

7. BUSINESS OVERVIEW

7.1 OVERVIEW

Our Company was incorporated in Malaysia under the Act on 21 November 2024 as a private limited company under the name of Pentech Holdings Sdn Bhd. Our Company was subsequently converted into a public limited company on 26 June 2025.

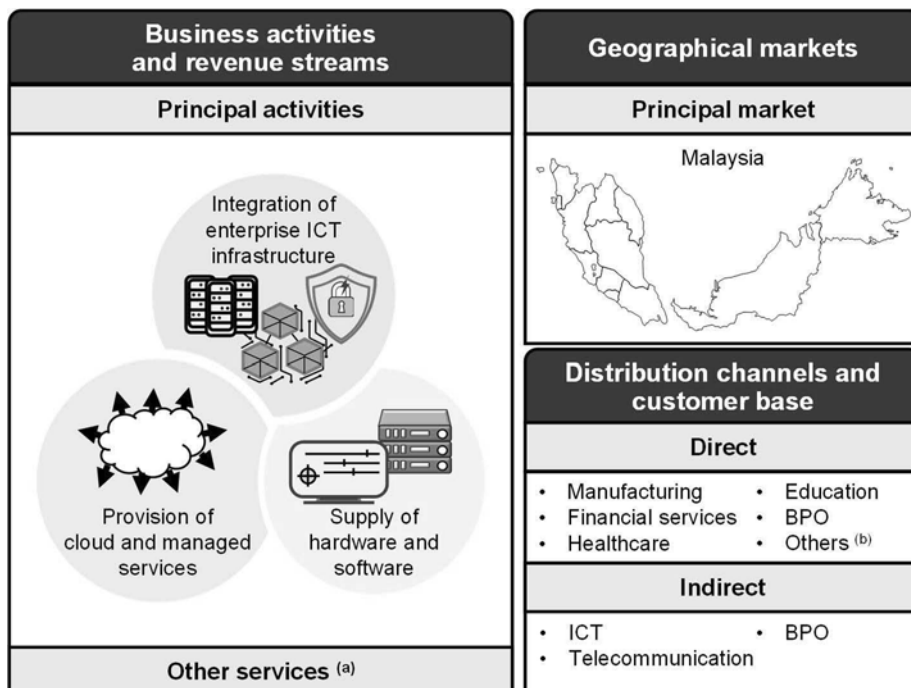
The history of our business can be traced back to the incorporation of PSSB on 14 July 2006 by our current Chief Sales Officer, Ho Huang Ken, along with Koe Chee Hoe and Khaw Paik See, who were the Directors of PSSB at the time. Following the allotment of new shares in 2006, each of the above shareholders then held one-third (approximately 33.33%) of the equity interests of PSSB.

Subsequently in 2010, our current Non-Independent Managing Director / Chief Executive Officer, Yeoh Chin Ming joined PSSB as a Sales Executive before he was appointed to his current position in 2025. In 2011, Yeoh Chin Ming acquired equity interests in aggregate of approximately 25.00% from Ho Huang Ken, Koe Chee Ho and Khaw Paik See. In the same year in 2011, Toh Say Yee acquired 25.00% equity interest from Khaw Paik See. Subsequent to the disposal of equity interest, Khaw Paik See ceased to be shareholder in 2011. Toh Say Yee joined PSSB as a Business Development Manager in 2007 before he was promoted to Senior Business Development Manager in 2011 and subsequently promoted to the title of Business Development Director in 2022. He subsequently ceased to be a member of the Board of Directors of PSSB in July 2025 and is currently a substantial shareholder and employee of PSSB with the title of Business Development Director.

In 2012, Koe Chee Hoe disposed 25.00% of equity interest to Yeoh Chin Ming, Ho Huang Ken and Toh Say Yee. After the disposal, Koe Chee Hoe ceased to be a shareholder and each of the shareholders namely Yeoh Chin Ming, Ho Huang Ken and Toh Say Yee held 33.33% equity interests in PSSB.

Following several rounds of allotment and issuance of new shares over the years, Yeoh Chin Ming held 50.00% equity interests, Ho Huang Ken held 25.00% and the remaining 25.00% was held by Toh Say Yee in 2024. On 3 March 2026, Pentech Holdings Berhad acquired the entire equity interest of PSSB.

A summary of our business model during the Financial Years Under Review is depicted in the diagram below:



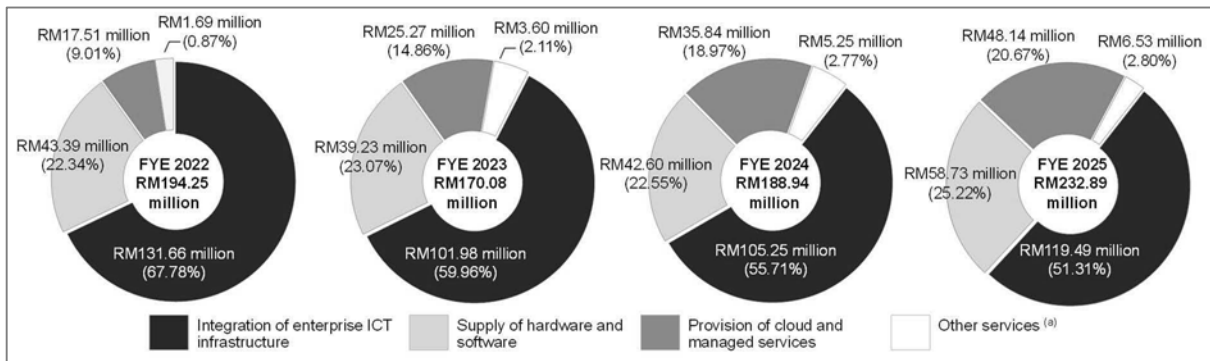
7. BUSINESS OVERVIEW (Cont'd)

Notes:

- (a) Other services comprise the provision of technical and digital transformation services.
- (b) Other direct distribution channel customers include companies in hospitality, transportation and logistics, construction, property development and management, professional service providers, as well as government agencies and government linked companies.

7.2 PRINCIPAL ACTIVITIES

Our business is in providing enterprise ICT solutions, which include integrating enterprise ICT infrastructure, supplying hardware and software, and providing cloud, managed, and other services.



Note:

- (a) Other services include provision of technical and digital transformation services.

For the Financial Years Under Review, our revenue contribution by business activities and services is set out below:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Integration of enterprise ICT infrastructure	131,656	67.78	101,983	59.96	105,247	55.71	119,492	51.31
Supply of hardware and software	43,395	22.34	39,231	23.07	42,598	22.55	58,730	25.22
Provision of cloud and managed services	17,506	9.01	25,271	14.86	35,844	18.97	48,141	20.67
Other services ^(a)	1,689	0.87	3,597	2.11	5,247	2.77	6,525	2.80
Total revenue	194,246	100.00	170,082	100.00	188,936	100.00	232,888	100.00

Note:

- (a) Other services include provision of technical and digital transformation services.

7. BUSINESS OVERVIEW (Cont'd)

(i) Integration of enterprise ICT infrastructure

For the Financial Years Under Review, our integration of enterprise ICT infrastructure was our largest revenue contributor. They encompass the following:

- (a) **Data centres:** We provide systems integration for enterprise data centres which encompasses the following:
- hardware such as servers, processors, data storage systems, and networking equipment;
 - software such as hyperconverged infrastructure, virtualisation software, cloud computing platforms, and operating systems;
 - ICT infrastructure management tools; and
 - supporting equipment such as uninterruptible power supply systems, cooling systems, and access control systems.

We also provide business continuity planning which comprises BCP framework, risk management, business impact analysis, and backup and recovery systems.

- (b) **Networks:** We provide systems integration for enterprise network infrastructure, encompassing the following:
- infrastructure such as LAN and WAN; and
 - network and system management tools such as network management systems, internet protocol address management systems, network traffic optimisation systems, configuration and change management, and network monitoring diagnostic tools.
- (c) **Security:** We provide integration of security systems encompassing the following:
- Network security, such as perimeter, web and application, network access control and cloud security; and
 - Cybersecurity, such as network endpoint protection for any devices connected to the network, including servers, desktops, laptops, tablets, and smartphones; data loss prevention for endpoints, emails and network; and privileged access management.

All the hardware and software that we integrate are from third-party suppliers.

(ii) Supply of hardware and software

The supply of hardware and software was our second largest revenue contributor during the Financial Years Under Review. This business activity involves providing customers with hardware and/or software on a standalone basis which is independent of the provision of our other services. It encompasses the following:

- (a) **Hardware:** We supply hardware such as servers/processors, data storage devices, network equipment, security equipment, server rack systems, uninterruptible power supply, desktops, laptops, and tablets, as well as peripherals such as monitors, printers, keyboards, mouse, and cables; and
- (b) **Software:** The types of software that we supply to our customers include licensed third-party operating systems, collaboration, email, management tools, visualisation, hyperconverged infrastructure, security systems, and others.

Where required by our customers, we also provide installation and/or integration services for the hardware and software that we supply. All the hardware and software that we supply are sourced from third-party suppliers.

7. BUSINESS OVERVIEW (Cont'd)

(iii) Provision of cloud and managed services

The main types of cloud services that we provided during the Financial Years Under Review were PaaS and SaaS. PaaS is a cloud computing service where a third-party service provider provides and manages the platform's hardware and software including databases, servers, middleware, and development frameworks. SaaS is a cloud computing service where a third-party service provider hosts and manages its applications on its hyperscale data centre. End users access PaaS and SaaS through the internet and use the services on demand without owning and operating the underlying hardware and software. The PaaS and SaaS services that we provide to our customers are owned and operated by third parties.

In addition, a small proportion of our revenue was from providing managed cloud services, which included the management of application and cloud utility software, and related services.

We also offer managed services, which involve managing and operating specific parts of a customer's ICT infrastructure and/or applications on their behalf.

During the Financial Years Under Review, our revenue from the provision of cloud and managed services have been increasing. Moving forward, we will continue to leverage our expertise to address business opportunities in this segment, and we plan to expand our business in this segment by establishing a new SOC, upgrading our OCC infrastructure and provide additional ICT services including new AI-powered cloud and other applications as well as cybersecurity services. Please refer to Sections 7.17 of this Prospectus for further details on our strategies and plans.

(iv) Other services

Other services that we provide as part of our portfolio of offerings during the Financial Years Under Review were technical services which involve providing technical support services to end-users 24 hours per day 7 days per week as well as digital transformation services which involves setting up an intranet that serves as a central hub for our customers.

7.2.1 Strategic partnerships

We have partnerships with various third parties to provide integration of ICT enterprise infrastructure and supply of hardware and software. As at the LPD, our partners include the following:

Brands	Partnership tier/level	Geographical markets covered	Validity
Dell Technologies	Titanium Tier Partner	Malaysia	31 January 2026 to 29 January 2027
Lenovo	Gold Partner	Malaysia	Valid until 31 March 2027 ^(a)
HPE	Networking Platinum Partner, Compute Gold Partner, Hybrid Cloud Gold Partner	Malaysia	Valid until 31 December 2026 ^(a)
Microsoft	Silver Application Integration, Silver Project and Portfolio Management, Silver Data Analytics, Silver Application Development, Silver Collaboration and Content, Gold Cloud Platform, Gold Cloud Productivity, Gold Small and Midmarket Cloud Solutions, Silver Security	Worldwide	As of 22 February 2026 ^(b)
Purestorage	Elite Reseller	Malaysia	24 July 2025 to 1 February 2027

7. BUSINESS OVERVIEW (Cont'd)

Brands	Partnership tier/level	Geographical markets covered	Validity
Veeam	Silver Cloud & Service Provider	Malaysia	1 January 2026 to 30 June 2026
Broadcom (VMware division)	Select Partner	Malaysia	1 January 2026 to 31 December 2026
Fortinet	Expert	Malaysia	17 January 2026 to 16 January 2027
Sophos	Platinum Partner Reseller	Malaysia	1 April 2026 to 31 March 2027
APC Schneider Electric	Select Partner	Malaysia	16 October 2023 to 31 December 2026
Hewlett Packard	HP Amplify Power Partner, PS Lifecycle Services Specialist	Malaysia	1 November 2025 to 31 October 2026
ESET	Platinum Partner	Malaysia	Valid until 31 December 2026 ^(a)
Nutanix	Enrolled Reseller	Malaysia	Certified as of 3 March 2026 ^(b)
Oracle	Partner Network Member	Malaysia	16 December 2025 to 15 December 2026

Notes:

(a) Commencement date is not stated.

(b) Expiry date is not stated.

Our partnerships with the brand principals are engaged either through issuance of certificate, accreditation or authorised reseller confirmation letter or agreement by the respective brand principals. As a partner of the above-mentioned ICT services or products brands, our business benefits from the brand equity and customer loyalty developed by our partners, technical support, training for our personnel, and product and technology updates where relevant, as well as incentives and rebates subject to meeting the specific criteria such as sales target, technical certifications, customer satisfaction, and compliance with the partner programme's terms and conditions. The incentives and rebates are determined periodically (either monthly, quarterly or annually) depending on our ability to meet the specific criteria, including sales target. We maintain brand independence while establishing partnerships with these ICT service and product providers. Our customers are free to choose any brand of ICT services or products.

These partnerships are subject to periodic review, and the benefits may be adjusted, reduced, or discontinued at our partners' discretion. In the event of non-renewal or loss of partnership status, or if we do not meet the specific criteria, we will not be entitled to the benefits, including incentives and rebates, which will impact our financial performance and profitability.

Nevertheless, in the event of non-renewal or loss of partnership, we will still be able to provide our services to our customers, as we can source these brands of products from other suppliers who are authorised partners. These partnerships are non-exclusive, and there are other system integrators or resellers who also hold similar partnership tiers with the same brands. As such, we are not materially dependent on such strategic partnerships. Please refer to Section 9.1.3 of this Prospectus for further details on the risk relating to the dependency on strategic partnerships.

7. BUSINESS OVERVIEW (Cont'd)

7.3 OUR PRODUCTS AND SERVICES**7.3.1 Integration of enterprise ICT infrastructure****7.3.1.1 Overview**

The integration of enterprise ICT infrastructure accounted for 67.78% (RM131.66 million), 59.96% (RM101.98 million), 55.71% (RM105.25 million), and 51.31% (RM119.49 million) of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025 respectively.

Enterprise ICT infrastructure refers to the combination of hardware, software, networks, and services that form the foundation of an organisation's digital operations. It is specifically designed to support secure, reliable, and efficient functions across various aspects of the organisation, including digital communications, data processing and management, internal business processes, and customer-facing services. Unlike public infrastructure, such as internet services, which are intended for general public access, enterprise ICT infrastructure is dedicated to internal organisational needs and the delivery of services to their customers and stakeholders. It ensures the seamless integration of systems and resources, enabling the organisation to operate efficiently and meet its business objectives. Our integration of ICT infrastructure services is focused on the enterprise level, not the public infrastructure level.

ICT hardware, such as servers and processors, storage devices, security systems, communication equipment, and embedded or installed software, is housed in a dedicated physical facility known as a data centre. A data centre is equipped with essential infrastructure, including primary and backup power supplies, cooling systems, physical security measures, and high-speed connectivity to both internal networks and external communication channels.

7.3.1.2 Scope of work

During the Financial Years Under Review, our enterprise ICT infrastructure integration projects covered data centres, networking, and security systems. Data centre integration typically includes all key components such as processing, storage, and communication hardware, along with associated operating systems, application and utility software, and supporting infrastructure such as power supply and cooling systems. While networking and security systems are standard elements of a data centre, we also undertake integration of these components as standalone projects.

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7. BUSINESS OVERVIEW (Cont'd)

Our scope of work for enterprise ICT infrastructure for data centres, networking, and security systems includes the following main components:

- 1) **Engineering and system design:** This phase is the key stage that governs the successful integration of enterprise ICT infrastructure. It involves comprehensive planning and detailed design to ensure the proposed solution meets the organisation's functional, operational, and strategic needs. The key components of this phase include the following:
 - **User requirements study and analysis:** This stage focuses on thoroughly understanding the operating environment and business needs related to the data centre, network, and security systems. Key activities include stakeholder engagement, workload and application assessment, and capacity planning. Stakeholder engagement involves discussions with key stakeholders to gather detailed information on user requirements, business processes, operational boundaries, performance expectations, and future scalability plans. Workload and application assessment involves evaluating current and anticipated application workloads to inform system design and guide hardware and software selection. Capacity planning estimates the required processing power, storage capacity, and network bandwidth for both current operations and future expansion.
 - **System and technical design:** This involves developing a high-level architecture that integrates all major infrastructure elements. Architecture design defines an integrated system comprising processing, storage, networking, security components, and associated software. Technology selection identifies suitable technologies based on requirements. This includes processing hardware such as servers and graphics processing units, storage systems such as storage area networks (SAN) and network attached storage (NAS), networking technologies such as LAN, WAN, and network fabric (a mesh of interconnected devices like switches, routers, and access points), and the software stack, which includes operating systems, application software, system and network management tools, system utilities, and automation platforms.
 - **Security design and planning:** This outlines the security framework for the infrastructure, ensuring alignment with organisational policies and regulatory requirements. It includes perimeter and internal security architecture, such as firewalls, intrusion detection systems/intrusion prevention systems (IDS/IPS), and network segmentation. It also includes access control and identity management, which involves planning for authentication, authorisation, and identity federation. Regulatory compliance is also addressed, particularly for sectors such as finance, including data protection and auditability.
 - **Network architecture and design:** This defines the network structure to ensure performance, scalability, and resilience. Network topology involves designing both the physical and logical network layouts. IP addressing and routing include developing IP schemes and routing protocols such as Open Shortest Path First (OSPF) and Border Gateway Protocol (BGP). Connectivity planning includes LAN/WAN integration and internet access points, ensuring redundancy and high availability.
 - **Physical infrastructure design:** This focuses on the physical requirements of the infrastructure, ensuring proper environmental and utility support. Space planning includes designing the data centre layout, rack arrangement, cable management via floors or ceilings, and equipment clearances. Power infrastructure specifies both primary and backup power systems with appropriate redundancy, such as UPS and generators. Cooling systems use appropriate air conditioning and ventilation systems to manage heat output based on equipment specifications. Safety and physical security considerations include fire protection and suppression, environmental monitoring, and physical access controls.

7. BUSINESS OVERVIEW (Cont'd)

The above outlines the full scope of work for our data centre integration projects. However, only the relevant components of the scope apply to standalone network or security system integrations.

This phase includes proposed hardware, software, and associated equipment, as well as securing third-party products and services such as security, telecommunications, and cloud service providers. Before proceeding to the next phase of the project, customers are required to review, approve, and formally sign off on this phase to enable procurement and implementation activities.

- 2) **Procurement:** The procurement phase follows the engineering and system design phase and involves acquiring all components necessary to implement the ICT infrastructure project according to the approved design.

We are responsible for procuring all required hardware, software, related equipment, and third-party services to fulfil the full scope of our work. All products are sourced from authorised third-party suppliers to ensure quality, compatibility, and compliance with project specifications.

In addition, we engage subcontractors, under our direct management and supervision, to carry out specific tasks such as equipment installation, power and telecommunications cabling, and other supporting services. These subcontracted activities are closely coordinated to align with the overall project schedule and quality standards.

- 3) **Site preparation:** This phase involves the physical preparation of the site for the deployment of the enterprise ICT infrastructure. We take full responsibility for managing and supervising all construction activities required to support the project. Depending on the specific requirements, this phase may include renovation and fit-out works to adapt spaces within buildings for ICT infrastructure, including raised flooring, cable trays, partitions, and utility access.

Site preparation works are primarily carried out by subcontractors, who operate under our direct management and oversight. We ensure that all activities comply with project specifications, industry standards, safety regulations, timelines and within budget.

- 4) **Installation:** The installation phase focuses on deploying the physical and digital components of the enterprise ICT infrastructure. This includes installing hardware, equipment, and associated software, and establishing connections to essential utilities and external service providers.

Key activities in this phase include:

- Installation of hardware and infrastructure equipment, such as servers, processors, storage systems, networking devices, and power management units;
- Connection to utilities, including primary and backup power systems, cooling systems, and environmental monitoring systems; and
- Integration with third-party services, such as internet and WAN connectivity, security and cloud service and platform providers.

Hardware and equipment installation is typically carried out by our in-house technical team. They are responsible for installing, configuring, and integrating hardware and software systems, including operating systems, virtualisation platforms, hyperconverged infrastructure, management tools, and any required application software.

For installations of other specialised equipment, including extra-low voltage (ELV) panels, ELV power distribution systems, and network cabling, we engage subcontractors to carry out the works under our direct management and supervision.

7. BUSINESS OVERVIEW (Cont'd)

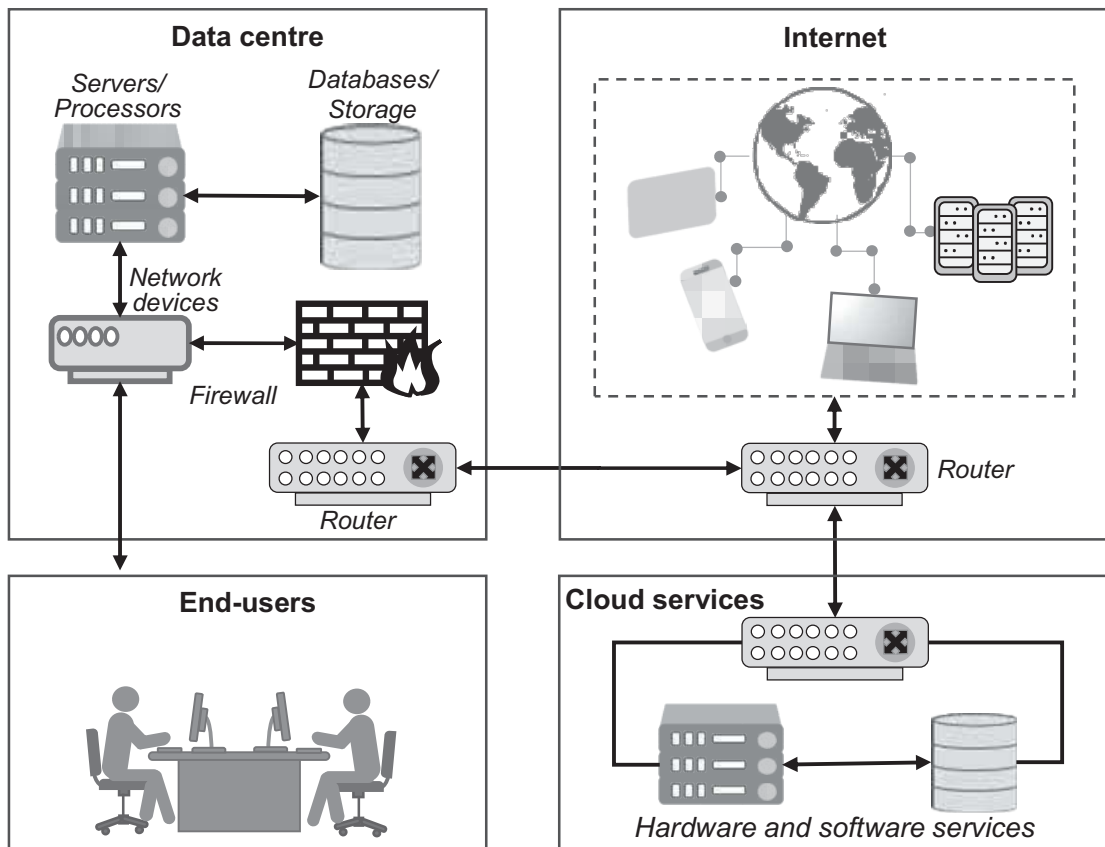
As at the LPD, we are registered with the CIDB as a grade 7 contractor in the building, civil engineering, and mechanical and electrical engineering categories.

- 5) Testing and commissioning:** This is conducted after all hardware, software, and supporting equipment are installed. This phase ensures that the enterprise ICT infrastructure is correctly installed, fully operational, properly integrated, and performing in accordance with the approved design specifications and functional requirements, both at the component level and as a complete system.

Our team will rectify any faults, deficiencies, or performance shortfalls identified during testing to ensure full compliance with project requirements.

Our technical personnel conduct testing and commissioning closely with the customer or their appointed representatives. This includes the user acceptance test (UAT), where the customer verifies that the systems and infrastructure meet the agreed specifications and functional requirements. Once all tests and validation procedures are successfully completed, the infrastructure is officially handed over once the customer has formally signed off on the results. This marks the completion of our scope of work for the project.

Generally, the overview of an enterprise ICT infrastructure comprises the data centre, which incorporates servers/processors, databases/storage devices, networking devices and security and links all end-users to the data centre as follows:



7.3.1.3 Integration of enterprise data centres

The integration of enterprise data centre accounted for 22.19% (RM43.09 million), 26.50% (RM45.07 million), 33.29% (RM62.89 million) and 28.89% (RM67.29 million) of our total revenue for the FYE 2022, FYE 2023, FYE 2024, and FYE 2025 respectively. For the FYE 2023, FYE 2024, and FYE 2025, the integration of enterprise data centres was the largest contributor to our total revenue.

7. BUSINESS OVERVIEW (Cont'd)

A data centre is a dedicated facility, ranging from a standalone building to a designated area within a building, designed to house the hardware, software, and supporting infrastructure required for the storage, processing, and distribution of data and applications. It provides a controlled environment with the necessary power, cooling, connectivity, and security systems to ensure continuous and reliable ICT operations.

An enterprise data centre refers to a large, high-capacity facility used by organisations whose core operations depend on processing and managing substantial volumes of data. Examples include banks, insurance companies, financial service providers, manufacturers, healthcare institutions, and government agencies, all of which require robust, scalable, and secure ICT infrastructure to support mission-critical functions and high availability requirements.

The data centre projects we implement for our customers involve comprehensive systems integration, incorporating all or a combination of the following key components:

- Hardware;
- Software;
- ICT infrastructure management tools;
- Supporting equipment; and
- BCP.

1) Hardware

Data centres are typically equipped with a range of specialised hardware designed to support computing, storage, and secured data transmission. The main types of hardware include:

- **Servers/processors:** These are powerful computers designed for processing and managing data, running applications, and supporting various business services. Servers/processors are significantly more robust and expensive than standard desktops or laptops, and are often housed in racks for efficient space utilisation and cooling.
- **Data storage systems:** These include devices such as hard disk drives (HDDs) and solid-state drives (SSDs), which store vast volumes of data. Storage systems may be configured in various architectures, including Direct-Attached Storage (DAS), Network-Attached Storage (NAS), and Storage Area Networks (SAN), depending on the performance and scalability requirements.
- **Network equipment:** This includes devices such as routers, switches, and load balancers, which manage data flow both within the organisation and between external networks. In addition, firewalls and network security appliances are deployed to protect against unauthorised access and ensure secure data communication.

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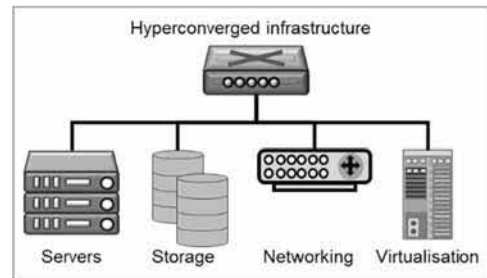
7. BUSINESS OVERVIEW (Cont'd)

2) Software

The types of software implemented in a data centre depend on the hardware deployed and the intended functions of the facility. In the data centres we develop, the following types of software are commonly installed, either individually or in combination, to meet our customers' operational and business requirements:

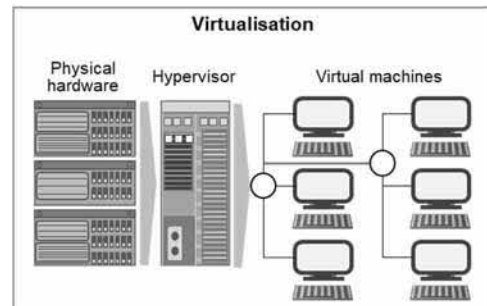
a) Hyperconverged infrastructure (HCI)

HCI is a software-defined system that consolidates computing, servers, storage, networking, and virtualisation into a single, centrally managed platform. By eliminating the need for separate, siloed ICT components, HCI offers simplified management, improved scalability, and cost efficiency.



b) Virtualisation software (Hypervisors)

Virtualisation software, also known as a hypervisor, enables the creation of multiple virtual machines (VMs) on a single physical server. Each VM functions as an independent computer with its own operating system and applications. This allows multiple users to share hardware resources simultaneously, enhancing efficiency, flexibility, and cost-effectiveness.



A common example is deploying centralised high-performance servers and storage in a data centre. End users, such as staff in remote branches, access virtual desktops from low-cost terminals via the Internet. User activity is processed and stored on the virtual machines hosted in the data centre.

Based on customer needs, we implement one or more of the following types of virtualisations:

- **Server virtualisation:** Divides a physical server into multiple virtual machines, allowing different users or applications to operate independently on the same hardware.
- **Desktop virtualisation:** Hosts and manages end-user desktops centrally. Users can securely access their desktop environments from any authorised device, enabling remote work and flexible access.
- **Storage virtualisation:** Combines multiple physical storage devices into a single, unified storage pool that simplifies data management and maximises resource use.
- **Network virtualisation:** Abstracts network resources from the underlying hardware to create software-defined networks (SDNs). This allows multiple virtual networks to run on a shared physical infrastructure.
- **Data virtualisation:** Integrates data from various sources into a single, logical view without physically moving or duplicating it. Users can access and manipulate the data as though it resides in a single database.

7. BUSINESS OVERVIEW (Cont'd)

c) Cloud computing platforms

Cloud computing software enables the delivery of services such as applications, processing power, data storage, databases, analytics, and networking over the internet. End users can access these services on demand without managing the underlying infrastructure. This model supports scalability, operational agility, and cost savings, particularly for organisations with fluctuating or expanding workloads.

d) Operating systems

Operating systems (“OS”) are critical software that manage the data centre’s hardware and provide a platform for running applications and services. Each physical server and virtual machine requires an OS to function properly. Commonly used enterprise-grade operating systems include:

- Linux distributions (e.g. Red Hat Enterprise Linux, Ubuntu Server, CentOS) – widely used for their performance, flexibility, and strong support for open-source applications.
- Microsoft Windows Server – preferred for environments that rely on Microsoft applications and services.
- VMware ESXi – a purpose-built hypervisor OS used in virtualised environments.

The choice of operating system depends on compatibility with legacy or existing systems, intended use case, performance requirements, application compatibility, and customer preferences. Operating systems also provide essential services such as user access control, file system management, task scheduling, and system security.

3) ICT infrastructure management tools

ICT infrastructure management tools consist of hardware and software systems designed to monitor, manage, and optimise the operation of data centres and other ICT environments. These tools collect, analyse, and visualise data from various sources to support informed decision-making, proactive maintenance, and efficient resource utilisation. The ICT infrastructure management solutions we provide typically include one or more of the following capabilities:

- Performance management tools monitor systems’ health, performance, and availability. They enable early detection of issues and ensure optimal operation of hardware and software components.
- Configuration management solutions automate hardware and software configuration setup, deployment, and maintenance. This helps maintain consistency and reduce human error.
- ICT asset management systems track and manage ICT assets, including hardware, software, licenses, and warranties. These systems support inventory control, lifecycle planning, and cost optimisation.
- Network management tools monitor and manage network infrastructure, including bandwidth usage, device status, connectivity, and network topology. They also help identify and troubleshoot faults in real-time.
- Security management applications safeguard ICT infrastructure against internal and external threats. They include functions such as intrusion detection, access control, vulnerability management, and compliance enforcement.

7. BUSINESS OVERVIEW (Cont'd)

- Backup and disaster recovery tools ensure that data is regularly backed up and provide capabilities for rapid restoration in the event of data loss, system failure, or other disasters. These tools help ensure business continuity.

4) Supporting equipment

In addition to core hardware, software, and management tools, data centres require a range of supporting equipment to ensure efficient, reliable, and secure operations. These systems are critical for maintaining the optimal environment and safeguarding infrastructure integrity.

- UPS systems provide immediate backup power in the event of a primary power failure. They are designed to maintain the operation of essential hardware, software, and infrastructure until longer-term backup power sources, such as diesel generators, can come online. Data centre UPS systems typically rely on high-capacity batteries, capacitors, or flywheels to deliver near-instantaneous power, preventing downtime and protecting against data loss.
- Cooling systems are essential for maintaining optimal temperature and humidity levels within the data centre. These systems usually consist of high-efficiency, centralised air conditioning units, such as computer room air conditioning (CRAC) or computer room air handling (CRAH) systems. Effective cooling ensures that servers and networking equipment operate within safe thermal limits, reducing the risk of overheating and extending equipment lifespan.
- Access control systems manage and restrict physical access to the data centre and sensitive areas. These may include biometric scanners, keycard systems, surveillance cameras, and electronic locking mechanisms. Such systems help enforce security policies by ensuring that only authorised personnel can access critical infrastructure, equipment and areas.

5) Business continuity planning

To help our customers maintain seamless operations during disruptions, we offer BCP consulting services as part of our data centre projects. These services aim to reduce and mitigate risks, safeguard data integrity, and ensure resilience in the face of unforeseen events such as cyberattacks, system failures, and natural disasters.

Our BCP services include the following key components:

- **BCP framework consulting:** We work closely with our customers to develop a comprehensive BCP framework. This involves identifying potential risks, assessing their impact on critical business operations, and formulating strategies to mitigate disruptions and accelerate recovery. Our structured approach helps ensure preparedness and business resilience.
- **Risk management:** We assist customers in identifying, evaluating, and mitigating a range of physical, cyber, and operational risks that may affect their data centre operations. Effective risk management strengthens the overall reliability and security of the infrastructure and supports uninterrupted service delivery.

7. BUSINESS OVERVIEW (Cont'd)

- **Business impact analysis (BIA):** Our BIA services evaluate the potential effects of disruptions to essential business functions and ICT services. This assessment includes determining several key factors. The recovery time objective (RTO) refers to the maximum acceptable duration of downtime before services must be restored. The recovery point objective (RPO) defines the maximum acceptable amount of data loss, measured in time. Additionally, the analysis identifies dependencies and critical infrastructure requirements necessary to maintain or restore operations.

These insights enable informed decision-making, prioritisation of recovery efforts, and strategic resource allocation to minimise operational and financial impact.

- **Backup and recovery systems design:** We support customers in designing and implementing robust backup and disaster recovery solutions. This includes identifying and deploying the necessary hardware, software, and supporting infrastructure to ensure redundancy and failover capabilities for critical systems. These systems are essential for maintaining service continuity and rapid operation restoration.

7.3.1.4 Integration of enterprise network infrastructure

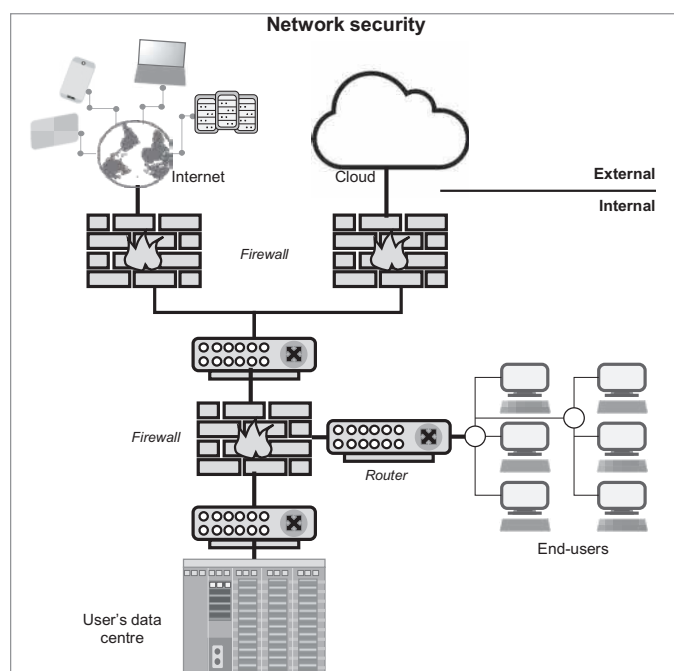
The integration of enterprise network infrastructure segment accounted for 42.07% (RM81.73 million), 22.07% (RM37.54 million), 15.81% (RM29.87 million) and 17.48% (RM40.71 million) of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025 respectively.

