NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF INFOLINE TEC GROUP BERHAD ("INFOLINE TEC" OR "COMPANY") DATED 20 JUNE 2022 ("ELECTRONIC PROSPECTUS")

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

Website

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

Availability and Location of Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company or the Issuing House, Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a paper/printed copy of the Prospectus, subject to availability, from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective applicants should note that the application forms are not available in electronic format.

Jurisdictional Disclaimer

The IPO and the distribution of the Electronic Prospectus are subject to Malaysian law. The Electronic Prospectus will not be distributed outside Malaysia. Bursa Securities, the Company, Directors, Promoters, Selling Shareholder, Principal Adviser, Sponsor, Underwriter and Placement Agent named in the Electronic Prospectus have not authorised and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the IPO Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer for the subscription or purchase of, or an invitation to subscribe for or purchase, the IPO Shares to any person outside Malaysia or in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. Prospective applicants who may be in possession of the Electronic Prospectus are required to take note, to inform themselves and to observe such restrictions.

Close of Application

Applications for the IPO Shares will open at **10.00 a.m**. on **20 June 2022** and will close at **5.00 p.m.** on **28 June 2022**. Any change to the timetable will be advertised by the Company in widely circulated Bahasa Malaysia and English daily newspapers within Malaysia.

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

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

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

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

Infoline

INFOLINE TEC GROUP BERHAD

(Registration No. 202101032489 (1432789-M))
(Incorporated in Malaysia under the Companies Act 2016)

MALAYSIA (HEAD OFFICE)

No. 53-3, Jalan PJU 5/20E,
Pusat Perdagangan Kota Damansara,
47810 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.

Tel: (+603) 6148 0890
Fax: (+603) 6148 0891
Website: www.infolinegroup.com

PRC (BRANCH OFFICE)

401 Linli Pioneer Park,
8 South Guangzu Road,
Longtian Sub-district,
Pingshan District, Shenzhen City,
Guangdong Province, PRC.

PROSPECTUS | INFOLINE TEC GROUP BERHAD

PROSPECTUS

Infoline

INFOLINE TEC GROUP BERHAD

(Registration No. 202101032489 (1432789-M))
(Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING ("IPO") OF 96,250,000 ORDINARY SHARES IN INFOLINE TEC GROUP BERHAD ("INFOLINE TEC") ("SHARES") AT AN IPO PRICE OF RM0.32 PER SHARE, PAYABLE IN FULL UPON APPLICATION COMPRISING:

(I) PUBLIC ISSUE OF 74,000,000 NEW SHARES IN THE FOLLOWING MANNER:

(A) 18,162,000 NEW SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;

(B) 8,269,000 NEW SHARES MADE AVAILABLE FOR APPLICATION BY THE ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF INFOLINE TEC AND ITS SUBSIDIARIES;

(C) 2,165,300 NEW SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS; AND

(D) 45,403,700 NEW SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY, MALAYSIA;

AND

(II) OFFER FOR SALE OF 22,250,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS.

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS AS SET OUT IN THIS PROSPECTUS, IN CONJUNCTION WITH THE LISTING OF INFOLINE TEC ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")

Principal Adviser, Sponsor, Underwriter and Placement Agent

midf INVESTMENT

MIDF AMANAH INVESTMENT BANK BERHAD

Registration No. 197501002077 (23878-X)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

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

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

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

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 154.

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

Bursa Securities is not liable for any non-disclosure on the part of Infoline Tec and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. No securities will be allotted or issued based on this Prospectus after 6 months from the date of this Prospectus.

This Prospectus is dated 20 June 2022

All defined terms used in this Prospectus are defined under “Definitions” commencing on page xi, “Glossary of Technical Terms” commencing on page xvii and “Presentation of Information” commencing on page viii.

RESPONSIBILITY STATEMENTS

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

MIDF Amanah Investment Bank Berhad, being our Principal Adviser, Sponsor, Underwriter and Placement Agent acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

STATEMENTS OF DISCLAIMER

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

Bursa Securities is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

This Prospectus, together with the Application Forms, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

OTHER STATEMENTS

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

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

Our IPO and this Prospectus are subject to the laws of Malaysia. Our Shares are offered in Malaysia solely based on the contents of this Prospectus. This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept any liability in relation thereto whether or not any enquiry or investigation is made in connection with it. It is your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of this Prospectus and to consult your legal and/or other professional advisers as to whether your application for our IPO would result in the contravention of any law of such country or jurisdiction which you may be subject to.

We will further assume that you have accepted our IPO in Malaysia and will at all applicable times be subjected only to the laws of Malaysia in connection therewith. However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

This Prospectus is prepared and published solely for our IPO under the laws of Malaysia. Our Directors, Promoters, Selling Shareholder, Principal Adviser, Sponsor, Underwriter and Placement Agent have not authorised anyone and take no responsibility for distribution of this Prospectus (in preliminary or final form) outside Malaysia. Our Directors, Promoters, Selling Shareholder, Principal Adviser, Sponsor, Underwriter and Placement Agent have not authorised anyone to provide you with any information which is not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Directors, Promoters, Selling Shareholder, Principal Adviser, Sponsor, Underwriter and Placement Agent, any of their respective directors, or any other persons involved in our IPO. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase, any of our Shares being offered in our IPO in any jurisdiction or in any circumstances in which such an offer is not authorised or is unlawful or to any person to whom it is unlawful to make such offer or invitation.

ELECTRONIC PROSPECTUS

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

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

If you are in doubt about the validity or integrity of the Electronic Prospectus, you should immediately request a paper/printed copy of this Prospectus from us, our Principal Adviser or Issuing House. If there is any discrepancy between the contents of the Electronic Prospectus and the paper/printed copy of this Prospectus, the contents of the paper/printed copy of this Prospectus, which are identical to the copy of the Prospectus registered with Bursa Securities, will prevail.

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

(i) we and our Principal Adviser do not endorse and are not affiliated in any way to the Third Party Internet Sites. Accordingly, we are not responsible for the availability of, or the content or any data, files, information or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;

(ii) we and our Principal Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third Party Internet Sites. We and our Principal Adviser are also not responsible for any loss or damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, files or other material provided by such parties; and

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

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

(i) the Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of the Electronic Prospectus, i.e. to the extent that the content of the Electronic Prospectus on the web server of the Internet Participating Financial Institutions may be viewed via web browser or other relevant software. The Internet Participating Financial Institutions are not responsible for the integrity of the contents of the Electronic Prospectus, which has been obtained from the web server of the Internet Participating Financial Institutions and subsequently communicated or disseminated in any manner to you or other parties;

(ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secured medium; and

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

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INDICATIVE TIMETABLE

An indicative timetable of our IPO is set out below:

Events	**Tentative date**
Issuance of Prospectus/ Opening of application for our IPO Shares	10.00 a.m., 20 June 2022
Closing of application for our IPO Shares	5.00 p.m., 28 June 2022
Balloting of application for our IPO Shares	1 July 2022
Allotment/ transfer of our IPO Shares to successful applicants	8 July 2022
Listing on the ACE Market of Bursa Securities	13 July 2022

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

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “our Company” or “Infoline Tec” in this Prospectus are to Infoline Tec Group Berhad. All references to “Infoline Group”, “our Group”, “we”, “us”, “our” or “ourselves” in this Prospectus are to our Company and our subsidiaries as a whole, save for where the context otherwise requires. Unless the context otherwise requires, references to “Management” are to our Directors and Key Senior Management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Directors and Key Senior Management.

All references to “you” are to our prospective investors.

In this Prospectus, all references to the “Government” are to the Government of Malaysia; and references to “RM” and “sen” are to the lawful currency of Malaysia. Any discrepancies in the tables between amounts listed and the totals in this Prospectus are due to rounding. Other abbreviations and acronyms used herein are defined in the “Definitions” section and technical terms used herein are defined in the “Glossary of Technical Terms” section appearing after that section. Words denoting the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include natural persons, firms, companies, bodies corporate and corporations.

References to any provisions of the statutes, rules, regulations, enactments, guidelines or rules of stock exchange shall (where the context admits), be construed as reference to provisions of such statutes, rules, regulations, enactments, guidelines or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments, guidelines or rules of stock exchange for the time being in force.

Solely for your convenience, this Prospectus contains translation of certain RMB amount into RM at specified rates. No representation is made that the RMB amounts referred to in this Prospectus could have been or could actually be converted into RM amounts, at the rates indicated or at all. The exchange rates as set out below are applied in this Prospectus unless specified otherwise:

	FYE			
	2018	**2019**	**2020**	**2021**
RMB to RM1				
Average rate(1)	0.610	0.600	0.609	0.643
Closing rate(2)	0.601	0.588	0.614	0.655
Historical rate(3)	0.619	0.619	0.619	0.619

Notes:

(1) The average rate is used for the translation of income and expense items in the combined statements of financial position of Infoline Tec.

(2) The closing rate is used for the translation of assets and liabilities in the combined statements of profit or loss and other comprehensive income of Infoline Tec.

(3) The historical rate is used for the translation of equity in the combined statements of financial position of Infoline Tec.

References to a time of a day in this Prospectus shall be a reference to Malaysian time, unless otherwise stated.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originated from us. We have appointed Providence to provide an independent market and industry review of the industry in which we operate in. In compiling their data for the review, Providence relied on its research methodology, industry sources, published materials, its private databanks and direct contacts within the industry. Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We cannot assure you that the projections will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

The information on our website, or any website directly or indirectly linked to our website does not form part of this Prospectus and you should not rely on it.

Reference to the "LPD" in this Prospectus is to 23 May 2022, being the latest practicable date prior to the registration of this Prospectus with Bursa Securities.

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FORWARD-LOOKING STATEMENTS

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

Forward-looking statements can be identified by the use of forward-looking terminology such as the words “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “aim”, “forecast”, “may”, “will”, “would”, and “could” or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

(i) our business strategies, trends and competitive position;

(ii) our plans and objectives for future operations;

(iii) our financial position;

(iv) potential growth opportunities;

(v) our future earnings, cash flows and liquidity;

(vi) our ability to pay dividends; and

(vii) the regulatory environment and the effects of future regulation.

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

(i) the general economic, business, social, political and investment environment in Malaysia, PRC and globally;

(ii) government policy, legislation and regulation;

(iii) interest rates, tax rates and exchange rates;

(iv) the competitive environment in the industry in which we operate;

(v) fixed and contingent obligations and commitments; and

(vi) any other factors beyond our control.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in Section 9 of this Prospectus on “Risk Factors” and Section 12 of this Prospectus on “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

Should we become aware of any subsequent significant change or new matter arising from the date of registration of this Prospectus but before the date of allotment of our IPO Shares that will affect a matter disclosed in this Prospectus, we will issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the definitions are defined otherwise or the context requires otherwise:

COMPANIES WITHIN OUR GROUP:

Infoline Tec or Company	:	Infoline Tec Group Berhad (Registration No. 202101032489 (1432789-M))
Infoline Shenzhen	:	Infoline Technology (Shenzhen) Limited (Registration No. 440301503446228) （因福来科技（深圳）有限公司）, our wholly-owned subsidiary in PRC
Infoline Solutions	:	Infoline IT Solutions Sdn Bhd (Registration No. 201301015421 (1045254-P)), our wholly-owned subsidiary in Malaysia

GENERAL:

ACE Market	:	ACE Market of Bursa Securities
Acquisitions	:	Collectively, Infoline Solutions Acquisition and Infoline Shenzhen Acquisition
Act	:	Companies Act 2016
ADA	:	Authorised depository agent
Application	:	Application for our IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
Application Form	:	Printed application form for the application of IPO Shares accompanying this Prospectus
ATM	:	Automated teller machine
Authorised Financial Institution	:	Authorised financial institution participating in the Internet Share Application with respect to payments for our IPO Shares
Board	:	Board of directors of our Company
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))

CAGR	:	Compound annual growth rate
CCM	:	Companies Commission of Malaysia
CDS	:	Central depository system
CDS Account	:	An account established by Bursa Depository Securities for a depositor for the recording of securities and for dealing in such securities by the Depositor
CMSA	:	Capital Markets and Services Act, 2007
Constitution	:	Constitution of our Company
COVID-19	:	Novel coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019
CWC	:	Choo Wei Chuen, our Promoter, specified shareholder, substantial shareholder, Non-Independent Executive Director, Chief Executive Officer and Selling Shareholder
Depositor	:	A holder of a CDS Account
Directors	:	Directors of our Company and within the meaning given in Section 2 of the CMSA
EBITDA	:	Earnings before interest, tax, depreciation and amortisation
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/ or an electronic storage medium, including but not limited to CD-ROMs *(compact disc read-only memory)*
Electronic Share Application	:	Application for our IPO Shares under the Public Issue through a Participating Financial Institution's ATM
Eligible Persons	:	Collectively, our Directors, employees and persons who have contributed to the success of our Group who are eligible to participate in the Public Issue
EPF	:	Employees Provident Fund
EPS	:	Earnings per share
Executive Directors	:	Collectively or individually, CWC, LWH and TYM
FIEs	:	Foreign Investment Enterprises
FYE	:	Financial year ended/ending 31 December, as the case may be

FYE Under Review	:	FYE 2018, FYE 2019, FYE 2020 and FYE 2021
GP	:	Gross profit
IFRS	:	International Financial Reporting Standards
IMR Report	:	Independent market research report on the IT infrastructure and cybersecurity markets in Malaysia and PRC
Infoline Group or Group	:	Collectively, our Company and our Subsidiaries
Infoline Shenzhen Acquisition	:	The acquisition of the entire registered capital of Infoline Shenzhen by our Company from the Infoline Shenzhen Vendor pursuant to the Infoline Shenzhen SSA, as further described in Section 6.3(b) of this Prospectus
Infoline Shenzhen SSA	:	Conditional share sale agreement dated 3 November 2021 entered into between our Company and the Infoline Shenzhen Vendor for the Infoline Shenzhen Acquisition
Infoline Shenzhen Vendor	:	CWC
Infoline Solutions Acquisition	:	The acquisition of the entire issued share capital of Infoline Solutions by our Company from the Infoline Solutions Vendors pursuant to the Infoline Solutions SSA, as further described in Section 6.3(a) of this Prospectus
Infoline Solutions SSA	:	Conditional share sale agreement dated 3 November 2021 entered into between our Company and the Infoline Solutions Vendors for the Infoline Solutions Acquisition
Infoline Solutions Vendors	:	Collectively, CWC, LWH and TYM
Infoline Tec Shares or Shares	:	Ordinary shares in our Company
Internet Participating Financial Institution	:	Participating financial institution in the Internet Share Application
Internet Share Application	:	Application for our IPO Shares under the Public Issue through an Internet Participating Financial Institution
IPO	:	Initial public offering comprising the Public Issue and Offer for Sale, collectively
IPO Price	:	IPO price of RM0.32 per IPO Share

IPO Shares	:	Collectively, Issue Shares and Offer Shares
ISO/IEC	:	International Organization for Standardization / International Electrotechnical Commission
Issue Shares	:	New Shares to be issued by our Company pursuant to the Public Issue
Issuing House	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No.197101000970 (11324-H))
IT	:	Information technology
Key Senior Management	:	Key senior management personnel of our Group as set out in Section 5.4 of this Prospectus
Listing	:	Admission to the Official List and the listing of and quotation for our entire enlarged Shares on the ACE Market
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
LPD	:	23 May 2022, being the latest practicable date prior to the registration of this Prospectus with Bursa Securities
LWH	:	Loo Wai Hong, our Promoter, specified shareholder, substantial shareholder, Non-Independent Executive Director and Chief Operating Officer
MAICSA	:	The Malaysian Institute of Chartered Secretaries and Administrators
Malaysian Public	:	Citizens of Malaysia, and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Market Day	:	Any day between Mondays and Fridays (both days inclusive) which is not a public holiday and a day on which Bursa Securities is open for trading of securities
MCO	:	Movement Control Order
MFRS	:	Malaysian Financial Reporting Standards
MIA	:	Malaysian Institute of Accountants
MIDF Investment or **Principal Adviser** or **Sponsor** or **Underwriter** or **Placement Agent**	:	MIDF Amanah Investment Bank Berhad (Registration No. 197501002077 (23878-X))
MITI	:	Ministry of International Trade and Industry, Malaysia
N/A	:	Not applicable
NA	:	Net assets
NBV	:	Net book value

NRP	:	The National Recovery Plan comprising 4-phrases, introduced by Government of Malaysia on 15 June 2021
Offer for Sale	:	Offer for sale by the Selling Shareholder of 22,250,000 Offer Shares at our IPO Price, representing 6.12% of our entire enlarged Shares by way of private placement to selected investors
Offer Shares	:	The existing Shares to be offered by the Selling Shareholder pursuant to the Offer for Sale
Official List	:	A list specifying all securities listed on Bursa Securities
Participating Financial Institution	:	Participating financial institution for the Electronic Share Application
PAT	:	Profit after tax
PBT	:	Profit before tax
Pink Form Shares	:	The allocation of 8,269,000 Issue Shares to the Eligible Persons pursuant to Public Issue
PRC	:	The People's Republic of China
Promoters	:	Collectively, CWC and LWH
Prospectus	:	This prospectus dated 20 June 2022 issued by our Company
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
PROVIDENCE or IMR	:	Providence Strategic Partners Sdn Bhd (Registration No. 201701024744 (1238910-A))
Public Issue	:	The public issue of 74,000,000 Issue Shares at our IPO Price, representing 20.38% of our entire enlarged Shares in the following manner: (i) 18,162,000 Issue Shares made available for application by the Malaysian Public; (ii) 8,269,000 Issue Shares made available for application by the Eligible Persons; (iii) 2,165,300 Issue Shares made available by way of private placement to selected investors; and (iv) 45,403,700 Issue Shares made available by way of private placement to identified Bumiputera investors approved by the MITI
QA/QC	:	Quality Assurance/Quality Control
Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository

Reporting Accountants	:	Crowe Malaysia PLT (Registration No. 201906000005 (LLP0018817-LCA) & AF 1018)
Rules of Bursa Depository	:	Rules of Bursa Depository as issued pursuant to the SICDA
SC	:	Securities Commission Malaysia
Selling Shareholder	:	CWC
Share Registrar	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No.197101000970 (11324-H))
SICDA	:	Securities Industry (Central Depositories) Act, 1991
SOCSO	:	Social Security Organisation, Malaysia, also known as PERKESO (Pertubuhan Keselamatan Sosial)
SOP	:	Standard Operating Procedures
specified shareholders	:	means a controlling shareholder, a person connected to a controlling shareholder, and an executive director who is a substantial shareholder, of Infoline Tec, or any other person as specified by Bursa Securities. In the context of this IPO, the specified shareholders are collectively CWC and LWH
Subsidiaries	:	Collectively, Infoline Solutions and Infoline Shenzhen
TYM	:	Too Yit Meng, our Non-Independent Executive Director and Chief Marketing Officer
Underwriting Agreement	:	Underwriting agreement dated 1 June 2022 entered into between our Company and MIDF Investment pursuant to the IPO

<u>Currencies</u>

HKD	:	Hong Kong Dollar
RM and sen	:	Ringgit Malaysia and sen respectively
RMB	:	Renminbi
SGD	:	Singapore Dollar
USD	:	United States Dollar

GLOSSARY OF TECHNICAL TERMS

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

Bits	:	Smallest unit of measurement to quantify digital data
Caching	:	Process of storing data in a hardware or software component so that future requests for the data can be retrieved in a shorter span of time
Cybersecurity solutions	:	A combination of hardware, software, processes and practices to protect a computer network from malicious attacks
Cyberthreat	:	A malicious attack whereby an unauthorised user attempts to gain access to data, steal information or cause damage
Data centre	:	A facility which houses the IT infrastructure and equipment needed to enable data storage, data retrieval and internet connectivity
DDoS	:	Distributed Denial of Service, a cyber attack in the form of high volumes of requests sent at the same time from multiple points on the Internet to overwhelm network system resources or overload the bandwidth of the network infrastructure
Electronic mail ("e-mail")	:	A method of exchanging messages between people using electronic devices
End-users	:	The ultimate users of our solutions
Enterprise	:	A business or company, which may range from small to multi-national
Fundamental Architectural Design	:	Infoline Group's internal framework in which the knowledge and experience garnered over the years have been consolidated to ensure consistent outcomes when delivering IT infrastructure and cybersecurity solutions
Gbps	:	Gigabit per second
ICT	:	Information and communications technology
IoT	:	Internet of Things, the interconnectivity between devices to facilitate the collection and sharing of data on a real-time basis
IT infrastructure solutions	:	Design and configuration of hardware, software and other services to develop infrastructure that can provide connectivity and data storage
LAN	:	Local Area Network, a private network infrastructure that securely connects computers in different offices/ branches in an enterprise. An enterprise private network is mainly set up to share computer resources
Malware	:	Malicious software that is transmitted over the Internet or through e-mails

GLOSSARY OF TECHNICAL TERMS *(CONT'D)*

Managed IT services	:	The provision of IT infrastructure and cybersecurity solutions on a subscription basis, whereby the hardware, software and services are outsourced
NOC	:	Network Operations Centre, a centralised location from which activities are performed to ensure smooth running of a network
Nodes	:	An electronic device that is attached to a network, and is capable of creating, receiving, or transmitting information over the network
Phishing attack	:	An attack from malicious websites or downloads that are infected with viruses creating a fake email or website which seems legitimate and stealing user credentials
Principals	:	Brand owners of hardware component and software
SOC	:	Security Operations Centre, a centralised location from which activities are performed to monitor, analyse, prevent and protect a network from cyberthreats and attacks
Software applications	:	Web applications and content management systems that are programmed or installed in physical hardware and facilities to enable their functionality
SSL	:	Secure Sockets Layer, a security protocol that creates an encrypted link between a web server and a web browser
TLS	:	Transport Layer Security, a protocol designed to provide security for communication over a computer network, and is widely used in applications such as emails, instant messaging platforms, and VoIP and web browsers
UAT	:	User Acceptance Test, a final test conducted to ensure that the system is functional and is deployment-ready, which involves testing out different functions, procedures, performance and scenarios, in both a simulated environment and real time
UPS	:	Uninterrupted Power Supply, device used to backup power supply to prevent disruptions
Video conferencing	:	Online meetings conducted over the internet which allow users in different locations to meet virtually
VM	:	Virtual Machine, a software application which can perform like a separate physical computer system
VPN	:	Virtual Private Network, a protected network connection which enables users to send and receive data across shared or public networks as if their computing devices were directly connected to the private network
VoIP	:	Voice over Internet Protocol, voice calls made over an internet connection
WAN	:	Wide Area Network, a network infrastructure that allows for connectivity over a wide geographic area

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Nationality	Designation	Residential Address
Nor Azzam bin Abdul Jalil	Malaysian	Independent Non-Executive Chairman	9, Jalan LE 2/4 Lake Edge Bandar Metro Puchong 47100 Puchong Selangor Darul Ehsan
Choo Wei Chuen	Malaysian	Non-Independent Executive Director / Chief Executive Officer	47, Jalan PJU 3/12G Tropicana Indah Resort Homes 47410 Petaling Jaya Selangor Darul Ehsan
Loo Wai Hong	Malaysian	Non-Independent Executive Director / Chief Operating Officer	25-05, Elevia Residence Jalan Puchong Utama 7 Taman Tasik Prima 47150 Puchong Selangor Darul Ehsan
Too Yit Meng	Malaysian	Non-Independent Executive Director / Chief Marketing Officer	5, Jalan Kenyalang 11/6D PJU 5, Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan
Tan Mui Ping	Malaysian	Independent Non-Executive Director	1, Jalan SS 24/14 Taman Megah 47301 Petaling Jaya Selangor Darul Ehsan
Alwizah Al-Yafii binti Ahmad Kamal	Malaysian	Independent Non-Executive Director	9, Jalan Pantai 9/7 46000 Petaling Jaya Selangor Darul Ehsan
Olivia Lim	Malaysian	Independent Non-Executive Director	6, Jalan BU 12/8 Bandar Utama 12 47800 Petaling Jaya Selangor Darul Ehsan

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1. CORPORATE DIRECTORY (*CONT'D*)

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Tan Mui Ping	Chairman	Independent Non-Executive Director
Alwizah Al-Yafii binti Ahmad Kamal	Member	Independent Non-Executive Director
Olivia Lim	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Olivia Lim	Chairman	Independent Non-Executive Director
Alwizah Al-Yafii binti Ahmad Kamal	Member	Independent Non-Executive Director
Tan Mui Ping	Member	Independent Non-Executive Director

NOMINATING COMMITTEE

Name	Designation	Directorship
Alwizah Al-Yafii binti Ahmad Kamal	Chairman	Independent Non-Executive Director
Olivia Lim	Member	Independent Non-Executive Director
Tan Mui Ping	Member	Independent Non-Executive Director

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1. CORPORATE DIRECTORY (*CONT'D)*

COMPANY SECRETARIES	:	Rebecca Kong Say Tsui SSM Practicing Certificate No.: 202008001003 Professional qualification: MAICSA 7039304 Leela A/P Suresh Kee See Leng SSM Practicing Certificate No.: 201908001962 Professional qualification: MAICSA 7069589 Unit 30-01, Level 30, Tower A Vertical Business Suite, Avenue 3 Bangsar South No.8, Jalan Kerinchi 59200 Kuala Lumpur Tel. No.: +603 2783 9191 Fax. No.: +603 2783 9111
REGISTERED OFFICE	:	Unit 30-01, Level 30, Tower A Vertical Business Suite, Avenue 3 Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel. No.: +603 2783 9191 Fax. No.: +603 2783 9111
HEAD OFFICE	:	No.53-3, Jalan PJU 5/20E Pusat Perdagangan Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 6148 0890 Fax. No.: +603 6148 0891 Email: info@infolinegroup.com Website: www.infolinegroup.com
PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT	:	MIDF Amanah Investment Bank Berhad Level 21, Menara MIDF No. 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2173 8888 Fax. No.: +603 2173 8277
AUDITORS AND REPORTING ACCOUNTANTS	:	Crowe Malaysia PLT Level 16, Tower C Megan Avenue 2 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur Tel. No.: +603 2788 9999 Fax. No.: +603 2788 9998 Partner-in-charge: Kaw Hoong Siang (MIA Member No. CA 33990) Professional qualification: (Bachelor of Accounting (Hons) Universiti Putra Malaysia, Chartered Accountant, Malaysian Institute of Accountants)

1. CORPORATE DIRECTORY (*CONT'D)*

SOLICITORS FOR OUR LISTING	:	Wong Beh & Toh Peti #30, Level 19, West Block Wisma Golden Eagle Realty 142-C Jalan Ampang 50450 Kuala Lumpur Tel. No.: +603 2713 6050 Fax. No.: +603 2713 6052
INDEPENDENT MARKET RESEARCHER	:	Providence Strategic Partners Sdn Bhd 67-1, Block D, The Suites Jaya One, Jalan Prof Diraja Ungku Aziz 46200 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7625 1769 Managing Partner : Melissa Lim (Bachelor of Commerce (Double major in marketing and management) from Murdoch University, Australia)
ISSUING HOUSE AND SHARE REGISTRAR	:	Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32 Tower A, Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel. No.: +603 2783 9299 Fax. No.: +603 2783 9222
LISTING SOUGHT	:	ACE Market

2. APPROVALS AND CONDITIONS

2.1 BURSA SECURITIES

Bursa Securities had, via its letter dated 27 April 2022 ("**Approval Letter**"), approved:

(i) our admission to the Official List of the ACE Market; and

(ii) the listing and quotation of our entire enlarged issued Shares on the ACE Market.

The approval from Bursa Securities is subject to the following conditions:

No.	Conditions	Status of compliance
1.	Submission of the following information with respect to the moratorium on the shareholdings of the Specified Shareholders to Bursa Depository: (i) Name of shareholders; (ii) Number of Shares; and (iii) Date of expiry of the moratorium for each block of Shares;	Complied.
2.	Confirmation that approvals from other relevant authorities have been obtained for implementation of the Listing;	Complied.
3.	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements;	To be complied.
4.	Furnish to Bursa Securities with a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of Infoline Tec on the first day of Listing;	To be complied.
5.	In relation to the IPO to be undertaken by Infoline Tec, to announce at least 2 market days prior to the Listing date, the result of the IPO including the following: (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/allocation; (iii) A table showing the distribution for placement tranche as per the format in Appendix I of the Approval Letter; and (iv) Disclosure of placees who become substantial shareholders of Infoline Tec arising from the IPO, if any. To ensure that the overall distribution of the Company's securities is properly carried out to mitigate any disorderly trading in the secondary market;	To be complied.
6.	Infoline Tec / MIDF Investment to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of Infoline Tec to the Official List of the ACE Market.	To be complied.

2. APPROVALS AND CONDITIONS *(CONT'D)*

2.2 SC

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

The SC had, via its letter dated 10 May 2022, approved the resultant equity structure of our Company under the equity requirements for public listed companies pursuant to our IPO, subject to the following:

No.	Conditions	Status of compliance
1.	Infoline Tec allocating Shares equivalent to 12.50% of its enlarged number of issued Shares at the point of Listing to Bumiputera investors to be approved by the MITI; and	To be complied.
2.	Infoline Tec is to make available at least 50.00% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors at the point of Listing.	To be complied.

