

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF CTOS DIGITAL BERHAD (FORMERLY KNOWN AS CTOS HOLDINGS SDN BHD) (“CTOS DIGITAL” OR “COMPANY”) DATED 30 JUNE 2021 (“ELECTRONIC PROSPECTUS”)

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

Website

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

Availability and Location of 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 or the Issuing House, Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus, subject to availability, from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective applicants should note that the application forms (except for Blue Application Forms) are not available in electronic format.

Jurisdictional Disclaimer

The IPO and the distribution of the Electronic Prospectus are subject to the laws of Malaysia. The Electronic Prospectus will not be distributed outside Malaysia. Bursa Securities, the Company, the Promoter, the Selling Shareholders, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters named in the Electronic Prospectus have not authorised and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the IPO Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. The Electronic Prospectus may not be used for the purpose of and does not constitute an offer for the subscription or purchase of, or an invitation to subscribe for or purchase, the IPO Shares to any person outside Malaysia or in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. Prospective applicants who may be in possession of the Electronic Prospectus are required to take note, to inform themselves, and to observe such restrictions.

This document is not an offer for sale of the IPO Shares in the United States or anywhere other than Malaysia. The IPO Shares may not be offered or sold in or into the United States unless under an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act of 1933, as amended, and any applicable state securities laws. The Company does not intend to register any portion of the offering in the United States or to conduct a public offering of its securities in the United States or in any other jurisdiction where such an offering is restricted or prohibited.

Close of Application

Applications for the IPO Shares offered under the Retail Offering will open at 10.00 a.m. on 30 June 2021 and will close at 5.00 p.m. on 6 July 2021. Any change to the timetable will be advertised by CTOS Digital in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

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

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

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

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

ctos Digital

www.ctosdigital.com



CTOS DIGITAL BERHAD

Unit 01-12, Level 8, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Tel: +603 2722 8800
E-mail: contactus@ctos.com.my

ctos
Digital

CTOS DIGITAL BERHAD

(Company No.: 201401025733 (1101823-A))
(Incorporated in Malaysia under the Companies Act, 1965
and deemed registered under the Companies Act, 2016)

PROSPECTUS
THIS PROSPECTUS IS DATED
30 JUNE 2021

PROSPECTUS

THIS PROSPECTUS IS DATED 30 JUNE 2021



CTOS DIGITAL BERHAD

(Co. Reg. No.: 201401025733)(1101823-A)
(formerly known as CTOS Holdings Sdn Bhd)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

INITIAL PUBLIC OFFERING ("IPO") OF UP TO 1,100,000,000 ORDINARY SHARES IN CTOS DIGITAL BERHAD (FORMERLY KNOWN AS CTOS HOLDINGS SDN BHD) ("CTOS DIGITAL") ("IPO SHARES") IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED SHARES IN CTOS DIGITAL ("SHARES") ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING AN OFFER FOR SALE OF UP TO 900,000,000 EXISTING SHARES ("OFFER SHARES") AND A PUBLIC ISSUE OF 200,000,000 NEW SHARES ("ISSUE SHARES") INVOLVING:

- (I) INSTITUTIONAL OFFERING OF UP TO 936,000,000 IPO SHARES TO MALAYSIAN AND FOREIGN INSTITUTIONAL AND SELECTED INVESTORS AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING ("INSTITUTIONAL PRICE"); AND
- (II) RETAIL OFFERING OF 164,000,000 ISSUE SHARES TO THE DIRECTORS, EMPLOYEES (INCLUDING DIRECTORS OF THE SUBSIDIARIES OF CTOS DIGITAL) AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF CTOS DIGITAL AND ITS SUBSIDIARIES ("GROUP") AND THE MALAYSIAN PUBLIC AT THE RETAIL PRICE OF RM1.10 PER ISSUE SHARE ("RETAIL PRICE"), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE BETWEEN THE RETAIL PRICE AND THE FINAL RETAIL PRICE (AS DEFINED IN THIS PROSPECTUS) IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS. THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF:

- (A) THE RETAIL PRICE OF RM1.10 PER ISSUE SHARE; OR
- (B) THE INSTITUTIONAL PRICE.

Joint Principal Advisers, Joint Global Coordinators, Joint Bookrunners, Joint Managing Underwriters and Joint Underwriters



Maybank Investment Bank Berhad
(Co. Reg. No. 197301002412)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Global Coordinator and Joint Bookrunner



Credit Suisse Securities (Malaysia) Sdn Bhd
(Co. Reg. No. 199901024709)(499609-H)

Credit Suisse (Singapore) Limited
(Co. Reg. No.: 197702363D)



RHB Investment Bank Berhad
(Co. Reg. No. 197401002639)(19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter



AmInvestment Bank Berhad
(Co. Reg. No. 197501002220)(23742-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER SIX MONTHS FROM THE DATE OF THIS PROSPECTUS.

THE SECURITIES COMMISSION MALAYSIA ("SC") HAS APPROVED THE ISSUE, OFFER OR INVITATION FOR THE OFFERING UNDER SECTION 214(1) OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("APPROVAL").

THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC. THE APPROVAL AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS OUR IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED, OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR 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.

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

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 40.

LISTING SOUGHT: MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA

All defined terms used in this Prospectus are defined under "Presentation of Financial and Other Information", and "Definitions" commencing on pages ix and xiii of this Prospectus, respectively.

RESPONSIBILITY STATEMENTS

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

Maybank IB and RHB IB, being the Joint Principal Advisers, the Joint Global Coordinators and the Joint Bookrunners for the Institutional Offering, and the Joint Managing Underwriters and the Joint Underwriters for the Retail Offering, acknowledge that, based on all available information, and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

It is to be noted that the role of Credit Suisse in our IPO is limited to being the Joint Global Coordinator and the Joint Bookrunner for the Institutional Offering both within Malaysia and outside of Malaysia. Credit Suisse does not have any role in, and disclaims any responsibility for, the Retail Offering in Malaysia.

It is to be noted that the role of AmInvestment Bank in our IPO is limited to being the Joint Bookrunner for the Institutional Offering both within Malaysia and outside of Malaysia, and the Joint Managing Underwriter and the Joint Underwriter for the Retail Offering.

STATEMENTS OF DISCLAIMER

Our Company has obtained the approval of Bursa Securities for our Listing. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

This Prospectus, together with the Application Forms, will be lodged with the Registrar of Companies, who takes no responsibility for its contents. In view of the closure of the Registrar of Companies' operation counters as a result of the MCO, the lodgement of the Prospectus will be made within two weeks after lodgement is able to be made with the Registrar of Companies.

OTHER STATEMENTS

Investors should note that they may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission, or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to our Company.

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

Our Shares are classified as Shariah-compliant by the SAC. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the SAC. The new status is released in the updated list of Shariah-compliant securities, on the last Friday of May and November.

Investors should not take the agreement by the Joint Managing Underwriters and the Joint Underwriters named in this Prospectus to underwrite our Shares under the Retail Offering as an indication of the merits of our Shares being offered.

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

This Prospectus is published solely in connection with our IPO. Our Shares are being offered solely on the basis of the information contained and representations made in this Prospectus. Our Company, our Promoter, the Selling Shareholders, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, our Promoter, the Selling Shareholders, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters or any of their respective directors, or any other persons involved in our IPO.

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. This Prospectus will not be distributed outside Malaysia except insofar as it is part of the offering memorandum distributed to foreign institutional investors outside Malaysia in connection with our IPO. Our Company, our Promoter, the Selling Shareholders, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters have not authorised and take no responsibility for the distribution of this Prospectus outside Malaysia except insofar as it is part of the offering memorandum distributed to foreign institutional investors outside Malaysia in connection with our IPO. No action has been taken to permit any offering of our Shares based on this Prospectus in any jurisdiction other than Malaysia. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase of our Shares in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the offering of our Shares in certain other jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves and to observe such restrictions.

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

It will be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you had accepted our IPO in Malaysia and will be subject to the laws of Malaysia in connection to it.

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.

It will 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 we nor our Promoter, the Selling Shareholders, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters nor any other advisers in relation to our IPO will 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.

Our Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered, sold or delivered within the United States (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act. Accordingly, our Shares are being offered and sold only outside the United States in offshore transactions in reliance upon Regulation S under the U.S. Securities Act.

Our Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State Securities Commission in the U.S. or any other regulatory authority outside Malaysia, nor have any of the foregoing authorities passed upon or endorsed the merits of our IPO or confirmed the accuracy or adequacy of this Prospectus. Any representation to the contrary may be a criminal offence under applicable securities laws.

ELECTRONIC PROSPECTUS/INTERNET SHARE APPLICATION

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

The internet is not a fully secure medium. Your Internet Share Application may be subject to risks of data transmission, computer security threats including viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions. These risks cannot be borne by the Internet Participating Financial Institutions. If you doubt the validity or integrity of the Electronic Prospectus, you should immediately request from us or the Issuing House, a paper/printed copy of this Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the paper/printed copy of this Prospectus, the contents of the paper/printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC will prevail.

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

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

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

- (a) the Internet Participating Financial Institution is only liable in respect of the integrity of the contents of the Electronic Prospectus, to the extent of the contents of the Electronic Prospectus on the web server of the Internet Participating Financial Institution which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institution is not responsible for the integrity of the contents of the Electronic Prospectus which has been obtained from the web server of the Internet Participating Financial Institution and subsequently communicated or disseminated in any manner to you or other parties;
- (b) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secure medium; and

- (c) the Internet Participating Financial Institution is not 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 the Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institution, 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.

INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or date:

Event	Time and/or Date
Opening of the Institutional Offering ⁽¹⁾	30 June 2021
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., 30 June 2021
Closing of the Retail Offering	5:00 p.m., 6 July 2021
Closing of the Institutional Offering	6 July 2021
Price Determination Date	7 July 2021
Balloting of applications for our Issue Shares under the Retail Offering	8 July 2021
Allotment/Transfer of our IPO Shares to successful applicants	16 July 2021
Listing	19 July 2021

Note:

- (1) Other than the Institutional Offering to the Cornerstone Investors. The Master Cornerstone Placement Agreement for the acquisition of our IPO Shares by the Cornerstone Investors was entered into on 16 June 2021.

In the event there is any change to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

TABLE OF CONTENTS

	PAGE
PRESENTATION OF FINANCIAL AND OTHER INFORMATION	ix
FORWARD-LOOKING STATEMENTS	xi
DEFINITIONS	xiii
GLOSSARY OF TECHNICAL TERMS	xxiv
1. CORPORATE DIRECTORY	1
2. INTRODUCTION	6
2.1 APPROVALS AND CONDITIONS	6
2.2 MORATORIUM OF OUR SHARES	7
3. PROSPECTUS SUMMARY	8
3.1 PRINCIPAL DETAILS OF OUR IPO	8
3.2 HISTORY AND BUSINESS	8
3.3 COMPETITIVE STRENGTHS	9
3.4 IMPACT OF THE COVID-19 PANDEMIC	10
3.5 FUTURE PLANS AND STRATEGIES	11
3.6 PROMOTER AND SUBSTANTIAL SHAREHOLDERS	12
3.7 DIRECTORS AND KEY SENIOR MANAGEMENT	13
3.8 RISK FACTORS	13
3.9 FINANCIAL AND OPERATIONAL HIGHLIGHTS	16
3.10 USE OF PROCEEDS	17
3.11 DIVIDEND POLICY	17
4. DETAILS OF OUR IPO	18
4.1 INDICATIVE TIMETABLE	18
4.2 PARTICULARS OF OUR IPO AND PLAN OF DISTRIBUTION	18
4.3 SELLING SHAREHOLDERS	25
4.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES AND REFUND MECHANISM	26
4.5 DILUTION	29
4.6 USE OF PROCEEDS	30
4.7 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE	32
4.8 DETAILS OF THE UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENTS	32
4.9 TRADING AND SETTLEMENT IN SECONDARY MARKET	39
5. RISK FACTORS	40
5.1 RISKS RELATING TO OUR BUSINESS	40
5.2 RISKS RELATING TO OUR INDUSTRY	57
5.3 RISKS RELATING TO OUR SHARES	60
6. INFORMATION ON OUR GROUP	64
6.1 OUR COMPANY	64
6.2 OUR GROUP STRUCTURE	66
6.3 OUR SUBSIDIARIES AND ASSOCIATES	67

TABLE OF CONTENTS (Cont'd)

	PAGE
7. BUSINESS OVERVIEW	72
7.1 OVERVIEW	72
7.2 COMPETITIVE STRENGTHS, FUTURE PLANS AND STRATEGIES	74
7.3 KEY MILESTONES	88
7.4 OUR CUSTOMERS	90
7.5 OUR DIGITAL SOLUTIONS	93
7.6 OUR DATA SOURCES AND INFORMATION DATABASES	100
7.7 STRATEGIC INVESTMENTS	101
7.8 TECHNOLOGY	101
7.9 OUR MAJOR CUSTOMERS	104
7.10 OUR MAJOR SUPPLIERS	106
7.11 SALES	108
7.12 MARKETING	108
7.13 COMPETITION	109
7.14 SEASONALITY	109
7.15 MATERIAL TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS	109
7.16 EMPLOYEES	110
7.17 INSURANCE	111
7.18 RESEARCH AND DEVELOPMENT	111
7.19 GOVERNING LAWS AND REGULATIONS	111
7.20 MAJOR CERTIFICATES, LICENCES, PERMITS AND APPROVALS	113
7.21 MATERIAL PROPERTIES AND EQUIPMENT	114
7.22 MATERIAL DEPENDENCY ON COMMERCIAL OR FINANCIAL CONTRACTS, INTELLECTUAL PROPERTY RIGHTS, LICENCES AND PERMITS OR PRODUCTION OF BUSINESS PROCESSES	115
7.23 HEALTH AND SAFETY	117
7.24 BUSINESS INTERRUPTIONS	118
7.25 ENVIRONMENTAL MATTERS	119
7.26 CORPORATE SOCIAL RESPONSIBILITY	120
8. INDUSTRY OVERVIEW	122
9. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT	134
9.1 PROMOTER AND SUBSTANTIAL SHAREHOLDERS	134
9.2 BOARD OF DIRECTORS	138
9.3 KEY SENIOR MANAGEMENT	168
9.4 MANAGEMENT REPORTING STRUCTURE	175
9.5 ASSOCIATIONS OR FAMILY RELATIONSHIP BETWEEN OUR SUBSTANTIAL SHAREHOLDERS, PROMOTER, DIRECTORS AND KEY SENIOR MANAGEMENT	176
9.6 DECLARATION BY OUR DIRECTORS, KEY SENIOR MANAGEMENT AND PROMOTER	176
9.7 OTHER MATTERS	176
10. RELATED PARTY TRANSACTIONS	177
10.1 OUR GROUP'S RELATED PARTY TRANSACTIONS	177
10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS	180
11. CONFLICTS OF INTEREST	182
11.1 INTEREST IN ENTITIES WHICH CARRY ON A SIMILAR TRADE AS THAT OF OUR GROUP OR WHICH ARE OUR CUSTOMERS OR SUPPLIERS	182
11.2 DECLARATION BY ADVISERS ON CONFLICTS OF INTEREST	183

TABLE OF CONTENTS (Cont'd)

	PAGE
12. FINANCIAL INFORMATION	188
12.1 HISTORICAL FINANCIAL INFORMATION	188
12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	192
12.3 CAPITALISATION AND INDEBTEDNESS	226
12.4 REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA CONSOLIDATED FINANCIAL INFORMATION	227
12.5 DIVIDEND POLICY	252
13. ACCOUNTANTS' REPORT	254
14. ADDITIONAL INFORMATION	373
14.1 SHARE CAPITAL	373
14.2 EXTRACTS OF OUR CONSTITUTION	373
14.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS	378
14.4 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS	379
14.5 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION	379
14.6 MATERIAL CONTRACTS	380
14.7 MATERIAL LITIGATION	382
14.8 CONSENTS	383
14.9 DOCUMENTS AVAILABLE FOR INSPECTION	384
14.10 RESPONSIBILITY STATEMENTS	384
15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE	385
15.1 OPENING AND CLOSING OF APPLICATIONS	385
15.2 METHODS OF APPLICATIONS	385
15.3 ELIGIBILITY	386
15.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORM	387
15.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS	388
15.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS	388
15.7 APPLICATION BY WAY OF E-SUBSCRIPTION	388
15.8 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE	389
15.9 OVER/UNDER-SUBSCRIPTION	389
15.10 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS	390
15.11 SUCCESSFUL APPLICANTS	391
15.12 ENQUIRIES	392
ANNEXURE A OUR MAJOR CERTIFICATES, LICENCES, PERMITS AND APPROVALS	A-1
ANNEXURE B OUR TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS	B-1
ANNEXURE C OUR UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE THREE-MONTH FPE 31 MARCH 2021	C-1
ANNEXURE D MANAGEMENT'S SELECTED DISCUSSION AND ANALYSIS OF THE UNAUDITED RESULTS OF OPERATIONS FOR THE THREE-MONTH FPEs 31 MARCH 2020 AND 31 MARCH 2021	D-1

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “our Company” or “CTOS Digital” are to CTOS Digital Berhad (formerly known as CTOS Holdings Sdn Bhd). All references to “CTOS Digital Group” or “our Group” are to our Company and our subsidiaries taken as a whole. All references to “we”, “us”, “our” and “ourselves” are to our Company and where the context otherwise requires, our Group. All references to “you” are to our prospective investors.

All references to the “Selling Shareholders” are to Inodes Limited, Chung Tze Keong, Chung Tze Wen and Ng Gaik Lin @ June Ng. All references to “our Promoter” are to Inodes Limited.

Any discrepancies in the tables between the amounts listed and the total amount in this Prospectus are due to rounding adjustments. Other abbreviations and acronyms used in this Prospectus are defined in the “Definitions” section and technical terms used in this Prospectus are defined in the “Glossary of Technical Terms” section. Words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and *vice versa*. References to persons shall, where applicable, include companies and corporations.

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

Any reference to a date and time shall be a reference to a date and time in Malaysia, unless otherwise stated.

All references to the LPD in this Prospectus are to 31 May 2021, being the latest practicable date prior to the registration of this Prospectus with the SC.

The financial data of our Group as at (i) 31 December 2020 and for the FYE 31 December 2020; and (ii) 31 March 2021 and for the three-month FPE 31 March 2021, in this Prospectus includes the financial data of CIBI and CIBI Holdings since they were part of our Group at the relevant time.

The information on our website or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on those information for the purposes of your decision whether or not to invest in our Shares.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding the growth and performance of the industry in which we operate and our estimated market share. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us or is extracted from the IMR Report included in Section 8 of this Prospectus. We have appointed IDC Research to provide an independent market and industry review. In compiling its data for the review, IDC Research relied on its research methodology, industry sources, published materials, its private databanks and direct contacts within the industry.

Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We cannot give any assurance that the projected figures will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION (Cont'd)

Comparability of Financial Information

Our Group has adopted MFRS 16 Leases for the first time in the FYE 31 December 2019 financial statements by applying the simplified retrospective transition method and has not restated the 31 December 2018 comparative financial information as permitted under the standard. As a result, our Group's consolidated statement of comprehensive income data and consolidated statement of financial position data for the FYE 31 December 2018 are not comparable with our Group's consolidated statement of comprehensive income data and consolidated statement of financial position data for the FYEs 31 December 2019 and 31 December 2020.

For the purpose of this Prospectus, EBITDA is calculated as our profit for the relevant financial year or period plus (i) tax expense; (ii) finance costs; and (iii) depreciation and amortisation, less (iv) interest income.

Normalised PATAMI for the FYEs 31 December 2018, 31 December 2019 and 31 December 2020 is calculated as profit for the financial year attributable to owners of our Company plus, where applicable (i) losses from CIBI and CIBI Holdings; (ii) costs related to our acquisitions of Experian, CIBI, Basis and BOL; (iii) share-based payment expense; and (iv) interest expense on bank borrowings, less (v) unrealised foreign exchange gains on RHB Term Loan 1.

Normalised PATAMI for the FPEs 31 March 2020 and 31 March 2021 is calculated as profit for the financial period attributable to owners of our Company plus, where applicable (i) losses from CIBI and CIBI Holdings; (ii) costs related to our acquisitions of CIBI (for the FPE 31 March 2020) and Basis (for the FPE 31 March 2021); (iii) share-based payment expense; (iv) interest expense on bank borrowings; (v) unrealised foreign exchange losses on RHB Term Loan 1; and (vi) incremental income tax expense of CTOS Data Systems recognised based on the estimated annual effective tax rate for the FYE 31 December 2021 of 15.2% as compared to the current tax payable by CTOS Data Systems in accordance with the tax exemption granted for the tax relief period under the pioneer status incentives applicable for the FPE 31 March 2021.

EBITDA, EBITDA margin, Normalised PATAMI and Normalised PATAMI margin are supplemental measures of our performance and liquidity that are not required by or presented in accordance with the MFRS or IFRS. EBITDA, EBITDA margin, Normalised PATAMI and Normalised PATAMI margin are not measures of our financial performance or liquidity under the MFRS or IFRS and should not be considered as alternatives to net income or any other performance measures derived in accordance with the MFRS or IFRS or as alternatives to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA, EBITDA margin, Normalised PATAMI and Normalised PATAMI margin are not standardised terms, and hence, a direct comparison of similarly titled measures between companies may not be possible. Other companies may calculate EBITDA, EBITDA margin, Normalised PATAMI and Normalised PATAMI margin differently from us, limiting its usefulness as a comparative measure.

We believe that EBITDA and Normalised PATAMI may facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (including the impact on periods or companies of changes in effective tax rates or net operating losses), the age and booked depreciation and amortisation of assets (affecting relative depreciation and amortisation expenses). EBITDA and Normalised PATAMI have been presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-IFRS and non-MFRS financial measures when reporting their results. Finally, EBITDA and Normalised PATAMI are presented as supplemental measures of our ability to service debt. Nevertheless, EBITDA and Normalised PATAMI have limitations as an analytical tool, and prospective investors should not consider it in isolation from or as a substitute for analysis of our financial condition or results of operations, as reported under the IFRS and MFRS. Due to these limitations, EBITDA and Normalised PATAMI should not be considered as measure of discretionary cash available to invest in the growth of our business.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements, other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies and prospects are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements, or industry results 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 current view with respect to future events and do not guarantee future performance. Forward-looking statements can be identified by the use of forward-looking terminologies including the words “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast” or similar expressions, and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) demand for our digital solutions and general industry environment;
- (ii) our strategies and competitive position;
- (iii) our future financial position, earnings, cash flows and liquidity;
- (iv) potential growth opportunities; and
- (v) regulatory environment and the effects of future regulation.

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) finance costs, interest rates, tax rates and foreign exchange rates;
- (ii) future regulatory or government policy changes affecting us or the markets in which we operate or may operate;
- (iii) delays, cost overruns, shortages in skilled resources or problems with the execution of our expansion plans;
- (iv) competitive environment of the industry in which we operate;
- (v) our relationship with our suppliers;
- (vi) reliance on certificates, licences, permits and approvals;
- (vii) general economic, business, social, political and investment environment in countries where we operate or may operate;
- (viii) continued availability of capital and financing;
- (ix) significant capital expenditure requirements;
- (x) cost and availability of adequate insurance coverage;
- (xi) fixed or contingent obligations and commitments;
- (xii) changes in accounting standards and policies; and
- (xiii) other factors beyond our control.