Our enterprise network infrastructure integration services encompass the design, implementation, and integration of both hardware and software that connect an organisation's locations, users, and devices through wired (such as fibre optic and Ethernet cables) and wireless technologies (such as Wi-Fi, 4G, and 5G). The network's primary objective is to support secure and seamless communication, collaboration, data exchange, access to shared resources, and efficient operation of enterprise services, including virtualisation, cloud computing, and remote access, while protecting against unauthorised access, data loss, and cyberattacks.

Depending on customer requirements, our enterprise network integration projects typically consist of the following major components:

1) Network Infrastructure

Network infrastructure comprises the physical hardware and logical components that connect devices, users, and locations. It includes routers, switches, wireless access points, firewalls, and cabling, as well as the software and protocols that enable network functionality, management, and security. These components are installed across central data centres, branch offices, remote sites, and other operational facilities.



7. BUSINESS OVERVIEW (Cont'd)

We provide and integrate the following types of network infrastructure:

- **LAN:** LANs interconnect authorised devices within a limited area, such as a branch, office, or manufacturing facility. They facilitate high-speed communication, data sharing, and access to networked applications and servers.
- **WAN:** WANs extend connectivity across multiple geographic locations, enabling communication between branch offices, headquarters, data centres, and cloud environments. Our WAN integration may include:
 - . VPNs: for secure remote access;
 - . Software-defined WAN (SD-WAN): for intelligent routing and performance optimisation;
 - . Load balancing: to distribute network traffic across multiple connections or servers, improving reliability and availability.
- **Wireless Infrastructure:** Wireless LAN (Wi-Fi) and mobile broadband (4G/5G) connectivity are provided for mobile devices and remote access, with appropriate security controls to prevent unauthorised access.
- **Edge and core networking:** We also deploy edge network devices (such as branch routers and access switches) and core network devices (such as aggregation switches and core routers) to form a robust, hierarchical network architecture.
- **Network security devices:** Integrated firewall systems, intrusion detection/prevention systems (IDS/IPS), and unified threat management (UTM) appliances are installed to provide layered security against internal and external threats.

2) Network and System Management Tools

Network management tools are software platforms used to monitor, control, and optimise the performance, security, and reliability of enterprise networks. These tools help ICT teams ensure efficient operations, rapid troubleshooting, and compliance with organisational policies and regulations.

We provide integration of the following network management tools:

- Network management system platforms provide a centralised interface for administrators to monitor network health, configure devices, detect anomalies, and manage faults. Features include dashboard visualisations, alerts, remote configuration, and performance analytics.
- IP address management tools assist in planning, assigning, managing, and tracking IP addresses within an enterprise network. They help optimise address space usage, reduce configuration errors, and support integration with DNS and DHCP services.
- Network traffic optimisation tools analyse and manage data flows across the network to enhance performance and reduce congestion. Capabilities may include traffic shaping, Quality of Service (QoS) policies, WAN optimisation, and bandwidth allocation to prioritise critical applications.
- Configuration and change management tools automate device configuration, maintain compliance, and track changes to prevent misconfigurations and reduce manual errors.

7. BUSINESS OVERVIEW (Cont'd)

- Network monitoring and diagnostic tools continuously assess the network for performance bottlenecks, packet loss, or downtime and provide diagnostics to resolve issues proactively.

7.3.1.5 Integration of enterprise security infrastructure

The security segment accounted for 3.52% (RM6.85 million), 11.39% (RM19.37 million), 6.61% (RM12.48 million), and 4.94% (RM11.49 million) of our total revenue for the FYE 2022, FYE 2023, FYE 2024, and FYE 2025 respectively.

Enterprise security infrastructure comprises the technologies, policies, and processes implemented to safeguard an organisation's ICT environment, including its networks, systems, applications, and data, from unauthorised access, abuse, alteration, damage, or disruption. The primary objectives are to ensure the confidentiality, integrity, and availability of the organisation's digital assets.

Our security integration solutions are tailored to customer requirements and include the design and implementation of both network security and cybersecurity measures to protect on-premises IT infrastructure, cloud environments, and hybrid deployments.

1) Network Security

Network security focuses on protecting the underlying communication and data transfer infrastructure. Our network security solutions typically include the following components:

- **Network perimeter security:** Deployed to prevent unauthorised access to the network. This involves:
 - . Firewalls (hardware or software-based) to filter incoming and outgoing traffic;
 - . Intrusion prevention systems (IPS) to detect and block threats such as malware, ransomware, and DDoS attacks in real time;
 - . Next-generation firewalls (NGFWs), which offer integrated threat intelligence and application-level traffic inspection.
- **Web and application security:** These solutions protect internet-facing services and applications from exploitation:
 - . Web application firewalls (WAFs) to monitor and block malicious traffic targeting web applications;
 - . Application delivery controllers (ADCs) to enhance application performance and provide security features;
 - . Email security gateways to block spam, phishing, and malware-laden emails;
 - . Secure web gateways (SWG) to enforce web access policies and inspect outbound web traffic.
- **Network access control (NAC):** Ensures that only authorised and compliant devices and users can access network resources. NAC solutions may include:
 - . Authentication protocols (for example, IEEE 802.1X – port-based network access control);
 - . Role-based access control;
 - . Device compliance checks before granting access.

7. BUSINESS OVERVIEW (Cont'd)

- **Cloud security:** Securing cloud resources is critical as enterprises increasingly adopt cloud solutions. We implement:
 - . Cloud firewalls to protect cloud-hosted applications;
 - . Cloud access security brokers (CASBs) to enforce security policies between users and cloud service providers, offering visibility, compliance controls, and threat protection.

2) Cybersecurity

Cybersecurity solutions are aimed at protecting endpoint devices, systems, and data from evolving digital threats, including both internal and external risks. Our cybersecurity offerings include:

- **Endpoint protection:** Security measures deployed directly on end-user devices and servers, including antivirus and anti-malware solutions, endpoint detection and response (EDR) for real-time threat detection and incident response, and extended detection and response (XDR), which integrates data across multiple security layers (e.g., network, cloud, endpoints) for advanced threat detection and centralised response.
- **Data loss prevention (DLP):** DLP systems are designed to prevent sensitive data from being lost, misused, or accessed by unauthorised users. We implement endpoint DLP for monitoring data use on user devices; network DLP for monitoring data in transit; and Email DLP for scanning outgoing communications.
- **Privileged access management (PAM):** PAM solutions control, monitor, and audit access to critical systems and sensitive data by users with elevated privileges. These tools help prevent credential theft and privilege escalation, enforce least-privilege access, log and monitor privileged user activities, and trigger alerts and automated responses for suspicious behaviour.

3) Security Monitoring and Incident Response

We also offer real-time security monitoring and incident response capabilities to help customers detect, respond to, and recover from security incidents efficiently through our managed detection response (MDR) service, which includes:

- Security monitoring for continuous monitoring of network traffic, endpoint activity, and user behaviour, early detection of threats and anomalies, and integration with threat intelligence feeds to recognise known threat signatures.
- Incident response for predefined procedures for identifying, containing, eradicating, and recovering from security incidents, forensic analysis to understand root causes and prevent recurrence, and post-incident reporting and recommendations for improving security posture

4) Security Information and Event Management (SIEM)

We implement and integrate SIEM platforms to provide a centralised system for collecting, analysing, and responding to security events across the ICT environment:

- Log aggregation and correlation from firewalls, endpoints, servers, and other devices;
- Real-time alerting and dashboards for monitoring security posture;
- Advanced analytics to identify complex attacks or patterns; and
- Support for compliance reporting (for example, International Organization for Standardization/International Electrotechnical Commission (ISO/IEC) 27001 - Information Security Management System, and Personal Data Protection Act 2010 (PDPA)).

SIEM is particularly valuable for organisations with complex, high-risk environments that require 24/7 security visibility and detailed incident analysis.

7. BUSINESS OVERVIEW (Cont'd)

7.3.1.6 Completed and ongoing projects

(a) Completed projects

During the Financial Years Under Review and up to the LPD, we have completed a total of 1,312 projects (including purchase orders/contracts). Our Group's completed projects with a purchase order value of RM3.00 million and above during the Financial Years Under Review and up to the LPD are summarised below:

No.	Project description	Industry of customers	Commencement date ^(a)	Completion date ^(a)	Purchase order value ^(b)
					(RM' million)
1.	Integration of enterprise data centres and network infrastructure, supply of hardware and software, as well as provision of managed and other services for the upgrade of ICT infrastructure of a financial institution	BPO	September 2021	January 2022	3.88
2.	Integration of enterprise data centres and network infrastructure, supply of hardware and software, as well as provision of managed and other services for the new production facilities of a manufacturer in the E&E industry	Manufacturing	October 2021	December 2022	66.91
3.	Integration of enterprise data centres for the upgrade or enhancement of existing facilities for a financial institution	Financial services	January 2023	March 2023	4.60
4.	Integration of enterprise data centres and network infrastructure for the expansion of a medical centre	Healthcare	March 2022	May 2023	3.29
5.	Integration of enterprise data centres and network infrastructure, as well as provision of managed and other services for the new production facilities of a manufacturer in the E&E industry	Manufacturing	March 2023	November 2024	3.32
6.	Integration of enterprise data centres and network infrastructure, supply of hardware and software, as well as provision of managed and other services for the upgrade or enhancement of existing facilities of a manufacturer in the E&E industry	Manufacturing	March 2022	December 2023	9.14

7. BUSINESS OVERVIEW (Cont'd)

No.	Project description	Industry of customers	Commencement date ^(a)	Completion date ^(a)	Purchase order value ^(b)
					(RM' million)
7.	Integration of enterprise data centres and provision of managed and other services for the upgrade or enhancement of existing facilities for a financial institution	Financial services	December 2023	February 2024	5.69
8.	Integration of enterprise data centres for the upgrade or enhancement of existing facilities for a financial institution	Financial services	June 2024	April 2025	5.84
9.	Integration of enterprise data centres and network infrastructure, supply of hardware and software, as well as provision of other services for the new production facilities of a manufacturer in the E&E industry	Intelligent automation services	July 2022	September 2024	5.60
10.	Integration of enterprise data centres and network infrastructure, supply of hardware and software, as well as provision of managed and other services for the upgrade or enhancement of existing facilities of a manufacturer in the E&E industry	Manufacturing	November 2023	December 2024	4.37
11.	Integration of enterprise data centres and network infrastructure, supply of hardware and software, as well as provision of managed and other services for the upgrade or enhancement of existing facilities of a manufacturer in the E&E industry	Manufacturing	February 2025	August 2025	23.49
12.	Integration of enterprise data centres for the upgrade or enhancement of existing facilities of a manufacturer in the E&E industry	Manufacturing	August 2025	February 2026	4.00
13.	Integration of enterprise data centres for the upgrade or enhancement of existing facilities of a manufacturer in the E&E industry	Manufacturing	October 2025	February 2026	3.71

7. BUSINESS OVERVIEW (Cont'd)

No.	Project description	Industry of customers	Commencement date ^(a)	Completion date ^(a)	Purchase order value ^(b)
					(RM' million)
14.	Integration of enterprise data centres for the upgrade or enhancement of existing facilities for a financial institution	Financial services	January 2026	March 2026	3.83
				Subtotal	147.67
	Remaining projects ^(c)				266.81
				Total	414.48

Notes:

- (a) The commencement date of each project is based on the date of purchase orders. The completion date of each project is based on the date of the final invoice following the handover to the customer.
- (b) Purchase order value of each project includes the original purchase order value and subsequent purchase orders, if any.
- (c) The remaining projects were contributed by 1,298 purchase orders/contracts completed during the Financial Years Under Review, with purchase order/contract value less than RM3.00 million as at the LPD.

(b) Ongoing projects

As at the LPD, we have a total of 622 ongoing projects (including purchase orders/contracts secured). The details of our Group's ongoing projects with a purchase order/contract value of RM0.50 million and above are summarised below:

No.	Project description	Industry of customer	Commencement date ^(a)	Expected Completion date ^(a)	Purchase order/contract value ^(b)	Remaining purchase order/contract value as at the LPD
					(RM' million)	(RM' million)
1.	Integration of enterprise data centres for a mass transit facility	Transportation	January 2025	June 2026	2.27	0.13
2.	Provision of managed services for a financial institution	Financial services	December 2023	November 2027	7.57	0.23

7. BUSINESS OVERVIEW (Cont'd)

No.	Project description	Industry of customer	Commencement date ^(a)	Expected Completion date ^(a)	Purchase order/contract value ^(b)	Remaining purchase order/contract value as at the LPD
					(RM' million)	(RM' million)
3.	Integration of enterprise security infrastructure for a financial institution	Financial services	June 2024	June 2027	2.93	0.98
4.	Integration of enterprise network infrastructure for a financial institution	Financial services	January 2025	April 2027	1.55	0.40
5.	Supply of hardware and software for a water utility company	Utility	December 2024	January 2028	0.76	0.44
6.	Integration of enterprise data centres and network infrastructure for a financial institution	Financial services	August 2025	May 2026	3.10	0.08
7.	Integration of enterprise network and security infrastructure for the upgrade or enhancement of existing facilities of a manufacturer in the E&E industry	Manufacturing	August 2025	June 2026	10.83	4.77
8.	Integration of enterprise data centres for a financial institution	Financial services	February 2026	May 2031	42.40	42.05
9.	Integration of enterprise network infrastructure for a medical device manufacturer	Manufacturing	March 2026	June 2026	1.57	1.57
10.	Integration of enterprise data centres, as well as the supply of hardware and software for a distributor of medical and laboratory equipment	Distribution	December 2025	June 2026	1.79	0.06
11.	Integration of enterprise network infrastructure, as well as provision of managed services for a manufacturer in the E&E industry	Manufacturing	January 2026	June 2026	0.59	0.45
12.	Provision of cloud services for a battery manufacturer	Manufacturing	September 2024	December 2026	1.16	0.26

7. BUSINESS OVERVIEW (Cont'd)

No.	Project description	Industry of customer	Commencement date ^(a)	Expected Completion date ^(a)	Purchase order/contract value ^(b)	Remaining purchase order/contract value as at the LPD
					(RM' million)	(RM' million)
13.	Integration of enterprise network infrastructure, as well as provision of managed services for a manufacturer in the E&E industry	Manufacturing	March 2026	July 2026	0.61	0.61
14.	Integration of enterprise network infrastructure for a hotel operator	Hospitality	December 2025	June 2026	1.16	0.01
15.	Integration of enterprise network infrastructure, as well as provision of managed services for a financial institution	Financial services	February 2026	June 2026	0.73	0.36
16.	Integration of enterprise data centres for a for a manufacturer in the E&E industry	Manufacturing	March 2026	May 2026	0.96	0.96
17.	Provision of cloud services for a business process outsourcing company	BPO	November 2025	November 2026	1.02	0.39
18.	Provision of cloud services for a business process outsourcing company	BPO	October 2025	November 2026	0.73	0.37
19.	Integration of enterprise data centres for a manufacturer in the E&E industry	Manufacturing	April 2026	May 2026	0.91	0.22
20.	Integration of enterprise network infrastructure, as well as the provision of managed services for a financial institution	Financial services	April 2026	June 2030	4.67	4.67
21.	Integration of enterprise data centres and network infrastructure for a manufacturer in the E&E industry	Manufacturing	April 2026	June 2026	2.63	2.61
22.	Integration of enterprise data centres and network infrastructure, as well as the provision of managed services for a manufacturer in the E&E industry	Manufacturing	April 2026	June 2026	2.27	2.27

7. BUSINESS OVERVIEW (Cont'd)

No.	Project description	Industry of customer	Commencement date ^(a)	Expected Completion date ^(a)	Purchase order/contract value ^(b)	Remaining purchase order/contract value as at the LPD
					(RM' million)	(RM' million)
23.	Integration of enterprise network infrastructure for a manufacturer in the E&E industry	Manufacturing	April 2026	June 2026	1.15	0.13
24.	Integration of enterprise data centres and network infrastructure for a manufacturer in the chemical industry	Manufacturing	April 2026	June 2026	0.53	0.53
25.	Integration of enterprise data centres for a remittance provider	Financial services	April 2026	June 2026	0.52	0.52
				Subtotal	94.41	65.07
	Remaining projects ^(c)				26.52	22.64
				Total	120.93	87.71

Notes:

- (a) The commencement date of each project is based on the date of purchase orders/contracts. The expected completion date of each project is based on the estimated delivery date as communicated with the customers.
- (b) Purchase order/contract value of each project includes original purchase order/contract value and subsequent purchase orders, if any.
- (c) The remaining projects were contributed by 334 customers based on 622 purchase orders/contracts secured with purchase order/contract value less than RM0.50 million as at the LPD.

7. BUSINESS OVERVIEW (Cont'd)

7.3.2 Supply of hardware and software

The supply of hardware and software collectively accounted for 22.34% (RM43.40 million), 23.07% (RM39.23 million), 22.55% (RM42.60 million), and 25.22% (RM58.73 million) of our total revenue for the FYE 2022, FYE 2023, FYE 2024, and FYE 2025 respectively.

This business activity involves supplying hardware and software to our customers and, when required, providing installation and integration services. The supply of hardware and software is on a standalone basis, independent of the provision of our other services.

During the FYE 2022, FYE 2023, FYE 2024, and FYE 2025, the supply of hardware accounted for 20.09% (RM39.03 million), 20.29% (RM34.50 million), 19.76% (RM37.33 million), and 22.90% (RM53.33 million) of our total revenue respectively. The types of hardware that we supplied during the Financial Years Under Review included the following:

- Data centre hardware such as servers/processors, data storage systems (such as hard disk drives and solid-state drives), and networking equipment (such as routers and switches);
- Data centre supporting equipment such as UPS systems;
- Devices such as desktops, laptops, and tablets; and
- Peripherals such as monitors, printers, keyboards, mouse, and cables.

The supply of software accounted for 2.25% (RM4.37 million), 2.78% (RM4.73 million), 2.79% (RM5.27 million), and 2.32% (RM5.40 million) of our total revenue for the FYE 2022, FYE 2023, FYE 2024, and FYE 2025 respectively. The types of software that we supply to our customers include licensed third-party operating systems, office productivity, security, and other software.

The hardware and software integration services that we provide involve the following:

- Installing and connecting hardware to the power supply, peripherals, and network at the location;
- Installing and configuring the required software and/or applications;
- Integrating new hardware and software with existing systems, if required; and
- Testing the new hardware and software to ensure they function properly.

7.3.3 Provision of cloud and managed services

For the FYE 2022, FYE 2023, FYE 2024, and FYE 2025, the provision of cloud and managed services collectively accounted for 9.01% (RM17.51 million), 14.86% (RM25.27 million), and 18.97% (RM35.84 million), and 20.67% (RM48.14 million) of our total revenue respectively. The main types of cloud services that we provide are third-party PaaS and SaaS, while a small proportion of our revenue was from providing managed cloud services.

The PaaS and SaaS are sourced from third-party cloud service providers who own and operate the underlying hardware and software. We act as an intermediary where we license these services on behalf of the owners to our customers. These services are as follows:

- PaaS refers to cloud computing services where a third party provides and manages the hardware and software tools, including databases, servers, middleware, and development frameworks. This allows users to develop, run, and manage their applications over the internet without owning or administering the underlying platform.
- SaaS is a cloud computing model where applications are hosted and managed on a third-party provider's infrastructure. End-users access and use these applications via the internet, without the necessity of purchasing, licensing, installing, or managing them.

The **provision of managed cloud services** involves the management of application and cloud utility software, and related services.

7. BUSINESS OVERVIEW (Cont'd)

In addition, we also offer managed services, which involves managing and operating specific parts of a customer's ICT infrastructure and/or applications on their behalf, including preventive maintenance and ensuring business continuity with hardware replacement, if required.

7.3.4 Other services

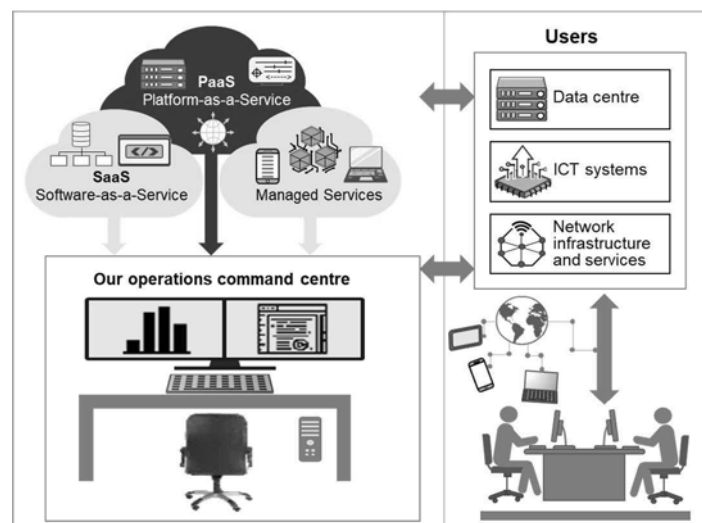
The provision of other services collectively accounted for 0.87% (RM1.69 million), 2.11% (RM3.60 million), and 2.77% (RM5.25 million), and 2.80% (RM6.53 million) of our total revenue for the FYE 2022, FYE 2023, FYE 2024, and FYE 2025 respectively.

The other services that we provide include the following:

- **Technical services:** This involves providing technical support services to end-users 24 hours per day, 7 days per week to help ensure that ICT infrastructure and/or applications are always available, and that any problems are fixed as quickly as possible. As the initial point of contact, our role is to log end-user queries or issues and to resolve them directly if possible. If the issue persists, we will escalate it to the relevant partner for further assistance.
- **Digital transformation services:** This involves setting up an intranet that serves as a central hub for the company news and information, organisational chart and employee directory, HR-related resources and documents, a document library, as well as systems for document approval and digital signatures.

7.3.5 Operations command centre

We have an in-house OCC that is linked and manages two functions as follows:



- Cloud and managed services

Through our OCC, we monitor, control and facilitate the provision of the following services:

- cloud services comprising PaaS and SaaS; and
- managed services comprising networks, virtualisation, hyperconverged infrastructure and application systems,

- User systems and users

Through our OCC, we are linked to all our users who want us to provide the following:

- monitor of system and hardware performance;
- respond to system alerts and messages;
- rectify system warnings and faults; and

7. BUSINESS OVERVIEW (Cont'd)

monitor and rectify cybersecurity and other security breaches or imminent breaches.

At our OCC, we have the following functions and features based on customers' requirements:

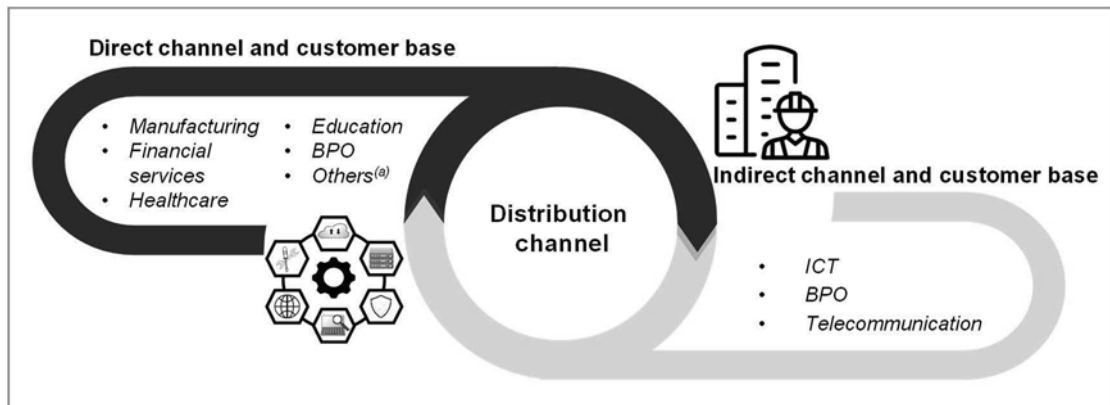
- connection and access to all the systems that we manage and/or provide;
- system data collection and analytics;
- dashboard of system, network and user operations and performance; and
- storage of system data.

We offer 24/7 monitoring through our OCC, primarily based in Kuala Lumpur, Malaysia. Our team will first attempt to resolve any issues remotely from the OCC. We will dispatch our technical staff to the site to address and resolve the issue if needed. In addition, the provision of cloud and managed services are also facilitated and supported by Penang Office, which also serves as a secondary OCC, to support disaster recovery to ensure business continuity and uninterrupted operations.

Our customers also have access to the information relating to their systems on our OCC. This information is accessible through the network infrastructure linking our OCC to user premises and remotely through the Internet.

7.3.6 Distribution channels and customers

We utilise the direct and indirect distribution channels for our sales and marketing, as follows:



Note:

- (a) Mainly include companies in hospitality, transportation and logistics, construction, property development and management, professional service providers, as well as government agencies and government linked companies.

We use the direct distribution channel, where our customers mainly comprise businesses that engage us to provide our services and/or supply hardware and software. By working closely with our customers, we gain a detailed technical understanding of their needs and build long-term business relationships with them, including placing us in a position to secure follow-on business from them, such as projects to expand or upgrade their ICT infrastructure, supply additional hardware and/or software, and provide managed and/or technical services.

We also utilise the indirect distribution channel where we are engaged by ICT and business process outsourcing companies to implement the project and deliver the ICT infrastructure, hardware, software and/or other ICT services to the end-users.

The revenue contribution from our direct and indirect distribution channels and the types of customers for the Financial Years Under Review is summarised in the following table:

7. BUSINESS OVERVIEW (Cont'd)

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Direct	191,969	98.83	162,808	95.72	185,214	98.03	229,258	98.44
Manufacturing	140,369	72.27	87,683	51.55	101,855	53.91	132,076	56.71
Financial services	2,472	1.27	20,105	11.82	25,721	13.61	27,103	11.64
Healthcare	9,839	5.07	6,786	3.99	9,341	4.95	12,998	5.58
Education	3,558	1.83	9,878	5.81	7,698	4.07	6,280	2.70
Business process outsourcing	10,963	5.64	7,267	4.27	6,160	3.26	6,090	2.61
Other service providers ^(a)	24,768	12.75	31,089	18.28	34,439	18.23	44,711	19.20
Indirect^(b)	2,277	1.17	7,274	4.28	3,722	1.97	3,630	1.56
Total revenue	194,246	100.00	170,082	100.00	188,936	100.00	232,888	100.00

Notes:

- (a) Mainly include companies in hospitality, transportation and logistics, construction, property development and management, professional service providers, as well as government agencies and government linked companies.
- (b) Mainly include ICT, business process outsourcing and telecommunication companies.

7.3.7 Modes of operations

During the Financial Years Under Review and up to the LPD, our business is based on the following modes of operation:

- Non-recurrent revenue: fixed lump sum purchase orders; and
- Recurrent revenue: fixed periodic charges.

7.3.7.1 Non-recurrent revenue: Fixed lump sum purchase orders

We mainly operate on fixed lump sum purchase orders for the following business activities:

- Integration of enterprise ICT infrastructure;
- Supply of hardware and software; and
- Other services, including technical, and digital transformation services.

The customer will issue the fixed lump sum purchase order for their project that will specify, among others, the following:

- Services, hardware and/or software required, including the scope of work, specifications, quantity (if relevant), and other details;
- Agreed pricing and total value of the purchase orders;
- Payment schedule and terms;
- Installation site and/or delivery address;
- Project timeline or delivery lead time (where applicable); and
- Completion and/or delivery date.

We invoice the customer according to the payment schedule in the purchase order, which may comprise one or a combination of the following:

7. BUSINESS OVERVIEW (Cont'd)

- A downpayment order upon confirmation of the purchase order. The downpayment amount is based on a specified percentage of certain services, hardware and/or software or the entire purchase order; and/or
- Progress payments based on the achievement of specified milestones as we provide the services and/or supply the products.

7.3.7.2 Recurrent revenue: Fixed periodic charges

Our cloud and managed services projects are mainly based on fixed periodic charges contracts.

The fixed periodic charges contract will specify, among others, the following:

- The scope of services covered by the contract;
- Fixed periodic charges;
- Payment schedule and terms;
- Contract duration and terms of extension (where applicable); and
- Service level agreement.

During the contract duration period, we will invoice the customer based on fixed periodic charges and a payment schedule (either yearly, half-yearly, quarterly, or monthly, depending on the contract). The fixed periodic charges do not change unless there is a price adjustment mechanism or an agreement with the customer to revise the charges.

7.3.7.3 Performance penalties

Depending on the terms as stipulated in the purchase orders, our purchase orders may include provisions for performance penalties if we fail to meet our obligations. These penalties typically take the form of LAD or SLA penalties.

LAD:

LAD penalties are incurred when specified services, hardware, or software are not completed or delivered by the agreed-upon deadline, and the delay is our responsibility. Penalties are commonly calculated as either a fixed daily amount, or a percentage of the total purchase order value per day, depending on the terms. In some cases, the maximum total LAD is capped at a percentage of the total value of the purchase orders.

SLA penalties:

SLA provisions, common in cloud and managed services, guarantee specific service levels. These guarantees may include:

- specified service, system uptime, or availability;
- achievement of performance metrics (e.g., data transfer and processing rates);
- timely response to customer issue resolution requests; and
- adherence to data security standards.

We may be liable for fixed-amount SLA penalties per breach if we fail to meet these specified conditions. Please refer to Section 9.1.4 of this Prospectus for further details of the risk factors associated with delays in project implementation and completion, and the fulfilment of orders.

7.3.7.4 Warranty Provisions

Generally, we offer product warranties for the supply of hardware. The warranty period is typically a fixed duration of 12 to 36 months from the date of delivery to our customers and is provided on a back-to-back basis with our suppliers or partners. Under this arrangement, our suppliers or partners are responsible for replacing any defective products returned due to manufacturing defects. We do not provide warranties for software.

7. BUSINESS OVERVIEW (Cont'd)

7.4 PRINCIPAL MARKETS

Our principal market is Malaysia and we have our head office located in Penang and a branch office in Kuala Lumpur. We do not have a physical presence in any foreign country. However, we have served customers in foreign countries during the Financial Years Under Review.

Our Group's revenue for the Financial Years Under Review segmented by geographical markets are set out below:

	Audited							
	FYE2022		FYE2023		FYE2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	192,363	99.03	156,233	91.86	183,231	96.98	223,910	96.14
Foreign countries ^(a)	1,883	0.97	13,849	8.14	5,705	3.02	8,978	3.86
Total revenue	194,246	100.00	170,082	100.00	188,936	100.00	232,888	100.00

Note:

- (a) Include Singapore, Thailand, the USA, Taiwan, the Czech Republic, the United Kingdom, Switzerland, India, Hong Kong, the Philippines, Germany, Japan, China, the Seychelles, Austria, Indonesia, Myanmar, Cambodia, Australia, South Korea, Brazil, Bulgaria, Colombia, Vietnam, Spain, Romania, Istanbul and, United Arab Emirates. The revenue from foreign countries is mainly billings to our customers' related entities in foreign countries. This is mainly for the integration of enterprise ICT infrastructure projects, supply of hardware and software, and provision of cloud and managed services for our customers in Malaysia. Our Group does not have physical presence in foreign countries and does not undertake projects or supply to foreign countries.

7.5 PRINCIPAL PLACE OF BUSINESS AND LOCATION OF OPERATIONS

As at the LPD, our Group's principal place of business is in Malaysia, where our head office is located at One Precinct, Pulau Pinang, and we have a branch office at Menara 1 Dutamas, Kuala Lumpur. Please refer to Section 6.6.2 for further details of our operational facilities.

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7. BUSINESS OVERVIEW (Cont'd)

7.6 COMPETITIVE STRENGTHS

Our competitive advantages and key strengths will provide us with the platform to grow our business. These are as follows:

7.6.1 We have a track record of approximately 20 years in the ICT industry

We have an established track record of approximately 20 years in the ICT industry, starting with the supply of ICT hardware and software to businesses in Malaysia since 2006. In 2011, we carried out our first integration of ICT infrastructure comprising among others, cabling and electrical works, access control systems and network switches for the data centre of an E&E product manufacturer in Bayan Lepas, Penang, providing us with a track record of approximately 15 years in enterprise ICT infrastructure. For the FYE 2025, the integration of enterprise ICT infrastructure, and supply of hardware and software collectively accounted for 76.53% (RM178.22 million) of our total revenue. Our established expertise comes from successfully carrying out a diverse range of ICT and integration projects, enabling us to effectively optimise and enhance complex ICT systems. This long track record has enabled us to build a reputation for reliability and quality, fostering trust and customer loyalty with our customers.

With approximately two decades of experience, we have developed robust internal processes and effective practices specifically for enterprise ICT integration, ensuring efficient and high-quality project outcomes. Our long track record also demonstrates our adaptability to the dynamic ICT industry, keeping our solutions relevant and current. In addition, it has allowed us to cultivate a broad network of industry experts and resources, providing us with an advantage in sourcing optimal solutions and accessing appropriate technologies for our customers.

Our extensive track record will assure prospective customers of our capabilities. It also serves as a strong reference to help us secure new projects and create a platform for our business's continuing growth.

7.6.2 We fulfil the needs of customers with stringent requirements

Our capabilities extend to meeting the demands of customers requiring adherence to stringent regulatory and internal standards. These regulatory and internal standards include compliance with data protection law, security standards for the protection of sensitive information such as financial transaction, and operational requirements such as uptime and disaster recovery.

During the Financial Years Under Review, we implemented the integration of enterprise ICT infrastructure projects, including data centres, networks, and security solutions, for customers and end users in highly regulated industries in Malaysia, such as financial services and healthcare. In addition, we served multinational companies with stringent internal requirements and standards. These customers and end users must ensure that their data centres and networks comply with strict regulations related to security, data protection, privacy, and availability while maintaining their data's integrity.

Our customers in the financial services and healthcare industries collectively accounted for 6.34%, 15.81%, 18.56%, and 17.22% of our total revenue for the FYE 2022, FYE 2023, FYE 2024, and FYE 2025 respectively.

Our proven ability to meet stringent customer requirements reflects our capabilities and assures prospective customers of our capacity to meet their needs. This strengthens our position to secure new projects and provides the platform for business sustainability and growth.

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7. BUSINESS OVERVIEW (Cont'd)

7.6.3 We have in-house capabilities to carry out engineering and system design to provide a total integration of enterprise ICT infrastructure systems

We have the technical expertise to perform engineering and system design for the integration of enterprise ICT infrastructure, including data centres, networks, and security systems. The integration of enterprise data centres, all of which require engineering and system design, accounted for 22.19% (RM43.09 million), 26.50% (RM45.07 million), 33.29% (RM62.89 million), and 28.89% (RM67.29 million) of our total revenue for FYE 2022, FYE 2023, FYE 2024, and FYE 2025 respectively.

As at the LPD, our technical team comprises 69 personnel including ICT systems engineers and architects, who are equipped to carry out engineering and system design work.