The effects of our Listing on our equity structure are as follow:

	As at 15 October 2021		After the Acquisitions		After our Listing	
Category of shareholders	**No. of Shares**	**% of issued Shares**	**No. of Shares**	**% of enlarged issued Shares**	**No. of Shares**	**% of enlarged issued Shares**
Bumiputera						
- Bumiputera investors to be approved by the MITI	-	-	-	-	[(1)]45,403,700	12.50
- Bumiputera public investors via balloting	-	-	-	-	[(1)]9,081,000	2.50
- Others	-	-	-	-	[(2)]300,000	0.08
Total Bumiputera	**-**	**-**	**-**	**-**	**54,784,700**	**15.08**
Non-Bumiputera	500	100.00	289,229,120	100.00	308,444,420	84.92
Total Malaysian	**500**	**100.00**	**289,229,120**	**100.00**	**363,229,120**	**100.00**
Foreigner	-	-	-	-	-	-
Total	**500**	**100.00**	**289,229,120**	**100.00**	**363,229,120**	**100.00**

Notes:

(1) Based on the assumption that the Issue Shares offered to Bumiputera investors to be approved by the MITI and to Bumiputera public investors via balloting are fully subscribed.

(2) Based on the assumption that Nor Azzam bin Abdul Jalil and Alwizah Al-Yafii binti Ahmad Kamal will fully subscribe for their entitlements under the pink form allocation.

2. APPROVALS AND CONDITIONS *(CONT'D)*

2.3 MITI

The MITI had, vide its letter dated 11 April 2022, taken note of and has no objection to our Listing.

2.4 MORATORIUM ON SALE OF SHARES

In compliance with Rule 3.19 of the Listing Requirements and pursuant to the conditions imposed under the approval letter by Bursa Securities, a moratorium will be imposed on the sale, transfer or assignment of our Shares held by our specified shareholders as follows:

(i) the moratorium applies to our specified shareholders' entire shareholdings for a period of six months from the date of our admission to the ACE Market ("**First Six Months Moratorium**");

(ii) upon expiry of the First Six Months Moratorium, we must ensure that our specified shareholders' aggregate shareholdings amounting to at least 45.00% of the total number of our issued Shares remain under moratorium for a further six months ("**Second Six Months Moratorium**"); and

(iii) upon the expiry of the Second Six Month Moratorium, our specified shareholders may sell, transfer or assign up to a maximum of one third per annum (on a straight-line basis) of their Shares held under moratorium.

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2. APPROVALS AND CONDITIONS *(CONT'D)*

Shares held by CWC and LWH, who are our Promoters, specified shareholders, substantial shareholders, Non-Independent Executive Directors and Key Senior Management, will be subject to the abovementioned moratorium. In addition, Shares held by TYM, who is our Non-Independent Executive Director and Key Senior Management, will be subject to the First Six Months Moratorium on a voluntary basis. Details of our Shares under moratorium are as follows:

	Year 1				Year 2		Year 3	
	Shares under moratorium (First Six Months Moratorium)		Shares under moratorium (Second Six Months Moratorium)		Shares under moratorium		Shares under moratorium	
Name	No. of Shares	(1)(%)	No. of Shares	(1)(%)	No. of Shares	(1)(%)	No. of Shares	(1)(%)
CWC	(2)198,193,906	54.56	163,453,104	45.00	108,968,736	30.0	54,484,368	15.0
LWH	54,454,961	14.99	-	-	-	-	-	-
TYM(3)	14,330,253	3.95	-	-	-	-	-	-
Total	**266,979,120**	**73.50**	**163,453,104**	**45.00**	**108,968,736**	**30.0**	**54,484,368**	**15.0**

Notes:

(1) Computed based on our enlarged Shares of 363,229,120 Shares after our IPO.

(2) After the Offer for Sale.

(3) On voluntary basis.

The abovementioned moratorium has been fully accepted by CWC, who has provided a written undertaking that he will not sell, transfer or assign his shareholdings under moratorium during the moratorium period. LWH and TYM have also provided an undertaking to Bursa Securities that they will not sell, transfer or assign their shareholdings during the First Six Months Moratorium.

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

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3. PROSPECTUS SUMMARY

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

3.1 PRINCIPAL DETAILS OF OUR IPO

Our IPO entails an offering of 96,250,000 IPO Shares at an IPO Price of RM0.32 per IPO Share.

In summary, our IPO Shares will be allocated in the following manner, as set out in Section 4 of this Prospectus:

	Public Issue		Offer for Sale		Total	
	No. of Shares	(1)(%)	No. of Shares	(1)(%)	No. of Shares	(1)(%)
Malaysian Public (via balloting)	18,162,000	5.00	-	-	18,162,000	5.00
Eligible Persons	8,269,000	2.28	-	-	8,269,000	2.28
Private placement to selected investors	2,165,300	0.60	22,250,000	6.12	24,415,300	6.72
Private placement to identified Bumiputera investors approved by the MITI	45,403,700	12.50	-	-	45,403,700	12.50
Total	**74,000,000**	**20.38**	**22,250,000**	**6.12**	**96,250,000**	**26.50**

Note:

(1) Based on our enlarged Shares of 363,229,120 Shares after our IPO.

Enlarged total number of Shares upon Listing	363,229,120
IPO Price per Share	RM0.32
Market capitalisation upon Listing (calculated based on our IPO Price and the enlarged total number of 363,229,120 Shares upon Listing)	RM116,233,318
Total gross proceeds to be raised by our Company from the Public Issue	RM23,680,000
Total gross proceeds to be raised by our Selling Shareholder from the Offer for Sale[1]	RM7,120,000

Note:

(1) The gross proceeds from the Offer for Sale will accrue entirely to our Selling Shareholder.

Please refer to Section 4.3 of this Prospectus for further details of our IPO.

Shares held by CWC and LWH, who are our Promoters, specified shareholders, substantial shareholders, Non-Independent Executive Directors and Key Senior Management, will be subject to moratorium. In addition, Shares held by TYM, who is our Non-Independent Executive Director and Key Senior Management, will be subject to the First Six Months Moratorium on a voluntary basis. Further information on moratorium restrictions is disclosed under Section 2.4 of this Prospectus.

3.2 BACKGROUND INFORMATION OF OUR GROUP AND BUSINESS OPERATIONS

Our Company was incorporated in Malaysia on 5 October 2021 under the Act as a private limited company under the name of Infoline Tec Group Sdn Bhd. On 29 October 2021, our Company was converted to a public limited company to facilitate the Listing.

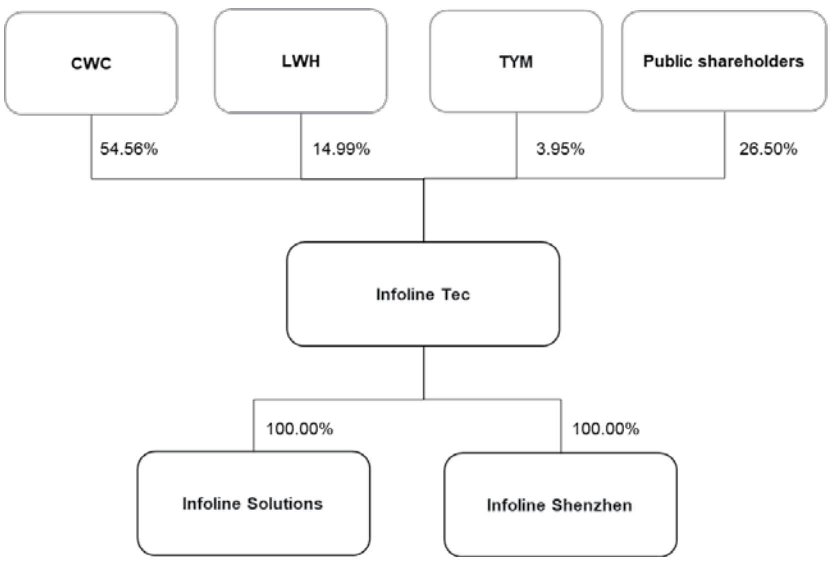
We are an investment holding company while our Subsidiaries are principally involved in providing IT infrastructure solutions, cybersecurity solutions, managed IT and other IT services, and trading of ancillary hardware and software.

Our Group's head office is located in Kota Damansara, Selangor, Malaysia, with operations in Malaysia and PRC.

A summary of our business model is as follows:

Principal Activity	Types of key solutions / services	Revenue model	Geographic segment	Customer segments
Provision of IT infrastructure solutions (design and implementation of IT infrastructure solutions)	• Data centre solutions • System infrastructure • Software-defined infrastructure • Network infrastructure • Cloud computing solutions • Unified communications	• One-off project-based fee • Software licensing fee	• Malaysia • China • Other markets (including Hong Kong, Australia, Thailand, Singapore, Taiwan, South Korea, India, Myanmar, Indonesia and the Philippines)	• Customers who are end-users (i.e. local and multinational companies) • Customers who are not end-users (e.g. property consultancy, and property developers and construction companies)
Provision of cybersecurity solutions (design and implementation of cybersecurity solutions)	• Network security • Endpoint protection platform • Network access control • Anti-DDoS protection • Web isolation • Application delivery controller • Cloud security	• One-off project-based fee • Software licensing fee		
Provision of managed IT services and other IT services	• Managed network services • Managed cybersecurity services • Project delivery and management services • Assessment and troubleshooting services • Consultation services • Maintenance and technical support	• Contract fee • Professio-nal service fee		
Trading of ancillary hardware and software	Examples include computers, notebooks, printers, accessories and peripherals	• One-off sale		

Our Group structure upon Listing is set out below:



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

3.3 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

(i) We have the capability and expertise to design, implement, maintain and manage IT infrastructure and cybersecurity solutions that meet various customer requirements

Our technical department's knowledge and experience garnered over the years have been consolidated into a Fundamental Architectural Design that is constantly kept updated to market trends. This Fundamental Architectural Design allows us to ensure consistent outcomes when delivering our IT infrastructure and cybersecurity solutions.

Furthermore, with the Fundamental Architectural Design and understanding of IT infrastructure and cybersecurity solutions, we have also developed the necessary protocol and processes to carry out our managed IT services in line with the latest technology. We can also add value to our customers' businesses by proposing best practices in designing their IT infrastructure and cybersecurity solutions.

(ii) We have a strong portfolio of customers and have established long-term relationships with them

Our customers are mainly multinational and local companies operating in a diverse range of industries including financial services, telecommunications, property development, retail, healthcare, education, manufacturing, and food and beverage industries. This includes Principals with operations globally.

Our success in securing and retaining our customers is a testament to the quality of the solutions which we have implemented, as well as our customer service and technical support. Further, our success in securing sales from these multinational companies serves as a reference for us as we continue to bid for projects and secure new orders and contracts.

(iii) We have built relationships with a well-established network of Principals and suppliers

Since our inception in 2013, we have been working with numerous Principals and their distributors from whom we source our physical hardware components and software for our IT infrastructure and cybersecurity solutions. These include brand owners and distributors of reputable brands such as Dell Technologies, Inc., Check Point Software Technologies Ltd., Panduit Corporation, VMware, Inc., Palo Alto Networks Inc. and Fortinet Inc..

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

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

As at the LPD, we have been recognised as Gold Partner by Dell Technologies, Inc. and Panduit Corporation; as well as 3-Star Partner by Check Point Software Technologies Ltd. and Huawei Technologies Co. Ltd and Aruba Gold Partner Status by Hewlett Packard Enterprise Company. These recognitions indicate that we work closely with the respective Principals in securing new projects. Some of these recognitions also indicate that we can obtain better pricing arrangements and rebates from these Principals, which in turn could lead to us being able to offer more competitive pricing to our customers.

(iv) We have our own NOC and can offer efficient and reliable customer service and technical support

We have a dedicated technical support team based in our office in Malaysia to provide technical support to all of our existing customers and implement projects in Malaysia and other markets. As at the LPD, we have 12 permanent and 4 contract personnel in our technical department, of which 12 have been certified by some of our Principals. We also hire subcontractors based in PRC to provide technical support to customers in the country.

In 2017, we also established our own NOC in Kota Damansara as a central location to provide managed network services. Our engineers provide support to our customers 24 hours daily. The NOC allows our staff to remotely monitor and manage our customers' IT infrastructure to ensure optimum IT performance and efficiency while minimising downtime.

(v) We have an experienced and committed management team

We have an experienced and committed management team. Our Chief Executive Officer, CWC, is responsible for business development as well as the overall strategic and general management of our Group. Meanwhile, our Chief Operating Officer, LWH, is responsible for operational management and project delivery of our Group.

CWC and LWH have had an average of 20 years' experience in the IT industry, having worked for several IT hardware distributors and/or Principals' distributors. Both our Chief Executive Officer and Chief Operating Officer are supported by our management team who have accumulated experience in their respective fields. The combination of our key management team's experience and expertise have been integral to our success and will continue to be a key factor in our future development.

Further details on our competitive strengths are set out in Section 7.2 of this Prospectus.

3.4 BUSINESS STRATEGIES AND PROSPECTS

Our Group's business strategies and prospects are set out below:

(i) We intend to enhance our facilities and services to increase our capacity and capabilities for providing managed IT services

In order to grow our managed IT services segment, we intend to undertake the following:

(a) Enhancement of our NOC

We will be improving the infrastructure of our existing NOC by acquiring equipment, software and accessories that allow for higher capacities, such as upgrading our switches, servers and storage. This will enable us to cater for more customers and enhance the range of managed network services provided.

The enhancement of the new NOC will entail increasing bandwidth and acquiring new hardware to cater for higher bandwidth, and upgrading of system to allow for centralisation of systems/applications in the NOC, higher visibility of customers' network allowing for more comprehensive network insight to ease troubleshooting, multi-tenancy i.e. concurrently support multiple customers' accounts and customisation of dashboards, support for and consolidation of multiple platforms from different clients.

We plan to complete the enhancement of our NOC within 8 months from the receipt of our IPO proceeds, barring any unforeseen circumstances.

(b) Setting up of a SOC

We will be setting up our SOC in our Kota Damansara head office. The SOC will encompass a dedicated IT infrastructure. A SOC is a facility which facilitate the monitoring and management of cyber threats and attacks impacting an enterprise's IT infrastructure. The intended setting up of a SOC will enable a substantial upgrade (in respect of service offerings and capabilities) to our current managed cybersecurity services such as support the monitoring and collections of security events and incidents, threat analysis and threat hunting, centralisation of information for a more holistic view of security activities, proactive threat monitoring and automation of response workflows. We plan to complete the setting up of our SOC within 18 months upon receiving our IPO proceeds.

(c) Development and enhancement of in-house applications

We plan to enhance our present project management application which we presently use in carrying out our professional IT services. With the enhanced project management application, customers of our managed IT services can utilise this application to track the delivery of our services as well as any request for changes in services provided. This will enable us to better serve our managed IT services customers.

Further, we also intend to develop an outsourced engineer application, which will also be integrated with the helpdesk application used in our proposed enhanced NOC and new SOC. This will allow customers of our managed IT services to book subcontractors, comprising engineers for on-site troubleshooting and rectification works on an on-demand basis. These customers will be able to select the number of external technical engineers and level of skillset required. Additionally, we will also be able to better service our customers in markets where we do not have permanent technical personnel stationed at as the outsourced engineer application will allow us to tap into local engineers in the particular country to serve our customers efficiently and promptly.

We will be able to integrate these applications with the NOC and SOC when they are completed, i.e. 18 months from the date of receipt of IPO proceeds.

(ii) We intend to set up our technology centre and a disaster recovery centre to improve our sales and marketing activities and strengthen our presence in Malaysia

(a) Setting up a technology centre

We presently demonstrate customised solutions to our customers and potential customers at our Kota Damansara head office, and this is typically performed during the pre-sales stage. Our present infrastructure has limited hardware, and can only demonstrate 1 type of solution at one point in time. Moving forward, we plan to acquire the necessary physical hardware components as well as software to enable demonstration of a wide range of solutions involving software defined infrastructure and virtual desktop without renting third-party hardware.

The proposed technology centre will also be able to run multiple solution configurations concurrently. Further, our technical department will be able to test configurations of new customised solutions prior to on-site implementation, which will shorten the time taken for implementation and thus, allowing us to take on more projects.

(b) Set up a disaster recovery centre

We currently use third-party cloud-based disaster recovery facilities to minimise any disruptions to our operations. We thus intend to set up our own disaster recovery centre. A disaster recovery centre will enable us to recover and restore our data and IT infrastructure to allow for operations to continue despite disruptions caused by events such as cyber attacks and natural disasters, which would enhance our customers' confidence in our ability to provide uninterrupted services.

We estimate that we will take approximately 9 months from the date of receipt of IPO proceeds to set up the proposed technology centre and disaster recovery centre.

(iii) We plan to expand our geographical presence in Malaysia and in international markets

We intend to grow our customer base in the Southern region of Peninsular Malaysia (i.e. Johor and Malacca) and East Malaysia (i.e. Sabah and Sarawak). We thus intend to expand our technical team by recruiting new engineers stationed in these states. We estimate that we will require a total of 6 new additional technical personnel who will be stationed in Johor, Sabah and Sarawak. These new personnel will be recruited within 3 months upon receipt of IPO proceeds.

In addition, we also intend to expand our presence to other parts of PRC due to the growing market potential present in PRC, as detailed in the IMR Report in Section 8 of this Prospectus. At present, as we are currently based in Shenzhen, our customer base is largely in Shenzhen. We also plan to expand our sales and technical team by recruiting approximately 6 new personnel which will be stationed in several major cities including Shanghai, Beijing, Wuhan, Chengdu and Heilongjiang. These new personnel will be recruited over the span of 1 year from the receipt of IPO proceeds.

Apart from the above, we also plan to penetrate into international markets in Asia Pacific where some of our customers, who are multinational companies, intend to expand into. We will expand into these markets should we successfully secure a contract and receive enquiries from potential customers and taking into consideration the prospects for the IT infrastructure and cybersecurity market, and political and economic factors within the country. As at the LPD, we have currently received enquiries from our existing customers and potential customers based in Japan and Australia.

Further details on our business strategies and prospects, and the IMR Report are set out in Sections 7.19 and 8 of this Prospectus, respectively.

3.5 RISK FACTORS

Our business is subject to a number of risk factors, many of which may have a material adverse impact on our business operations, financial position and performance. A summary of the key risk factors is set out below:

(i) We are dependent on major customers, particularly Dell group of companies

The revenue generated collectively from the Dell group of companies comprised 37.6%, 45.2%, 52.6% and 54.7% of our Group's revenues in the FYE Under Review.

Our customers under the Dell group of companies, are spread across different countries and region, including Malaysia, PRC, Hong Kong, Australia, Singapore, Thailand, Taiwan, South Korea, India, Myanmar, Indonesia and the Philippines. As set out in Section 7.12 of this Prospectus, certain companies under the Dell group of companies contributed more to our Group's revenue during the FYE Under Review, as compared to other companies under the same group. As such, we are exposed to risks that we may fail to secure sufficient projects in the future, or encounter delays in payments or non-payments from the companies under the Dell group of companies which may adversely affect our Group's business operations and financial performance.

(ii) We are dependent on our Executive Directors for the continued success of our Group

We believe that our success is heavily dependent upon the continued service of our Executive Directors who have extensive knowledge and experience in our business and industry.

As such, the loss of any of our Executive Directors without suitable or timely replacements may result in an adverse effect on our Group's operations and may eventually affect our ability to maintain and/or improve our business or, financial performances.

(iii) We depend on our ability to secure new projects and customers

Our future profitability and financial performance depend on our ability to secure new projects and customers.

The absence of long-term contracts poses a risk of losing our existing customers since they are not obligated to continue engaging us for our solutions and services. If we were to lose any of our customers, particularly our major customers, and are unable to secure sales from new customers or additional sales from existing customers in a timely manner, our business and financial performance may be adversely affected.

(iv) Our Group may face risks of security breaches and failure to protect our proprietary information as well as our customers' information

We have a NOC to support our managed network services, which have the necessary facilities to monitor and manage our customers' IT infrastructure. In addition, we also retain confidential data/information pertaining to our customers.

As such, we may also face risks of external security threats such as malware attacks, hacking, espionage and cyber intrusion, as well as internal security breaches. This includes unauthorised access to restricted information by employees, or attacks which originate from malware-infected devices which are brought into the network system by employees.

(v) Our managed IT services business segment may be affected by system failures

Our managed IT services segment contributed 45.5%, 27.8%, 24.2% and 17.8% to our Group's total revenue in the FYE Under Review.

We are thus dependent on our software systems and network connection to operate our NOC which is internet-enabled to allow for remote monitoring of our customers' IT infrastructure. As such, should there be any system failures or malfunctions caused by events that may be beyond our control, such as power failures, natural disasters, equipment failure and network connectivity downtime, this may disrupt the provision of managed IT services to our customers.

Further details on the risks faced by our business and operations, the industry we operate in and investment in our Shares are set out in Section 9 of this Prospectus.

3.6 IMPACT OF COVID-19

Impact of COVID-19 on our business operations in Malaysia

On 16 March 2020, the Government of Malaysia announced the MCO under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 which took effect from 18 March 2020. Our Group was able to partially resume our operations in our office in Malaysia on 4 May 2020 after receipt of approval from MITI, and subsequently fully resumed our operations in office on 10 June 2020. While we were not allowed to operate in our offices in Malaysia and PRC at this time, it did not have any major material impact on our business operations as our employees worked remotely from home.

However, during this period, our IT infrastructure and cybersecurity solution projects were interrupted as we could not carry out work at our customers' premises. Nevertheless, we only experienced minor delays for a few of our projects and there was no penalty imposed by our customers for the delays. As such, we did not experience any major loss of income from these projects arising from such delays. In addition, as our managed network services was deemed as an essential service, our NOC was operating as usual and our managed IT services could be rendered remotely to our customers.

During the Total Lockdown which was imposed on 1 June 2021, our employees worked remotely from home. However, we could continue to carry out the design, implementation and maintenance solutions on-site at our customers' premises for customers operating in the essential services sector and undertake managed IT services at our NOC and head office.

Impact of COVID-19 on our business operations in PRC

Meanwhile, our employees at our office in PRC were allowed to return to the office on 17 February 2020. Our office in PRC was not subject to any lockdown policies from February 2020 up to 13 March 2020. Between 14 March 2022 and 21 March 2022, our office in PRC was closed due to the lockdown policy imposed in Shenzhen, PRC. There was no material impact on our business operations and we resumed activities in PRC on 22 March 2022.

Impact on our sales performance

As mentioned in the IMR Report in Section 8 of this Prospectus, the COVID-19 pandemic played a part in driving the digital economy. Many corporations implemented work-from-home policies during the MCO and NRP, which gave rise to the use of digital tools to enable file sharing, virtual video and audio teleconferencing and project management applications. These digital tools require the use of IT infrastructure and cybersecurity solutions.

Consequently, our Group benefitted from the accelerated shift towards the digital economy and our revenues improved from RM31.06 million in FYE 2019 to RM43.82 million in FYE 2020, and further increased to RM44.6 million in FYE 2021. Our Group expects to continue benefiting as IT infrastructure and cybersecurity solutions become increasingly essential in carrying out daily operational tasks.

Impact of COVID-19 on our supply chain

During this period, there was an overwhelming demand for hardware which resulted in overall shortage of hardware or the supply of goods. As a result, the implementation of some of our projects during the MCO period were prolonged by 6 to 8 weeks, though there were no penalties imposed by our customers for any project delivery.

3.7 DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, our Directors and Key Senior Management are as follows:

Name	Designation
Directors	
Nor Azzam bin Abdul Jalil	Independent Non-Executive Chairman
Choo Wei Chuen	Non-Independent Executive Director / Chief Executive Officer
Loo Wai Hong	Non-Independent Executive Director / Chief Operating Officer
Too Yit Meng	Non-Independent Executive Director / Chief Marketing Officer
Tan Mui Ping	Independent Non-Executive Director
Alwizah Al-Yafii binti Ahmad Kamal	Independent Non-Executive Director
Olivia Lim	Independent Non-Executive Director
Key Senior Management	
Choo Wei Chuen	Non-Independent Executive Director / Chief Executive Officer
Loo Wai Hong	Non-Independent Executive Director / Chief Operating Officer
Too Yit Meng	Non-Independent Executive Director / Chief Marketing Officer
Toh Woan Fei	Chief Financial Officer
Koay Hean Jin	Chief Technical Officer

Further details of our Directors and Key Senior Management are set out in Section 5 of this Prospectus.

3.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

Details of our Promoters and substantial shareholders before and after our IPO are as follows:

Name / Nationality	Before IPO				After IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)(%)	No. of Shares	(1)(%)	No. of Shares	(2)(%)	No. of Shares	(2)(%)
Promoters and substantial shareholders								
CWC / Malaysian	220,443,906	76.22	-	-	198,193,906	54.56	-	-
LWH / Malaysian	54,454,961	18.83	-	-	54,454,961	14.99	-	-

Notes:

(1) Based on our issued Shares of 289,229,120 Shares before our IPO.

(2) Based on our enlarged Shares of 363,229,120 Shares after our IPO.

Further details of our Promoters and substantial shareholders and their shareholdings in our Company are set out in Section 5 of this Prospectus.

3.9 DIVIDEND POLICY

It is the intention of our Board's policy to recommend and distribute dividends of up to 30.0% of our annual audited PAT attributable to the shareholders of our Company. Any dividends declared will be subject to confirmation of our Board as well as any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

Further details of our dividend policy are set out in Section 12.14 of this Prospectus.

3.10 UTILISATION OF PROCEEDS

The total gross proceeds of approximately RM23.68 million from the Public Issue will be utilised by our Group in the following manner:

Utilisation of proceeds	Amount of proceeds		Estimated timeframe for utilisation from the date of our Listing
	RM'000	**%**	
Setting up of technology centre and disaster recovery centre	8,460	35.73	Within 9 months
Enhancement of NOC	4,300	18.16	Within 8 months
Setting up of a SOC	4,700	19.85	Within 18 months
Business expansion	2,220	9.37	Within 12 months
Estimated listing expenses	4,000	16.89	Within 3 months
Total	**23,680**	**100.00**	

There is no minimum subscription to be raised from our IPO. Our Company will not receive any proceeds from the Offer for Sale. Further details of the proposed utilisation of proceeds are set out in Section 4.7 of this Prospectus.

3.11 FINANCIAL HIGHLIGHTS

The following table sets out a summary of the combined financial information of our Group for the FYE Under Review.

	FYE 2018	FYE 2019	FYE 2020	FYE 2021
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	18,838	31,058	43,815	44,586
Cost of sales	(11,838)	(22,162)	(29,753)	(27,549)
GP	7,000	8,896	14,062	17,037
PBT	4,304	4,411	9,302	10,527
PAT	3,033	3,801	7,046	7,796
GP margin (%)[(1)]	37.2	28.6	32.1	38.2
PBT margin (%)[(2)]	22.8	14.2	21.2	23.6
PAT margin (%)[(2)]	16.1	12.2	16.1	17.5
Gearing ratio (times)[(3)]	-	0.19	0.02	0.01
Current ratio (times)[(4)]	1.81	1.49	1.88	2.54

Notes:

(1) GP margin is computed based on GP over revenue for the financial year.

(2) PBT margin and PAT margin are computed based on the respective PBT and PAT for the financial years over revenue.

(3) Gearing ratio is computed based on total borrowings over total equity as at each financial year.

(4) Current ratio is computed based on current assets over current liabilities as at each financial year.

Further details of the financial information relating to our Group are set out in Sections 12 to 14 of this Prospectus.

4. DETAILS OF OUR LISTING

4.1 OPENING AND CLOSING OF APPLICATIONS

The Application for our IPO will open at 10.00 a.m. on 20 June 2022 and close at 5.00 p.m. on 28 June 2022. Late Applications will not be accepted.

4.2 INDICATIVE TIMETABLE

An indicative timetable for our IPO is set out below:

Events		Tentative date
Issuance of Prospectus / Opening of application for our IPO Shares	:	20 June 2022
Closing of application for our IPO Shares	:	28 June 2022
Balloting of application for our IPO Shares	:	1 July 2022
Allotment / transfer of our IPO Shares to successful applicants	:	8 July 2022
Listing on the ACE Market of Bursa Securities	:	13 July 2022

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

4.3 DETAILS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, our IPO Shares are expected to be allocated in the manner described below.

4.3.1 Public Issue

A total of 74,000,000 Issue Shares representing approximately 20.38% of our enlarged Shares are offered at our IPO Price. Our Issue Shares will be allocated in the following manner:

(i) Malaysian Public

18,162,000 Issue Shares, representing 5.00% of our enlarged Shares will be made available for application by the Malaysian Public through a balloting process as follows:

(a) 9,081,000 Issue Shares made available to non-Bumiputera public investors; and

(b) 9,081,000 Issue Shares made available to Bumiputera public investors.

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(ii) Eligible Persons

8,269,000 Pink Form Shares, representing 2.28% of our enlarged Shares will be made available for application by the Eligible Persons in the following manner:

Eligible Persons	No. of persons	Aggregate number of Pink Form Shares allocated
Our Directors[(1)]	4	600,000
Eligible employees of our Group[(2)]	23	4,320,000
Persons who have contributed to the success of our Group[(3)]	20	3,349,000
Total	47	**8,269,000**

Notes:

(1) The allocation to our Directors are based on, among others, their respective roles and responsibilities of our Company and they are collectively allocated a total of 600,000 Pink Form Shares as follows:

Name	Designation	Number of Pink Form Shares allocated
Nor Azzam bin Abdul Jalil	Independent Non-Executive Chairman	150,000
Tan Mui Ping	Independent Non-Executive Director	150,000
Alwizah Al-Yafii binti Ahmad Kamal	Independent Non-Executive Director	150,000
Olivia Lim	Independent Non-Executive Director	150,000
Total		**600,000**

(2) The allocation to the eligible employees of our Group who are confirmed full-time employees are based on, among others, their job grade, performance, length of service and their past contribution to our Group. Our Key Senior Management are collectively allocated a total of 810,000 Pink Form Shares as follows:

Name	Designation	Number of Pink Form Shares allocated
Toh Woan Fei	Chief Financial Officer	360,000
Koay Hean Jin	Chief Technical Officer	450,000
Total		**810,000**

(3) The allocation to the persons who have contributed to the success of our Group are based on, among others, the nature and terms of their business relationship with us, their length of business relationship with our Group and the level of contribution and support to the success of our Group. This may include, amongst others, our suppliers and customers who have contributed to the success of our Group.