FORWARD-LOOKING STATEMENTS *(Cont'd)*

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 5 of this Prospectus on “Risk Factors” and Section 12.2 of this Prospectus on “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. 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 LPD.

In light of these uncertainties, the inclusion of such forward-looking statements should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

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 CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6 on Supplementary and Replacement Prospectus) of the Prospectus Guidelines.

DEFINITIONS

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

Act	: Companies Act, 2016
ACRA	: Accounting and Corporate Regulatory Authority of Singapore
ADA	: Authorised Depository Agent
Admission	: Admission of our Shares to the Official List of the Main Market of Bursa Securities
AGM	: Annual general meeting
AmlInvestment Bank	: AmlInvestment Bank Berhad
Application	: Application of our Issue Shares by way of Application Form, Electronic Share Application, Internet Share Application or e-Subscription
Application Forms	: Application form for the application of our Issue Shares under the Retail Offering accompanying this Prospectus
ASEAN	: Association of Southeast Asian Nations
Auditors or Reporting Accountants	: PricewaterhouseCoopers PLT
Authorised Financial Institution	: Authorised financial institution participating in the Internet Share Application in respect of the payment for our Issue Shares
Blue Application Form	: Application form for the application of our Issue Shares under the Retail Offering by persons who have contributed to the success of our Group accompanying this Prospectus
Blue Form Allocations	: The allocation of 90,000,000 Issue Shares to persons who have contributed to the success of our Group under the Retail Offering
BNM	: Bank Negara Malaysia
Board or Board of Directors	: Board of Directors of our Company
Bumiputera	: In the context of: <ul style="list-style-type: none"> (i) individuals - Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia; (ii) companies - a company which fulfils, among others, the following criteria or such other criteria as may be imposed by the MITI: <ul style="list-style-type: none"> (a) registered under the Act as a private company; (b) its shareholders are 100.0% Bumiputera; and (c) its board of directors (including its staff) are at least 51.0% Bumiputera; and (iii) cooperatives - a cooperative whose shareholders or cooperative members are at least 95.0% Bumiputera or such other criteria as may be imposed by the MITI

DEFINITIONS (Cont'd)

Bursa Depository	: Bursa Malaysia Depository Sdn Bhd
Bursa Securities	: Bursa Malaysia Securities Berhad
BVI	: British Virgin Islands
CAGR	: Compound annual growth rate, computed through the formula: $\text{CAGR} = (\text{Ending amount} / \text{Beginning amount})^{1/N} - 1$ Ending amount is the amount at the end of the period; Beginning amount is the amount at the beginning of the period; N is the number of years within the period
CBM	: Credit Bureau Malaysia Sdn Bhd
CCC or CF	: Certificate of completion and compliance or certificate of fitness for occupation or such certificate by any other name issued by the relevant authority under the SDBA and any by-laws made under it or such relevant legislation applicable at the material time
CCM	: Companies Commission of Malaysia
CDS	: Central Depository System
CIBI	: CIBI Information Inc
CIBI Holdings	: CIBI Holdings Pte Ltd (formerly known as CTOS SG Pte Ltd)
C-level Team	: Our Company's Group Chief Executive Officer, Group Chief Financial Officer and any other personnel designated "Chief" in our Group's subsidiaries
CMSA	: Capital Markets and Services Act, 2007
Competition Act	: Competition Act, 2010
Constitution	: Constitution of our Company
Cornerstone Investors	: Collectively, Employees Provident Fund Board, Permodalan Nasional Berhad, Aberdeen Standard Investments (Asia) Limited, Aberdeen Standard Investments (Malaysia) Sdn Bhd, Aberdeen Standard Islamic Investments (Malaysia) Sdn Bhd, JP Morgan Asset Management (Singapore) Limited, FIL Investment Management (Hong Kong) Limited, Eastspring Investments Berhad, Affin Hwang Asset Management Berhad, AIA Bhd, AIA Pension and Asset Management Sdn Bhd, First Sentier Investors (Hong Kong) Limited as an investment manager of FSSA Singapore and Malaysia Growth Fund, First Sentier Investors (Hong Kong) Limited as an investment manager of Scottish Oriental Smaller Companies Fund, Hong Leong Asset Management Bhd, Hong Leong Assurance Berhad, Kenanga Investors Berhad, Matthews International Capital Management, LLC, Principal Asset Management Berhad, RWC Asset Management LLP, SeaTown Master Fund, Mawer Investment Management Ltd., Urusharta Jamaah Sdn Bhd, New Silk Road Investment Pte Ltd, RHB Asset Management Sdn Bhd, AmFunds Management Berhad, KAF Investment Funds Berhad and Maybank Asset Management Sdn Bhd
COVID-19	: An infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
CRA	: Credit reporting agency registered with the CRA Registrar

DEFINITIONS (Cont'd)

CRA Act	: Credit Reporting Agencies Act, 2010
CRA Certificate	: Certificate of registration issued by the CRA Registrar to carry on a credit reporting business pursuant to Section 14 of the CRA Act
CRA Registrar	: Registrar of CRA appointed by the Minister of Finance pursuant to Section 3(2) of the CRA Act
Creador	: Creador Sdn Bhd
Creador Group	: A Malaysian mid-market private equity fund group, which includes Creador, Creador II and Creador II L.P.
Creador II	: Creador II, LLC
Credisense	: Credisense Limited
Credit Suisse	: Collectively, Credit Suisse Securities (Malaysia) Sdn Bhd and Credit Suisse (Singapore) Limited
CRIF	: CRIF OMESTI Sdn Bhd
CTOS-EMR	: CTOS-EMR Sdn Bhd
CTOS Digital or Company	: CTOS Digital Berhad (formerly known as CTOS Holdings Sdn Bhd)
D&B	: Dun & Bradstreet (Malaysia) Sdn Bhd
Director(s)	: Director(s) of our Company
Distribution	: Distribution by way of dividend-in-specie of 4,900,001 ordinary shares in CIBI Holdings held by our Company, representing the entire equity interest in CIBI Holdings to our existing shareholders, which was completed on 15 June 2021
EBITDA	: Earnings before interest, taxation, depreciation and amortisation and for the purpose of this Prospectus, is calculated as our profit for the relevant financial year or period plus: (i) tax expense; (ii) finance costs; and (iii) depreciation and amortisation, less (iv) interest income
ECL	: Expected credit loss
EIS	: Employment Insurance System
Electronic Prospectus	: Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium including, but not limited to compact disc read only memory (CD-ROMs)
Electronic Share Application	: Application for our Issue Shares under the Retail Offering through a Participating Financial Institution's ATM
Eligible Persons	: Collectively, our Directors, employees of our Group (including directors of our subsidiaries) and persons who have contributed to the success of our Group who are eligible to participate in the Retail Offering
EPS	: Earnings per Share
Equity Guidelines	: Equity Guidelines issued by the SC

DEFINITIONS (Cont'd)

e-Subscription	: Electronic subscription via TIIH Online
ESOS	: Employee share option scheme of CTOS Digital which was implemented on 1 January 2015
Expense Reimbursement Agreement	: Expense reimbursement agreement dated 1 August 2014 entered into between CTOS Data Systems and Creador
Facilities Agreement 1	: Facilities agreement dated 21 October 2020 entered into between CTOS Digital and RHB Bank in respect of RHB Term Loan 1 and RHB Term Loan 2, and the supplemental letter of offer dated 22 December 2020
Facility Agreement 2	: Facility agreement dated 21 December 2020 entered into between CTOS Digital and RHB Bank in respect of RHB Term Loan 3, and the supplemental letter of offer dated 22 December 2020
Federal Territory(ies)	: The territories of Kuala Lumpur, Putrajaya and Labuan governed directly by the Federal Government of Malaysia
FICO	: Fair Isaac Corporation
Final Retail Price	: Final price per Issue Share to be paid by the investors under the Retail Offering, equivalent to the Retail Price or the Institutional Price, whichever is lower, to be determined on the Price Determination Date
FIS	: FIS Data Reference Sdn Bhd
FPE	: Financial period ended or where the context otherwise requires, financial period ending
Funds	: Collectively, Creador II, Creador II L.P., Siguler Guff BRIC, Siguler Guff FM and MIT Investments
FYE	: Financial year ended or where the context otherwise requires, financial year ending
GBG	: GB Group Plc
Government	: Government of Malaysia
GP	: Gross profit
Grandfathering and Transitional Guidelines	: Guidelines on MSC Malaysia Financial Incentives (Grandfathering and Transition under Services Incentive) issued by MDEC, effective on 1 January 2019
Group	: Collectively, our Company and our subsidiaries
ICT	: Information and communications technology
ID	: Identity document
IDC Research or IMR	: IDC Market Research (Malaysia) Sdn Bhd, the independent market researcher
IFRS	: International Financial Reporting Standards as issued by the International Accounting Standards Board

DEFINITIONS (Cont'd)

IMR Report	:	Independent market research report dated 15 June 2021 prepared by IDC Research
Initial Public Offering or IPO	:	Collectively, the Offer for Sale and our Public Issue
Inodes	:	Inodes Limited
Institutional Offering	:	Offering of up to 936,000,000 IPO Shares at the Institutional Price, subject to the clawback and reallocation provisions, to the following: <ul style="list-style-type: none"> (a) Malaysian institutional and selected investors; and (b) foreign institutional and selected investors outside the United States in reliance on Regulation S
Institutional Price	:	Price per IPO Share to be paid by investors under the Institutional Offering which will be determined on the Price Determination Date by way of bookbuilding
Internet Participating Financial Institution(s)	:	Participating financial institution(s) for the Internet Share Application
Internet Share Application	:	Application for our Issue Shares under the Retail Offering through an Internet Participating Financial Institution
IPO Shares	:	Collectively, the Offer Shares and our Issue Shares
IS	:	Information system
Issue Shares	:	New Shares to be issued by our Company under our Public Issue
Issuing House	:	Tricor Investor & Issuing House Services Sdn Bhd
IT	:	Information technology
Joint Bookrunners	:	Collectively, AmInvestment Bank, Credit Suisse, Maybank IB and RHB IB
Joint Global Coordinators	:	Collectively, Credit Suisse, Maybank IB and RHB IB
Joint Managing Underwriters	:	Collectively, AmInvestment Bank, Maybank IB and RHB IB
Joint Principal Advisers	:	Collectively, Maybank IB and RHB IB
Joint Underwriters	:	Collectively, AmInvestment Bank, Maybank IB and RHB IB

DEFINITIONS (Cont'd)

Knowledge Worker(s)	: Individual who holds one or more of the following criteria:
	(a) tertiary qualification from an institution of higher learning (in any field); or
	(b) diploma in multimedia / ICT or another specialised ICT certification plus at least two years' relevant experience in multimedia/ICT or an equivalent field; or
	(c) has held a professional, executive, management or technical work position in IT enabled services (for example IT / IS professionals, finance / accounting, business administration)
	Special exemptions are given to foreign knowledge workers who do not meet the above criteria but are to be employed in the following:
	(a) global business services - foreign workers with knowledge-based skills that are not prevalent in Malaysia, but required by MSC Malaysia Status companies; or
	(b) creative content and technologies - workers who are utilised for their creative talent to produce value-added creative work for MSC Malaysia Status companies
Listing	: Listing of and quotation for the entire enlarged Shares on the Main Market of Bursa Securities
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 31 May 2021, being the latest practicable date prior to the registration of this Prospectus with the SC
Malaysian Public	: Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
Market Day	: A day on which Bursa Securities is open for trading in securities
Master Cornerstone Placement Agreement	: Master cornerstone placement agreement dated 16 June 2021 entered into between our Company, the Selling Shareholders, the Joint Global Coordinators, the Joint Bookrunners and the Cornerstone Investors as detailed in Section 14.6.8 of this Prospectus
Maybank IB	: Maybank Investment Bank Berhad
MBA	: Master of Business Administration
MCCG	: Malaysian Code on Corporate Governance which came into effect on 26 April 2017
MCO	: Movement control order issued under the Prevention and Control of Infectious Disease Act, 1988 and the Police Act, 1967 which was in effect for the whole of Malaysia from 18 March 2020 to 3 May 2020, reimposed in all of the federal territories, certain states and districts commencing from 13 January 2021 until 4 March 2021, reimposed in certain districts commencing from 16 April 2021 to 30 April 2021, and subsequently reimposed for the whole of Malaysia commencing from 12 May 2021 until 28 June 2021
MDEC	: Malaysia Digital Economy Corporation Sdn Bhd
MDI	: Malaysian Department of Insolvency

DEFINITIONS (Cont'd)

MFRS	:	Malaysian Financial Reporting Standards
MFRS 16	:	MFRS 16: Leases
MIA	:	Malaysian Institute of Accountants
MIT	:	Massachusetts Institute of Technology
MIT Investments	:	MIT Investments 2010, L.P.
MITI	:	Ministry of International Trade and Industry
MOF	:	Ministry of Finance
MSC Malaysia Qualifying Activities or Pioneer Activities	:	<p>(a) Research, development and commercialisation of the following solutions:</p> <ul style="list-style-type: none"> (i) comprehensive credit reporting bureau; (ii) consumer and business credit portals; (iii) financial surveillance and compliance; and (iv) credit management suite 2.0 above; <p>(b) Establish and operate a global business service centre rendering in knowledge process outsourcing – business and marketing research and analytics; and</p> <p>(c) Provision of implementation, maintenance and technical services related to the above-mentioned solutions and services</p>
MSC Malaysia Status	:	A recognition by the Government through MDEC, for ICT and ICT-facilitated businesses that develop or use multimedia technologies to produce and enhance their products and services
MSC Pioneer Certificate	:	Certificate issued by the MITI in pursuance of the PIA 1986 certifying a qualified company with pioneer status to carry out MSC Malaysia Qualifying Activities or Pioneer Activities
N/A	:	Not applicable
NA	:	Net assets
NBV	:	Net book value

DEFINITIONS (Cont'd)

Normalised PATAMI	: Normalised PATAMI for the FYEs 31 December 2018, 31 December 2019 and 31 December 2020 is calculated as profit for the financial year attributable to owners of our Company plus, where applicable (i) losses from CIBI and CIBI Holdings; (ii) costs related to our acquisitions of Experian, CIBI, Basis and BOL; (iii) share-based payment expense; and (iv) interest expense on bank borrowings, less (v) unrealised foreign exchange gains on RHB Term Loan 1
	Normalised PATAMI for the FPEs 31 March 2020 and 31 March 2021 is calculated as profit for the financial period attributable to owners of our Company plus, where applicable (i) losses from CIBI and CIBI Holdings; (ii) costs related to our acquisitions of CIBI (for the FPE 31 March 2020) and Basis (for the FPE 31 March 2021); (iii) share-based payment expense; (iv) interest expense on bank borrowings; (v) unrealised foreign exchange losses on RHB Term Loan 1; and (vi) incremental income tax expense of CTOS Data Systems recognised based on the estimated annual effective tax rate for the FYE 31 December 2021 of 15.2% as compared to the current tax payable by CTOS Data Systems in accordance with the tax exemption granted for the tax relief period under the pioneer status incentives applicable for the FPE 31 March 2021
Offer for Sale	: Offer for sale of up to 900,000,000 Offer Shares by the Selling Shareholders
Offer Shares	: Existing Shares to be offered by the Selling Shareholders pursuant to the Offer for Sale
Official List	: A list specifying all securities listed on Bursa Securities
Participating Financial Institution(s)	: Participating financial institution(s) for the Electronic Share Application
Participation Agreement	: CCRIS and DCHEQS Participation Agreement dated 30 June 2015 entered into between BNM and CTOS Data Systems
PATAMI	: Profit after tax and non-controlling interests, which is our profit for the financial year or period attributable to owners of our Company
PBR	: Price-to-book ratio
PBT	: Profit before taxation
PDPA	: Personal Data Protection Act, 2010
PDP Commissioner	: Personal Data Protection Commissioner of Malaysia
PER	: Price-to-earnings ratio
Personal Data Protection Principles	: Principles to be complied by data users processing personal data, pursuant to Sections 5, 6, 7, 8, 9, 10, 11 and 12 of the PDPA
PIA 1986	: Promotion of Investments Act, 1986
Pink Application Form	: Application form for the application of our Issue Shares under the Retail Offering by our Directors and eligible employees of our Group (including directors of our subsidiaries) accompanying this Prospectus
Pink Form Allocations	: The allocation of 30,000,000 Issue Shares to our Directors and eligible employees of our Group (including directors of our subsidiaries) under the Retail Offering

DEFINITIONS (Cont'd)

Placement Agreement	: The placement agreement to be entered into by our Company, the Selling Shareholders, the Joint Global Coordinators and the Joint Bookrunners in respect of such number of IPO Shares to be offered under the Institutional Offering
Placement Managers	: Collectively, Credit Suisse, Maybank IB and RHB IB
Pre-IPO Exercise	: Collectively, the Distribution and the Subdivision
Price Determination Date	: The date on which the Institutional Price and Final Retail Price will be determined
Promoter	: Inodes, being our promoter based on Section 226 of the CMSA
Prospectus	: This Prospectus dated 30 June 2021 issued by our Company
Prospectus Guidelines	: Prospectus Guidelines issued by the SC
Public Issue	: Public issue of 200,000,000 Issue Shares by our Company
Record of Depositors	: A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
Regulation S	: Regulation S under the U.S. Securities Act
Renewed Term	: An extended relief period of 5 years from 9 November 2021 to 8 November 2026 in respect of CTOS Data Systems' MSC Pioneer Certificate
Retail Offering	: Offering of 164,000,000 Issue Shares at the Retail Price, subject to the clawback and reallocation provisions, to be allocated in the following manner: <ul style="list-style-type: none"> (a) 120,000,000 Issue Shares reserved for application by the Eligible Persons; and (b) 44,000,000 Issue Shares for application by the Malaysian Public, via balloting
Retail Price	: Initial price of RM1.10 per Issue Share to be fully paid upon application under the Retail Offering, subject to adjustment as detailed in Section 4.4.1 of this Prospectus
Retail Underwriting Agreement	: Retail underwriting agreement dated 16 June 2021 entered into between our Company, the Joint Managing Underwriters and the Joint Underwriters for the underwriting of our Issue Shares under the Retail Offering
RHB Bank	: RHB Bank Berhad
RHB IB	: RHB Investment Bank Berhad
RHB Term Loan 1	: The term facility of approximately USD22.1 million granted by RHB Bank to CTOS Digital pursuant to the Facilities Agreement 1 for the acquisition of BOL
RHB Term Loan 2	: The term facility of approximately RM45.6 million granted by RHB Bank to CTOS Digital pursuant to the Facilities Agreement 1 for the purpose of refinancing the term loan facility granted by Standard Chartered Bank Malaysia Berhad and OCBC Bank (Malaysia) Berhad to CTOS Data Systems by way of a one-off third party utilisation by CTOS Data Systems

DEFINITIONS (Cont'd)

RHB Term Loan 3	:	The term facility of RM32.0 million granted by RHB Bank to CTOS Digital pursuant to the Facility Agreement 2 for the acquisition of Basis
RMiT	:	Risk Management in Technology
RMiT Guidelines	:	Guidelines on RMiT issued by BNM
ROE	:	Return on equity
Rules of Bursa Depository	:	The rules of Bursa Depository as issued under the SICDA
SAC	:	Shariah Advisory Council of the SC
SC	:	Securities Commission Malaysia
SDBA	:	Street, Drainage and Building Act, 1974
Selling Shareholders	:	Collectively, Inodes, Chung Tze Keong, Chung Tze Wen and Ng Gaik Lin @ June Ng
Shares	:	Ordinary shares in the share capital of our Company
Share Registrar	:	Tricor Investor & Issuing House Services Sdn Bhd
SICDA	:	Securities Industry (Central Depositories) Act, 1991
Siguler Guff BRIC	:	Siguler Guff BRIC Opportunities Fund III, LP
Siguler Guff FM	:	Siguler Guff FM Opportunities Fund, LP
SME	:	Small and medium enterprises including: <ul style="list-style-type: none"> (a) a manufacturing company with annual sales turnover of less than RM50.0 million or less than 200 full time employees; or (b) a company in the services and other sectors with annual sales turnover of less than RM20.0 million or less than 75 full time employees
SOCISO	:	Social Security Organisation
sq. ft.	:	Square feet
sq. km.	:	Square kilometre
SST	:	Sales and services tax
Subdivision	:	Subdivision of one existing Share to 20 Shares
Thai DBD	:	Thailand Department of Business Development, Ministry of Commerce
Thailand	:	Kingdom of Thailand
Thai LED	:	Thailand Legal Execution Department, Ministry of Justice
Thai PDPA	:	Thailand Personal Data Protection Act B.E. 2562
Thai TCA	:	Thailand Trade Competition Act B.E. 2560

DEFINITIONS *(Cont'd)*

The Philippines	: Republic of the Philippines
TIIH Online	: The Issuing House's proprietary-owned application to facilitate the persons who have contributed to the success of our Group in applying for our Issue Shares electronically under the Retail Offering
Transitional Period	: The period from the subsequent date after the expiry of the grandfathering timeline (pursuant to the Grandfathering and Transitional Guidelines) until the expiry of the first 5 years of CTOS Data Systems' MSC Pioneer Certificate, i.e. 1 July 2021 until 8 November 2021
U.S. or United States	: United States of America, its territories and possessions, any state of the United States and the District of Columbia
U.S. Securities Act	: United States Securities Act of 1933, as amended
White Application Form	: Application form for the application of our Issue Shares under the Retail Offering by the Malaysian Public

Subsidiaries

Automated Mail Responder	: Automated Mail Responder Sdn Bhd
Basis	: CTOS Basis Sdn Bhd (formerly known as Basis Corporation Sdn Bhd)
CTOS Business	: CTOS Business Systems Sdn Bhd
CTOS Data Systems	: CTOS Data Systems Sdn Bhd
CTOS Insights	: CTOS Insights Sdn Bhd
Enfo	: Enfo Sdn Bhd
Intellidata Solutions	: Intellidata Solutions Sdn Bhd

Associates

BOL	: Business Online Public Company Limited
Experian	: Experian Information Services (Malaysia) Sdn Bhd

Currencies

PHP	: Philippine Peso
RM and sen	: Ringgit Malaysia and sen
SGD	: Singapore Dollar
THB	: Thai Baht
USD	: United States Dollar

