by other third parties for the same or substantially similar type of products/services and/or quantities; or
- (b) If quotation or comparative pricing from third parties cannot be obtained, the transaction price will be determined by our Group based on those offered by other third parties for substantially similar type of transaction to ensure that the recurrent related party transactions are not detrimental to us.

Our Board shall seek mandate from shareholders to enter into any recurrent related party transactions at a general meeting. Due to its time-sensitive nature, the shareholders' mandate will enable us to enter into such recurrent transactions which are transacted in our ordinary course of business without having to convene numerous general meetings to approve such recurrent transactions as and when they are entered into.

(ii) Other related party transactions

- (a) Whether the terms of the related party transaction are fair and on arm's length basis to our Group and would apply on the same basis if the transaction did not involve a related party;
- (b) The rationale for the Group to enter into the related party transaction and the nature of alternative transactions, if any; and
- (c) Whether the related party transaction would present a conflict of interest between our Group and the related parties, taking into account the size of the transaction and the nature of the related parties' interest in the transaction.

Where required under the Listing Requirements, a related party transaction may require prior approval of shareholders at a general meeting to be convened. An independent adviser may be appointed to comment as to whether the related party transaction is fair and reasonable so far as the shareholders are concerned; and whether the transaction is to the detriment of minority shareholders. In such instances, the independent adviser shall also advise minority shareholders on whether they should vote in favor of the transaction.

9. RELATED PARTY TRANSACTIONS (Cont'd)

For related party transactions that require shareholders' approval, the Directors, major shareholders and/or persons connected with such Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Directors and/or major shareholders will also undertake that he shall ensure that the persons connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting. The relevant directors who are deemed interested or conflicted in such transactions shall also abstain from our Board deliberations and voting on the Board resolutions relating to these transactions.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Management Committee will, amongst others, supervise and monitor any related party transaction and the terms thereof and report to our Board for further action. If a member of our Audit and Risk Management Committee has an interest in any related party transaction, he is to abstain from participating in the review and approval process in relation to that transaction. Where necessary, our Board would make appropriate disclosures in our annual report with regard to any related party transaction entered into by us.

9.2 TRANSACTIONS ENTERED INTO THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

There were no transactions that were unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party for FYE 2019 to FYE 2022 and up to LPD.

9.3 LOANS MADE TO OR FOR THE BENEFIT OF THE RELATED PARTY

There were no loans made to or for the benefit of any related party for the financial period under review and up to the LPD.

9.4 FINANCIAL ASSISTANCE PROVIDED FOR THE BENEFIT OF THE RELATED PARTY

There was no financial assistance provided by us for the benefit of any related party for the financial period under review and up to the LPD.

9.5 OTHER TRANSACTIONS**9.5.1 Personal and corporate guarantees**

During the financial period under review and up to the LPD, there is no personal and/or corporate guarantees provided by our Directors and/or our Group.

9. RELATED PARTY TRANSACTIONS (Cont'd)**9.5.2 Loans and advances from related party**

During the financial period under review and up to the LPD, our Group had received advance from Advance Prominent Sdn Bhd and the advance was repaid with interest. The amount due to the related party for the financial period under review and as at LPD is as follows:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	As at LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Advance	500	-	-	-	-
Total	500	-	-	-	-
Less: Repayment	⁽¹⁾ (500)	-	-	-	-
Balances as at 31 December	-	-	-	-	-

Note:

- (1) The advance was received on 8 April 2019 as an investment cost from Advance Prominent Sdn Bhd for an IT project that was intended to be jointly undertaken by our Group and Advance Prominent Sdn Bhd at that point in time. However, the said project did not materialise and the advance had been fully repaid with interest of RM2,500 to Advance Prominent Sdn Bhd on 27 May 2019.

9.5.3 Amount due to/from Directors

There were no amount due to/from our Directors for the financial period under review and as at LPD.

9.5.4 Promotions of any material assets acquired/to be acquired within 3 financial years preceding the date of this Prospectus

Save as disclosed below, none of our Directors or substantial shareholders had any interest, direct or indirect, in the promotion of or in any material assets which had been, within FYE 2019 to FYE 2022, acquired, disposed or leased or proposed to be acquired, disposed or leased to/by us:

- (i) Rental of our storeroom from Harbourine Sdn Bhd of which Choong Wai Hoong is the director and shareholder. This has been mutually terminated effective 28 February 2023.

9.5.5 Transactions entered into with M&A Securities

Save as disclosed below, we have not entered into any transactions with M&A Securities who is the Adviser, Sponsor, Underwriter and Placement Agent for our Listing:

- (i) Agreement between CSSB and M&A Securities for the appointment of M&A Securities as Adviser, Sponsor and Placement Agent; and
- (ii) Underwriting Agreement dated 22 March 2023 entered into between our Company and M&A Securities for the underwriting of 39,870,000 Issue Shares.