Our ability to handle engineering and system design functions internally means we do not need to rely on external parties for these services. This allows us to undertake complete solution projects and offer customers the convenience of a single point of service, providing a distinct advantage over companies that might focus only on hardware or software integration. This differentiation helps in securing orders with greater value and support our business growth.

7.6.4 We are brand independent and can offer suitable solutions to our customers

Although we have established partnerships with several principals, we are not contractually bound to offer only their products or services. Our brand independence allows us to provide our customers with enterprise ICT infrastructure, cloud solutions, and related services by selecting suitable combination of hardware, software, services and platforms to meet their specific needs.

Our flexibility in choosing from a wide range of third-party brands and suppliers enables us to customise solutions based on our customers' security, reliability, performance, and cost-effectiveness requirements.

Our independence also expands our addressable market, as we can meet diverse customer requirements across various sectors. These advantages support the sustainability and growth of our business by enabling us to secure new projects and build long-term customer relationships.

7.6.5 We mainly use the direct distribution channels to address business opportunities

Our direct distribution channel contributed 98.83%, 95.72%, 98.03% and 98.44% of our total revenue for FYE 2022, FYE 2023, FYE 2024, and FYE 2025 respectively. This approach allows us to engage closely with business owners, enabling a better understanding of their requirements and challenges. By applying our engineering and design expertise, we are able to deliver highly customised solutions tailored to specific customer needs. Additionally, maintaining direct relationships fosters customer loyalty, positions us as a trusted partner, increases the potential for repeat business and fosters positive word-of-mouth referrals.

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7. BUSINESS OVERVIEW (Cont'd)**7.6.6 We have two revenue streams comprising non-recurrent revenue as well as recurrent revenue that provides assurance of revenue for the duration of such contracts**

Our business operations comprise two revenue models, one of which is non-current revenue based on fixed lump sum purchase orders, while the other is recurrent revenue based on fixed periodic charges as depicted below:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Non-recurrent revenue	176,740	90.99	144,811	85.14	153,092	81.03	184,747	79.33
Integration of enterprise ICT infrastructure	131,656	67.78	101,983	59.96	105,247	55.71	119,492	51.31
Supply of hardware and software	43,395	22.34	39,231	23.07	42,598	22.55	58,730	25.22
Other services	1,689	0.87	3,597	2.11	5,247	2.77	6,525	2.80
Recurrent revenue	17,506	9.01	25,271	14.86	35,844	18.97	48,141	20.67
Provision of cloud and managed services	17,506	9.01	25,271	14.86	35,844	18.97	48,141	20.67
Total revenue	194,246	100.00	170,082	100.00	188,936	100.00	232,888	100.00

Our business model is mainly based on non-recurrent revenue, which accounted for more than 80.00% of our total revenue for the FYE 2022 to FYE 2024, and approximately 80.00% for the FYE 2025.

Our recurrent revenue stream provides assurance of a continuing revenue stream for the contract period. It moderates some of the lumpy revenue of our project and order-based business. Our product and service diversity provides us with an avenue for business sustainability and growth.

7.6.7 We are led by experienced Non-Independent Managing Director / Chief Executive Officer, Non-Independent Executive Directors and Key Senior Management team to drive our business growth

We have an experienced key senior management team headed by Yeoh Chin Ming (our Non-Independent Managing Director / Chief Executive Officer), Tan Hooi Bee (Non-Independent Executive Director) and Juleen Teh Sue Leen (Non-Independent Executive Director), who bring with them over 27 years, 34 years and 21 years of relevant industry experience, respectively. They have played vital roles in leading the Group's growth and success.

Our Non-Independent Managing Director / Chief Executive Officer and Non-Independent Executive Directors are supported by a team of experienced key senior management with extensive experience across a range of business activities, including sales, finance, technology and enterprise business development. Our other key senior management team comprises the following:

- Ho Huang Ken (our Chief Sales Officer), has approximately 22 years of experience in sales;
- Ooi Hooi Yin (our Chief Financial Officer), has approximately 25 years of experience in finance and accounting related matters;
- Lim Wei Ghee (our Chief Technology Officer), has approximately 28 of experience in the information technology related field;

7. BUSINESS OVERVIEW (Cont'd)

- Quah Chea Siang (our Head of Enterprise Business Development), has approximately 21 years of experience in business development.

Please refer to Sections 5.1.2, 5.2.2 and 5.4.2 of this Prospectus for the profiles of our Non-Independent Managing Director / Chief Executive Officer, Non-Independent Executive Directors and Key Senior Management team.

7.7 MARKETING STRATEGIES AND ACTIVITIES

7.7.1 Our marketing positioning

We adopt the following market positioning to secure new customers and develop business opportunities:

- **Comprehensive enterprise ICT infrastructure solutions:** We position ourselves as a provider offering comprehensive enterprise ICT infrastructure solutions with a proven capability in engineering, designing, procuring, installing, testing and commissioning of complete data centres, networking and security solutions depending on our customers' requirements. We also supply hardware and software as well as offer cloud computing services (including PaaS and SaaS) to our customers.
- **In-house engineering and system design capabilities:** Our in-house expertise in performing engineering and system design for enterprise ICT infrastructure integration distinguishes us, enabling us to offer comprehensive, one-stop solutions to our clients. As at the LPD, our technical team comprises 69 personnel including ICT systems engineers and architects equipped to execute engineering and system design work. This in-house capability allows us to create and implement customised solutions that precisely meet individual customer specifications without reliance on external parties for this critical function.
- **Brand independence:** We position ourselves as a brand-independent provider of enterprise ICT infrastructure, supply of hardware and software, and provision of cloud and other services that can offer our customers the most suitable and optimal combination of hardware, software, services and platforms to meet their specific needs. Although we have established partnerships with several principals, we are not contractually bound to offer only their products or services.
- **Established track record:** With approximately 20 years of proven experience in the ICT industry, we leverage our established track record to provide strong references, build confidence with prospective clients, create a solid foundation for continued business growth, and assure customers of our capabilities. We commenced supplying hardware and software to businesses in Malaysia in 2006, and we successfully executed our first ICT infrastructure integration project, focusing on the integration of cabling and electrical works, access control systems, CCTV, network switches, and phone systems for an E&E product manufacturer in Bayan Lepas, Penang, in 2011.

7.7.2 Marketing strategies and activities

We actively pursue new projects, expand our customer base, and drive growth through targeted marketing activities and strategies, which include the following:

- **Active customer engagement and feedback:** We prioritise actively engaging with our customers to gather direct feedback on our services and gain a deep understanding of their evolving needs. This continuous dialogue enables us to enhance the services we provide consistently. Furthermore, customer feedback is integral to refining our overall marketing strategy and improving our service offerings to meet market demands better.

7. BUSINESS OVERVIEW (Cont'd)

- **Proactive business development:** We proactively identify and approach prospective customers to showcase our capabilities and proven track record. We aim to secure invitations to submit proposals and participate in relevant tenders, expanding our project pipeline and market presence.
- **Maximising from our direct distribution channel:** We are committed to ongoing engagement with our direct distribution channel customers to cultivate a deeper technical understanding of their specific requirements. This in-depth knowledge is crucial in enabling us to deliver the most effective and tailored solutions that address their unique challenges and drive their success. Our direct distribution channel accounted for 98.83%, 95.72%, 98.03% and 98.44% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025, respectively.
- Continue to develop our indirect distribution channel: Concurrently, we will maintain and actively strengthen our collaborations with key operators within our indirect distribution channel comprising mainly ICT, business process outsourcing and telecommunication companies. This strategic approach will enable us to leverage the established business networks of our indirect channel partners to access a broader addressable market and expand our reach. Our indirect distribution channel accounted for 1.17%, 4.28%, 1.97% and 1.56% of our total revenue for the FYE 2022, FYE 2023, FYE 2024, and FYE 2025, respectively.

We participate in exhibitions and events to raise our profile and meet with prospective customers as part of our marketing strategy. The exhibitions and events that we have participated during the Financial Years Under Review and up to the LPD are listed in the following table:

Year	Exhibition/Event name	Location
2022	The World Congress on Innovation & Technology (WCIT) 2022	Penang
2023	Dell Technologies Forum 2023	Kuala Lumpur
2024	Dell Technologies Forum 2024	Kuala Lumpur
2024	CTOS SME Biz Day 2024	Kuala Lumpur
2024	PSDC SME Tech Summit 2024	Penang
2024	HPE VSTECS Astar Dinner & Learn Internal Enablement	Kuala Lumpur
2025	PIKOM Northern Region Conference 2025	Penang
2025	Data Centre & Cloud Infra Summit	Kuala Lumpur
2025	AIMS 15.0 Business Manager Forum	Kuala Lumpur
2025	Microsoft AI Tour	Kuala Lumpur

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7. BUSINESS OVERVIEW (Cont'd)

During the Financial Years Under Review and up to the LPD, we also organised or collaborated with technology partners to co-organise events as follows:

Year	Event name	Location	Partner
2022	A New Approach to the Future of Security	Kuala Lumpur & Penang	HPE
2023	Empowering Your Digital Journey with Pentech & Microsoft	Ipoh	Microsoft
2024	Pentech & Microsoft: The Next-level Security & Copilot in 2024	Kuala Lumpur & Penang	Microsoft
2024	Ultimate Test Drive ML-Powered Next Generation Firewall	Penang	Palo Alto Networks, Exclusive Networks
2024	Chinese New Year Appreciation Dinner	Perak	Microsoft, Ingram Micro
2024	Chinese New Year Appreciation Dinner	Penang	HP
2024	Chinese New Year Appreciation Dinner	Kuala Lumpur	VSTECs Astar, AvePoint, HPE
2024	Elevate Your Endpoint Security	Kuala Lumpur	Nextgen Group
2024	Raya Open House with Pentech	Selangor & Penang	Cisco, PureStorage
2024	Pentech & Microsoft: The Next-level Security & Copilot in 2024	Kuala Lumpur & Penang	Microsoft
2024	Streamline Workforce Management	Penang	Microsoft, Check Point
2024	Pentech & Huawei: The Executive Roundtable	Penang	Huawei
2024	Cybersecurity Modernization for Lasting Resilience	Penang	CrowdStrike
2024	Revolutionizing Data Management with AI	Kuala Lumpur	PureStorage, VMware, Commvault
2024	Pentech Solution Day 2024	Selangor & Penang	-
2024	Microsoft Copilot Webinar	-	-
2025	Chinese New Year Appreciation Dinner	Kuala Lumpur	PureStorage, AvePoint
2025	Microsoft Copilot Webinar	-	-
2025	Staying Ahead 2025: Defend, Detect, Recover	Penang	Veeam, Scality, Fortinet, CrowdStrike
2025	Veeam Webinar	-	Veeam
2025	Microsoft Fabric, Security & Cloud Readiness: Future-Proof Your Business	Penang	Microsoft
2025	AI, Security & Cloud Readiness: Future-Proof Your Business	Kuala Lumpur	Microsoft
2025	Go Pro Series: Evolving with Cyber Security, Mastering Data Resilience	Kuala Lumpur	Veeam

7. BUSINESS OVERVIEW (Cont'd)

Year	Event name	Location	Partner
2025	Raya Open House	Kuala Lumpur	Dell, Microsoft, Avepoint
2025	Fortifying Cyber Resilience: Prepare, Protect, and Recover with Confidence	Penang	PureStorage
2025	Next Gen Infrastructure: Agility, Performance, Simplicity	Penang	PureStorage, Cisco
2026	Chinese New Year Appreciation Dinner	Penang	-
2026	Chinese New Year Appreciation Dinner	Kuala Lumpur	-

7.7.3 Sales and marketing team

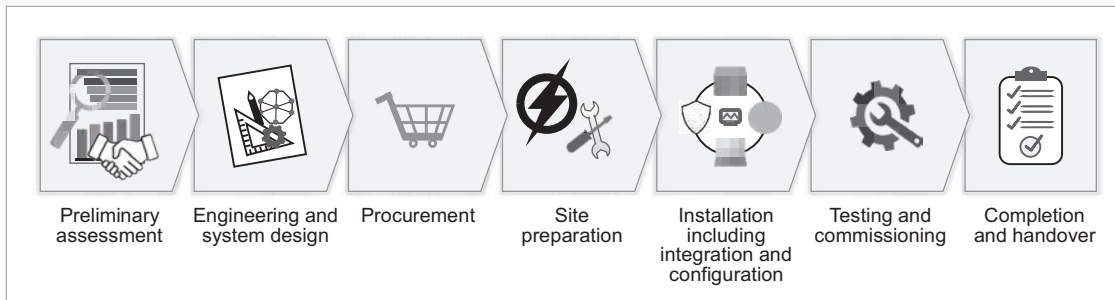
As at the LPD, our sales and business development are led by Ho Huang Ken, our Chief Sales Officer and Toh Say Yee, our Business Development Director, respectively. They lead our in-house sales and marketing team comprising 42 employees as at the LPD. In addition, they are supported by our technical team of 69 personnel comprising ICT systems engineers and architects in preparing proposals as well as tender and quotation submissions.

7.8 PROCESS FLOW

7.8.1 Integration of enterprise ICT infrastructure

Our integration of enterprise ICT infrastructure comprises the integration of hardware, software, management tools, supporting equipment for data centres, and network and security infrastructure. Our scope of work for the integration of enterprise ICT infrastructure covers the end-to-end process from engineering and system design up to testing and commissioning.

The business process flow for the integration of enterprise ICT infrastructure is depicted below:



Preliminary assessment

When a prospective customer expresses interest, we will engage with them to gather detailed information and conduct a preliminary assessment. This includes understanding their needs, technical requirements, and budget. It also involves conducting a site visit to the customer's premises to assess and evaluate their existing ICT infrastructure, physical layout and connection to utilities such as power, cooling and networks.

Based on the information gathered, our team will prepare and submit a proposal to the customer. The proposal will include quotations and our proposed solutions for their ICT infrastructure. Discussions will be held with the prospective customer, and the proposal will be fine-tuned to meet their specific needs and requirements. The finalised proposal will include, among others, scope of work, conceptual design, equipment and software, third-party suppliers, pricing, payment terms, and timeline.

7. BUSINESS OVERVIEW (Cont'd)

Engineering and system design

Upon acceptance of the proposal by our customer, we will then commence the detailed engineering and system design process, involving the following:

- Detailed layout design of the entire ICT infrastructure including the network topology, server/processor, storage systems, security and utilities.
- Storage and data management design comprising the data storage systems and servers/processors taking into consideration the capacity and performance, data protection and backup system, as well as migration plan, if relevant.
- Network design including the layout of the network such as placement of routers, switches and firewalls, network infrastructure, routing protocols, bandwidth requirements, network security configurations and connection to network services.
- Security design including the network access control, firewalls and intrusion prevention systems, and endpoint security.

During this stage, we will also finalise the specifications for the hardware, software, and other equipment.

Procurement

Once the design and specifications are finalised, our team will start to procure the required hardware such as servers/processors, data storage systems, networking equipment including routers and switches, supporting equipment such as uninterruptible power supply (UPS) systems and other devices and peripherals. We will also need to procure software such as virtualisation software, operating systems, management tools and security software. During this stage, we will also engage third-party subcontractors for renovation and installation works.

Site preparation

Depending on the project, our scope of work may involve physical preparation of the existing space within buildings to set up the enterprise ICT infrastructure. This includes construction of raised floor and false ceiling, as well as electrical works such as cabling installation, installation of cooling systems and UPS. We will engage third-party subcontractors to carry out construction works under our management and supervision.

Installation including integration and configuration

Generally, the installation of hardware and other equipment are carried out by our in-house technical team, who will carry out the software installation, integration and configuration.

For installations of other specialised equipment including extra-low voltage (ELV) panels, ELV power systems, and network cabling, we engage subcontractors to carry out the works under our direct management and supervision.

Testing and commissioning

Following the completion of installation, integration and configuration of the entire ICT infrastructure, we will carry out testing and commissioning together with the customer. This is to ensure that the entire infrastructure and systems is properly installed and integrated, fully functional, and operates and performs in accordance with the design and requirements on an individual basis and as a system.

Completion and handover

Upon completion of the acceptance tests and validation with our customer, the system will be officially handed over to our customer.

7. BUSINESS OVERVIEW (Cont'd)

7.8.2 Supply of hardware and software

Our supply of hardware and software are standalone activities based on purchase orders. We will purchase them from third parties and deliver them to the specified location.

The business process flow for the supply of hardware and software is depicted below:



Order confirmation and processing

The process for supply of hardware and software typically begins with customer enquiry or request for quotation on the products that they intend to purchase. We will then prepare the quotations based on customer specifications or requirements. Once our customer review and agrees to the quotation, they will then issue purchase orders with details including the list of products, quantity, delivery date and address.

Procurement

We will first check if we have stocks, as we may carry certain products such as notebooks and selected network switches. For those items that we do not have in stock, we will then source and place orders with our suppliers. Generally, the delivery lead time for the purchases of the hardware range within 2 weeks as we mainly purchase these products from local suppliers. Software is typically purchased through subscription or licence fees and downloaded digitally.

Delivery

After we receive the products, we will check to ensure that the quantity received is based on the amount in the purchase orders and are the correct specification that we require. Our team will then pack and arrange for the products to be delivered to our customer.

Set up and configuration

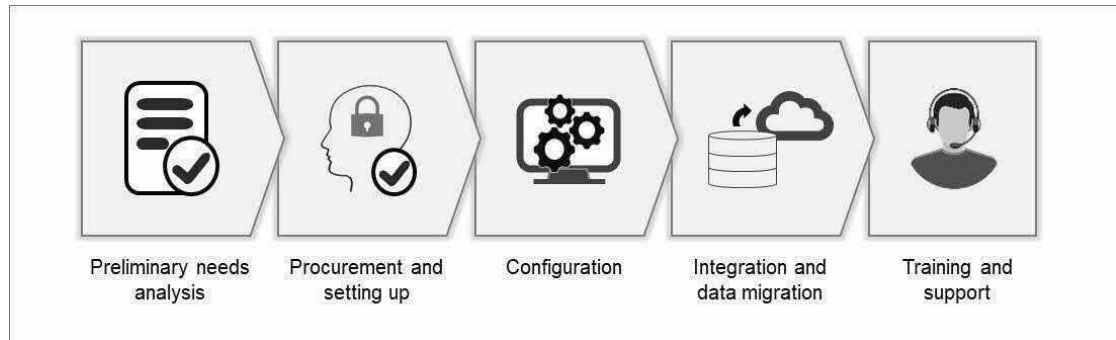
For the supply of hardware and software, our service includes installing and connecting the hardware to the power supply, peripherals and network, installation and configuration of the software, and testing to ensure that they function properly.

7. BUSINESS OVERVIEW (Cont'd)

7.8.3 Provision of cloud services

Our provision of cloud services is to facilitate our customers to use third-party cloud services. This segment of our business are standalone activities based on purchase orders. We will purchase the required cloud services on behalf of our customers.

The business process flow for the provision of cloud services is depicted below:



Preliminary needs analysis

We will engage with prospective customer to understand their business needs and requirements. This includes understanding the user needs such as specific collaboration or communication requirements, the type of services required, assessing the existing infrastructure, as well as budget.

Based on the information gathered, our team will prepare and submit a proposal to the customer. The proposal will include quotations and proposed solution including the provider and type of cloud services, the type of plans, number of licences and the integration and/or migration plans. Discussions will be held with the prospective customer, and the proposal will be fine-tuned to meet their specific needs and requirements. The finalised proposal will include details, including our scope of work, service provider, number of licences, pricing, payment terms, and timeline.

Procurement and setting up

Upon acceptance of proposal, we will then proceed with the purchase of the required licences and plans based on customer's requirements and number of users, assignment of the licence types to each user as well as account creation. This also include assisting in setting up the user profiles, configure initial settings and guidance on the use of applications.

Configuration

Subsequently we will then proceed with the configuration including setting up organisational structure, defining user roles and permissions, as well as setting access controls and authentication which generally involves authentication mechanisms and also manage the user access.

Integration and data migration (if required)

Depending on the scope of work, we may be required to integrate the cloud services with other existing system, software or platform and ensure seamless data flow and interoperability. For data migration, the data from the existing systems will be transferred in batches and upon completion, we will carry out testing and validation to ensure data integrity, accuracy and completeness.

Training

We provide training to the customer on the use and management of the new cloud system, to facilitate a smooth transition, improve user proficiency, and maximise the system's effectiveness within the customer's operational environment. In addition, we will also provide training materials including user guides and video tutorials for reference.

7. BUSINESS OVERVIEW (Cont'd)

7.8.4 Provision of managed services

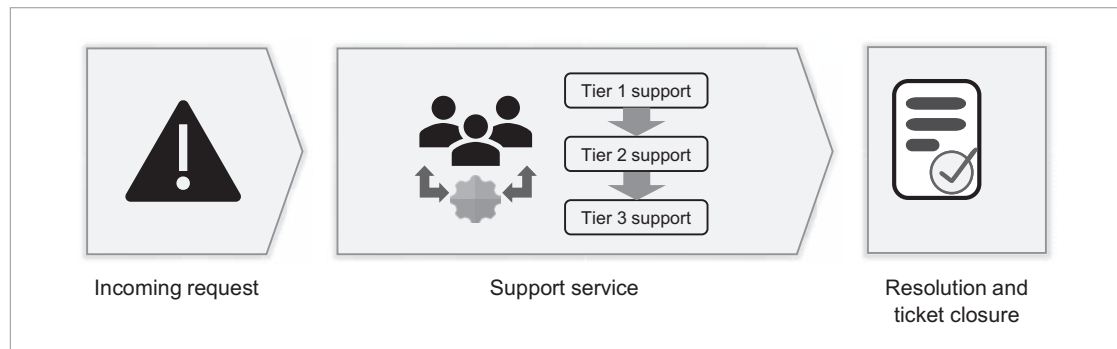
Our managed services encompass the comprehensive management and operation of specific aspects of our customers' ICT infrastructure and applications, along with proactive preventive maintenance.

We maintain continuous monitoring of our customers' ICT infrastructure including domestic and foreign customers, through our operations command centre, complemented by round-the-clock support services available throughout the duration of the contract. This ensures consistent availability of ICT infrastructure and applications, and prompt resolution of any problems. The service levels provided to our customers vary depending on the customer's requirements. Generally, our service level agreement may include one or more of the following:

- uptime/availability ranging between 99.8% and 99.9% annually;
- response time to incidents depending on the business impact and customers' requirements. For example, the response time for critical issues ranges from 15 to 30 minutes, and for issues with minimal or no business impact, it ranges from 2 to 8 hours; and
- resolution time, which varies depending on the severity of issues or incidents and customers' requirements. For example, critical issues must be resolved within 2 hours, and those with minimal or no business impact must be resolved within 48 hours.

Our preventive maintenance programme involves scheduled remote and on-site activities aimed at verifying and maintaining optimal infrastructure performance, thereby reducing the likelihood of disruptions. These activities typically include health checks (covering server/processor and memory utilisation), detection of errors or warnings, performance-enhancing firmware upgrades, and the provision of detailed reports outlining findings and recommendations.

The business process flow for our provision of managed services is depicted below:



Incoming request

Our customers may report any problems or issues relating to the hardware, software, network or application via telephone, email or ticketing support system. A ticket will be created to log all the information including the description of the issue, affected premises, system or user, time of occurrence and report, as well as the actions taken by us to resolve the issue.

Support service

Tier 1 support

Our tier 1 support team will attend to the ticket received and classify the tickets based on urgency and severity. They will diagnose and resolve the problem where possible, which typically include basic troubleshooting and common issues. In the event the issue cannot be resolved by our tier 1 support team, it will then be escalated and routed to our tier 2 technical support.

7. BUSINESS OVERVIEW (Cont'd)**Tier 2 support**

Our tier 2 support typically involves our system and software support personnel who would first carry out remote troubleshooting to identify and resolve the problems. If the problem cannot be resolved remotely, we will then mobilise our technical personnel to the customer's site to fix the problem.

Tier 3 support

Tier 3 is the highest level of technical support, managed by our most experienced engineers and subject matter experts. This includes handling complex and critical issues that cannot be resolved by Tier 1 or Tier 2 teams such as fixing system bugs, collaborating with developers, and designing long-term or permanent solutions to prevent recurrence. In cases beyond our internal capability, issues may be escalated to the product's vendor for further assistance.

Resolution and ticket closure

Once the problem is resolved, our customer will have to sign off on the report and the ticket will be closed.

7.9 RESEARCH AND DEVELOPMENT

We do not carry out any research and development activity, and as such, we have not recognised any research and development expenditure during the Financial Years Under Review.

7.10 TYPES, SOURCES AND AVAILABILITY OF MATERIALS AND SERVICES

The major types of input materials that we purchased for the Financial Years Under Review are set out below:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Hardware ^(a)	114,676	68.22	80,339	56.95	85,167	54.49	109,071	56.55
Software ^(b)	51,126	30.42	55,995	39.69	65,887	42.15	79,850	41.40
Subcontracted services ^(c)	2,286	1.36	4,747	3.36	5,252	3.36	3,949	2.05
Total purchases	168,088	100.00	141,081	100.00	156,306	100.00	192,870	100.00

Notes:

- (a) Include servers/processors, data storage systems, networking equipment including switches, supporting equipment such as UPS systems and other devices and peripherals.
- (b) Include operating systems, management tools, security tools and software, virtualisation software, as well as business and production applications.
- (c) Refer to third-party subcontractors that we engage to carry out equipment installation, power and telecommunications cabling, and other supporting services.

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7. BUSINESS OVERVIEW (Cont'd)

The breakdown of input materials purchased by country of origin of our suppliers for the Financial Years Under Review is set out below:

Materials	RM'000	FYE 2022		RM'000	FYE 2023	
		Domestically sourced (%)	Imported (%)		Domestically sourced (%)	Imported (%)
Hardware	114,676	99.71	0.29	80,339	99.91	0.09
Software	51,126	99.91	0.09	55,995	99.91	0.09
Subcontracted services	2,286	100.00	-	4,747	100.00	-
Total purchases	168,088	99.77	0.23	141,081	99.92	0.08
Materials	RM'000	FYE 2024		RM'000	FYE 2025	
		Domestically sourced (%)	Imported (%)		Domestically sourced (%)	Imported (%)
Hardware	85,167	99.98	0.02	109,071	99.46	0.54
Software	65,887	99.90	0.10	79,850	99.49	0.51
Subcontracted services	5,252	100.00	-	3,949	100.00	-
Total purchases	156,306	99.94	0.06	192,870	99.48	0.52

7. BUSINESS OVERVIEW (Cont'd)

7.11 OPERATIONAL CAPACITY AND UTILISATION

As we are principally involved in integrating enterprise ICT infrastructure, supplying hardware and software, and providing cloud and other services, capacity and utilisation measurements do not apply to our business operations. This is mainly because we primarily use standard office tools like computers and application software, and any cloud services we utilise are provided by third-party vendors.

7.12 TECHNOLOGIES USED OR TO BE USED

We use various ICT technologies for the provision of our products and services as follows:

- cloud computing and services;
- hyperconverged infrastructure software;
- backup and disaster recovery systems;
- ICT management tools;
- network and applications security;
- AI enabled tools such as powerplatform, Copilot and fabric platform;
- virtualisation software; and
- Others such as operating systems, security hardware and software, storage hardware and software, network hardware, software and services; and office applications software.

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7. BUSINESS OVERVIEW (Cont'd)

7.13 MAJOR CUSTOMERS

Our Group's top 5 customers for the Financial Years Under Review are as follows:

FYE 2022

No.	Customer	Country of operations	Main type of product sold/services sold	Revenue contribution		^(a) Length of Business Relationship
				RM'000	%	Years
1.	Customer A Group	Malaysia	Integration of enterprise ICT infrastructure, supply of hardware and software	69,356	35.71	3
2.	Customer B Group	Malaysia	Integration of enterprise ICT infrastructure, supply of hardware and software	6,157	3.17	8
3.	Customer C Group	Malaysia	Integration of enterprise ICT infrastructure, supply of hardware and software	5,292	2.72	3
4.	Customer D Group	Malaysia	Integration of enterprise ICT infrastructure	4,805	2.47	3
5.	Customer E	Malaysia	Integration of enterprise ICT infrastructure, supply of hardware and software	4,433	2.28	Less than 1 year
Subtotal				90,043	46.35	
Total Group revenue				194,246		

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7. BUSINESS OVERVIEW (Cont'd)

FYE 2023

No.	Customer	Country of operations	Main type of product sold/services sold	Revenue contribution		^(a) Length of Business Relationship
				RM'000	%	Years
1.	Customer F Group	Malaysia	Integration of enterprise ICT infrastructure	11,623	6.83	Less than 1 year
2.	Customer A Group	Malaysia	Integration of enterprise ICT infrastructure	10,025	5.89	4
3.	Customer D Group	Malaysia	Integration of enterprise ICT infrastructure and supply of hardware and software	5,529	3.25	4
4.	Customer G Group	Malaysia, Brazil, India and South Korea	Integration of enterprise ICT infrastructure, provision of cloud services	5,362	3.15	2
5.	Customer H	Taiwan	Integration of enterprise ICT infrastructure, supply of hardware and software, provision of cloud and managed services	4,939	2.90	Less than 1 year
Subtotal				37,478	22.02	
Total Group revenue				170,082		

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7. BUSINESS OVERVIEW (Cont'd)

FYE 2024

No.	Customer	Country of operations	Main type of product sold/services sold	Revenue contribution		^(a) Length of Business Relationship
				RM'000	%	Years
1.	Customer F Group	Malaysia	Integration of enterprise ICT infrastructure	7,459	3.95	1
2.	ASE Electronics (M) Sdn Bhd	Malaysia	Integration of enterprise ICT infrastructure, supply of hardware and software	6,263	3.31	13
3.	Customer A Group	Malaysia	Integration of enterprise ICT infrastructure	5,614	2.97	5
4.	Customer I	Malaysia	Integration of enterprise ICT infrastructure	5,494	2.91	Less than 1 year
5.	Customer J	Malaysia	Integration of enterprise ICT infrastructure	5,123	2.71	8
Subtotal				29,953	15.85	
Total Group revenue				188,936		

7. BUSINESS OVERVIEW (Cont'd)**FYE 2025**

No.	Customer	Country of operations	Main type of product sold/services sold	Revenue contribution		^(a)Length of Business Relationship
				RM'000	%	Years
1.	Customer A Group	Malaysia	Integration of enterprise ICT infrastructure	24,447	10.50	6
2.	Customer K	Malaysia	Supply of hardware and software	9,340	4.01	14
3.	Customer L	Malaysia	Provision of cloud and managed services	6,061	2.60	8
4.	Customer J	Malaysia	Integration of enterprise ICT infrastructure	6,031	2.59	9
5.	Customer G Group	Malaysia, Thailand and India	Integration of enterprise ICT infrastructure, provision of cloud services	4,492	1.93	4
Subtotal				50,371	21.63	
Total Group revenue				232,888		

Note:

(a) Length of relationship as at the respective financial year.

Although Customer A Group accounted for 35.71% and 10.50% of our total revenue for the FYE 2022 and FYE 2025 respectively, we are not dependent on them as a customer as the nature of our business is project based. In FYE 2022, the revenue was mainly contributed by the integration of enterprise ICT infrastructure related to the implementation of the integration of network infrastructure at their new production facilities in Penang. This said project was completed in the same year and subsequently their revenue contribution decreased to 5.89% and 2.97% in FYE 2023 and FYE 2024 respectively. The revenue in FYE 2023 and FYE 2024 was mainly contributed by the subsequent orders secured to provide integration of network infrastructure for the upgrade or enhancement of their existing facilities. In FYE 2022, the revenue was mainly contributed by the integration of enterprise ICT infrastructure related to the implementation of the integration of network infrastructure at their new production facilities in Penang. In FYE 2025, the revenue was mainly contributed by the integration of enterprise ICT infrastructure related to the implementation of the integration of enterprise data centres and network infrastructure for the upgrade or enhancement of their existing facilities.

7. BUSINESS OVERVIEW (Cont'd)

During the Financial Years Under Review, no other top 5 customer accounted for more than 10.00% of our total revenue for a particular financial year, and we are not dependent on any of these top 5 customers. For information purposes, the top 5 customers that were not named as top 5 customers in other Financial Years Under Review still remain as customers of the Group in the subsequent years up to the LPD, with the exception of Customer H and Customer I as there were no further revenue contributions from these customers subsequent to FYE 2025, following the completion of works within FYE 2025.

7.14 MAJOR SUPPLIERS

Our Group's top 5 suppliers for the Financial Years Under Review are as follows:

FYE 2022

No.	Supplier	Country of operations	Main type of product sold/services supplied	Purchases contribution		^(a) Length of Business Relationship
				RM'000	%	Years
1.	Ingram Micro Malaysia Sdn Bhd ^(b)	Malaysia	Hardware, software, cloud licenses	79,641	47.38	12
2.	Tec D Distribution (Malaysia) Sdn Bhd ^(c)	Malaysia	Hardware, software, cloud licenses	28,677	17.06	15
3.	VSTECS Group ^(d)	Malaysia	Hardware, software	15,407	9.17	16
4.	Fortesys Sdn Bhd	Malaysia	Hardware, software	11,446	6.81	1
5.	M-Link System Group ^(e)	Malaysia	Hardware, software	4,142	2.46	12
Subtotal				139,313	82.88	
Total Group purchases				168,088		

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7. BUSINESS OVERVIEW (Cont'd)

FYE 2023

No.	Supplier	Country of operations	Main type of product sold/services supplied	Purchases contribution		^(a) Length of Business Relationship
				RM'000	%	Years
1.	Ingram Micro Malaysia Sdn Bhd ^(b)	Malaysia	Hardware, software, cloud licenses	35,527	25.18	13
2.	Tec D Distribution (Malaysia) Sdn Bhd ^(c)	Malaysia	Hardware, software, cloud licenses	22,528	15.97	16
3.	VSTECS Group ^(d)	Malaysia	Hardware, software	20,029	14.20	17
4.	Techdata Systems Sdn Bhd	Malaysia	Hardware, software	6,444	4.57	13
5.	OGX Networks Sdn Bhd	Malaysia	Hardware, software	6,050	4.29	6
Subtotal				90,578	64.21	
Total Group purchases				141,081		

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7. BUSINESS OVERVIEW (Cont'd)

FYE 2024

No.	Supplier	Country of operations	Main type of product sold/services supplied	Purchases contribution		^(a) Length of Business Relationship
				RM'000	%	Years
1.	Ingram Micro Malaysia Sdn Bhd ^(b)	Malaysia	Hardware, software, cloud licenses	33,875	21.67	14
2.	VSTECs Group ^(d)	Malaysia	Hardware, software	29,543	18.90	18
3.	Tec D Distribution (Malaysia) Sdn Bhd ^(c)	Malaysia	Hardware, software, cloud licenses	26,186	16.75	17
4.	Westcon Solutions (M) Sdn Bhd ^(f)	Malaysia	Hardware, software	11,063	7.08	10
5.	OGX Networks Sdn Bhd	Malaysia	Hardware, software	8,198	5.24	7
Subtotal				108,865	69.64	
Total Group purchases				156,306		

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7. BUSINESS OVERVIEW (Cont'd)**FYE 2025**

No.	Supplier	Country of operations	Main type of product sold/services supplied	Purchases contribution		^(a)Length of Business Relationship
				RM'000	%	Years
1.	Ingram Micro Malaysia Sdn Bhd ^(b)	Malaysia	Hardware, software, cloud licenses	55,283	28.66	15
2.	VSTECS Group ^(d)	Malaysia	Hardware, software	41,015	21.27	19
3.	Tec D Distribution (Malaysia) Sdn Bhd ^(c)	Malaysia	Hardware, software, cloud licenses	29,970	15.54	18
4.	Westcon Solutions (M) Sdn Bhd ^(f)	Malaysia	Hardware, software	8,314	4.31	11
5.	M-Link System Group ^(e)	Malaysia	Hardware, software	7,240	3.75	15
Subtotal				141,822	73.53	
Total Group purchases				192,870		

Notes:

- (a) Length of relationship as at the respective financial year.
- (b) A subsidiary of Ingram Micro Holding Corporation, which is listed on the New York Stock Exchange.
- (c) A subsidiary of TD Synnex Corporation, which is listed on the New York Stock Exchange.
- (d) VSTECS Group comprise VSTECS Astar Sdn Bhd VSTECS Pericomp Sdn Bhd, and VSTECS Ku Sdn Bhd, which are subsidiaries of VSTECS Berhad listed on the Main Market of Bursa Securities (“**VSTECS Group**”).
- (e) M-Link System Group comprises M-Link System (M) Sdn Bhd and VBT Management Sdn Bhd (formerly known as “M-Link System (Penang) Sdn Bhd”).
- (f) A subsidiary of Datatec Limited, which is listed on the Johannesburg Stock Exchange.