GLOSSARY OF TECHNICAL TERMS

Basis Business Report	: Contains detailed information about the business entity including its history, directors, corporate registry information, banking relationships and encumbrances as well as potential legal suits related to the business entity, and forms part of the Basis Overseas Report and Basis Credit Report or can be purchased separately
Basis Credit Report	: Contains Basis Overseas Report information on Malaysian companies
Basis Overseas Report	: Contains information such as registration information, date of incorporation, legal status, capital structure, encumbrances and legal actions, as well as more extensive information on payment records, clientele, operations, recent developments, industry outlook, Basis' comments and Basis' credit risk evaluation on companies outside of Malaysia
Basis Trade Report	: Contains Basis Business Report information and the latest three years' financial statements, comparative financial analysis and financial comments on Malaysian companies
Business Listings	: Basis' directory of Malaysian businesses containing basic information such as business description, contact details and hours of operation for prospecting purposes
CAD	: CTOS Application and Decisioning, an automated digital solution that enables users to make credit decisions instantly based on CRA information and the business or credit policies of the customer
CCRIS	: Central Credit Reference Information System, a computerised database maintained by BNM Credit Bureau to provide standardised credit reports on a potential borrower
CED	: CTOS Enhanced Database, contains litigation and bankruptcy proceedings information shared by CTOS Data Systems subscribers such as banks, non-bank lenders, telecommunication companies and law firms
Commercial	: A customer type comprising all of our Malaysian commercial customers other than our Key Accounts customers including the SMEs
Company Search	: A Malaysian company directory search service offered through CTOS Basis
Comprehensive Portfolio Review	: A comprehensive review of customer's portfolios of end-customer data to provide CTOS Data Systems' customers with more information about their own customer bases
CREST	: Council of Registered Ethical Security Testers
CTOS Basis	: Provides access to International Reports, litigation check, credit monitoring services and Company Search
CTOS Basis Reports	: Comprises all reports offered by Basis, namely, the Basis Business Report, Basis Credit Report, Basis Trade Report and International Reports
CTOS BizFinder	: Digital SME directory with business descriptions and contact information
CTOS Consumer Score	: A credit rating standard applicable to individuals i.e. a three-digit number ranging from 300 (poor) to 850 (excellent) that features in CTOS Score Reports and MyCTOS Score Reports as well as subscription to CTOS SecureID

GLOSSARY OF TECHNICAL TERMS (Cont'd)

CTOS CreditFinder	:	Loan matching and referral platform for the listings of financial products targeted at consumers which are offered based on CTOS Consumer Score
CTOS Credit Manager	:	CTOS Data Systems' subscription-based online credit risk management platform for customers to search, store, monitor and manage their own customers' and/or related business parties' credit and other information
CTOS Data Systems Reports	:	Comprises all reports offered by CTOS Data Systems, namely, the CTOS Report, CTOS LitE Report, CTOS Score Report, CTOS SME Report, MyCTOS Basic Report, MyCTOS Score Report and reports with CCRIS
CTOS eKYC	:	CTOS Electronic Know-Your-Customer, a digital identity verification solution with a four-layer authentication process
CTOS ID	:	An account registered with CTOS Data Systems which allows consumers to access their CTOS Scores and credit information
CTOS IDGuard	:	CTOS Data Systems' credit application fraud prevention solution with the ability to detect ID theft and impersonation, false and synthetic identities, data or documentation manipulation, organised fraud rings and syndicates
CTOS LitE Report	:	CTOS Report excluding banking payment history, dishonoured cheques, CCRIS supplementary information, litigation, bankruptcy and eTR information
CTOS Mobile Application	:	A mobile channel for consumers to purchase and access MyCTOS Score Reports, and for subscribers to access CTOS SecureID
CTOS Portfolio Analytics and Insights	:	CTOS Data Systems' customised analytics and insights to customers based on a combination of a customer's portfolio data and CTOS Data Systems' own comprehensive databases
CTOS Report	:	A report containing basic identification, financial, litigation and trade reference information about a business or individual but does not include CTOS Scores
CTOS Score	:	CTOS Scores are three-digit numbers that represent CTOS Data Systems' assessment of the credit health of a consumer or business. Comprises the CTOS Consumer Score and CTOS SME Score
CTOS Score Report	:	Comprises the CTOS Report and a CTOS Consumer Score that is usually purchased via CTOS Credit Manager
CTOS SecureID	:	CTOS Data Systems' subscription-based service for fraud protection and credit monitoring which give subscribers alerts on any missed payments, changes in credit history, litigation status, bankruptcy and eTR records
CTOS SME Report	:	Comprises the CTOS Report and CTOS SME Score
CTOS SME Score	:	A credit rating standard applicable to SMEs i.e. a three-digit number ranging from 100 (poor) to 400 (excellent) that features in CTOS SME Reports
CTOS Tenant Screening Report	:	Comprises identification verification, Know-Your-Customer screening, financial checks, income estimation and historical legal cases or bankruptcies, which allows landlords or agents to screen prospective tenants

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Customised Bulk Data Sales	: This refers to the sale of bulk data sets to a customer. The customer is able to specify the particular subset of information from Basis' database that it wishes to purchase in bulk, including information from Business Listings
Dark Web	: Intentionally hidden internet content that is not indexed by conventional search engines and requires specific web browsers in order to be accessed. Some dark web listings contain illicit information, including stolen credit card details or other sensitive personal data
DCHEQS	: Dishonoured Cheque Information System, a computerised database system developed and maintained by BNM to collect, process, store and generate information related to dishonoured cheques
Direct-to-Consumer	: A customer type comprising all of our retail consumers
DWDM	: Dense wavelength division multiplexing fibres, a fibre-optic transmission technique. It involves the process of multiplexing many different wavelength signals onto a single fiber. Each fiber has a set of parallel optical channels and each one uses slightly different light wavelengths. The fibres employ light wavelengths to transmit data parallel-by-bit or serial-by-character. DWDM is a very crucial component of optical networks that will allow the transmission of data: voice, video-IP, asynchronous transfer mode (ATM), and synchronous optical networking (SONET)/ synchronous digital hierarchy (SDH) respectively, over the optical layer
E-Court Search Report	: Contains information on legal proceedings in Malaysia from public court listings and legal notices
eTR	: CTOS Electronic Trade Reference, non-bank trade references voluntarily submitted by CTOS Data Systems' subscribers
eTR Plus	: CTOS Electronic Trade Reference Plus, non-bank trade references of positive information about a customer's payment history voluntarily submitted by CTOS Data Systems' subscribers
External Reports	: Comprises the ROC Report, ROB Report, LLP Report, Idaman Report, MDI Report, E-Court Search Report and Land Title Report
Idaman Report	: A detailed company information and financial report from CCM, including corporate documents, annual return and company charges
International B2B	: A customer type comprising CIBI's international business-to-business services customers
International Reports	: Comprises the Basis Overseas Report and Singapore Comprehensive Report
Key Accounts	: A customer type comprising all of our highest revenue-generating customers as well as other selected customers, such as those with complex requirements
KYC	: Know-Your-Customer
Land Title Report	: Contains official property ownership information from land offices in Malaysia
LLP Report	: Limited liability partnership report
MDI Report	: Contains bankruptcy and insolvency information of individuals and businesses

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

MyCTOS Basic Report	: A free consumer credit report available with basic consumer identification, as well as directorship and business interest information, excluding the CTOS Consumer Score
MyCTOS Score Report	: Comprises the CTOS Report and CTOS Consumer Score that is usually purchased via CTOS Data Systems' website
OCR	: Optical character recognition or optical character reader is the electronic or mechanical conversion of images of typed, handwritten or printed text into machine-encoded text, whether from a scanned document, a photo of a document, a scene-photo (for example the text on signs and billboards in a landscape photo) or from subtitle text superimposed on an image
P2P	: Peer-to-peer
ROB Report	: Registered business report
ROC Report	: Registered company report
Singapore Comprehensive Report	: Contains ACRA registry related information, company financials, comparative ratios and industry outlook on Singaporean companies
SaaS	: Software-as-a-service is a software distribution model in which a third-party provider hosts applications and makes them available to customers over the Internet
Trade Reference	: Non-banking information related to trades used as a means to verify the creditworthiness of a customer to a third party considering the extension of credit

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Designation	Nationality	Address
Tan Sri Izzuddin Bin Dali	Independent Non-Executive Chairman	Malaysian	60, Jalan Sepah Puteri 5/2, Kota Damansara, 47810 Petaling Jaya, Selangor
Dato' Noorazman Bin Abd Aziz	Independent Non-Executive Director	Malaysian	No. 21, Jalan Changkat Datuk Sulaiman, TTDI Hills, Taman Tun Dr. Ismail, 60000 Kuala Lumpur
Datuk Azizan Bin Haji Abd Rahman	Independent Non-Executive Director	Malaysian	40, Jalan USJ 5/1L, UEP, 47610 Subang Jaya, Selangor
Dennis Colin Martin	Non-Independent Executive Director / Group Chief Executive Officer	New Zealander	A-53-1, Residensi Vogue 1, Jalan Bangsar, 59200 Kuala Lumpur
Loh Kok Leong	Non-Independent Non-Executive Director	Malaysian	87, Jalan Surian Wangi, Sierramas West, 47000 Sungai Buloh, Selangor
Lynette Yeow Su-Yin	Independent Non-Executive Director	Malaysian	7, Lorong 14/30A, 46100 Petaling Jaya, Selangor
Nirmala A/P Doraisamy	Independent Non-Executive Director	Malaysian	7, Jalan BRP 2/2B, Putra Hills, Bukit Rahman Putra, 47000 Sungai Buloh, Selangor
Su Puay Leng	Independent Non-Executive Director	Malaysian	A-01-01, Five Stones Condominium, Jalan SS2/72, 47300 Petaling Jaya, Selangor
Wong Pau Min	Alternate Director to Loh Kok Leong	Malaysian	D-08-1, Five Stones Condominium, Jalan SS2/72, 47300 Petaling Jaya, Selangor

1. CORPORATE DIRECTORY (Cont'd)**AUDIT AND RISK COMMITTEE**

Name	Designation	Directorship
Datuk Azizan Bin Haji Abd Rahman	Chairman	Independent Non-Executive Director
Dato' Noorazman Bin Abd Aziz	Member	Independent Non-Executive Director
Nirmala A/P Doraisamy	Member	Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Lynette Yeow Su-Yin	Chairman	Independent Non-Executive Director
Dato' Noorazman Bin Abd Aziz	Member	Independent Non-Executive Director
Loh Kok Leong	Member	Non-Independent Non-Executive Director

1. CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARIES	: Joanne Toh Joo Ann 19, Jalan Pandan Indah 5/5, Pandan Indah, 55100 Kuala Lumpur	Professional qualification: Licensed Secretary (LS) (Licence No.: LS 0008574) (SSM PC No.: 202008001119)
	Sia Ee Chin No. 1 Jalan Tropicana Cheras 8, Taman Tropicana Cheras, 43000 Kajang, Selangor	Malaysian Institute of Chartered Secretaries and Administrators (MAICSA No.: MAICSA 7062413) (SSM PC No.: 202008001676)
REGISTERED OFFICE	: Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur Tel. No.: +603 2783 9191	
HEAD/MANAGEMENT OFFICE	: Unit 01-12, Level 8, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur Tel. No.: +603 2722 8800 Website: https://ctosdigital.com E-mail: contactus@ctos.com.my	
SELLING SHAREHOLDERS	: Inodes Limited Tortola Pier Park, Building 1, Second Floor, Wickhams Cay I, Road Town, Tortola, British Virgin Islands	
	Chung Tze Keong 33 Lorong Tanjong 5/4E, 46000 Petaling Jaya, Selangor	
	Chung Tze Wen 36 Jalan Bukit Seputeh 1, Seputeh Heights, 58100 Kuala Lumpur	
	Ng Gaik Lin @ June Ng 4838, Jalan 5/1A, Kemensah Heights, 68000 Ampang, Selangor	
AUDITORS AND REPORTING ACCOUNTANTS	: PricewaterhouseCoopers PLT Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50470 Kuala Lumpur Tel. No.: +603 2173 1188 Partner-in-charge: Pauline Ho Professional qualification: Member of MIA (MIA membership No.: CA11007)	

1. CORPORATE DIRECTORY (Cont'd)

JOINT PRINCIPAL ADVISERS <i>(in alphabetical order)</i>	:	Maybank Investment Bank Berhad 32 nd Floor, Menara Maybank, 100, Jalan Tun Perak, 50050 Kuala Lumpur Tel. No.: +603 2059 1888	RHB Investment Bank Berhad Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur Tel. No.: +603 9287 3888
JOINT MANAGING UNDERWRITERS AND JOINT UNDERWRITERS <i>(in alphabetical order)</i>	:	AmlInvestment Bank Berhad 22 nd Floor, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur Tel. No.: +603 2036 2633	Maybank Investment Bank Berhad 32 nd Floor, Menara Maybank, 100, Jalan Tun Perak, 50050 Kuala Lumpur Tel. No.: +603 2059 1888
		RHB Investment Bank Berhad Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur Tel. No.: +603 9287 3888	
JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS <i>(in alphabetical order)</i>	:	Credit Suisse Securities (Malaysia) Sdn Bhd Suite 7.6, Level 7, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur Tel. No.: +603 2723 2020	Credit Suisse (Singapore) Limited 1 Raffles Link, #03/#04-01 South Lobby, Singapore 039393 Tel. No.: +65 6212 2000
		Maybank Investment Bank Berhad 32 nd Floor, Menara Maybank, 100, Jalan Tun Perak, 50050 Kuala Lumpur Tel. No.: +603 2059 1888	RHB Investment Bank Berhad Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur Tel. No.: +603 9287 3888
JOINT BOOKRUNNER	:	AmlInvestment Bank Berhad 22 nd Floor, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur Tel. No.: +603 2036 2633	
LEGAL ADVISERS	:	<i>To our Company as to Malaysian law</i>	<i>To our Company as to United States federal securities law and English law</i>
		Adnan Sundra & Low Level 25, Menara Etiqa, No. 3, Jalan Bangsar Utama 1, 59000 Kuala Lumpur Tel. No.: +603 2279 3288	Latham & Watkins LLP 9 Raffles Place, #42-02 Republic Plaza, Singapore 048619 Tel. No.: +65 6536 1161

1. **CORPORATE DIRECTORY** (Cont'd)

		<p><i>To the Joint Global Coordinators, Joint Bookrunners, Joint Managing Underwriters and Joint Underwriters as to Malaysian law</i></p> <p>Chooi & Company + Cheang & Ariff CCA @ BANGSAR Level 5, Menara BRDB, 285, Jalan Maarof, Bukit Bandaraya, 59000 Kuala Lumpur Tel. No.: +603 2055 3888</p>	<p><i>To the Joint Global Coordinators and Joint Bookrunners as to United States federal securities law and English law</i></p> <p>Allen & Overy LLP 50 Collyer Quay, #09-01 OUE Bayfront, Singapore 049321 Tel. No.: +65 6671 6000</p>
INDEPENDENT MARKET RESEARCHER	:	<p>IDC Market Research (Malaysia) Sdn Bhd The Pinnacle Suite 7-03, Level 7, Persiaran Lagoon, Bandar Sunway, 47500 Subang Jaya, Selangor, Malaysia Tel. No.: +603 7663 2288 Name of signing partner: Sudev Bangah <i>(See Section 8 of this Prospectus for the profile of the firm and signing partner)</i></p>	
SHARE REGISTRAR AND ISSUING HOUSE	:	<p>Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur Tel. No.: +603 2783 9299</p>	
LISTING SOUGHT	:	<p>Main Market of Bursa Securities</p>	
SHARIAH STATUS	:	<p>Approved by the SAC</p>	

2. INTRODUCTION

2.1 APPROVALS AND CONDITIONS

The SC has, via its letter dated 10 June 2021, approved our IPO and our Listing under Section 214(1) of the CMSA, subject to compliance with the following condition:

No.	Details of condition imposed	Status of compliance
(i)	Maybank IB, RHB IB and CTOS Digital to fully comply with the requirements of the Equity Guidelines and Prospectus Guidelines pertaining to the implementation of our Listing.	To be complied

The SC has also via the same letter taken note of the resultant equity structure of our Company pursuant to our Listing under the equity requirement for public listed companies (“**Equity Requirement**”). CTOS Data Systems, a wholly-owned subsidiary of our Company, is a company with the MSC Malaysia Status and a major contributor to our Group’s PATAMI for the FYEs 31 December 2018 to 2020. Accordingly, our Company is exempted from the Equity Requirement.

The SC has, via its letter dated 10 June 2021, approved the reliefs sought by us from having to comply with certain requirements under the Equity Guidelines and the Prospectus Guidelines. The details of the reliefs sought are as follows:

Reference	Details of relief granted	Condition imposed (if any)
Equity Guidelines		
Paragraph 5.30, Part II	Relief for all direct and indirect shareholders of Creador II from the requirement to provide a moratorium undertaking, and to allow only Creador II to provide the moratorium undertaking.	-
Paragraph 1(f)(i) of Part IV – Appendix 1, Content of Application for Equity Offerings and Listings	Relief from having to submit to the SC, the ultimate beneficial ownership of our Shares held by Inodes. Only the direct shareholders of Inodes, namely the Funds, will be provided.	-
Paragraphs 1(f)(i), (ii) and (iv) of Part IV – Appendix 1, Content of Application for Equity Offerings and Listings	Relief from having to submit to the SC the following in respect of the substantial shareholders of our associated companies, namely Experian and BOL: <ul style="list-style-type: none"> (i) the ultimate beneficial ownership of shares held under nominees/ corporations (other than those held by our Company); (ii) any changes in substantial shareholders and their shareholdings (other than our Company) over the past three years; and (iii) for corporations, their registration numbers, country of incorporation and current addresses. 	-
Paragraphs 2(a) and (b) of Appendix 4, Part IV	Relief from having to comply with the requirement in respect of placement of our IPO Shares to be offered under the Institutional Offering to parties who are connected to the Joint Bookrunners.	-

2. INTRODUCTION (Cont'd)

Reference	Details of relief granted	Condition imposed (if any)
Prospectus Guidelines		
Paragraph 4.01(d) of Chapter 4, Division 1 - Part II	Relief from having to disclose the ultimate beneficial ownership of the shareholders of Inodes in the Prospectus. The disclosure shall only be up to the Funds.	-
Paragraph 5.04(b) of Chapter 5, Division 1 - Part II and Paragraph 13.01(b)(i) of Chapter 13, Division 1 - Part II	Relief from having to disclose the name of one of the parties to the share purchase agreement dated 10 July 2019 in respect of the acquisition by our Company of the entire issued share capital of Enfo (" SPA ") in the Prospectus and to allow the name and personal information of the aforementioned person in the SPA to be made available for public inspection to be redacted.	-

Bursa Securities has, via its letter dated 15 June 2021, approved our Admission and our Listing subject to compliance with the following conditions:

No.	Details of condition imposed	Status of compliance
(i)	CTOS Digital and the Joint Principal Advisers to make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Practice Note 21 of the Listing Requirements; and	To be complied
(ii)	CTOS Digital and the Joint Principal Advisers to furnish Bursa Securities with a copy of the schedule of distribution showing compliance with the public spread requirements based on our entire issued share capital on the first day of listing.	To be complied

The SAC has, via its letter dated 27 May 2021, classified our Shares as Shariah-compliant securities based on our latest audited financial information for the FYE 31 December 2020 and the Pro Forma Consolidated Statements of Financial Position as at 31 December 2020.

The MITI has, via its letter dated 3 June 2021, stated that it has taken note of our Listing and that we are exempted from having to comply with the Equity Requirement.

2.2 MORATORIUM ON OUR SHARES

Pursuant to Paragraphs 5.29(a) and 5.30, Part II of the Equity Guidelines, our 880,000,000 Shares representing 40.0% of our enlarged issued share capital directly held by our Promoter at the date of our Listing are subject to moratorium for a period of six months from the date of our Listing.

Inodes has fully accepted the moratorium. It is not allowed to sell, transfer or assign any of its holding in our Shares as at the date of our Listing for a period of six months from the date of our Listing.

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

In addition, the Funds are not allowed to sell, transfer or assign any part of their securities in respect of Inodes for a period of six months from the date of our Listing.

3. PROSPECTUS SUMMARY

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

3.1 PRINCIPAL DETAILS OF OUR IPO

Our IPO consists of the Institutional Offering and the Retail Offering, totalling up to 1,100,000,000 IPO Shares, representing up to 50.00% of our enlarged issued share capital.

3.1.1 Institutional Offering

The Institutional Offering involves the offering of up to 936,000,000 IPO Shares (comprising up to 900,000,000 Offer Shares and 36,000,000 Issue Shares), representing approximately up to 42.55% of our enlarged issued share capital, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, at the Institutional Price to Malaysian institutional and selected investors, and foreign institutional and selected investors outside the United States in reliance on Regulation S.

3.1.2 Retail Offering

The Retail Offering involves the offering of 164,000,000 Issue Shares, representing approximately 7.45% of our enlarged issued share capital, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, at the Retail Price to be allocated in the following manner:

- (i) 120,000,000 Issue Shares, representing approximately 5.45% of our enlarged issued share capital, are reserved for application by the Eligible Persons.
- (ii) 44,000,000 Issue Shares, representing 2.00% of our enlarged issued share capital, are reserved for application by the Malaysian Public of which 22,000,000 Issue Shares have been set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions.

3.1.3 Moratorium on our Shares

In accordance with the Equity Guidelines, Inodes is not allowed to sell, transfer or assign any of its holding in our Shares as at the date of our Listing, for a period of six months from the date of our Listing.

Our Public Issue and Offer for Sale will raise gross proceeds of RM220.0 million and RM990.0 million, respectively. For detailed information relating to our IPO and moratorium on our Shares, see Sections 4.2 and 2.2 of this Prospectus, respectively.

3.2 HISTORY AND BUSINESS

Our Company was incorporated in Malaysia as a private limited company under the name of CTOS Holdings Sdn Bhd under the Companies Act, 1965 on 17 July 2014 and is deemed registered under the Act. On 6 October 2020, our Company changed its name to CTOS Digital Sdn Bhd and on 26 March 2021, our Company was converted into a public company.

The principal activity of our Company is that of investment holding while our subsidiaries are principally involved in the business of credit reporting, digital software related services, software development, outsourcing and training services and investment holding, and our associates are principally involved in the business of credit reporting, information services, development of local and global financial information system, online and offline business information service provider, consulting services, debt collection service and database management.

3. PROSPECTUS SUMMARY (Cont'd)

We provide credit information and analytics digital solutions on companies, businesses and consumers for use by banks and businesses at each stage of the customer lifecycle and provide credit information and analysis to consumers. We serve three types of customers: Key Accounts, Commercial and Direct-to-Consumer. As at the LPD, we provide digital solutions to approximately 430 Key Accounts customers in Malaysia, including Malaysian banks and corporates, and approximately 17,000 Commercial customers primarily in Malaysia, including SMEs in industries such as financial services, telecommunications, wholesale and retail trade, manufacturing, construction, professional services and insurance. Our Direct-to-Consumer customers are Malaysian consumers. We provide our Direct-to-Consumer customers with credit scores and detailed information including CCRIS information, directorships and business interests, litigation cases and trade references which helps consumers understand and manage their credit health and improve their financial literacy. As at the LPD, CTOS Data Systems has approximately 1.3 million users registered for a CTOS ID account, which allows users to access and purchase their CTOS Consumer Scores and credit information. As at the LPD, our databases contained profiles of approximately 15 million consumers and approximately 8 million companies and businesses. For further details on our history, group structure and business, see Sections 6 and 7 of this Prospectus.

3.3 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

- (i) **We have developed a fully digital platform for end-to-end credit management that provides our customers with an automated and seamless user experience.**

We have developed a fully-fledged ecosystem of credit management solutions for our customers. This ecosystem provides digital credit solutions to support our customers' businesses at every stage of the customer lifecycle: from new customer identification to customer onboarding to decisioning to customer management and monitoring to recovery, where required. As these digital solutions support various critical functions of our customers' businesses, we believe our digital solutions have become an integral part of our customers' business processes.