10. CONFLICT OF INTEREST

10.1 INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND SUPPLIERS

None of our Directors or substantial shareholders has any interest, direct or indirect, in other businesses or corporations carrying on a similar or related trade as our Group as at LPD.

Save as disclosed below, none of our Directors and/or substantial shareholders has any interest, direct or indirect, in other businesses and corporations which are customers and/or suppliers of our Group during FYE 2019 to FYE 2022:

(i) Customers of our Group

- (a) Advance Prominent Sdn Bhd, for the provision of enterprise and data centre networking and cybersecurity solutions by CSSB to Advance Prominent Sdn Bhd. The transaction value amounted to RM3.48 million for FYE 2019. As at LPD, Choong Wai Hoong and Yew Choong Cheong are the directors and shareholders of Advance Prominent Sdn Bhd.
- (b) East Net Data System Sdn Bhd, for the provision of network and cybersecurity solutions by CSSB to East Net Data System Sdn Bhd. The transaction values amounted to RM1.73 million and RM0.29 million for FYE 2019 and FYE 2020, respectively. As at LPD, Choong Wai Hoong does not have any interest in East Net Data System Sdn Bhd.

(ii) Suppliers of our Group

- (a) Advance Prominent Sdn Bhd, for the purchase of network and cybersecurity hardware by CSSB from Advance Prominent Sdn Bhd. The transaction value amounted to RM2.28 million for FYE 2019. As at LPD, Choong Wai Hoong and Yew Choong Cheong are the directors and shareholders of Advance Prominent Sdn Bhd.
- (b) East Net Data System Sdn Bhd, for the purchase of IT hardware and equipment by CSSB from East Net Data System Sdn Bhd. The transaction value amounted to RM4.06 million for FYE 2019. As at LPD, Choong Wai Hoong does not have any interest in East Net Data System Sdn Bhd.

Please refer to Section 9.1 for further details of Advance Prominent Sdn Bhd and East Net Data System Sdn Bhd on the related party transactions.

As at the LPD, the involvement of our Directors and/or substantial shareholders in those business activities outside our Group does not give rise to any conflict of interest situation as those business activities outside our Group do not carry on a similar or related trade as our Group.

It is our Director's fiduciary duty to avoid conflict, and they are required to attend courses which provide them guidelines on their fiduciary duties. In order to mitigate any possible conflict of interest situation in the future, our Directors will declare to our Nominating Committee and our Board their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our Nominating Committee will first then evaluate if such Director's involvement gives rise to an actual or potential conflict of interest with our Group's business after the disclosure provided by such Director. After a determination has been made on whether there is an actual or potential conflict of interest of a Director, our Nominating Committee will then:

10. CONFLICT OF INTEREST (Cont'd)

- (i) Immediately inform our Board of the conflict of interest situation;
- (ii) Make recommendations to our Board to direct the conflicted Director to:
 - (a) withdraw from all his executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director is an Executive Director); and
 - (b) abstain from all Board deliberation and voting in the matter that has given rise to the conflict of interest.

In relation to (b) above, the conflicted Director and persons connected to him (if applicable) shall be absent from any Board discussion relating to the recommendation of our Nominating Committee and the conflicted Director and persons connected to him (if applicable) shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may however at the request of the Chairman of our Board, be present at our Board meeting to answer any questions.

In circumstances where a Director is determined to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his fiduciary responsibility to our Group, our Nominating Committee may determine that a resignation of the conflicted Director from our Board is appropriate and necessary.

Where there are related party transactions between our Group with our Directors (or person connected to them) or companies in which our Directors (or person connected to them) have an interest, our Audit and Risk Management Committee will, amongst others, supervise and monitor such related party transaction and the terms thereof and report to our Board for further action. Please refer to Section 9.1 for the procedures to be taken to ensure that related party transactions (if any) are undertaken on arm's length basis.

10.2 DECLARATIONS OF CONFLICT OF INTEREST BY OUR ADVISERS**(i) Declaration by M&A Securities**

M&A Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Adviser, Sponsor, Underwriter and Placement Agent for our Listing.

(ii) Declaration by Teh & Lee

Teh & Lee has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Solicitors for our Listing.

(iii) Declaration by Baker Tilly Monteiro Heng PLT

Baker Tilly Monteiro Heng PLT has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Auditors and Reporting Accountants for our Listing.

10. CONFLICT OF INTEREST *(Cont'd)*

(iv) Declaration by Providence Strategic Partners Sdn Bhd

Providence has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as IMR for our Listing.

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