(iii) Private placement to selected investors

2,165,300 Issue Shares, representing 0.60% of our enlarged Shares will be made available by way of private placement to selected investors.

(iv) Private placement to identified Bumiputera investors approved by the MITI

45,403,700 Issue Shares, representing 12.50% of our enlarged Shares will be made available by way of private placement to identified Bumiputera investors approved by MITI.

Our Public Issue is expected to raise gross proceeds of RM23.68 million and will accrue entirely to our Company. The Public Issue will increase our issued Shares from 289,229,120 Shares to 363,229,120 Shares.

Save for the allocation made available for Application as disclosed in Section 4.3.1(ii) of this Prospectus, it is not known to our Company as to whether any of the Directors or Key Senior Management have the intention to subscribe for the Issue Shares allocated under Section 4.3.1(i) of this Prospectus for the Malaysian Public. Our Company is also not aware as to whether there is any person intending to subscribe for more than 5.00% of the Issue Shares allocated under Section 4.3.1(i) of this Prospectus for the Malaysian Public.

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4.3.2 Offer for Sale

The Selling Shareholder is offering 22,250,000 Offer Shares, representing 6.12% of our enlarged Shares by way of private placement to selected investors at our IPO Price. Our Offer for Sale is expected to raise gross proceeds of RM7.12 million and will accrue entirely to the Selling Shareholder.

The Offer Shares to be offered by the Selling Shareholder and his shareholdings in our Company before and after our IPO is as follows:

		Before our IPO				Offer Shares offered		After our IPO			
		Direct		Indirect				Direct		Indirect	
Name/ Address	Material relationship with our Group	No. of Shares	[1](%)	No. of Shares	[1](%)	No. of Shares	[2](%)	No. of Shares	%[2]	No. of Shares	[2](%)
CWC / 47, Jalan PJU 3/12G Tropicana Indah Resort Homes 47410 Petaling Jaya Selangor Darul Ehsan	Promoter, substantial shareholder, Non-Independent Executive Director and Chief Executive Officer	220,443,906	76.22	-	-	22,250,000	6.12	198,193,906	54.56	-	-

Notes:

(1) Based on our issued Shares of 289,229,120 Shares before our IPO.

(2) Based on our enlarged Shares of 363,229,120 Shares after our IPO.

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4.3.3 Summary of our IPO Shares to be allocated and underwriting

A summary of our IPO Shares to be allocated is as follows:

	Public Issue		Offer for Sale		Total	
	No. of Shares	(1)(%)	No. of Shares	(1)(%)	No. of Shares	(1)(%)
Malaysian Public (via balloting)	18,162,000	5.00	-	-	18,162,000	5.00
Eligible Persons	8,269,000	2.28	-	-	8,269,000	2.28
Private placement to selected investors	2,165,300	0.60	22,250,000	6.12	24,415,300	6.72
Private placement to identified Bumiputera investors approved by the MITI	45,403,700	12.50	-	-	45,403,700	12.50
Total	**74,000,000**	**20.38**	**22,250,000**	**6.12**	**96,250,000**	**26.50**

Note:

(1) Based on our enlarged Shares of 363,229,120 Shares after our IPO.

The 18,162,000 Issue Shares made available for Application by the Malaysian Public and the 8,269,000 Pink Form Shares made available to the Eligible Persons under Sections 4.3.1(i) and 4.3.1(ii) of this Prospectus, respectively are fully underwritten by our Underwriter.

All the 24,415,300 IPO Shares made available to selected investors by way of private placement under Sections 4.3.1(iii) and 4.3.2 of this Prospectus and 45,403,700 Issue Shares made available to identified Bumiputera investors approved by the MITI via private placement under Section 4.3.1(iv) of this Prospectus are not underwritten. Irrevocable undertakings will be obtained from selected investors to subscribe for the IPO Shares available under the private placement.

Any unsubscribed Pink Form Shares ("**Excess Issue Shares**") will be re-offered to the Eligible Persons (excluding eligible Directors) who have applied for excess on top of their pre-determined allocation and allocated on a fair and equitable basis and in the following priority:

(i) firstly, allocation on a pro-rata basis to the eligible employees of our Group who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for;

(ii) secondly, allocation of any surplus Excess Issue Shares after (i) above on a pro-rata basis to persons who have contributed to the success of our Group and have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for; and

(iii) thirdly, to minimise odd lots.

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

Once completed, the steps involving items (i) to (iii) above will not be repeated. Should there be any balance of Excess Issue Shares thereafter, such balance will be made available to the Malaysian Public and/or selected investors via private placement. Any unsubscribed Issue Shares by the Malaysian Public will be made available for Application by way of private placement to selected investors. Any unsubscribed Issue Shares by identified Bumiputera investors approved by the MITI ("**MITI Tranche**") will firstly be offered to institutional investors. Subsequently, any MITI Tranche that is not taken up shall be made available for Application by the Bumiputera public investors as part of the balloting process.

Any Issue Shares not taken up by the selected investors after being reallocated from the Malaysian Public and/or Eligible Persons shall be taken up by our Underwriter in accordance with the terms and conditions of the Underwriting Agreement.

The allocation of our IPO Shares shall be on a fair and equitable manner and shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants with a view of broadening our Company's shareholding base to meet the public shareholding spread requirements of Bursa Securities and to establish a liquid market for our Shares.

There is no minimum subscription amount to be raised from the IPO. All the IPO Shares are either subscribed by the Malaysian Public, Eligible Persons and/or selected investors, pursuant to their irrevocable undertakings or fully underwritten by our Underwriter. The number of IPO Shares offered under the Public Issue will not be increased via any over-allotment or "greenshoe" option.

Details on the underwriting arrangement are set out in Section 4.9 of this Prospectus.

4.3.4 Minimum and over subscription

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

In the event of an over-subscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Directors.

Under the Listing Requirements, we are required to have a minimum of 25.00% of our Shares for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market.

We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market. In such an event, we will return in full, without interest, all monies paid in respect of all Application. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

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4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKING

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

Details	No. of Shares	RM
Total number of Shares as at the date of this Prospectus	289,229,120	14,461,456
New Shares to be issued pursuant to the Public Issue	74,000,000	(1)23,680,000
Enlarged total number of Shares upon Listing	363,229,120	38,141,456
Offer for Sale	22,250,000	7,120,000
IPO Price		0.32
Pro forma NA per Share as at 31 December 2021 after the adjustment for the dividend declaration for the FYE 2021, Acquisitions, Public Issue and the intended use of proceeds		0.10
Market capitalisation upon Listing based on our IPO Price and the enlarged total number of 363,229,120 Shares upon Listing		116,233,318

Note:

(1) Calculated based on the IPO Price and before deducting the estimated listing expenses of approximately RM1.2 million which is directly attributable to our Public Issue.

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

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

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

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

At any general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy, by attorney or by duly authorised representative. A proxy may but need not be a member of our Company and there shall be no restriction as to the qualification of the proxy.

On a show of hands, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held.

4.5 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price of RM0.32 per IPO Share was determined and agreed upon between our Directors and our Promoters, together with MIDF Investment, being our Principal Adviser, Sponsor, Underwriter and Placement Agent, after taking into consideration the following factors:

(i) our strong growth demonstrated by the growth of our revenue and PAT for the financial year at a CAGR of 33.3% and 37.0%, respectively from FYE 2018 to FYE 2021;

(ii) our EPS of 2.7 sen (based on the existing number of issued Shares of 289,229,120 Shares) for the FYE 31 December 2021 based on our PAT of RM7.8 million and 2.1 sen (based on the enlarged number of issued Shares of 363,229,120 Shares upon Listing) which translates into PE Multiple of 11.9 times and 15.2 times respectively;

(iii) our detailed financial performance and operating history are outlined in Sections 12 and 6.1 of this Prospectus respectively.

(iv) our competitive strengths, as outlined in Section 7.2 of this Prospectus, which are summarised as follows:

   (a) capability and expertise to design, implement, maintain and manage IT infrastructure and cybersecurity solutions that meet various customer requirements;

   (b) strong portfolio of customers and established long-term relationships with them;

   (c) relationships with a well-established network of Principals and suppliers;

   (d) own NOC which enables us to offer efficient and reliable customer service and technical support; and

   (e) experienced and committed management team;

(v) our business strategies and prospects which includes the enhancement of facilities for managed IT services, setting up of technology centre and disaster recovery centre, and geographical expansion in Malaysia and international markets as outlined in Section 7.19 of this Prospectus;

(vi) overview and outlook of the industry in which our Group operates as described in Section 8 of this Prospectus; and

(vii) our prevailing market conditions including among others, market performance of key global indices, domestic and foreign exchanges, and investors' sentiments.

You should also note that the market price of our Shares upon Listing is subject to market forces and other uncertainties which may affect the price of our Shares. You are reminded to consider the risk factors as set out in Section 9 of this Prospectus before deciding to invest in our Shares.

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4.6 DILUTION

4.6.1 NA per Share

Dilution is computed as the difference between our IPO Price paid by you for our Issue Shares and the pro forma NA per Share of our Group immediately after our IPO. The following table illustrates the effect in our Group's pro forma NA for each Share to our shareholders:

	RM
IPO Price	0.32
Pro forma NA per Share as at 31 December 2021 before our Public Issue	0.05
Pro forma NA per Share as at 31 December 2021 after the adjustment for the dividend declaration for FYE 2021, Acquisitions, Public Issue and the intended use of proceeds	0.10
Increase in the pro forma NA per Share attributable to existing shareholders	0.05
Dilution in the pro forma NA per Share to new investors	0.22
Dilution in the pro forma NA per Share to new investors as a percentage of our IPO Price	68.75%

Please refer to Section 13 of this Prospectus for further details of our Group's pro forma NA per Share as at 31 December 2021.

4.6.2 Effective cost per Share

Save as disclosed below, there is no substantial disparity between our IPO Price and effective cash cost of our Shares acquired by our Promoters, Directors, substantial shareholders or Key Senior Management, or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our Shares during the past 3 years to the date of this Prospectus:

Name	No. of Shares held before our IPO	Total consideration	Average effective cost for each Share
		RM	RM
Promoters, Directors, substantial shareholders and Key Senior Management			
CWC	220,443,906	11,022,195	0.05
LWH	54,454,961	2,722,748	0.05
Director and Key Senior Management			
TYM	14,330,253	716,513	0.05
Total	**289,229,120**	**14,461,456**	**0.05**

4.7 UTILISATION OF PROCEEDS

The total gross proceeds of approximately RM23.68 million from the Public Issue will be utilised by our Group in the following manner:

Utilisation of proceeds	Amount of proceeds		Estimated timeframe for utilisation from the date of our Listing
	RM'000	%	
Setting up of technology centre and disaster recovery centre	8,460	35.73	Within 9 months
Enhancement of NOC	4,300	18.16	Within 8 months
Setting up of a SOC	4,700	19.85	Within 18 months
Business expansion	2,220	9.37	Within 12 months
Estimated listing expenses	4,000	16.89	Within 3 months
Total	**23,680**	**100.00**	

Further details of the utilisation of proceeds are set out in the ensuing paragraphs:

(a) Setting up of our technology centre and disaster recovery centre

We propose to utilise RM8.46 million representing 35.73% of the total proceeds raised from our IPO to set up a technology centre and disaster recovery centre. The technology centre will be set up at our Kota Damansara head office, while the disaster recovery centre will be set up at a co-location facility.

Our present infrastructure at our Kota Damansara head office has limited hardware and we often have to rent third-party hardware to enable demonstration for solutions involving software defined infrastructure and virtual desktop. Our technical department will also have to rebuild infrastructure for every solution, and our head office can only demonstrate 1 type of solution at one point in time. Some of the software utilised are software for demonstration purposes only, hence may not be able to demonstrate the full capability of the software. Thus, by acquiring our own software and physical hardware components instead of renting from a third party, we will be able to:

- demonstrate the proposed solutions to potential customers at any time and is not constrained by the availability of the rented hardware;
- demonstrate the full capabilities of the software to our customers without limitation, due to the software being a demonstration version; and
- demonstrate a wider range of solutions involving software defined infrastructure and virtual desktop, and run multiple solution configurations concurrently.

We intend to spend RM7.20 million to set up the technology centre by acquiring the following hardware and software, and undertake facilities enhancement:

Details	Estimated costs RM'000
- Hardware such as storage tapes, discs and racks, servers, routers, switches, firewall and UPS	4,820
- Software such as virtualisation software, software defined tools and Windows server	2,200
- Facilities enhancement such as minor revisions to the layout of the area space and electrical wiring works	180
Total	**7,200**

In addition, we currently use third-party cloud-based disaster recovery facilities to minimise any disruptions to our operations. There are some limitations to the utilisation of cloud-based disaster recovery facilities, including higher costs incurred as the volume of data stored grows as we are charged based on usage, as well as costs incurred for downloading the data stored on the cloud. In addition, there may be customers who prefer that we do not store and back up their company information using the cloud.

Hence, we intend to set up our own disaster recovery centre which will enable us to recover and restore our data and IT infrastructure to allow for operations to continue despite disruptions caused by events such as cyber attacks and natural disasters.

The disaster recovery centre will be located at a different location (a highly secured physical environment) i.e. a co-location facility which we intend to rent. We will acquire the necessary equipment and software to set up our own disaster recovery centre in the said location.

We plan to spend RM1.26 million to set up our own disaster recovery centre in the manner set out below:

Details	Estimated costs RM'000
- Hardware such as storage tapes, discs and racks, servers, routers, switches and firewall	770
- Software such as virtualisation software, software defined tools and Windows server	380
- Co-location rental and set up cost	110
Total	**1,260**

With the new technology centre, we would be able to better serve our prospective customers through the necessary infrastructure to demonstrate solutions as they are readily available. This will improve customer confidence and allow us to test configurations of new customised solutions prior to implementation on-site at customers' premises to shorten time taken for implementation. Additionally, the new disaster recovery centre will enhance our customers' confidence in our ability to provide uninterrupted services.

The disaster recovery centre will also serve as an internal disaster recovery centre should any of our present IT infrastructure systems fail. This will minimise risks of system failures of our Group's internal IT infrastructure.

Please refer to Section 7.19.2(ii) of this Prospectus for further details.

Pending the receipt of our IPO proceeds, we may proceed with our plans as set out above by utilising our internally generated funds. Therefore, when the IPO proceeds that we have allocated for this enhancement and set up are received, we will use the proceeds allocated to replenish our internally generated funds.

In the event of a surplus/deficit in the allocated amount for enhancement of our technology centre and setting up our disaster recovery centre, such variance will be adjusted to/from the proceeds allocated for business expansion.

We expect to complete the setting up of our technology centre and disaster recovery centre within 9 months from our Listing.

(b) Enhancement of our NOC

We intend to utilise RM4.30 million representing 18.16% of the IPO proceeds to improve the infrastructure of our existing NOC by acquiring equipment, software and accessories that allow for higher capacities, such as upgrading our switches, servers and storage.

Currently, our NOC has limited bandwidth, and the current NOC's dashboard analytics do not allow for centralisation of information from all systems/applications under the NOC such as the helpdesk applications and network monitoring system. As the systems in the current NOC run separately, analytics gathered through the systems/applications must be manually consolidated into a holistic report for customers.

The enhancement of the new NOC will entail increasing bandwidth and acquiring new hardware to cater for higher bandwidth, and upgrading of systems. This will enable us to cater for more customers and enhance the range of managed network services provided as the new NOC will allow for the following, amongst others:

- centralisation of systems/applications in the NOC;
- higher visibility on the status of the customers' networks allowing for more comprehensive network insights which will ease troubleshooting of issues;
- multi-tenancy where the NOC will be able to support multiple customers' accounts concurrently, and dashboards can be customised for customers in accordance with the required scope of works; and
- support and consolidate multiple platforms from different clients.

In order to upgrade our NOC, we propose to purchase the following new hardware and software and undertake facilities enhancement to ensure the present facilities can accommodate the additional hardware:

Details	Estimated costs RM'000
- Hardware such as servers, racks, switches, firewall, video wall display solutions and UPS	2,300
- Software such as network performance monitoring, network configuration management and endpoint management software	1,850
- Facilities enhancement such as minor revisions to the layout of the area space and electrical wiring works	150
Total	**4,300**

Please refer to Section 7.19.2(i) of this Prospectus for further details.

Pending the receipt of our IPO proceeds, we may proceed with our plan to upgrade our NOC by utilising our internally generated funds. Therefore, when the IPO proceeds that we have allocated for this upgrading are received, we will use the proceeds allocated to replenish our internally generated funds.

In the event of a surplus/deficit in the allocated amount for enhancement of our NOC, such variance will be adjusted to/from the proceeds allocated for business expansion.

We expect to complete the enhancement of our NOC within 8 months from our Listing.

(c) Setting up of a SOC

We will be setting up our SOC in our Kota Damansara head office. The SOC will encompass a dedicated IT infrastructure to facilitate the monitoring and management of cyber threats and attacks impacting an enterprise's IT infrastructure. The intended setting up of a SOC will enable a substantial upgrade (in respect of service offerings and capabilities) to our current managed cybersecurity services.

We intend to allocate RM4.70 million representing 19.85% of the IPO proceeds to set-up the SOC, which will be used to acquire and set up the IT infrastructure required as follows:

Details	Estimated costs RM'000
- Hardware such as servers, switches, firewall, storage tapes, discs and racks, video wall display solutions and UPS	2,450
- Software such as networking management and monitoring, endpoint management and traffic analysis software	2,100
- Facilities enhancement such as minor revisions to the layout of the area space and electrical wiring works	150
Total	**4,700**

Please refer to Section 7.19.2(i) of this Prospectus for further details.

Pending the receipt of our IPO proceeds, we may proceed with our plans to set up the SOC by utilising our internally generated funds. Therefore, when the IPO proceeds that we have allocated for this set-up are received, we will use the proceeds allocated to replenish our internally generated funds.

In the event of a surplus/deficit in the allocated amount for setting up the SOC, such variance will be adjusted to/from the proceeds allocated for business expansion.

We expect to complete setting up the SOC within 18 months from our Listing.

(d) Business expansion

We plan to use approximately RM2.22 million representing 9.37% of the IPO proceeds to expand our sales and technical team by recruiting additional personnel to support the growth of our existing business operations due to the expected growth in our scale of business in tandem with our expansion into the Southern region of Peninsular Malaysia (i.e. Johor and Malacca), East Malaysia (i.e. Sabah and Sarawak), and several major cities in PRC.

We intend to recruit an additional 6 personnel to be stationed in Johor, Sabah and Sarawak, and 6 personnel to be stationed in several major cities in PRC. Details of the allocations are as follows:

Working capital	**RM'000**
Expansion in Malaysia	1,110
Expansion in PRC	1,110
Total	**2,220**

Increasing the number of technical personnel will allow us to promptly respond to our potential customers and existing customers, thus enabling us to provide reliable and efficient service to our customers. We do not intend to set up offices in these identified locations as our newly hired technical personnel will have the flexibility of working from home and at the customers' premises.

Please refer to Section 7.19.2(iii) of this Prospectus for further details.

We expect to utilise the proceeds allocated for business expansion within 12 months from our Listing.

Pending the receipt of our IPO proceeds, we may proceed with our plans as set out above by utilising our internally generated funds. Therefore, when the IPO proceeds that we have allocated for this business expansion are received, we will use the proceeds allocated to replenish our internally generated funds.

In the event of a deficit in the allocated proceeds for business expansion, our Group has sufficient internally generated funds to fund such variances. As such, our Group does not foresee any impact on our business expansion plans.

(e) Estimated listing expenses

Our listing expenses are estimated to be approximately RM4.00 million representing 16.89% of our IPO proceeds, details of which are as follows:

Details	RM'000
Professional fees	2,766
Brokerage, underwriting and placement fees	717
Fees payable to authorities	72
Fees and expenses for printing, advertising and roadshow	274
Miscellaneous expenses and contingencies	171
Total	**4,000**

Pending the receipt of the IPO proceeds, we may utilise our internally generated funds for the listing expenses. When the IPO proceeds which have been allocated for the listing expenses are received, we will use the proceeds allocated to replenish our internally generated funds.

In the event of a surplus/deficit in the allocated amount for estimated listing expenses, such variance will be adjusted to/from the proceeds allocated for business expansion.

We expect to utilise the proceeds allocated for listing expenses within 3 months from our Listing.

Pending the eventual use of proceeds raised from the Public Issue, the proceeds will be placed in interest-bearing short-term deposits or money market instruments with licensed financial institutions.

Our Company will not receive any proceeds from the Offer for Sale. Based on the IPO Price, the gross proceeds from the Offer for Sale of approximately RM7.12 million will accrue entirely to the Selling Shareholder. The Selling Shareholder shall bear the entire incidental expenses and fees in relation to the Offer for Sale, amounting to RM0.25 million.

The financial impact of the use of proceeds from our Public Issue is illustrated in the Pro Forma Combined Statements of Financial Position as at 31 December 2021 set out in Section 13 of this Prospectus.

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4.8 UNDERWRITING COMMISSION, BROKERAGE AND PLACEMENT FEES

4.8.1 Underwriting Commission

We have entered into the Underwriting Agreement with MIDF Investment, our Underwriter for the underwriting of 26,431,000 Issue Shares ("**Underwritten Shares**"). We will pay an underwriting commission of 2.50% of the total value of the Underwritten Shares.

4.8.2 Brokerage Fee

We will pay the brokerage fee in respect of our Issue Shares, at the rate of 1.00% of our IPO Price in respect of all successful applications which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/ or the Issuing House.

4.8.3 Placement Fee

Our Placement Agent has agreed to place out 24,415,300 IPO Shares to selected investors and 45,403,700 Issue Shares to identified Bumiputera investors approved by the MITI. Our Company will pay a placement fee of up to 2.50% of the total value of IPO Shares successfully placed out by our Placement Agent.

The Selling Shareholder will bear the placement fee for the 22,250,000 Offer Shares.

4.9 DETAILS OF UNDERWRITING ARRANGEMENT

Pursuant to the Underwriting Agreement entered on 1 June 2022, our Underwriter has agreed to manage the Underwritten Shares on the terms and conditions as set out in the Underwriting Agreement.

The following are the salient terms contained in the Underwriting Agreement. The capitalised terms used in this section shall have the respective meanings as ascribed thereto in the Underwriting Agreement:

(i) The obligation of our Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement is conditional on the performance by our Company of our obligations under the Underwriting Agreement and is conditional on the following:

  (a) our Underwriter receiving the certificate in the form or substantially in the form contained in Schedule 2 (Certificate by the Company) of the Underwriting Agreement, one dated the date of registration of the Prospectus and the other dated the Closing Date, both of which are to be signed by a director of our Company (on behalf of our Board) stating that, to the best of his knowledge and belief, after having made all reasonable enquiries, there has been no such change, development or occurrence as set out in the Underwriting Agreement and being provided with the reports or confirmation and being satisfied at the date of registration of the Prospectus and Closing Date respectively that:

  - there is no occurrence of any change or any development likely to result in a prospective change in the financial position, business operations or conditions (financial or otherwise) of our Group taken as a whole and from that set out in the Prospectus which would have or is likely to have a material adverse effect;

- there is no occurrence of any event or the discovery of any facts or circumstances which would render any representations, warranties or undertakings set out in the Underwriting Agreement to be untrue or inaccurate, misleading or incorrect, not complied with, failure to be performed in any respect or result in a breach of the Underwriting Agreement by our Company;

- there shall not have occurred any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which in the opinion of our Underwriter would have or is likely to have a material adverse effect (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day, on or after the date of the Underwriting Agreement and prior to the Closing Date, lower than 85% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;

- there is no breach by our Company of any of its obligations under the Underwriting Agreement;

- all undertakings, representations, warranties and covenants of our Company under the Underwriting Agreement has been complied with and not breached; and

- our Company has satisfied all the conditions as set out in the Underwriting Agreement on its part to be performed.

(b) the Underwriting Agreement being signed by the relevant authorised signatories to the Underwriting Agreement and stamped within the statutory time frame;

(c) the Prospectus being in the form and substance satisfactory to our Underwriter;

(d) the issue of the Prospectus not later than one (1) month from the date of the Underwriting Agreement or such later date as our Underwriter and our Company may from time to time agree in writing;

(e) the registration of the Prospectus and such other documents as may be required in accordance with the CMSA in relation to the IPO with Bursa Securities and its lodgement with the ROC by the Issue Date;

(f) all necessary approvals including, but not limited to, the approvals as set out in the Underwriting Agreement remaining in full force and effect and that all conditions to the approvals (except for any which can only be complied with after the IPO has been completed) have been complied with;

(g) the approval of Bursa Securities for the admission of our Company to the Official List and the Listing being obtained on terms acceptable to our Underwriter and the approvals of Bursa Securities remaining in full force and effect and that all conditions (except for any which can only be complied with after the IPO has been completed) have been complied with to our Underwriter's reasonable satisfaction;

(h) our Underwriter being satisfied that our Company will, following completion of the IPO, be admitted to the Official List and its Enlarged Shares quoted on the ACE Market no later than three (3) months from the date of the Underwriting Agreement unless mutually agreed to in writing by the parties;

(i) the execution of the Placement Mandate and such agreement(s) as may be determined by the Placement Mandate are in force and not having been terminated or rescinded pursuant to the provisions thereof (whereby for the avoidance of doubt, the execution of the Placement Mandate by our Underwriter in its capacity as the placement agent shall be at the sole discretion of our Underwriter);

(j) our Underwriter receiving a copy duly certified by a director or secretary of our Company to be a true and accurate copy and in full force and effect, of a resolution of the Directors:

- approving the Prospectus (including a confirmation that the Directors, collectively and individually, accept full responsibility for the accuracy of all information stated in the Prospectus), the Underwriting Agreement and the transactions contemplated by it;

- authorising the issuance of the Prospectus;

- authorising a person to sign and deliver the Underwriting Agreement on behalf of our Company;

- approving the IPO and the Listing and the transactions contemplated by each of the same;

- approving the allotment and issue of the IPO Shares under the IPO; and

- confirming that the Directors, collectively and individually, accept full responsibility for the accuracy of all information stated in the Prospectus.

(k) all the resolutions referred to in Section 4.9(i)(j) remaining in full force and effect as at the Closing Date and none having been rescinded or revoked or varied;

(l) the IPO and/or the Listing not being prohibited or impeded by any statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia and all consents, approvals, authorisations or other orders required by our Company under such laws for or in connection with the IPO and/or the Listing have been obtained and are in force up to the Closing Date;

(m) our Company and/or any of our Subsidiaries does not have any actual or contingent liability under applicable laws or regulations concerning human health and safety, pollution or protection of the environment or in relation to any interest in land which would have a material effect on the IPO and/or the Listing;

(n) our Underwriter being satisfied that our Company has complied with and that the IPO and the Listing is in compliance with the policies, guidelines and requirements of the Bursa Securities, SC and all other applicable securities laws and regulations, including all revisions, amendments and/or supplements to it;

(o) there being no occurrence of any event which occurs after the date of the Underwriting Agreement and on or prior to the Closing Date which if it had occurred before the date of the Underwriting Agreement would have rendered any of the representations, warranties and undertakings as set out in the Underwriting Agreement untrue or inaccurate;

(p) there not having occurred on or prior to the Closing Date any breach of and/or failure to perform any of the undertakings by our Company contained in the Underwriting Agreement;

(q) there not being any investigation, directions or actions by any judicial, governmental or regulatory authority in relation to the Listing or in connection with our Group which is still subsisting or unresolved to the satisfaction of our Underwriter;

(r) there having been, as at Closing Date, no registration or lodgement of any amendment, supplement, or replacement to the Prospectus with Bursa Securities or the ROC without the prior written approval of our Underwriter;

(s) the obligations of our Underwriter to subscribe for and/or procure subscriptions for the Underwritten Shares not being prohibited by any statute, order, external rule, directive or regulation amended, supplemented or introduced after the date of the Underwriting Agreement by any legislative, executive or regulatory body or authority in Malaysia at any time on or before the Closing Date; and

(t) our Underwriter being satisfied with the arrangements of our Company to pay the expenses as set out in the Underwriting Agreement.