- (ii) **The penetration of credit reporting and credit management solutions in Malaysia and neighbouring ASEAN markets are a fraction of our developed market peers, presenting us with visible growth upside.**

The penetration of credit reporting and credit management solutions, measured by respective countries' credit bureau coverage of the population, remains significantly lower in Malaysia and in regional countries such as Thailand, where we have a presence, when compared to our developed market peers in the U.S. and the United Kingdom. Growth potential in the ASEAN region comes from greater penetration and usage of credit reporting services and further expansion of other services such as offering analytics (such as industry analysis and benchmarking, and share of wallet analysis), eKYC, application automation and direct-to-consumer digital solutions. We are currently the market leader of Malaysia's credit reporting industry with an estimated market share in terms of revenue of 71.2% in 2020, according to the IMR Report. Through the industry's high barriers to entry and the strong synergies we enjoy from our subscribers and database ecosystem, we are in an advantageous position to further grow our market share locally and maintain our market share leadership position in Malaysia's credit reporting industry.

- (iii) **We have an extensive distribution network and sales force, supported by a well-trained after sales support team to ensure strong customer acquisition and retention.**

As at the LPD, our Key Accounts and Commercial sales team stand at over 170 employees, which includes account managers and business development officers, and sales to our Direct-to-Consumer customers are predominantly digital and is handled by our marketing team. We have a national presence in Malaysia with ten offices throughout the country, eight of which are also service centres that provide assistance to customers. Furthermore, we have a well-trained after sales support team to ensure that our customers receive high quality technical support and help desk solutions.

3. PROSPECTUS SUMMARY (Cont'd)

(iv) We have accumulated a large credit database on individuals and businesses in Malaysia with extensive access to key financial databases.

We have a large credit database on individuals and businesses in Malaysia, having accumulated over 30 years of data in the industry since our establishment in 1990. As at the LPD, our database contained approximately 15 million consumer profiles and approximately 8 million company and business profiles. We source information for our databases from a wide range of public sources that we have access to, from domestic governmental organisations to other publicly available information such as public court listings, publications and gazettes.

(v) We have developed a diversified customer base, with whom we enjoy strong, long-term relationships.

With over 30 years in operation, we have developed long-standing relationships with a number of our customers, including our banking, telecommunications and other corporate customers who use our digital solutions. As at the LPD, each of our top five major customers has been our customer for an extended duration of time, ranging from eight to 20 years.

(vi) We have a strong financial profile – high growth, high margin and consistent ROE.

From the FYEs 31 December 2018 to 31 December 2020, we have achieved a revenue CAGR of 12.8%. In addition, we have also achieved a GP margin and EBITDA margin of 86.4% and 36.9%, respectively, for the FYE 31 December 2020. Our ROE has consistently been at least 39.0% from the FYEs 31 December 2018 to 31 December 2020.

(vii) We have an experienced management team and our major shareholder is backed by a Malaysian mid-market private equity fund group.

Our management team has a deep wealth of experience in the credit reporting and related industries globally. Our major shareholder, Inodes, which is backed by the Creador Group, a Malaysian mid-market private equity fund group, has played a crucial role in propelling the growth and expansion of our digital solutions over the past six years.

For further details on our competitive strengths, see Section 7.2.1 of this Prospectus.

3.4 IMPACT OF THE COVID-19 PANDEMIC

We were impacted in the short-term in March 2020 to May 2020 by the effects of the MCO on our customers' in-office activities, though our business has rebounded strongly since June 2020. Our operations in Malaysia achieved a 3.2% increase in our revenue for the FYE 31 December 2020 compared to the FYE 31 December 2019 due to increased sales of our digital solutions, in particular from our Comprehensive Portfolio Review, CTOS IDGuard and CTOS Data Systems Reports.

We believe that demand for our digital solutions remained strong as our customers have been able to adapt to the new business environment and are looking for upselling and cross-selling opportunities within their existing portfolios and to gain a better understanding of risks in their portfolios. The increase in our revenue for the FYE 31 December 2020 was partially offset by a temporary decrease in revenue in March 2020 to May 2020 during the MCO where many of our Key Accounts customers temporarily reduced their lending activities substantially and churn temporarily increased for our Commercial customers. In June 2020, BNM began providing free access to its CCRIS database, which will continue until the end of 2021, which resulted in lower revenue and cost of sales of RM7.8 million related to sales of CTOS Data Systems Reports but had no impact on our GP and had resulted in an improvement in our GP margin for the FYE 31 December 2020. We expect this trend to continue through the end of 2021. Our business, financial condition and results of operations were not materially impacted by the re-introductions of the MCO in 2021 including the MCO commencing on 12 May 2021. For further details on the impact of the COVID-19 pandemic on our business, see Sections 5.1.2, 5.1.5, 5.1.8, 7.24 and 12.2.3 of this Prospectus.

3. PROSPECTUS SUMMARY *(Cont'd)*

3.5 FUTURE PLANS AND STRATEGIES

Our future plans and strategies are as follows:

(i) We intend to continue to invest in further developing and extending our ecosystem of end-to-end credit management solutions.

To further develop and extend our ecosystem of end-to-end credit management solutions, we intend to continue to invest in new databases and innovate new digital solutions for our customers with a focus on data and analytics as well as digital transformation.

In the next two years, we expect to invest in two main areas, i.e. our IT capabilities and data and analytics. In the medium to long term, we also intend to increase our investments in artificial intelligence and machine learning, so as to incorporate these technologies into our analytics and decisioning platforms.

(ii) We will continue to deepen and broaden our data sources.

Despite our access to a wide variety of databases from various public and proprietary sources in Malaysia and internationally, we continue to deepen and broaden our data sources to provide unique insights to our customers. Over the last five years, we have invested in various new databases. We are also in the process of expanding the information we collect to include alternative data sources such as eTR Plus.

(iii) We aim to expand into new verticals including automotive, real estate and insurance sectors.

We will continue to expand into new sectors that we see strong growth potential. These sectors are typically present in global credit bureaux, but relatively nascent and unique to the Malaysian credit reporting industry. These sectors include automotive, real estate and insurance.

(iv) We aim to maintain and grow our market share leadership for CRA services in Malaysia.

To maintain and grow our leading market share, we will focus on increasing our market penetration, in particular by growing our Key Accounts customer base. We intend to introduce new digital solutions to capture a larger share of wallet of our Key Accounts customers, including banks and financial institutions. We also intend to launch new digital solutions and increase consumer awareness campaigns to increase our market penetration within the consumer segment.

(v) We may selectively pursue acquisitions and investments in companies as part of our growth strategy.

Part of our future plan is to selectively pursue acquisitions and investments in companies as part of our growth strategy. We are actively seeking opportunities to expand geographically to some of the countries within the Asia Pacific region save for Thailand and the Philippines, and we believe that our competitive advantage lies in our deep industry expertise and track record of robust and sustainable domestic growth. As at the LPD, we have identified a target business in the Asia Pacific region but such acquisition plan is still in a preliminary discussion phase.

For further details on our future plans and strategies, see Section 7.2.2 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

3.6 PROMOTER AND SUBSTANTIAL SHAREHOLDERS

The following tables set out the direct and indirect shareholding of our Promoter and substantial shareholders before and after our IPO:

Name	Nationality/ Country of incorporation	Before our IPO ⁽¹⁾				After our IPO ⁽²⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoter and substantial shareholder									
Inodes	BVI	1,600,000	80.0	-	-	880,000	40.0	-	-
Substantial shareholders									
Creador II	Republic of Mauritius	-	-	1,600,000	(3)80.0	-	-	880,000	(3)40.0
Chung Tze Keong	Malaysian	180,000	9.0	-	-	99,000	4.5	-	-
Chung Tze Wen	Malaysian	180,000	9.0	-	-	99,000	4.5	-	-

Notes:

- (1) Based on our issued share capital of 2,000,000,000 Shares after the Subdivision.
- (2) Based on our enlarged issued share capital of 2,200,000,000 Shares upon Listing.
- (3) Deemed interested by virtue of its interest in our Company via Inodes pursuant to Section 8(4) of the Act.

For further details on the shareholders of Inodes and their respective shareholdings in Inodes as at the LPD, see Section 9.1.1(i) of this Prospectus.

3. PROSPECTUS SUMMARY *(Cont'd)*

3.7 DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, our Directors and key senior management are as follows:

Name	Designation
Directors	
Tan Sri Izzuddin Bin Dali	Independent Non-Executive Chairman
Dato' Noorazman Bin Abd Aziz	Independent Non-Executive Director
Datuk Azizan Bin Haji Abd Rahman	Independent Non-Executive Director
Dennis Colin Martin	Non-Independent Executive Director / Group Chief Executive Officer
Loh Kok Leong	Non-Independent Non-Executive Director
Lynette Yeow Su-Yin	Independent Non-Executive Director
Nirmala A/P Doraisamy	Independent Non-Executive Director
Su Puay Leng	Independent Non-Executive Director
Wong Pau Min	Alternate Director to Loh Kok Leong
Key senior management	
Dennis Colin Martin	Non-Independent Executive Director / Group Chief Executive Officer
Chin Kuan Weng	Chief Executive Officer of CTOS Data Systems
Chen Thai Foong	Group Chief Financial Officer
Tracy Gan Jo Lin	Chief Operating Officer of CTOS Data Systems
Lim Sue Ling	Group Senior Head of Risk and Business Compliance
Benjamin Lau Chi Meng	Group General Manager of IT

For further information on our Directors and key senior management, see Sections 9.2.1 and 9.3.1 of this Prospectus, respectively.

3.8 RISK FACTORS

An investment in our Shares involves a number of risks, many of which are beyond our control. You should carefully consider all of the information contained in this Prospectus, including all the risk factors, before deciding to invest in our Shares. The following is a summary of the key risks that we face in our business operations, financial position and results, and shareholders' investments:

- (i) **Our business and the business of our associates are subject to various governmental regulations, laws and orders, including the CRA Act in Malaysia. These laws and regulations are complex and may change from time to time, and a failure to comply with them could subject us and our associates to civil or criminal penalties or other liabilities.**

We derive substantially all of our revenue from our credit reporting business in Malaysia, which is governed by the CRA Act. Pursuant to the CRA Act, we are required to have a CRA Certificate issued by the CRA Registrar to operate our credit reporting business. Our current CRA Certificates held under our subsidiaries, CTOS Data Systems and Basis, both of which will expire in September 2021. Failure to renew our CRA Certificates in a timely manner or at all would negatively impact our business, financial condition and results of operations. While we are primarily subject to data collection and protection provisions under the CRA Act, for similar aspects of our business that are not regulated by the CRA Act, we remain subject to the PDPA in Malaysia. Our associate, Experian, is also subject to the PDPA in Malaysia for the processing of personal data not related to credit information. In addition, from time to time, our and Experian's customers require us and Experian to adhere to certain data collection and protection requirements, which in turn are driven by their own data collection and protection obligations under the PDPA. The operations of our associate, BOL, are subject to the Thai PDPA. Our or our associates' inability to comply with applicable laws, regulations or customer requirements with regard to personal data protection may result in legal, regulatory or contractual liabilities to us or our associates, which could have a material adverse effect on our or our associates' businesses, financial condition and results of operations.

3. PROSPECTUS SUMMARY (Cont'd)

The anti-competition laws in Malaysia and Thailand may impede our ability to realise the anticipated benefits of our acquisitions and strategic investments. Further, depending on the market definition adopted by the regulator, our market share in Malaysia may be deemed a dominant position under the Competition Act, which could subject us to increased regulatory scrutiny. The legality of our business practices is also subject to the evolving market conditions and structure of some of the products and services that we offer, and any adverse interpretations or applications of existing laws and regulations in a manner inconsistent with our business practices may result in us being subject to regulatory scrutiny and consequently harm our reputation, business, financial condition and results of operations. Our management may be required to dedicate significant amount of time and resources in response to such heightened scrutiny in Malaysia, which could be disruptive to our business even if we are ultimately found not to have engaged in any unlawful activities.

Our business and the business of our associates are subject to various laws and regulations. These laws and regulations are complex, subject to change and could become more stringent over time. Legal and regulatory developments and non-compliance with laws and regulations could have a material adverse effect on our or our associates' businesses and results of operations. Changes in applicable legislation or regulations that restrict or dictate how we or our associates collect, maintain, combine and disseminate information, or that require us or our associates to provide services to consumers or a segment of consumers without charge, could adversely affect our or our associates' businesses, financial condition or results of operations.

- (ii) **We or our associates could lose access to external data sources and providers which could adversely affect our or our associates' ability to provide digital solutions. In addition, if our or our associates' data sources become accessible more easily or affordable, demand for and revenue from some of our or our associates' digital solutions may decrease.**

We and our associates depend on continued access to and receipt of data from external sources, including data obtained directly or indirectly from our and our associates' customers, strategic partners and various government and public record repositories such as the CCRIS and the CCM in Malaysia, and the Thai DBD and the Thai LED in Thailand. Our or our associates' data sources and providers could stop providing data or provide data in an untimely manner or increase the costs for their data for a variety of reasons, including a perception that our or our associates' systems are insecure as a result of data security incidents, budgetary constraints, a desire to generate additional revenue, competitive reasons or due to changes in regulations. If access to our or our associates' external data sources is reduced, whether partially or significantly, or if such data becomes more expensive to obtain, our or our associates' ability to provide digital solutions could be negatively impacted which would adversely affect our or our associates' reputation, businesses, financial condition and results of operations. There can be no assurance that we or our associates will be able to continue to obtain data from external data sources or providers on acceptable terms or at all or from alternative sources if our or our associates' current sources become unavailable.

Public and commercial sources of free or relatively inexpensive consumer information may become more readily available over time and as a consequence, may reduce demand for some of our or our associates' digital solutions. Governmental agencies may also provide free credit information to consumers. For example, in June 2020, to help alleviate the impact of the COVID-19 pandemic, BNM began providing free access to its CCRIS database which will continue until the end of 2021, which has reduced our revenue and cost of sales related to sales of our CTOS Data Systems Reports in the FYE 31 December 2020 and is expected to continue to have the same effect through the end of 2021. To the extent that our or our associates' customers choose not to obtain reports or digital solutions from us or our associates and instead rely on information obtained at little or no cost from these public and commercial sources, our or our associates' businesses, financial condition and results of operations may be adversely affected.

- (iii) **If we fail to maintain the integrity of our databases, our financial condition, results of operations, brand and reputation could be adversely affected.**

3. PROSPECTUS SUMMARY (Cont'd)

The integrity and reliability of our information databases are critical to our financial condition, results of operations, brand and reputation. There can be no assurance that we will be able to identify and update stale or inaccurate information in our information databases in a timely manner or at all. Any staleness or inaccuracy of information in our databases, if not rectified by us in a timely manner, may result in enforcement actions from our regulators. Further, there can be no assurance that the quality and accuracy of data or databases that we acquire or have access to, including data that we obtain from our customers and data and databases of companies that we acquire.

If the quality of our databases decreases or if the integrity of our databases is compromised, we may face customer or third-party claims and customers or the general public may lose confidence in our digital solutions. We have in the past been and continue to be subject to customer and third-party complaints and lawsuits regarding our data, and we could be subject to similar complaints and lawsuits in the future which could adversely affect our financial condition, results of operations, brand and reputation.

(iv) If we are unable to maintain our pioneer status, we may lose our tax incentives.

Our subsidiary, CTOS Data Systems, which accounted for 98.7%, 99.8% and 95.1% of our Group's PATAMI for the FYEs 31 December 2018, 31 December 2019 and 31 December 2020, respectively, has been awarded pioneer status incentives under the PIA 1986 for MSC Malaysia Qualifying Activities. CTOS Data Systems is entitled to a tax exemption for the tax relief period granted on its "value added income" which means its statutory income for the basis period for the year of assessment less the inflation adjusted base income. CTOS Data Systems' statutory income is its income derived from MSC Malaysia Qualifying Activities. Inflation adjusted base income is calculated with reference to CTOS Data Systems' average statutory income for up to three years before it was awarded pioneer status incentives adjusted with the rate of inflation for the basis year.

As a result, our effective tax rate for the FYEs 31 December 2018, 31 December 2019 and 31 December 2020 of 6.7%, 5.4% and 5.8%, respectively, has been significantly lower than the statutory tax rate of 24.0% in Malaysia. The tax relief period under CTOS Data Systems' MSC Pioneer Certificate is from 9 November 2016 to 8 November 2021. However, pursuant to the Grandfathering and Transitional Guidelines which became effective on 1 January 2019, such tax relief period will be until 30 June 2021. CTOS Data Systems requires approval from MDEC to enjoy these tax incentives throughout the Transitional Period.

CTOS Data Systems had submitted the application for MDEC's approval for the continuation of these tax incentives throughout the Transitional Period on 22 June 2021. While there is no assurance that we will be able to obtain MDEC's approval by 30 June 2021 for the continuation of these tax incentives throughout the Transitional Period, should we obtain such approval after 1 July 2021, the tax relief period will continue from 1 July 2021 until 8 November 2021 even if the tax relief period has expired on 30 June 2021. We also plan to seek MDEC's renewal of CTOS Data Systems' pioneer status in the third quarter of 2021 for an extended relief period of five years until November 2026.

We believe that CTOS Data Systems' pioneer status will be renewed in 2021. If the pioneer status of CTOS Data Systems is revoked or not renewed, CTOS Data Systems' statutory income would be subject to the prevailing statutory tax rate of 24.0%, resulting in an increase in the effective tax rate of our Group for the FYE 31 December 2021 (which may be higher than the prevailing statutory tax rate due to non-tax deductible items) compared to our effective tax rate of 5.8% for the FYE 31 December 2020.

CTOS Data Systems may also lose its MSC Malaysia Status if CTOS Data Systems is unable to continue to comply with the requirements prescribed under the approval by MDEC. In addition, CTOS Data Systems' pioneer status is conditional upon CTOS Data Systems' MSC Malaysia Status remaining valid. The loss of CTOS Data Systems' MSC Malaysia Status would result in the loss of CTOS Data Systems' pioneer status (including the related tax incentives described above), which in turn would adversely impact our PATAMI.

3. PROSPECTUS SUMMARY (Cont'd)

3.10 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to RM220.0 million⁽¹⁾ in the following manner:

Details of use of proceeds	Estimated timeframe for use from the date of our Listing	RM'000	%
Repayment of our bank borrowings	Within three months	155,181	70.5
Defray fees and expenses for our IPO and Listing ⁽²⁾	Within six months	6,098	2.8
Acquisitions to be identified ⁽³⁾	Within 36 months	58,700	26.7
Total		220,000	100.0

Notes:

- (1) We have assumed that the Institutional Price and the Final Retail Price will be equal to the Retail Price.
(2) Comprises placement fee in respect of the Institutional Offering and brokerage fees and underwriting commission in respect of our Public Issue. The other fees and expenses in respect of our IPO and Listing will be borne by Inodes.
(3) Acquisition targets are companies with digital solutions that complement ours, both in Malaysia and in the Asia Pacific region and have significant growth potential.

For detailed information relating to the use of proceeds arising from our Public Issue, see Section 4.6 of this Prospectus.

3.11 DIVIDEND POLICY

For information purposes, the following table sets out our Company's dividends declared for the financial years indicated and paid as of the date of this Prospectus:

	FYE 31 December		
	2018	2019	2020
	RM'000	RM'000	RM'000
Dividends declared and paid	42,313	22,378	24,750

On 15 June 2021, we declared a dividend-in-specie pursuant to the Distribution to our shareholders, amounting to RM15.1 million for the FYE 31 December 2021 which was completed on even date. The dividends declared in 2021 are not expected to have any impact on the execution and implementation of our future plans or strategies. As our Company is a holding company, our income and therefore, our ability to pay dividends is dependent upon the dividends that we receive from our subsidiaries and associates. Distributions by our subsidiaries and associates will depend upon their operating results, earnings, capital requirements, general financial condition and other relevant factors. We target a pay-out ratio of 60% of our profit attributable to the owners of our Company for each financial year on a consolidated basis after taking into account working capital, maintenance capital and committed capital requirements of our Group. The declaration and payments of any dividend is subject to the confirmation of our Board as well as any applicable law, licence conditions and contractual obligations, certain banking restrictive covenants which our Company is subject to as set out in Section 5.1.18 of this Prospectus and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board. As at the LPD, there are no dividend restrictions imposed on our subsidiaries.

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our Company's future dividends which are subject to modification (including non-declaration thereof) at our Board's discretion. We cannot assure you that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that future dividends declared by our Board, if any, will not differ materially from historical dividend pay-outs. See Section 5.3.3 of this Prospectus for the factors which may affect or restrict our ability to pay dividends. For detailed information relating to our dividend policy, see Section 12.5 of this Prospectus.

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

4. DETAILS OF OUR IPO

4.1 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative times and/or dates:

Event	Time and/or Date
Opening of the Institutional Offering ⁽¹⁾	30 June 2021
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., 30 June 2021
Closing of the Retail Offering	5:00 p.m., 6 July 2021
Closing of the Institutional Offering	6 July 2021
Price Determination Date	7 July 2021
Balloting of applications for our Issue Shares under the Retail Offering	8 July 2021
Allotment/Transfer of our IPO Shares to successful applicants	16 July 2021
Listing	19 July 2021

Note:

- (1) Other than the Institutional Offering to the Cornerstone Investors. The Master Cornerstone Placement Agreement for the acquisition of our IPO Shares by the Cornerstone Investors was entered into on 16 June 2021.

In the event there is any change to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

4.2 PARTICULARS OF OUR IPO AND PLAN OF DISTRIBUTION

Our IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus.

Our IPO consists of the Institutional Offering and the Retail Offering, totalling up to 1,100,000,000 IPO Shares, representing 50.00% of our enlarged issued share capital.

4.2.1 Pre-IPO Exercise

On 10 June 2021, our Company undertook a subdivision of one existing Share into 20 Shares to enhance the liquidity of our Shares at the time of our Listing.

On 15 June 2021, our Company completed the Distribution, which was undertaken by way of dividend-in-specie of 4,900,001 ordinary shares in CIBI Holdings held by our Company, representing the entire equity interest in CIBI Holdings to our existing shareholders. Following the Distribution, CIBI Holdings and CIBI ceased to be our subsidiaries. For further details on the Distribution, see Sections 6.1.1 and 7.1 of this Prospectus.

Following the completion of the Subdivision, our total issued Shares is 2,000,000,000 Shares.

4. DETAILS OF OUR IPO (Cont'd)

4.2.2 Institutional Offering

The Institutional Offering involves the offering of up to 936,000,000 IPO Shares (comprising up to 900,000,000 Offer Shares and 36,000,000 Issue Shares), representing approximately up to 42.55% of our enlarged issued share capital, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, at the Institutional Price to the following persons:

- (a) Malaysian institutional and selected investors; and
- (b) foreign institutional and selected investors outside the United States in reliance on Regulation S.

As part of the Institutional Offering, on 16 June 2021, our Company and the Selling Shareholders, entered into a Master Cornerstone Placement Agreement with the Joint Global Coordinators, the Joint Bookrunners and the Cornerstone Investors where the Cornerstone Investors have agreed to acquire, subject to the terms of the Master Cornerstone Placement Agreement and the individual cornerstone placement agreements, an aggregate of 509,467,900 Offer Shares, representing approximately 23.16% of our enlarged issued share capital at RM1.10 per Offer Share or the Institutional Price, whichever is lower. None of the Cornerstone Investors will individually acquire or subscribe for 5.0% or more of our enlarged issued share capital under the cornerstone placement agreements.

The cornerstone placement agreements are conditional upon, among others, the Retail Underwriting Agreement and the Placement Agreement being entered into and not having been terminated pursuant to their respective terms.