7. BUSINESS OVERVIEW (Cont'd)

Ingram Micro Malaysia Sdn Bhd, Tec D Distribution (Malaysia) Sdn Bhd, and the VSTECS Group each accounted for more than 10.00% of our total purchases of materials and services for 2 or more financial years during the Financial Years Under Review.

- (i) **Ingram Micro Malaysia Sdn Bhd** mainly supplied hardware, software, and cloud services licenses to us and accounted for 47.38%, 25.18%, 21.67%, and 28.66% of our total purchases of materials and services for the FYE 2022, FYE 2023, FYE 2024, and FYE 2025 respectively. They were our largest supplier for each of these financial years.
- (ii) **Tec D Distribution (Malaysia) Sdn Bhd** mainly supplied hardware, software, and cloud services licenses to us and accounted for 17.06%, 15.97%, 16.75%, and 15.54% of our total purchases of materials and services for the FYE 2022, FYE 2023, FYE 2024, and FYE 2025 respectively.
- (iii) **VSTECS Group** mainly supplied hardware and software to us and accounted for 9.17%, 14.20%, 18.90% and 21.27% of our total purchases of materials and services for the FYE 2022, FYE 2023 FYE 2024, and FYE 2025 respectively.

Although they each accounted for 10% or more of our total purchases for each of the Financial Years Under Review, we are not dependent on them as the products and services that we purchase from them are either common ICT products or have many alternative suppliers. During the Financial Years Under Review, we primarily purchase from Ingram Micro Malaysia Sdn Bhd, Tec D Distribution (Malaysia) Sdn Bhd, and the VSTECS Group mainly because of favourable commercial terms including pricing, order quantities, payment and delivery terms. If we have to switch suppliers, we may not be able to secure similar commercial terms, which may negatively impact our financial performance.

Nevertheless, Ingram Micro Malaysia Sdn Bhd, Tec D Distribution (Malaysia) Sdn Bhd, and the VSTECS Group are not the sole or exclusive suppliers in Malaysia for the types of hardware, software, and cloud services that we purchase from them. Should there be a need to do so, we can purchase these hardware, software, and cloud services from other suppliers. In addition to Ingram Micro Malaysia Sdn Bhd, Tec D Distribution (Malaysia) Sdn Bhd, and the VSTECS Group, we also purchased similar hardware, software and cloud services from 12 suppliers who are authorised distributors during the Financial Years Under Review.

Furthermore, we are brand-independent in terms of the hardware, software, and cloud services that we provide to our customers. Consequently, if required we can source equivalent hardware, software, and/or cloud services from different brands and suppliers.

For information purposes, the top 5 suppliers that were not named as top 5 suppliers in other Financial Years Under Review still remain as suppliers of the Group in the subsequent years up to the LPD.

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7. BUSINESS OVERVIEW (Cont'd)

7.15 SEASONALITY

During the Financial Years Under Review and up to the LPD, we did not experience any material seasonality in our business.

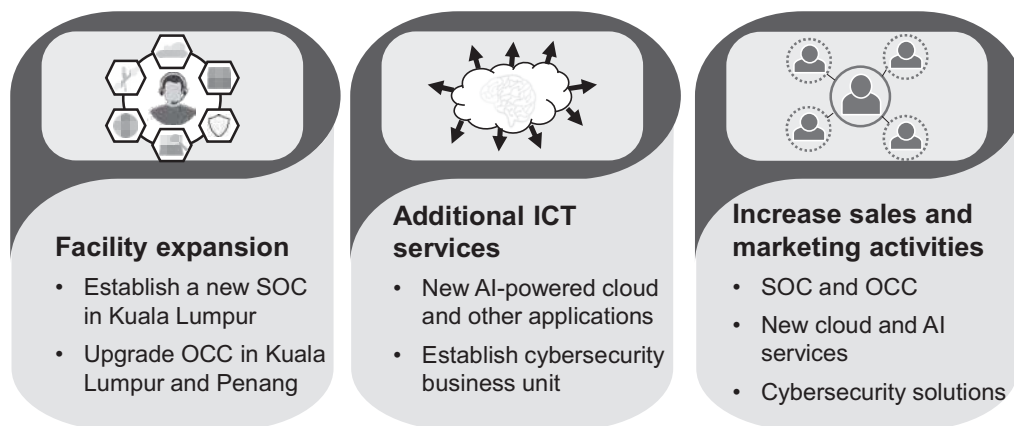
7.16 INTERRUPTIONS TO BUSINESS

We did not experience any material interruptions to our business during the past 12 months of our operations and up to the LPD.

7.17 BUSINESS STRATEGIES AND FUTURE PLANS

7.17.1 Overview of our strategies and plans

Moving forward, we will continue to focus on our principal business activities, namely the integration of enterprise ICT infrastructure, the supply of hardware and software, and the provision of cloud and other services. Our strategies and plans are focused on expanding facilities to provide new services and enhance our ability to serve our customers. Our business strategies and plans are summarised in the following diagram:



7.17.2 Facility expansion

7.17.2.1 Establish a new SOC

As part of our strategies and plans, we intend to establish a new security operation centre (new SOC) in Kuala Lumpur. We plan to rent an office space of approximately 2,800 sq. ft. in Kuala Lumpur to house the new SOC. Our plan to establish the new SOC in Kuala Lumpur is mainly to address the larger potential business opportunities as well as access to larger talent pool in the Kuala Lumpur/Selangor region as compared to Penang. In June 2025, we obtained the MSOCMSL issued by NACSA, which will allow us to provide managed services for cybersecurity through our new SOC.

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7. BUSINESS OVERVIEW (Cont'd)

This new SOC aims to monitor specific networks to detect, analyse, and respond to security incidents in real time. We intend to use it to monitor and provide security for our customers' networks. To carry out network security functions, we plan to equip the new SOC with:

- hardware such as servers, data storage systems, routers, switches, and firewalls;
- software including network management, security, backup and disaster recovery tools; and
- supporting equipment like UPS, cooling, and access control systems.



The new SOC will be staffed and operated by our employees 24 hours a day, 7 days a week. These employees will be responsible for monitoring the networks and providing appropriate responses to security incidents, such as DDoS, hacking, ransomware attacks and other security breaches.

As at the LPD, we have identified the premises for the new SOC which is located within the premises of our KL Office, and we are in the midst of negotiations and finalising the tenancy agreement. In addition, we have also commenced the hiring process for the new SOC and have hired 2 new employees who are expected to commence work by June 2026. Our indicative timeline for establishing the new SOC is as follows:

Indicative timeline	Milestones
2 nd quarter of 2026	<ul style="list-style-type: none"> • Enter into a tenancy agreement for the new SOC premises. • Start renovation works and the installation of hardware, software, and supporting equipment.
3 rd quarter of 2026	<ul style="list-style-type: none"> • Testing and commissioning of installed hardware, software, and supporting equipment.
4 th quarter of 2026	<ul style="list-style-type: none"> • Commence new SOC operations.

The total estimated cost of establishing the new SOC is RM9.40 million, which we plan to fund entirely using IPO proceeds. The breakdown of the estimated costs is as follows:

	(a) Estimated cost (RM'000)
Establish a new SOC	
Rental ^(b)	600
Renovations and furniture, fittings, and office equipment	1,200
New employees for the new SOC ^(c)	3,400
Hardware, software, and supporting equipment ^(d)	
- Hardware with embedded software	4,100
- Supporting equipment	100
Total	9,400

7. BUSINESS OVERVIEW (Cont'd)

Notes:

- (a) Estimated costs are based on quotations received and rental rates of our existing premises.
- (b) The rental of office premises with a built-up area of around 2,800 sq. ft. in Kuala Lumpur for 36 months.
- (c) We plan to progressively hire a total of 14 additional employees between 2026 and 2028 to be stationed at the new SOC, comprising ICT system engineers and other personnel. The estimated cost is based on the salaries and benefits of these new employees for 36 months. As at the LPD, 2 new employees for the new SOC have been hired and they are expected to commence work by June 2026.
- (d) Comprised the initial capital expenditure for the purchases of hardware with embedded software and supporting equipment.

7.17.2.2 Upgrade of our OCC infrastructure

Our primary OCC is located in Kuala Lumpur which serves as the centralised hub for monitoring, managing, and supporting our customers' ICT infrastructure and systems, facilitating the delivery of our cloud and managed services. In addition, the provision of cloud and managed services are also facilitated and supported by our Penang Office, which also serves as a secondary OCC, to support disaster recovery to ensure business continuity and uninterrupted operations.

To strengthen our service delivery capabilities, we plan to upgrade our OCC infrastructure in Kuala Lumpur, as well as upgrade the existing facility in our Penang Office, by installing new hardware and software to enhance access coverage, monitoring, and incident response capabilities. The upgrading of OCC infrastructure is not expected to cause any disruption to our existing operations. The upgrades include:

- hardware such as network and security equipment, as well as laptops; and
- software including network monitoring tools, asset management tools, case management solutions and AI-powered application.

We plan to hire additional employees in 2026 comprising ICT system engineers and other personnel, to support the expansion of our OCC operations in Kuala Lumpur as well as Penang. As at the LPD, we have also commenced the hiring process for the OCC and have hired 7 new employees including 4 who have commenced work as at the LPD, while the remaining 3 are expected to commence work by June 2026.

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7. BUSINESS OVERVIEW (Cont'd)

The indicative timeline for upgrading of our OCC is as follows:

Indicative timeline	Milestones
2 nd quarter of 2026	<ul style="list-style-type: none"> Commence installation of the hardware and software
3 rd quarter of 2026	<ul style="list-style-type: none"> Testing and commissioning of installed hardware and software
4 th quarter of 2026	<ul style="list-style-type: none"> Completion of the upgrade of the OCC Commence service offering with the AI-powered application

We plan to upgrade the OCC in Kuala Lumpur and Penang within 36 months from the proposed IPO. The total estimated cost of upgrading our OCC is RM8.10 million, which we plan to fund entirely using IPO proceeds. The breakdown of the estimated costs is as follows:

Upgrade of OCC	^(a) Estimated cost (RM'000)
Hardware and software ^(b) :	
- Hardware with embedded software	2,200
- Software licences	2,500
New employees for the OCC ^(c)	3,400
Total	8,100

Notes:

- (a) Estimated costs are based on quotations received.
- (b) Comprise the initial capital expenditure for the purchase of hardware and the estimated costs for the 3-year subscription for software licences.
- (c) We plan to hire 11 additional employees in 2026 for our OCC operations, comprising ICT system engineers and other personnel. The estimated cost is based on the salaries and benefits of these new employees for 36 months. As at the LPD, we have also commenced the hiring process for the OCC and have hired 7 new employees including 4 who have commenced work as at the LPD, while the remaining 3 are expected to commence work by June 2026.

7.17.3 Additional ICT services

7.17.3.1 New AI-powered cloud and other applications

We plan to expand our business by providing new AI-powered cloud and other AI-powered applications. AI refers to using hardware and software to perform tasks that are typically associated with human intelligence, such as learning, identifying patterns and responding to queries. Some examples of other AI-powered applications include cybersecurity, inventory management, demand forecasting, and customer or technical support chatbot.

7. BUSINESS OVERVIEW (Cont'd)

By leveraging our expertise in ICT integration and provision of cloud services, we plan to provide AI-powered cloud services which integrated AI-powered cybersecurity to ensure secure and resilient operations. This includes embedding security at every layer in the systems for continuous threat monitoring across integrated platform and automate detection and response in real time. This AI-powered cloud services will be offered to all customers including our existing customers. We have identified potential demand from our existing customers through ongoing discussions to better understand their ICT needs, which indicate interest in AI-powered cloud and other applications. Some of the key focus areas include:

- data pipeline security with the use of AI model to detect anomalous data injections and enable validation of data source at real time;
- to protect application programming interface (API) from misuse, the use of AI is designed to automatically detect abnormal usage patterns, block excessive requests, and identify suspicious behaviour when users access the machine learning services in the cloud;
- infrastructure monitoring for unusual activities such as unauthorised access to systems, attempts to steal data, or attackers moving from one system to another within the network to gain wider access;
- using AI behaviour profiling to enforce dynamic access policies for identity and access management including detect and block account takeover or privilege escalation attempts by attackers or unauthorised insiders; and
- Others include keeping defence up to date by continuously learning from new cyber threats. This includes using AI to analyse dark web activities or malicious code, as well as building security checks directly into our development process to detect potential risks.

We plan to set up a development team for our expansion of new AI-powered cloud services and other AI-powered applications, which includes hiring new software developers and other personnel, as well as purchasing the required hardware and software licences. This team will be based at our Penang and KL Office. We plan to set up this team within 12 months from the IPO. As at the LPD, we have also commenced the hiring process for the development team and have hired 2 new employees as at the LPD who are expected to commence work by June 2026.

The indicative timeline for development of new AI-powered cloud and other applications is as follows:

Indicative timeline	Milestones
2 nd quarter of 2026	<ul style="list-style-type: none"> • Purchase of the hardware and software
3 rd quarter of 2026	<ul style="list-style-type: none"> • Commence development of the AI-powered cloud and other applications • Testing of applications
4 th quarter of 2026	<ul style="list-style-type: none"> • Pilot launch of AI-powered cloud and other applications

7. BUSINESS OVERVIEW (Cont'd)

Our budget for setting up this development team is RM3.54 million, which we plan to fund entirely using IPO proceeds. The breakdown of the budget is as follows:

Develop AI-powered cloud and other AI-powered applications	Budget allocation (RM'000)
Hiring development team members ^(a)	2,200
Purchase hardware and software licences ^(b) :	
- Hardware	300
- Software licences	1,040
Total	3,540

Notes:

- (a) We plan to hire 7 additional employees in 2026 for the development team, comprising artificial intelligence/machine learning engineers and other personnel. The estimated cost is based on the salaries and benefits of these new employees for 36 months. As at the LPD, 2 new employees for the development team have been hired and they are expected to commence work by June 2026.
- (b) Estimated costs are based on quotations received. The estimated costs comprised the initial capital expenditure for the purchase of hardware and the estimated costs for the 3-year subscription for software licences. Estimated costs for the purchase of hardware and software licenses are based on quotations received.

If the costs of developing the AI-powered cloud and other AI-powered applications exceed the budget allocation, the shortfall will be financed through our internally generated funds and/or bank borrowings.

7.17.3.2 Establish a business unit to provide cybersecurity solutions

We also intend to expand our business to provide cybersecurity solutions. Our existing integration of security infrastructure mainly focuses on integrating security hardware with embedded software, as well as web and application software. The existing services are carried out by our network department. This new business unit will focus on delivering end-to-end cybersecurity services that help organisations protect their IT infrastructure, systems, and data from cyber threats. Cybersecurity involves the implementation of technologies, processes, and policies aimed at safeguarding systems, networks, and data from a range of cyber threats, including malware, phishing, ransomware, data theft or destruction, information breaches, and operational disruptions. The provision of cybersecurity solutions will be offered to all customers including our existing customers. We have identified potential demand from our existing customers through ongoing discussions to better understand their ICT needs, which indicate interest in cybersecurity solutions. Our cybersecurity business unit focuses on developing and delivering solutions tailored to the needs of prospective customers. The new SOC will then be able to provide managed security services, including real-time monitoring, incident detection, analysis, and response, to safeguard against cyber threats. These services will help ensure continuous protection and resilience of our clients' IT infrastructure and systems.

We plan to set up a team by hiring cybersecurity engineers, architects, and other technical personnel, as well as purchasing the required hardware and software licences. This team will be based at our Penang and KL Office. We plan to set up this team within 12 months from the IPO. As at the LPD, we have also commenced the hiring process for the cybersecurity team and have hired 2 new employees of which one has commenced work as at the LPD, while the other is expected to commence work by June 2026.

7. BUSINESS OVERVIEW (Cont'd)

The indicative timeline for the establishment of a business unit to provide cybersecurity solutions is as follows:

Indicative timeline	Milestones
2 nd quarter of 2026	• Purchase of the hardware and software
3 rd quarter of 2026	• Commence installation of hardware and software
4 th quarter of 2026	• Commence offering of cybersecurity solutions

Our budget for developing these ICT services is RM3.20 million which we plan to fund entirely using IPO proceeds. The breakdown of the budget is as follows:

Develop other ICT services	Budget allocation (RM'000)
Hiring cybersecurity team members ^(a)	2,900
Purchase hardware and software licences ^(b) :	
- Hardware with embedded software	200
- Software licenses	100
Total	3,200

Notes:

- (a) We plan to hire 6 additional employees in 2026 for the cybersecurity business unit comprising cybersecurity architects, engineers and other personnel. The estimated cost is based on the salaries and benefits of these new employees for 36 months. As at the LPD, 2 new employees for the cybersecurity team have been hired of which one has commenced work as at the LPD, while the other is expected to commence work by June 2026.
- (b) Comprise the initial capital expenditure for the purchase of hardware and the estimated costs for the 3-year subscription for software licences.

If the costs of setting up a cybersecurity business unit exceeds the budget allocation, the shortfall will be financed through our internally generated funds and/or bank borrowings.

7.17.4 Increase sales and marketing activities

As part of our growth plans, we intend to increase our sales and marketing activities to promote our new SOC, OCC, as well as new cloud, AI, and cybersecurity services.

We will adopt a proactive sales and marketing approach, including:

- **Digital marketing:** We will run targeted digital campaigns to educate the market on the benefits of our ICT services, execute paid media initiatives, and continuously optimise our website and social media channels to reach and engage our target audiences.
- **Events, webinars, and demonstrations:** We will organise cyber showcase events, product launches, customer journey showcases, and hands-on demonstration sessions to provide direct, interactive experiences for potential customers. In addition, we will collaborate with technology partners and cloud providers to co-host forums and industry-specific webinars.
- **Public relations initiatives:** We will utilise press releases and media coverage to strengthen our brand positioning and enhance visibility with industry stakeholders, the public, and media.

8. IMR REPORT

27 April 2026

The Board of Directors
 Pentech Holdings Berhad
 Unit 1B-G-09(b), 1B-G-10, 1B-G-11
 1B-G-29, 1B-G-30 & 1B-G-31
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Dear Sirs and Madams

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**Independent Assessment of the
 Enterprise Information and Communications Technology Services Industry in Malaysia**

We are an independent business consulting and market research firm based in Malaysia, established in 1993. We offer consulting services, including business plans, opportunity evaluations, commercial due diligence, feasibility studies, financial and industry assessments, and market research. Since 1996, we have been involved in corporate exercises such as initial public offerings, reverse takeovers, chain listings, transfers to the Main Market, and business regularisations for publicly listed companies on Bursa Malaysia Securities Berhad (Bursa Securities). Our corporate exercise services encompass business overviews, independent industry assessments, management discussions and analyses, and business and industry risk assessments for prospectuses, shareholders' circulars and information memorandums.

We have been engaged to provide an independent assessment of the enterprise information and communications technology services industry in Malaysia for inclusion in the prospectus of Pentech Holdings Berhad for its initial public offering and listing of its shares on the ACE Market of Bursa Securities. This report has been prepared independently and objectively, with all reasonable due care taken to ensure its accuracy and completeness.

We believe the report provides a true and fair assessment of the industry, considering the limitations of timely and available information, and analyses based on secondary and primary market research as of the report date. However, it should be noted that our assessment pertains to the industry as a whole and may not reflect the performance of any specific company. We accept no responsibility for the decisions or actions of readers based on this document. This report should not be construed as a recommendation to buy, not buy, sell or not sell the securities of any company.

Please be aware that our report may include disclosures, assessments, opinions, and forward-looking statements that are subject to hitherto unknown or undisclosed information, uncertainties, and contingencies. These statements are based on secondary information and primary market research, and despite careful analysis, the industry is influenced by various known and unforeseen factors that could cause actual outcomes and future results to differ materially from these statements.

Yours sincerely

Wooi Tan
 Managing Director

Wooi Tan holds a Bachelor of Science from the University of New South Wales and a Master of Business Administration from the University of Technology, Sydney. He is a Fellow of the Australian Marketing Institute and the Institute of Managers and Leaders, Australia. With over 30 years of experience in business consulting and market research, he has also assisted companies in their initial public offerings and listings on Bursa Malaysia Securities Berhad.

8. IMR REPORT (Cont'd)



Date of Report: 27 April 2026

INDEPENDENT ASSESSMENT OF THE ENTERPRISE INFORMATION AND COMMUNICATIONS TECHNOLOGY SERVICES INDUSTRY IN MALAYSIA

1. OVERVIEW OF PENTECH GROUP'S BUSINESS AND REPORT PARAMETERS

- Pentech Holdings Berhad, together with its subsidiary (Pentech Group), is mainly involved in providing enterprise information and communications technology (ICT) products and services, which include integrating enterprise ICT infrastructure such as data centres, networks, and security, supplying hardware and software, and providing cloud, managed, and other services. The two main user industries for Pentech Group's services are manufacturing and financial services. The above areas shall form the focus of this report. Enterprise ICT focuses on large organisations. All information pertains to Malaysia unless stated otherwise.

2. INDUSTRY OVERVIEW

- ICT combines different elements such as text, images, sound, data processing, communication tools, and devices to create useful functions, solutions, platforms, and user experiences. Enterprise ICT refers to the infrastructure, hardware, software, networks, and services used within an organisation to support digital communications, data processing and management, business processes, and customer-facing services. It is fundamental in supporting the operations of businesses, public sector functions, and other organisations. Enterprise ICT encompasses the integration, deployment, and management of a wide range of digital technologies, including computing systems, networking infrastructure, storage solutions, software applications, and cybersecurity frameworks.
- ICT generally covers hardware, software, and communications, and services associated with them, such as operations and support that enable users to create, access, store, transmit, process, and display information.
 - **Hardware** refers to the physical components and devices that are mainly involved in the input, processing, output, storage, and communication of information. Most hardware has embedded software.
 - **Software** refers to sets of instructions or algorithms in the form of computing programs to read, process, output, and communicate information. Software is typically classified into the following:
 - **System software**, which is used to manage computing system resources, such as operating systems which manage hardware resources and hosting other software to run such as Windows and Linux; firmware which is embedded within hardware devices that allows them to operate, such as basic input/output system (BIOS) commonly built into the central processing unit (CPU) of a device; device drivers that allows communications with hardware devices; utility which are tools to perform system maintenance, optimisation, management and housekeeping; programming languages, tools and databases; security against unauthorised access to systems and networks; and visualisation that allows multiple virtual machines or operating systems to run on a single physical computer or server.
 - **Application software**, which is designed to perform specific tasks for end-users, including, among many others, word processing, spreadsheet management, enterprise resource planning, web browsers, and platforms.
 - **Communications** refer to the integrated equipment (hardware) and program (software) used to process and communicate (transmit and receive) data. Communications can be based on wired (fixed line) or wireless (fixed, mobile, and satellite) configured into various types of networks, including personal area networks, local area networks (LAN), and wide area networks (WAN), as well as the internet that connects multiple networks.



8. IMR REPORT (Cont'd)



- **Operations and support** refer to human capital in the provision of skills, knowledge, and efforts to create, operate, and maintain hardware, software, and communications, as well as providing support to users of ICT. Examples include ICT managed service providers, system designers and developers, data centre operators, help desk support, and computer hardware technicians.
- Pentech Group is involved in integrating enterprise ICT infrastructure, which includes integrating hardware, software, and communications within an enterprise environment. It also supplies hardware and software, including virtualisation software. It provides cloud and managed services, including the provision of access to hardware resources such as storage and processors, networking, and virtualisation software, along with their ongoing management.
- The ICT industry has undergone a significant transformation, evolving from traditional in-house setups to shared environments, and now towards cloud and managed services. Initially, organisations invested heavily in their infrastructure, managing servers, networks, and software independently. This traditional model was capital-intensive, difficult to scale, and often inefficient due to fragmented systems. It also requires a wide range of ICT expertise, which is costly and difficult to attract and retain.
- As technology advances, particularly with the rise of virtualisation and cloud computing, the industry shifts to a shared model. This allowed multiple users or departments to access pooled resources, improving flexibility, reducing costs, and enhancing infrastructure utilisation. Today, the trend has moved further towards managed ICT services, where businesses outsource all or part of their ICT operations to specialised providers. These providers handle everything from infrastructure management to cybersecurity, enabling organisations to reduce operational burdens and focus on their business or functional strategic priorities. This transition reflects a broader shift in ICT from ownership to service consumption, driven by the need for greater agility, efficiency, and business alignment.

2.1 Enterprise ICT Systems, Products and Services

- The adoption of a combination of advanced digital technologies enables digital transformation within an enterprise setting. Some of the technologies and services that Pentech Group is involved in include, among others, virtualisation, hyperconverged infrastructure, cloud computing, ICT security, and business continuity planning. These technologies allow businesses to modernise their operations, improve scalability, and enhance efficiency.
- **Virtualisation** is a technology that uses a hypervisor, which is a software layer, to create multiple virtual machines (VMs) on a single physical host. Each VM operates independently, with its operating system and applications, while sharing the same underlying hardware resources such as CPU, storage, and networking. This approach enhances scalability, flexibility, and cost-efficiency in enterprise environments. Several types of virtualisations serve distinct functions, including, among others:
 - **Server virtualisation** involves dividing a physical server into multiple VMs, allowing it to serve different users or applications simultaneously. This optimises server usage and reduces hardware requirements.
 - **Desktop virtualisation** enables centralised management and deployment of desktop environments to multiple authorised end-user devices. It enhances security and simplifies support by hosting desktops on central servers.
 - **Storage virtualisation** combines multiple physical storage devices into a single, unified virtual storage pool. This allows for more efficient use of storage resources, easier management, and increased scalability.
 - **Network virtualisation** abstracts physical network components, such as switches, routers, and connectivity, into a software-defined network. It allows administrators to centrally manage and reconfigure the network without modifying the underlying physical infrastructure. This enables the creation of multiple virtual networks over a shared physical network, streamlining operations and enhancing agility.

8. IMR REPORT (Cont'd)



- **Data virtualisation** integrates data from various sources into a single, unified view without physically moving or duplicating it. It enables faster access to real-time data and supports diverse data formats.
- **Hyperconverged infrastructure (HCI)**, a software-defined solution that leverages virtualisation to integrate computing, networking, and storage into a single, centrally managed system. It simplifies deployment and management by eliminating the complexity of siloed, traditional data centre architectures.
- **Cloud computing**, also referred to as the cloud, involves the on-demand delivery of shared IT resources over the Internet. Cloud services are hosted in centralised facilities such as data centres (for storage), server farms (for compute power), and networking infrastructure (such as routers and switches). Key cloud service models include:
 - **Platform-as-a-Service (PaaS)** model provides a platform for software developers and engineers to develop, run, and manage applications, without managing the underlying infrastructure, such as network, servers, operating systems, utilities, or storage. Some examples include GitHub, Heroku, and Docker.
 - **Software-as-a-Service (SaaS)** model offers fully managed applications to end-users over the Internet. Service providers will manage and run the applications, and users are not required to install the applications on their computers. Some examples include Office 365, Slack, and Dropbox.
 - **Infrastructure-as-a-Service (IaaS)** model provides the fundamental computing resources, such as servers, networking features, and data storage space for the network architects and technical administrators in a virtual environment that allows access for multiple users. Some examples include Amazon Web Services, Microsoft Azure, and Google Cloud Platform.
 - **Storage-as-a-Service (STaaS)** model provides access to a virtual data storage centre through the public cloud, private cloud, or hybrid cloud for storage and backup needs. Some examples include Google Drive and Amazon S3.
- **Managed services** involve outsourcing specific ICT components or facilities to specialised service providers to enhance business operations and meet evolving organisational needs. These include the delivery of application-based solutions such as enterprise resource planning, accounting and finance, salesforce automation, retail management, and supply chain management. In addition, managed ICT services often cover support functions such as system maintenance, software and hardware upkeep, technical assistance, user support, and helpdesk or on-site services.
- **ICT security** encompasses the measures, controls, and procedures used to safeguard the organisation's ICT infrastructure and systems, such as networks, systems, applications, and data, from unauthorised access, abuse, alteration, damage, attack, or theft. This is to ensure the integrity, authenticity, availability, and confidentiality of an enterprise's data and system.
- **Business continuity planning (BCP)** is a vital enterprise framework designed to ensure uninterrupted operations during unforeseen disruptions like cyberattacks, system failures, or natural disasters. Its main goal is to minimise downtime and prevent severe consequences. A strong BCP typically involves risk assessment, a business impact analysis to set recovery goals, and disaster response procedures. Organisations must also implement supporting technologies, such as backup and recovery systems and essential hardware and software.

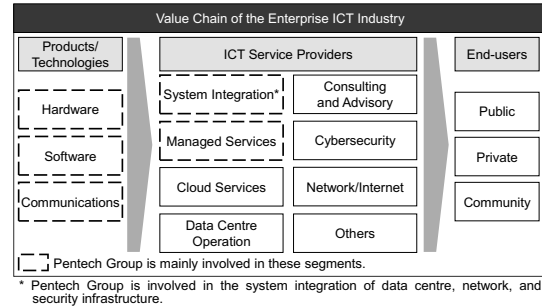
2.2 Value Chain of the Enterprise ICT Industry

- The enterprise ICT industry value chain comprises a series of interconnected activities, spanning from the development of ICT products and technologies to system integration and service delivery. These processes collectively create value for end-users, including public and private organisations, as well as the general community.

8. IMR REPORT (Cont'd)



- The enterprise ICT value chain starts with the supply of core components like hardware, software, and communication technologies. System integrators then take these components to design, configure, and deploy complete ICT systems tailored to an organisation's needs. Alongside them, consulting and advisory firms offer strategic ICT planning, architectural design, and digital transformation roadmaps, but they typically do not supply or integrate the technologies themselves. Beyond system integration, broader ICT services also encompass other key providers:



- Managed service providers who remotely manage an organisation's ICT infrastructure and end-user systems;
- Cloud service providers who are responsible for developing, providing, facilitating, and delivering cloud services;
- Data centre operators who manage colocation and host facilities, including processors, servers, storage systems, and communications;
- Cybersecurity service providers who develop, own, and/or manage cyber and network protection systems;
- Network and internet service providers that offer connectivity services; and
- Others, such as website designers and site maintenance providers.

- Pentech Group provides integration of data centre, network, and security infrastructure, as well as cloud and managed services. For the provision of cloud services, Pentech Group acts as an intermediary to license software on behalf of the principals to customers.

3. GOVERNMENT INITIATIVES

- The launch of the Malaysia Digital Economy Blueprint (MyDIGITAL) in 2021 has outlined Malaysia's strategic direction to become a digitally driven, high-income nation and a regional digital economy leader. MyDIGITAL reinforces the Government's commitment to digital transformation across all sectors, targeting RM70 billion in digital investments and the creation of 500,000 high-skilled jobs by 2025. It aligns with key national agendas such as the 12th Malaysia Plan and the Shared Prosperity Vision 2030.
- The Malaysian Government, through Malaysia Digital Economy Corporation Sdn Bhd (MDEC), will award Malaysia Digital status (MD status, formerly known as MSC status) to eligible companies to participate in and undertake any of Malaysia Digital's activities. Companies with MD status will be offered a set of incentives, rights, and privileges from the Government, subject to necessary approvals and compliance with applicable conditions, laws, and regulations.
- Companies with MD status are eligible for the Malaysia Digital Tax Incentive Scheme, specifically tailored to stimulate high-value digital investments and technology-driven growth. The scheme comprises two main categories: New Investment and Expansion, both of which are designed to deepen digital capabilities and enhance Malaysia's positioning as a regional digital hub.
 - The New Investment incentive targets newly incorporated companies, allowing them to enjoy either a reduced tax rate, 0% on qualifying intellectual property income (IP) and 5% or 10% on non-IP income for up to 10 years, or an investment tax allowance of 60% or 100% of qualifying capital expenditure up to 100% of statutory income for up to 5 years.
 - The Expansion incentive allows existing MD or MSC status companies to scale their operations or venture into new digital activities. These companies may enjoy a reduced tax rate of 15% on qualifying IP and non-IP income for up to 5 years, or an investment tax allowance of 30% or 60% of qualifying capital expenditure up to 100% of statutory income for up to 5 years.
- The Malaysian Government is actively empowering local businesses, especially small and medium-sized enterprises (SMEs), through various digitalisation initiatives. Under Budget 2026, RM50 million has been allocated for a Digital Matching Grant for SMEs and a Digital Grant for vendors

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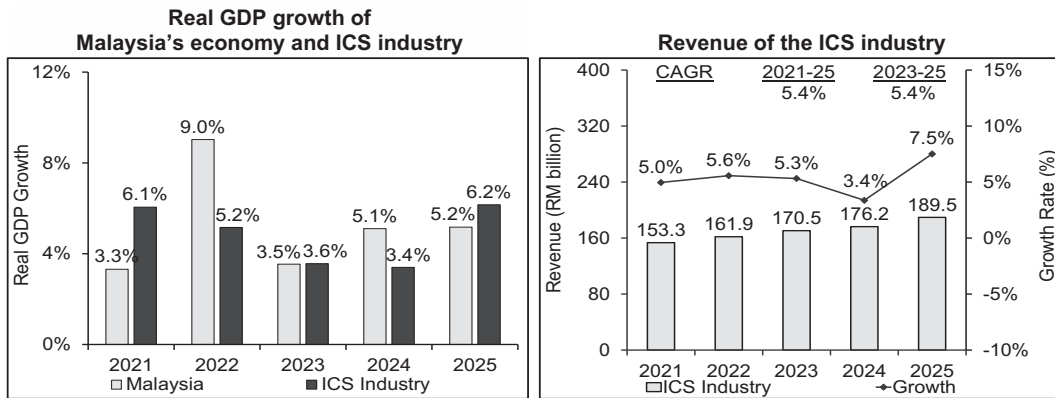


under Bank Simpanan Nasional (BSN) to boost the adoption of digital tools. Additionally, Bank Negara Malaysia (BNM) has provided a RM3 billion loan facility under the BNM SME Fund towards underserved businesses and key activities such as digitalisation, automation, innovation, and green transition. (Source: Ministry of Finance (MoF)) These efforts aim to accelerate digital inclusion, enhance productivity, and prepare SMEs to succeed in the digital economy.