(ii) Notwithstanding anything contained in the Underwriting Agreement, our Underwriter may at its sole and absolute discretion terminate the Underwriting Agreement and withdraw its obligation upon the occurrence of any of the following:

(a) there is any breach by our Company of any of the representations, warranties or undertakings as set out in the Underwriting Agreement or which is contained in any certificate, statement or notice under or in connection with the Underwriting Agreement; or

(b) there is failure on the part of our Company to perform any of its obligations contained in the Underwriting Agreement; or

(c) there is withholding of information from our Underwriter which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of our Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the IPO, or the distribution or sale of the Shares issued or offered under the IPO; or

(d) there shall have occurred, or happened any material and adverse change in the business or financial condition of our Group; or

(e) the closing date of the application of the IPO Shares does not occur within three (3) months from the date of the Underwriting Agreement, subject to the extension of the Closing Date which is approved by our Underwriter; or

(f) the occurrence of any force majeure event or any event or series of events beyond the reasonable control of our Underwriter including (without limitation) acts of government, acts of God (including, without limitation, the occurrence of a tsunami and/or earthquakes), pandemic, epidemic, acts of terrorism, strikes, national disorder, declaration of a state of emergency, lock outs, fire, explosion, flooding, landslide, civil commotion, sabotage, acts of war, diseases or accidents which would have or can reasonably be expected to have a material adverse effect or which has or is likely to have the effect of making any obligation under the Underwriting Agreement incapable of performance with its terms or which prevents the processing of applications and/or payments pursuant to the IPO or pursuant to the underwriting of the Underwritten Shares; or

(g) there shall have occurred any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which in the opinion of our Underwriter would have or is likely to have a material adverse effect (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the Index is at the close of normal trading on Bursa Securities, on any Market Day, on or after the date of the Underwriting Agreement and prior to the Closing Date, lower than 85% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days, it shall be deemed a material adverse change in the stock market condition; or

(h) any new law or change in law, regulation, directive, policy or ruling in any jurisdiction, interpretation or application by the court/authorities which has/likely to have material adverse effect on our Group and/or materially prejudice the business or the operations of our Group, the success of the IPO, or the Listing or market conditions generally or which has or is likely to have the effect of making the Underwriting Agreement incapable of performance in accordance with its terms; or

(i) any imposition of moratorium, suspension or material restriction on trading of securities on Bursa Securities; or

(j) any government requisition or occurrence of any other nature which would have or is likely to have a material adverse effect on the business, operations and/or financial position or prospects of our Group or the success of the IPO; or

(k) the Public Issue and/or Offer for Sale is stopped or delayed by our Company, the Selling Shareholder or any relevant authorities for any reason whatsoever (unless such delay has been approved by our Underwriter); or

(l) any commencement of legal proceedings or action against any member of our Group or the Selling Shareholder or any of their directors, which in the opinion of our Underwriter, would have or is likely to have a material adverse effect or make it impracticable to market the IPO or to enforce contracts to allot and/or transfer the Shares; or

(m) any one of the Issue Documents (i) having been terminated or rescinded in accordance with its terms; (ii) ceased to have any effect whatsoever, or (iii) varied or supplemented upon terms and such variation or supplementation would have or likely to have a material adverse effect; or

(n) any of the resolutions or approvals referred to in Section 4.9(i)(j) is revoked, suspended or ceases to have any effect whatsoever, or is varied or supplemented upon terms that would have or is likely to have a material adverse effect; or

(o) if the SC or any other relevant authority issues an order pursuant to any Malaysian law such as to make it impracticable to market the IPO or to allot and/or transfer the IPO Shares; or

(p) any other event in which a material adverse effect has occurred or which in the opinion of our Underwriter is likely to occur;

(q) if the obligations of our Underwriter to subscribe for and/or procure subscriptions for the Underwritten Shares is or becomes prohibited by any statute, order, rule, directive or regulation amended, supplemented or introduced after the date of the Underwriting Agreement by any legislative, executive or regulatory body or authority of any jurisdiction; or

(r) in the event that the Listing is withdrawn or not procured or procured but subject to conditions not acceptable to our Underwriter or does not take place within three (3) months from the date of the Underwriting Agreement or such other extended date as may be agreed in writing by our Underwriter.

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4.10 OBJECTIVES OF OUR IPO

The objectives of our IPO are as follows:

(i) to establish liquidity for our Shares by the listing of and quotation for our entire ordinary shares on the ACE Market of Bursa Securities;

(ii) to enable us to access the equity capital market and to provide us the financial flexibility to pursue growth opportunities;

(iii) to raise funds for the purposes as set out in Section 4.7 of this Prospectus;

(iv) to enable our Group to gain recognition through our listing status and further enhance our corporate reputation and brand name which is aimed at expanding our customer base; and

(v) to provide an opportunity for the Malaysian Public, our eligible Directors, employees as well as persons who have contributed to the success of our Group to participate in our equity.

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

5.1 OUR PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Shareholdings of our Promoters and substantial shareholders

Details of our Promoters' and substantial shareholders' shareholdings in our Company before and after our IPO are as follows:

		Before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
Promoters and substantial shareholders	Nationality	No. of Shares	(1)(%)	No. of Shares	(1)(%)	No. of Shares	(2)(%)	No. of Shares	(2)(%)
CWC	Malaysian	220,443,906	76.22	-	-	198,193,906	54.56	-	-
LWH	Malaysian	54,454,961	18.83	-	-	54,454,961	14.99	-	-

Notes:

(1) Based on our issued Shares of 289,229,120 Shares after the Acquisitions but before our IPO.

(2) Based on our enlarged Shares of 363,229,120 Shares after our IPO.

The Shares held by our Promoters and substantial shareholders do not have and will not have different voting rights from the other shareholders of our Company.

Save for our Promoters and substantial shareholders named above, we are not aware of any other persons who is able to, directly or indirectly, jointly or severally, exercise control over our Company. As at the LPD, there is no arrangement between our Company and our Promoters, with any third parties, which may at a subsequent date result in the change in control of our Company.

5.1.2 Profiles of Promoters and substantial shareholders

(i) CWC

CWC, a Malaysian male aged 44, is our Promoter, substantial shareholder, Non-Independent Executive Director and Chief Executive Officer. He was appointed to our Board on 1 November 2021. He is responsible for business development as well as the overall strategic and general management of our Group.

He graduated with a Diploma in Telecommunication & Computer from Kolej Damansara Utama, Malaysia, in June 1999.

He began his career with Telshine Network System Sdn Bhd as Assistant Engineer in July 1999 where he was part of the operations and maintenance team at Kuala Lumpur International Airport and was responsible for the passenger check-in processing system. In February 2000, he was promoted as Telecommunication Engineer where he was responsible for the support and maintenance of unified communication system for the clients of Telshine Network System Sdn Bhd.

In April 2002, he left Telshine Network System Sdn Bhd and joined ECS Pericomp Sdn Bhd as Services Maintenance Sales Executive where he was responsible for new and renewal services maintenance support. In December 2002, he left ECS Pericomp Sdn Bhd and later joined Directron Sdn Bhd as Assistant Sales Manager in January 2003 where he was responsible for new and renewal software sales support.

In December 2003, he left Directron Sdn Bhd to join Infoline Technology Sdn Bhd, which he co-founded in July 2003 with other shareholders. He held the position of director and was responsible for the operations, financial control, sales, projects, customer support as well as management of the company. Infoline Technology Sdn Bhd became inactive since 2015. In September 2018, he resigned as the director and sold his stake in Infoline Technology Sdn Bhd to a third party not connected to him. Subsequently, Infoline Technology Sdn Bhd was renamed to Infinitum Technologies Sdn Bhd in September 2018 under the new owner.

Meanwhile, CWC was appointed as a supervisor in Infoline Shenzhen in January 2013 and was appointed as a director of Infoline Technology Limited in May 2014, where he was responsible for overall management of the company. Infoline Shenzhen was a wholly-owned subsidiary of Infoline Technology Limited then. Subsequently, he acquired the entire shareholdings in Infoline Technology Limited in August 2015. In December 2018, he resigned from his position as the supervisor and was appointed as the director of Infoline Shenzhen. He was responsible for business development and general management of Infoline Shenzhen. In December 2019, he acquired the entire shareholdings in Infoline Shenzhen from Infoline Technology Limited. For clarity, Infoline Shenzhen and Infoline Technology Limited are not related to Infoline Technology Sdn Bhd (now known as Infinitum Technologies Sdn Bhd). In August 2020, he resigned as the director and sold his stake in Infoline Technology Limited to a third party not connected to him. Subsequently, Infoline Technology Limited was renamed to Akima ICT Limited in June 2021 under the new owner.

In June 2016, he joined Infoline Solutions and was appointed a director and assumed the role of Chief Executive Officer where he was responsible for the business development as well as the overall strategic and general management of the company. In October 2018, he acquired the entire shareholdings in Infoline Solutions from the then existing shareholders. In June 2021, he was reassigned as the Chief Executive Officer of Infoline Solutions where he assumes his current responsibilities.

His background and experience have allowed him to establish a vast network of customers comprising multinational and established local companies, and this has assisted our Group in securing projects from such companies in the past. In addition, under his leadership, we developed our in-house project management application to enhance our efficiency in carrying out our IT services, particularly project delivery and management services. He was also key in our Group's expansion into the PRC market.

Please refer to Section 5.2.3 of this Prospectus for details of CWC's principal directorships in other corporations and principal business activities performed outside our Group as at the LPD.

(ii) LWH

LWH, a Malaysian male aged 44, is our Promoter, substantial shareholder, Non-Independent Executive Director and Chief Operating Officer. He was appointed to our Board on 1 November 2021. He is responsible for the operational management and project delivery of our Group.

He obtained an Advanced Diploma in Science from Tunku Abdul Rahman College, Malaysia, in March 2002, and subsequently obtained a Bachelor of Science (Business Information System) from Campbell University, United States of America, in June 2002.

He has over 18 years of experience in the ICT industry with various roles in technical, channel sales, enterprise sales lead as well as board management. He began his career with Ftec Resources Sdn Bhd as Technical Sales Executive in May 2002 where he was responsible for maximising sales of products within a specified account and ensuring that sales target is achieved.

In February 2004, he left Ftec Resources Sdn Bhd and joined Ingram Micro Malaysia Sdn Bhd as Channel Executive in March 2004 where he was responsible for channel sales and account management of the company. He was promoted to Senior Channel Manager in September 2009 where he was responsible for leading the enterprise team to achieve sales quota of the company. During his tenure in the company, he was awarded the Million Ringgit Profit Quarterly contributor in 2010 and 2011, as well as the Top Cisco Revenue Contributor in 2010.

In April 2012, he left Ingram Micro Malaysia Sdn Bhd and joined Infoline Technology Sdn Bhd as General Manager in the same month where he was responsible for the operational management and sales of Infoline Technology Sdn Bhd. In May 2013, he left Infoline Technology Sdn Bhd and founded Infoline Solutions in the same month. He was appointed as director, where he was responsible for the overall operations and project delivery of Infoline Solutions. In September 2017, he was appointed as a General Manager in Infoline Shenzhen responsible for the operational management as well as sales of Infoline Shenzhen. In March 2018, he was appointed as the supervisor of Infoline Shenzhen. In June 2021, he was reassigned as the Chief Operating Officer of Infoline Solutions where he assumes his current responsibility.

During his tenure with our Group, he helped improve the operations and technical capabilities of our Group. Our Group undertook the initiative to start training new engineers in-house and to rely less on external recruits and recruitment agents, allowing our Group to procure suitably trained manpower to undertake the assignments. He also established the NOC to provide managed IT services to customers, and works closely with the Principals such as Dell Technologies Inc., Panduit Corporation, Check Point Software Technologies Ltd., VMWare Inc., Fortinet Inc. and Palo Alto Networks Inc. and their distributors.

Please refer to Section 5.2.3 of this Prospectus for details of LWH's principal directorships in other corporations and principal business activities performed outside our Group as at the LPD.

5.1.3 Changes in shareholdings

Save for the issuance of Shares to the Promoters and substantial shareholders upon the incorporation of our Company and pursuant to the Acquisitions as detailed in Section 6.3 of this Prospectus, and the acquisition of the remaining 200 subscribers' Shares not held by CWC, there has been no change in our Promoters' and substantial shareholders' shareholdings in our Company for the past 3 years preceding the LPD.

5.1.4 Promoters and/ or substantial shareholders' remuneration and benefits in-kind

Save for the dividends declared and/or paid to our Promoters and/or substantial shareholders as disclosed below and the aggregate remuneration and benefits in-kind paid or to be paid to our Promoters and/or substantial shareholders as disclosed in Section 5.2.4 of this Prospectus, there are no other amounts or benefits paid and intended to be paid or given to our Promoters and/or substantial shareholders within the 3 years preceding the date of this Prospectus and up to the LPD:

	Dividend declared and/or paid			
	FYE 2019	**FYE 2020**	**FYE 2021**	**1 January 2022 up to the LPD**
	RM'000	**RM'000**	**RM'000**	**RM'000**
CWC	4,624	1,800	-	(1)1,290
LWH	-	-	-	(1)575

Note:

(1) A final dividend of RM0.9247 per ordinary share amounting to RM2,015,779 in respect of the FYE 2021 was declared on 27 April 2022 and was subsequently paid on 6 May 2022.

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5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

5.2 BOARD OF DIRECTORS

5.2.1 Shareholdings of our Directors

The following table sets out the direct and indirect shareholdings of our Directors before and after our IPO:

		Before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
Name	**Nationality**	**No. of Shares**	**[1](%)**	**No. of Shares**	**[1](%)**	**No. of Shares**	**[2](%)**	**No. of Shares**	**[2](%)**
Nor Azzam bin Abdul Jalil	Malaysian	-	-	-	-	[3]150,000	-*	-	-
CWC	Malaysian	220,443,906	76.22	-	-	198,193,906	54.56	-	-
LWH	Malaysian	54,454,961	18.83	-	-	54,454,961	14.99	-	-
TYM	Malaysian	14,330,253	4.95	-	-	14,330,253	3.95	-	-
Tan Mui Ping	Malaysian	-	-	-	-	[3]150,000	-*	-	-
Alwizah Al-Yafii binti Ahmad Kamal	Malaysian	-	-	-	-	[3]150,000	-*	-	-
Olivia Lim	Malaysian	-	-	-	-	[3]150,000	-*	-	-

Notes:

* Negligible.

(1) Based on our issued Shares of 289,229,120 Shares as at the LPD after the Acquisitions but before our IPO.

(2) Based on our enlarged Shares of 363,229,120 Shares after our IPO.

(3) Based on the assumption that the Directors subscribe in full for their entitlements to the Pink Form Shares.

None of our Directors represent any corporate shareholder on our Board. Further, there are no family relationships between our Directors.

5.2.2 Profiles of Directors

The profiles of our Directors are as follows:

(i) Nor Azzam bin Abdul Jalil

Nor Azzam bin Abdul Jalil, a Malaysian male aged 57, is our Independent Non-Executive Chairman. He was appointed to our Board on 1 November 2021.

He graduated with a Bachelor of Business Administration (Finance) from George Washington University, United States of America in May 1987.

Upon his graduation, he was employed as an Executive Trainee by Bank of Commerce (M) Berhad in October 1987. In November 1991, he was promoted as Assistant Vice President and was responsible for managing the bank's Nostro Accounts. In August 1993, he moved to the corporate banking department as a Credit Officer where he was responsible for the sales and marketing of corporate loan facilities. Subsequently, he was promoted to Head of Japanese Desk in January 1995 where he was responsible for managing the corporate relationships with Japanese multinational companies in Malaysia.

In December 1999, after the merger of Bank of Commerce (M) Berhad and Bank Bumiputra Malaysia Berhad to Bumiputra-Commerce Bank Berhad, he was redesignated as Business Center Manager where he was responsible to set-up and manage a business center in Klang Valley. In August 2000, he was seconded to Tokyo, Japan branch of Bumiputra-Commerce Bank Berhad as General Manager to manage the day-to-day operations of the branch.

He returned to Malaysia in January 2005 to be the Chief Executive Officer of Commerce Tijari Bank Berhad and was transferred to CIMB Bank Berhad as Regional Director IV (responsible for the South Selangor and Negeri Sembilan branches) in January 2006. He was subsequently promoted to the position of Senior Vice President/Regional Director I (responsible for the Kuala Lumpur branches) in January 2010. He remained with the CIMB Group and was promoted several times before leaving CIMB Bank Berhad in May 2016. His last position with the bank was Acting Head of Consumer Sales and Distribution, responsible for driving retail banking and enterprise banking business. He joined Kuwait Finance House (Malaysia) Berhad in June 2016 as Deputy Chief Executive Officer, where he was responsible for assisting in driving the overall strategic direction of the bank's business.

In March 2017, he left Kuwait Finance House (Malaysia) Berhad to join his family business, Voxel Imaging Sdn Bhd, a visual effects and production company for film and television as well as end-to-end production for corporate and commercial clients. He currently manages the financial and investment aspects of the company.

He is currently the Independent Non-Executive Chairman of 2 public listed companies, namely Revenue Group Berhad and Ocean Vantage Holdings Berhad, and also the Independent Non-Executive Director of Nestcon Berhad and Hikmat Duta Holdings Berhad.

Please refer to Section 5.2.3 of this Prospectus for details of Nor Azzam bin Abdul Jalil's principal directorships in other corporations and principal business activities performed outside our Group as at the LPD.

(ii) CWC

CWC is our Promoter, substantial shareholder, Non-Independent Executive Director and Chief Executive Officer. The profile of CWC is set out in Section 5.1.2(i) of this Prospectus.

(iii) LWH

LWH is our Promoter, substantial shareholder, Non-Independent Executive Director and Chief Operating Officer. The profile of LWH is set out in Section 5.1.2(ii) of this Prospectus.

(iv) TYM

TYM, a Malaysian male aged 38, is our Non-Independent Executive Director and Chief Marketing Officer. He was appointed to our Board on 1 November 2021. He is responsible for formulating sales plans and strategies for Malaysian market, supervising account managers, setting sales targets and managing relationships with Principals, business partners and key customers.

He graduated with a Bachelor of Science Network Computing from Napier University, Edinburgh, United Kingdom in December 2005.

He began his career as a System Engineer with NH2 System Sdn Bhd in January 2006 where he was responsible for implementing network solutions, maintaining operating systems, application systems, application software and system management tools, and technical support. He left NH2 System Sdn Bhd and joined Ingram Micro (M) Sdn Bhd as a Business Development Executive in September 2009 where he was responsible for business development and sales strategy.

In February 2012, he left Ingram Micro (M) Sdn Bhd and joined Infoline Technology Sdn Bhd as an Account Manager where he was responsible for developing sales and networking strategies. In May 2013, he left Infoline Technology Sdn Bhd and joined Infoline Solutions as Business Development Manager in June 2013 where he was responsible for formulating sales strategy, keeping abreast with market developments and managing relationships with Principals, business partners, suppliers and customers.

In March 2020, he was promoted to the position of Head of Sales and was subsequently reassigned as Chief Marketing Officer in June 2021 where he assumes his current responsibilities. In September 2021, he was appointed as a director of Infoline Solutions.

Throughout his tenure in Infoline Solutions, our Group had developed sales strategy and expanded its clientele base to include those in the financial services industry (e.g. AIG Technologies (Malaysia) Sdn Bhd, Maybank Shared Services Sdn Bhd, Bank Pertanian Malaysia Berhad, BNP Paribas Malaysia Berhad and China Construction Bank (Malaysia) Berhad). Our Group also achieved the 3-Star Partner by Huawei Technologies Co. Ltd and Aruba Silver Partner Status by Hewlett Packard Enterprise Company for 2021. Together with CWC and LWH, he helped to set up Infoline's internal training centre and oversees the setting up of the software development department.

Please refer to Section 5.2.3 of this Prospectus for details of TYM's principal directorships in other corporations and principal business activities performed outside our Group as at the LPD.

(v) Tan Mui Ping

Tan Mui Ping, a Malaysian female aged 46, is our Independent Non-Executive Director. She was appointed to our Board on 1 November 2021.

She obtained a certification for the Association of Chartered Certified Accountants ("**ACCA**") in February 1999. She became a Member of ACCA in May 2001 and was subsequently made a Fellow Member of ACCA in April 2006. She is also a member of the Malaysian Institute of Accountants since December 2001, a registered company secretary with the CCM since February 2020 as well as a member of the Institute of Corporate Directors Malaysia since January 2022.

She has over 20 years of experience in senior finance roles which covers the areas of corporate finance, investment analysis, business development partnering and investment feasibility study, and group finance matters, treasury and tax planning.

She began her career in Shamsir Jasani Grant Thornton (now known as Grant Thornton Malaysia PLT) in April 1998 and left the firm in I May 2001 as an Audit Senior. From May 2001 to October 2001, she took a break for personal reason. In October 2001, she joined Wah Seong Corporation Berhad as an Accountant where she was responsible for the group reporting and corporate finance functions. She was also involved in the listing exercise of Wah Seong Corporation Berhad.

In June 2003, she left Wah Seong Corporation Berhad and joined Edaran Otomobil Nasional Berhad as a Manager - Group Finance in the same month where she was responsible for the group finance matters, corporate finance and tax planning as well as involved in its business transformation program.

In June 2007, she left Edaran Otomobil Nasional Berhad and joined Advance Synergy Berhad ("**ASB**") as Head of Finance in the same month. During her tenure in ASB, she was involved in various corporate exercises including, among others, capital reduction exercise and issuance of irredeemable convertible unsecured loan stocks of ASB, privatisation and delisting of Advance Synergy Capital Berhad, a subsidiary of ASB, restructuring of Advance Synergy Capital Berhad group's business, assets and resources post privatisation as well as acquisition of new business and disposal of ASB's hotel assets.

In October 2012, she left ASB and joined Weida (M) Bhd ("**Weida**") as a Senior Manager of the Corporate Department in the same month. In August 2014, she was promoted to the position of General Manager in the Group Managing Director's Office, a position she assumes to present date. Throughout her tenure in Weida, she supports the Group Executive Chairman and works closely with other team members and strategic partners on Group Executive Chairman related tasks and projects. Her responsibilities include business development partnering, investment feasibility study, corporate finance, group finance matter, treasury, group tax planning and support the senior management in investors' relations activities. She was also the acting Financial Controller of Weida's property development division from 2013 to 2016.

Please refer to Section 5.2.3 of this Prospectus for details of Tan Mui Ping's principal directorships in other corporations and principal business activities performed outside our Group as at the LPD.

(vi) Alwizah Al-Yafii binti Ahmad Kamal

Alwizah Al-Yafii binti Ahmad Kamal, a Malaysian female aged 48, is our Independent Non-Executive Director. She was appointed to our Board on 1 November 2021.

She graduated with a Bachelor of Laws with Honours from University of Bristol, England in June 1997. In August 2000, she was admitted as an Advocate and Solicitor in the High Court of Malaya and has since became a member of the Bar Council Malaysia until August 2006. She became an Associate of MAICSA in August 2006 and was subsequently awarded a Fellowship of MAICSA on January 2014. She was also a member of the Institute of Corporate Directors Malaysia from January 2018 to December 2019, as well as a registered company secretary with the CCM since February 2020.

She has over 21 years of experience in the corporate legal and company secretarial work. She commenced her legal career as a legal associate in Messrs Zaid Ibrahim & Co from August 2000. In May 2003, she left Messrs Zaid Ibrahim & Co and joined Messrs Zul Rafique & Partners as a legal associate. Throughout her career as a legal practitioner, she represented a number of international and local financial institutions in restructuring exercises involving public listed companies, as well as advising on various debt capital market related matters.

In June 2006, she left Zul Rafique & Partners and joined Intellectual Property Services Sdn Bhd (now known as ZICO Corporate Services Sdn Bhd) as a Manager and was responsible for business development of the company. Subsequently, she was promoted to an Executive Director in May 2010 where she was responsible for overseeing the operations of the company. In April 2013, she left Intellectual Property Services Sdn Bhd and founded AKAL Corporate Advisors Sdn Bhd. Subsequently in May 2014, she founded AKAL Advisors PLT that provides accounting and financing & payroll services.

As the Managing Director of AKAL Corporate Advisors Sdn Bhd, she currently handles over 300 private limited companies, public companies as well as foundations and advises them on all corporate secretarial matters. She also advises on incorporation of companies in Malaysia, foreign branches and foundations, as well as ensuring compliance with the Act and circulars issued by the CCM.

She is currently the Independent Non-Executive Director of Cnergenz Berhad and Revenue Group Berhad.

Please refer to Section 5.2.3 of this Prospectus for details of Alwizah Al-Yafii binti Ahmad Kamal's principal directorships in other corporations and principal business activities performed outside our Group as at the LPD.

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(vii) Olivia Lim

Olivia Lim, a Malaysian female aged 43, is our Independent Non-Executive Director. She was appointed to our Board on 1 November 2021.

She graduated with a Bachelor of Laws (Honours) from National University of Malaysia in August 2003. In February 2004, she was admitted as an Advocate and Solicitor in the High Court of Malaya and has been a member of the Bar Council Malaysia since then.

She has over 17 years of experience in the legal profession. She commenced her legal career as a legal associate in Messrs Zul Rafique & Partners from March 2004 to March 2008. Subsequently in March 2008, she joined Messrs Ben & Partners as a senior legal associate and she was made a partner of the firm in January 2012.

She then left the boutique law firm in September 2015 and set up her own legal firm, Olivia Lim & Co in October 2015. Being the Managing Partner of the firm since then, her expertise spans across the legal aspects of corporate finance, capital and equity markets as well as corporate advisory matters.

Throughout her working experience as a legal practitioner, she has been involved in, among others, various legal due diligence exercises on companies undertaking initial public offerings in Malaysia, Shenzhen Stock Exchange, and Hong Kong Exchanges and Clearing Limited as well as legal advisory services related to capital and equity raising exercises and take-overs.

She is currently the Independent Non-Executive Director of Samaiden Group Berhad, Unique Fire Holdings Berhad and VisDynamics Holdings Berhad.

Please refer to Section 5.2.3 of this Prospectus for details of Olivia Lim's principal directorships in other corporations and principal business activities performed outside our Group as at the LPD.

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5.2.3 Principal Business Activities and Principal Directorships Outside Our Group

The following table sets out other principal directorships of our Directors outside our Group and the principal business activities performed by our Directors outside our Group as at the LPD ("**Present Involvement**") and those other principal directorships of our Directors outside our Group that were held within the past 5 years up to the LPD ("**Past Involvement**"):

(i) Nor Azzam bin Abdul Jalil

Name of company	Principal activities	Involvement / Position Held	Date of appointment	Date of resignation	Equity interest (%)
Present Involvement					
Hikmat Duta Holdings Berhad	Investment holding company. Its subsidiaries are involved in the provisions of water supply and sewerage engineering works and other civil engineering works	Independent Non-Executive Director	19 May 2022	-	-
Nestcon Berhad	Investment holding company. Its subsidiaries are involved in the provision of construction services for building and civil engineering and infrastructure projects	Independent Non-Executive Director	26 August 2020	-	0.1
Ocean Vantage Holdings Berhad	Investment holding company. Its subsidiaries are involved in the provision of support services to oil and gas companies	Independent Non-Executive Chairman	14 August 2019	-	<0.1
Revenue Group Berhad	Investment holding company. Its subsidiaries are involved in the provision of cashless payment solutions	Independent Non-Executive Chairman	1 December 2017	-	0.1
Voxel Imaging Sdn Bhd	Media content production	Director	30 November 2018	-	-
Voxel Communications Sdn Bhd	Media content production	Director	18 February 2019	-	-

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

Name of company	Principal activities	Involvement / Position Held	Date of appointment	Date of resignation	Equity interest (%)
Past Involvement					
Principal Asset Management Berhad	Investment management company	Director	4 December 2013	26 May 2016	-
Flora Bliss Property Development Sdn Bhd	Acquiring, dealing and trading in real property (winding up)	Director	25 July 2016	8 February 2017	-
Sunway South Quay Sdn Bhd	Real estate developer	Director	25 July 2016	8 February 2017	-

(ii) CWC

Name of company	Principal activities	Involvement / Position Held	Date of appointment	Date of resignation	Equity interest (%)
Present Involvement					
I-Ducations Sdn Bhd	Training centre to enhance the skills and competency (such as computer literacy and proficiency) of school leavers to aid employability	Director / Shareholder	28 January 2010	-	55.9
Falcon Amazing Sdn Bhd	Plantation	Director / Shareholder	16 March 2015	-	50.0

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5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

Name of company	Principal activities	Involvement / Position Held	Date of appointment	Date of resignation	Equity interest (%)
Past Involvement					
Infoline Technology Sdn Bhd (now known as Infinitum Technologies Sdn Bhd)[(1)]	1) Supply, installation and maintenance of computer hardware, software, providing information technology solution and its related services and products. 2) Extra low voltage and audio-visual system and/or package	Director / Shareholder	24 July 2003	3 September 2018	64.0
I-Frasis Teknology Sdn Bhd	IT, hardware and software, outsource management services, telecommunication and data communication	Director / Shareholder	15 January 2016	5 July 2018	75.0
Infoline Technologies Pte Ltd, Singapore (now known as Inline Technologies Pte Ltd)[(2)]	Information infrastructure equipment sales and services	Director / Shareholder	1 July 2016	31 August 2020	70.0
Infoline Technology Limited, Hong Kong (now known as Akima ICT Limited)[(3)]	Trading of IT products and services	Director / Shareholder	7 May 2014	31 August 2020	100.0

Notes:

(1) In September 2018, CWC disposed of his shareholdings to Chua Sze Khim (a person not connected to CWC) for a total consideration of RM640,000.

(2) In August 2020, CWC disposed of his shareholdings to Ong Beng Teck (a person not connected to CWC) for a total consideration of SGD441,000.