4.2.3 Retail Offering

The Retail Offering involves the offering of 164,000,000 Issue Shares, representing approximately 7.45% of our enlarged issued share capital, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, at the Retail Price to be allocated in the following manner:

(i) Allocation to the Eligible Persons

120,000,000 Issue Shares, representing approximately 5.45% of our enlarged issued share capital, are reserved for application by the Eligible Persons in the following manner:

Eligible Persons	No. of Eligible Persons	Aggregate no. of Issue Shares allocated
Our Directors ⁽¹⁾	8	3,200,000
Eligible employees of our Group (including directors of our subsidiaries) ⁽²⁾	479	26,800,000
Persons who have contributed to the success of our Group ⁽³⁾	17,430	90,000,000
Total	17,917	120,000,000

4. DETAILS OF OUR IPO (Cont'd)

Notes:

- (1) The criteria for allocation to our Directors is based on, among others, our Directors' respective roles and responsibilities in our Company. Save for Nirmala A/P Doraisamy who has indicated that she will not be subscribing for our Issue Shares, our Directors intend to subscribe for our Issue Shares allocated to them as follows:

<u>Director</u>	<u>No. of Issue Shares allocated</u>
Tan Sri Izzuddin Bin Dali	300,000
Dato' Noorazman Bin Abd Aziz	300,000
Datuk Azizan Bin Haji Abd Rahman	300,000
Dennis Colin Martin	500,000
Loh Kok Leong	500,000
Lynette Yeow Su-Yin	300,000
Su Puay Leng	300,000
Wong Pau Min	700,000

- (2) The allocation is to be made to full time confirmed employees of our Group based on length of service, performance, job grade and their past contribution to our Group.
- (3) The allocation is based on, among others, their contributions to the success of our Group and their length of business relationship with us. Persons who have contributed to the success of our Group are as set out below:
- (i) Our Key Accounts and Commercial customers based on their respective revenue contributions to our Group in the past 12 months prior to the LPD and the length of their respective business relationships with our Group; and
 - (ii) Dato' Haji Badri bin Haji Masri, our former Independent Non-Executive Director, who had been a director of our Company for approximately six years and had resigned on 30 September 2020.

(ii) Allocation via balloting to the Malaysian Public

44,000,000 Issue Shares, representing 2.00% of our enlarged issued share capital, are reserved for application by the Malaysian Public of which 22,000,000 Issue Shares have been set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions.

4. DETAILS OF OUR IPO (Cont'd)

In summary, our IPO Shares will be allocated subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, in the following manner:

Category	Offer for Sale			Public Issue			Total		
	No. of Shares '000	% of our enlarged share capital	No. of Shares '000	No. of Shares '000	% of our enlarged share capital	No. of Shares '000	% of our enlarged share capital	No. of Shares '000	% of our enlarged share capital
Retail Offering:									
Eligible Persons:									
- Our Directors	-	-	-	3,200	0.15	3,200	0.15	3,200	0.15
- Eligible employees of our Group (including directors of our subsidiaries)	-	-	-	26,800	1.22	26,800	1.22	26,800	1.22
- Persons who have contributed to the success of our Group	-	-	-	90,000	4.09	90,000	4.09	90,000	4.09
Malaysian Public (via balloting):									
- Bumiputera				22,000	1.00	22,000	1.00	22,000	1.00
- Non-Bumiputera				22,000	1.00	22,000	1.00	22,000	1.00
Sub-total	-	-	-	164,000	7.45	164,000	7.45	164,000	7.45
Institutional Offering:									
Malaysian and foreign institutional and selected investors	900,000	40.91	900,000	36,000	1.64	936,000	42.55	936,000	42.55
Total	900,000	40.91	900,000	200,000	9.09	1,100,000	50.00	1,100,000	50.00

The completion of the Retail Offering and the Institutional Offering are inter-conditional. Our IPO is also subject to the public shareholding spread requirement under the Listing Requirements as set out in Section 4.2.8 of this Prospectus. Our Public Issue and Offer for Sale will raise gross proceeds of RM220.0 million and RM990.0 million, respectively.

4. DETAILS OF OUR IPO (Cont'd)

4.2.4 Clawback and reallocation

The Institutional Offering and the Retail Offering will be subject to the following clawback and reallocation provisions:

- (i) if the Issue Shares allocated to Eligible Persons are under-subscribed, such Issue Shares may be allocated to the other Malaysian and foreign institutional and selected investors under the Institutional Offering or the Malaysian Public under the Retail Offering or a combination of both, at the discretion of the Joint Global Coordinators and us;
- (ii) subject to item (i) above, if there is an over-subscription in the Retail Offering and there is a corresponding under-subscription in the Institutional Offering, our IPO Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering; and
- (iii) subject to item (i) above, if there is an over-subscription in the Institutional Offering and there is a corresponding under-subscription in the Retail Offering, our Issue Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering.

There will be no clawback and reallocation if there is an over-subscription or under-subscription in both the Institutional Offering and the Retail Offering or an under-subscription in either the Institutional Offering or the Retail Offering but no over-subscription in the other.

Any Issue Shares not taken up by the Eligible Persons ("**Excess Issue Shares**") will be made available for application by the Eligible Persons who have applied for excess on top of their pre-determined allocation and allocated on a fair and equitable basis and in the following priority:

- (a) firstly, allocation on a pro-rata basis to our Directors and eligible employees of our Group (including directors of our subsidiaries) who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for;
- (b) secondly, allocation of any surplus Excess Issue Shares after (a) above on a pro-rata basis to persons who have contributed to the success of our Group who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for; and
- (c) thirdly, to minimise odd lots.

4. DETAILS OF OUR IPO (Cont'd)

Our Board reserves the right to allot Excess Issue Shares applied in such manner as it may deem fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (a) to (c) above is achieved. Our Board also reserves the right to accept or reject any Excess Issue Shares application, in full or in part, without assigning any reason.

Once completed, the steps involving items (a) to (c) above will not be repeated. Should there be any balance of Excess Issue Shares thereafter, such balance will be made available for clawback and reallocation as described in item (i) above. Any Issue Shares under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be underwritten by the Joint Underwriters.

4.2.5 Classes of shares and ranking

As at the date of this Prospectus, we only have one class of shares, being ordinary shares.

Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares, subject to any applicable Rules of Bursa Depository.

The Offer Shares rank equally in all respects with our existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares, subject to any applicable Rules of Bursa Depository.

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

At every general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy or by attorney or by other duly authorised representative. Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held or represented. A proxy may but need not be a member of our Company.

4. DETAILS OF OUR IPO (Cont'd)

4.2.6 Share capital

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

	No. of Shares	RM'000
After the Subdivision	2,000,000,000	197,994
To be issued under our Public Issue	200,000,000	⁽¹⁾ 213,902
Total upon Listing	2,200,000,000	411,896

Note:

- (1) Calculated based on the Retail Price and after deducting the estimated listing expenses of approximately RM6.1 million which is directly attributable to our Public Issue and allowed to be debited against the share capital of our Company.

4.2.7 Priority of the offering

In the event the demand for our IPO Shares is less than 1,100,000,000 IPO Shares, our Public Issue shall take precedence over the Offer for Sale. The demand for our IPO Shares shall be firstly satisfied with the Issue Shares under our Public Issue, and following that, any excess demand will be satisfied with the Offer Shares under the Offer for Sale.

4.2.8 Minimum subscription level

There is no minimum subscription level in terms of proceeds to be raised under our IPO. However, in order to comply with the public shareholding spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of IPO Shares will be the number of Shares required to be held by the public shareholders of our Company to comply with the minimum public shareholding spread requirement under the Listing Requirements or as approved by Bursa Securities.

Under the Listing Requirements, we are required to have a minimum of 25.0% of our Shares held by at least 1,000 public shareholders, each holding not less than 100 Shares at the point of our Listing.

If the above requirement is not met, we may not be able to proceed with our Listing. See Section 5.3.5 of this Prospectus for details in the event there is a delay in or termination of our Listing.

4. DETAILS OF OUR IPO (Cont'd)

4.3 SELLING SHAREHOLDERS

The Offer Shares to be offered by the Selling Shareholders and their respective direct shareholdings in our Company before and after our IPO and their material relationship with our Group within the past three years are as follows:

Name	Material relationship with our Group	Shareholding after the Subdivision		Offer for Sale		After our IPO	
		No. of Shares	(¹)%	No. of Shares	(²)%	No. of Shares	(²)%
Inodes	Promoter and substantial shareholder	1,600,000,000	80.0	720,000,000	32.7	880,000,000	40.0
Chung Tze Keong	Substantial shareholder	180,000,000	9.0	81,000,000	3.7	99,000,000	4.5
Chung Tze Wen	Substantial shareholder	180,000,000	9.0	81,000,000	3.7	99,000,000	4.5
Ng Gaik Lin @ June Ng	Shareholder	40,000,000	2.0	18,000,000	0.8	22,000,000	1.0
Total		2,000,000,000	100.0	900,000,000	40.9	1,100,000,000	50.0

Notes:

(1) Based on our issued share capital of 2,000,000,000 Shares after the Subdivision.

(2) Based on our enlarged issued share capital of 2,200,000,000 Shares upon Listing.

4. DETAILS OF OUR IPO (Cont'd)

4.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES AND REFUND MECHANISM

4.4.1 Retail Price

The Retail Price was determined and agreed upon between our Directors and the Selling Shareholders in consultation with the Joint Global Coordinators, after taking into consideration the following factors:

- (i) Our Group's strong growth in revenue and net profit for the FYEs 31 December 2018 to 31 December 2020 at a CAGR of 12.8% and 15.0% respectively. Our EBITDA grew at a CAGR of 21.5% over the same period and our EBITDA margins were 31.8%, 37.6% and 36.9% for the FYEs 31 December 2018, 31 December 2019 and 31 December 2020, respectively, whereas our Normalised PATAMI margins were 27.6%, 32.6% and 32.4% for the FYEs 31 December 2018, 31 December 2019 and 31 December 2020, respectively;
- (ii) PER of approximately 61.8 times based on our Group's EPS of 1.78 sen after taking into account our PATAMI of RM39.2 million for the FYE 31 December 2020 and our 2,200,000,000 Shares upon Listing;
- (iii) Our competitive strengths, as follows:
 - (a) we have developed a fully digital platform for end-to-end credit management that provides our customers with an automated and seamless user experience;
 - (b) the penetration of credit reporting and credit management solutions in Malaysia and neighbouring ASEAN markets are a fraction of our developed market peers, presenting us with visible growth upside;
 - (c) we have an extensive distribution network and sales force, supported by a well-trained after sales support team to ensure strong customer acquisition and retention;
 - (d) we have accumulated a large credit database on individuals and businesses in Malaysia with extensive access to key financial databases;
 - (e) we have developed a diversified customer base, with whom we enjoy strong, long-term relationships;
 - (f) we have a strong financial profile comprising high growth in revenue and market share, high gross profit margin and EBITDA margin and consistent ROE; and
 - (g) we have an experienced management team and our major shareholder is backed by a Malaysian mid-market private equity fund group;

4. DETAILS OF OUR IPO (Cont'd)

- (iv) Our future plans and strategies, as follows:
 - (a) we intend to continue to invest in further developing and extending our ecosystem of end-to-end credit management solutions;
 - (b) we will continue to deepen and broaden our data sources;
 - (c) we aim to expand into new verticals including the automotive, real estate and insurance sectors;
 - (d) we aim to maintain and grow our market share leadership for CRA services in Malaysia; and
 - (e) we may selectively pursue acquisitions and investments in companies as part of our growth strategy;
- (v) positive outlook of the credit reporting market in ASEAN including Malaysia with expected higher demand for real-time credit decisioning following the shift in consumer behaviour to online spending and services accelerated by the COVID-19 pandemic, drives the credit reporting growth. Furthermore, the ASEAN market with countries such as Thailand, Vietnam and Indonesia are still underpenetrated and still at a nascent stage of the crediting reporting industry compared to certain neighbouring countries. See Section 8 of this Prospectus for further details; and
- (vi) prevailing market conditions which include among others, market performance of key global indices and companies involved in similar business listed on other exchanges, current market trends and investors' sentiments.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date, and will be the lower of:

- (i) the Retail Price; or
- (ii) the Institutional Price.

In the event that the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. See Section 4.4.3 of this Prospectus for details of the refund mechanism.

The Final Retail Price and the Institutional Price will be announced within two Market Days from the Price Determination Date via Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price, together with the notices of allotment for our IPO Shares.

4. DETAILS OF OUR IPO (Cont'd)

4.4.2 Institutional Price

The Institutional Price will be determined by a bookbuilding process wherein prospective institutional and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of our IPO Shares they would be prepared to acquire and the price they would be prepared to pay for our IPO Shares in respect of the Institutional Offering. This bookbuilding process commenced on 30 June 2021 and will end on 6 July 2021. Upon completion of the bookbuilding process, the Institutional Price will be fixed by our Directors and the Selling Shareholders in consultation with the Joint Global Coordinators on the Price Determination Date.

4.4.3 Refund mechanism

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and Final Retail Price will be refunded to the successful applicants without any interest thereon. The refund in the form of cheques will be despatched by ordinary post to the address maintained with Bursa Depository for applications made via the Application Form or by crediting into the accounts of the successful applicants with the Participating Financial Institution for applications made via the Electronic Share Application or by crediting into the accounts of the successful applicants with the Internet Participating Financial Institution for applications made via the Internet Share Application, within ten Market Days from the date of final ballot of applications, at the successful applicants' own risk.

For further details on the refund mechanism, see Section 15.10 of this Prospectus.

4.4.4 Expected market capitalisation

Based on the Retail Price, the total market capitalisation of our Company upon our Listing would be approximately RM2.4 billion.

You should also note that the market price of our Shares upon our Listing is subject to the vagaries of market forces and other uncertainties. You are reminded to carefully consider the risk factors as set out in Section 5 of this Prospectus.

4. DETAILS OF OUR IPO (Cont'd)

4.5 DILUTION

Dilution is the amount by which our pro forma consolidated NA per Share after our IPO is less than the price paid by retail, institutional and selected investors for our Shares. Our pro forma consolidated NA per Share as at 31 December 2020 after the Pre-IPO Exercise and after adjusting for (i) the acquisition of the entire equity interest of Basis; and (ii) declaration and/or payment of the interim dividend for the FYE 31 December 2020 of RM5.3 million and RM17.0 million, respectively (collectively, "Subsequent Events*"), but before adjusting for our IPO was RM0.04, based on 2,000,000,000 Shares following the Subdivision.

Note:

* The Subsequent Events do not include the disposal of our entire 20.0% equity interest of Consumer CreditScore Philippines, Inc. for a consideration of approximately RM702 by CIBI, which was completed on 11 February 2021. Our investment in Consumer CreditScore Philippines, Inc., was fully impaired as at 31 December 2020 and the gain on completion of the disposal is insignificant.

After taking into account our enlarged number of issued Shares from the issuance of 200,000,000 Issue Shares and after adjusting for the Subsequent Events and use of proceeds from our Public Issue, our pro forma consolidated NA as at 31 December 2020 would be RM0.13. This represents an immediate increase in consolidated NA per Share of RM0.09 to our existing shareholders and an immediate dilution in NA per Share of RM0.97 representing 88.2% of the Retail Price and the Institutional Price (assuming the Final Retail Price and the Institutional Price will equal the Retail Price) to the retail/institutional and selected investors.

The following table illustrates such dilution on a per Share basis assuming the Retail Price is equal to the Final Retail Price and the Institutional Price:

Final Retail Price/Institutional Price	RM1.10
Pro forma consolidated NA per Share as at 31 December 2020 after the Pre-IPO Exercise, the Subsequent Events and before adjusting for our IPO	RM0.04
Pro forma consolidated NA per Share as at 31 December 2020, after the Pre-IPO Exercise, the Subsequent Events and after adjusting for the use of proceeds from our Public Issue	RM0.13
Increase in consolidated NA per Share to our existing shareholders	RM0.09
Dilution in pro forma consolidated NA per Share to retail/institutional and selected investors	RM0.97
Dilution in pro forma consolidated NA per Share to retail/institutional and selected investors as a percentage of the Retail Price/Institutional Price	88.2%

None of our substantial shareholders, Directors, key senior management, or persons connected to them had acquired our Shares in the past three years up to the LPD or have the right to acquire and/or subscribe for our Shares as at the LPD.

4. DETAILS OF OUR IPO (Cont'd)

4.6 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to RM220.0 million⁽¹⁾ in the following manner:

Details of use of proceeds	Estimated timeframe for use from the date of our Listing	RM'000	%
Repayment of our bank borrowings	Within three months	155,181	70.5
Defray fees and expenses for our IPO and Listing	Within six months	6,098	2.8
Acquisitions to be identified	Within 36 months	58,721	26.7
Total		220,000	100.0

Note:

- (1) We have assumed that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

Further details on the use of proceeds from our Public Issue are as follows:

4.6.1 Repayment of our bank borrowings

Our Group's total borrowings stands at RM157.9 million as at the LPD, comprising USD20.4 million (approximately RM84.5 million*) from RHB Term Loan 1, RM42.2 million from RHB Term Loan 2 and RM31.2 million from RHB Term Loan 3. RHB Term Loan 1 was drawn down on 28 October 2020 to finance the acquisition of a 20.0% equity interest in BOL whilst RHB Term Loan 2 was drawn down on 28 October 2020 to refinance our Group's term loan facilities which were utilised mainly to finance the acquisition of a 26.0% equity interest in Experian. In addition, RHB Term Loan 3 was drawn down on 4 January 2021 and 18 February 2021 to finance the acquisition of Basis.

We intend to use RM155.2 million of the proceeds from our Public Issue to repay all the outstanding amount under RHB Term Loan 1, RHB Term Loan 2 and RHB Term Loan 3 respectively at the time of our Listing.

The loan facilities to be repaid from the proceeds of our Public Issue bear an interest rate of cost of funds (COF) plus 2.0% per annum (effective rate of approximately 3.4% as at the LPD) and each term facility is required to be repaid within five years from the first utilisation of any of the facilities, subject to certain mandatory prepayment events.

The repayment of the loan facilities is expected to have a positive financial impact on our Group with interest savings of approximately RM5.4 million per annum based on the effective rate of approximately 3.4%.

Note:

- * Computed based on USD1:RM4.138, being the middle rate prevailing as at 12.00 p.m. on the LPD as published by BNM.

4. DETAILS OF OUR IPO (Cont'd)

4.6.2 Defray fees and expenses for our IPO and Listing

The estimated fees and expenses for our IPO and Listing to be borne by us are estimated to be RM6.1 million, comprising placement fee in respect of the Institutional Offering and brokerage fees and underwriting commission in respect of our Public Issue. The other fees and expenses in respect of our IPO and Listing will be borne by Inodes namely, professional fees, fees payable to authorities, other fees and expenses such as printing, advertising, travel and roadshow expenses, and other miscellaneous expenses to be incurred by us for our IPO which is estimated to be approximately RM10.9 million.

4.6.3 Acquisitions to be identified

One of our future plans is to selectively pursue acquisitions and investments in companies as part of our growth strategy. We typically seek assets that have direct cost and capability synergies with our digital solutions, enabling us to expand our digital solutions offering, achieve value chain integration for our existing segments and customers, and facilitate entry into new verticals.

We are selective about company acquisitions, first assessing if the proposed target business presents a clear value proposition. We primarily seek acquisitions of digital solutions that complement ours, as well as businesses with significant growth potential.

In light of the above strategy, we are exploring investment and acquisition opportunities in companies within Malaysia and in the Asia Pacific region which meet such criteria. As at the LPD, we have identified a target business in the Asia Pacific region but such acquisition plan is still in a preliminary discussion phase. We may also consider increasing our equity interest in BOL in the future. Although we may evaluate CIBI for future re-investment, the proceeds from our Public Issue will not be used for such purpose.

We plan to use RM58.7 million of the proceeds from our Public Issue for investment and acquisition of BOL or target companies to be identified in the next 36 months. Any excess funds not used for this purpose will be used to meet the working capital requirements of our Group. However, in the event the allocated proceeds are insufficient for investments in and/or acquisitions of target companies, such shortfall will be funded through internally generated funds and/or bank borrowings.

The actual proceeds accruing to our Company will depend on the Institutional Price and the Final Retail Price. If the actual proceeds are higher than budgeted above, the excess will be used for acquisitions to be identified. Conversely, if the actual proceeds are lower than budgeted above, the proceeds allocated for acquisitions to be identified will be reduced.

Given the timing of the use of proceeds to be raised from our Public Issue may not be immediate and as part of our efficient capital management to maximise profit income, we intend to place the proceeds raised from our Public Issue or any balance (including accrued profit, if any) in profit-bearing accounts with licensed financial institution(s) and/or in money-market deposit instruments/funds.

Our Company will not receive any proceeds from the Offer for Sale. The total gross proceeds from the Offer for Sale of up to approximately RM990.0 million will accrue entirely to the Selling Shareholders. The Selling Shareholders will bear placement fees in relation to the Offer for Sale which is estimated to be approximately RM21.0 million.

4. DETAILS OF OUR IPO (Cont'd)

4.7 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.7.1 Brokerage fee

We will pay brokerage in respect of our Issue Shares under the Retail Offering at the rate of 1.0% (exclusive of applicable tax) of the Final Retail Price in respect of all successful applications which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Joint Global Coordinators and the Joint Bookrunners are entitled to charge brokerage commission to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission under the Institutional Offering will not be payable by us or the Selling Shareholders.

4.7.2 Underwriting commission

As stipulated in the Retail Underwriting Agreement, the Joint Managing Underwriters and the Joint Underwriters have agreed to underwrite our Issue Shares under the Retail Offering for an underwriting commission of 1.5% (exclusive of applicable tax) of the Retail Price multiplied by the total number of Issue Shares underwritten under the Retail Offering in accordance with the terms of the Retail Underwriting Agreement.

4.7.3 Placement fee

The Selling Shareholders for the Offer Shares and us for our Issue Shares will pay the Joint Global Coordinators and Joint Bookrunners a placement fee and selling commission of up to 1.5% (exclusive of applicable tax) and may pay the Joint Global Coordinators and Joint Bookrunners a discretionary fee of up to 0.5% (exclusive of applicable tax) of the Institutional Price multiplied by the number of IPO Shares sold to Malaysian and foreign institutional and selected investors in accordance with the terms of the Placement Agreement.

4.8 DETAILS OF THE UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENTS

4.8.1 Underwriting

We have entered into the Retail Underwriting Agreement with the Joint Managing Underwriters and the Joint Underwriters to severally and not jointly (nor jointly and severally) underwrite 164,000,000 Issue Shares under the Retail Offering, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus and upon the terms and subject to the conditions of the Retail Underwriting Agreement.

Details of the underwriting commission are set out in Section 4.7.2 of this Prospectus, while the salient terms of the Retail Underwriting Agreement are as follows:

Unless waived by the Joint Managing Underwriters and Joint Underwriters (on behalf of all the Joint Underwriters), who have agreed to underwrite 164,000,000 of our Issue Shares under the Retail Offering, the underwriting obligations of the Joint Managing Underwriters and Joint Underwriters are subject to certain conditions precedent which must be fulfilled or waived on or before two Market Days after the closing date of the Retail Offering as stated in this Prospectus or such later date as may be agreed in writing by the Joint Managing Underwriters (on behalf of all the Joint Underwriters).