4. PERFORMANCE OF THE ENTERPRISE ICT INDUSTRY

4.1 Economy and ICT Activities

- A country's economic activities and growth, as measured by real Gross Domestic Product (GDP), are key to the sustainability and growth of communities and businesses, which drives the consumption of ICT products and services. In 2025, the real GDP of Malaysia grew by 5.2%, driven by domestic demand and an improvement in household spending underpinned by improved labour market conditions, expansion in investment, as well as robust external demand from the electrical and electronics products and tourism activities (Source: BNM).



ICS = information and communication services (Source: DoSM)

- Information and communication services (ICS) include publishing activities, motion picture, video and television programme production, sound recording and music publishing activities, broadcasting and programming activities, telecommunications, computer programming, consultancy and related activities, and other information service activities.
- The real GDP growth of the ICS industry declined from 6.1% in 2021 to 3.4% in 2024. Similarly, the ICS industry's revenue growth rate declined from 5.0% in 2021 to 3.4% in 2024. These moderated growth rates were mainly due to slower growth in telecommunications.
- Between 2023 and 2025, the ICS industry experienced steady growth. In 2025, the real GDP of the ICS industry grew by 6.2%, primarily due to the increasing demand for digital connectivity and data services in the telecommunication segment. In 2026, the industry is expected to further expand by 4.3%, primarily driven by advances in artificial intelligence technologies, along with the expansion of data centres and cloud computing infrastructure. (Source: MoF) Similarly, revenue of the ICS industry has been increasing at a CAGR of 5.4% between 2023 and 2025. In 2025, revenue of the ICS industry continued to grow by 7.5%.

4.2 Digital Economy

- The rollout of the fifth generation of cellular network technology (5G) in Malaysia, driven by government initiatives like MyDIGITAL, the Jalanan Digital Negara (JENDELA) plan, and the rapid deployment of Digital Nasional Berhad, has significantly improved network infrastructure.
- Expansion of fibre networks will provide high-speed and reliable broadband services, thereby enhancing the electronic communications and applications that are crucial for transmitting data. The expansion of fibre networks is essential to support the growing demand for digital technology amid greater digitalisation in the economy. This is especially pertinent for the provision of enterprise

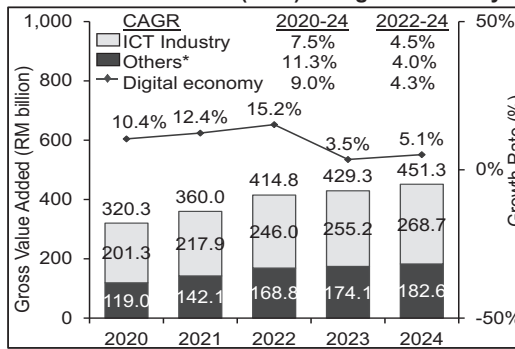
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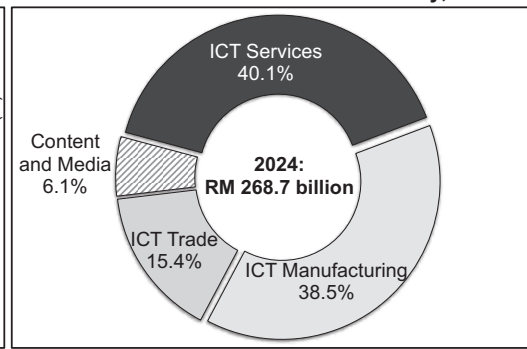
ICT systems integration, and managed and cloud services. As of 31 July 2025, 5G coverage in populated areas reached 82.4%, with ongoing efforts to address the remaining coverage gaps. (Source: Malaysian Communications and Multimedia Commission)

- The contribution of ICT to the economy is measured by the total GVA of the ICT industry and the e-commerce of other industries. GVA measures the value of output produced by ICT economic activities, excluding the value of intermediate inputs. The ICT industry is further divided into ICT manufacturing, ICT trade, ICT services, and content and media segments.

Gross Value Added (GVA) of Digital Economy



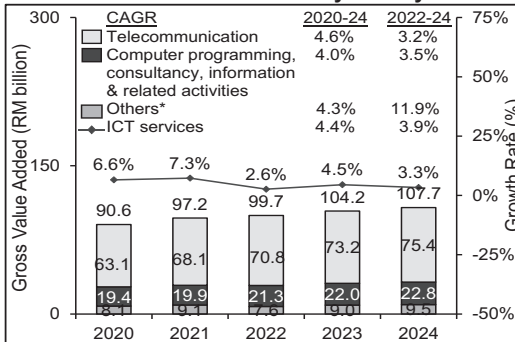
Breakdown of GVA of the ICT Industry, 2024



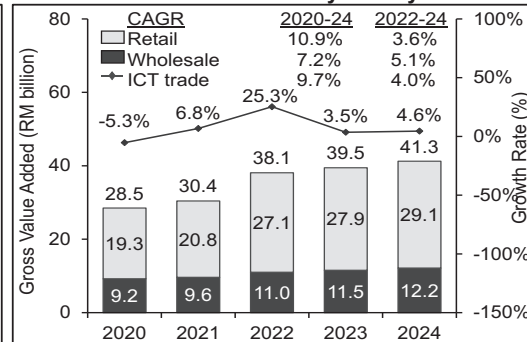
Notes: Latest available data. * Others include e-commerce from other industries (Source: DoSM)

- Between 2022 and 2024, the contribution of the digital economy to Malaysia's economy grew at a CAGR of 4.3%. The growth rate of GVA of the digital economy decreased from 15.2% in 2022 to 3.5% in 2023, was due to the lower growth from ICT manufacturing, ICT trade, and e-commerce from other industries in 2023. In 2024, the digital economy's contribution to Malaysia's economy increased by 5.1%, representing 23.4% of the country's overall GDP. Of this, 59.5% was attributed to the ICT industry, while the remaining 40.5% was accounted for by e-commerce from other industries (Source: DoSM). In 2024, ICT services contributed the highest GVA to the ICT industry with 40.1% of the total GVA of the ICT industry, followed by ICT manufacturing, ICT trade, and content and media products with 38.5%, 15.4%, and 6.1% respectively.

GVA of ICT Services by activity



GVA of ICT Trade by activity



Notes: Latest available data. * Others include publishing, motion picture, video and television programme production, sound recording and music publishing, programming, and broadcasting. (Source: DoSM)

- Overall, the GVA of ICT services grew at a CAGR of 3.9% between 2022 and 2024. In 2024, under the ICT services segment, telecommunication services were the main segment, representing 70.0% of the GVA of ICT services, followed by computer programming, consultancy, information and related activities, and others with 21.2% and 8.8% respectively. Pentech Group is mainly involved in providing enterprise ICT solutions, which include integrating enterprise ICT infrastructure such as data centres, networks, and security, supplying hardware and software, and providing cloud, managed, and other services. These activities generally fall within ICT services, incorporating computer programming, consultancy, information and related activities segment. Between 2022 and 2024, computer programming, consultancy, information and related activities registered a CAGR of 3.5% in terms of GVA. In 2024, the GVA of computer programming, consultancy, information and related activities grew by 3.4% to RM22.8 billion compared to RM22.0 billion in 2023 (Source: DoSM).

8. IMR REPORT (Cont'd)



- Pentech Group's supply of hardware and software falls within the ICT trade. Between 2022 and 2024, the GVA of the ICT trade grew at a CAGR of 4.0% to RM41.3 billion in 2024. The GVA growth rate of ICT trade declined from 25.3% in 2022 to 3.5% in 2023, mainly due to the high base effect in 2022 arising from the increase in demand for hardware and software for digitalisation immediately after the pandemic period. In 2024, the retail trade dominated, accounting for 70.5% of the total GVA, while the remaining 29.5% contributed by the wholesale segment.

5. DIGITALISATION CONDITIONS IN MALAYSIA

- The growing adoption of digital technologies, such as cloud computing, big data analytics, and enterprise software, has a significant impact on the performance and growth of the enterprise ICT services industry in Malaysia.
- In Malaysia, the utilisation of digital technologies, specifically within the manufacturing and financial services industries, may provide insights into the overall ICT environment for these sectors. This is pertinent given that Pentech Group predominantly serves these two industries. Digital technologies have been gradually adopted in both industries. Based on the survey conducted by the DoSM, the usage of digital technologies within the manufacturing and financial services industries is shown in the table below:

Overall Usage of Digital Technologies in Malaysia

	Digital technologies*	Cloud computing	Data analytics	Management software
2019	81.7%	46.8%	6.3%	41.9%
2021	90.4%	56.6%	16.7%	46.7%
2022	93.9%	58.5%	23.7%	50.7%
2023	n.a.	59.8%	24.2%	51.4%

Usage of Digital Technologies in the Manufacturing Industry

	Digital technologies*	Cloud computing	Data analytics	Management software
2019	87.7%	46.3%	4.3%	48.4%
2021	90.9%	54.0%	15.5%	52.7%
2022	93.1%	55.6%	17.3%	53.9%
2023	n.a.	58.8%	19.7%	57.2%

Usage of Digital Technologies in the Financial Services Industry

	Digital technologies*	Cloud computing	Data analytics	Management software
2019	89.2%	44.2%	5.3%	41.6%
2021	96.6%	60.0%	10.6%	45.7%
2022	90.8%	65.0%	15.0%	52.0%
2023	n.a.	65.0%	15.1%	52.6%

Note: Latest available data. n.a. = not available. * Include social media, mobile internet and technologies, cloud computing, data analytics, management software, online collaborative platforms, and others. (Source: DoSM)

- Overall, Malaysia has demonstrated steady progress in digital technology adoption, with the rate rising from 81.7% in 2019 to 93.9% in 2022. Nevertheless, adoption gaps remain in key areas such as cloud computing, data analytics, and management software. Addressing these gaps, coupled with the momentum from recent technological advancements and ongoing government initiatives, presents opportunities for the ICT industry.

6. END-USER INDUSTRIES

6.1 Manufacturing Industry

- Enterprise ICT in manufacturing enables efficient data processing across production facilities, allowing real-time monitoring, analytics, and informed decision-making to optimise operations and improve productivity. The manufacturing industry remains one of the key drivers towards Malaysian economic development. In 2025, the manufacturing industry contributed 23.0% towards the growth of the Malaysian economy (Source: DoSM). As such, the number of manufacturing companies forms the base addressable market for such enterprise ICT services.

8. IMR REPORT (Cont'd)



- According to the latest available statistics by DoSM, in 2022, there were 54,505 establishments within the manufacturing industry, of which 51,481 were micro, small, and medium enterprises. Establishments refer to individual facilities or production sites, and a single entity may operate multiple establishments. This was used as a proxy to provide some indications towards the number of manufacturing companies in the country. In 2022, these establishments spent a total of RM256.9 million, with RM136.9 million on computer hardware, RM77.4 million on computer software, and RM42.7 million on telecommunications equipment respectively. (Source: DoSM)

6.2 Financial Services Industry

- Enterprise ICT is crucial for financial institutions, facilitating high-volume data processing, real-time analytics, and secure handling of sensitive information. A strong ICT infrastructure ensures speed, accuracy, and reliability, essential for decision-making, risk assessment, fraud detection, regulatory compliance, and customer service. It enables seamless system integration, supporting complex data environments and operational efficiency.
- To bolster resilience, Bank Negara Malaysia (BNM) issued a Business Continuity Management policy on December 19, 2022, guiding financial institutions in developing robust continuity frameworks. As of this report's date, Malaysia has 238 BNM-registered financial sector participants, including various banks, insurance companies, and payment operators (Source: BNM). Additionally, as of December 31, 2025, there were 1,767 commercial bank branches nationwide (Source: Vital Factor analysis). This extensive network of financial entities and branches represents a significant addressable market for the enterprise ICT industry, driven by their need for comprehensive, secure, and scalable ICT solutions.

7. COMPETITIVE LANDSCAPE

- The enterprise ICT services industry in Malaysia is diversified, where market participants offer a wide range of ICT solutions and technologies. The industry players vary in size, ranging from small and medium-sized enterprises to large domestic or multinational corporations. There is no published data on the number of companies involved in the provision of enterprise ICT services in Malaysia. The following companies operate in similar business segments to Pentech Group. They are provided to offer an indication of the performance of some operators within the industry. This list is not exhaustive.

Company	FYE/ FPE ⁽¹⁾	Rev ⁽²⁾ (RM mil)	GP ⁽²⁾ (RM mil)	GP ⁽²⁾ margin	NP ⁽²⁾ (RM mil)	NP ⁽²⁾ margin
CTC Global S/B ⁽³⁾	Mar-25	918.0	97.8	10.7%	37.7	4.1%
Pentech Group	Dec-25	232.9	34.8	14.9%	10.6	4.5%
Bridgenet Solutions S/B ⁽⁴⁾	Dec-25	221.3	30.8	13.9%	7.5	3.4%
Hitachi Sunway Information Systems ⁽⁵⁾	Mar-25	209.2	81.1	38.7%	6.2	2.9%
JOS (Malaysia) S/B ⁽⁶⁾	Dec-24	181.3	27.2	15.0%	3.2	1.7%
Cloudpoint Technology Berhad ⁽⁷⁾	Dec-24	145.0	37.7	26.0%	20.6	14.2%
CLL Systems S/B	Dec-24	127.1	30.4	23.9%	11.4	9.0%
Infoline Tec Group Berhad ⁽⁷⁾	FPE Mar-25 ⁽⁸⁾	114.5	51.3	44.8%	14.3	12.4%
Integrated Global Solutions S/B ⁽⁹⁾	Dec-24	108.5	21.3	19.7%	8.2	7.5%

FYE= Financial Year Ended; FPE= Financial Period Ended; Rev= Revenue; GP= Gross Profit NP= Net Profit; mil= million; S/B= Sendirian Berhad.

(1) Latest audited financial data from the Companies Commission of Malaysia, annual reports, and Pentech Group. (2) It may include other business activities, products or services at the group or company level. (3) A subsidiary of Itochu Corporation, a listed entity on the Tokyo Stock Exchange. (4) A subsidiary of CelcomDigi Berhad, a listed entity on the Main Market of Bursa Securities. (5) Hitachi Sunway Information Systems S/B. A subsidiary of Hitachi Limited, a listed entity on the Tokyo Stock Exchange. (6) A subsidiary of StarHub Limited, a listed entity on the Singapore Exchange Securities Trading Limited. (7) A listed entity on the Main

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Market of Bursa Securities. **(8)** The financial period covered the period from 1 January 2024 to 31 March 2025. **(9)** A subsidiary of TIME dotCom Berhad, a listed entity on the Main Market of Bursa Securities.

- The companies listed above are primarily engaged in providing enterprise ICT system integration services with revenue exceeding RM100 million. They may also supply ICT hardware and software, as well as offer cloud services. Additionally, they must have an operational presence in Malaysia and provide up-to-date financial information.

8. BARRIERS TO ENTRY

- The barriers to entry in the enterprise ICT services industry are low. This is primarily evidenced by the number of members registered with the National ICT Association of Malaysia (Persatuan Industri Komputer dan Multimedia Malaysia – PIKOM), although registrations are not mandatory. As at the date of this report, there were 579 companies registered with PIKOM. Of these, 161 companies were registered as system integrators, and 72 companies were registered as resellers. Pentech Group is registered with PIKOM under both the system integrators and resellers categories. (Source: Vital Factor analysis)
- There are no stringent licensing or regulatory requirements for market entry. As a service-based industry, the capital investment required is minimal, since most hardware and software components can be procured from third-party vendors. However, new entrants may face challenges in establishing credibility, as track record and technical expertise, particularly in hardware, software, and communications, are important. Therefore, attracting and retaining skilled and experienced talent is essential in this industry.

9. INDUSTRY SIZE AND SHARE

- Some industry statistics relevant to the enterprise ICT services industry in Malaysia and the market share of Pentech Group are estimated as below:

2025 – Gross output value	Industry size ^(a) (RM billion)	Pentech Group	
		Revenue (RM million) ^(b)	Market share
Computer programming, consultancy, information and related activities ⁽¹⁾	24.3 ⁽²⁾	174 ⁽³⁾	Less than 1% ⁽⁴⁾
ICT wholesale trade	12.9 ⁽⁵⁾	59 ⁽⁶⁾	Less than 1% ⁽⁷⁾

Source: (a) DoSM and Vital Factor analysis; (b) Pentech Group.

(1) These activities are part of the broader ICT services. **(2)** Extrapolated from the gross output value in 2024 to 2025 based on the latest available data = (gross output value of computer programming, consultancy, information and related activities in 2024 = RM22.8 billion) x (1 + GDP growth of the ICS industry in 2025 (6.5%)) **(3)** Pentech Group's revenue from the integration of enterprise ICT infrastructure, the provision of cloud and managed services, and other services. **(4)** ((3) divided by (2)) x 100%. **(5)** Extrapolated from the gross output value in 2024 to 2025 based on the latest available data = (gross output value of ICT wholesale trade in 2024 = RM12.2 billion) x (1 + GDP growth of the ICS industry in 2025 (6.5%)) **(6)** Pentech Group's revenue from the supply of hardware and software. **(7)** ((6) divided by (5)) x 100%.

10. INDUSTRY OUTLOOK AND PROSPECTS

Key factors influencing the outlook and prospects of the industry include the following:

- Growth in the Malaysian economy provides a growing platform for industry operators. In 2026, the Malaysian economy is projected to grow by 4.0% to 5.0%. Despite global trade and geopolitical tensions, the Malaysian economy is expected to continue growing, mainly supported by improved domestic demand, including rising household expenditure on the back of improved labour market conditions, ongoing investment activity, sustained external demand for electronic and electrical (E&E) products, and increased tourism activity. (Source: BNM)

8. IMR REPORT (Cont'd)



- The continued expansion of data-intensive industries such as manufacturing and financial services contributes to a favourable operating environment for enterprise ICT service providers. These sectors rely heavily on robust data processing, secure infrastructure, and system reliability to support their operations. In 2025, both industries further expanded by 4.5% and 0.3% respectively, compared to 2024 (*Source: DoSM*). In 2026, the manufacturing industry is expected to grow by 4.3%, particularly supported by the electrical and electronics and consumer-related industries, while the finance services industry is projected to expand by 2.8%, which is in tandem with the sustained economic activities. (*Source: BNM and MoF*)
- Government-driven initiatives to accelerate digitalisation across multiple sectors, such as MyDIGITAL, MD status and the National Industrial Revolution 4.0 Policy (Industry4WRD), are set to support the digitalisation agenda further. These efforts are expected to drive sustained demand for end-to-end ICT infrastructure integration, encompassing cloud platforms, data centre infrastructure, network architecture, and cybersecurity systems. Additionally, Malaysia's push towards becoming a regional digital hub has attracted multinational technology firms, increasing the need for scalable and secure ICT infrastructure.
- The Automation Capital Allowance incentive by Malaysian Investment Development Authority (MIDA), which supports the adoption of Industry 4.0 technologies such as big data analytics, system integration, and Internet of Things (IoT) in manufacturing operations, is expected to accelerate automation initiatives in the manufacturing and services industries (*Source: MIDA*). This will provide opportunities for operators within the industry.
- The 13th Malaysia Plan focuses on strengthening Malaysia's digital economy through a range of government initiatives that may create opportunities for industry players. Key initiatives include enhancing digital infrastructure, establishing a national data bank, promoting digitalisation among micro, small, and medium-sized enterprises, and advancing the digitalisation of public services. (*Source: Ministry of Economy*)
- Technological improvements in ICT hardware, such as enhanced processing power, energy efficiency, scalability, and built-in intelligence, have enabled organisations to support more complex digital workloads, including AI applications, big data analytics, and cloud computing. These advancements are facilitating broader adoption of digital technologies across industries. Consequently, demand for enterprise ICT services is expected to grow, as businesses seek end-to-end solutions to modernise their ICT infrastructure, integrate advanced hardware with software platforms, and ensure secure and seamless digital transformation.
- In 2025, Malaysia recorded a 22.7% increase in reported cybersecurity incidents, reaching 7,616 cases (*Source: Ministry of Digital*). The rapid advancement of AI presents new opportunities to enhance cybersecurity by integrating AI technology into ICT applications, enabling effective threat detection and response. AI technology can drive greater resiliency by continuously learning from emerging threats and automating incident responses. Pentech Group plans to expand its capabilities in this area.
- Nevertheless, the rapidly evolving ICT landscape presents notable challenges for industry players. Emerging technologies such as artificial intelligence (AI), edge computing, and multi-cloud architectures are reshaping enterprise ICT environments, requiring ICT service providers to continuously enhance their technical capabilities to remain competitive and meet increasingly complex client demands.
- In 2025, Malaysia's approved investment in the ICT industry amounted to RM152.9 billion, representing a growth of 12.4% compared to 2024. Foreign investment accounted for 59.2% (RM90.5 billion) of the total approved investment, while domestic investment accounted for the remaining 40.8% (RM62.4 billion). This was mainly driven by advances in digital technologies, such as cloud computing, AI, and data-driven services, which supported Malaysia's digitalisation initiatives. (*Source: MIDA*)

9. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO ALL OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

9.1 RISKS RELATING TO OUR BUSINESS OPERATIONS

9.1.1 We face cybersecurity and other security risks for the systems we integrate and the provision of services to our customers

For the Financial Years Under Review, we provided integration of enterprise ICT infrastructure as well as cloud and managed services. These services are subject to cybersecurity and other security risks that may adversely affect our customers. For the FYE 2022, FYE 2023, FYE 2024, and FYE 2025, the combined revenue from the integration of enterprise ICT infrastructure, and provision of cloud and managed services accounted for 76.79% (RM149.16 million), 74.82% (RM127.25 million), 74.68% (RM141.09 million) and 71.98% (RM167.63 million), respectively.

We integrate enterprise ICT infrastructure by combining hardware, software, and related equipment within data centres. In some projects, we are specifically responsible for integrating network and security systems, which are susceptible to cybersecurity threats. These systems may also face other security risks such as data theft, manipulation, and destruction, and physical damage.

Additionally, we offer cloud-based services, including PaaS, SaaS, and managed cloud and other services. As we are directly responsible for delivering these services, any cybersecurity or other security breaches could significantly impact our customers.

We may face legal action for any cybersecurity or other security breaches of the systems we integrate or the services that we provide. Such actions may adversely affect us financially, use up our resources to defend our position and injure our market reputation.

For the Financial Years Under Review, we were not subjected to any legal or regulatory actions regarding cybersecurity or other security breaches of the systems that we integrated or the services we provided. Nevertheless, there is no assurance that moving forward, we may not face legal or regulatory actions regarding cybersecurity or other security breaches of the systems that we integrate or the services we provide.

9.1.2 Our revenue may experience fluctuations from year to year, and our business and financial performance are dependent on our ability to continually secure new projects

Our financial performance may vary from year to year and is subject to potential decline. For example, our revenue decreased by 12.44% to RM170.08 million in FYE 2023 (FYE 2022: RM194.25 million), before increasing by 11.09% to RM188.94 million in FYE 2024, and further increased by 23.26% to RM232.89 million in FYE 2025.

Our business is mainly project and order-based, and during the Financial Years Under Review, most of our revenue was derived from fixed lump-sum contracts or purchase orders that are non-recurring in nature. In general, these projects are deemed completed upon the completion of our scope of work and customer acceptance or handover. For the FYE 2022, FYE 2023, FYE 2024, and FYE 2025, our non-recurrent revenue accounted for 90.99% (RM176.74 million), 85.14% (RM144.81 million), 81.03% (RM153.09 million) and 79.33% (RM184.75 million), respectively.

9. RISK FACTORS (Cont'd)

Consequently, our ability to continually secure new and sizable projects to replenish our order book will determine our business sustainability and financial performance. If we fail to secure sufficient new projects to replenish our order book, our business sustainability and financial performance may be adversely affected, resulting in decreases in revenue and/or profitability. As at the LPD, the remaining purchase orders for the integration of enterprise ICT infrastructure, supply of hardware and software, as well as provision of other services, was RM82.18 million. In addition, we have subsisting contracts for the provision of cloud and managed services, which generally range from 1 year to 5 years, and the revenue will be recognised as and when services are rendered. As at the LPD, the remaining contract value for the provision of cloud and managed services was RM5.53 million.

Although we proactively seek to secure new projects by submitting tender applications, proposals, and quotations, and negotiating with existing and prospective customers, there is no guarantee that these efforts will be successful. In addition, there can be no assurance that the new contracts and purchase orders we secure will be sufficiently sizable to sustain our business and financial performance.

9.1.3 Our business and financial performance is dependent on hardware, software, and services from third-party suppliers, as well as strategic partnerships

Our integration of enterprise ICT infrastructure, supply of hardware and software, provision of cloud and managed services, and other related services relies on hardware, software, and services provided by third-party suppliers. These include hardware such as servers, processors, data storage systems, and networking equipment; software such as hyperconverged infrastructure, virtualisation software, cloud computing platforms, and operating systems; ICT infrastructure management tools; and supporting equipment such as uninterruptible power supply systems, cooling systems, and access control systems. Additionally, we utilise third-party cloud services for our provision of PaaS and SaaS.

The successful implementation of our projects and delivery of services (such as cloud services) depend on the continuous availability and reliability of these third-party hardware, software, and services. Our operations are also subject to risks arising from global supply chain disruptions, which may be influenced by various factors, including shortages of semiconductor components such as memory chips and storage devices, semiconductor supply constraints and geopolitical developments. These factors may, in turn, lead to increased hardware costs and longer lead time, which may adversely affect our results of operations and financial performance.

We are also reliant on the security, quality, effectiveness, and efficiency of the products and services provided by these suppliers. Any failure or shortcoming on their part may adversely affect our operations, financial performance, and reputation.

During the Financial Years Under Review and up to the LPD, we did not encounter any material disruptions in supply or significant issues related to the security, quality, or performance of third-party hardware, software, or services. However, there is no assurance that we will not face such challenges in the future, including difficulties in securing necessary supplies or encountering performance-related shortcomings from third-party providers. These challenges may negatively affect our operational and financial performance.

Furthermore, we are exposed to the risk of increased hardware and software costs sourced from suppliers who are the authorised distributors or resellers in Malaysia. During the Financial Years Under Review, the purchases of hardware and software are mainly sourced domestically from suppliers in Malaysia, where domestically sourced hardware, software and subcontracted services accounted for 99.77%, 99.92%, 99.94% and 99.48% of our total purchases for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025 respectively. In the event we are not able to pass on the increased costs to our customers, or if we absorb the increased cost to maintain competitiveness or to prioritise customer retention, this will have a negative impact on our financial performance and profitability. For information purposes, the increased cost of hardware and software which our Group was not able to fully passed on to our customers has resulted in the decrease in GP margin during the FYE 2025. Nonetheless, our Group will continuously monitor the cost of hardware and software and to regulate our pricing with our customers to maintain our competitiveness, to ensure that it does not materially impact our financial performance and profitability moving forward.

9. RISK FACTORS (Cont'd)

In addition, we have partnerships with various brands of ICT hardware, software and solution service provider partners, which offer us benefits such as incentives and rebates. These benefits are subject to meeting specific criteria such as sales target, technical certifications, customer satisfaction, and compliance with the partner programme's terms and conditions. In the event we do not meet the specific criteria, we will not be entitled to the benefits, including incentives and rebates, and this will impact our financial performance and profitability. These benefits are also subject to periodic review and may be adjusted, reduced, or discontinued at the discretion of our partners.

Any adverse changes to these arrangements, including the reduction or removal of benefits such as incentives or rebates, or the non-renewal or loss of partner accreditation or partnership status, may negatively impact our financial performance and credibility.

9.1.4 Our business and financial performance may be affected by delays in project implementation and completion, and the fulfilment of orders

Adherence to project implementation timelines and the achievement of completion date targets stipulated within our contracts and purchase orders are important. Delays in project implementation or the fulfilment of orders may result in adverse consequences, including cost overruns, delays in revenue recognition, a reduction in our scope of work, or the suspension or termination of the contract or purchase order.

Furthermore, certain of our contracts and purchase orders incorporate provisions for performance penalties including liquidated ascertain damages (LAD) and SLA penalties. These provisions entitle customers to lodge a claim against us in the event of our failure to meet the stipulated project completion or delivery date, or any mutually agreed extension thereof, where such delay is attributable to us. Subject to the specific terms of the applicable LAD clause, the penalty may be a fixed sum or a percentage of the contract value per day of delay, with an upper limit on the total LAD liability. Our financial performance could be negatively impacted should customers pursue LAD claims against us.

Moreover, any failure to meet project completion or delivery dates has the potential to damage our relationships with the affected customers, potentially impairing our ability to secure future engagements with them and harming our reputation. These factors may collectively undermine our business sustainability and future financial performance.

For provision of cloud and managed services, we are required to provide specific service levels including specified service, system uptime, or availability, achievement of performance metrics, timely response to customer issue resolution requests, and adherence to data security standards. We may be liable for fixed-amount SLA penalties per breach if we fail to meet these specified conditions. Our financial performance could be negatively impacted should customers impose penalties to us.

During the Financial Years Under Review and up to the LPD, we did not encounter any material delays in the implementation and completion of our projects and purchase orders, nor did we incur any LAD or SLA penalties. Nevertheless, there can be no assurance that we will not experience delays in project implementation and completion, or that we will not incur LAD or SLA penalties in the future.

9.1.5 We are subject to the risk of penalties arising from shortcomings in the work carried out by our subcontractors

We use subcontractors to assist in the implementation of certain projects, particularly for tasks such as renovation and fit-out works (where applicable), power and telecommunications cabling, and installation of specialised equipment. Our purchases of subcontracted services amounted to RM2.29 million (1.36%), RM4.75 million (3.36%), RM5.25 million (3.36%), and RM3.95 million (2.05%) of our total purchases of input materials and services for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025 respectively.

9. RISK FACTORS (Cont'd)

There is a risk that the work we deliver to our customers, including the integration of enterprise ICT infrastructure projects and the supply of hardware and software, may contain defects or not meet customer specifications due to deficiencies on the part of our subcontractors. This could arise if they provide substandard services or products. We also face the risk of failing to meet our project or delivery schedules if our subcontractors underperform or are late in providing their services or products. Consequently, these subcontractor shortcomings and failures may lead to our customers taking action against us, such as lodging LAD claims or making warranty claims, depending on the nature of the issue and our contractual agreements. Furthermore, our reputation could suffer as we bear the ultimate responsibility for the project's success.

While we have back-to-back agreements with some subcontractors requiring them to rectify any defects or shortcomings within their scope of work at no additional cost to us, we may still incur supplementary expenses in addressing customer claims and/or rectifying defects and fulfilling warranty obligations.

During the Financial Years Under Review and up to the LPD, we did not receive any customer claims for LAD or warranty issues that were attributable to subcontractor shortcomings. However, there is no assurance that we will not be subject to penalties or incur costs due to subcontractor deficiencies in the future.

9.1.6 We may not be able to collect the full amount from customers to whom we have extended credit

We are exposed to credit risk as there is a possibility that we may not be able to fully recover amounts owed by customers to whom we have extended credit. During the Financial Years Under Review, the normal credit terms granted to our customers are cash terms to 90 days, with other terms assessed and approved on a case-by-case basis. Our average trade receivables turnover periods were 52 days, 67 days, 72 days and 66 days for FYE 2022, FYE 2023, FYE 2024 and FYE 2025, respectively, which are within our normal credit period.

If a customer fails to pay within the stipulated credit terms, we may need to make allowances for impairment losses on trade receivables or write off bad debts, which could negatively impact our financial performance. In FYE 2024, we recognised individually assessed impairment losses on trade receivables of RM0.40 million pertaining to the past due outstanding amount from a customer in the services industry, which PSSB had provided cloud services to for the period between July 2024 and September 2024.

PSSB had in numerous attempts requested for payment of the outstanding amount from the customer but to no avail. Pursuant thereto, PSSB had issued notices of demand to the customer and its guarantor on 24 October 2024 and 30 December 2024 respectively. However, the customer and its guarantor had still failed to settle the outstanding amount. As such, PSSB had on 20 March 2025 filed a civil suit on the customer and its guarantor to recover the outstanding receivables. Default judgements were subsequently recorded against the customer and its guarantor on 1 July 2025 and 29 July 2025 respectively.

As at the LPD, the customer's guarantor has paid PSSB a sum of RM0.05 million on 19 March 2026 as part payment of the outstanding amount. The guarantor and PSSB are currently in the midst of finalising the terms and conditions of a settlement agreement whereby the guarantor has agreed to pay PSSB the balance of the outstanding amount in instalments. The recovery of the outstanding receivables will be recognised as other income.

We also wrote off bad debts amounting to RM0.02 million, RM0.07 million and RM0.06 million in FYE 2022, FYE 2023 and FYE 2024 respectively. Although the impairment losses and bad debts written off were not material during the Financial Years Under Review, there is no assurance that such losses will not materially affect our financial performance in the future.

9. RISK FACTORS (Cont'd)

9.1.7 Our financial performance may be adversely affected by the early termination, suspension, or reduction in the scope of our projects

Prior to the completion of our scope of work, our customers may terminate, suspend, or reduce the scope of their contractual agreements or purchase orders with us. These actions may be initiated due to various factors, including material non-performance by either party, insolvency, payment defaults, modifications to the customer's strategic plans, our inability to perform or complete the contracted work, mutual agreement between the involved parties, or events beyond the control of either party.

The early termination, suspension, or reduction in the scope of work of our contracts or purchase orders could adversely affect our financial performance. This impact could potentially arise from the loss of anticipated revenue and profit, the risk of being unable to recover billed revenue, and the inability to recoup costs incurred.

During the Financial Years Under Review and up to the LPD, we did not encounter any early termination, suspension, or reduction in the scope of our contracts and purchase orders. Nevertheless, there is no assurance that we will not experience any early termination, suspension, or reduction in the scope of work of our contracts in the future.

9.1.8 Our business growth may be constrained by insufficient technical resources for support and development

As an ICT systems integration and service provider company, our ability to deliver complex ICT infrastructure projects and high-quality services depends on the availability of skilled and experienced professionals. A shortage of qualified personnel, such as ICT systems engineers and architects, and technical support staff, may lead to project delays, increased operational costs, and reduced service quality.

The total number of skilled technical employees we had for FYE 2022, FYE 2023, FYE 2024 and FYE 2025 was 45, 54, 59 and 66, respectively, including ICT systems engineers and architects as well as technical services and support personnel.

This talent shortage could also limit our capacity to take on new projects or expand our service offerings, constraining our business growth. Moreover, intense competition for skilled resources may result in higher staff turnover or the need to offer more competitive compensation packages, which could further impact our financial performance. During the Financial Years Under Review and up to the LPD, we have not encountered any talent shortage which materially affected our business operations and financial performance. Nevertheless, failure to attract, train, and retain the necessary talent may, therefore, adversely affect our operational efficiency and long-term growth prospects.

9.1.9 Failure to implement our business strategies and plans may limit our growth prospects

Our business strategies and plans are centred on our core business activities, including the integration of enterprise ICT infrastructure, the supply of hardware and software, and the provision of cloud and other services. These strategies include, but are not limited to, facility expansion including establishing a new SOC in Kuala Lumpur and expanding our OCC in Kuala Lumpur and Penang, developing additional ICT services encompassing new AI-powered cloud and other applications, and cybersecurity solutions. Please refer to Section 7.17 of this Prospectus for further details on our business strategies and plans.

Our growth prospects are linked to our ability to execute these business strategies and plans effectively and promptly. However, several factors could impede our successful implementation, including securing sufficient funding, limitations in human resources and expertise, economic uncertainties, regulatory changes, and unexpected delays. Consequently, there is no assurance that we can execute our business strategies and plans successfully or according to schedule, nor is there any assurance that they will achieve commercial success or provide us with the expected benefits.