(3) In August 2020, CWC disposed of his shareholdings to Ong Beng Teck (a person not connected to CWC) for a total consideration of HKD500,000.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

(iii) LWH

Name of company	Principal activities	Involvement / Position Held	Date of appointment	Date of resignation	Equity interest (%)
Present Involvement					
None	-	-	-	-	-
Past Involvement					
Affinity Network Solutions Sdn Bhd	Supply, installation and maintenance of computer hardware and software and providing information technology solution and its related services products	Director / Shareholder	8 August 2012	24 April 2018	80.0
Delifood City Sdn Bhd	Restaurant and cafes	Director	15 January 2014	4 January 2016	-
Delifood Galleria Sdn Bhd	Restaurant and cafes	Director	15 January 2014	16 May 2017	-
Delifood Venture Sdn Bhd	Restaurant and cafes (dissolved)	Director / Shareholder	19 June 2015	3 September 2021	42.3
Inlinetech Network Solutions Private Limited, India	IT solutions provider	Director / Shareholder	16 December 2017	3 July 2019	99.8

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

(iv) TYM

Name of company	Principal activities	Involvement / Position Held	Date of appointment	Date of resignation	Equity interest (%)
Present Involvement					
None	-	-	-	-	-
Past Involvement					
Affinity Network Solutions Sdn Bhd	Supply, installation and maintenance of computer hardware and software and providing information technology solution and its related services products	Director / Shareholder	8 August 2012	24 April 2018	10.0
Delifood Chamber Sdn Bhd	Restaurant and cafe (dissolved)	Director	17 August 2012	1 June 2017	-
BGZ Holding Sdn Bhd	Investment holding in the business of automotive events	Director / Shareholder	6 June 2014	11 September 2018	16.7
Delifood Oasis Sdn Bhd	Restaurants and cafe (dissolved)	Director / Shareholder	4 January 2016	4 February 2019	5.0
DSS Advisory Sdn Bhd	Debt collection agency, collection consultant and financial consultant, legal consulting & business management	Director / Shareholder	21 January 2016	22 October 2019	50.0
Jade F&B Ventures Sdn Bhd	Restaurants (dissolved)	Director / Shareholder	21 January 2014	3 August 2020	25.0

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

(v) Tan Mui Ping

Name of company	Principal activities	Involvement / Position Held	Date of appointment	Date of resignation	Equity interest (%)
Present Involvement					
None	-	-	-	-	-
Past Involvement					
Suria Mahamaju Sdn Bhd	Construction contract and providing consultancy services	Director	15 October 2019	14 June 2021	-
Millennium Square Sdn Bhd	Investment holding in the business of telecommunication technology service and supply of telecommunication equipment (dissolved)	Director / Shareholder	30 October 2018	13 February 2022	50.0

(vi) Alwizah Al-Yafii binti Ahmad Kamal

Name of company	Principal activities	Involvement / Position Held	Date of appointment	Date of resignation	Equity interest (%)
Present Involvement					
AKAL Corporate Advisors Sdn Bhd	Advisors and consultants and to render secretarial, management, commercial, financial, treasury and other related services	Managing Director / Shareholder	1 October 2013	-	60.0
AKAL Advisors PLT	Business management consultancy services, accounting, bookkeeping and auditing activities, and tax consultancy	Partner	22 May 2014	-	-

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

Name of company	Principal activities	Involvement / Position Held	Date of appointment	Date of resignation	Equity interest (%)
Present Involvement					
Revenue Group Berhad	Investment holding company. Its subsidiaries are involved in the provision of cashless payment solutions	Independent Non-Executive Director	1 June 2022	-	-
Cnergenz Berhad	Investment holding company. Its subsidiary is involved in the provision of electronics manufacturing solutions, specialising in surface mount technology manufacturing solutions for the electronics and semiconductor industries	Independent Non-Executive Director	23 September 2021	-	-
Nuri Corporation Sdn Bhd	Property investment (dormant)	Shareholder	-	-	1.4
ETC Technology Malaysia Sdn Bhd	Repair and maintenance of industrial machinery and equipment	Director	20 January 2017	-	-
Past Involvement					
Shopping Bag (M) Sdn Bhd	Retail of confectionaries (dissolved)	Director	30 September 2014	23 June 2017	-
ETC Aerotech (M) Sdn Bhd	Technical support for aeromedical training services (dissolved)	Director	9 April 2014	29 June 2017	-
SRL Advisory Sdn Bhd	Corporate legal consultancy services (dissolved)	Director / Shareholder	16 November 2017	26 April 2021	-
Artisan Shack Sdn Bhd	Business and service related to multimedia, internet, and other form of IT general trading investment (dissolved)	Shareholder	-	-	90.0

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

(vii) Olivia Lim

Name of company	Principal activities	Involvement / Position Held	Date of appointment	Date of resignation	Equity interest (%)
Present Involvement					
VisDynamics Holdings Berhad	Investment holding and the provision of management services and its subsidiary is involved in manufacturer of automated test equipment.	Independent Non-Executive Director	1 June 2022	-	-
Unique Fire Holdings Berhad	Investment holding company. Its subsidiaries are involved in the assembly, manufacture and distribution of active fire protection systems, equipment and accessories for the built environment and distribution of custom graphics designed fire extinguishers, and other active fire protection systems, equipment and accessories and related services	Independent Non-Executive Director	8 October 2021	-	-
Samaiden Group Berhad	Investment holding company. Its subsidiaries are involved in the engineering, procurement, construction and commissioning of solar photovoltaic systems and power plants	Independent Non-Executive Director	16 December 2019	-	-
Etika Samudra Sdn Bhd	Trading and information technology services which is related to digital signage and software development	Director / Shareholder	1 October 2012	-	25.0
Olivia Lim & Co	Legal firm	Founder and Managing Partner	6 October 2015	-	-

Name of company	Principal activities	Involvement / Position Held	Date of appointment	Date of resignation	Equity interest (%)
Past Involvement					
None	-	-	-	-	-

As at the LPD, none of our Directors and/or substantial shareholders has any interest, direct or indirect, in other businesses or corporations which may give rise to a situation of conflict of interest with our Group.

Our Executive Director, CWC, is not actively involved in any other principal business activities outside our Group as stated above. Therefore, his involvement in other principal business activities outside our Group is not expected to affect the operations of our Group as his involvements in the aforesaid companies are minimal. In addition, he does not hold executive position in the aforesaid companies and their operations do not require his involvement on a day-to-day basis as these businesses are managed by or operated by other shareholders or have their own independent management teams. Hence, our Board is of the view that this will not affect his ability to perform his commitment and responsibilities as well as his contribution to our Group in his role as our Director.

Our Non-Executive Directors' involvement in other principal business activities outside our Group as stated above will not affect their ability to perform their commitment and responsibilities as well as their contribution to our Group in their respective roles as our Directors.

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5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

5.2.4 Directors' remuneration and material benefits in-kind

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred compensation accrued for the year) paid and proposed to be paid to our Directors for their services rendered in all capacities within our Group for the FYE 2021 and FYE 2022 are set out below:

	Salaries	Director Fees	Commission	Bonus	EPF and SOCSO	Allowances	Benefits-in-kind	Total
FYE 2021 (Paid)	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Directors								
Nor Azzam bin Abdul Jalil	-	(2)8	-	-	-	-	-	8
CWC	664	-	-	111	38	-	-	813
LWH	664	-	(1)226	111	63	-	-	1,064
TYM	215	-	-	50	33	-	-	298
Tan Mui Ping	-	(2)8	-	-	-	-	-	8
Alwizah Al-Yafii binti Ahmad Kamal	-	(2)8	-	-	-	-	-	8
Olivia Lim	-	(2)8	-	-	-	-	-	8

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5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

FYE 2022 (Proposed)	Salaries	Director Fees	Commission	Bonus[3]	EPF and SOCSO	Allowances	Benefits-in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Directors								
Nor Azzam bin Abdul Jalil	-	48	-	-	-	-	-	48
CWC	708	-	-	-	34	-	-	742
LWH	708	-	-	-	34	-	-	742
TYM	330	-	-	-	41	-	-	371
Tan Mui Ping	-	48	-	-	-	-	-	48
Alwizah Al-Yafii binti Ahmad Kamal	-	48	-	-	-	-	-	48
Olivia Lim	-	48	-	-	-	-	-	48

Notes:

(1) Paid in July 2021. Moving forward, there will be no further payment of commission to LWH or any of the Executive Directors.

(2) Pro-rated from the date of appointment.

(3) The bonuses for the financial year ending 2022 are not included. Such bonuses, if any, will be determined later depending on the performance of our Group, subject to the recommendation of the Remuneration Committee and approved by our Board.

Our Directors' remuneration must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board. Our Directors' fees and any benefits payable to Directors shall be subject to further approval by our shareholders pursuant to an ordinary resolution passed at a general meeting in accordance with our Constitution.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

5.3 BOARD PRACTICES

5.3.1 Board

Our Board is entrusted with the responsibility for the overall direction, strategy, performance and management of our Group. The details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in that office are as follows:

Directors	Designation	Date of appointment	Date of expiration of current term of office	No. of year(s) in office
Nor Azzam bin Abdul Jalil	Independent Non-Executive Chairman	1 November 2021	At the second annual general meeting	<1
CWC	Non-Independent Executive Director / Chief Executive Officer	1 November 2021	At the second annual general meeting	<1
LWH	Non-Independent Executive Director / Chief Operating Officer	1 November 2021	At the third annual general meeting	<1
TYM	Non-Independent Executive Director / Chief Marketing Officer	1 November 2021	At the fourth annual general meeting	<1
Tan Mui Ping	Independent Non-Executive Director	1 November 2021	At the third annual general meeting	<1
Alwizah Al-Yafii binti Ahmad Kamal	Independent Non-Executive Director	1 November 2021	At the second annual general meeting	<1
Olivia Lim	Independent Non-Executive Director	1 November 2021	At the third annual general meeting	<1

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5.3.2 Audit and Risk Management Committee

Our Audit and Risk Management Committee was established by our Board on 3 November 2021 and currently comprises of the following members:

Name	Designation	Directorship
Tan Mui Ping	Chairman	Independent Non-Executive Director
Alwizah Al-Yafii binti Ahmad Kamal	Member	Independent Non-Executive Director
Olivia Lim	Member	Independent Non-Executive Director

The terms of reference of our Audit and Risk Management Committee, amongst others, include the following:

(i) to review the engagement, compensation, performance, qualification and independence of the external auditors, its conduct of the annual statutory audit of the financial statements, and the engagement of external auditors for all other services.

(ii) to review and recommend the quarterly and annual financial statements for approval by the Board before announcement to regulatory bodies, focusing in particular on any changes in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, going concern assumption and compliance with accounting standards and other regulatory or legal requirements.

(iii) to conduct periodic reviews of the involvements of the Managing Director and Executive Director in the companies outside of the Group, in which they have executive functions to ensure that it does not affect their role and responsibilities within the Group.

(iv) to review and monitor any related party transaction/business dealings entered into by the Group and any conflict of interest situation that may arise within the Group to ensure that they are conducted on arms' length basis and based on terms that are fair to the Group.

(v) to oversee and recommend the risk management policies and procedures of the Group.

(vi) to review and recommend changes as needed to ensure that the Group has in place at all times a risk management policy which addresses the strategies, operational, financial, compliance and sustainability risk.

(vii) to implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the Group's business risks.

(viii) to set reporting guidelines for the Management to report to the committee on the effectiveness of the Group's management of its business risks.

(ix) to review the risk profile of the Group and to evaluate the measure taken to mitigate the business risks.

(x) to review the adequacy of the Management's response to issues identified to risk registers, ensuring that the risks are managed within the Group's risk appetite.

(xi) to perform the oversight function over the administration of whistleblowing policy that is approved and adopted by the Board and to protect the values of transparency, integrity, impartiality and accountability where the Group conducts its business and affairs.

(xii) to enhance its accountability in preserving its integrity and to withstand public scrutiny which in turn enhances and builds the Group's credibility to all the stakeholders.

(xiii) to consider the major findings of internal investigations and the Management's response.

(xiv) to consider and approve the appointment of the internal auditors, the internal audit fee and any question of resignation or dismissal.

(xv) to review the internal audit plan and results of the internal audit assessments and investigation is undertaken, and ensure that appropriate action is taken on the recommendations of the internal auditors.

(xvi) to verify the allocation of Employees' Share Option Scheme ("**ESOS**") in compliance with the criteria as stipulated in the bylaws of ESOS of the Company, if any.

(xvii) to report to relevant authorities on any matter reported by it to the Board which has not been satisfactorily resolved and resulting in a breach of any regulations.

5.3.3 Remuneration Committee

Our Remuneration Committee was established by our Board on 3 November 2021 and currently comprises of the following members:

Name	Designation	Directorship
Olivia Lim	Chairman	Independent Non-Executive Director
Alwizah Al-Yafii binti Ahmad Kamal	Member	Independent Non-Executive Director
Tan Mui Ping	Member	Independent Non-Executive Director

The terms of reference of our Remuneration Committee, amongst others, include the following:

(i) to formulate and recommend a framework of remuneration for the Chief Executive Director, Executive Director and key senior management for the Board's approval. There should be a balance in determining the remuneration package, which should be sufficient to attract and retain the Directors of calibre, and yet not excessive. The framework should cover all aspects of remuneration including Directors' fee, salaries, allowance, bonuses, options and benefit-in-kind.

(ii) to formulate and recommend specific remuneration packages for the Chief Executive Officer, Executive Director and key senior management. The remuneration package should be structured such that it is competitive. Salary scales drawn up should be within the scope of the general business policy and not be dependent on short-term performance to avoid incentives for excessive risk-taking. As for the Non-Executive Director and Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board.

(iii) to ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of the Chief Executive Officer and Executive Director and key senior management.

(iv) to implement the policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of the Board and key senior management.

(v) to ensure the levels of remuneration be sufficiently attractive and be able to retain Directors needed to run the Company successfully.

(vi) to structure the component parts of remuneration so as to align with the business strategy and long-term objectives of the Company and to link rewards to the Company's strategy and performance.

(vii) to ensure that the remuneration and incentives for Independent Non-Executive Directors do not conflict with their obligations to bring objective and independent judgement to the Board.

5.3.4 Nominating Committee

Our Nominating Committee was established by our Board on 3 November 2021 and currently comprises of the following members:

Name	Designation	Directorship
Alwizah Al-Yafii binti Ahmad Kamal	Chairman	Independent Non-Executive Director
Olivia Lim	Member	Independent Non-Executive Director
Tan Mui Ping	Member	Independent Non-Executive Director

The terms of reference of our Nominating Committee, amongst others, include the following:

(i) to formulate and review the policy on Board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the Company.

(ii) to source, identify, review and recommend candidates for appointment to the Board and Board Committees, which is led by the Chairman of the NC, taking into consideration the optimum and effective size of the Board and the candidates':-

- character, competency, knowledge and experience;
- professionalism;
- integrity and credibility;
- time commitment, particularly his number of other directorships; and
- in the case of the candidates for the position of Independent Non-Executive Directors, the NC would also evaluate the candidates' ability to discharge such responsibilities or functions as expected from Independent Non-Executive Directors.

(iii) to recommend the re-election of Directors who are due to retire in accordance with the Company's Constitution.

(iv) to assess the independence of Independent Directors annually.

(v) to consider, in making its recommendations, candidates for directorships and, within the bounds of practicability, by any other senior executive or any Director or Major Shareholder and to take steps to ensure that women candidates are sought as part of its recruitment exercise.

(vi) to establish and review the performance criteria to evaluate the performance of the Board, Board Committees and each individual Director.

(vii) to recommend to the Board the nominees to fill the seats on Board Committees.

(viii) to assess the effectiveness of the Board and the Committees of the Board as a whole and each individual Director of the Board including Managing Director and Executive Director. All assessments and evaluations carried out by the NC in the discharge of all its functions would be properly documented.

(ix) to ensure that orientation and education programmes are provided for new members of the Board.

(x) to ensure that all Directors receive appropriate continuous training programmes in order to broaden their perspectives and to keep abreast with developments in the market place and with changes in new statutory and regulatory requirements.

(xi) to review the terms of office and performance of the Audit and Risk Management Committee ("**ARMC**") and each of its members annually to determine whether such ARMC and its members have carried out their duties in accordance with the terms of reference.

(xii) to assist the Board in assessing and evaluating circumstances where a Director's involvement outside the Group may give rise to a potential conflict of interest with the Group's businesses, upon receiving the declaration of the same from the Director and thereafter, to inform the ARMC of the same. After deliberation with the ARMC, to recommend to the Board the necessary actions to be taken in circumstances where there is a conflict of interest.

(xiii) to formulate and review the nomination, selection and succession policies and plans for members of the Board, Board Committees and senior management.

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5.4 KEY SENIOR MANAGEMENT

5.4.1 Particulars and shareholdings

The following table sets out the direct and indirect shareholdings of our Key Senior Management before and after our IPO:

			Before our IPO				After our IPO			
			Direct		Indirect		Direct		Indirect	
Key Senior Management	Designation	Nationality	No. of Shares	[1](%)	No. of Shares	[1](%)	No. of Shares	[2](%)	No. of Shares	[2](%)
CWC	Chief Executive Officer	Malaysian	220,443,906	76.22	-	-	198,193,906	54.56	-	-
LWH	Chief Operating Officer	Malaysian	54,454,961	18.83	-	-	54,454,961	14.99	-	-
TYM	Chief Marketing Officer	Malaysian	14,330,253	4.95	-	-	14,330,253	3.95	-	-
Toh Woan Fei	Chief Financial Officer	Malaysian	-	-	-	-	[3]360,000	-*	-	-
Koay Hean Jin	Chief Technical Officer	Malaysian	-	-	-	-	[3]450,000	-*	-	-

Notes:

* Negligible.

(1) Based on our issued Shares of 289,229,120 Shares after the Acquisitions but before our IPO.

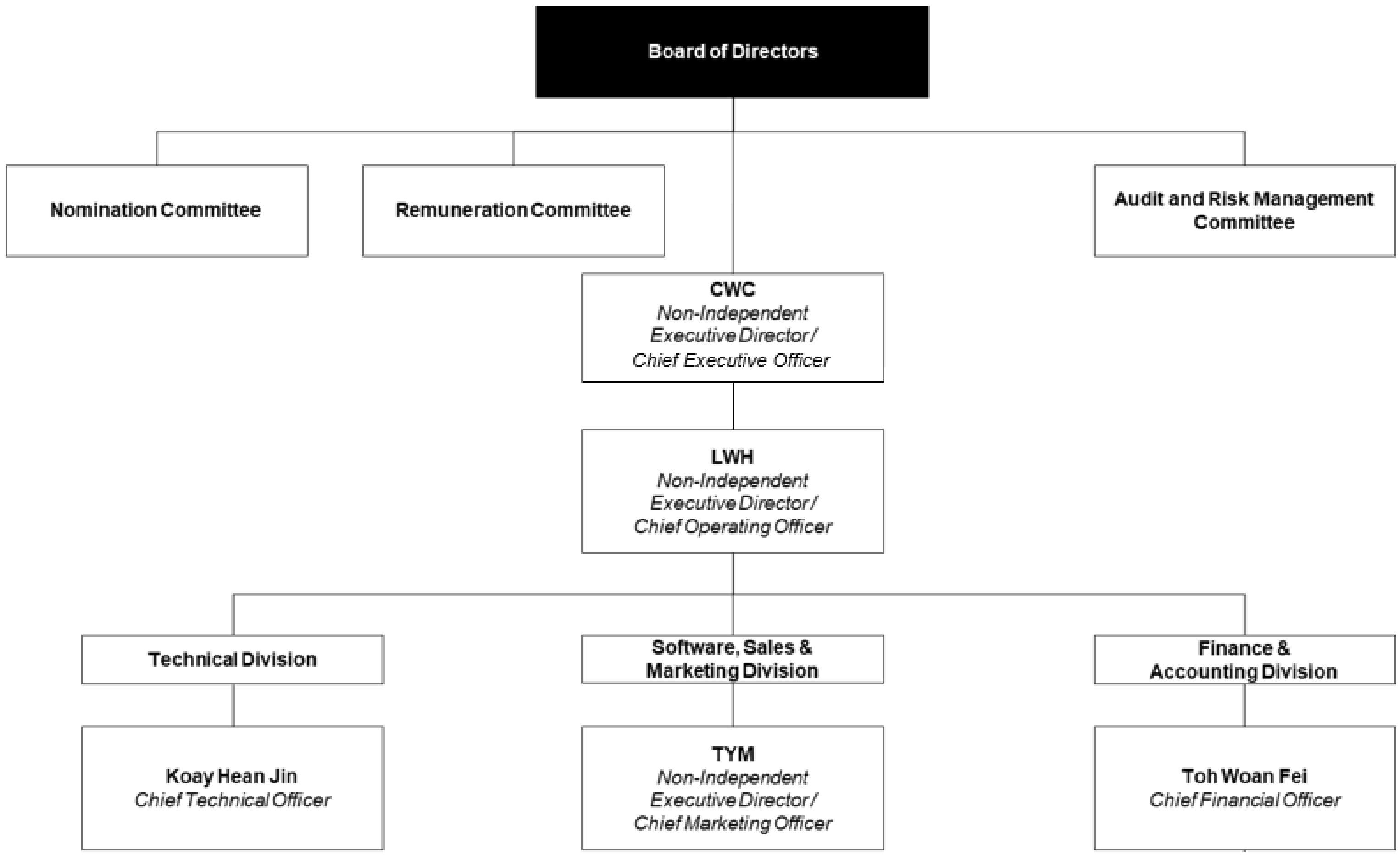
(2) Based on our enlarged Shares of 363,229,120 Shares after our IPO.

(3) Based on the assumption that the Key Senior Management subscribe in full for their entitlements to the Pink Form Shares.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

5.4.2 Management reporting structure

The management reporting structure of our Group is as follows:



5.4.3 Profiles of our Key Senior Management

The profiles of CWC and LWH are set out in Section 5.1.2 of this Prospectus, the profile of TYM is set out in Section 5.2.2 of this Prospectus and profiles of our other Key Senior Management are as follows:

(i) Toh Woan Fei

Toh Woan Fei, a Malaysian female aged 43, is our Chief Financial Officer. She is responsible for the accounting, finance and taxation functions of our Group.

She graduated with a Bachelor of Commerce from La Trobe University, Australia in 2001. She was a certified practising accountant of the Certified Practicing Accountant (CPA), Australia in year 2004. She is also a registered chartered accountant with the Malaysian Institute of Accountant, Malaysia since 2004.

She began her career as an external auditor in Ernst & Young in February 2001 where she worked as assistant in the assurance and advisory business services division. She was promoted to the position of Senior Associate and later resigned from Ernst & Young in January 2004. She joined Unisys (M) Sdn Bhd as Project Controller in April 2004 where she was responsible for project accounting and management of the company. In September 2006, she left Unisys (M) Sdn Bhd and relocated to London in October 2006. She then took a career break until December 2008 when she returned to Malaysia. She joined ALSTOM Asia Pacific Sdn Bhd in January 2009 as a Project Controller and was subsequently promoted to the position of Business Analyst of ALSTOM Services Sdn Bhd in July 2010 where she was responsible for business unit financial reporting and financial analysis of the company.

In July 2012, she left ALSTOM Services Sdn Bhd and joined Segi University Sdn Bhd as a Finance Manager where she was responsible for the finance and accounting functions of the company. In October 2013, she left the company and joined Worley Parsons Business Services Sdn Bhd as a Finance Manager in January 2014 where she was responsible for the management reporting and budgeting of the company. In December 2014, she left the company and took a career break. In April 2016, she joined EntoGenex Industries Sdn Bhd as a Finance and Administration Manager where she was responsible for the finance, accounting and administration of the company. In June 2017, she left the company and took a career break until May 2019.

In June 2019, she joined Infoline Solutions as our Financial Controller. In June 2021, she was reassigned as our Chief Financial Officer where she assumes her current responsibilities.

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(ii) Koay Hean Jin

Koay Hean Jin, a Malaysian male aged 37, is our Chief Technical Officer. He is responsible for leading our technology teams in day-to-day operations and providing key expertise for integrating Network, Data Center, Software Defined Network and Campus Network solutions for our customers across various industries. He is also responsible for supervising our employees in pre-sales, post-sales, and support departments, including assigning tasks, approving schedules, set performance goals and ensuring compliance with timelines.

He graduated with a Bachelor of Information Technology, Communication and Networking (Hons) from University Tunku Abdul Rahman, Malaysia in March 2010. He was awarded numerous certificates in the IT industry including, among others, the VMware Certified Professional 6 – Network Virtualization in 2017.

He began his career as a Junior Network Engineer with Idealtech Sdn Bhd in April 2010 where he was responsible to arrange and install network hardware and software, configure and manage hardware, facilitated IP voice administrations, and firewalls. He also provided remote assistance to nearby engineers and end clients.

He left the company in January 2012 and joined I-Frasis Sdn Bhd as a Network Engineer in February 2012 where he was responsible to design and deploy LANs, WANs, and wireless networks, including servers, routers, switches, UPSs, and other hardware. He was also responsible for the troubleshooting, diagnosing and solving hardware, software, and other issues affecting the network and device.

In June 2014, he left the company and joined Netuniti Sdn Bhd as Senior Network Engineer in July 2014 where he was responsible for designing and deploying LANs, WANs, and wireless networks, including servers, routers, switches, UPS, and other hardware. He was also responsible for troubleshooting, diagnosing and solving hardware, software, and other issues affecting the network and device.

In December 2015, he left Netuniti Sdn Bhd and joined Infoline Solutions as Senior Network Engineer in January 2016 where he was responsible for the design, set up and implementation of IT solutions in the company. He was promoted several times while in Infoline Solutions, namely as an Assistant Manager in April 2017 and Head of Technical in March 2020. In June 2021, he was reassigned as our Chief Technical Officer where he assumes his current responsibilities.

5.4.4 Involvement of our Key Senior Management in other businesses/ corporations

Save for the involvement of CWC, LWH and TYM which are detailed in Section 5.2.3, our Key Senior Management does not have any principal directorship and principal business activities performed outside our Group as at the LPD or any other principal directorship outside of our Group that were held within the past 5 years up to the LPD.

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5.4.5 Key Senior Management's remuneration and benefits

Save for CWC, LWH and TYM whose remuneration and material benefits-in-kind are disclosed in Section 5.2.4 of this Prospectus, the aggregate remuneration (including any contingent or deferred compensation accrued for the year) paid and proposed to be paid to our Key Senior Management for their services rendered in all capacities within our Group for the FYE 2021 and FYE 2022 are as follows:

	Remuneration band	
	FYE 2021 (Paid)	FYE 2022 (Proposed)
Key Senior Management	RM'000	RM'000
Toh Woan Fei	250 – 300	250 – 300
Koay Hean Jin	200 – 250	200 – 250

There are no material benefit-in-kind (including any contingent or deferred compensation accrued for the year) paid and proposed to be paid to our Key Senior Management for their services rendered in all capacities within our Group for the FYE 2021 and FYE 2022.

5.5 DECLARATION FROM OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors and Key Senior Management is or has been involved in any of the following events (whether within or outside Malaysia):

(i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against him or any partnership in which he was a partner or any corporation of which he was a director or key senior management;

(ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;

(iii) in the last 10 years, charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

(iv) in the last 10 years, any judgment was entered against him, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;

(v) in the last 10 years, being subject to any civil proceeding involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;

(vi) being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;

(vii) in the last 10 years, has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or

(viii) any unsatisfied judgment against him/her.

5.6 FAMILY RELATIONSHIPS AND ASSOCIATIONS

There are no family relationships or associations between our Promoters, substantial shareholders, Directors and Key Senior Management.

5.7 EXISTING OR PROPOSED SERVICE AGREEMENT

As at the LPD, there are no existing or proposed service agreements between the companies within our Group and our Directors or our Key Senior Management that provide for benefits upon termination of employment.

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6. INFORMATION ON OUR GROUP

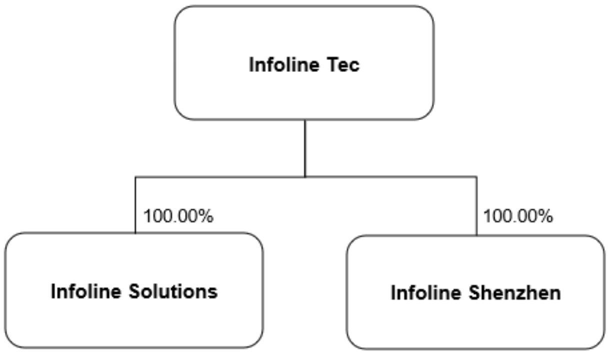
6.1 HISTORY AND MILESTONES

Our Company was incorporated in Malaysia on 5 October 2021 under the Act as a private limited company under the name of Infoline Tec Group Sdn Bhd. On 29 October 2021, our Company was converted to a public limited company to facilitate the Listing.

We are an investment holding company while our Subsidiaries are principally involved in providing IT infrastructure solutions, cybersecurity solutions, managed IT and other IT services, and trading of ancillary hardware and software.

We presently have offices in Malaysia and PRC. For the FYE Under Review, we have implemented solutions for customers' offices primarily based in Malaysia and PRC. We have also implemented solutions for customers' offices based in other countries and regions in Asia Pacific, namely Hong Kong, Australia, Singapore, Thailand, Taiwan, South Korea, India, Myanmar, Indonesia and the Philippines.

Our Group's present corporate structure is as follows:



Our Group's history can thus be traced back to the incorporation of Infoline Solutions. Since then, the key milestones of our business are as follows:

Year	Key milestones and achievements
2013	• CWC decided to pursue his vision in offering IT infrastructure and cybersecurity solutions with a new partner, namely LWH. While CWC began to wind down his other business i.e. Infoline Technology Sdn Bhd, LWH went ahead to form Infoline Solutions. On incorporation, LWH and Lee Su Guat (spouse of CWC) were the shareholders of Infoline Solutions and LWH was appointed as a director of Infoline Solutions. • We commenced our operations in the provision of IT infrastructure solution. • Our first few projects were secured in the year from IT equipment and software distributors for the design and implementation of system infrastructures for their customers. System infrastructure refers to the implementation of network equipment, servers and storage devices to allow for data storage, backup and archiving. • Later in the year, we began to offer cybersecurity solutions when we secured projects to design and implement network security solutions, web isolation and endpoint protection platform for manufacturing companies based in Malaysia and South Korea. These solutions are designed to protect the network, contain web browsing activity in an isolated environment and protect endpoints such as desktops, laptops and mobile devices. • We began to offer IT services when we secured a contract for project delivery and management services for a hypermarket chain.