4. DETAILS OF OUR IPO (Cont'd)

The Joint Managing Underwriters (for and on behalf of the Joint Underwriters) may by notice to our Company given at any time before the date of Listing, terminate, cancel and withdraw their respective underwriting commitment if:

- (i) there is an occurrence of any event or discovery of any fact or circumstances resulting in a breach by our Company of any of the warranties or undertakings set out in the Retail Underwriting Agreement or rendering any of the warranties untrue, inaccurate or misleading in all respects;
- (ii) there is a breach or failure on the part of our Company to perform any obligations contained in the Retail Underwriting Agreement which, in the reasonable and sole opinion of the Joint Managing Underwriters have, or could be expected to have, a material adverse effect or material adverse change, whether individually or in the aggregate, and whether or not arising in the ordinary course of business, on any of the following: (a) on the condition (financial or otherwise), general affairs, contractual commitments, earnings, management, business, properties, assets, liquidity, liabilities, undertakings, stockholders' equity, results of operations or prospects of our Company or our Group or our associates taken as a whole; (b) the ability of our Company and/or the Selling Shareholders to perform the obligations under or with respect to, or to consummate the transactions contemplated by, this Prospectus, the Master Cornerstone Placement Agreement, each individual cornerstone placement agreement, the Placement Agreement or the Retail Underwriting Agreement; (c) the ability of our Company or any subsidiaries of our Company to conduct its businesses and to own or lease its assets and properties as described in this Prospectus; or (d) our IPO including but not limited to the distribution or the sale of our IPO Shares pursuant to our IPO ("**Material Adverse Effect**");
- (iii) our Company withholds any material information from the Joint Managing Underwriters and the Joint Underwriters, which has a Material Adverse Effect;
- (iv) there shall have occurred any government requisition or other events whatsoever which has a Material Adverse Effect;
- (v) any of the following occurs:
 - (a) there has occurred a material adverse change, or development or event in our Company;
 - (b) there is any change or any development or event (whether or not permanent) involving any crisis in local, national or international monetary, financial, economic, legal, taxation, industry, political conditions or capital markets (including, without limitation, conditions in the stock markets, the foreign exchange markets, inter-bank markets or money markets or conditions with respect to interest rates in Malaysia, the United States, the United Kingdom, Singapore, Hong Kong or Thailand) or foreign exchange rates or controls, in each case, Malaysia, the United States, the United Kingdom, Singapore, Hong Kong or Thailand, or any occurrence of a combination of any such changes or developments or crises or any deterioration of any such conditions;

4. DETAILS OF OUR IPO (Cont'd)

- (c) there has been an event due to causes which are unpredictable and beyond the reasonable control of the parties to the Retail Underwriting Agreement claiming force majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including but not limited to: (i) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of hostile army, nation or enemy, national emergency, civil war or commotion, hijacking, terrorism; (ii) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organised armed resistance to the government, insurrection, revolt, military or usurped power; or (iii) natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, outbreak of disease, epidemics or pandemics (where in the context of the existing COVID-19 pandemic, any worsening of it), the imposition of lockdowns or similar measures to control the spread of any epidemic or other acts of God affecting Malaysia, the United States, the United Kingdom, Singapore, Hong Kong or Thailand;
- (d) trading in all shares or securities on Bursa Securities has been suspended or other material form of restriction in general trading in securities is imposed for three consecutive Market Days or more;
- (e) the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day, (a) on or after the date of the Retail Underwriting Agreement; and (b) prior to the closing date of the Retail Offering, as the case may be, lower than 85% of the level of Index at the last close of normal trading on the Index on the Market Day immediately prior to the date of the Retail Underwriting Agreement and remains at or below that level for at least three consecutive Market Days;
- (f) there is a change or development in Malaysian or Thai taxation materially and adversely affecting our Company, our IPO Shares or the transfers thereof or an announcement of such change or development by the Government or such other competent authority; or
- (g) a banking moratorium has been declared by authorities in Malaysia, the United States, the United Kingdom, Singapore, Hong Kong or Thailand, or a material disruption of commercial banking activities or securities settlement or clearance services has occurred in Malaysia, the United States, the United Kingdom, Singapore, Hong Kong or Thailand,

the effect of which, in the case of each of paragraphs (a) to (g) above, following consultation with our Company, would have a Material Adverse Effect, or, in the sole and reasonable opinion of the Joint Managing Underwriters, is likely to prejudice the issue, offer, sale and delivery of our IPO Shares on the terms and in the manner contemplated in this Prospectus, or the completion of our IPO;

- (vi) there shall have been announced or carried into force any new law or change in law in any jurisdiction which in the sole and reasonable opinion of the Joint Managing Underwriters may prejudice the completion of our IPO or our Listing or which would have or is reasonably likely to have the effect of making it impracticable to enforce contracts to allot and/or transfer our IPO Shares or making any obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms;

4. DETAILS OF OUR IPO (Cont'd)

- (vii) the Institutional Offering and/or the Retail Offering is stopped or delayed by our Company or any authority for any reason whatsoever (unless such delay has been approved by the Joint Managing Underwriters);
- (viii) the closing date of the Retail Offering does not occur by 19 July 2021 or such other date as may be agreed in writing by the Joint Managing Underwriters;
- (ix) our Listing does not take place by 2 August 2021 or such other date as may be agreed in writing by the Joint Managing Underwriters;
- (x) any commencement of legal proceedings or action against any member of our Group or any of the directors, which has a Material Adverse Effect or makes it impracticable to market our IPO or to enforce contracts to allot and/or transfer our IPO Shares;
- (xi) any one of the Placement Agreement, each lock-up letter, the Master Cornerstone Placement Agreement and each individual cornerstone placement agreement shall have been (i) terminated or rescinded in accordance with its terms, (ii) ceased to have any effect whatsoever, or (iii) varied or supplemented upon terms that would have a Material Adverse Effect;
- (xii) any of the resolutions or approvals referred to in Clause 6.1(f) and Clause 6.1(g) of the Retail Underwriting Agreement respectively, is revoked, suspended or ceases to have any effect whatsoever, or is varied or supplemented upon terms that would have a Material Adverse Effect;
- (xiii) any material statements contained in this Prospectus has become or been discovered to be untrue, inaccurate or misleading in any respect, or matters have arisen or have been discovered which would, if this Prospectus were to be issued at that time, constitute a material omission therefrom as of the LPD;
- (xiv) in the event our Listing is withdrawn or not procured or procured but subject to conditions not acceptable to the Joint Managing Underwriters;
- (xv) if the SC or any other relevant authority issues an order pursuant to Malaysian law such as to make it impracticable to market our IPO or enforce contracts to allot and/or transfer our IPO Shares; or
- (xvi) any other event in which a Material Adverse Effect has occurred.

4.8.2 Placement

We and the Selling Shareholders expect to enter into the Placement Agreement with the Joint Global Coordinators and Joint Bookrunners in relation to the placement of up to 936,000,000 IPO Shares under the Institutional Offering, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus. We and the Selling Shareholders will be requested to give various representations, warranties and undertakings, and to indemnify the Joint Global Coordinators and Joint Bookrunners against certain liabilities in connection with our IPO. The terms of the Placement Agreement are subject to negotiations and may include termination events that are different from those under the Retail Underwriting Agreement as set out in Section 4.8.1 of this Prospectus.

4. DETAILS OF OUR IPO (Cont'd)

4.8.3 Lock-up arrangements

- (i) We have agreed that, subject to offerings under our IPO, we shall not without the prior written consent of the Joint Bookrunners, to the extent applicable to us, for a period beginning on the date of the lock-up letter and ending on, and including, the date that is six months after the date of Listing:
- (a) directly or indirectly, conditionally or unconditionally, issue, allot, offer, pledge, sell, offer to sell, contract or agree to sell, assign, issue or sell or grant or agree to grant any option, right, warrant or contract to purchase or create security over, purchase any option or contract to sell, hypothecate or create any encumbrance, lend or otherwise transfer or dispose of, or agree to transfer or dispose of, any Shares or any securities convertible into or exercisable or exchangeable for Shares or any securities substantially similar to our Shares, including any Shares held in treasury that are now owned or hereafter acquired by our Company or with respect to which our Company has or hereafter acquires the power of disposition, regardless of whether any such transaction is to be settled by the delivery of Shares or such other securities, in cash or otherwise;
 - (b) directly or indirectly, conditionally or unconditionally, enter into any swap, hedge or derivative or any other arrangement or agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequence of ownership of our Shares or any securities convertible into or exercisable or exchangeable for Shares or any securities that represent the right to receive or are substantially similar to our Shares, regardless of whether any such swap or transaction is to be settled by the delivery of Shares or such other securities, in cash or otherwise;
 - (c) deposit any Shares (or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, our Shares) in any depository receipt facilities; or
 - (d) directly or indirectly, conditionally or unconditionally, enter into or effect or do or announce any intention to do any transaction with the same economic effect as any transactions described in paragraphs (a) to (c) above or an offering or sale of any Shares or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, such Shares (or any interest therein or in respect thereof).

4. DETAILS OF OUR IPO (Cont'd)

- (ii) The Selling Shareholders have agreed that, subject to offerings under our IPO, they shall not, for a period beginning on the date of the lock-up letter and ending on, and including, the date that is six months (in the case of Inodes) or three months (in the case of each other Selling Shareholder) after the date of Listing, without the prior written consent of the Joint Bookrunners:
- (a) directly or indirectly, conditionally or unconditionally, offer, pledge, mortgage, charge, sell, offer to sell, contract or agree to sell, assign, sell or grant or agree to grant any option, right, warrant or contract to purchase or create security over, purchase any option or contract to sell, hypothecate or create any encumbrance, lend or otherwise transfer or dispose of, or agree to transfer or dispose of, any Shares or any securities convertible into or exercisable or exchangeable for Shares or any securities substantially similar to our Shares, whether now owned or acquired by the Selling Shareholder between the date of the lock-up letter and the date of Listing or with respect to which the Selling Shareholder has or between the date of the lock-up letter and the date of Listing acquires the power of disposition (the “**Lock-Up Shares**”), regardless of whether any such transaction is to be settled by the delivery of Lock-Up Shares or such other securities, in cash or otherwise;
 - (b) directly or indirectly, conditionally or unconditionally, enter into any swap, hedge or derivative or any other arrangement or agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequence of ownership of the Lock-Up Shares or any securities convertible into or exercisable or exchangeable for Lock-Up Shares or any securities that represent the right to receive or are substantially similar to the Lock-Up Shares, regardless of whether any such swap or transaction is to be settled by the delivery of Lock-Up Shares or such other securities, in cash or otherwise;
 - (c) deposit any Lock-Up Shares (or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, the Lock-Up Shares) in any depository receipt facilities; or
 - (d) directly or indirectly, conditionally or unconditionally, enter into or effect or do or announce any intention to do any transaction with the same economic effect as any transactions described in paragraphs (a) to (c) above or an offering or sale of any Shares or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, such Lock-Up Shares (or any interest therein or in respect thereof).

The restrictions in Section 4.8.3(ii) above do not apply to a pledge of up to 1.02 billion Shares in favour of RHB Bank (L) Ltd as security in relation to Inodes' borrowing with RHB Bank (L) Ltd.

4. DETAILS OF OUR IPO (Cont'd)

- (iii) Creador II and Creador II L.P. have agreed that, subject to offerings under our IPO, they shall not, for a period beginning on the date of the lock-up letter and ending on, and including, the date that is six months after the date of Listing, without the prior written consent of the Joint Bookrunners:
- (a) directly or indirectly, conditionally or unconditionally, offer, pledge, mortgage, charge, sell, offer to sell, contract or agree to sell, assign, sell or grant or agree to grant any option, right, warrant or contract to purchase or create security over, purchase any option or contract to sell, hypothecate or create any encumbrance, lend or otherwise transfer or dispose of, or agree to transfer or dispose of, any shares of Inodes or any securities convertible into or exercisable or exchangeable for shares of Inodes or any securities substantially similar to the shares of Inodes, whether now owned or acquired by Creador II or Creador II L.P. between the date of the lock-up letter and the date of Listing or with respect to which Creador II or Creador II L.P. has or between the date of the lock-up letter and the date of Listing acquires the power of disposition (the “**Lock-Up Inodes Shares**”), regardless of whether any such transaction is to be settled by the delivery of Lock-Up Inodes Shares or such other securities, in cash or otherwise;
 - (b) directly or indirectly, conditionally or unconditionally, enter into any swap, hedge or derivative or any other arrangement or agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequence of ownership of the Lock-Up Inodes Shares or any securities convertible into or exercisable or exchangeable for Lock-Up Inodes Shares or any securities that represent the right to receive or are substantially similar to the Lock-Up Inodes Shares, regardless of whether any such swap or transaction is to be settled by the delivery of Lock-Up Inodes Shares or such other securities, in cash or otherwise;
 - (c) deposit any Lock-Up Inodes Shares (or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, the Lock-Up Inodes Shares) in any depository receipt facilities; or
 - (d) directly or indirectly, conditionally or unconditionally, enter into or effect or do or announce any intention to do any transaction with the same economic effect as any transactions described in paragraphs (a) to (c) above or an offering or sale of any shares of Inodes or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, such Lock-Up Inodes Shares (or any interest therein or in respect thereof).

The restrictions in Section 4.8.3(iii) above do not apply to a pledge of up to 30.5 million shares of Inodes in favour of RHB Bank (L) Ltd as security in relation to Inodes' borrowing with RHB Bank (L) Ltd.

4. DETAILS OF OUR IPO (Cont'd)

4.9 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers or purchasers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in CDS accounts, either directly in their names or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective securities accounts.

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. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

Shares held in CDS accounts may not be withdrawn from the CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances determined by Bursa Depository from time to time, after consultation with the SC.

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 are required to trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the third Market Day following the transaction date.

It is expected that our Shares will commence trading on Bursa Securities approximately nine Market Days after the close of the Institutional Offering. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of book-entry transfer to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

5. RISK FACTORS

Before investing in our Shares, you should pay particular attention to the fact that we and to a large extent, our business and operations are subject to legal, regulatory and business risks where we operate. Our operations are also subject to a number of factors, many of which are outside our control. Before making an investment decision, you should carefully consider, along with the other matters in this Prospectus, the risks and investment considerations set out below.

5.1 RISKS RELATING TO OUR BUSINESS

5.1.1 Our business and the business of our associates are subject to various governmental regulations, laws and orders, including the CRA Act in Malaysia. These laws and regulations are complex and may change from time to time, and a failure to comply with them could subject us or our associates to civil or criminal penalties or other liabilities.

- (i) **We and our associate in Malaysia are subject to the CRA Act which regulates our and our associate's credit reporting operations in Malaysia. Under the CRA Act, we and our associate in Malaysia are required to obtain an annually renewable licence to carry on our and our associate's credit reporting business.**

We derive substantially all of our revenue from our credit reporting business in Malaysia, which is governed by the CRA Act. Pursuant to the CRA Act, we are required to have a CRA Certificate issued by the CRA Registrar to operate our credit reporting business. The CRA Certificate is not perpetual and is subject to renewal annually. Our current CRA Certificates held under our subsidiaries, CTOS Data Systems and Basis, both of which will expire in September 2021. Failure to renew our CRA Certificates in a timely manner or at all would negatively impact our business, financial condition and results of operations.

Under the CRA Act, our subsidiaries, CTOS Data Systems and Basis, are restricted from engaging in any non-credit reporting business unless we obtain the CRA Registrar's prior written approval. As a result, the ability of CTOS Data Systems and Basis to expand into new businesses may be restricted if we cannot obtain the approval from the CRA Registrar. As CTOS Data Systems' and Basis' credit reporting operations are subject to the scrutiny of the CRA Registrar and are subject to annual audit, CTOS Data Systems and Basis are required to obtain the endorsement from the CRA Registrar prior to launching any new digital solution to ensure the digital solution falls under the ambit of "credit reporting business" as defined under the CRA Act. It typically takes about a month from the submission of an application for endorsement to obtain the endorsement from the CRA Registrar. However, digital solutions that are more complex may require more time where concurrence is also required to be sought from other regulators such as the PDP Commissioner, where the digital solution requires personal data that are obtained commercially from data users such as banks, telecommunications companies and insurance companies, or BNM where the digital solution requires data from businesses that are licenced or approved by BNM such as banking, insurance and payment systems. Failure to obtain endorsement from the CRA Registrar or any significant delay in such endorsement could negatively impact our business and growth.

In 2019, the CRA Registrar imposed additional conditions on all CRAs which, among others, limit the foreign shareholding in any CRA to not more than 70.0% and any CRA with foreign shareholding of 51.0% and above is allowed to operate a commercial credit reporting business only. As CTOS Data Systems and Basis are our wholly-owned subsidiaries, CTOS Data Systems and Basis are in full compliance with this foreign ownership equity condition as our Company is a locally incorporated entity.

5. RISK FACTORS (Cont'd)

However, if the foreign ownership equity condition is revised and extended to the ultimate/indirect shareholders of all CRAs and the foreign shareholding in our Company is more than 70.0% following our Listing, we may be required to procure our foreign direct and indirect shareholders to reduce their shareholdings accordingly. In such a scenario, our inability to comply with the revised foreign ownership equity condition or an adverse interpretation of the same may result in a reduced coverage of our credit reporting business or revocation of our CRA Certificates which may adversely affect our business and financial condition.

The credit reporting operations of our associate, Experian, are also governed by the CRA Act and the foregoing requirements under the CRA Act also apply to Experian.

The operations of BOL, our associate in Thailand, are subject to applicable laws and regulations in Thailand and any inability of BOL to comply with such laws and regulations may result in legal, regulatory and contractual liabilities to BOL.

For further details of relevant laws and regulations governing our and our associates' businesses, see Section 7.19 of this Prospectus.

(ii) We and our associate in Malaysia are also required to comply with applicable data protection laws and customer requirements of Malaysia, namely the PDPA, and our associate in Thailand is subject to the Thai PDPA.

While we are primarily subject to data collection and protection provisions under the CRA Act, for similar aspects of our business that are not regulated by the CRA Act, we remain subject to the PDPA in Malaysia. Our associate, Experian, is also subject to the PDPA in Malaysia for the processing of personal data not related to credit information. In addition, from time to time, our and Experian's customers require us and Experian to adhere to certain data collection and protection requirements, which in turn are driven by their own data collection and protection obligations under the PDPA. The operations of our associate, BOL, are subject to the Thai PDPA.

Our or our associates' inability to comply with applicable laws, regulations or customer requirements with regard to personal data protection may result in legal, regulatory or contractual liabilities to us or our associates, which could have a material adverse effect on our or our associates' businesses, financial condition and results of operations.

(iii) We may be subject to increased scrutiny because of our market position in Malaysia or the market position of our associate in Thailand.

Three of the seven CRA Certificates issued under the CRA Act in Malaysia are held by our wholly-owned subsidiaries, CTOS Data Systems and Basis, and our associate, Experian.

5. RISK FACTORS (Cont'd)

In Malaysia, the Competition Act prohibits agreements which have the effect of significantly preventing, restricting or distorting competition in any market for goods or services such as price fixing or agreements on trading conditions, among others. The Competition Act also prohibits an enterprise from engaging, independently or collectively, in conduct which amount to an abuse of dominant position in any market for goods and services such as among others, imposing unfair purchase or selling price or unfair trading condition on any supplier or customer or applying differential conditions to equivalent transactions with other trading parties to the extent that may harm competition in the market the dominate enterprise is participating or in any upstream or downstream market. A market share above 60.0% is generally indicative that an enterprise is dominant.

The Thai TCA regulates anti-competitive conducts in Thailand. Any business operator is prohibited from abusing its dominant position in the market which includes fixing or maintaining the level of purchasing or selling price of a good or service unfairly or imposing an unfair condition on another business operator which is its trading partner in order to, among others, limit services, production, purchase or sale of goods. In addition, any business operator, whether with or without a dominant position, is still prohibited from conducting any action that will reduce the competition in a market. This includes: (i) merging with other entity which may substantially reduce competition in the information service market; (ii) jointly undertake any conduct with other information service providers or business operator in other markets which monopolises, reduces, or restricts competition in the market; or (iii) undertake any conduct resulting in damage on other business operators by unfairly obstructing the business operation of other business operators, by unfairly utilising superior market power or superior bargaining power or by unfairly setting trading conditions that restrict or prevent the business operation of others.

The abovementioned restrictions may impede our ability to realise the anticipated benefits of our acquisitions and strategic investments. Further, depending on the market definition adopted by the regulator, our market share in Malaysia may be deemed a dominant position under the Competition Act, which could subject us to increased regulatory scrutiny. The legality of our business practices is also subject to the evolving market conditions and structure of some of the products and services that we offer, and any adverse interpretations or applications of existing laws and regulations in a manner inconsistent with our business practices may result in us being subject to regulatory scrutiny and consequently harm our reputation, business, financial condition and results of operations. Our management may be required to dedicate significant amount of time and resources in response to such heightened scrutiny in Malaysia, which could be disruptive to our business even if we are ultimately found not to have engaged in any unlawful activities. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

5. RISK FACTORS *(Cont'd)*

- (iv) **The various governmental regulations, laws and orders applicable to our business and the business of our associates are subject to change and impacted by legal and regulatory developments that could have an adverse impact on our or our associates' businesses and results of operations.**

Our business and the business of our associates are subject to various laws and regulations. Such laws and regulations include those relating to credit reporting; safety, health and supervision; direct and indirect taxes and duties; exchange controls and controls on the transfer of funds; intellectual property protection; labour protection; foreign investment limitations; anti-competition laws; anti-corruption laws; anti-money laundering laws; and privacy and data protection. See Section 7.19 of this Prospectus for a description of the relevant laws and regulations to which our and our associates' businesses are subject to.

These laws and regulations are complex, subject to change and could become more stringent over time. Legal and regulatory developments and non-compliance with laws and regulations such as the following could have a material adverse effect on our or our associates' businesses and results of operations:

- (a) amendment, enactment or interpretation of laws and regulations that restrict the access and use of personal information and reduce the availability or effectiveness of our or our associates' digital solutions or the supply of data available to us or our associates;
- (b) increased oversight and stricter enforcements of existing regulations, including larger fines and other forms of penalties;
- (c) changes in cultural or consumer attitudes in favour of further restrictions on information collection and data sharing, which may lead to regulations that prevent the full use of our or our associates' digital solutions;
- (d) failure of data suppliers or customers to comply with laws or regulations, which in turn may subject us or our associates to compliance breaches;
- (e) our or our associates' failure to comply with current laws and regulations; or
- (f) our or our associates' failure to adapt to changes in the regulatory environment in an efficient, cost-effective manner.

Changes in applicable legislation or regulations that restrict or dictate how we or our associates collect, maintain, combine and disseminate information, or that require us or our associates to provide services to consumers or a segment of consumers without charge, could adversely affect our or our associates' businesses, financial condition or results of operations. For example, on 14 February 2020, as part of an ongoing review of the PDPA in Malaysia, the PDP Commissioner issued a Public Consultation Paper No. 1/2020 which aims to collect feedback on the PDP Commissioner's proposal to update the PDPA in Malaysia. The proposals include, among others, imposing direct obligations on data processors and the appointment of data protection officers, which could have an effect on our or Experian's non-credit reporting products since our or Experian's non-credit reporting products are not governed by the CRA Act and therefore would be within the scope of the PDPA in Malaysia.