9. RISK FACTORS (Cont'd)

9.1.10 Our insurance coverage may not fully cover the losses and liabilities associated with our business operations and are subject to renewal

Certain aspects of our business involve performing work at customer premises, including the integration of enterprise ICT infrastructure projects, and the installation of supplied hardware and software. These on-site activities expose us to various risks, including workplace accidents.

We also face potential customer claims or legal actions for losses resulting from failures in our systems, hardware, software, and cloud or other services. Furthermore, we may be liable or involved in legal proceedings due to cybersecurity or other security breaches linked to our products and services.

As at the LPD, we have various insurance coverages for our operational facilities and employees, including fire, inventory, burglary, money, public liability, employer's liability as well as group personal accident coverage. In addition, we will also procure insurance coverage such as contractor's all-risk insurance and workmen's compensation for our projects where required.

Our insurance policies are subject to periodic renewal, which may result in changes to premiums, deductibles, insured limits, or other policy terms. A significant increase in premiums or deductibles, or a substantial reduction in insured limits, could lead to higher costs to maintain our current level of coverage or necessitate a reduction in that coverage. Should a claim or liability exceed the insured limits of our policies, we would be responsible for the shortfall, which could materially impact our financial position.

Notwithstanding the insurance coverage we maintain, there can be no assurance that such coverage would be sufficient or even applicable to indemnify us against all potential liabilities arising from incidents that result in claims or legal proceedings.

During the Financial Years Under Review and up to the LPD, we did not incur any material losses or liabilities that resulted in claims under our insurance policies.

9.1.11 We are dependent on our Non-Independent Managing Director / Chief Executive Officer, Non-Independent Executive Directors, Key Senior Management, and skilled ICT personnel

We are dependent on Yeoh Chin Ming (our Non-Independent Managing Director / Chief Executive Officer), Tan Hooi Bee (Non-Independent Executive Director) and Juleen Teh Sue Leen (Non-Independent Executive Director), for their experience, expertise, technical knowledge, for the continuing operations and growth of our business. We are also dependent on our key senior management for the experience, expertise and technical knowledge in their respective areas of responsibility, namely Ho Huang Ken (our Chief Sales Officer), Ooi Hooi Yin (our Chief Financial Officer), Lim Wei Ghee (our Chief Technology Officer) and Quah Chea Siang (our Head of Enterprise Business Development). Furthermore, our business operations are also dependent on our skilled ICT personnel, particularly in implementing our integration of enterprise ICT infrastructure projects. As at the LPD, we employ 69 systems engineers and architects as well as technical services and support personnel.

Our daily business operations, financial performance, and the successful execution of our business strategies could be negatively impacted if we lose the services of one or more of our Executive Directors or Key Senior Management and cannot promptly find suitable replacements. Similarly, an insufficient number of skilled ICT personnel to implement our projects could have adverse effects.

Please refer to Sections 5.1.2, 5.2.2 and 5.4.2 of this Prospectus for the profiles of our Directors and Key Senior Management.

9. RISK FACTORS (Cont'd)

9.2 RISKS RELATING TO OUR INDUSTRY

9.2.1 We are subject to competition from providers of similar services

We are subject to competition from providers of similar services, including the integration of enterprise ICT infrastructure, the supply of hardware and software, and the provision of cloud and other services. Our competitors may offer, among other things, lower pricing, better payment terms, alternative or better products and technologies, and faster project completion.

This competitive landscape presents a risk that it may become more challenging for us to secure new projects or maintain an adequate profit margin, which could hinder our ability to sustain and grow our business.

9.2.2 We are subject to economic, social, political and regulatory risks in Malaysia as well as global events

Our business operations and financial performance are susceptible to adverse effects stemming from changes in the political, social, economic, and regulatory landscape of Malaysia. These potential negative developments encompass, but are not limited to, shifts in political leadership, geopolitical conflicts, trade sanctions, civil unrest, pandemics such as the COVID-19 outbreak, fluctuations in economic conditions, interest rate volatility, alterations in taxation methods, changes in government fiscal and monetary policies (including foreign exchange controls), inflation, deflation, modifications to tax policies and customs duties, and shifts in unemployment trends.

In July 2025, the government of the USA had imposed a 19.00% tariff (“US Tariff”) on most imported goods from Malaysia, effective from 8 August 2025, and certain products were exempted from the US Tariff. On 20 February 2026, the USA announced a temporary 10.00% global tariff, effective 24 February 2026 for 150 days. Some goods, including certain electronics, will not be subject to the temporary tariff. The tariff rates and exemptions are subject to changes. As we do not export our products to the USA, the imposition of the US Tariff is not expected to have any direct impact on our business operations and financial performance.

Furthermore, our business may also be impacted by global events, including geopolitical developments, financial crises, trade conflicts and sanctions, as well as acts of terrorism, riots and wars. These factors can significantly influence both business and consumer confidence and spending. As these changes and events are beyond our control, there is no assurance that they will not happen or that they may not materially impact our business operations and financial performance. The recent escalation of the Middle East conflict between Iran and Israel has affected the shipping environment due to the closure of the Strait of Hormuz. These developments may result in higher shipping and logistics costs, increased raw material costs, shipment delays and supply chain disruptions. As at the LPD, we have not experienced any increases in costs arising from the geopolitical developments. However, there can be no assurance that any further geopolitical developments that are beyond our control will not lead to a slowdown in the economy, and potential increases in the cost of hardware and software. In the event this occurs, it may adversely affect our business operations and financial performance.

9.2.3 We are exposed to risks related to ICT technology changes and innovations

The ICT industry is characterised by continuous technological advancements and innovations. Consequently, there is a risk that demand for our services, including integration of enterprise ICT infrastructure, supply of hardware and software, and provision of cloud and other services, may decrease if we fail to keep abreast of emerging technologies and innovations. Recent examples of such technological shifts include the increasing adoption of specific hardware, software, and network standards and protocols, operating systems, and transformative innovations like AI and cloud services.

While we continuously assess emerging ICT technological changes and innovations and integrate those we deem relevant to enhance our services and operations, there is no assurance that our adoption efforts will be as successful as our competitors. Failure to promptly adapt to pertinent ICT technology changes and innovations could negatively impact our future prospects and financial performance.

9. RISK FACTORS (Cont'd)

9.3 RISKS RELATING TO INVESTMENT IN OUR SHARES**9.3.1 There has been no prior market for our Shares**

Prior to our Listing, there has been no public market for our Shares. Hence, there is no assurance that upon our Listing, an active market for our Shares will develop, or if developed, that such market can be sustained. Our IPO Price was determined after taking into consideration a number of factors, including but not limited to our financial and operating history, our competitive strengths, our future plans and strategies, as well as the industry overview as detailed in Sections 7 and 8 of this Prospectus. There is also no assurance as to the liquidity of any 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.

There can be no assurance that the IPO Price will correspond to the price at which our Shares will trade on the ACE Market upon our Listing and that the market price of our Shares will not decline below our IPO Price.

9.3.2 The trading price and volume of our Shares following our Listing may be volatile

After our Listing, the trading price and volume of our Shares could be subject to fluctuations in response to various factors, some of which are not within our control and may be unrelated or disproportionate to our operating results. These factors may include the followings:

- (i) material variation in our financial results and operations;
- (ii) success or failure of our management in implementing future plans, business and growth strategies;
- (iii) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (iv) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other related events or factors;
- (v) changes in market valuation and share prices of companies with similar businesses to our Group that may be listed on Bursa Securities;
- (vi) additions or departures of key personnel;
- (vii) fluctuations in stock market prices and volumes;
- (viii) involvement in claims, litigation, arbitration or other form of dispute resolution; and/or
- (ix) changes in government policy, legislation or regulation.

In addition, the performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of various sectors of the economy. These factors invariably contribute to the volatility of trading volume witnessed on Bursa Securities, thus adding risks to the market price of our Shares.

9. RISK FACTORS (Cont'd)

9.3.3 Our Promoter and Substantial Shareholders will be able to exert significant influence over our Company

Upon our Listing, our Promoter and Substantial Shareholders will collectively hold 448,005,000 Shares (directly and indirectly via Evernorth), which represents 72.26% of our enlarged issued share capital upon Listing. As a result, our Promoter and Substantial Shareholders will be able to, in the foreseeable future, effectively control the business direction and management of our Group, including the election of Directors, the timing and payment of dividends as well as having majority voting control over our Company and as such, will likely influence the outcome of matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law and/or by the relevant guidelines or regulations. There can be no assurance that the interests of our Promoter and Substantial Shareholders will be aligned with those of our other shareholders.

9.3.4 We may not be able to declare dividends to our shareholders

Our Group's ability to pay dividends to our shareholders is dependent on, amongst others, our future financial performance, cash flow positions, capital requirements, compliance with bank covenants as well as the implementation of our business plans. Our ability to pay dividends to our shareholders may be affected should these factors deteriorate and as such, there can be no assurance that we will be able to pay dividends to our shareholders. In addition, dividends are not guaranteed and our Board, at its discretion, may decide not to pay dividends at any time and for any reasons. If we do not pay our shareholders dividends, or if the dividends paid are lower compared to levels anticipated by our investors, the market price of our Shares may be negatively affected, reducing the value of any investment in our Shares.

9.3.5 Our Listing may be potentially delayed or aborted

Our Listing may be potentially delayed or aborted should any of the following events occur:

- (i) we are unable to meet the public shareholding spread requirements under the Listing Requirements, where at least 25.00% of our issued share capital for which listing is sought must be held by a minimum number of 200 public shareholders each holding not less than 100 Shares at the point of our Listing;
- (ii) our Sole Underwriter exercising its rights under the Underwriting Agreement to discharge itself from its obligation therein; or
- (iii) revocation of approvals from relevant authorities for our Listing for whatever reason.

Where prior to the issuance and allotment of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(f) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and our Company shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which the Company shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- (ii) our Listing is aborted, investors will not receive any of our IPO Shares, all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

9. RISK FACTORS (Cont'd)

Where subsequent to the issuance and allotment of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our IPO Shares shall be deemed to be void and all monies received from the Applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, the Company shall be liable to return such monies with interest at the rate of 10.00% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC, the return of monies to our shareholders could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by the sanction of our shareholders by special resolution in a general meeting and supported by either:
 - (a) consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be recovered within a short period of time or at all under such circumstances; or
 - (b) solvency statement from our Directors.

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10. RELATED PARTY TRANSACTIONS

Pursuant to the Listing Requirements, subject to certain exemptions, a “related party transaction” is a transaction entered into by a listed issuer or its subsidiary, which involves the interest, direct or indirect, of a related party. A “related party” is defined as a director, major shareholder or person connected with such director or major shareholder (including a director or major shareholder within the preceding 6 months before the transaction was entered into). “Major shareholder” means a shareholder with a shareholding of 10% or more (or 5% or more where such person is the largest shareholder in the company) of all the voting shares in the company.

10.1 RELATED PARTY TRANSACTIONS

10.1.1 Material related party transactions entered into by our Group

Save for the Acquisition and the transactions as disclosed below, our Directors confirmed that there are no existing and/or proposed related party transactions which are material to our Group entered or to be entered into by our Group with a related party for the Financial Years Under Review and up to the date of this Prospectus:

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2022	FYE 2023	FYE 2024	FYE 2025	1 January 2026 up to the date of this Prospectus
				RM'000	RM'000	RM'000	RM'000	RM'000
1.	PSSB and Yeoh Chin Ming	Yeoh Chin Ming , being our Promoter, Substantial Shareholder and Non-Independent Managing Director, is also a director of PSSB and a major shareholder of PSSB with 50% equity interest	Repayment of advances that were given to PSSB by Yeoh Chin Ming prior to FYE 2022	85 (0.71% of our Group's NA)	-	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

<u>No.</u>	<u>Transacting parties</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FYE 2025</u>	<u>1 January 2026 up to the date of this Prospectus</u>
				<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
2.	PSSB and Ho Huang Ken	Ho Huang Ken , being our Substantial Shareholder and Key Senior Management, was a director of PSSB from 14 July 2006 and up to 2 July 2025 and a major shareholder of PSSB with 25% equity interest	Repayment of advances that were given to PSSB by Ho Huang Ken prior to FYE 2022	46 (0.38% of our Group's NA)	-	-	-	-
3.	PSSB and Toh Say Yee	Toh Say Yee , being our Business Development Director, was a director of PSSB from 15 August 2011 and up to 2 July 2025 and a major shareholder of PSSB with 25% equity interest	Repayment of advances that were given to PSSB by Toh Say Yee prior to FYE 2022	13 (0.11% of our Group's NA)	-	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

The transactions in relation to the advances and repayment between the Group and our related parties were not conducted on arm's length basis as they were interest free. However, all such transactions have been fully settled as at the date of this Prospectus. Moving forward, our Group will not receive any advances/payment from our related parties, nor provide any advances/payment on behalf to our related parties.

Upon Listing, in the event that our Group enters into any material related party transactions in accordance with the Listing Requirements, we will seek our shareholders' approval accordingly. However, if such related party transactions are deemed as recurrent related party transactions, we may then seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time our Group wishes to enter into such recurrent related party transactions during the validity period of the mandate.

In the event that there are any proposed related party transactions that require the prior approval of our shareholders, our Directors, Substantial Shareholders and/or persons connected with them, which have any interest, direct or indirect, in the transaction, will hence abstain from voting in respect of their direct and/or indirect shareholdings, if any. Such interested Directors and/or Substantial Shareholders will also undertake to ensure that the person(s) connected with them will abstain from voting on the resolution approving the proposed related party transaction at a general meeting of our Company.

In addition, our Audit Committee will, amongst others, review the terms of the related party transactions (if any) moving forward and report to our Board for further action to safeguard the interest of our Group and our minority shareholders, as well as to mitigate any potential conflict of interest situation. Further details on our monitoring and oversight practices in relation to related party transactions and conflicts of interest are set out in Section 10.3 of this Prospectus.

10.2 OTHER TRANSACTIONS**10.2.1 Related party transactions entered into that are unusual in nature or conditions**

Our Board has confirmed that our Group has not entered into any transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, with a related party for the Financial Years Under Review and up to the LPD.

10.2.2 Loans and/or financial assistance made to or for the benefit of related parties

Our Board has confirmed that there are no outstanding loans and/or financial assistance (including guarantees of any kind) made by us to or for the benefit of any related party for the Financial Years Under Review and up to the LPD.

10.2.3 Loans and/or financial assistance from related parties to our Group

Our Board has confirmed that there are no outstanding loans and/or financial assistance (including guarantees of any kind) made by any related party to our Group as at the LPD.

10. RELATED PARTY TRANSACTIONS (Cont'd)

10.3 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

Upon our Listing, our AC will review the terms of all related party transactions (including any recurrent related party transactions) to ensure that they are negotiated and agreed upon in the best interest of our Company on an arm's length basis, are in the ordinary course of business, not more favourable to the related party than those generally available to the public, and are not to the detriment to the interest of our Company's minority shareholders. Any such review will be reported to our Board for its further deliberation. In the event that there are any proposed related party transactions that involve the direct or indirect interest of our Directors, our interested Director(s) shall disclose to our Board the nature and extent of their interest, including all matters in relation to the proposed related party transactions that they are aware or should reasonably be aware of, which is not in our best interest. Our interested Director(s) shall also abstain from any AC and/or our Board's deliberations and voting on the relevant resolution(s) in respect of such proposed related party transactions.

Further, we will be required to seek our shareholders' approval each time we enter into material related party transactions in accordance with the Listing Requirements. However, if the related party transactions are deemed as recurrent related party transactions, we may seek a general mandate from our non-interested shareholders to enter into these transactions, subject to annual renewal and that our Directors will disclose in our Company's annual report the aggregate value of material recurrent related party transactions conducted pursuant to the mandate during the financial year, if any. The interested person shall abstain from all deliberations and voting on the relevant resolutions in respect of such proposed related party transactions at our general meetings. Pursuant to the Listing Requirements, related party transactions may be aggregated to determine their materiality if the related party transactions occurred within a 12-month period, are entered with the same party or with parties connected to one another or if the transactions involve the acquisition or disposal of securities or interests in one particular corporation/asset or of various parcels of land contiguous to each other.

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11. CONFLICT OF INTEREST

11.1 INTEREST IN ENTITIES CARRYING ON A SIMILAR TRADE AS OUR GROUP OR WHICH ARE OUR CUSTOMERS AND/OR SUPPLIERS

As at the LPD, none of our Directors and/or Substantial Shareholders of our Group have any interest, whether direct or indirect, in other businesses or corporations which are carrying on a similar trade as that of our Group or which are the customers and/or suppliers of our Group save and except as disclosed below:

(a) Interest in entities which are customers of the Group

(i) BWYS Group Berhad

No.	Name of company	Principal activities	Nature of interest
1.	(a) BW Scaffold Industries Sdn Bhd	(a) Sales and rental of scaffoldings	See Swee Sie is our Independent Non-Executive Director. She is also an Independent Non-Executive Director of BWYS Group Berhad ^(a)
	(b) BW Yee Seng Steel Industries Sdn Bhd	(b) Manufacture of sheet metal products, and trading of steel materials and steel related products	
	(c) YS Global Industries Sdn Bhd	(c) Manufacture of industrial racking systems	
	(d) BWYS Metech Sdn Bhd (formerly known as YS Success Industries Sdn Bhd)	(d) Manufacturing of industrial racking systems and welded pipes, and trading of steel materials and steel related products	
	(e) BW Yee Seng (Timur) Sdn Bhd	(e) Manufacture of sheet metal products, and trading of steel materials and steel related products	

collectively, the wholly-owned subsidiaries of BWYS Group Berhad (“**BWYS Subsidiaries**”)

Note:

- (a) See Swee Sie was appointed as an Independent Non-Executive Director of BWYS Group Berhad on 1 August 2023.

Our Group supplied software and hardware to BWYS Subsidiaries for FYE 2022, FYE 2023, FYE 2024 and FYE 2025 with the total transaction value of RM86,507.90, RM25,145.94, RM44,130.00 and RM37,755.00, respectively.

11. CONFLICT OF INTEREST (Cont'd)

Our Board is of the view that the above transactions do not give rise to a conflict of interest situation to our Group as See Swee Sie was appointed to our Board on 1 February 2026. The above transactions were undertaken prior to her appointment to our Board.

In the event our Group enters into transactions with BWYS Subsidiaries after our Listing, such transactions will be carried out on arm's length basis and on normal commercial terms which are not more favourable to BWYS Subsidiaries than those generally available to third parties.

In order to safeguard the interest of our Group and minority shareholders, our AC will monitor such related party transactions and assess the extent of conflict of interest and where appropriate, consider and implement the necessary measures as further elaborated below.

(ii) Mount Miriam Cancer Hospital ("Mount Miriam")

No.	Name of company	Principal activities	Nature of interest
2.	Mount Miriam	Provision of comprehensive oncology and palliative care services	See Swee Sie is our Independent Non-Executive Director. She is a director of Mount Miriam Cancer Hospital ^(a)

Note:

(a) See Swee Sie was appointed as a director of Mount Miriam Cancer Hospital on 10 November 2023.

Our Group has supplied software and hardware to Mount Miriam for FYE 2022, FYE 2023, FYE 2024 and FYE 2025 with the total transaction value of RM98,325.00, RM39,990.00 and RM85,668.00 and RM75,185.00, respectively. The transaction value from 1 January 2026 up to 26 February 2026 is RM21,676.00.

Our Board is of the view that the above interests do not give rise to a conflict of interest situation as See Swee Sie was appointed to our Board on 1 February 2026. As such, save for one transaction undertaken in the month of February 2026 (transaction value of below RM1,000.00), the remaining transactions were undertaken prior to her appointment to our Board. Further, See Swee Sie is not involve in the day-to-day management or operations of Mount Miriam and our Group. In addition, Mount Miriam is a company limited by guarantee which is formed for non-profit purpose and principally to manage and operate the hospital. See Swee Sie does not receive any personal benefit, financial interest, or any profit whatsoever from Mount Miriam.

In the event our Group enters into transactions with Mount Miriam after our Listing, such transactions will be carried out on arm's length basis and on normal commercial terms which are not more favourable to Mount Miriam than those generally available to third parties.

In order to safeguard the interest of our Group and minority shareholders, our AC will monitor such related party transactions and assess the extent of conflict of interest and where appropriate, consider and implement the necessary measures as further elaborated below.

11. CONFLICT OF INTEREST (Cont'd)

In order to mitigate any possible conflict of interest situation, the Directors will declare to the AC and the Board of their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside the Group.

Our AC will then evaluate if such a Director's involvement gives rise to an actual or potential conflict of interest with our Group's business after the disclosure is provided by such Director. After a determination has been made on whether there is an actual or potential conflict of interest of a Director, the AC will then report its findings to our Board. Our Board upon reviewing the recommendation by our AC, will engage in deliberation, review the matter and decide on the next course of action. When a potential conflict of interest is disclosed, our AC and Board will carefully evaluate the situation and may consider various feedback and actions to address the matter. The options considered shall not be limited to the following:

- (a) request for additional information;
- (b) evaluate the nature of the conflict;
- (c) determine the impact;
- (d) seek independence expertise;
- (e) mitigation measures;
- (f) enforcement; and
- (g) disciplinary actions.

Where a Director has disclosed a conflict of interest, the conflicted Director shall abstain from any discussion of the Board and Board committees relating to the subject of the conflict of interest and the conflicted Director shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may however at the request of the Chairman of the Board and Board committees, be present at the Board and Board committees' meeting for the purposes of answering any questions.

In circumstances where a Director is determined to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his fiduciary responsibility to our Group, our AC may take necessary disciplinary actions, such as reassignment, termination, or other appropriate measures.

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11. CONFLICT OF INTEREST (Cont'd)

11.2 DECLARATION OF CONFLICT OF INTEREST BY OUR ADVISERS**11.2.1 PIVB**

PIVB, being our Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent, is a wholly owned subsidiary of Public Bank Berhad (“PBB”). PIVB together with PBB and its other subsidiary companies (“PBB Group”) form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses.

PBB Group may in the future, engage in transactions with and perform services for our Group and/or our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the PBB Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders, our and/or their affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity services or senior loans of any member of our Group and/or our affiliates.

This is a result of the businesses of the PBB Group generally acting independently of each other, and accordingly, there may be situations where parts of PBB Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, PBB Group is required to comply with applicable laws and regulations issued by the relevant authorities, which required, among others, segregation between dealing and advisory activities and Chinese Wall between different business divisions within the PBB Group.

PIVB has confirmed that there is no existing or potential conflict of interest in their capacity as the Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent for our IPO.

11.2.2 Wong & Loh

Messrs. Wong & Loh has confirmed that there is no existing or potential conflict of interest in their capacity as the solicitors to our Group for our IPO.

11.2.3 Baker Tilly

Baker Tilly has confirmed that there is no existing or potential conflict of interest in its capacity as the auditors and reporting accountants for our IPO.

11.2.4 Vital Factor

Vital Factor has confirmed that there is no existing or potential conflict of interest in its capacity as the independent market researcher for our IPO.

11.2.5 Resolve IR Sdn Bhd

Resolve IR Sdn Bhd has confirmed that there is no existing or potential conflict of interest in its capacity as the independent internal control review consultant for our IPO.

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12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

The historical audited combined financial information of our Group for the Financial Years Under Review presented in this section have been extracted from the Accountants' Report set out in Section 14 of this Prospectus.

You should read the historical audited combined financial information below together with:

- Management's Discussion and Analysis of Financial Condition and Results of Operations set out in Section 12.3 of this Prospectus; and
- Accountants' Report set out in Section 14 of this Prospectus.

Pentech Holdings Berhad was only incorporated on 21 November 2024 to facilitate our Listing. As such, the historical combined financial information of our Group has been prepared as if our Group had been operating as a single economic entity throughout the Financial Years Under Review.

The historical audited combined financial information included in this Prospectus does not reflect our Group's results of operations, financial position and cash flows in the future. Moreover, our Group's past operating results are not indicative of our Group's future operating performance.

12.1.1 Historical audited combined statements of profit or loss and other comprehensive income

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Revenue	194,246	170,082	188,936	232,888
Cost of sales	(170,871)	(144,929)	(157,565)	(198,089)
GP	23,375	25,153	31,371	34,799
Other income	96	299	60	61
Selling and distribution expenses	(5,828)	(7,318)	(8,740)	(10,422)
Administrative expenses	(8,232)	(7,605)	(9,596)	(10,282)
Other expense	(251)	-	-	(40)
Profit from operation	9,160	10,529	13,095	14,116
Finance income	48	207	375	391
Finance costs	(33)	(51)	(30)	(41)
PBT	9,175	10,685	13,440	14,466
Income tax expenses	(2,356)	(2,862)	(3,477)	(3,876)
PAT for the financial year representing total comprehensive income for the financial year	6,819	7,823	9,963	10,590
EBITDA ^(a)	10,076	11,878	14,440	15,482
GP margin (%) ^(b)	12.03	14.79	16.60	14.94
PBT margin (%) ^(c)	4.72	6.28	7.11	6.21
PAT margin (%) ^(c)	3.51	4.60	5.27	4.55
Effective tax rate (%) ^(d)	25.68	26.79	25.87	26.79
Basic and diluted EPS (sen) ^(e)	1.10	1.26	1.61	1.71

12. FINANCIAL INFORMATION (Cont'd)

Notes:

- (a) EBITDA is computed as follows:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
PAT	6,819	7,823	9,963	10,590
Less:				
Finance income	(48)	(207)	(375)	(391)
Add:				
Income tax expenses	2,356	2,862	3,477	3,876
Depreciation	916	1,349	1,345	1,366
Finance costs	33	51	30	41
EBITDA	10,076	11,878	14,440	15,482

- (b) GP margin is calculated based on GP divided by revenue.
- (c) PBT margin and PAT margin are calculated based on the respective PBT and PAT divided by revenue.
- (d) Effective tax rate is calculated based on income tax expenses divided by PBT.
- (e) Basic EPS is calculated based on PAT divided by our enlarged issued share capital of 620,000,000 Shares upon Listing. Our Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

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12. FINANCIAL INFORMATION (Cont'd)**12.1.2 Historical audited combined statements of financial position**

	Audited as at 31 December			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	2,850	3,187	2,757	2,575
Right-of-use assets	1,280	728	822	960
Other investment	2,917	3,029	3,024	3,069
Deferred tax assets	854	1,064	1,280	1,072
Trade and other receivables ^(a)	-	-	-	270
Total non-current assets	7,901	8,008	7,883	7,946
Current assets				
Inventories	511	756	^(e) 3,379	^(e) 1,663
Trade and other receivables ^(a)	27,229	35,932	40,164	49,167
Contract assets ^(b)	9	22	-	263
Fixed deposits with licensed bank	-	-	-	47
Cash and short-term deposits	3,051	10,789	12,616	23,633
Total current assets	30,800	47,499	56,159	74,773
Total assets	38,701	55,507	64,042	82,719
EQUITY				
Share capital	-	-	-	5
Invested equity	1,500	1,500	5,000	5,000
Retained earnings	10,543	16,866	17,429	26,519
Total equity	12,043	18,366	22,429	31,524
LIABILITIES				
Non-current liabilities				
Loans and borrowings	356	163	104	-
Lease liabilities	789	304	336	576
Total non-current liabilities	1,145	467	440	576
Current liabilities				
Loans and borrowings	215	193	96	-
Lease liabilities	545	495	526	899
Trade and other payables ^(c)	22,066	32,620	33,861	43,819
Contract liabilities ^(d)	2,017	2,962	5,722	5,103
Current tax liabilities	670	404	968	798
Total current liabilities	25,513	36,674	41,173	50,619
Total liabilities	26,658	37,141	41,613	51,195
Total equity and liabilities	38,701	55,507	64,042	82,719

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12. FINANCIAL INFORMATION (Cont'd)

Notes:

- (a) The breakdown of trade and other receivables is as follows:

	Audited as at 31 December			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Trade				
Non-current				
Finance lease receivables	-	-	-	270
Current				
Trade receivables	26,880	35,528	39,667	45,632
Less: Impairment losses for trade receivables	-	-	(403)	(403)
Finance lease receivables ^(aa)	-	-	-	241
	<u>26,880</u>	<u>35,528</u>	<u>39,264</u>	<u>45,740</u>
Non-trade				
Other receivables ^(bb)	11	17	80	1,226
Deposits	338	387	340	297
Prepayments ^(cc)	-	-	480	2,174
	<u>349</u>	<u>404</u>	<u>900</u>	<u>3,697</u>
Total	<u>27,229</u>	<u>35,932</u>	<u>40,164</u>	<u>49,437</u>

Sub-notes:

- (aa) The finance lease receivables are pertaining to the receivables arising from the leasing of laptops under a 36-month lease arrangement.
- (bb) The increase in other receivables was attributed mainly to incentives, rebates and interest income.
- (cc) The higher prepayments in FYE 2025 was due mainly to IPO expenses.

The Company's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Audited as at 31 December			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
At 1 January	-	-	-	403
Charge for the financial year				
- Individually assessed	-	-	403	-
At 31 December	<u>-</u>	<u>-</u>	<u>403</u>	<u>403</u>

Trade receivables that are individually determined to be credit impaired at the reporting date arose from trade receivables which have defaulted on payments.

- (b) Contract assets represent the Group's rights to consideration for the satisfaction of performance obligation but yet to be billed. Contract assets are transferred to receivables when the Group issues invoices to the customer.

12. FINANCIAL INFORMATION (Cont'd)

(c) The breakdown of trade and other payables are as follows:

	Audited as at 31 December			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Trade				
Trade payables	17,192	27,932	28,490	33,714
Non-trade				
Other payables	838	1,249	2,221	3,144
Accruals	4,036	3,439	3,150	5,461
Dividend payable	-	-	-	1,500
	<u>4,874</u>	<u>4,688</u>	<u>5,371</u>	<u>10,105</u>
Total	<u>22,066</u>	<u>32,620</u>	<u>33,861</u>	<u>43,819</u>

(d) Contract liabilities represent deposits received or invoices issued for goods and services for which performance obligations have not been satisfied. The contract liabilities are expected to be recognised as revenue over a period of 1 to 5 years when the performance obligations are satisfied. The higher contract liabilities as at FYE 2024 was mainly due to upfront payments received and billings issued to our customers for our integration of enterprise ICT infrastructure projects secured and managed services which have yet to be delivered or rendered. The contract liabilities declined as at FYE 2025 upon delivery of goods or services rendered.

(e) The increase in inventories in FYE 2024 was mainly driven by higher purchases of hardware at the end of FYE 2024 for our integration of enterprise ICT infrastructure, as well as supply of hardware. Subsequently, the inventories decreased in FYE 2025 following the use of hardware for our projects.

12.1.3 Historical audited combined statements of cash flows

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
PBT	9,175	10,685	13,440	14,466
Adjustments for:				
Bad debts written off	19	66	64	-
Depreciation of property, plant and equipment	602	778	756	747
Depreciation of right-of-use assets	314	571	589	619
Deposit forfeited	8	-	11	-
Dividend income	(7)	(5)	(4)	-
Fair value loss/(gain) on other investments	251	(148)	(50)	40
Finance costs	33	51	30	41
(Gain)/loss on disposal of other investment	-	(15)	15	-
(Gain) on disposal of property, plant and equipment	(94)	-	-	(11)
Impairment loss on trade receivables	-	-	403	-
Interest Income	(41)	(202)	(371)	(391)
Inventories written off	-	-	38	*
Net unrealised (gain)/loss on foreign exchange	-	-	(9)	15
Property, plant and equipment written off	16	27	-	*
Selling profit from finance lease	-	-	-	(48)
Operating profit before working capital changes	<u>10,276</u>	<u>11,808</u>	<u>14,912</u>	<u>15,478</u>

12. FINANCIAL INFORMATION (Cont'd)

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Changes in working capital:				
Inventories	(169)	(245)	(2,661)	1,716
Receivables	941	(8,769)	(4,701)	(8,718)
Contract assets	6	(13)	22	(263)
Payables	(7,022)	10,554	1,241	8,458
Contract liabilities	815	945	2,760	(619)
Net cash generated from operations	4,847	14,280	11,573	16,052
Income tax paid	(2,550)	(3,338)	(3,129)	(3,838)
Interest paid	(33)	(51)	(30)	(41)
Interest received	41	202	371	391
Net cash from operating activities	2,305	11,093	8,785	12,564
Cash flows from investing activities				
Acquisition in equity instruments	(534)	(55)	(91)	(85)
Net change in pledged deposits	-	-	-	(54)
Income from lease receivables	-	-	-	215
Dividend income	7	5	4	-
Proceeds from disposal of equity instruments	-	106	131	-
Proceeds from disposal of property, plant and equipment	94	-	-	11
Purchases of property, plant and equipment	(1,747)	(1,142)	(326)	(565)
Net cash used in investing activities	(2,180)	(1,086)	(282)	(478)
Cash flows from financing activities				
Dividend paid on shares	(1,000)	(1,500)	(5,900)	-
Net changes in amount owing to directors	(144)	-	-	-
Proceeds from issuance of ordinary shares	500	-	-	-
Net changes in lease liabilities	(260)	(554)	(620)	(869)
Repayment of hire purchase payables	(184)	(215)	(156)	(200)
Net cash used in financing activities	(1,088)	(2,269)	(6,676)	(1,069)
Net (decrease)/increase in cash and cash equivalents	(963)	7,738	1,827	11,017
Cash and cash equivalents at the beginning of the financial year	4,014	3,051	10,789	12,616
Cash and cash equivalents at the end of the financial year	3,051	10,789	12,616	23,633

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12. FINANCIAL INFORMATION (Cont'd)

12.2 CAPITALISATION AND INDEBTEDNESS

The table below summarises our capitalisation and indebtedness as at 31 March 2026, which has been adjusted for the effect of the Public Issue including utilisation of proceeds:

	Unaudited	Pro Forma I	Pro Forma II	Pro Forma III
	As at 31 March 2026	After the Public Issue	After Pro Forma I and the utilisation of proceeds	After Pro Forma II and the Proposed LTIP
	RM'000	RM'000	RM'000	RM'000
Indebtedness				
<u>Current</u>				
<i>Unsecured and unguaranteed</i>				
- Lease liabilities	907	907	907	907
<u>Non-Current</u>				
<i>Unsecured and unguaranteed</i>				
- Lease liabilities	347	347	347	347
Total indebtedness	1,254	1,254	1,254	1,254
Total indebtedness (excluding lease liabilities)	-	-	-	-
Capitalisation				
Shareholders' equity	33,222	67,621	64,681	64,681
Total capitalisation and indebtedness (excluding lease liabilities)	33,222	67,621	64,681	64,681
Gearing ratio^(a)	-	-	-	-

Note:

(a) Calculated based on total indebtedness divided by total capitalisation (excluding lease liabilities).

12. FINANCIAL INFORMATION (Cont'd)

12.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following management's discussion and analysis of our Group's financial conditions and results of operations for the Financial Years Under Review should be read in conjunction with the combined financial statements of our Group and the accompanying notes in the Accountants' Report as set out Section 14 of this Prospectus.