Year	Key milestones and achievements
2014	• We expanded our range of IT infrastructure solution offerings when we began to secure projects to design and implement data centre solutions, software-defined infrastructure and unified communications for several ICT solution providers. Data centre solutions refer to solutions required in the setting up and maintenance of data centres, while software-defined infrastructure refers to the use of software to automate, manage and program an infrastructure. Unified communications refer to a set of enterprise communication solutions. • We ventured into managed IT services when we began to provide managed network services.
2015	• Commencement of CWC's interest in Infoline Shenzhen via the acquisition of Infoline Technology Limited by CWC in August 2015 from Saw Siong Yih, a third party not connected to him. Infoline Shenzhen was the wholly-owned subsidiary of Infoline Technology Limited at the time.
2016	• CWC began to focus on Infoline Solutions and was appointed as director and assumed the role of Chief Executive Officer of Infoline Solutions.
2017	• We set up a NOC as we began to grow our business in managed network services to facilitate better management of our customers' IT infrastructure systems. The NOC also allowed us to shift our managed network service offering from troubleshooting and repair to offering, amongst others, continuous and automated network and device monitoring, diagnosis and management of incidents and problems.
2018	• We expanded our range of cybersecurity solutions to include application delivery controllers when we secured our first project to implement the solution for a Principal's office in Malaysia. Application delivery controllers are devices that assist software in directing user traffic to remove excess load from servers. • CWC acquired the entire shareholdings of Infoline Solutions from LWH and Lee Su Guat (spouse of CWC) for a total consideration of RM1,000,000.
2019	• We began to offer network access control as part of our cybersecurity solutions when we secured a project from a local pharmaceutical distribution company. Network access control enables access management through improving the visibility of users of the network as well as enhancing policy enforcement on devices and users of corporate networks. • CWC became the direct shareholder of Infoline Shenzhen in December 2019 when he acquired the entire shareholdings in Infoline Shenzhen from Infoline Technology Limited. At the point of acquisition, Infoline Shenzhen has commenced its business in the provision of IT infrastructure, cybersecurity and managed IT services and other related IT services. For clarity, CWC resigned as the director and sold his stake in Infoline Technology Limited in August 2020 to a third party not connected to him. Subsequently, Infoline Technology Limited was renamed to Akima ICT Limited in June 2021 under the new owner.
2020	• We secured our first project to design and implement cloud security for a vehicle financing company, thus further expanding our range of cybersecurity solutions. Cloud security protects digital assets and data stored online on cloud platforms offered via cloud service providers.

Year	Key milestones and achievements
	• Realising a need to digitise certain internal processes, CWC spearheaded the development of our in-house project management application which allows for better tracking and coordination of tasks as well as collaboration within and between our departments. We began the roll out of our in-house developed project management application in 2020, and began utilising this application in carrying out our IT services, particularly project delivery and management services.
2021	• We ventured into providing managed cybersecurity services. We formed a dedicated security analysis team that operates from our head office in Kota Damansara on a 24-hour basis. Our present facilities at our head office can allow our security analysis team to undertake basic managed cybersecurity services including basic diagnosis on the network to detect common cyber threats in order to troubleshoot any incidents and problems raised by customers. With our security analysis team in place, we secured our first contract for managed cybersecurity services from our existing client (a vehicle financing company). • We obtained the ISO / IEC 27001:2013 certification for the provision of managed services through our NOC. • On 2 August 2021, CWC entered into a share sale agreement with LWH and TYM for the disposal of 28.5% and 7.5% share capital of Infoline Solutions to LWH and TYM for a total consideration of RM9,071,550 and RM2,387,250 respectively which was completed on 6 October 2021. • On 5 October 2021, Infoline Tec Group Sdn Bhd was set up to facilitate the Listing and was subsequently converted to a public limited company on 29 October 2021. • On 3 November 2021, Infoline Tec Group Berhad entered into conditional share sale agreements with Infoline Solutions Vendors and Infoline Shenzhen Vendor to acquire the entire shareholdings in Infoline Solutions and Infoline Shenzhen respectively. Further details on the Acquisitions are set out in Section 6.3 of this Prospectus. The Acquisitions were completed on 9 May 2022.

Over the years, we have built up a strong track record as a reliable IT infrastructure and cybersecurity solution provider. As a testament, we have been granted recognitions by several of our Principals. As these Principals are multinational companies, the recognitions have provided credibility to our Group, which has assisted us in securing some of our projects in the past.

As at the LPD, we have been recognised as Gold Partner by Dell Technologies, Inc. and Panduit Corporation; as well as 3-Star Partner by Check Point Software Technologies Ltd. and Huawei Technologies Co. Ltd and Aruba Gold Partner Status by Hewlett Packard Enterprise Company. These recognitions indicate that we work closely with the respective Principals in securing new projects. Some of these recognitions also indicate that we can obtain better pricing arrangements and rebates from these Principals, which in turn could lead to us being able to offer more competitive pricing to our customers.

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6.2 SHARE CAPITAL AND CHANGES IN SHARE CAPITAL

As at the LPD, our issued share capital is RM14,461,456 comprising 289,229,120 Shares.

Details of changes to our issued share capital since incorporation up to the LPD are shown below:

Date of allotment	No. of Shares	Nature of transaction	Consideration	Cumulative issued share capital	
				RM	No. of Shares
5 October 2021	500	Subscriber's share	Cash	25	500
9 May 2022	191,070,040	Infoline Solutions Acquisition	Shares issued as consideration for the Infoline Solutions Acquisition	9,553,527	191,070,540
9 May 2022	98,158,580	Infoline Shenzhen Acquisition	Shares issued as consideration for the Infoline Shenzhen Acquisition	14,461,456	289,229,120

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in our Company. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotments.

Upon our Listing, our total number of issued Shares will increase from 289,229,120 Shares to 363,229,120 Shares.

6.3 FORMATION OF OUR GROUP

In conjunction with our Listing, our Company entered into the following conditional share sale agreements:

(a) on 3 November 2021, our Company entered into the Infoline Solutions SSA for the Infoline Solutions Acquisition for a total consideration of RM9,553,502, which was fully satisfied by the issuance of 191,070,040 new Shares at an issue price of RM0.05 each. The total purchase consideration of RM9,553,502 for the Infoline Solutions Acquisition was arrived at after taking into consideration the audited NA of Infoline Solutions as at 30 June 2021 of RM9,553,502; and

(b) on 3 November 2021, our Company has entered into the Infoline Shenzhen SSA for the Infoline Shenzhen Acquisition for a total consideration of RM4,907,929 (equivalent to RMB7,635,236 based on the closing exchange rate on 30 June 2021 of RMB1:RM0.6428), which was fully satisfied by the issuance of 98,158,580 new Shares at an issue price of RM0.05 each. The total purchase consideration of RM4,907,929 for the Infoline Shenzhen Acquisition was arrived at after taking into consideration the audited NA of Infoline Shenzhen as at 30 June 2021 of RMB7,635,236.

The Infoline Solutions Vendors' shareholdings in Infoline Solutions before the completion of the Infoline Solutions SSA and number of Shares issued to them pursuant to the Infoline Solutions Acquisition are as follows:

Infoline Solutions Vendors	**Shareholdings in Infoline Solutions before completion of the Infoline Solutions SSA**		**Consideration**	
	No. of Infoline Solutions shares	**%**	**RM**	**No. of new Shares**
CWC	1,395,200	64.00	6,114,241	122,284,826
LWH	621,300	28.50	2,722,748	54,454,961
TYM	163,500	7.50	716,513	14,330,253
Total	2,180,000	100.00	9,553,502	191,070,040

The Infoline Shenzhen Vendor's shareholdings in Infoline Shenzhen before the completion of the Infoline Shenzhen SSA and number of Shares issued to him pursuant to the Infoline Shenzhen Acquisition are as follows:

Infoline Shenzhen Vendor	**Shareholdings in Infoline Shenzhen before completion of the Infoline Shenzhen SSA**		**Consideration**	
	Registered capital (RMB)	**%**	**RM**	**No. of new Shares**
CWC	500,000	100.00	4,907,929	98,158,580

The Acquisitions were completed on 9 May 2022. Thereafter, Infoline Solutions and Infoline Shenzhen became our wholly-owned subsidiaries.

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

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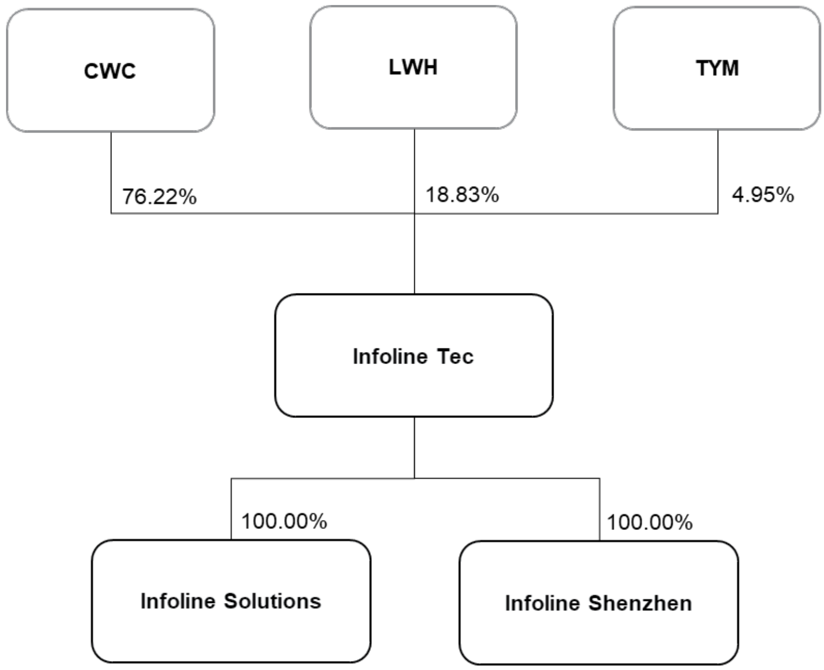
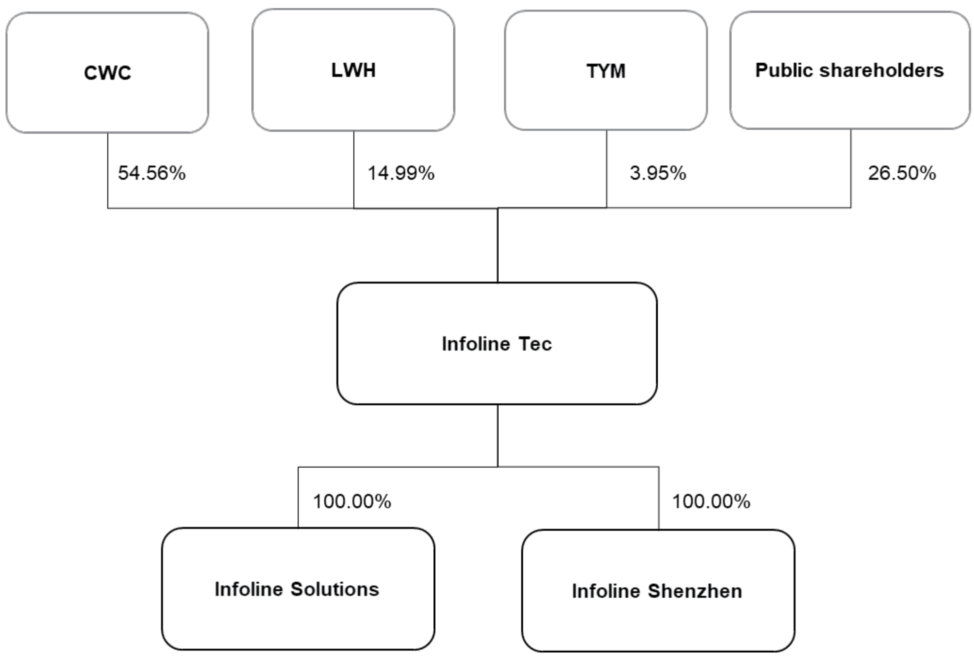
6.4 OUR SHAREHOLDERS AND GROUP STRUCTURE

Our shareholders and Group structure before and after our IPO is set out below:

Before our IPO (1)



After our IPO (2)



Notes:

(1) Based on our enlarged Shares of 289,229,120 Shares after the Acquisitions but before our IPO.

(2) Based on our enlarged Shares of 363,229,120 Shares after our IPO.

6.5 OUR SUBSIDIARIES

Our Subsidiaries as at the LPD are as follows:

Company name	Registration No.	Date / Place of incorporation	Principal activities	Our equity interest (%)
Infoline Solutions	201301015421 (1045254-P)	8 May 2013 / Kuala Lumpur, Malaysia	Provision of information technology infrastructure and cybersecurity solutions, trading of ancillary hardware, and related services	100.00
Infoline Shenzhen	440301503446228	5 January 2013 / Shenzhen, PRC	Provision of information technology infrastructure and cybersecurity solutions, trading of ancillary hardware, and related services	100.00

As at the LPD, our Company does not have any associate companies.

6.5.1 Information on Infoline Solutions

Infoline Solutions was incorporated in Malaysia on 8 May 2013 as a private limited company under the Companies Act 1965 and is deemed registered under the Act. The principal place of business of Infoline Solutions is at No.53-3, Jalan PJU 5/20E, Pusat Perdagangan Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.

Infoline Solutions is principally involved in the provision of information technology infrastructure and cybersecurity solutions, trading of ancillary hardware, and related services.

As at the LPD, the issued share capital of Infoline Solutions is RM2,180,000 comprising 2,180,000 ordinary shares. Save as disclosed below, there has been no change in Infoline Solutions' issued share capital for the past 3 years preceding the LPD:

Date of allotment	No. of ordinary shares allotted	Nature of transaction	Consideration	Cumulative issued share capital (RM)
18 June 2019	1,180,000	Capitalisation of part of the amount owing to CWC	Otherwise than cash via capitalisation of RM1,180,000 owing to CWC	2,180,000

Infoline Solutions is our wholly-owned subsidiary. As at the LPD, Infoline Solutions does not have any subsidiary, joint venture or associate companies.

6.5.2 Information on Infoline Shenzhen

Infoline Shenzhen was incorporated in Shenzhen PRC on 5 January 2013 as a foreign investment enterprise under the Shenzhen Administration for Market Regulation. The principal place of business of Infoline Shenzhen is at 401 Linli Pioneer Park, 8 South Guangzu Road, Longtian Sub-district, Pingshan District, Shenzhen City, Guangdong Province, PRC.

Infoline Shenzhen is principally involved in the provision of information technology infrastructure and cybersecurity solutions, trading of ancillary hardware, and related services.

As at the LPD, the registered capital of Infoline Shenzhen is RMB500,000. There has been no change in Infoline Shenzhen's registered capital for the past 3 years preceding the LPD.

Infoline Shenzhen is our wholly-owned subsidiary. As at the LPD, Infoline Shenzhen does not have any subsidiary, joint venture or associate companies.

6.6 PUBLIC TAKE-OVER

Since our incorporation up to the LPD, there has been:

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

(ii) no public take-over offers by our Company in respect of other companies' shares.

6.7 MATERIAL PROPERTIES OF OUR GROUP

6.7.1 Material properties owned by our Group

As at the LPD, we do not own any property.

6.7.2 Material properties rented by our Group

Details of the properties rented by our Group as at the LPD are as follows:

Tenant	Landlord	Location	Approximate Area (sq m)	Tenure	Use of property	Rental per annum
Malaysia						
Infoline Solutions	CWC	No. 51-2 & 51-3, Jalan PJU 5/20E, Pusat Perdagangan Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan	144.9	1 September 2021 to 31 August 2023	Office	RM50,400
Infoline Solutions	I-Ducations Sdn Bhd	No. 53-1, Jalan PJU 5/20E, Pusat Perdagangan Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan	144.9	1 November 2020 to 31 October 2022	Office	RM26,400
Infoline Solutions	I-Ducations Sdn Bhd	No. 53-3, Jalan PJU 5/20E, Pusat Perdagangan Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan	144.9	1 August 2020 to 31 July 2022	Office	RM24,000
PRC						
Infoline Shenzhen	Shenzhen Honghui Dress Accessories Co., Ltd.	Room 401 Linli Pioneer Park, 8 South Guangzu Road, Longtian Sub-district, Pingshan District, Shenzhen City	102.0	1 January 2021 to 31 December 2022	Office	RMB48,960

As at the LPD, the properties rented by our Group is not in breach of any land use conditions, laws, regulations, rules and requirements in relation to land and buildings.

7. BUSINESS OVERVIEW

7.1 PRINCIPAL BUSINESS ACTIVITIES, PRODUCTS AND SERVICES

7.1.1 Overview

We are an IT infrastructure and cybersecurity solution provider. Our core expertise lies in:

(i) designing suitable IT infrastructure and cybersecurity solutions that meet customers' business needs, requirements and budget;

(ii) project delivery and implementation which includes the implementation and configuration of the physical hardware components and software based on the agreed upon design; and

(iii) management and maintenance of the abovementioned solutions.

As for physical hardware components and software, we source them from Principals through their distributors.

Our Group's principal activities and solutions are categorised and summarised in the diagram below:

Principal Activity	Types of key solutions / services	Revenue model	Geographic segment	Customer segments
Provision of IT infrastructure solutions (design and implementation of IT infrastructure solutions)	• Data centre solutions • System infrastructure • Software-defined infrastructure • Network infrastructure • Cloud computing solutions • Unified communications	• One-off project-based fee • Software licensing fee	• Malaysia • China • Other markets (including Hong Kong, Australia, Thailand, Singapore, Taiwan, South Korea, India, Myanmar, Indonesia and the Philippines)	• Customers who are end-users (i.e. local and multinational companies) • Customers who are not end-users (e.g. property consultancy, and property developers and construction companies)
Provision of cybersecurity solutions (design and implementation of cybersecurity solutions)	• Network security • Endpoint protection platform • Network access control • Anti-DDoS protection • Web isolation • Application delivery controller • Cloud security	• One-off project-based fee • Software licensing fee		
Provision of managed IT services and other IT services	• Managed network services • Managed cybersecurity services • Project delivery and management services • Assessment and troubleshooting services • Consultation services • Maintenance and technical support	• Contract fee • Professio-nal service fee		
Trading of ancillary hardware and software	Examples include computers, notebooks, printers, accessories and peripherals	• One-off sale		

We generally have 2 customer segments, namely:

(i) Customers who are end-users

End-users are the users of the IT infrastructure and cybersecurity solutions that we design, implement, maintain and manage. These end-users are typically enterprises that include local and multinational companies that are operating in diverse industries, including financial services, telecommunications, retail, healthcare, education, manufacturing, and food and beverage industries. End-users also include Principals, which require us to design, implement, maintain and manage their IT infrastructure and cybersecurity solutions for their offices.

(ii) Customers who are not end-users

We also design, implement, maintain and manage IT infrastructure and cybersecurity solutions for customers which are not end-users of these solutions. These customers include property consultancy as well as property developers and construction companies.

Property consultancy companies are companies that facilitate the process of acquiring or renting a property for enterprises. These companies are engaged by their customers (typically enterprises) to identify a suitable location as an office, oversee the interior designing of the office premises and equipping the office premises with the necessary facilities (including IT infrastructure and cybersecurity solutions) in accordance with their customers' requirements. In doing so, these companies may work with relevant service providers and contractors. This include engaging us to provide consultation services to implement IT infrastructure and cybersecurity solutions for the premises.

Property developers and construction companies also engage us to provide consultation services during the initial set up and planning stage of the construction of commercial buildings.

7.1.2 Our principal activities and products

Our principal activities are as detailed below:

(i) Provision of IT infrastructure solutions

We specialise in the design and implementation of IT infrastructure solutions, the process of which is described as follows:

- We assess and evaluate our customers' business environment to consult and recommend a suitable IT infrastructure design that meets their business needs, requirements and budget (encompassing network connectivity, data storage and efficient processing of applications that facilitate and automate enterprises' business or operational processes);

- We then set up the physical hardware components of this design and configure the appropriate software with these physical hardware components at either our Group's office or the customers' premises, depending on the customers' request;

- The abovementioned configured physical hardware components and software are installed on-site at our customers' premises to form the IT infrastructure;

- Once the IT infrastructure is formed and handed over to our customers, we continue to provide maintenance services if requested by our customers.

A well-designed IT infrastructure lays a foundation for introducing software to facilitate and automate customers' business or operational processes. It is thus crucial for IT infrastructure solutions to be implemented to allow for workable network connectivity, data storage and efficient processing of applications to enable our customers to communicate and perform their daily operational activities efficiently and effectively.

The physical hardware components and software of the IT infrastructure we design and implement are sourced from the Principals through their distributors. Principals are companies which design and develop the physical hardware components and software, and are the brand owners. As the Principals generally market and sell their physical hardware components and software through their distributors, we procure these products from the Principals' distributors.

As we are recognised by some of these Principals, we are able to directly negotiate with the Principals for specific projects (which are typically larger in sales volume) allowing us to obtain better pricing arrangements. The Principals will then inform their distributors of the pricing arrangement.

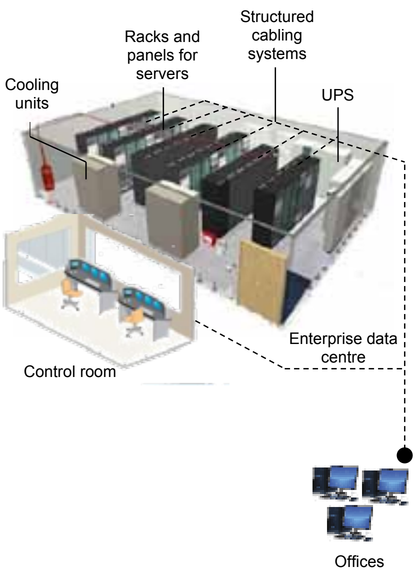
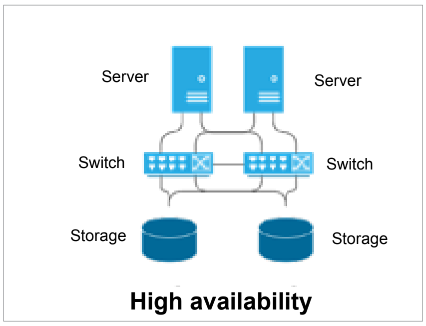
We may also obtain rebates from the Principals as a reward for achieving the sales volume targets set by the Principals. In such cases, the Principals typically inform us on the sales volume targets that need to be achieved in order to attain the rewards (in the form of rebates) on an annual basis. Should we achieve the sales volume targets, the reward (in the form of rebates) will be given to us, either directly by the Principals or via the distributors. We have not entered into any agreements with the Principals or the Principals' distributors for purchase of products from them.

We typically use reputable brands of hardware from Principals such as Dell Technologies, Inc., Check Point Software Technologies Ltd., Panduit Corporation and VMware, Inc.. We source from a wide range of hardware (such as servers, switches, computers and data storage) and software which are the best fit for each particular solution, and are not restricted to any particular brand. Thus, we can cater to a diverse range of needs based on factors such as organisation size, budget and complexity of the solution.

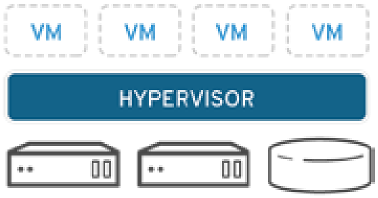
We charge a one-off project-based fee for the design, implementation and configuration of our IT infrastructure solutions and a software licensing fee for continuous usage of the required software. Typically, it takes between 2 and 3 months to complete an IT infrastructure solutions project, depending on the complexity of the project as well as type and quantity of hardware required for the project. However, if there is any delay in obtaining the required hardware, the timeframe taken to complete the project may extend up to 6 months.

Our technical team which comprises network and system engineers, solution architects and technicians, possesses the required experience and expertise to customise an IT infrastructure solution to cater for a diverse range of industries. Examples of industries we have implemented IT infrastructure solutions for include the financial services, telecommunications, retail, healthcare, education, manufacturing, and food and beverage industries.

Among the IT infrastructure solutions which we are able to provide include:

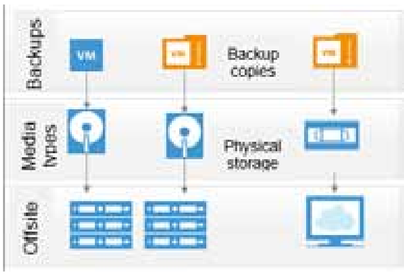
IT infrastructure solution	Description
Data centre solutions  	Data centre solutions refer to solutions required in the setting up and maintenance of data centres. Larger enterprises may set up enterprise data centres, which can be located at their office premises or other designated locations which they operate to support the said enterprise. We are capable of designing and implementing data centre solutions. Our data centre solutions include: • Designing and installation of structured cabling systems which forms the backbone of the network infrastructure; • Installation of racks and panels for servers to house the system infrastructure; • Installation of UPS to ensure there is no disruption in power supply; and • Implementation of supporting tools and solutions to manage the data centre such as humidity and temperature control solutions, power consumption monitoring tools, and other data centre monitoring tools and cooling systems.
System infrastructure  	System infrastructure mainly includes network equipment (such as switches and routers), servers and storage devices (such as tape storage and backup discs). Types of system infrastructure solutions include: • **high availability** refers to a system that is designed to avoid loss of service by reducing or managing failures and minimising planned downtime. This is achieved through various means including increasing the number of equipment (such as servers/storage devices) operating simultaneously;

7. BUSINESS OVERVIEW *(CONT'D)*



Server virtualisation

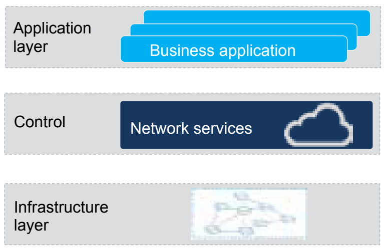
- **server virtualisation** to partition a physical server into multiple isolated virtual servers. This allows for various operating system environments to run on a single server. In addition, it enables sharing of servers across different business applications or business divisions; and



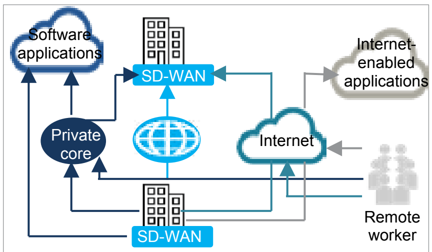
Backup and archiving solutions

- **backup and archiving solutions** in order to record, store and retain digital data.

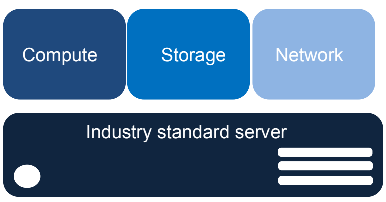
Software-defined infrastructure



Software-defined networking



Software-defined WAN



Hyperconverged infrastructure

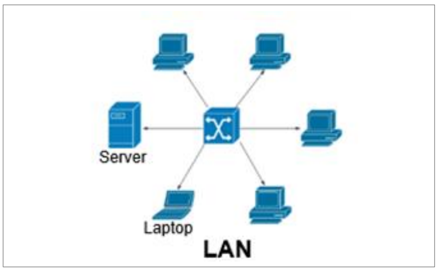
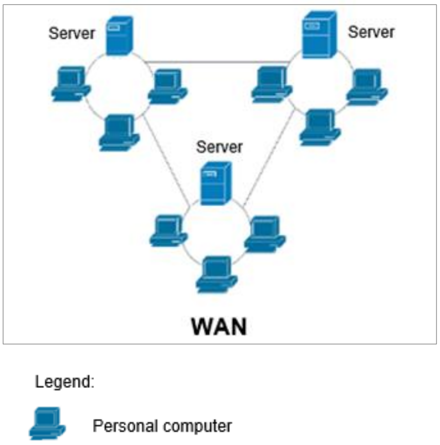
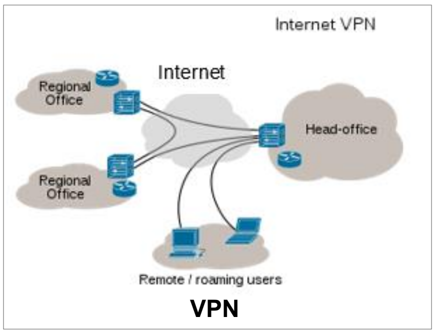
Software-defined infrastructure utilises software to automate, manage and program an infrastructure. With software-defined infrastructure, customers can acquire generic/off-the-shelf hardware. As the hardware is widely available and interchangeable, it is less costly and minimal human intervention is required on the customers' part, to perform configuration, backup and recovery of components of the infrastructure from different vendors.

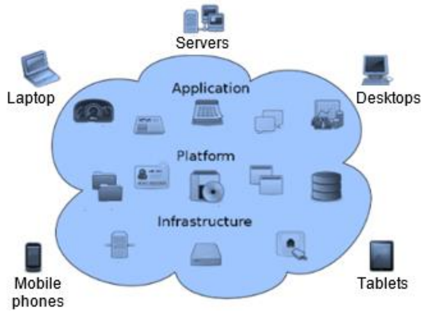
The types of software-defined infrastructure solutions we offer include:

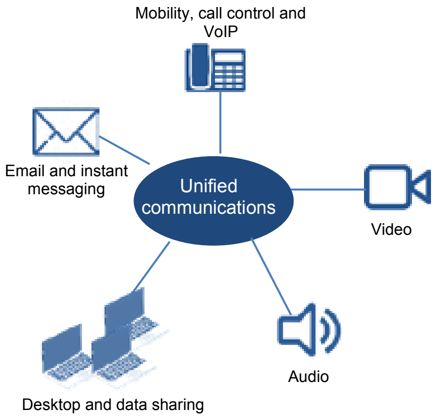
- **Software-defined networking** which is a system that automates, manages and programmes a LAN and/or storage infrastructure located in a single location through software interfaces;

- **Software-defined WAN** which is a virtual WAN architecture that allows enterprises to leverage on WAN connectivity to securely connect users to applications. It uses a centralised control function to securely and intelligently direct traffic across the WAN. This increases business productivity and reduces operational IT costs; and

- **Hyperconverged infrastructure** which is a unified system that combines all elements of a traditional data centre, including storage, computing and network management.