5. RISK FACTORS (Cont'd)

In the future, we or our associates may be subject to significant additional expenses to ensure continued compliance with applicable laws and regulations, such as the CRA Act, and to investigate, defend or remedy actual or alleged violations. Failure by us or our associates to comply with applicable laws or regulations could also result in significant liability to us or our associates, including liability to private plaintiffs as a result of individual or class action litigation, or may result in the cessation of our or our associates' operations or portions of our or our associates' operations or impositions of fines and restrictions on our or our associates' ability to carry on or expand our or our associates' operations. Moreover, our or our associates' compliance with privacy laws and regulations and our or our associates' reputation depend in part on our or our associates' customers' adherence to privacy laws and regulations and their use of our or our associates' digital solutions in ways consistent with consumer expectations and regulatory requirements. Certain laws and regulations governing our or our associates' businesses are subject to interpretation by judges and administrative entities, creating substantial uncertainty for our or our associates' businesses. We cannot predict what effect the interpretation of existing or new laws or regulations may have on our or our associates' businesses. Any of the foregoing could have a material adverse effect on our or our associates' businesses, financial condition and results of operations.

5.1.2 **We or our associates could lose access to external data sources and providers which could adversely affect our or our associates' ability to provide digital solutions. In addition, if our or our associates' data sources become accessible more easily or affordable, demand for and revenue from some of our or our associates' digital solutions may decrease.**

We and our associates depend on continued access to and receipt of data from external sources, including data obtained directly or indirectly from our and our associates' customers, strategic partners and various government and public record repositories such as the CCRIS and the CCM in Malaysia, and the Thai DBD and the Thai LED in Thailand. In particular, our ability to access information from the CCRIS is based on our contractual arrangement with BNM under the Participation Agreement, an agreement which we are highly dependent on. Our or our associates' data sources and providers could stop providing data or provide data in an untimely manner or increase the costs for their data for a variety of reasons, including a perception that our or our associates' systems are insecure as a result of data security incidents, budgetary constraints, a desire to generate additional revenue, competitive reasons or due to changes in regulations. If access to our or our associates' external data sources is reduced, whether partially or significantly, or if such data becomes more expensive to obtain, our or our associates' ability to provide digital solutions could be negatively impacted which would adversely affect our or our associates' reputation, businesses, financial condition and results of operations. There can be no assurance that we or our associates will be able to continue to obtain data from external data sources or providers on acceptable terms or at all or from alternative sources if our or our associates' current sources become unavailable.

Public and commercial sources of free or relatively inexpensive consumer information may become more readily available over time and as a consequence, may reduce demand for some of our or our associates' digital solutions. Governmental agencies may also provide free credit information to consumers. For example, in June 2020, to help alleviate the impact of the COVID-19 pandemic on businesses, BNM began providing free access to its CCRIS database which will continue until the end of 2021. As a condition to us receiving the CCRIS fee waiver, BNM required CTOS Data Systems to reduce the fees charged to our customers for our CTOS Data Systems Reports. Our receipt of the CCRIS fee waiver and reduction of fees charged to our customers resulted in lower revenue and cost of sales related to sales of our CTOS Data Systems Reports but had no impact on our GP and had resulted in an improvement in our GP margin for the FYE 31 December 2020. We expect this trend to continue through the end of 2021.

5. RISK FACTORS (Cont'd)

During the remainder of the period that BNM offers free access to its CCRIS database, there remains a risk that our customers may choose to obtain CCRIS information directly from BNM and reduce or altogether cease their purchases of our CTOS Data Systems Reports, CTOS Basis Reports and other digital solutions. To the extent that our or our associates' customers choose not to obtain reports or digital solutions from us or our associates and instead rely on information obtained at little or no cost from these public and commercial sources, our or our associates' businesses, financial condition and results of operations may be adversely affected.

5.1.3 If we fail to maintain the integrity of our databases, our financial condition, results of operations, brand and reputation could be adversely affected.

The integrity and reliability of our information databases are critical to our financial condition, results of operations, brand and reputation. There can be no assurance that we will be able to identify and update stale or inaccurate information in our information databases in a timely manner or at all. Any staleness or inaccuracy of information in our databases, if not rectified by us in a timely manner, may result in enforcement actions from our regulators. Further, there can be no assurance that the quality and accuracy of data or databases that we acquire or have access to, including data that we obtain from our customers and data and databases of companies that we acquire.

If the quality of our databases decreases or if the integrity of our databases is compromised, we may face customer or third-party claims and customers or the general public may lose confidence in our digital solutions. We have in the past been subject to customer and third-party complaints and lawsuits regarding our data. While such incidents in the past have not adversely affected our financial condition and results of operations, we could continue to be subject to other complaints and lawsuits in the future which could adversely affect our financial condition, results of operations, brand and reputation.

5.1.4 If we are unable to maintain our pioneer status, we may lose our tax incentives.

Our subsidiary, CTOS Data Systems, which accounted for 98.7%, 99.8% and 95.1% of our Group's PATAMI for the FYEs 31 December 2018, 31 December 2019 and 31 December 2020, respectively, has been awarded pioneer status incentives under the PIA 1986 for MSC Malaysia Qualifying Activities. CTOS Data Systems is entitled to a tax exemption for the tax relief period granted on its "value added income" which means its statutory income for the basis period for the year of assessment less the inflation adjusted base income. CTOS Data Systems' statutory income is its income derived from MSC Malaysia Qualifying Activities. Inflation adjusted base income is calculated with reference to CTOS Data Systems' average statutory income for up to three years before it was awarded pioneer status incentives adjusted with the rate of inflation for the basis year. As a result, our effective tax rate for the FYEs 31 December 2018, 31 December 2019 and 31 December 2020 of 6.7%, 5.4% and 5.8%, respectively, has been significantly lower than the statutory tax rate of 24.0% in Malaysia. The tax relief period under CTOS Data Systems' MSC Pioneer Certificate is from 9 November 2016 to 8 November 2021. However, pursuant to the Grandfathering and Transitional Guidelines which became effective on 1 January 2019, such tax relief period will be until 30 June 2021. CTOS Data Systems requires approval from MDEC to enjoy these tax incentives throughout the Transitional Period.

CTOS Data Systems had submitted the application for MDEC's approval for the continuation of these tax incentives throughout the Transitional Period on 22 June 2021. While there is no assurance that we will be able to obtain MDEC's approval by 30 June 2021 for the continuation of these tax incentives throughout the Transitional Period, should we obtain such approval after 1 July 2021, the tax relief period will continue from 1 July 2021 until 8 November 2021 even if the tax relief period has expired on 30 June 2021. We also plan to seek MDEC's renewal of CTOS Data Systems' pioneer status in the third quarter of 2021 for an extended relief period of five years until November 2026.

5. RISK FACTORS (Cont'd)

The continuation of CTOS Data Systems' pioneer status throughout the Transitional Period shall be subject to the approval of MDEC and compliance with the new conditions under the Grandfathering and Transitional Guidelines, and the renewal of CTOS Data Systems' MSC Pioneer Certificate for the Renewed Term shall also be subject to the satisfaction of MDEC of CTOS Data Systems' full compliance with: (i) CTOS Data Systems' conditions of grant under the subsisting MSC Pioneer Certificate; and (ii) CTOS Data Systems' continued compliance of the new conditions under the Grandfathering and Transitional Guidelines.

We believe that CTOS Data Systems' pioneer status will be renewed in 2021. If the pioneer status of CTOS Data Systems is revoked or not renewed, CTOS Data Systems' statutory income would be subject to the prevailing statutory tax rate of 24.0%, resulting in an increase in the effective tax rate of our Group for the FYE 31 December 2021 (which may be higher than the prevailing statutory tax rate due to non-tax deductible items) compared to our effective tax rate of 5.8% for the FYE 31 December 2020.

CTOS Data Systems may also lose its MSC Malaysia Status if CTOS Data Systems is unable to continue to comply with the requirements prescribed under the approval by MDEC. See Annexure A of this Prospectus for further details. In addition, CTOS Data Systems' pioneer status is conditional upon CTOS Data Systems' MSC Malaysia Status remaining valid. The loss of CTOS Data Systems' MSC Malaysia Status would result in the loss of CTOS Data Systems' pioneer status (including the related tax incentives described above), which in turn would adversely impact our PATAMI.

5.1.5 If our third-party technology partners, suppliers and vendors do not deliver or perform as expected or if our relationships with them are terminated or otherwise change, it could have a material adverse effect on our business, financial condition and results of operations.

We rely on third-party technology partners, suppliers and vendors that have proprietary technologies and extensive knowledge of our systems, databases and digital solutions, including software developers, software and hardware vendors, network and system providers, data processors and providers of credit score algorithms. Our operations could be disrupted and our reputation, business, financial condition and results of operations could be materially and adversely affected if we do not successfully manage or maintain relationships with these third parties, if they do not perform or are unable to perform to agreed-upon service levels, or if they are unwilling to make their services available to us at reasonable prices. While the support and services we receive from our third-party technology partners, suppliers and vendors have not been impacted by the COVID-19 pandemic, there can be no assurance that our third-party technology partners, suppliers and vendors will be able to continue to meet such expectations due to a number of factors, including those attributable to the COVID-19 pandemic.

If a third-party technology partner, supplier or vendor experiences a cybersecurity breach affecting data related services provided to us resulting in negative publicity, we could experience reputational damage or incur liability. As at the LPD, we are not aware of any such past incidences of cybersecurity breach or negative publicity. In addition, while there are backup systems in many of our operating facilities, we may experience service delays, connectivity issues or an extended outage of network services supplied by these technology partners, suppliers or vendors that could impair our ability to deliver our digital solutions and negatively impact customer experience, which could have a material adverse effect on our business, financial condition and results of operations. Although alternative technology partners, suppliers or vendors may be available to us, we may incur additional expenses and research and development efforts to deploy any alternative providers. The loss of these third-party technology partners, suppliers or vendors could negatively affect our ability to maintain and improve our systems if we are unable to replace them in a timely manner, which could have a material adverse effect on our business, financial condition and results of operations.

5. RISK FACTORS (Cont'd)

5.1.6 **Our brands and reputation are key assets and a competitive strength, and our business may be affected by how we are perceived in the marketplace.**

Our brand and reputation are key assets of our business and a competitive strength. For further details, see Annexure B and Section 7.2 of this Prospectus. We may lose this competitive strength if a competitor is able to achieve a level of brand awareness comparable to ours. Our ability to attract and retain customers is dependent upon external perceptions of the quality of our data, our digital solutions, our technology resources and the quality of our customer-facing digital platform, our data security and our business practices. For further details, see Section 5.1.3 of this Prospectus. While there has not been any past or existing incidence of negative publicity that has materially affected our business, financial condition and results of operations, any negative perception or publicity in the future regarding our brand and reputation could adversely affect our brand and our reputation with our customers and the public, which could in turn make it more difficult for us to retain and attract customers and materially and adversely affect our business, financial condition and results of operations.

5.1.7 **Unfavourable global economic conditions could have a material adverse effect on our or our associates' businesses, financial condition and results of operations.**

Our business and our associates' businesses may be impacted by general economic conditions and trends in Malaysia, Thailand or elsewhere abroad. While we believe that the need for credit information and business insights and analytics is heightened during periods of economic volatility or weakness, we and our associates could nevertheless be adversely impacted by general economic conditions to the extent that they reduce some of our and our associates' customers' ability or willingness to pay for our and our associates' digital solutions.

Our Commercial customers have been the largest contributor to our Group's revenue for the FYEs 31 December 2018, 31 December 2019 and 31 December 2020. Further, among our Commercial customers, our revenues are primarily subscription-based and our single largest category of customers is SMEs whose businesses may be more susceptible to unfavourable economic conditions compared to our Key Accounts customers who are generally larger companies. 56.7% of our total revenue for the FYE 31 December 2020 was from our Commercial customers, and 92.4% of our revenue from our Commercial customers for the FYE 31 December 2020 was derived from SME customers.

During periods of economic slowdown, some of our or our associates' customers may be less able or willing to pay for our or our associates' digital solutions, we or our associates may have difficulty collecting payment from some customers on a timely basis or at all, and we or our associates may see higher rates of bankruptcies, restructurings, dissolutions and similar events among our or our associates' customer base. Changes in the economy have in the past resulted in, and may in the future result in, fluctuations in volumes, pricing and operating margins for our or our associates' digital solutions. These types of disruptions could lead to a decline in customer demand for our or our associates' digital solutions and could have a material adverse effect on our or our associates' businesses, financial condition and results of operations.

5.1.8 **An outbreak of disease, global or localised health pandemic or epidemic or a similar public health threat, or fear of or response measures to such an event, could have a material adverse effect on our business, financial condition and results operations.**

A significant outbreak of contagious diseases in the human population could adversely affect the economies and financial markets in Malaysia and elsewhere, resulting in an economic downturn that could have a material adverse effect on demand for our digital solutions and access to our data sources.

5. RISK FACTORS (Cont'd)

The COVID-19 pandemic has impacted economic activity and financial markets in countries across the world, including Malaysia where our operations are based. In response to an increase in the COVID-19 infection rate in Malaysia, beginning in March 2020, the Government has implemented various measures and restrictions on the conduct of activities in Malaysia, including quarantine measures and restrictions on the movement of persons, interstate travel, and private and public gatherings. These Government actions have been eased and tightened during the course of 2020 and 2021 as the extent of the COVID-19 pandemic has been fluctuating.

The COVID-19 pandemic has most directly impacted a portion of our Commercial customers, in particular some of our SME customers, whose businesses have proven to be more susceptible to the major economic shock caused by the COVID-19 pandemic. Between April 2020 and June 2020, we granted short-term payment deferrals for subscriptions and instalment payment plans to certain of our CTOS Credit Manager customers whose businesses were significantly impacted by the COVID-19 pandemic and the MCO. Our customer churn rate among our Commercial customers was higher in absolute terms by 0.2 percentage points for the FYE 31 December 2020 as compared to the FYE 31 December 2019. Our customer churn rate among our Commercial customers has remained flat from January 2021 through the LPD despite re-introductions of the MCO in 2021. These re-introductions of the MCO including the MCO commencing on 12 May 2021 have not had any material impact on our business, financial condition or results of operations, nor is any material impact anticipated as at the LPD.

While we have seen strong demand for our Comprehensive Portfolio Review and CTOS Portfolio Analytics and Insights solutions, particularly among our Key Accounts customers who are bank and non-bank financial institutions once moratoriums were lifted or relaxed, the duration and extent of the future impact of the COVID-19 pandemic on our financial condition and results of operations will depend on highly uncertain future developments, including the duration and spread of the global pandemic, future Government actions to contain the spread of the virus, the efficacy and social acceptance of newly approved vaccines, the pace of economic and social re-openings, a potential resurgence of the pandemic once measures to slow the spread of the virus have been lifted and impacts to the global markets. Outbreaks of contagious diseases and other adverse public health threats in the future, as well as market disrupting response measures to such threats, could impact demand for our digital solutions and could have a material adverse effect on our business, financial condition and results of operations.

For further details, see Section 7.24 of this Prospectus.

5.1.9 We have completed acquisitions and investments in the past and may pursue similar transactions in the future. Through our strategic investments, we hold minority interests in entities that do not afford us control over the management and growth of the underlying businesses. These strategic investments are subject to risks affecting the underlying businesses and we are generally not able to manage the underlying businesses' exposures to these risks. Adverse developments affecting these underlying businesses could result in a decrease in the value of our strategic investments.

A part of our growth strategy has been and continues to be to establish strategic partnerships and to grow via acquisitions and investments. We cannot provide assurance that our investments will be successful or that our relationships with our associates will remain on satisfactory terms. Any deterioration in relationships with our associates or their businesses could negatively impact our business, financial condition and results of operations, and may also require significant management time.

For example, we undertook the Distribution to exclude CIBI from our Group after we, in consultation with our shareholders, determined that CIBI requires further investments in terms of capital and time to better position itself to capture growth opportunities in the Philippines, and taking into account the impact of the COVID-19 pandemic on CIBI's business.

5. RISK FACTORS (Cont'd)

In addition, in July 2019, we acquired a 26.0% equity stake in Experian (with whom we compete) and in October 2020 we acquired a 20.0% equity stake in BOL, neither of whom we have control over. Our rights as a minority shareholder in Experian are limited to our board nominee and limited information rights. BOL is a publicly listed company and our rights are limited to our board nominee and rights as a public shareholder. As a result, our visibility into the operations of our associates is significantly limited. Our interests may not be aligned with those of the controlling shareholders of our associates, and those controlling shareholders may direct our associates in ways that may not be in our interest as a minority shareholder. For example, in June 2020, we filed an oppression suit against Experian in the Kuala Lumpur High Court for reliefs arising from oppressive conduct by the majority shareholders of Experian. See Section 14.7 of this Prospectus for further details of this suit. See also Sections 5.1.1, 5.1.12, 5.1.22 and 5.2.1 of this Prospectus for further risks relating to our associate BOL and Sections 5.1.1, 5.1.12 and 5.2.1 of this Prospectus for further risks relating to our associate Experian.

Acquisitions may not be completed on favourable terms and acquired digital solutions, assets, data or businesses may not be successfully integrated into our operations. Any acquisitions or investments will include risks commonly encountered in acquisitions of businesses or investments, including:

- (i) failing to achieve the financial and strategic goals for the acquired business;
- (ii) paying more than fair market value for an acquired business or assets;
- (iii) failing to integrate the operations and personnel of the acquired businesses in an efficient and timely manner;
- (iv) failing to close a transaction, including acquisitions due to conditions such as financing or regulatory approvals not being satisfied;
- (v) disrupting our ongoing businesses;
- (vi) distracting management focus from our existing businesses;
- (vii) acquiring unanticipated liabilities;
- (viii) failing to retain key personnel;
- (ix) incurring the expense of an impairment of assets due to the failure to realise expected benefits;
- (x) damaging relationships with employees, customers or strategic partners;
- (xi) diluting the share value of existing shareholders;
- (xii) incurring additional debt or reducing available cash to service our existing debt; and
- (xiii) increased exposure to business, social, political, economic, legal and regulatory risks in new markets outside of Malaysia where we expand our business or make investments.

Any divestitures will be accompanied by the risks commonly encountered in the sale of businesses, including:

- (i) disrupting our ongoing businesses;
- (ii) reducing our revenues;

5. RISK FACTORS (Cont'd)

- (iii) failing to retain key personnel;
- (iv) distracting management focus from our existing businesses;
- (v) indemnification claims for breaches of representations and warranties in sale agreements; and
- (vi) damaging relationships with employees and customers as a result of transferring a business to new owners;

These risks may have an adverse impact on our business, financial condition or results of operations, particularly if they occur in the context of a significant acquisition or divestiture. Also, if we continue to have any RM borrowing, any acquisition of non-Malaysian assets or entities of more than RM50.0 million for a calendar year by us via the proceeds from our Public Issue will be subject to BNM's approval if we are unable to source any foreign currency funds for such foreign acquisition.

In the future, we may not be able to acquire businesses that we target due to a variety of factors such as competition from companies that are better positioned to undertake the acquisition. Our inability to make such strategic acquisitions could restrict our ability to expand our business and limit our ability to generate future revenue growth. Our inability to make acquisitions, investments and divestitures on our preferred terms and timeline or at all could have a material impact on our business, financial condition and results of operations.

5.1.10 There may be consolidation in our customers' markets which may adversely affect our business, financial condition and results of operations.

If our customers merge with, or are acquired by, our other customers or by other entities that are not our customers, they may use fewer of our services in the future and there may be a smaller pool of customers for us to expand our business. As a result, our revenue may be adversely impacted. Industry consolidation could reduce the number of customers to whom we can sell licences and subscriptions for our digital solutions or result in customers with stronger bargaining power, thus may affect the prices and terms of their contracts with us. In addition, mergers, acquisitions and consolidations could result in our existing customers no longer requiring our digital solutions. For example, if they exit the Malaysian market or switch to one of our competitors, as a consequence, we would generate less revenue than we expect. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

5.1.11 If our Key Accounts and Commercial customers terminate or choose not to continue using our digital solutions, our business, financial condition and results of operations may be adversely affected.

While we have long-standing relationships with a number of our Key Accounts and Commercial customers, the terms of their respective contracts allow these customers to terminate their relationship with us with notice or materially reduce the amount of business they conduct with us. Our Key Accounts customers may terminate their licences of our digital solutions upon advance written notice (typically ranging from one month to three months), and this provides these customers with the opportunity to renegotiate their contracts with us or to award more business to our competitors. Similarly, our Commercial customers may terminate their CTOS Credit Manager subscriptions upon advance written notice (typically 30 days). If our customers terminate or choose not to continue using our digital solutions, our business, financial condition and results of operations may be adversely affected.

5. RISK FACTORS (Cont'd)

Market competition, business requirements, financial condition and consolidation through mergers or acquisitions, could adversely affect our ability to continue or expand our relationships with our customers. There can be no assurance that we will be able to retain or renew existing agreements, maintain relationships with any of our customers on acceptable terms or at all, or collect amounts owed to us from insolvent customers. The loss of one or more of our major customers could adversely affect our business, financial condition and results of operations.

5.1.12 The outcome of litigation, inquiries, investigations, examinations or other legal proceedings which we are involved in, which we or our associates may become involved or which our or our associates' customers or competitors are involved in could subject us or our associates to significant monetary damages or restrictions on our or our associates' ability to do business.

Legal proceedings arise frequently as part of the normal course of our industry and include individual consumer cases, class action lawsuits and inquiries, investigations, examinations, regulatory proceedings or other actions brought by governmental authorities or by consumers. The scope and outcome of these proceedings are often difficult to assess or quantify. Plaintiffs in lawsuits may seek recovery of large amounts and the cost to defend such litigation may be significant. There may also be adverse publicity and uncertainty associated with complaints, investigations, litigation and orders (whether pertaining to us, our customers or our competitors) that could decrease customer acceptance of our services or result in material discovery expenses. In addition, a court-ordered injunction or an administrative cease-and-desist order or settlement may require modification of business practices or may prohibit conduct that would otherwise be legal and in which competitors may engage. As at the LPD, there is an ongoing defamation suit which has been filed against us in relation to alleged misreporting and misrepresentation in respect of credit information pertaining to searched subjects, an appeal filed against us in relation to a defamation suit regarding alleged misreporting and misrepresentation in respect of credit information pertaining to searched subjects which the court had ruled in our favour and one ongoing oppression suit we filed in June 2020 against Experian in the Kuala Lumpur High Court for reliefs arising from oppressive conduct by the majority shareholders of Experian.

The relevant statutes to which we or our associate in Malaysia are subject, including credit reporting and financial privacy requirements under the CRA Act and the PDPA in Malaysia, provide for administrative actions and criminal penalties. CTOS Data Systems had in 2016, 2017 and 2019 received warning letters from the CRA Registrar pertaining to (a) non-compliance with Section 24 of the CRA Act with regards to disclosure of credit report without the data subject's consent; and (b) non-compliance with Section 29 of the CRA Act with regards to disclosure of inaccurate credit information. Any contravention of Section 24 or Section 29 of the CRA Act by a credit reporting agency shall, upon conviction, be liable to a fine not exceeding RM500,000 or imprisonment for a period of not more than two years, or both. However, we have taken immediate rectification steps and other long-term improvement plans have also been implemented, including but not limited to, (a) improving our consumer redress mechanism and conducting periodic training for front-liners dealing with consumers to ensure the effectiveness of our customer service; (b) putting in place an enhanced consent mechanism which requires consent to be given by the data subject directly; (c) widening the scope of our audit on trade reference data to address high risk clientele segments; and (d) issuing periodic notices to our subscribers to raise awareness of the regulatory requirements which should be observed while using our services. Such steps were taken and implemented to avoid repeated incidents and no further actions were taken by the CRA Registrar with regard to the warning letters. As at the LPD, we have not been subject to any penalties for the non-compliances mentioned as set out in the warning letters and no administrative action has been imposed on us by the CRA Registrar or the PDP Commissioner. BOL, our associate in Thailand, is subject to the Thai PDPA, which provides for certain penalties and sanctions in the event of any non-compliance.