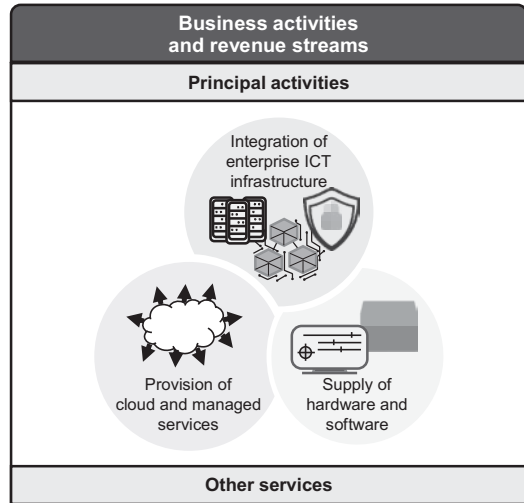
There are no accounting policies which are peculiar to our Group because of the nature of the business or industry which we are involved in.

12.3.1 Overview of our operations

Our business is in providing enterprise ICT solutions, and we are primarily involved in the integration of enterprise ICT infrastructure, which encompasses data centres, networks and security.

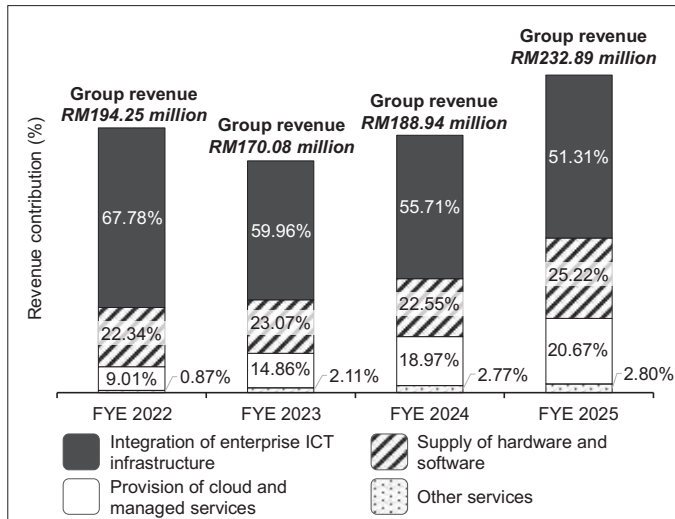
We are also involved in the supply of hardware and software, provision of cloud and managed services, as well as other services including technical services and digital transformation services.

We principally operate in Malaysia, where our head office is in Penang and we have an operational office in Kuala Lumpur. For the Financial Years Under Review, sales to our customers are primarily denominated in RM.



Please refer to Section 7.2 of this Prospectus for further information about our business activities.

For the Financial Years Under Review, our revenue was mainly derived from the integration of enterprise ICT infrastructure segment which accounted for 67.78%, 59.96%, 55.71% and 51.31% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025 respectively. This is followed by the supply of hardware and software which contributed 22.34%, 23.07%, 22.55% and 25.22% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025 respectively. Revenue generated from the integration of enterprise ICT infrastructure, and supply of hardware and software segments are recognised when goods are delivered and accepted by the customers.



Revenue from the provision of cloud and managed services accounted for 9.01%, 14.86%, 18.97%, and 20.67% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025 respectively, and the remaining 0.87%, 2.11%, 2.77%, and 2.80% of our total revenue for the FYE 2022, FYE 2023, FYE 2024, and FYE 2025 respectively were derived from other services comprising technical services and digital transformation services. Revenue from such services is recognised over time upon services rendered and accepted by customers.

12. FINANCIAL INFORMATION (Cont'd)**12.3.2 Segmental analysis by revenue****(i) Revenue segmented by business activities and services**

The segmental analysis of our revenue by business activities and services for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025 are set out below:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Integration of enterprise ICT infrastructure	131,656	67.78	101,983	59.96	105,247	55.71	119,492	51.31
Supply of hardware and software	43,395	22.34	39,231	23.07	42,598	22.55	58,730	25.22
Provision of cloud and managed services	17,506	9.01	25,271	14.86	35,844	18.97	48,141	20.67
Other services ^(a)	1,689	0.87	3,597	2.11	5,247	2.77	6,525	2.80
Total revenue	194,246	100.00	170,082	100.00	188,936	100.00	232,888	100.00

Note:

(a) Other services include provision of technical and digital transformation services.

(ii) Revenue segmented by geographical markets

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	192,363	99.03	156,233	91.86	183,231	96.98	223,910	96.14
Foreign countries ^(a)	1,883	0.97	13,849	8.14	5,705	3.02	8,978	3.86
Total revenue	194,246	100.00	170,082	100.00	188,936	100.00	232,888	100.00

Note:

(a) The revenue from foreign countries mainly comprised billings to our customers' related entities in foreign countries. This is mainly for the integration of enterprise ICT infrastructure projects, and supply of hardware and software in Malaysia, as well as the provision of cloud and managed services for our customers in foreign countries. The revenue from foreign countries includes project-based and recurring revenue. Our Group do not have physical presence in foreign countries and do not undertake projects or supply to foreign countries.

(a) FYE 2023 compared to FYE 2022

Our total revenue decreased by RM24.16 million or 12.44% to RM170.08 million in FYE 2023 (FYE 2022: RM194.25 million). This was due mainly to the decrease in revenue from the integration of enterprise ICT infrastructure as well as the supply of hardware and software segments.

12. FINANCIAL INFORMATION (Cont'd)**Integration of enterprise ICT infrastructure**

The revenue from the integration of enterprise ICT infrastructure segment declined by RM29.67 million or 22.54% to RM101.98 million in FYE 2023 (FYE 2022: RM131.66 million), attributed mainly to the decrease in revenue from the systems integration for enterprise network infrastructure by RM44.18 million or 54.06% in FYE 2023. This was due to the decrease in revenue from a major customer, who was a manufacturer in the E&E industry, following the completion of the integration of network infrastructure at their new production facilities in Penang in FYE 2022.

The decrease in revenue from the integration of enterprise ICT infrastructure segment was partially offset by an increase in the collective revenue from both the systems integration for security and data centre infrastructure by RM14.51 million or 29.06% in FYE 2023. This was contributed mainly by the project secured from a new customer, a financial institution for the systems integration of security and data centre infrastructure at its operational facility in Kuala Lumpur.

Supply of hardware and software

Our revenue from the supply of hardware and software segment decreased by RM4.16 million or 9.60% to RM39.23 million in FYE 2023 (FYE 2022: RM43.40 million). This was mainly due to lower orders for the supply of hardware from our customers including manufacturers, service providers and healthcare providers in FYE 2023.

Provision of cloud and managed services

Revenue from the provision of cloud and managed services increased by RM7.77 million or 44.36% to RM25.27 million in FYE 2023 (FYE 2022: RM17.51 million). This was attributed mainly to the increase in revenue from PaaS and SaaS by RM6.69 million or 42.02%, arising from higher demand from our customers. The increase in demand were mainly from our customers in various sectors including manufacturing, BPO and financial services sectors.

Other services

Revenue from other services increased by RM1.91 million or 112.97% to RM3.60 million in FYE 2023 (FYE 2022: RM1.69 million). This was contributed primarily to the increase in revenue from the provision of technical services arising from the higher demand for our services.

(b) FYE 2024 compared to FYE 2023

Our total revenue increased by RM18.85 million or 11.09% to RM188.94 million in FYE 2024 (FYE 2023: RM170.08 million). This was contributed by the increase in revenue from all segments.

Integration of enterprise ICT infrastructure

The revenue from the integration of enterprise ICT infrastructure segment increased by RM3.26 million or 3.20% to RM105.25 million in FYE 2024 (FYE 2023: RM101.98 million), attributed to the increase in revenue from the systems integration for data centre infrastructure by RM17.82 million in FYE 2024. This was attributed mainly to the projects secured for the integration of data centre infrastructure for the following customers:

- (i) projects secured from various manufacturers in the E&E industry for the integration of data centre infrastructure at their production facilities in Penang; and

12. FINANCIAL INFORMATION (Cont'd)

- (ii) project secured from a new customer, a financial institution for the integration of data centre infrastructure at its operational facility in Kuala Lumpur.

The increase in revenue from the integration of enterprise ICT infrastructure segment was partially moderated by the following:

- (i) decrease in revenue from the systems integration for network infrastructure by RM7.67 million in FYE 2024. This was due mainly to the decrease in orders for network infrastructure from a major customer who was a manufacturer in the E&E industry; and
- (ii) decrease in revenue from the systems integration for security infrastructure by RM6.89 million in FYE 2024. This was attributed mainly to the decrease in revenue from a financial institution following the completion of the integration of security infrastructure in the previous FYE 2023.

Supply of hardware and software

Our revenue from the supply of hardware and software segment increased by RM3.37 million or 8.58% to RM42.60 million in FYE 2024 (FYE 2023: RM39.23 million). This was mainly due to increase in orders for the supply of hardware in FYE 2024 from our customers who were primarily manufacturers.

Provision of cloud and managed services

Revenue from the provision of cloud and managed services increased by RM10.57 million or 41.84% to RM35.84 million in FYE 2024 (FYE 2023: RM25.27 million). This was attributed to the increase in revenue from the provision of PaaS and SaaS by RM8.80 million or 38.91%, driven by higher demand from our customers. The increase in demand were mainly from our customers who were from the manufacturing, financial services, professional service providers, healthcare and logistics sectors as well as government linked companies.

The increase was also partly attributed to the increase in revenue from managed services by RM1.78 million or 66.78% in FYE 2024, arising from an increase in revenue contribution from existing customers as well as new customers.

Other services

Revenue from other services increased by RM1.65 million or 45.87% to RM5.25 million in FYE 2024 (FYE 2023: RM3.60 million). This was due mainly to the increase in revenue from the provision of technical services on the back of increased demand from customers.

(c) FYE 2025 compared to FYE 2024

Our total revenue increased by RM43.95 million or 23.26% to RM232.89 million in FYE 2025 (FYE 2024: RM188.94 million). This was contributed by the increase in revenue from all segments.

Integration of enterprise ICT infrastructure

The revenue from the integration of enterprise ICT infrastructure segment increased by RM14.25 million or 13.53% to RM119.49 million in FYE 2025 (FYE 2024: RM105.25 million). This was attributed to the increase in revenue from the systems integration for network infrastructure by RM10.84 million in FYE 2025, as well as increase in revenue from the systems integration for data centre infrastructure by RM4.40 million in FYE 2025. This was attributed mainly to the integration of network and data centre infrastructure project for a manufacturer in the E&E industry who is our major customer for their production facilities in Penang and this said project was completed in FYE 2025.

12. FINANCIAL INFORMATION (Cont'd)**Supply of hardware and software**

Our revenue from the supply of hardware and software segment increased by RM16.13 million or 37.87% to RM58.73 million in FYE 2025 (FYE 2024: RM42.60 million). This was mainly due to increase in orders for the supply of hardware in FYE 2025 from our customers.

Provision of cloud and managed services

Revenue from the provision of cloud and managed services increased by RM12.30 million or 34.31% to RM48.14 million in FYE 2025 (FYE 2024: RM35.84 million). This was attributed to the increase in revenue from the provision of PaaS and SaaS by RM9.83 million or 31.30%, driven by higher demand from our customers. The increase in demand were mainly from our customers who were from the manufacturing, BPO and logistics sectors, as well as professional service providers. The increase was also partly attributed to the increase in revenue from managed services by RM2.47 million or 55.63% in FYE 2025.

Other services

Revenue from other services increased by RM1.28 million or 24.36% to RM6.53 million in FYE 2025 (FYE 2024: RM5.25 million). This was due mainly to the increase in revenue from the provision of technical services on the back of increased demand from customers.

12.3.3 Segmental analysis by the cost of sales

The segmental analysis of our cost of sales by components for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025 are set out below:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Hardware and software costs	162,804	95.28	133,757	92.29	145,399	92.28	182,867	92.32
- Hardware	111,360	65.17	78,320	54.04	81,576	51.77	105,103	53.06
- Software	51,444	30.11	55,437	38.25	63,823	40.51	77,764	39.26
Subcontractors' services	1,904	1.11	4,581	3.16	3,744	2.38	5,926	2.99
Staff costs	6,163	3.61	6,591	4.55	8,422	5.34	9,296	4.69
Total	170,871	100.00	144,929	100.00	157,565	100.00	198,089	100.00

12. FINANCIAL INFORMATION (Cont'd)

The segmental analysis of our cost of sales by business segments for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025 are set out below:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Integration of enterprise ICT infrastructure	117,345	68.67	89,218	61.56	89,960	57.10	107,329	54.18
Supply of hardware and software	39,485	23.11	35,183	24.28	38,622	24.51	54,732	27.63
Provision of cloud and managed services	13,972	8.18	20,305	14.01	28,584	18.14	35,619	17.98
Other services ^(a)	69	0.04	223	0.15	399	0.25	409	0.21
Total	170,871	100.00	144,929	100.00	157,565	100.00	198,089	100.00

Note:

(a) Other services include provision of technical and digital transformation services.

Our cost of sales by composition comprises the following:

(i) Hardware and software costs

The cost of hardware and software mainly comprised the following:

- (a) hardware including servers/processors, data storage systems, networking equipment including switches, supporting equipment such as UPS systems and other devices and peripherals; and
- (b) software including operating systems, management tools, security tools and software, virtualisation software, as well as business and production applications.

Our hardware and software costs declined by RM29.05 million or 17.84% to RM133.76 million in FYE 2023 (FYE 2022: RM162.80 million). The decrease was mainly due to the lower hardware and software costs for the systems integration for enterprise network infrastructure, as reflected in the decrease in revenue from this category by 54.06% in FYE 2023. The decrease was partly offset by the higher hardware and software cost for the systems integration for security and data centre infrastructure on the back of higher revenue in FYE 2023.

Our hardware and software costs increased by RM11.64 million or 8.70% to RM145.40 million in FYE 2024 (FYE 2023: RM133.76 million). This was mainly due to higher cost of hardware and software for the provision of cloud and managed services, as well as the supply of hardware and software segments, on the back of increase in revenue of 41.84% and 8.58% in FYE 2024 respectively.

12. FINANCIAL INFORMATION (Cont'd)

Our hardware and software costs increased by RM37.47 million or 25.77% to RM182.87 million in FYE 2025 (FYE 2024: RM145.40 million). This was mainly attributed to the higher hardware and software costs for the systems integration for network and data centre infrastructure, as reflected in the increase in revenue from these categories by 16.42% in FYE 2025. In addition, the increase was also partly attributed to the higher hardware and software costs for the supply of hardware and software, as well as provision of cloud and managed services, on the back of increase in revenue of 37.87% and 34.31% in FYE 2025 respectively.

(ii) Subcontracted services

Subcontracted services generally refer to third-party subcontractors that we engage to carry out site preparation works (where applicable), cabling, and other supporting services mainly for the integration of enterprise ICT infrastructure projects. The cost of subcontracted services fluctuates based on the requirements of each project.

Our cost of subcontracted services increased by RM2.68 million or 140.60% to RM4.58 million in FYE 2023 (FYE 2022: RM1.90 million). This was attributed mainly to the subcontracted services engaged to carry out mainly equipment installation, power and telecommunications cabling, and other supporting services for the systems integration of the data centre infrastructure projects.

The cost of subcontracted services decreased by RM0.84 million or 18.27% to RM3.74 million in FYE 2024 (FYE 2023: RM4.58 million), due to the decrease in subcontracted services required mainly equipment installation, power and telecommunications cabling, and other supporting services for our systems integration projects.

Our cost of subcontracted services increased by RM2.18 million or 58.28% to RM5.93 million in FYE 2025 (FYE 2024: RM3.74 million). This was attributed mainly to the subcontracted services engaged to carry out mainly equipment installation, power and telecommunications cabling, and other supporting services for the systems integration of the data centre infrastructure projects.

(iii) Staff costs

Staff costs comprised salaries, bonuses, statutory contributions and other related costs for our ICT systems engineers and architects who are involved in engineering and system design works as well as our technical services and support personnel.

Our staff costs increased by RM0.43 million or 6.94% to RM6.59 million in FYE 2023 (FYE 2022: RM6.16 million). This was attributed to increase in the number of ICT systems engineers and architects, as well as technical service and support personnel, from 45 personnel as at FYE 2022 to 54 personnel as at FYE 2023, coupled with an increase in salaries, mainly for the integration of enterprise ICT infrastructure as well as provision of cloud and managed services segments.

Our staff costs further increased by RM1.83 million or 27.78% to RM8.42 million in FYE 2024 (FYE 2023: RM6.59 million). This was attributed to the increase in the number of ICT systems engineers and architects, as well as technical service and support personnel, from 54 personnel as at FYE 2023 to 59 personnel as at FYE 2024, coupled with an increase in salaries as well as bonuses, mainly for the integration of enterprise ICT infrastructure as well as provision of cloud and managed services segments.

Our staff costs increased by RM0.87 million or 10.38% to RM9.30 million in FYE 2025 (FYE 2024: RM8.42 million). This was attributed to the increase in the number of ICT systems engineers and architects, as well as technical service and support personnel, from 59 personnel as at FYE 2024 to 66 personnel as at FYE 2025, coupled with an increase in salaries, mainly for the integration of enterprise ICT infrastructure as well as provision of cloud and managed services segments.

12. FINANCIAL INFORMATION (Cont'd)

12.3.4 Segmental analysis by GP and GP margin

The segmental analysis of our GP and GP margins by business activities and services for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025 are set out below:

	FYE 2022			FYE 2023			FYE 2024			FYE 2025		
	GP RM'000	% of GP	GP Margin %	GP RM'000	% of GP	GP Margin %	GP RM'000	% of GP	GP Margin %	GP RM'000	% of GP	GP Margin %
Integration of enterprise ICT infrastructure	14,311	61.22	10.87	12,765	50.75	12.52	15,287	48.73	14.52	12,163	34.95	10.18
Supply of hardware and software	3,910	16.73	9.01	4,048	16.10	10.32	3,976	12.68	9.33	3,998	11.49	6.81
Provision of cloud and managed services	3,534	15.12	20.19	4,966	19.74	19.65	7,260	23.14	20.25	12,522	35.98	26.01
Other services ^(a)	1,620	6.93	95.91	3,374	13.41	93.80	4,848	15.45	92.40	6,116	17.58	93.73
Group GP / GP margin	23,375	100.00	12.03	25,153	100.00	14.79	31,371	100.00	16.60	34,799	100.00	14.94

Note:

- (a) Other services include provision of technical and digital transformation services. The GP margin for other services have been on a declining trend between FYE 2022 and FYE 2024, mainly due to higher labour costs for the provision of technical services.

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12. FINANCIAL INFORMATION (Cont'd)**(a) FYE 2023 compared to FYE 2022**

Our GP increased by RM1.78 million or 7.61% to RM25.15 million in FYE 2023 (FYE 2022: RM23.38 million), and GP margin improved from 12.03% in FYE 2022 to 14.79% in FYE 2023.

Integration of enterprise ICT infrastructure

GP from the integration of enterprise ICT infrastructure segment decreased by RM1.55 million or 10.80% to RM12.77 million in FYE 2023 (FYE 2022: RM14.31 million). The decrease was due mainly to the decrease in GP from the systems integration for enterprise network infrastructure by RM2.61 million or 40.37% in FYE 2023. This was reflected in the decrease in revenue of 54.06% from network infrastructure following the completion of an integration of network infrastructure project in Penang for a major customer.

The decrease in GP was partially offset by an increase in GP from the integration for security infrastructure by RM1.22 million in FYE 2023, mainly attributed to the systems integration of security and data centre infrastructure project for a financial institution at its operational facility in Kuala Lumpur.

GP margin from the integration of enterprise ICT infrastructure segment improved from 10.87% in FYE 2022 to 12.52% in FYE 2023. This was attributed to the increase in GP margin from the systems integration of enterprise network infrastructure from 7.92% in FYE 2022 to 10.28% in FYE 2023. The increase in GP margin was following the completion of the integration of network infrastructure project for a manufacturer in the E&E industry which was associated with a lower margin in FYE 2022.

Supply of hardware and software

GP from the supply of hardware and software segment increased by RM0.14 million or 3.53% to RM4.05 million in FYE 2023 (FYE 2022: RM3.91 million), and GP margin improved from 9.01% in FYE 2022 to 10.32% in FYE 2023. The higher margin was attributed to the decrease in the cost of sales for the supply of hardware which decreased by 13.62%, on the back of lower average cost of hardware. This was reflected in the proportion of cost of hardware against the revenue for the supply of hardware which decreased by 2.26% in FYE 2023.

Provision of cloud and managed services

Our GP from the provision of cloud and managed services increased by RM1.43 million or 40.52% to RM4.97 million in FYE 2023 (FYE 2022: RM3.53 million). This was contributed by the increase in GP from managed services of RM0.86 million on the back of increase in revenue by RM1.07 million mainly arising from managed cloud services. In addition, the GP in FYE 2023 was partly contributed by the increase in GP of RM0.57 million or 20.25% from the provision of PaaS and SaaS, which was also reflected in the increase in revenue by 42.02% in FYE 2023.

Our GP margin from the provision of cloud and managed services decreased from 20.19% in FYE 2022 to 19.65% in FYE 2023. This was attributed to the decrease in GP margin from the provision of PaaS and SaaS on the back of higher cost of sales arising from increase in the software costs.

12. FINANCIAL INFORMATION (Cont'd)**Other services**

GP from other services increased by RM1.75 million or 108.27% to RM3.37 million in FYE 2023 (FYE 2022: RM1.62 million). This was contributed mainly by the increase in GP from the provision of technical services of RM1.70 million or 105.00% in FYE 2023, on the back of higher demand which was reflected in the revenue growth of 109.00% in FYE 2023.

GP margin from other services decreased from 95.91% in FYE 2022 to 93.80% in FYE 2023. This was mainly attributed to the higher cost of sales for the provision of technical services which increased by 202.90%, on the back of higher labour costs. This was reflected in the increase in proportion of cost of sales against the revenue for the provision of technical services by 1.83% in FYE 2023.

(b) FYE 2024 compared to FYE 2023

Our GP increased by RM6.22 million or 24.72% to RM31.37 million in FYE 2024 (FYE 2023: RM25.15 million), and GP margin improved from 14.79% in FYE 2023 to 16.60% in FYE 2024.

Integration of enterprise ICT infrastructure

Our GP from the integration of enterprise ICT infrastructure increased by RM2.52 million or 19.76% to RM15.29 million in FYE 2024 (FYE 2023: RM12.77 million). This was attributed to the increase in GP from the systems integration of data centre infrastructure by RM2.29 million or 34.22% in FYE 2024, as reflected in the revenue growth of 39.54% in FYE 2024. This was contributed mainly by the projects secured for the integration of data centre infrastructure at production facilities of customers in the manufacturing and banking and finance sectors.

GP margin from the integration of enterprise ICT infrastructure segment increased from 12.52% in FYE 2023 to 14.52% in FYE 2024. This was contributed by the improvement in GP margin from the systems integration of network and security infrastructure. Despite the decrease in revenue and GP from these segments in FYE 2024, the GP margin improved due mainly to the lower average cost of hardware and software for the implementation of the network and security infrastructure. This was reflected in the lower proportion of cost of sales over the revenue for the network and security infrastructure which decreased by 4.23% in FYE 2024.

Supply of hardware and software

GP from the supply of hardware and software segment declined by RM0.07 million or 1.78% to RM3.98 million in FYE 2024 (FYE 2023: RM4.05 million). This was mainly attributed to the higher cost of sales for the supply of hardware which increased by 9.65% in FYE 2024. This was due to the higher average cost of hardware as reflected in the increase of 0.98% in the proportion of cost of hardware over the revenue for the supply of hardware in FYE 2024. This has consequently resulted in the decline in GP margin for the supply of hardware and software segment from 10.32% in FYE 2023 to 9.33% in FYE 2024.

Provision of cloud and managed services

The GP from the provision of cloud and managed services increased by RM2.29 million or 46.19% to RM7.26 million in FYE 2024 (FYE 2023: RM4.97 million). This was contributed by the increase in GP from the provision of PaaS and SaaS as well as managed services by RM1.19 million and RM1.11 million in FYE 2024 respectively, which was reflected in the revenue growth of 38.91% and 66.78% in FYE 2024 respectively.

12. FINANCIAL INFORMATION (Cont'd)

The GP margin from the provision of cloud and managed services improved from 19.65% in FYE 2023 to 20.25% in FYE 2024, due mainly to the increased GP contribution from the higher margin segment namely provision of managed services with a GP margin of 60.95% in FYE 2024.

Other services

GP from other services increased by RM1.47 million or 43.69% to RM4.85 million in FYE 2024 (FYE 2023: RM3.37 million). This was contributed mainly by the increase in GP from the provision of technical services of RM1.46 million or 44.08% in FYE 2024, on the back of higher demand as reflected in the revenue growth of 46.26% in FYE 2024.

GP margin from other services declined from 93.80% in FYE 2023 to 92.40% in FYE 2024. This was mainly attributed to the higher cost of sales for the provision of technical services which increased by 80.86%, on the back of higher labour costs. This was reflected in the increase in proportion of cost of sales against the revenue for the provision of technical services by 1.40% in FYE 2024.

(c) FYE 2025 compared to FYE 2024

Our GP increased by RM3.43 million or 10.93% to RM34.80 million in FYE 2025 (FYE 2024: RM31.37 million), while GP margin declined from 16.60% in FYE 2024 to 14.94% in FYE 2025.

Integration of enterprise ICT infrastructure

Our GP from the integration of enterprise ICT infrastructure decreased by RM3.12 million or 20.44% to RM12.16 million in FYE 2025 (FYE 2024: RM15.29 million) and GP margin from the integration of enterprise ICT infrastructure segment decreased from 14.52% in FYE 2024 to 10.18% in FYE 2025.

Despite an increase in revenue from the integration of enterprise ICT infrastructure of 13.53% in FYE 2025, the decline in GP and GP margin was partly due to the increased cost of hardware and software, which were not fully passed on to the customers. This was primarily due to the management's commercial decision to prioritise relationships with customers in view of the increased cost from suppliers. The increased cost was reflected in the higher proportion of cost of sales over revenue for the systems integration of enterprise ICT infrastructure which increased by 4.34% in FYE 2025. Following this, we have informed the customers on the increased costs and the subsequent orders are quoted based on the increased costs. In addition, the decline in GP margin was also partly due to the completion of higher margin projects in FYE 2024.

Supply of hardware and software

GP from the supply of hardware and software segment increased marginally by RM0.02 million or 0.55% to RM4.00 million in FYE 2025 (FYE 2024: RM3.98 million), while GP margin declined from 9.33% in FYE 2024 to 6.81% in FYE 2025. Despite an increase in revenue from the supply of hardware and software of 37.87% in FYE 2025, the GP only increased marginally by 0.55% while GP margin declined. This was attributed to the increased sales to customers with lower margins which was primarily due to the management's commercial decision to prioritise relationships with customers to create future opportunities for cross-selling and upselling.

12. FINANCIAL INFORMATION (Cont'd)**Provision of cloud and managed services**

The GP from the provision of cloud and managed services increased by RM5.26 million or 72.48% to RM12.52 million in FYE 2025 (FYE 2024: RM7.26 million). This was contributed by the increase in GP from the provision of PaaS and SaaS as well as managed services by RM2.94 million and RM2.32 million in FYE 2025 respectively, which was reflected in the revenue growth of 31.30% and 55.63% in FYE 2025 respectively.

The GP margin from the provision of cloud and managed services improved from 20.25% in FYE 2024 to 26.01% in FYE 2025. This was due mainly to the lower average cost of sales including software and staff costs which was reflected in the lower proportion of cost of sales over revenue for the provision of cloud and managed services by 5.76% in FYE 2025.

Other services

GP from other services increased by RM1.27 million or 26.16% to RM6.12 million in FYE 2025 (FYE 2024: RM4.85 million). This was contributed mainly by the increase in GP from the provision of technical services by RM1.24 million or 25.85% in FYE 2025, on the back of higher demand as reflected in the revenue growth of 24.36% in FYE 2025.

GP margin from other services improved from 92.40% in FYE 2024 to 93.73% in FYE 2025. This was mainly attributed to the lower average cost of sales as reflected in the decrease in proportion of cost of sales against revenue of other services by 1.33% in FYE 2025.

12.3.5 Finance and other income

The table below provides a breakdown of our finance and other income:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest income	48	33.33	207	40.91	375	86.21	391	86.51
Gain on disposal of PPE	94	65.28	-	-	-	-	11	2.43
Others	^(a) 2	1.39	^(b) 299	59.09	^(c) 60	13.79	^(d) 50	11.06
Total	144	100.00	506	100.00	435	100.00	452	100.00

Notes:

- (a) Comprised wage subsidy received.
- (b) Comprised mainly fair value on equity investment, net realised gain on foreign exchange as well as gain on disposal of other investment.
- (c) Comprised mainly fair value on equity investment.
- (d) Comprised mainly selling profit from finance lease.

12. FINANCIAL INFORMATION (Cont'd)**(a) FYE 2023 compared to FYE 2022**

Our finance and other income increased by RM0.36 million or 251.39% to RM0.51 million in FYE 2023 (FYE 2022: RM0.14 million). This was due primarily to the increase in interest income by RM0.16 million in FYE 2023 mainly from the money market fund. In addition, the other income in FYE 2023 was also attributed to the fair value on equity investment of RM0.15 million as well as realised gains on foreign exchange of RM0.14 million.

(b) FYE 2024 compared to FYE 2023

Our finance and other income decreased by RM0.07 million or 14.03% to RM0.44 million in FYE 2024 (FYE 2023: RM0.51 million). This was due mainly to the decrease in fair value on equity investment by RM0.10 million coupled with the absence of realised gains on foreign exchange in FYE 2024.

The decrease was partially offset by the increase in interest income by RM0.17 million in FYE 2024 mainly from the money market fund.

(c) FYE 2025 compared to FYE 2024

Our finance and other income increased by RM0.02 million or 3.91% to RM0.45 million in FYE 2025 (FYE 2024: RM0.44 million). This was due mainly to the increase in interest income by RM0.02 million in FYE 2025 mainly from the money market fund.

12.3.6 Selling and distribution expenses

The table below provides a breakdown of our selling and distribution expenses:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff costs	5,082	87.20	6,215	84.93	7,988	91.40	9,333	89.55
Travelling expenses	357	6.13	562	7.68	512	5.86	791	7.59
Others ^(a)	389	6.67	541	7.39	240	2.74	298	2.86
Total	5,828	100.00	7,318	100.00	8,740	100.00	10,422	100.00

Note:

- (a) Comprised marketing expenses, warehousing related costs as well as depreciation of motor vehicles.

(a) FYE 2023 compared to FYE 2022

Our selling and distribution expenses increased by RM1.49 million or 25.57% to RM7.32 million in FYE 2023 (FYE 2022: RM5.83 million). This was attributed mainly to the increase in staff costs by RM1.13 million due to an increase in the number of sales and marketing personnel from 22 employees as at FYE 2022 to 29 employees as at FYE 2023, coupled with an increase in salaries in FYE 2023.

(b) FYE 2024 compared to FYE 2023

Our selling and distribution expenses further increased by RM1.42 million or 19.43% to RM8.74 million in FYE 2024 (FYE 2023: RM7.32 million). This was contributed by the increase in staff costs by RM1.77 million arising from an increase in the number of sales and marketing personnel from 29 employees as at FYE 2023 to 34 employees as at FYE 2024, coupled with an increase in the salaries and higher commission paid in FYE 2024.

12. FINANCIAL INFORMATION (Cont'd)**(c) FYE 2025 compared to FYE 2024**

Our selling and distribution expenses further increased by RM1.68 million or 19.24% to RM10.42 million in FYE 2025 (FYE 2024: RM8.74 million). This was attributed to the increase in staff costs by RM1.35 million arising from an increase in the number of sales and marketing personnel from 34 employees as at FYE 2024 to 39 employees as at FYE 2025, coupled with an increase in salaries.

12.3.7 Administrative and other expenses

The table below provides a breakdown of our administrative and other operating expenses:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff costs	1,135	13.38	1,330	17.49	2,300	23.97	2,385	23.11
Directors' remunerations	2,268	26.74	2,291	30.12	2,320	24.18	2,199	21.30
Staff welfare	3,083	36.34	1,600	21.04	2,070	21.57	2,298	22.26
Depreciation	886	10.44	1,318	17.33	1,321	13.77	1,322	12.81
- Property, plant and equipment	572	6.74	747	9.82	732	7.63	703	6.81
- Right-of-use assets	314	3.70	571	7.51	589	6.14	619	6.00
Others	^(a) 1,111	13.10	^(b) 1,066	14.02	^(c) 1,585	16.51	^(d) 2,118	20.52
Total	8,483	100.00	7,605	100.00	9,596	100.00	10,322	100.00

Notes:

- (a) Comprised mainly office related expenses, loss on equity investment, corporate social responsibility expenses and subscription fees.
- (b) Comprised mainly office related expenses, corporate social responsibility expenses, and subscription fees.
- (c) Comprised mainly impairment loss on trade receivables, office related expenses, subscription fees and corporate social responsibility expenses.
- (d) Comprised mainly subscription fees, professional fees, office related expenses, corporate social responsibility expenses, as well as realised and unrealised loss on foreign exchange.

(a) FYE 2023 compared to FYE 2022

Our administrative and other expenses decreased by RM0.88 million or 10.35% to RM7.61 million in FYE 2023 (FYE 2022: RM8.48 million). This was attributed to the decrease in staff welfare of RM1.48 million in FYE 2023 due mainly to the absence of company trip in FYE 2023.

The decrease in administrative and other expenses was partially offset by the increase in depreciation by RM0.43 million mainly arising from the rental of additional office space in Penang, renovation, as well as higher additions of computer and software.

12. FINANCIAL INFORMATION (Cont'd)**(b) FYE 2024 compared to FYE 2023**

Our administrative and other expenses increased by RM1.99 million or 26.18% to RM9.60 million in FYE 2024 (FYE 2023: RM7.61 million). This was contributed mainly to the increase in staff costs by RM0.97 million due to higher bonus payments as well as an increase in staff welfare by RM0.47 million arising from expenses for annual dinner, training, transportation as well as medical related expenses.

In FYE 2024, there was an impairment loss on trade receivables of RM0.40 million pertaining to the past due outstanding amount from a customer in the services industry. As at the LPD, we have taken legal proceedings against this customer for the recovery of the outstanding receivables. Please refer to Section 9.1.6 of this Prospectus for further details on the litigation.

(c) FYE 2025 compared to FYE 2024

Our administrative and other expenses increased by RM0.73 million or 7.57% to RM10.32 million in FYE 2025 (FYE 2024: RM9.60 million). This was attributed mainly to the increase in others by RM0.53 million due to increase in professional fees and subscription fees, as well as an increase in staff welfare by RM0.23 million.

12.3.8 Finance costs

The table below provides a breakdown of our finance costs:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest expense on:								
Lease liabilities	10	30.30	30	58.82	24	80.00	38	92.68
Hire purchase payables	23	69.70	21	41.18	6	20.00	3	7.32
Total	33	100.00	51	100.00	30	100.00	41	100.00

(a) FYE 2023 compared to FYE 2022

For the FYE 2023, our finance costs increased by 54.55% or RM0.02 million to RM0.05 million (FYE 2022: RM0.03 million). This was mainly attributed to interest expense on lease liabilities in relation to rental of additional office space in Penang.

(b) FYE 2024 compared to FYE 2023

For the FYE 2024, our finance costs decreased by 41.18% or RM0.02 million to RM0.03 million (FYE 2023: RM0.05 million), mainly attributed to decrease in interest expenses following the settlement of hire purchase for the purchase of 2 motor vehicles.

(c) FYE 2025 compared to FYE 2024

For the FYE 2025, our finance costs increased by 36.67% or RM0.01 million to RM0.04 million (FYE 2024: RM0.03 million), mainly attributed to increase in interest expense on lease liabilities following the renewal of tenancy for our office in Penang and Kuala Lumpur.