Network infrastructure	Our network infrastructure comprises various types, including:
	• **LAN** which is a private network infrastructure that securely connects computers in different offices/branches in an enterprise. An enterprise private network is mainly set up to share computer resources;
	• **WAN** which is a network infrastructure that allows for connectivity over a wide geographic area. The network infrastructure will be integrated with telecommunication circuits provided by telecommunication companies;
	• **VPN** which extends a private network across a public network and enables users to send and receive data across shared or public networks as if their computing devices were directly connected to the private network. Applications running across a VPN may therefore benefit from the functionality, security, and management of the private network; and • **Infrastructure monitoring and compliance system** which monitors and manages infrastructure systems on a real-time basis, and analyses the performance of each device present in the network. When required, we also design and install structured cabling systems to upgrade existing network performance for higher bandwidth or better coverage. The above network infrastructure also allows for Internet of Things ("**IoT**") device connectivity.

<table>
<tr>
<td>Cloud computing solutions

</td>
<td>Cloud computing solutions include the offering of products/services on a subscription basis or an on-demand basis. These cloud computing solutions are hosted by a third-party vendor or service provider.

We assist customers to install and integrate the following cloud computing solutions into their existing system and network infrastructure such as:
• Storage / data
• Servers
• Networking
• Applications</td>
</tr>
<tr>
<td>Unified communications

</td>
<td>Unified communications refer to a set of enterprise communication solutions including, amongst others:

• Instant messaging
• VoIP
• Mobility features which allow each user to have separate or individual extension numbers, dial permissions and other features
• Audio and video conferencing
• Desktop sharing
• Data sharing
• Call control which allows routing of telephone calls</td>
</tr>
</table>

We can implement 2 or more of the abovementioned solutions for our customers, depending on the customers' needs and requirements. If required, we are also able to design and implement a complete data centre, comprising data centre solutions, system infrastructure and network infrastructure and/or software-defined infrastructure.

(ii) Cybersecurity solutions

Cybersecurity solutions refer to a combination of hardware and software to prevent cyber threats and attacks, and services to install and implement these solutions. We provide cybersecurity solutions to protect our customers' IT infrastructure and data from cyber threats, attacks and unauthorised access which mitigate cybersecurity risks and minimise costs associated with dealing with cyber threats and attacks.

We specialise in the design and implementation of cybersecurity solutions. We assess and evaluate our customers' IT infrastructure and industry requirements in order to recommend suitable cybersecurity solutions. Our cybersecurity solutions are customised to suit our customers' business needs, industry requirements and budget. An appropriate cybersecurity solution will then be configured with our customers' IT infrastructure.

The cybersecurity hardware and software we utilise in rendering our solutions are sourced from the Principals through their distributors. The Principals are companies which design and develop the cybersecurity hardware and software, and are the brand owners. As the Principals generally market and sell their cybersecurity hardware and software through their distributors, we procure these products from the Principals' distributors.

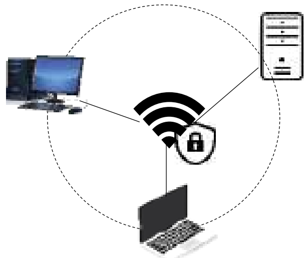
7. BUSINESS OVERVIEW *(CONT'D)*

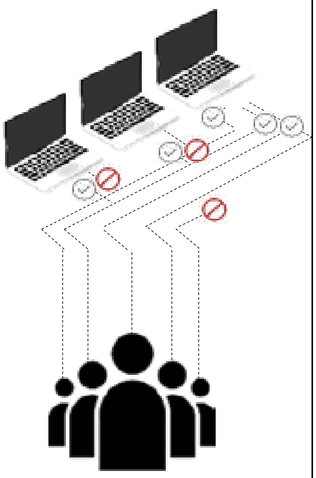
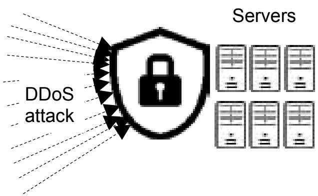
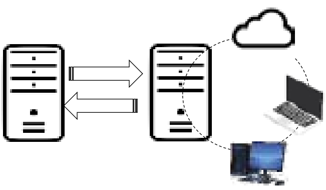
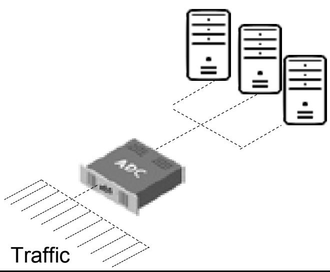
As we are recognised by some of these Principals, we are able to directly negotiate with the Principals for specific projects (which are typically larger in sales volume) allowing us to obtain better pricing arrangements. The Principals will then inform their distributors of the pricing arrangement. We may also obtain rebates from the Principals as a reward for achieving the sales volume targets set by the Principals. In such cases, the Principals typically inform us on the sales volume targets that need to be achieved in order to attain the rewards (in the form of rebates) on an annual basis. Should we achieve the sales volume targets, the reward (in the form of rebates) will be given to us, either directly by the Principals or via the distributors. We have not entered into any agreements with the Principals or the Principals' distributors for purchase of products from them.

We typically use reputable cybersecurity hardware and software brands from Principals such as Check Point Software Technologies Ltd., Palo Alto Networks Inc. and Fortinet Inc.. As a result, we are not restricted to a particular brand. Instead, we can source from a wide range of hardware (such as hardware security modules and ethernet encryptors) and cybersecurity software to build a particular solution. Thus, we can cater to a diverse range of needs based on factors such as organisation size, industry requirements, budget and complexity of the solution.

We charge a one-off project-based fee and a software licensing fee for continuous usage of cybersecurity software. Typically, it takes between 2 and 3 months to complete a cybersecurity solutions project, depending on the complexity of the project as well as type and quantity of cybersecurity hardware required for the project. However, if there is any delay in obtaining the required hardware, the timeframe taken to complete the project may extend up to 6 months.

Among the cybersecurity solutions which we can provide include:

Cybersecurity solution	Description
Network security 	Network security solutions are designed to protect the data transmitted over the network infrastructure. Network security solutions stop cyber threats and attacks from entering or spreading on our customers' network. Our network security solutions include encryption, hashing and tokenisation of data to protect the data. We also recommend suitable protocols and practices for enterprises to adopt in order to protect their data.
Endpoint protection platform 	Endpoint protection platform protects endpoints on a network or in the cloud from cybersecurity threats. These endpoints include desktops, laptops and mobile devices. Endpoint security platform has evolved from traditional antivirus software to provide a range of comprehensive protection from sophisticated malware and the evolving zero-day threats. It specifies an index of approved software and executed files permitted to be present or active on the device, detects and tracks abnormal behavioural patterns, remediates and responds to threats, performs forensics of threats, and employs threat mitigation protocols.

Network access control 	Network access control enables access management through improving the visibility of users of the network, as well as policy enforcement on devices and users of corporate networks. Its functions include: • Mitigation of network threats by enforcing security policies that block, isolate, and repair non-compliant machines without administrator attention; • Recognition and profiling of users and their devices before malicious code can cause damage; • Management of guest access through a customisable, self-service portal that includes guest registration, guest authentication, guest sponsoring, and a guest management portal; and • Evaluation of security-policy compliance by user type, device type, and operating system. Our network access control also allows for better management of mobile devices and own devices that employees use to access the customers' network infrastructure.
Anti-Distributed Denial of Service ("DDoS") ("Anti-DDoS") protection 	Anti-DDoS protection specifically targets DDoS attacks. A typical DDoS attack is in the form of high volumes of requests sent at the same time from multiple points on the Internet to overwhelm network system resources or overload the bandwidth of the network infrastructure. Should a DDoS attack be successful, it will render a network infrastructure unstable or unavailable to its users. Anti-DDoS protection mitigates these DDoS attacks by: • analysing data packets quickly in real-time to detect an anomaly that indicates a possibility of a DDoS attack; • separating and filtering non-legitimate requests from legitimate requests; and • analysing emerging internet threats to develop defences for future attacks.
Web isolation 	Web isolation contains web browsing activity in an isolated environment to protect computers or endpoints from any cyber threats. In other words, web isolation mitigates cyber threats when users are performing web browsing activities as malware will not infiltrate the users' devices or any other devices on the network. This web isolation may occur locally on the computer or a server.
Application delivery controller 	An application delivery controller is a network device used to assist software in directing user traffic, in order to remove the excess load from 2 or more servers. Application delivery controller allows for: • data compression where information is encoded using fewer bits, and caching where a copy of the data is stored so that it may be accessed faster in the future; • connection multiplexing where multiple signals are combined into a single signal and shared over a medium;

	• traffic shaping, which is a bandwidth management technique to delay data packets to increase usable bandwidth and improve performance; • application layer security where transfer of data is monitored and blocked based on a pre-defined set of rules; • offload of SSL and TLS to a hardware accelerator (a web application); • content switching, where traffic is redirected from one server to another server; and • server load balancing, where incoming traffic is distributed across multiple backend servers.
Cloud security 	Cloud security is dedicated to securing cloud computing solutions. This includes maintaining privacy and ensuring data security.

(iii) Managed IT services and other IT services

We provide the following services:

- **Managed IT services**

Building upon our technical knowledge and industry experience, we offer managed IT services.

Our services allow enterprises to monitor and manage their IT infrastructure and cybersecurity solutions without incurring substantial operational expenses in setting up their own dedicated IT team. Our managed IT services allow customers to reduce their operational expenses on IT overhead costs (in respect of hiring, retaining, and equipping an internal IT network management team). Our customers can leverage on our experience and professional services for their IT infrastructure, which allows them to concentrate on their core business processes while saving costs and resources.

We charge a contract fee on a monthly basis over a specified period for these managed IT services.

Some of the benefits that our customers can derive from our managed IT services include:

- **Productivity improvement** – As management of IT infrastructure and cybersecurity is outsourced to us, our customers can focus on operating their core business activities;

- **Access to expertise and advanced technology** – As we are specialists in IT infrastructure and cybersecurity, our customers can leverage on our expertise in developing best practices, procedures and policies;

- **Lower operational expenses** – Rather than spending on setting up an internal IT team, our customers can pay a contract fee according to the different types of services required; and

- **Flexibility and scalability** – Our customers need not recruit, train and manage new IT personnel to manage newly acquired equipment to cater for expansions in IT infrastructure. Conversely, our customers can also easily lower their IT overhead costs in the event they were to scale down on their IT infrastructure.

We provide the following managed IT services:

Managed network services

We provide managed network services, which include the outsourced monitoring and management of our customer's network infrastructure.

In this respect, we provide the relevant expertise, resources, and tools to monitor and manage our customers' network infrastructures proactively.

We have a NOC located at Kota Damansara to facilitate our managed network services. We have obtained the ISO / IEC 27001:2013 certification for the provision of managed services through our NOC, indicating that we have in place the necessary policies, procedures and facilities to safeguard our NOC.

The NOC has dashboard analytics to allow us to perform the following, amongst others:

- Automated network and device monitoring;
- Visibility of network to detect anomalies, incidents and problems;

Our NOC is staffed with engineers at any point in time. Our engineers provide our customers with 24-hour support daily. We require our engineers to be certified and qualified by our Principals so that they are well-equipped with the appropriate expertise to implement our solutions. These engineers are tasked to carry out the following services using a reliable set of processes and a combination of technology solutions:

- Diagnosis, assessment, troubleshooting and management of incidents or problems;
- Application installation, setup, update and change;
- Handling of any network incidents;
- Scheduled network performance reports, which include performance scorecards as well as performance and capacity analysis;
- Setting an IT infrastructure lifecycle plan and performance benchmarks for continual improvement; and
- Design and implement change and configuration management approaches and plans in support of network infrastructure process, data and applications.

The picture below depicts our NOC:

Managed cybersecurity services

As at the LPD, we provide managed cybersecurity services that protect customers' networks from common cyber threats such as phishing attacks and malware.

We have a security analysis team that operates from our head office in Kota Damansara. Our security analysis team provides our customers with 24 hours of customer service support daily. Our present facilities allow our security analysis team to undertake basic diagnosis on the network to detect common cyber threats in order to troubleshoot any incidents and problems raised by customers. Our security analysis team will also install, set up, update and/or change cybersecurity software as required.

- **Professional services**

We also provide one-off professional services for customers who do not procure any hardware or software through us. These are for special projects whereby our in-house technical team is engaged to provide the following professional services for a pre-specified period:

(a) Project delivery and management services

We design, implement and configure complex IT infrastructure solutions. In order to better facilitate our project delivery and management services, we utilise our in-house developed project management application which allows for:

- Assignment of tasks to relevant personnel;
- Better tracking of tasks and ensuring proper execution of tasks by configuring the parameters to be met;
- Facilitating collaboration between multiple users; and
- Recording meeting minutes and changes in requests.

Upon completion of the project, we also offer training and knowledge transfer of these IT infrastructure solutions to our customers' employees. The duration of the training sessions typically range from 1 to 3 days.

We charge a contract fee on a monthly basis for a specified period.

(b) Assessment and troubleshooting services

We assist our customers in:

- assessing and testing the performance of their network; and
- detecting and diagnosing any network performance issues

Should there be any issues with the hardware, we will perform a direct replacement. The hardware replacement is provided by the respective Principal and/or their distributors, provided that it is covered under the warranty period. In the event that it is post the warranty period or if the hardware was not implemented by us, we will charge our customers for the said replacement.

We charge a service fee for the service(s) rendered.

(c) Consultation services

At times, we are required to support our customers, particularly property developers, construction companies and enterprises, during the initial set up and planning stage of a construction project. In such cases, we consult our customers regarding suitable designs for IT infrastructure and cybersecurity solutions to meet operational needs. We are also required to prepare technical design documents, which our customers will then use in their application and/or tender documents. While we may not necessarily secure a project resulting from providing these consultation services, we will be the likely candidate should they successfully proceed with the construction of these commercial properties.

We charge a service fee for the consultation services provided based on the complexity of the project and time required. The typical duration of this type of consultation services normally ranges between 3 and 9 months.

- **Maintenance and technical support**

  Among the maintenance and technical support services which we offer are:

  - Monitoring and management of network, hardware and software;
  - Updating of software;
  - Network performance reporting; and
  - Bandwidth management.

  The typical tenure of our maintenance and support contracts are between 1 and 3 years. The contract fee is typically paid at the beginning of the contract or on a periodic basis.

(iv) Trading of ancillary hardware and software

When required, we also provide ancillary hardware and software products to our customers, which is complementary to our Group's business. These hardware products include computers, notebooks, printers, accessories, and peripherals. If required, we also provide software such as operating systems and computing applications.

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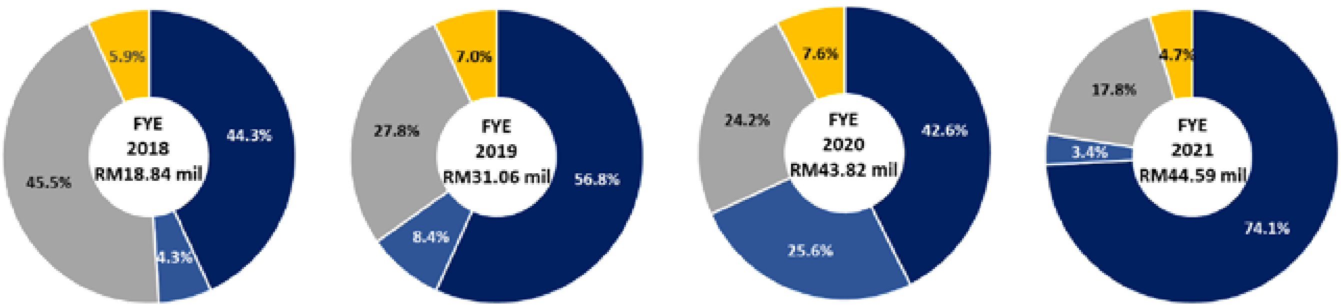
7. BUSINESS OVERVIEW *(CONT'D)*

7.1.3 Our revenue segments

Our revenue from IT infrastructure solutions is the primary contributor to our Group's revenue, generating 44.3%, 56.8%, 42.6% and 74.1% of our Group's total revenue in FYE 2018, FYE 2019, FYE 2020 and FYE 2021 respectively. Managed IT and other IT services contributed 45.5%, 27.8%, 24.2% and 17.8% to our Group's total revenue in FYE 2018, FYE 2019, FYE 2020 and FYE 2021 respectively. Our revenue from cybersecurity solutions has been growing over the FYE Under Review, from 4.3% in FYE 2018 to 25.6% in FYE 2020. Revenue contribution from cybersecurity solutions was 3.4% in FYE 2021.

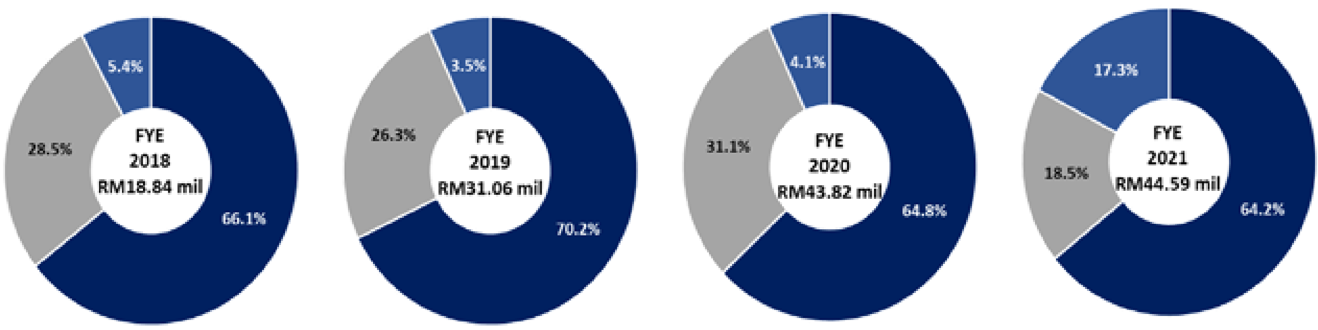
Our revenue by business segments is as illustrated below:



Legend:

IT infrastructure solutions
Managed IT services and other services
Cybersecurity solutions
Trading of ancillary hardware and software

Our business is operated out of Malaysia and PRC. However, as some of our customers are multinational companies with operations in various countries, we design and implement solutions and services for their offices located in Asia Pacific. The breakdown of our sales revenue by geographical location for the FYE Under Review are as follows:



Legend:

Malaysia
PRC
Others

7.2 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

(i) We have the capability and expertise to design, implement, maintain and manage IT infrastructure and cybersecurity solutions that meet various customer requirements

Having been operating as an IT infrastructure and cybersecurity solution provider since 2013, we have accumulated experience in designing, implementing and maintaining these solutions. We can also leverage on the experience of our Promoters, i.e. CWC and LWH, as well as our Chief Technical Officer and Chief Marketing Officer, all of whom are experienced in the IT industry, as indicated below in Section 7.2(v) of this Prospectus. CWC and LWH have an average of approximately 20 years of experience in the IT industry while our Chief Marketing Officer, TYM and our Chief Technical Officer, Koay Hean Jin have an average of approximately 14 years of experience in the IT industry, respectively.

As these processes require specific skills and knowledge, we ensure that our employees receive the necessary on-the-job training. Presently, we have 12 skilled personnel who are involved in our project design, implementation and maintenance processes, all of whom were trained by us.

Our technical department's knowledge and experience garnered over the years have been consolidated into a Fundamental Architectural Design that is constantly kept updated to market trends. This Fundamental Architectural Design allows us to ensure consistent outcomes when delivering our IT infrastructure and cybersecurity solutions.

Furthermore, with the Fundamental Architectural Design and understanding of IT infrastructure and cybersecurity solutions, we have also developed the necessary protocol and processes to carry out our managed IT services in line with the latest technology. We can also add value to our customers' businesses by proposing best practices in designing their IT infrastructure and cybersecurity solutions.

Consequently, we have implemented IT infrastructure and cybersecurity solutions for end-users involved in diverse industries, including financial services, telecommunications, retail, healthcare, education, manufacturing, and food and beverage industries. These end-users have different levels of cybersecurity requirements and varying IT infrastructure needs, and we were able to cater to their needs.

(ii) We have a strong portfolio of customers and have established long-term relationships with them

Our customers are mainly multinational and local companies operating in a diverse range of industries including financial services, telecommunications, property development, retail, healthcare, education, manufacturing, and food and beverage industries. This includes Principals with operations globally.

The quality of the solutions we implement is crucial to upholding our industry reputation and maintaining good business relationships with our customers. Therefore, we place a strong emphasis in keeping our quality and have implemented stringent quality assurance procedures particularly in-process quality controls to ensure that we meet our customers' demands and requirements. For further details of our QA/QC measures, please refer to Section 7.4 of this Prospectus.

Our success in securing and retaining our customers is a testament to the quality of the solutions we have implemented, as well as our customer service and technical support. Further, our success in securing sales from these multinational companies serve as a reference for our Group as we continue to bid for projects and secure new orders and contracts.

(iii) We have built relationships with a well-established network of Principals and suppliers

Since our inception in 2013, we have been working with numerous Principals and their distributors from whom we source our physical hardware components and software for our IT infrastructure and cybersecurity solutions. These include brand owners and distributors of reputable brands such as Dell Technologies, Inc., Check Point Software Technologies Ltd., Panduit Corporation, VMware, Inc., Palo Alto Networks Inc. and Fortinet Inc..

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

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

As at the LPD, we have been recognised as Gold Partner by Dell Technologies, Inc. and Panduit Corporation; as well as 3-Star Partner by Check Point Software Technologies Ltd. and Huawei Technologies Co. Ltd and Aruba Gold Partner Status by Hewlett Packard Enterprise Company. These recognitions indicate that we work closely with the respective Principals in securing new projects.

Some of these recognitions also indicate that we can negotiate directly with these Principal, thus allowing us to obtain better pricing arrangements and rebates from the Principals' distributors. This could in turn lead to us being able to offer more competitive pricing to our customers. In the case where the Principal is our customer, we are also able to procure the necessary physical hardware components and software sourced from other Principals, through their distributors, at competitive pricing in light of our recognitions.

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

(iv) We have our own NOC and can offer efficient and reliable customer service and technical support

We are committed to providing efficient and reliable customer services and technical support to our customers. We view this as crucial in maintaining good business relationships with our customers.

We have a dedicated technical support team based in our office in Malaysia to provide technical support to all of our existing customers and implement projects in Malaysia and other markets. As at the LPD, we have 12 permanent and 4 contract personnel in our technical department, of which 12 have been certified by some of our Principals. For clarity, we required our engineers to be certified and qualified by our Principals so that our engineers are well-equipped with the appropriate expertise to implement our solutions.

We also hire subcontractors based in PRC to provide technical support to customers in the country. Since all works in PRC are remotely carried out by our technical personnel once the subcontractors have connected the physical hardware components to the network, our subcontractors are not required to be certified by the Principals.

In 2017, we also established our own NOC in Kota Damansara as a central location to provide managed network services. Our engineers provide support to our customers 24 hours daily. The NOC allows our staff to remotely monitor and manage our customers' IT infrastructure to ensure optimum IT performance and efficiency while minimising downtime.

Currently, we also offer managed cybersecurity solutions. We detect, analyse and respond to common cyber threats using a reliable set of processes and a combination of technology solutions. In the future, we are planning to set up our own SOC, which will allow us to expand our service offerings to complement our existing managed cybersecurity solutions. With the SOC, we will be able to detect, analyse and respond to more advanced and sophisticated cyber threats, as detailed in Section 7.19.2 of this Prospectus.

(v) We have an experienced and committed management team

We have an experienced and committed management team. Our Chief Executive Officer, CWC, is responsible for business development as well as the overall strategic and general management of our Group. Meanwhile, our Chief Operating Officer, LWH, is responsible for operational management and project delivery of our Group.

CWC and LWH have had vast experience in the IT industry, having worked for several IT hardware distributors and/or Principals' distributors. Throughout their tenure with these companies, they have held various roles ranging from, sales and channel management to technical operations. Overall, CWC and LWH have had an average of approximately 20 years of experience in the IT industry. Their extensive experience in the industry and technical know-how have been vital in building and maintaining relationships with our network of customers and suppliers. Both our Chief Executive Officer and Chief Operating Officer have been instrumental in the growth and success of our Group.

Our Chief Executive Officer and Chief Operating Officer are supported by our management team who have accumulated experience in their respective fields, namely our Chief Marketing Officer, TYM; our Chief Technical Officer, Koay Hean Jin; and our Chief Financial Officer, Toh Woan Fei.

The management team's combined skills, extensive knowledge of our Group's products and services, strong management capabilities and continued focus on realising strategies are vital to our Group's continued growth and future development. The combination of our key management team's experience and expertise have been integral to our success, and will continue to be a key factor in our future development.

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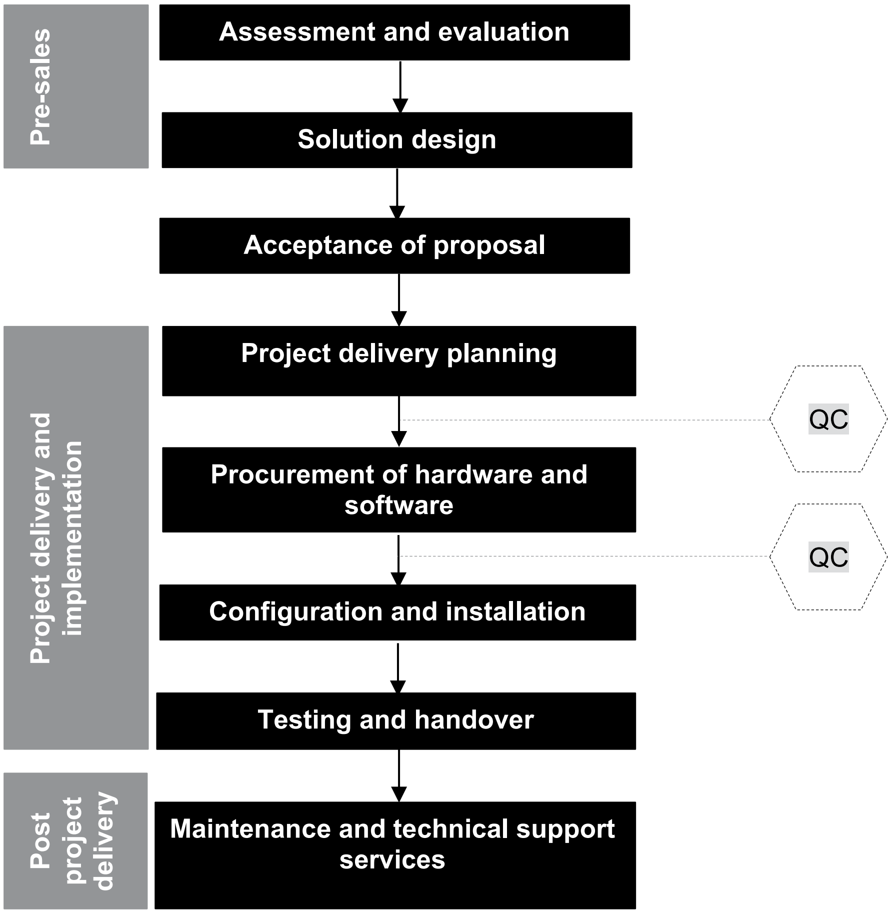
7.3 OUR OPERATIONAL PROCESS

7.3.1 IT infrastructure and cybersecurity solutions

Our operational processes for our IT infrastructure and cybersecurity solutions are as depicted below:



(i) Assessment and evaluation

We initiate each project with an assessment and evaluation of our customer's environment to determine their requirements and needs.

When we receive a request for quotation, personnel from our sales and technical departments will visit the customer's premises to understand the customer's requirements and budget, assess their current IT and/or cybersecurity infrastructure, as well as evaluate for areas of improvement. Based on these factors, we can determine what functionalities are needed to support the customer's business needs.

(ii) Solution design

With the information gathered through the assessment and evaluation of the customers' requirements, we will propose suitable solutions that meet the customer's requirements and needs. Typically, the sales and technical personnel will present several options of suitable solutions and provide the relevant quotations to the customer. We will also present a proof of concept based on the solution design, if required by the customer. The customer will then select the most suitable solution design at the point of acceptance of the proposal.

(iii) Acceptance of proposal

The proposal and quotation will detail the costing, project scope, timeline, deliverables and payment terms based on the selected solution design. After the customer has accepted the proposal and formally engaged us (which is done through the issuance of purchase order by the customer), our sales personnel will inform our technical personnel, who will then commence the project.

(iv) Project delivery planning

The initial stage of the project involves forming a project management team (comprising personnel from the technical department), who will prepare a project execution plan which entails the project schedule, deliverables, resource allocation, operational processes, quality requirements, and other administrative procedures.

Should there be any need for non-IT works such as electrical wiring, building structural works and complex cabling installation works, we will engage suitable subcontractors to undertake these services.

The project management team is in constant contact with the customer to clarify any unclear aspects, in order to ensure the customer's requirements are met.