5. RISK FACTORS (Cont'd)

While we do not believe that the outcome of any currently pending legal proceeding as described above, even if they turn out to be unfavourable to us, will have a material adverse effect on our financial position as the contemplated maximum exposure is not expected to be material for each legal proceeding, there can be no assurance that there will not be any legal proceedings or actions by relevant authorities against us or our associates in the future which could be inherently uncertain and adverse outcomes could result in significant monetary damages, penalties or injunctive relief against us or our associates.

5.1.13 We may be unable to protect our intellectual property adequately or cost-effectively, which may cause us to lose market share. We also rely on other forms of unpatented intellectual property that may be difficult to protect.

Our success depends, in part, on our ability to protect our brand and preserve the proprietary aspects of our digital solutions such as our proprietary software and data. We have registered or are in the process of registering trademarks for our material brands and digital solutions. For further details, see Annexure B of this Prospectus. If we are unable to protect our intellectual property, including trademarks, and other unpatented intellectual property, or fail to register certain trademarks which are currently pending approval, our competitors could use our intellectual property to market and/or deliver similar solutions which may confuse our customers, negatively affect customers' perception of our brand and decrease the demand for our digital solutions. We rely on copyright, trademark and other intellectual property laws, as well as contractual restrictions, such as non-disclosure agreements, to protect and control access to our proprietary intellectual property. However, these measures afford only limited protection, particularly in regard to protection of databases, and may prove to be inadequate. We may be unable to prevent third parties from using our proprietary assets without our authorisation or from breaching any contractual restrictions with us. Enforcing our rights could be costly, time-consuming, distracting and harmful to significant business relationships. Any significant failure or inability to adequately protect and control our proprietary assets may reduce our ability to compete and have a material adverse effect on our business, financial condition and results of operations.

5.1.14 Our insurance coverage may not adequately protect us against liabilities that arise in the future.

While we maintain insurance policies with a total insured amount of up to RM29.3 million to cover a variety of risks that are relevant to our business needs and operations, there can be no assurance that any insurance proceeds we receive would be sufficient to cover expenses relating to insured losses or liabilities, for example in the case of a catastrophic data breach.

While there has not been any incidence of material losses, damages or liabilities incurred by our Group due to insufficient insurance coverage in the past, if we suffer any uninsured losses, damages or liabilities in the course of our operations in the future, we may not have sufficient funds to cover any such losses, damages or liabilities. To the extent that we suffer losses or damages as a result of a risk for which we do not maintain insurance or which is not covered by our insurance policies or where the cost of the losses or damages exceeds our insurance coverage, we will have to bear such costs which could have a material adverse effect on our business, financial condition, and results of operations.

5. RISK FACTORS (Cont'd)

5.1.15 We depend on our key senior management and skilled employees, and we may be unable to attract and retain such key senior management and skilled employees that we need to support our business.

We believe that our success is dependent upon the continued service of our key senior management, namely, our Group Chief Executive Officer, Dennis Colin Martin, the Chief Executive Officer of CTOS Data Systems, Chin Kuan Weng, our Group Chief Financial Officer, Chen Thai Foong, the Chief Operating Officer of CTOS Data Systems, Tracy Gan Jo Lin, our Group Senior Head of Risk and Business Compliance, Lim Sue Ling and our Group General Manager of IT, Benjamin Lau Chi Meng, who have valuable experience and in-depth understanding of our business and customers. There can be no assurance that we will be able to retain our key senior management in the future or find qualified replacements in a timely manner. While our key senior management are supported by direct reports, who receive training and are given opportunities to carry out the responsibilities of key senior management where required, the loss of one or more of our key senior management may adversely affect the execution and implementation of our business strategies, which could have a material adverse effect on our business, financial condition and results of operations.

Our success also depends on our ability to attract and retain skilled employees such as experienced sales, research and development, analytics, marketing and technical support personnel. The complexity of our services requires trained software engineers, customer service and technical support personnel. We may not be able to hire and retain such qualified skilled personnel at compensation levels consistent with our compensation structure. Some of our competitors may be able to offer more attractive terms of employment. In addition, we invest resources in training our employees, which increases their value to competitors who may seek to recruit them. If we fail to retain our employees, we could incur significant expense replacing employees and our ability to provide quality services could diminish, resulting in a material adverse effect on our business, financial condition and results of operations.

5.1.16 We may not be able to successfully implement our strategies to grow our business and this may limit our growth prospects.

The execution of our business strategies is critical in order for our overall business to grow our market share and increase our profitability. Our success in implementing our business strategies may be adversely affected by factors within and outside of our control, including:

- (i) our ability to grow our relationships with current and new customers and to provide higher value solutions to them;
- (ii) changes in demand for our digital solutions for any reason, including changes in laws, regulations or perceptions of outsourcing operations such as “know-your-customer” processes, client onboarding and decisioning to service providers;
- (iii) an increase in competition;
- (iv) inability to continually improve or adapt to rapid technology changes;
- (v) inability to develop further financial, operational and management controls, reporting systems and procedures to continue our growth;
- (vi) adverse changes to our cost structure and cost overruns;
- (vii) existing or potential customers’ decisions to move services we provide in-house or rely on free sources;

5. RISK FACTORS (Cont'd)

- (viii) inability to attract skilled employees or shortage of skilled employees;
- (ix) operational, financial and legal challenges; and
- (x) negative press and reputational risks that adversely affect our brand, including similar risks to our industry.

Our failure to successfully execute our business strategies could also adversely affect our future operating performance and cash flow, which in turn could restrict our ability to innovate new digital solutions, make our operations more efficient and grow our business. There can be no assurance that we will be able to successfully implement our planned business strategies and failure to do so could have a material adverse effect on our business, financial condition and results of operations.

5.1.17 We or our associates may be involved in tax audits or investigations from time to time which may result in the assessment of additional tax liabilities.

Tax authorities may disagree with positions and conclusions regarding tax positions taken by us, our subsidiaries or our associates, or may apply existing tax laws or rules in an unforeseen manner, resulting in unanticipated costs, taxes or non-realisation of expected benefits from the original tax position or tax conclusion. Contesting such an assessment may be lengthy and costly and if a challenge of such an assessment is unsuccessful, the implications could result in an increase in the applicable anticipated effective tax rate, where applicable, or result in other liabilities.

From time to time, we or our associates may be subject to routine or special tax and audit processes and investigations by regulatory bodies in relation to taxes in connection with our or our associates' operations. Furthermore, such audits and investigations may require the production of certain documents which may no longer be available because of the length of time since such documents were executed or prepared. Any adverse finding resulting from such audits and investigations may lead to administrative proceedings and the assessment of additional tax liabilities or result in fines or penalties.

A part of our growth strategy has been and continues to be to establish strategic partnerships and to grow via acquisitions and investments. Strategic investments or acquisitions inherently involve the risk of incurring liability for activities of the acquired business before our acquisition, including tax liabilities that arose prior to our acquisition or investment. In addition, we may continue to be exposed to the risk of tax non-compliance for a period of time after our acquisition or investment as: (i) we integrate the acquired business and review the acquired business; and (ii) where necessary, improve, the acquired business' reporting and compliance functions. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

5.1.18 Our debt service requirements and restrictive covenants limit our ability to borrow more money, to make distributions to our shareholders and to engage in other activities.

Our existing credit facilities granted by RHB Bank contain a number of covenants that limit our ability and/or our subsidiaries' ability to, among others, sell, transfer or dispose of assets or receivables, pay dividends or make distributions, incur additional indebtedness, create liens, make investments, loans and acquisitions, engage in transactions with affiliates, merge or consolidate with other companies or sell substantially all of our assets. In particular, under the terms of our Facilities Agreement 1 and Facility Agreement 2 and a supplemental letter dated 20 April 2021 from RHB Bank, we are restricted from declaring or making any payment and/or cash distribution, whether capital or income in nature, to our shareholders, except for the following circumstances:

5. RISK FACTORS (Cont'd)

- (i) dividend payments with the condition that the portion of such payment or cash distribution received by Inodes is used by Inodes to repay principal and interest in relation to Inodes' borrowing with RHB Bank (L) Ltd. The borrowing with RHB Bank (L) Ltd was used by Inodes to refinance its term loan facilities ("**Inodes Facilities**") which were drawn down for, among others, the acquisition of additional Shares in 2018, increasing its equity interest in our Company from 75.0% to 80.0%. As at the LPD, the Inodes Facilities have not been fully repaid and Inodes intends to repay all the outstanding amount in relation to the Inodes Facilities with the proceeds from the Offer for Sale; and
- (ii) the dividend payments mentioned in paragraph (i) above are made when Inodes holds 80.0% interest in our Company.

The abovementioned facilities are guaranteed by us and certain of our subsidiaries and secured by all of our assets and the shares of our subsidiaries and associates. We intend to repay all the outstanding amount under the abovementioned facilities with the proceeds from our Public Issue. For the avoidance of doubt, even if the Inodes Facilities remain outstanding after our Listing, the restriction from us declaring or making any payment and/or cash distribution, whether capital or income in nature, to our shareholders does not apply upon our Listing if we repay all the outstanding amount under the facilities with the proceeds from our Public Issue. For further details, see Section 4.6 of this Prospectus. If all the outstanding amount under the abovementioned facilities are not fully repaid, the aforementioned restrictions will continue to apply.

The terms of our credit facilities may restrict our current and future operations and could adversely affect our ability to finance our future operations or capital needs. In addition, complying with covenants in our credit facilities may make it more difficult for us to successfully execute our business strategy and compete against companies who are not subject to such restrictions. Additionally, our obligations to repay principal and interest on our indebtedness may make us vulnerable to economic or market downturns. If we are unable to comply with our payment requirements, our lenders may accelerate our obligations under our credit facilities and foreclose upon the collateral, or we may be forced to sell assets, restructure our indebtedness or seek additional equity capital, which would dilute our shareholders' interests. Failure to comply with any covenant could result in an event of default under the agreement and the lenders (or any subsequent lender) could make the entire debt immediately due and payable. If this occurs, we might not be able to repay our debt or borrow sufficient funds to refinance it. Even if new financing is available, it may not be on terms that are acceptable to us. These events could cause an adverse impact on our financial conditions and results of operations or cause us to cease operations.

5.1.19 We may need additional capital and failure to raise additional capital on favourable terms, or at all, could limit our ability to grow our business and develop or enhance our service offerings to respond to market demand or competitive challenges.

We may require additional cash resources due to changed business conditions or other future developments, including any investments or acquisitions we may decide to pursue. If our resources are insufficient to satisfy our cash requirements, we may seek to issue or sell additional equity or debt securities or obtain another credit facility. The issuance or sale of additional equity securities could result in dilution to our shareholders. The incurrence of indebtedness whether through credit facilities or issuance of debt securities would result in increased debt service obligations and could require us to agree to operating and financing covenants that would restrict our operations. Our ability to obtain additional capital on acceptable terms is subject to a variety of uncertainties, including:

- (i) investors' perception of, and demand for, securities of peer companies;

5. RISK FACTORS *(Cont'd)*

- (ii) conditions of Malaysia and other capital markets in which we may seek to raise funds;
- (iii) our financial condition and results of operations in the future;
- (iv) government regulation of foreign investment; and
- (v) economic, political and other conditions.

We cannot guarantee that we will be able to raise additional capital on favourable terms, or at all, and failure to do so may have a material adverse effect on our business, financial condition and results of operations.

5.1.20 We are controlled by our substantial shareholders whose interests may not always align with our other shareholders.

Immediately after the completion of our IPO, our substantial shareholders will own in aggregate 49.0% of our enlarged issued Shares. Accordingly, our substantial shareholders may be able to exercise significant influence over the outcome of matters requiring the vote of our shareholders, including voting on appointments of directors and consequently, may be able to influence the composition of our Board. The interests of our substantial shareholders may differ from the interests of our other shareholders. For example, (i) our substantial shareholders, Inodes, Creador II, Chung Tze Keong and Chung Tze Wen have interests, direct and indirect, in CIBI, a credit information bureau in the Philippines which also provides business information reporting services and data analytics services such as pre-employment checks, although our Board is of the view that such interests do not give rise to any existing or potential conflict of interest situation, and (ii) one of our substantial shareholders has an interest in one of our suppliers. For further details, see Section 11.1 of this Prospectus.

Our substantial shareholders could also have significant influence in determining the outcome of any corporate transaction or other matters requiring our shareholders' approval, including mergers, consolidations and the sale of all or substantially all of our assets and other significant corporate actions to the extent that they are not required to abstain from voting (and procuring persons connected to them to abstain from voting) in respect of such transactions and corporate actions. Our substantial shareholders are also able to prevent or cause a change in control in our Company.

5.1.21 We are subject to social and political environments and other inherent risks of the markets in which our operations and investments are located.

We have business activities and investments in Malaysia and Thailand. Our businesses and investments are and will continue to be subject to the social and political environments and other inherent risks generally associated with the markets in which they are located, including, but limited to, changes in political leaderships, risks of war, civil unrest and terrorism, risks of natural disasters and outbreaks of contagious diseases, increase in trade barriers and tariffs exchange rate fluctuations, inflation or increase in interest rates, changes in local labour conditions, power and other utility shutdowns or shortages, expropriation and nationalisation of our assets in a particular jurisdiction and restrictions on repatriation of dividends or profits or other capital transfers or movements. Any changes in the political, social and other conditions in the markets where we operate and/or have investments could adversely affect our business, financial condition and results of operations.

5. RISK FACTORS *(Cont'd)*

5.1.22 We are subject to risks relating to foreign currency exchange rate fluctuations.

Our share of profits or loss from our associate, BOL, is denominated in THB and consequently, our profit margins will also be affected by exchange rate fluctuations of THB against RM. The impact of future exchange rate fluctuations of these currencies on our results cannot be accurately predicted.

In addition, our financial statements are presented in RM and our reporting currency is in RM. Exchange rate gains or losses will arise when the assets and liabilities in foreign currencies are translated or exchanged into RM for financial reporting or repatriation purposes. If the foreign currencies depreciate against the RM, this may materially and adversely affect our reported financial results and dividends, if any, respectively.

As at the date of this Prospectus, we have not entered into any hedging transactions to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. As a result, significant fluctuations in exchange rates may have a material adverse effect on our financial condition and results of operations.

5.2 RISKS RELATING TO OUR INDUSTRY

5.2.1 Cybersecurity incidents could result in a material loss of business, regulatory enforcement, substantial legal liability and/or significant harm to our reputation.

We operate in an environment of significant risk of cybersecurity incidents. Due to the sensitive nature of the information we and/or our data providers collect, store and transmit, it is common for efforts to occur (coordinated or otherwise) by unauthorised persons to attempt to obtain access to our systems or data, or to inhibit our ability to deliver our digital solutions to our customers. Our data providers are also subject to similar risks of cybersecurity incidents. Cybersecurity attacks can originate from a wide variety of sources and may seek to exploit highly obscure security vulnerabilities or employ sophisticated attack methods. Such attacks may seek to gain access to our systems either directly or using equipment or security passwords belonging to employees, customers, third-party service providers or other users.

We have experienced and expect to continue to experience numerous attempts to access our computer systems, software, networks, data and other technology assets from time to time. We cannot be certain that our systems and third-party systems that have access to our systems will not be compromised or disrupted in the future. Any preventive actions that we take to address cybersecurity risks may be insufficient to repel or mitigate the effects of cyberattacks as it may not always be possible to anticipate, detect or recognise threats to our systems, or to implement effective preventive measures against all cybersecurity risks.

Cyberattacks could result in, among other things, unauthorised third parties obtaining access to confidential information, the manipulation, destruction or dissemination of data, and the disruption, sabotage or degradation of our systems. Cybersecurity incidents could disrupt our operations, may not be covered by sufficient insurance, subject us to substantial regulatory and legal proceedings and potential liability and fines, result in a material loss of business and/or significantly harm our reputation.

5. RISK FACTORS (Cont'd)

A breach of our computer systems, software, networks or other technology assets could occur and persist for an extended period of time before being detected or remedied. We may not be able to immediately address the consequences of a cybersecurity incident after detection, and it may take a significant amount of time before an investigation can be completed and the cyberattack is fully understood. During any ongoing investigation, we may not necessarily know the extent of the harm or how best to remediate it. There can be no assurance that errors or oversights will not be repeated or compounded before they are discovered and remediated, any or all of which could further increase the costs and consequences of a cybersecurity incident. If we are unable to protect our computer systems, software, networks, data and other technology assets it could have a material adverse effect on our business, financial condition and results of operations.

Our associates operate similar businesses and also are subject to the foregoing risks. In addition, we and our associates, Experian and BOL, have obligations under the CRA Act, the PDPA in Malaysia and the Thai PDPA to protect credit information and personal data from any loss, misuse, modification, unauthorised or accidental access or disclosure, alteration or destruction of such information. While we have implemented cybersecurity measures to protect credit information and/or personal data in accordance to the law, any failure by us or our associates to comply with such data protection requirements as a result of cybersecurity attacks, data breaches and general unauthorised accesses to computers, networks and data may subject us or our associates to penalties, regulatory scrutiny and in the worst case licence suspension in terms of our or our associate's business in Malaysia and additional liability, and lead to the incurrence of additional significant costs to maintain or regain compliance. Any of the foregoing could have a material adverse effect on our or our associates' businesses, financial condition and results of operations.

5.2.2 **Our business, financial condition and results of operations could be adversely affected if we fail to respond to changes in technology or if we are unable to develop successful new digital solutions in a timely manner.**

Our future success will depend, in part, upon our ability to recognise and apply new and competitive technological innovations; use leading third-party technologies and contractors effectively, respond to changing customer needs and regulatory requirements; and transition customers and data sources successfully to new interfaces or other technologies. Continuous improvements are required for our computer hardware, network operating systems, programming tools, programming languages, operating systems, data matching, data filtering and other database technologies. If we do not recognise the importance of a particular new technology to our business in a timely manner or are not committed to investing in and developing such new technology, applying these technologies to our business, and adequately training our personnel for the new technologies, our current digital solutions and services may be less attractive to existing and potential customers, and we may lose market share to competitors who have recognised these trends and invested in such technology. Additionally, our failure to implement important updates or the loss of key third-party technology consultants could affect our ability to successfully meet the timeline for us to generate cost savings resulting from our investments in improved technology. Failure to achieve any of these objectives would impede our ability to deliver strong financial results and adversely impact our business, financial condition and results of operations.

As technologies continue to evolve, our success will also depend on our ability to meet customers' demand for increasingly sophisticated solutions and bring new digital solutions to market in a timely manner. The process of developing new solutions is complex and uncertain, and we must commit significant resources to this effort before knowing whether the market will accept new solutions. We may not successfully execute on our new solutions because of challenges in planning or timing, technical hurdles, changes in regulation or a lack of appropriate resources. Even if we successfully develop new digital solutions, we may not achieve solution-market fit and our existing customers or new markets might not adopt our new digital solutions. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

5. RISK FACTORS (Cont'd)

5.2.3 **If we experience system failures or personnel disruptions for which our business continuity plan is insufficiently prepared for, the delivery of our services to our customers could be delayed or interrupted, which could harm our business operations and reputation and result in the loss of our revenues or customers.**

Our ability to provide reliable service largely depends on our ability to maintain the efficient and uninterrupted operation of our computer network, systems and data centres, some of which have been outsourced to third-party providers. Our systems, personnel and operations could be exposed to damage or interruption from fire, natural disasters, pandemic, power loss, war, terrorist acts, civil disobedience, telecommunication failures, computer viruses, distributed denial-of-service and other attacks or human error. Our business continuity and disaster recovery plan may not prevent or reduce the impact of such disruptions or address all eventualities. For further details, see Section 7.8.2 of this Prospectus. Any significant interruption could severely harm our business operations and reputation and result in a loss of revenue and customers.

5.2.4 **We are subject to competition in the markets in which we operate.**

The market for our digital solutions is competitive and we may not be able to compete successfully against our competitors which could impair our ability to sell our services and could reduce our market share as our industry grows. We compete on, among others, differentiated digital solutions, datasets, analytics capabilities, ease of integration with our customers' technology, stability of services, customer relationships, innovation and price. Our competitors vary in size, financial and technical capability and the scope of the products and services they offer. For further details, see Section 7.13 of this Prospectus. We may encounter competitors in the future that may be better positioned to develop, promote and sell their products or larger competitors that may benefit from greater cost efficiencies and may be able to win business simply based on pricing. Our competitors may gain access to new data sources that we do not have. We generally face downward pressure on the pricing of our digital solutions, which could result in us having to reduce prices for certain digital solutions, or a loss of market share. Our competitors may also be able to respond to opportunities before we do, for example by taking advantage of new technologies, changes in customer requirements or market trends. Price reductions by our competitors could also negatively impact our operating margins or harm our ability to obtain new long-term contracts or renewals of existing contracts on favourable terms. Emerging competitors, or alliances among existing competitors, may also result in such competitors gaining significant market share. These new competitors may develop digital solutions, products and services that are superior to ours or that achieve greater market acceptance.

There can be no assurance that we will be able to respond to changes in customer requirements as quickly and effectively as our competitors and compete effectively against current and future competitors. If we fail to successfully compete, our business, financial condition and results of operations may be adversely affected.

5. RISK FACTORS (Cont'd)

5.2.5 We may face claims for intellectual property infringement, which could subject us to monetary damages or limit us in using some of our technologies or providing certain services.

Our industry is subject to substantial risks of intellectual property rights litigation such as copyright or patent infringement. We cannot be certain that we do not infringe on the intellectual property rights of third parties, including the intellectual property rights of third parties in other countries, which could result in a liability to us. If such claims are asserted against us, we may be required to obtain licences from third parties (if available on acceptable terms or at all). Any such claims, regardless of merit, could be costly and time-consuming to litigate or settle, divert the attention of management and materially disrupt the conduct of our business, and we may not prevail. Intellectual property infringement claims against us could subject us to liability for damages and restrict us from providing services or require changes to certain of our digital solutions. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

5.3 RISKS RELATING TO OUR SHARES

5.3.1 An active and liquid market for our Shares may not develop.

There can be no assurance as to the liquidity of the market that may develop for our Shares, the ability of holders to sell our Shares or the price at which holders would be able to sell our Shares. Neither we nor our Promoter have an obligation to make a market for our Shares or, if such a market does develop, to sustain it. In addition, there can be no assurance that the trading price of our Shares will reflect our operations and financial condition, our growth prospects or the growth prospects of the industry in which we operate.

5.3.2 Our Share price and trading volume may be volatile.

The market price of our Shares may fluctuate as a result of, among other things,

- (i) general market, political and economic conditions;
- (ii) trading liquidity of our Shares;
- (iii) differences between our actual financial and operating results and those expected by investors and analysts;
- (iv) changes in earnings estimates and recommendations by financial analysts;
- (v) changes in market valuations of listed shares in general or shares of companies comparable to ours;
- (vi) changes in government policy, legislation or regulation; and
- (vii) general operational and business risks.