12. FINANCIAL INFORMATION (Cont'd)**12.3.9 PBT, PAT and taxation**

The PBT, PAT and taxation for the Financial Years Under Review are set out below:

	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FYE 2025</u>
PBT (RM'000)	9,175	10,685	13,440	14,466
PBT margin	4.72%	6.28%	7.11%	6.21%
Total taxation (RM'000)	2,356	2,862	3,477	3,876
Effective tax rates	25.68%	26.79%	25.87%	26.79%
PAT (RM'000)	6,819	7,823	9,963	10,590
PAT margin	3.51%	4.60%	5.27%	4.55%

FYE 2023 compared to FYE 2022

Our PBT increased by RM1.51 million or 16.46% to RM10.69 million in FYE 2023 (FYE 2022: RM9.18 million), and PBT margin improved from 4.72% in FYE 2022 to 6.28% in FYE 2023. This was attributed mainly to the increase in GP and GP margin in FYE 2023. Please refer to Section 12.3.4 of this Prospectus for further details on our GP and GP margin.

Similarly, our PAT increased by RM1.00 million or 14.72% to RM7.82 million in FYE 2023 (FYE 2022: RM6.82 million) and PAT margin improved from 3.51% in FYE 2022 to 4.60% in FYE 2023.

Our effective tax rates were 25.68% and 26.79% in FYE 2022 and FYE 2023 respectively, which were higher than the statutory tax rate of 24.00%. This was mainly due to the non-deductible expenses mainly comprising expenses for entertainment for FYE 2022 and FYE 2023, as well as company trip and fair value loss on equity investments for FYE 2022.

FYE 2024 compared to FYE 2023

Our PBT increased by RM2.76 million or 25.78% to RM13.44 million in FYE 2024 (FYE 2023: RM10.69 million), and PBT margin improved from 6.28% in FYE 2023 to 7.11% in FYE 2024. This was attributed mainly to the increase in GP and GP margin in FYE 2024. Please refer to Sections 12.3.4 of this Prospectus for further details on our GP and GP margin.

Similarly, our PAT increased by RM2.14 million or 27.36% to RM9.96 million in FYE 2024 (FYE 2023: RM7.82 million) and PAT margin improved from 4.60% in FYE 2023 to 5.27% in FYE 2024.

Our effective tax rate was 25.87% in FYE 2024, which was higher than the statutory tax rate of 24.00%. This was mainly due to the non-deductible expenses mainly comprising expenses for entertainment, impairment loss on trade receivables, as well as upkeep of motor vehicles.

FYE 2025 compared to FYE 2024

Our PBT increased by RM1.03 million or 7.63% to RM14.47 million in FYE 2025 (FYE 2024: RM13.44 million). This was attributed mainly to the increase in GP in FYE 2025. Similarly, our PAT increased by RM0.63 million or 6.29% to RM10.59 million in FYE 2025 (FYE 2024: RM9.96 million).

Meanwhile, our PBT margin declined from 7.11% in FYE 2024 to 6.21% in FYE 2025, and PAT margin declined from 5.27% in FYE 2024 to 4.55% in FYE 2025. This was due mainly to the decline in GP margin from 16.60% in FYE 2024 to 14.94% in FYE 2025. Please refer to Section 12.3.4 of this Prospectus for further details on our GP and GP margin.

Our effective tax rate was 26.79% in FYE 2025, which was higher than the statutory tax rate of 24.00%. This was mainly due to the non-deductible expenses mainly comprising expenses for entertainment, unrealised loss on foreign exchange as well as professional fees.

12. FINANCIAL INFORMATION (Cont'd)

12.4 SIGNIFICANT FACTORS AFFECTING OUR OPERATIONS AND FINANCIAL PERFORMANCE

(a) Our business and financial performance are dependent on our ability to continually secure new projects

Our business is mainly project-based, and during the Financial Years Under Review, most of our revenue was derived from fixed lump-sum contracts or purchase orders that are non-recurring in nature. In general, these projects are deemed completed upon the completion of our scope of work and customer acceptance or handover. For the FYE 2022, FYE 2023, FYE 2024, and FYE 2025, our non-recurrent revenue accounted for 90.99% (RM176.74 million), 85.14% (RM144.81 million), 81.03% (RM153.09 million), and 79.33% (RM184.75 million), respectively.

Consequently, our ability to continually secure new and sizable projects to replenish our order book will determine our business sustainability and financial performance. If we fail to secure sufficient new projects to replenish our order book, our business sustainability and financial performance may be adversely affected, resulting in decreases in revenue and/or profitability.

Although we proactively seek to secure new projects by submitting tender applications, proposals, quotations, and negotiating with existing and prospective customers, there is no guarantee that these efforts will be successful. In addition, there can be no assurance that the new contracts and purchase orders we secure will be sufficiently sizable to sustain our business and financial performance.

(b) Our business and financial performance is dependent on hardware, software, and services from third-party suppliers, as well as strategic partnerships

Our integration of enterprise ICT infrastructure, supply of hardware and software, provision of cloud and managed services, and other related services relies on hardware, software, and services provided by third-party suppliers. These include hardware such as servers, processors, data storage systems, and networking equipment; software such as hyperconverged infrastructure, virtualisation software, cloud computing platforms, and operating systems; ICT infrastructure management tools; and supporting equipment such as uninterruptible power supply systems, cooling systems, and access control systems. Additionally, we utilise third-party cloud services for our provision of PaaS and SaaS.

The successful implementation of our projects and delivery of services (such as cloud services) depend on the continuous availability and reliability of these third-party hardware, software, and services. Our operations are also subject to risks arising from global supply chain disruptions, which may be influenced by various factors, including shortages of semiconductor components such as memory chips and storage devices, semiconductor supply constraints and geopolitical developments. These factors may, in turn, lead to increased hardware costs and longer lead time, which may adversely affect our results of operations and financial performance.

We are also reliant on the security, quality, effectiveness, and efficiency of the products and services provided by these suppliers. Any failure or shortcoming on their part may adversely affect our operations, financial performance, and reputation.

During the Financial Years Under Review and up to the LPD, we did not encounter any material disruptions in supply or significant issues related to the security, quality, or performance of third-party hardware, software, or services. However, there is no assurance that we will not face such challenges in the future, including difficulties in securing necessary supplies or encountering performance-related shortcomings from third-party providers. These challenges may negatively affect our operational and financial performance.

12. FINANCIAL INFORMATION (Cont'd)

Furthermore, we are exposed to the risk of increased hardware and software costs sourced from suppliers who are the authorised distributors or resellers in Malaysia. In the event we are not able to pass on the increased costs to our customers, or if we absorb the increased cost to maintain competitiveness or to prioritise customer retention, this will have a negative impact on our financial performance and profitability.

In addition, we have partnerships with various brands of ICT hardware, software and solution service provider partners, which offer us benefits such as incentives and rebates. These benefits are subject to meeting specific criteria such as sales target, technical certifications, customer satisfaction, and compliance with the partner programme's terms and conditions. In the event we do not meet the specific criteria, we will not be entitled to the benefits, including incentives and rebates, and this will impact our financial performance and profitability. These benefits are also subject to periodic review and may be adjusted, reduced, or discontinued at the discretion of our partners.

Any adverse changes to these arrangements, including the reduction or removal of benefits such as incentives or rebates, or the loss of partner accreditation or partnership status, may negatively impact our financial performance and credibility.

(c) Our business and financial performance may be affected by delays in project implementation and completion, and the fulfilment of orders

Adherence to project implementation timelines and the achievement of completion date targets stipulated within our contracts and purchase orders are important. Delays in project implementation or the fulfilment of orders may result in adverse consequences, including cost overruns, delays in revenue recognition, a reduction in our scope of work, or the suspension or termination of the contract or work order.

Furthermore, certain of our contracts and purchase orders incorporate provisions for LAD as a provision for performance penalties. These provisions entitle customers to lodge a claim against us in the event of our failure to meet the stipulated project completion or delivery date, or any mutually agreed extension thereof, where such delay is attributable to us. Subject to the specific terms of the applicable LAD clause, the penalty may be a fixed sum or a percentage of the contract value per day of delay, with an upper limit on the total LAD liability. Our financial performance could be negatively impacted should customers pursue LAD claims against us.

Moreover, any failure to meet project completion or delivery dates has the potential to damage our relationships with the affected customers, potentially impairing our ability to secure future engagements with them and harming our reputation. These factors may collectively undermine our business sustainability and future financial performance.

During the Financial Years Under Review and up to the LPD, we did not encounter any material delays in the implementation and completion of our projects and purchase orders, nor did we incur any LAD. Nevertheless, there can be no assurance that we will not experience delays in project implementation and completion, or that we will not incur LAD in the future.

(d) Our financial performance may be adversely affected by the early termination, suspension, or reduction in the scope of our projects

Prior to the completion of our scope of work, our customers may terminate, suspend, or reduce the scope of their contractual agreements or purchase orders with us. These actions may be initiated due to various factors, including material non-performance by either party, insolvency, payment defaults, modifications to the customer's strategic plans, our inability to perform or complete the contracted work, mutual agreement between the involved parties, or events beyond the control of either party.

12. FINANCIAL INFORMATION (Cont'd)

The early termination, suspension, or reduction in the scope of work of our contracts or purchase orders could adversely affect our financial performance. This impact could potentially arise from the loss of anticipated revenue and profit, the risk of being unable to recover billed revenue, and the inability to recoup costs incurred.

During the Financial Years Under Review and up to the LPD, we did not encounter any early termination, suspension, or reduction in the scope of our contracts and purchase orders. Nevertheless, there is no assurance that we will not experience any early termination, suspension, or reduction in the scope of work of our contracts in the future.

(e) Our revenue may experience fluctuations from year to year

Our financial performance may vary from year to year and is subject to potential decline. For example, our revenue decreased by 12.44% to RM170.08 million in FYE 2023 (FYE 2022: RM194.25 million), before increasing by 11.09% to RM188.94 million in FYE 2024 and further increased by 23.26% to RM232.89 million in FYE 2025.

As our business is primarily project and order-based, our performance depends on our ability to execute projects and orders on schedule and to continuously secure new projects or orders to sustain and grow our business. As at the LPD, the remaining purchase orders for the integration of enterprise ICT infrastructure, supply of hardware and software, as well as provision of other services, was RM82.18 million. In addition, we have subsisting contracts for the provision of cloud and managed services, which generally range from 1 year to 5 years, and the revenue will be recognised as and when services are rendered. As at the LPD, the remaining contract value for the provision of cloud and managed services was RM5.53 million.

Despite the revenue growth in FYE 2025 and the secured orders we have as at the LPD, there is no assurance that we will consistently secure new orders or implement ongoing projects as planned. Consequently, we cannot guarantee that our revenue or other financial performance indicators will not decline in the future.

(f) We may not be able to collect the full amount from customers to whom we have extended credit

We are exposed to credit risk as there is a possibility that we may not be able to fully recover amounts owed by customers to whom we have extended credit. During the Financial Years Under Review, the normal credit terms granted to our customers are cash terms to 90 days, with other terms assessed and approved on a case-by-case basis. Our average trade receivables turnover periods were 52 days, 67 days, 72 days, and 66 days for FYE 2022, FYE 2023, FYE 2024, and FYE 2025, respectively, which are within our normal credit period.

If a customer fails to pay within the stipulated credit terms, we may need to make allowances for impairment losses on trade receivables or write off bad debts, which could negatively impact our financial performance. In FYE 2024, we recognised individually assessed impairment losses on trade receivables of RM0.40 million pertaining to the past due outstanding amount from a customer in the services industry. As at the LPD, the customer's guarantor has paid PSSB a sum of RM0.05 million on 19 March 2026 as part payment of the outstanding amount. The guarantor and PSSB are currently in the midst of finalising the terms and conditions of a settlement agreement whereby the guarantor has agreed to pay PSSB the balance of the outstanding amount in instalments. The recovery of the outstanding receivables will be recognised as other income.

We also wrote off bad debts amounting to RM0.02 million, RM0.07 million and RM0.06 million in FYE 2022, FYE 2023 and FYE 2024 respectively. Although the impairment losses and bad debts written off were not material during the Financial Years Under Review, there is no assurance that such losses will not materially affect our financial performance in the future.

12. FINANCIAL INFORMATION (Cont'd)**(g) Impact of inflation**

Our financial performance for the Financial Years Under Review was not materially affected by the inflation. However, there can be no assurance that future inflation will not have an impact on our business and financial performance.

(h) Government/economic/fiscal/monetary policies

Our business is subject to the risks relating to government, economic, fiscal or monetary policies. Any unfavourable changes in the government policies, economic conditions, or fiscal or monetary policies may materially affect our operations in Malaysia.

12.5 LIQUIDITY AND CAPITAL RESOURCES**12.5.1 Working capital**

Our business has been financed mainly by internal sources of funds comprising shareholders' equity and cash generated from our operations. Based on our audited consolidated statements of financial positions as at 31 December 2025, we have:

- (i) cash and bank balances of RM23.63 million; and
- (ii) working capital of RM24.15 million, being the difference between current assets of RM74.77 million and current liabilities of RM50.62 million.

As at 31 December 2025, we do not have any bank borrowings and our current ratio was 1.48 times.

Our Directors are of the opinion that, after taking into consideration our cash and cash equivalents, cash generated from our business operations, the amount of banking facilities and proceeds to be raised from the Public Issue, we will have adequate working capital to meet our present and foreseeable requirements for at least 12 months from the date of this Prospectus.

12.5.2 Cash flow

The following is the summary of our statement of cash flow for the FYE 2022, FYE 2023, FYE 2024, and FYE 2025. This should be read in conjunction with the Accountant's Report as set out in Section 14 of this Prospectus.

	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Net cash from operating activities	2,305	11,093	8,785	12,564
Net cash (used in) investing activities	(2,180)	(1,086)	(282)	(478)
Net cash (used in) financing activities	(1,088)	(2,269)	(6,676)	(1,069)
Net (decrease)/increase in cash and cash equivalents	(963)	7,738	1,827	11,017
Cash and cash equivalents at the beginning	4,014	3,051	10,789	12,616
Cash and cash equivalent at the end	3,051	10,789	12,616	23,633

Our cash and cash equivalents are mainly held in RM. There are no legal, financial or economic restrictions on our subsidiaries' ability to transfer funds to our Company in cash dividends, loans or advances, subject to the availability of distributable reserves.

12. FINANCIAL INFORMATION (Cont'd)**(a) Net cash from operating activities****FYE 2022**

For FYE 2022, our net cash from operating activities was RM2.31 million after taking into account the following:

- (i) decrease of RM7.02 million in payables mainly attributed to timely payments to our major suppliers for the purchase of hardware and software and cloud licensing fees;
- (ii) decrease of RM0.94 million in receivables mainly attributed to lower outstanding trade receivables;
- (iii) increase of RM0.82 million in contract liabilities which were mainly attributed to upfront payments received and billings issued to our customers for our integration of enterprise ICT infrastructure projects secured and managed services which have yet to be delivered or rendered;
- (iv) increase of RM0.17 million in inventories which were mainly attributed to the purchases of hardware for our integration of enterprise ICT infrastructure; and
- (v) tax payments of RM2.55 million.

FYE 2023

For FYE 2023, our net cash from operating activities was RM11.09 million after taking into account the following:

- (i) increase of RM8.79 million in receivables as there was a higher outstanding of trade receivables attributed to slower payments from customers;
- (ii) increase of RM10.55 million in payables as this was mainly attributed to higher purchases of hardware and software at the end of FYE 2023 for our integration of enterprise ICT infrastructure, as well as supply of hardware and software;
- (iii) increase of RM0.95 million in contract liabilities which were mainly attributed to upfront payments received and billings issued to our customers for our integration of enterprise ICT infrastructure projects secured and managed services which have yet to be delivered or rendered;
- (iv) increase of RM0.25 million in inventories which were mainly attributed to purchases of hardware for our integration of enterprise ICT infrastructure, as well as supply of hardware; and
- (v) tax payments of RM3.34 million.

FYE 2024

For FYE 2024, our net cash from operating activities was RM8.79 million after taking into account the following:

- (i) increase of RM4.70 million in receivables which were mainly attributed to higher billings issued at the end of FYE 2024 upon the works performed and fulfilment of orders;
- (ii) increase of RM2.66 million in inventories which were mainly driven by purchases of hardware for our integration of enterprise ICT infrastructure, as well as supply of hardware;
- (iii) increase of RM2.76 million in contract liabilities which were mainly due to upfront payments received and billings issued to our customers for our integration of enterprise ICT infrastructure projects secured and managed services which have yet to be delivered or rendered;

12. FINANCIAL INFORMATION (Cont'd)

- (iv) increase of RM1.24 million in payables which were mainly attributed to higher purchases of hardware at the end of FYE 2024 for our projects; and
- (v) tax payments of RM3.13 million.

FYE 2025

For FYE 2025, our net cash from operating activities was RM12.56 million after taking into account the following:

- (i) increase of RM8.46 million in payables which were mainly attributed to higher purchases of hardware during the last quarter of FYE 2025 for our projects;
- (ii) increase of RM8.72 million in receivables which were mainly attributed to higher billings issued at the end of FYE 2025 upon the works performed and fulfilment of orders, coupled with increase in prepayments relating to IPO expenses;
- (iii) decrease of RM1.72 million in inventories following the use of hardware for our projects; and
- (iv) tax payments of RM3.84 million.

(b) Net cash from investing activities**FYE 2022**

For FYE 2022, our net cash used in investing activities was RM2.18 million mainly attributed to the following:

- (i) RM1.75 million of cash used for purchase of property, plant and equipment, including motor vehicles, office renovation, purchase of computer and software, furniture and fittings and office equipment; and
- (ii) RM0.53 million of cash used for the acquisition of equity instruments in relation to unit trusts.

FYE 2023

For FYE 2023, our net cash used in investing activities was RM1.09 million mainly attributed to the RM1.14 million of cash used for purchase of property, plant and equipment, including purchase of computer and software, furniture and fittings, office equipment, and office renovation.

This was partially offset by RM0.11 million of proceeds received from the disposal of equity instruments.

FYE 2024

For FYE 2024, our net cash used in investing activities was RM0.28 million, mainly attributed to RM0.33 million of cash used for purchase of property, plant and equipment which were mainly for the purchase of computers and software.

This was partially offset by RM0.13 million of proceeds received from the disposal of equity instruments.

12. FINANCIAL INFORMATION (Cont'd)**FYE 2025**

For FYE 2025, our net cash used in investing activities was RM0.48 million, mainly attributed to RM0.57 million of cash used for purchase of property, plant and equipment which were mainly for the purchase of computers and software, as well as a motor vehicle. This was partially offset by RM0.22 million of income from lease receivables.

(c) Net cash used in financing activities**FYE 2022**

For FYE 2022, our net cash used in financing activities was RM1.09 million mainly attributed to the following:

- (i) RM1.00 million of dividends paid to shareholders;
- (ii) RM0.26 million of net changes in lease liabilities in relation to rental paid for our offices;
- (iii) RM0.18 million of repayment of hire purchase payables in relation to motor vehicles;
- (iv) RM0.14 million of net changes in amount owing to directors in relation to repayment of advances previously provided; and
- (v) RM0.50 million of proceeds received from the issuance of ordinary shares.

FYE 2023

For FYE 2023, our net cash used in financing activities was RM2.27 million, mainly attributed to the following:

- (i) RM1.50 million of dividends paid to shareholders;
- (ii) RM0.55 million of net changes in lease liabilities in relation to rental paid for our offices; and
- (iii) RM0.22 million of repayment of hire purchase payables in relation to motor vehicles.

FYE 2024

For FYE 2024, our net cash used in financing activities was RM6.68 million, mainly attributed to the following:

- (i) RM5.90 million of dividends paid to shareholders;
- (ii) RM0.62 million of net changes in lease liabilities in relation to rental paid for our offices; and
- (iii) RM0.16 million of repayment of hire purchase payables in relation to motor vehicles.

FYE 2025

For FYE 2025, our net cash used in financing activities was RM1.07 million, mainly attributed to the following:

- (i) RM0.87 million of net changes in lease liabilities in relation to rental paid for our offices and leasing of laptops; and
- (ii) RM0.20 million of repayment of hire purchase payables in relation to motor vehicles.

12. FINANCIAL INFORMATION (Cont'd)

12.5.3 Bank borrowings

As at 31 December 2025, we do not have any bank borrowings.

Our Group has not defaulted on any payment of either principal sums and/or interest in relation to the borrowings for Financial Years Under Review, and up to the LPD.

As at the LPD, our Group is not in breach of any terms and conditions or covenants associated with the credit arrangements or bank loans, which can materially affect the financial position and results of business operations.

12.6 TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES

As at the LPD, save as disclosed above, our Group did not use any other financial instruments.

Our main treasury policy and objective is to maintain sufficient working capital or liquidity and cash and cash equivalents to finance our operations, coupled with adequate credit facilities to meet estimated commitments arising from our operational expenditure and financial liabilities.

The combination of internal and external sources of funds includes mainly cash generated from our operations, cash and cash equivalents.

12.7 CAPITAL COMMITMENTS

As at the LPD, our Group's material capital commitments are summarised as follows:

	Capital commitment RM'000	Source of funds	
		Internally generated funds/bank borrowings RM'000	IPO proceeds RM'000
Approved but not contracted for:			
Establish a new SOC	5,400	-	5,400
- renovation, furniture, fittings, and office equipment	1,200	-	1,200
- purchase of hardware, software and supporting equipment	4,200	-	4,200
Upgrade of OCC infrastructure	4,700	-	4,700
- purchase of hardware, software and supporting equipment	4,700	-	4,700
Additional ICT services	1,640	-	1,640
- purchase of hardware and software licenses	1,640	-	1,640
Total	11,740	-	11,740

12.8 MATERIAL LITIGATION AND CONTINGENT LIABILITIES

(i) Material Litigation

We are not engaged in any other material litigation, claim or arbitration either as plaintiff or defendant and do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially or adversely affect our position or business as at the LPD.

12. FINANCIAL INFORMATION (Cont'd)**(ii) Contingent Liabilities**

As at the LPD, we do not have any contingent liabilities, which upon becoming enforceable, may have a material adverse impact on our results of operations or financial position.

12.9 KEY FINANCIAL RATIOS

Our key financial ratios for the Financial Years Under Review are as follows:

	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FYE 2025</u>
Average trade receivable turnover period (days) ^(a)	52	67	72	66
Average trade payable turnover period (days) ^(b)	46	57	65	57
Average inventory turnover period (days) ^(c)	1	2	5	5
Current ratio (times) ^(d)	1.21	1.30	1.36	1.48
Gearing ratio (times) ^(e)	0.05	0.02	0.01	N/A

Notes:

- (a) Computed based on average trade receivables over total revenue and multiplied by 365 days. Average trade receivables are calculated by adding the closing balance of trade receivables of the financial year with that of the previous financial year, and dividing the total by 2.
- (b) Computed based on average trade payables over total cost of sales and multiplied by 365 days. Average trade payables are calculated by adding the closing balance of trade payables of the financial year with that of the previous financial year, and dividing the total by 2.
- (c) Computed based on average inventories over total cost of sales and multiplied by 365 days. Average trade inventories are calculated by adding the closing balance of inventories of the financial year with that of the previous financial year, and dividing the total by 2.
- (d) Computed based on the current assets over the current liabilities as at the respective financial year.
- (e) Computed based on the total bank borrowings (hire purchases) over the total equity as at the respective financial year.

12.9.1 Trade receivables turnover period

	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FYE 2025</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Trade receivables	26,880	35,528	39,264	45,229
Revenue	194,246	170,082	188,936	232,888
Average trade receivable turnover period (days) ^(a)	52	67	72	66

Note:

- (a) Computed based on average trade receivables over total revenue and multiplied by 365 days. Average trade receivables are calculated by adding the closing balance of trade receivables of the financial year with that of the previous financial year, and dividing the total by 2.

We deal with our customers on credit terms and the credit terms that we generally grant to our customers are cash term to 90 days.

12. FINANCIAL INFORMATION (Cont'd)

Our average trade receivables turnover period increased from 52 days as at FYE 2022 to 67 days as at FYE 2023. This was attributed to slower payments from customers which was reflected in the higher proportion of past due amounts which accounted for 63.83% of our total trade receivables as at FYE 2023 (FYE 2022: 48.58%).

Our average trade receivables turnover period increased from 67 days as at FYE 2023 to 72 days as at FYE 2024. This was mainly attributed to higher outstanding trade receivables from customers with longer credit terms.

Our average trade receivables turnover period improved from 72 days as at FYE 2024 to 66 days as at FYE 2025. This was mainly attributed to improvement in collections from customers as reflected in the lower proportion of outstanding trade receivables over revenue which decreased from 20.78% in FYE 2024 to 19.42% in FYE 2025.

The ageing analysis of our Group's trade receivables as at 31 December 2025 is as follows:

	Trade receivables as at 31 December 2025	Subsequent collections as at the LPD	Net trade receivables after subsequent collections up to the LPD
	RM'000	RM'000	RM'000
Not past due	33,773	33,013	760
Past due:			
1 – 30 days	6,776	6,595	181
31 – 60 days	2,519	2,441	78
61 – 90 days	1,824	1,082	742
More than 90 days	337	242	95
	45,229	43,373	1,856

As at the LPD, RM43.37 million or 95.90% of our outstanding trade receivables as at 31 December 2025 has been collected. The remaining RM1.86 million or 4.10% are outstanding as at the LPD.

12.9.2 Trade payables turnover period

	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Trade payables	17,192	27,932	28,490	33,714
Cost of sales	170,871	144,929	157,565	198,089
Average trade payables turnover period (days) ^(a)	46	57	65	57

Note:

- (a) Computed based on average trade payables over total cost of sales and multiplied by 365 days. Average trade payables are calculated by adding the closing balance of trade payables of the financial year with that of the previous financial year, and dividing the total by 2.

12. FINANCIAL INFORMATION (Cont'd)

We deal with our suppliers on credit terms and credit terms granted to us are as follows:

	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FYE 2025</u>
Normal credit terms (days)	7 - 60	7 - 60	7 - 60	7 - 60

Our average trade payables turnover period increased from 46 days as at FYE 2022 to 57 days as at FYE 2023. This was attributed to higher purchases of hardware and software at the end of FYE 2023 for our integration of enterprise ICT infrastructure, as well as supply of hardware and software.

Our average trade payables turnover period increased from 57 days as at FYE 2023 to 65 days as at FYE 2024. This was attributed to higher purchases of hardware and software at the end of FYE 2024 for our integration of enterprise ICT infrastructure, as well as supply of hardware and software. The average trade payables turnover period of 65 days for FYE 2024 which has exceeded the normal credit terms mainly due to slow payments to our suppliers as a result of slower collection from our customers with longer credit terms. As at the LPD, the Group has subsequently paid the remaining outstanding trade payables.

Our average trade payables turnover period improved from 65 days as at FYE 2024 to 57 days as at FYE 2025. This was mainly attributed to improvement in payments to our suppliers.

The ageing analysis of our Group's trade payables as at 31 December 2025 is as follows:

	<u>Trade payables as at 31 December 2025</u>	<u>Subsequent payments as at the LPD</u>	<u>Net trade payables after subsequent payments up to the LPD</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Not past due	24,269	24,129	140
Past due:			
1 – 30 days	8,958	8,958	-
31 – 60 days	333	333	-
61 – 90 days	85	50	35
More than 90 days	69	66	3
	<u>33,714</u>	<u>33,536</u>	<u>178</u>

As at the LPD, RM33.54 million or 99.47% of our outstanding trade payables has been paid. The remaining RM0.18 million or 0.53% are still outstanding as at the LPD.

12.9.3 Inventory turnover ratio

	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FYE 2025</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Inventories	511	756	3,379	1,663
Cost of sales	170,871	144,929	157,565	198,089
Average inventory turnover period (days) ^(a)	1	2	5	5

12. FINANCIAL INFORMATION (Cont'd)

Note:

- (a) Computed based on average inventories over total cost of sales and multiplied by 365 days. Average trade inventories are calculated by adding the closing balance of inventories of the financial year with that of the previous financial year, and dividing the total by 2.

Our average inventory turnover periods increased from 1 day as at FYE 2022 to 2 days as at FYE 2023 and 5 days as at FYE 2024. This was attributed to the purchases of hardware at the end of FYE 2024 for our integration of enterprise ICT infrastructure, as well as supply of hardware.

Our average inventory turnover period remained at 5 days as at FYE 2025.

12.9.4 Current ratio

	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FYE 2025</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current assets	30,800	47,499	56,159	74,773
Current liabilities	25,513	36,674	41,173	50,619
Current ratio (times) ^(a)	1.21	1.30	1.36	1.48

Note:

- (a) Computed based on the current assets over the current liabilities as at the respective financial year.

Our current ratio improved to 1.30 times as at FYE 2023 (FYE 2022: 1.21 times) which were mainly attributed to higher outstanding of trade receivables as well as cash and bank balances.

Our current ratio improved to 1.36 times as at FYE 2024 (FYE 2023: 1.30 times) which were mainly attributed to higher outstanding of trade receivables as well as cash and bank balances.

Our current ratio further improved to 1.48 times as at FYE 2025 (FYE 2024: 1.36 times) which were attributed to higher cash and bank balances, outstanding trade receivables as well as prepayments relating to IPO expenses.

12.9.5 Gearing ratio

	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FYE 2025</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Bank borrowings	571	356	200	-
Total equity	12,043	18,366	22,429	31,524
Gearing ratio (times) ^(a)	0.05	0.02	0.01	N/A

N/A = Not applicable.

Note:

- (a) Computed based on the total bank borrowings (hire purchases) over the total equity as at the respective financial year.

Our gearing ratio improved for the Financial Years Under Review and this was attributed to the lower outstanding of hire purchases resulting from repayments over the years.

The improvements were also attributed to the higher retained earnings, which increased by 59.97% to RM16.87 million as at FYE 2023 (FYE 2022: RM10.54 million) and continued to increase by 3.34% to RM17.43 million as at FYE 2024. Furthermore, the invested equity increased to RM5.00 million during FYE 2024 (FYE 2023: RM1.50 million).

We do not have any bank borrowings as at 31 December 2025.

12. FINANCIAL INFORMATION (*Cont'd*)

12.10 IMPACT OF INTEREST RATES, COMMODITY PRICES AND/OR FOREIGN EXCHANGE RATES ON OUR GROUP'S OPERATIONS

(i) **Interest rate risk**

We are not subject to interest rate increase as our borrowings for the Financial Years Under Review were comprised of hire purchases for our motor vehicles which are on a fixed interest rate basis. As at 31 December 2025, we do not have any bank borrowings. Our finance cost increased from RM0.03 million in FYE 2022 to RM0.05 million in FYE 2023. In FYE 2024 and FYE 2025, our finance cost was RM0.03 million and RM0.04 million respectively. Nevertheless, there can be no assurance that we will not be subjected to interest rate risk in the future.

(ii) **Commodity price fluctuation risk**

Due to the nature of our business, we are not affected by fluctuations in commodity prices.

(iii) **Foreign exchange risk**

While our Group primarily operates within the Malaysian market and engages in minimal foreign currency transactions, we are still exposed to foreign currency fluctuation risk. Although the majority of our transactions are conducted in RM, any unfavourable fluctuation in foreign currency rates may have an adverse impact on our financial performance. A depreciation of the RM against the currencies which we transact will lead to higher revenue in RM after conversion, whereas it will also lead to higher purchases in RM after conversion. Conversely, appreciation of the RM against the currencies which we transact will lead to lower revenue and lower purchases in RM after conversion.

However, given that our exposure to foreign exchange fluctuations is limited, the direct impact on our financial results is relatively minimal. We will continuously monitor foreign currency fluctuations to ensure that any potential impacts are identified and addressed in a timely manner.

12.11 ORDER BOOK

In general, we secured orders for our products and services based on purchase orders. This includes the project-based services for the integration of enterprise ICT infrastructure, as well as supply of hardware and software, and provision of other services. As at the LPD, the remaining purchase orders for the integration of enterprise ICT infrastructure, supply of hardware and software, as well as provision of other services, was RM82.18 million. In addition, we have subsisting contracts for the provision of cloud and managed services, which generally range from 1 year to 5 years, and the revenue will be recognised as and when services are rendered. As at the LPD, the remaining contract value for the provision of cloud and managed services was RM5.53 million.

12.12 TREND INFORMATION

As at the LPD, save as disclosed in this Prospectus and to the best of our Board's knowledge and belief, our operations have not been and are not expected to be affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, position and operations other than those discussed in this section, Section 7 and Section 9 of this Prospectus;
- (ii) material commitment for capital expenditure, save as disclosed in Section 12.7 of this Prospectus;

12. FINANCIAL INFORMATION (Cont'd)

- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save as disclosed in this section, Section 7 and Section 9 of this Prospectus;
- (iv) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our Group revenue and/or profits save for those that have been disclosed in this section, Section 7 and Section 9 of this Prospectus;
- (v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position other than those disclosed in this section, Section 7 and Section 9 of this Prospectus; and
- (vi) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's liquidity and capital resources, other than those discussed in this section, Section 7 and Section 9 of this Prospectus.

12.13 SIGNIFICANT CHANGES

There are no significant changes that have occurred, which may have a material effect on our financial position and results subsequent to the FYE 2025 and up to the LPD.

12.14 ACCOUNTING POLICIES AND AUDIT QUALIFICATION

There are no accounting policies which are peculiar to our Group because of the nature of the business and industry which we are involved in. For further details on the significant accounting policies of our Group, please refer to Note 3 of the Accountants' Report as set out in Section 14 of this Prospectus. The Accountants' Report does not contain any audit qualification for the Financial Years Under Review.

12.15 DIVIDEND POLICY

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.

The actual dividend that our Board may recommend or declare in any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Board.

In considering the level of dividend payments, if any, upon recommendation by our Board, we intend to consider various factors including:

- (i) our level of cash, gearing, return on equity and retained earnings;
- (ii) our expected financial performance;
- (iii) our projected levels of capital expenditure and other investment plans;
- (iv) our working capital requirements; and
- (v) any contractual restrictions and/or commitments.

Notwithstanding the above, our Group presently does not have a fixed dividend policy. Our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded and excess of funds not required to be retained for working capital of our business.

12. FINANCIAL INFORMATION (Cont'd)

As at the LPD, save for any applicable financial covenants and the Act, and subject to the availability of distributable profits and reserves, there are no dividend restrictions imposed on us or our subsidiary.

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our future dividends which are subject to modifications (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 levels. See Section 9.3.4 of this Prospectus for factors which may affect or restrict our ability to pay dividends.

The following table sets out the dividends declared and/or paid by our Group for the Financial Years Under Review:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025	From 1 January 2026 up to the LPD
Dividends declared and paid (RM'000)	1,000	1,500	5,900	^(b) 1,500	^(b) 1,500
PAT (RM'000)	6,819	7,823	9,963	10,590	-
Dividend payout ratio ^(a)	14.66%	19.17%	59.22%	14.16%	-

Note:

- (a) Computed based on dividends declared and paid divided by PAT.
- (b) Dividend declared on 31 December 2025 and paid on 12 February 2026.

During the Financial Years Under Review and up to the LPD, all the dividend declared and paid was funded entirely by internally generated funds. The dividends will not affect the execution and implementation of our future plans or strategies. Our Group also believes that they have sufficient funding from our Group's internally generated funds for its operations and expansion plans.

No dividend was declared from 1 January 2026 to the LPD. Further, our Board has no intention to declare any further dividends up to the completion of our Listing.

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