(v) Procurement of hardware and software

Upon receiving the purchase order from the customer, our procurement personnel will begin procuring the required hardware (such as servers, network switches, routers and/or firewalls) and software (such as antivirus, operating systems and/or virtualisation software). Upon receipt of the hardware, our technical personnel will conduct physical inspections on all hardware that is delivered for projects implemented in Malaysia, to ensure that they are in good condition and meet the specifications and quantity ordered. For projects implemented in the PRC and other international markets, the subcontractors we engage will perform the physical inspection on the hardware. Software licensing is delivered via e-mail to the customer with the relevant activation keys.

We acknowledge the importance of providing quality IT infrastructure and cybersecurity solutions to customers. We source reputable brands of physical hardware components and software. The brand owners of these reputable physical hardware components and software, namely the Principals, generally undertake the necessary QA/QC procedures to maintain their market reputation and are responsible for providing warranties for any defects relating to their physical hardware components and software. We perform a burn-in test by running the hardware for an extended period to ensure its durability and stability, in order to determine its load capacity and identify any potential defects.

For non-IT works, our technical personnel will brief the subcontractor on the works that needs to be done, and project manage the execution of these works before the required hardware is delivered to the customers' premises.

(vi) Configuration and installation

Our project management team will then oversee and/or execute the configuration and installation of physical hardware components and software according to the solution design. Our project management team will also oversee and/or execute the configuration of the new solution for integration with any existing systems, if required. The configuration and installation process may take from 1 day to 1 week, depending on the complexity of the solution design and number of locations for the solution to be implemented.

For projects implemented in Malaysia, a majority of our configuration and installation works are undertaken in-house by our technical personnel. We may, at times, outsource the installation works for our projects to subcontractors, depending on the location of the project. Nevertheless, our technical personnel will still oversee and manage the installation process. Our technical personnel will then remotely configure the hardware and software, once the subcontractors have installed the physical hardware components on-site based on the solution design we provided and connected these components to the network.

For projects implemented in the PRC and other international markets, our technical personnel will remotely configure the physical hardware components and software, once the subcontractors have installed the physical hardware components on-site based on the solution design we provided and connected these components to the network. Our technical personnel will oversee and manage all works carried out by our subcontractors.

(vii) Testing and handover

A UAT is conducted and witnessed by the customer, which involves testing out different functions, procedures, performance and scenarios, in both simulated and real time environments. This is to ensure that the solution is functional and is deployment-ready. We will monitor the performance and functions of the solution to ensure it works according to our contractual requirements. Any errors that occur will be rectified to the satisfaction of the customer.

Our technical personnel will physically conduct the UAT with the customer for projects implemented in Malaysia. For projects implemented in the PRC and other international markets, the UAT is carried out by our technical personnel remotely and is witnessed by the customer.

After which, the customer signs off on the UAT report and project handover document, signifying the completion of the project. The solution goes live and is officially handed over to the customer.

(viii) Maintenance and technical support services

If requested, we also provide maintenance and technical support services to our customers for an additional charge. These services include maintenance, software upgrades and/or technical support services. After each maintenance or inspection of technical issues, we will issue a report to the customer.

We provide a warranty for our solutions, where we will troubleshoot, repair and/or replace any physical hardware components utilised in our solutions. The warranty period is dependent on the duration stated in the maintenance contract. Should the hardware or software be covered under our Principal's warranty period, any hardware or software repairs and replacements will be provided by the respective Principal and/or their distributors. As at the LPD, there have not been any material claims on the warranty provided to our customers.

We also offer provide after-sales services where we provide technical support to customers who have purchased our solutions. The response time from our team to begin troubleshooting issues or provide services is as per the service level agreement relating to the maintenance contract, which is usually within 4 hours from the customer's call or notification or within the next business day.

In order to provide technical support efficiently, especially in international markets where we do not have physical presence, we engage subcontractors based in the respective country to carry out these technical support services. We are in the midst of developing an outsourced engineer application to manage the recruitment and management of these subcontractors, which will comprise external technical engineers.

We use a helpdesk application that allows us to maintain our customers' maintenance contracts and keep track of warranty periods. This will enable us to record and keep track of the details of each asset, their vendors, expiry period and send reminders to customers regarding the renewal of their contracts.

7.3.2 Managed network and cybersecurity services

When a potential issue is discovered or an incident is reported, our engineers/security analysis team will conduct a validity check to ensure that the suspected incident falls within our contractual terms with the customer. If the suspected incident does not fall within our contractual terms with the customer, our engineers/security analysis team will inform the customer's account manager who will then contact and inform the customer accordingly. Should the customer agree to expand our contractual scope of works to include the said issue/incident, we will then proceed with the following processes.

If the contract is valid, the issue/incident will be raised through our helpdesk application, and the severity, relevance and urgency of the issue/incident will be recorded. At the same time, they will also check whether the issue can be resolved remotely. If it is a low-level severity issue that can be resolved remotely, then an engineer/security analysis personnel will be assigned to remotely troubleshoot and resolve the issue.

In the case of managed network services, an engineer will be assigned on-site to investigate and resolve issues which are more severe and require technical assistance from more experienced personnel. Our engineer will carry out an in-depth analysis to identify the data or systems impacted. Subsequently, the engineer will implement strategies for recovery. We also have a NOC to facilitate the monitoring and management of our customers' IT infrastructures on a remote basis. For our projects in the PRC and other international markets, our engineer will conduct the troubleshooting and resolution of issues, while subcontractors are engaged to perform less critical tasks under the guidance of our engineers.

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7.4 QUALITY CONTROL AND QUALITY ASSURANCE

In order to maintain quality of our solutions, we have 2 personnel in our technical department undertaking QA/QC activities. The following are the QC procedures which are implemented at various stages of our operational process:

Process flow stage	QC procedure
Assessment and evaluation	• We prepare a proof of concept if required by the customer to ensure that the design and functionalities are approved by the customer.
Procurement of hardware and software	• Upon receipt of the hardware, the project management team will conduct a physical inspection to ensure that the hardware is in good condition and the volume and type of hardware are in accordance with the delivery note and purchase order raised. • We perform a burn-in test by running the hardware for an extended period to ensure its durability and stability, in order to determine its load capacity and identify any potential defects.
Testing and handover	• A UAT will be conducted to demonstrate that the solution is working in accordance with the system solution design. • The UAT involves the setup and running of the entire solutions under a simulated environment and real-time environment. The purpose of the UAT is to validate that the system integrity and performance is in accordance with the contractual requirements. • The UAT is conducted with and witnessed by the customer. After which, the customer signs off on the UAT report, and the system goes live.

For our managed IT services, we provide our customers with a customer satisfaction form to rate our performance based on the service provided. We strive to respond to any issues within the stipulated timeframe in the contract with our customers. The response time from our team to begin troubleshooting issues or provide services is as per the service level agreement relating to the maintenance contract, which is usually within 4 hours from the customer's call or notification or within the next business day.

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7.5 TECHNOLOGY USED

Our Group uses a wide range of applications and tools to facilitate the design and implementation of IT infrastructure and cybersecurity solutions, and management of our customer base. These include our in-house developed project management application as well as applications and tools sourced from third-party solution providers.

These applications and tools include:

Technology	Description
Project management application	We use our own in-house developed project management application to perform tasks such as scheduling, managing resources, budgeting, reporting and tracking progress.
Helpdesk application	We use a helpdesk application sourced from a third-party solution provider to maintain our customers' maintenance contracts. We can record and keep track of the details of each asset, their vendors, expiry period and send reminders to customers regarding the renewal of their contracts. We are also able to keep track of warranty periods. We also utilise the helpdesk application to manage issues/incidents raised by our NOC team or customer while carrying out our managed IT services.
Wireless network design tool	We utilise a wireless network design tool to design and plan wireless networks for our customers. It helps us generate wireless network design models based on our customers' operational requirements and floor plans with a wireless heat map of the stipulated premises. This enables us to test the wireless network's signal strength at the customers' premises and troubleshoot any issues.
Network configuration tool	We use a network configuration tool that assists us in managing changes in configurations and compliance for routers, switches and other network devices.
Network cable tester	We use a network cable tester to test for strength, connectivity and switch port signal to ensure optimum network performance.
Design drawing tool	We utilise a design drawing tool to help us map out our flowcharts and process flow diagrams for us to design the optimum solution for our customers.

7.6 RESEARCH AND DEVELOPMENT ACTIVITIES

Due to the nature of our business, we do not undertake any research and development activities for our existing business in providing IT infrastructure and cybersecurity solutions.

Nevertheless, we are in the midst of undertaking research and development for new in-house platforms and tools, namely our project management application and outsourced engineer application, further details of which are as illustrated in Section 7.19.2 of this Prospectus.

7.7 TYPES, SOURCES AND AVAILABILITY OF MATERIALS AND SERVICES

The key supplies for our IT infrastructure and cybersecurity solutions business include hardware, software and subcontractors.

For physical hardware components, the products include servers, switches and computers. We procure physical hardware components from Principals through their distributors such as Dell Technologies, Inc., Check Point Software Technologies Ltd., Panduit Corporation, VMware, Inc., Palo Alto Networks Inc. and Fortinet Inc.. These supplies are generally readily available from our Principals and/or their distributors, and we are able to obtain these from both local and foreign suppliers. In addition, we also ensure that the hardware supplied to us meets our customer's expectations.

We also trade third-party software, and we procure the necessary software licences when required. We can source the software from other Principals and/or their distributors in the market, which are readily available.

In addition, we engage subcontractors to perform non-IT related works such as mechanical and electrical works and building structural works, that are required in the design, implementation, configuration, installation, and maintenance of IT infrastructure and cybersecurity solutions. We also employ subcontractors to carry out technical support services for customers based in international markets.

The breakdown of our materials and services costs is as follows:

	FYE 2018		**FYE 2019**		**FYE 2020**		**FYE 2021**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Hardware and software	11,626	97.8	20,168	94.1	27,885	96.9	25,996	93.4
Subcontractor costs	263	2.2	1,272	5.9	900	3.1	1,830	6.6
Total purchases	**11,889**	**100.0**	**21,440**	**100.0**	**28,785**	**100.0**	**27,826**	**100.0**

7.8 PRODUCTION CAPACITIES AND OUTPUT

Measures of production capacities and output are not applicable to the provision of IT infrastructure and cybersecurity solutions, managed IT services and other IT services.

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7.9 SALES, MARKETING AND BUSINESS DEVELOPMENT ACTIVITIES

We secure our sales using the following approaches:

(i) Direct approach

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

We typically assess and evaluate a customers' environment to prepare a proposed solution and quotation before we secure the project. This approach provides us with the opportunity to obtain knowledge of the project and required product specifications. This thus allows us to provide suitable and tailored recommendations relating to our solutions to our customers. If required, we also demonstrate these proposed solutions at our Kota Damansara head office. This approach has been the most effective approach as it enables us to demonstrate our expertise effectively.

As mentioned in Section 7.1.1 of this Prospectus, we also provide consultation services to customers of property consultancy companies. Property consultancy companies typically engage us to provide consultation services for their customers which are looking for office premises. We will then implement our solutions for their customers. Meanwhile, we also provide consultation services to property developers and construction companies on IT infrastructure and cybersecurity solution designs for the commercial properties they are constructing. This typically occurs at the initial setup and planning stage of a construction project. While we may not necessarily secure a project resulting from providing these consultation services, we will be the likely candidate should they successfully proceed with the construction of these commercial properties.

(ii) Tendering

We are at times required to submit tender applications to the relevant parties to secure a project. Once we determine we have the required track record, experience, and resources to deliver the solutions, we will submit our tender application and quote to the relevant parties.

(iii) Referrals and cross-selling

We also secure new customers through referrals from Principals. At times, end-users will reach out to Principals to procure IT infrastructure and cybersecurity solutions. As these Principals typically do not design, implement, maintain and manage these solutions, these Principals will pass these leads to us to follow up on and offer our solutions. Further, our trade name is also advertised through brochures and pamphlets of some of these Principals and thus, this generates leads for us in cases where potential customers (usually end-users) contact us. For the FYE Under Review, the percentage of sales secured through referrals from Principals have generally been less than 1.00% of our Group's total revenue, save for in FYE 2019 where percentage of sales secured through referrals was approximately 8.00% as we secured a large project vide a referral from a Principal.

As we offer a wide range of IT infrastructure and cybersecurity solutions, as detailed in Section 7.1.2 of this Prospectus, we are able to leverage on our existing customer base to optimise revenue generation by offering more comprehensive solutions to cater to our customers' needs. This benefits our customers as they only need to deal with a single solution provider instead of multiple solution providers for multiple solutions.

(iv) Conferences and webinars

To further enhance our visibility and awareness of IT infrastructure and cybersecurity solutions, we jointly hold conferences and webinars with our Principals. These sessions typically attract a broad audience comprising multinational companies involved in various industries. These conferences and webinars inform and educate them on the latest trends in the IT industry, including IT infrastructure and cybersecurity solutions.

Through such conferences and webinars, we engage in targeted marketing programmes to highlight and reinforce the awareness of our solutions and our capabilities. We are also able to generate leads of potential customers from holding such conferences and webinars.

(v) Digital marketing

We leverage on social media platforms where we post videos and online content to attract and interact with customers. We also keep our customers abreast on our solutions, workshops and webinars, and latest developments through e-mail marketing. Digital marketing enables our marketing initiatives to target our potential customers and reach out to our target market more effectively.

7.10 SEASONALITY AND CYCLICALITY

We do not experience any seasonality and cyclicality in our business as IT infrastructure solutions, cybersecurity solutions and managed IT services markets are not seasonal or cyclical in nature.

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7.11 INTERRUPTIONS TO BUSINESS AND OPERATIONS AND IMPLICATIONS ON OUR BUSINESS OPERATIONS

Our Group has not experienced any other interruption in business that had a significant effect on our operations during the period prior to the date of this Prospectus, save for disruptions resulting from the COVID-19 pandemic.

Since COVID-19 was officially declared a pandemic by the Director-General of the World Health Organisation on 11 March 2020, we closely monitor the development of the outbreak of COVID-19 in order to proactively respond and implement necessary measures and steps in response to the COVID-19 pandemic.

Impact of COVID-19 on our business operations in Malaysia

MCO 1.0 implemented on 18 March 2020

On 16 March 2020, the Government of Malaysia announced the MCO under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 which took effect from 18 March 2020. Our Group was able to partially resume our operations in our office in Malaysia on 4 May 2020 after receipt of approval from MITI, and subsequently fully resumed our operations in office on 10 June 2020. While we were not allowed to operate in our offices in Malaysia at this time, it did not have any major material impact on our business operations as our employees worked remotely from home.

However, during this period, our IT infrastructure and cybersecurity solution projects were interrupted as we could not carry out work at our customers' premises. Nevertheless, we only experienced minor delays for a few of our projects and there was no penalty imposed by our customers for the delays. As such, we did not experience any major loss of income from these projects arising from such delays. In addition, as our managed network services was deemed as an essential service, our NOC was operating as usual and our managed IT services could be rendered remotely to our customers.

Total Lockdown and four-phase NRP

The Total Lockdown was imposed on 1 June 2021 which restricted most businesses from operating and on 15 June 2021, Phase 1 of the NRP was implemented which had similar restrictions as the Total Lockdown. Between 1 June 2021 and 4 July 2021, our employees worked remotely from home. However, we could continue to carry out the design, implementation and maintenance of solutions on-site at our customers' premises for customers operating in the essential services sector and undertake managed IT services at our NOC and head office. We received MITI approval to resume our operations at 60.0% capacity on 5 July 2021.

Endemic phase

Malaysia has entered into the "Transition to Endemic" phase since 1 April 2022, and "Endemic" phase since 1 May 2022. Since then, all restrictions limiting business operating hours and number of employees in a workplace have been uplifted and our Group has been operating at 100.0% capacity.

Impact of COVID-19 on our business operations in PRC

Meanwhile, our employees at our office in PRC were allowed to return to the office on 17 February 2020. Our office in PRC was not subject to any lockdown policies from February 2020 up to 13 March 2022. Between 14 March 2022 and 21 March 2022, our office in PRC was closed due to the lockdown policy imposed in Shenzhen, PRC. There was no material impact on our business operations and we resumed activities in PRC on 22 March 2022.

Impact on our sales performance

As mentioned in the IMR Report in Section 8 of this Prospectus, the COVID-19 pandemic played a part in driving the digital economy. Many corporations implemented work-from-home policies during the MCO and NRP, which gave rise to the use of digital tools to enable file sharing, virtual video and audio teleconferencing and project management applications. These digital tools require the use of IT infrastructure and cybersecurity solutions. Consequently, our Group benefitted from the accelerated shift towards the digital economy and our revenues improved from RM31.0 million in FYE 2019 to RM43.8 million in FYE 2020, and further increased to RM44.6 million in FYE 2021. Our Group expects to continue benefiting as IT infrastructure and cybersecurity solutions become increasingly essential in carrying out daily operational tasks.

Impact of COVID-19 on our supply chain

During this period, there was an overwhelming demand for hardware which resulted in overall shortage of hardware or the supply of goods. As a result, the implementation of some of our projects during the MCO period were prolonged by 6 to 8 weeks, though there were no penalties imposed by our customers for any project delays.

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

Our Group has implemented COVID-19 SOPs imposed by the Government of Malaysia, relevant authorities and local councils governing the jurisdiction in which we operate. These measures are in place to safeguard the safety and health conditions of our employees. These new COVID-19 SOPs include the following:

(i) our employees and visitors are required wear face masks at all times in the office, regularly sanitise their hands, and practise social distancing. Each work station is provided with adequate sanitiser and employees are provided with face masks upon request;

(ii) daily sanitising is performed at our offices twice a day;

(iii) all employees are required to provide a declaration of health conditions and travel history prior to returning to our office; and

(iv) all employees are required to report if they have been in an area that has high number of COVID-19 cases. In such cases, employees must undergo home quarantine for the period as specified by Ministry of Health and take a COVID-19 test. Employees can only return to work after completing the required home quarantine period and the COVID-19 test results are negative. Should the employee develop symptoms for COVID-19, they must visit nearby hospitals for diagnosis and treatment immediately.

Since the implementation of the MCO on 18 March 2020 till the LPD, our Group incurred additional cost of approximately RM42,568 to implement precautionary measures at our premises to minimise the risk of COVID-19 infections and to comply with the SOP imposed by the Government of Malaysia. Such additional cost incurred did not have a material impact on our Group's financial results for the FYE 2021.

In the event of an outbreak of COVID-19 at our office or worksites, our new COVID-19 SOPs include the following:

(i) suspension of all office operations immediately for the timeframe stipulated by the Ministry of Health and notifying the Ministry of Health of the outbreak;

(ii) all employees who had close contact with infected persons are to be tested for COVID-19 and practise self-quarantine;

(iii) any infected employees will be quarantined based on instructions from the Ministry of Health; and

(iv) the office will be disinfected and sanitised.

Since March 2020 up to the LPD, 13 of our employees were infected with COVID-19, of which 1 employee is presently still COVID-19 positive. As the employees did not have any close contacts with other employees and were not at our office premises, there were no disruptions to our operations. The employees were quarantined until allowed to be released by Ministry of Health.

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7.12 MAJOR CUSTOMERS

Our Group's top 5 major customers for the FYE Under Review are as follows:

FYE 2018

No.	Customers	Location	Principal activities	Types of products / services	Length of relationship (years) [(1)]	RM'000	% of total revenue [(2)]
1	Dell group of companies	Asia Pacific [(3)]	Design, development and sale of physical hardware components and software, and related products (Principal)	IT infrastructure and cybersecurity solutions and ancillary hardware and software	3	[(3)] 7,088	37.6
2	Noblecom Technology Sdn Bhd	Malaysia	Supply and installation of electrical products	IT infrastructure solutions and ancillary hardware and software	4	2,496	13.2
3	Bank Pertanian group of companies	Malaysia	Banking, financing, investment and related services	IT infrastructure and cybersecurity solutions and ancillary hardware and software	2	[(4)] 1,762	9.4
4	Akima ICT Limited (formerly known as Infoline Technology Limited) ("**Akima**") [(5)]	Hong Kong	Trading of IT products and services	IT infrastructure and cybersecurity solutions	3	959	5.1
5	JLL Project and Construction Management Sdn Bhd	Malaysia	Project and construction management	Professional IT services, IT infrastructure solutions and cybersecurity solutions	< 1	809	4.3
Total						**13,114**	**69.6**

7. BUSINESS OVERVIEW *(CONT'D)*

FYE 2019

No.	Customers	Location	Principal activities	Types of products / services	Length of relationship (years) [1]	RM'000	% of total revenue [6]
1	Dell group of companies	Asia Pacific [3]	Design, development and sale of physical hardware components and software, and related products	IT infrastructure and cybersecurity solutions and ancillary hardware and software	4	[3] 14,009	45.2
2	CTC Global Sdn Bhd	Malaysia	IT systems integration, field services support and related professional and consulting services	IT infrastructure solutions	< 1	2,400	7.7
3	Group A of companies [7]	PRC	Broad range of services in strategy and consulting, interactive, technology and operations, with digital capabilities across all of these services	IT infrastructure and cybersecurity solutions	1	[8] 1,502	4.8
4	HELP group of companies	Malaysia	University focused education for a wide range of pre-university, undergraduate and post graduate programmes	IT infrastructure and cybersecurity solutions, managed IT services and ancillary hardware and software	5	[9] 1,277	4.1
5	Bank Pertanian group of companies	Malaysia	Banking, financing, investment and servicing	IT infrastructure and cybersecurity solutions and ancillary hardware and software	3	[4] 1,149	3.7
Total						**20,337**	**65.5**

7. BUSINESS OVERVIEW *(CONT'D)*

FYE 2020

No.	Customers	Location	Principal activities	Types of products / services	Length of relationship (years) (1)	RM'000	% of total revenue (10)
1	Dell group of companies	Asia Pacific (3)	Design, development and sale of physical hardware components and software, and related products	IT infrastructure and cybersecurity solutions, managed IT services and ancillary hardware and software	5	(3) 23,052	52.6
2	Maybank Shared Services Sdn Bhd	Malaysia	IT services to its holding and related companies that is involved in banking, financing and investment services	Cybersecurity solutions	1	7,627	17.4
3	Bank Pertanian group of companies	Malaysia	Banking, financing, investment and servicing	IT infrastructure and cybersecurity solutions and ancillary hardware and software	4	(4) 4,630	10.6
4	Akima (5)	Hong Kong	Trading of IT products and services	IT infrastructure and cybersecurity solutions and ancillary hardware and software	5	1,310	3.0
5	China Unicom (Fujian) Industrial Internet Co. Ltd.	PRC	System integration and consultancy services	IT infrastructure and managed IT services and other services	< 1	798	1.8
Total						**37,417**	**85.4**

7. BUSINESS OVERVIEW *(CONT'D)*

FYE 2021

No.	Customers	Location	Principal activities	Types of products / services	Length of relationship (years) [1]	RM'000	% of total revenue [11]
1	Dell group of companies	Asia Pacific [3]	Design, development and sale of physical hardware components and software, and related products	IT infrastructure and cybersecurity solutions, managed IT services and ancillary hardware and software	6	[3] 24,403	54.7
2	PT Netwave Digital Media	Indonesia	Design, development and sale of ICT solutions	IT infrastructure solutions	Less than 1 year	5,047	11.3
3	Bank Pertanian group of companies	Malaysia	Banking, financing, investment and servicing	IT infrastructure and cybersecurity solutions and ancillary hardware and software	4	[4] 1,776	4.0
4	Trianglo Sdn Bhd	Malaysia	Provision of digital payment solutions	IT infrastructure solutions	3	1,669	3.7
5	Noblecom Technology Sdn Bhd	Malaysia	Supply and installation of electrical products	IT infrastructure solutions and ancillary hardware and software	7	1,178	2.6
Total						**34,073**	**76.3**

7. BUSINESS OVERVIEW *(CONT'D)*

Notes:

* Negligible.

(1) Length of relationship is determined as at the respective FYE 2018, FYE 2019, FYE 2020 and FYE 2021.

(2) Our Group's total revenue for FYE 2018 was RM18.84 million.

(3) For FYE Under Review, our Group's customers that are part of the Dell group of companies comprised the following:

Dell group of companies	Country	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
		RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue
Dell Global Business Centre Sdn Bhd	Malaysia	2,404	12.8	8,039	25.9	10,764	24.6	16,055	36.0
Dell (China) Company Limited	PRC	2,415	12.8	2,126	6.9	5,860	13.4	3,181	7.1
Dell (Xiamen) Company Limited	PRC	1,381	7.3	2,027	6.5	2,116	4.8	2,561	5.7
Dell (Chengdu) Company Limited	PRC	770	4.1	119	0.4	162	0.4	134	0.3
Dell Corporation (Thailand) Co., Ltd.	Thailand	-	-	-	-	60	0.2	42	0.1
Dell Australia Pty Limited	Australia	-	-	-	-	58	0.2	683	1.5
Dell B.V., Taiwan Branch	Taiwan	-	-	-	-	13	*	378	0.8
Dell International Inc. (Korea)	South Korea	-	-	-	-	11	*	50	0.1
Dell International Services Philippines, Inc	The Philippines	-	-	-	-	-	-	129	0.4
Dell Global B.V. (Singapore Branch)	Singapore	-	-	-	-	-	-	522	1.2

7. BUSINESS OVERVIEW *(CONT'D)*

Dell group of companies	Country	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
		RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue
Dell Hong Kong Limited	Hong Kong	-	-	-	-	-	-	193	0.4
Dell International Services India Pvt. Ltd.	India	-	-	-	-	-	-	129	0.4
PT Dell Indonesia	Indonesia	-	-	-	-	-	-	64	0.1
EMC Information Technology Research & Development (Shanghai) Co., Ltd.	PRC	-	-	100	0.3	2,031	4.6	167	0.4
EMC Information Technology Research & Development (Beijing) Co., Ltd.	PRC	-	-	-	-	-	-	7	*
EMC Information Technology Research & Development (Chengdu) Co., Ltd.	PRC	-	-	1,598	5.2	1,246	2.8	-	-
EMC Computer Systems (Malaysia) Sdn Bhd	Malaysia	118	0.6			8	*	20	*
EMC Computer Systems (China) Co., Ltd.	PRC	-	-	-	-	700	1.6	-	-
EMC Global Holdings Company	Australia	-	-	-	-	23	*	69	0.2
EMC Australia Pty Ltd	Australia	-	-	-	-	-	-	19	*
Total		**7,088**	**37.6**	**14,009**	**45.2**	**23,052**	**52.6**	**24,403**	**54.7**

7. BUSINESS OVERVIEW *(CONT'D)*

(4) For FYE Under Review, our Group's customers that are part of the Bank Pertanian group of companies comprised the following:

Bank Pertanian group of companies	Country	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
		RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue
Bank Pertanian Malaysia Berhad	Malaysia	1,721	9.2	1,148	3.7	2,456	5.6	1,742	4.0
CSI Leasing Malaysia Sdn Bhd	Malaysia	-	-	-	-	2,173	5.0	21	*
Koperasi Kakitangan Bank Pertanian Malaysia Berhad	Malaysia	41	0.2	1	*	1	*	13	*
Total		**1,762**	**9.4**	**1,149**	**3.7**	**4,630**	**10.6**	**1,776**	**4.0**

(5) The transactions entail services rendered by Infoline Solutions for the customers of Akima. Akima was a company owned by CWC. Subsequently, CWC disposed his entire shareholding in Akima to a third party in August 2020.

(6) Our Group's total revenue for FYE 2019 was RM31.06 million.

(7) The ultimate holding company of the Group A of companies is an Irish-based multinational professional services company that provides a broad range of services in strategy and consulting, interactive, technology and operations, with digital capabilities across all of these services. The ultimate holding company of the Group A of companies is listed on the New York Stock Exchange and has market presence worldwide. We have not disclosed the names of the customers under Group A of companies as we are bound by the confidentiality provisions under the purchase and maintenance service of hardware equipment agreements with the respective companies.

7. BUSINESS OVERVIEW *(CONT'D)*

(8) For FYE Under Review, our Group's customers that are part of the Group A of companies, which principally operate in PRC, comprised the following:

Group A of companies	Principal activities	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
		RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue
Customer B	Enterprise management consulting, advertising design agency, advertising production, advertising release, graphic design and production, video production services; Product appearance design, corporate image design; Design, development, integration and sales of computer software, network, information system and application system, related technical services and information consulting services.	91	0.5	1,502	4.8	125	0.3	702	1.6
Customer C	Technology development, service, consultation and transfer on cloud computing, computer software, computer system integration, computer network and data processing.	-	-	-	-	243	0.6	141	0.3

7. BUSINESS OVERVIEW *(CONT'D)*

Group A of companies	Principal activities	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
		RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue
Customer D	Design, development, installation and maintenance of enterprise management system, files management system, human resource management system, database management system; Development, integration and technical services of computer application system.	-	-	-	-	32	0.1	43	*
Total		**91**	**0.5**	**1,502**	**4.8**	**400**	**1.0**	**886**	**1.9**

(9) For FYE Under Review, our Group's customers that are part of the HELP group of companies comprised the following:

HELP group of companies	Country	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
		RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue
HELP University Sdn Bhd	Malaysia	559	3.0	1,168	3.8	544	1.2	708	1.6
HELP Education Services Sdn Bhd	Malaysia	15	0.1	7	*	6	*	-	-
HELP Academy Sdn Bhd	Malaysia	-	-	102	0.3	-	-	86	0.2
Total		**574**	**3.1**	**1,277**	**4.1**	**550**	**1.2**	**794**	**1.8**

(10) Our Group's total revenue for FYE 2020 was RM43.82 million.

(11) Our Group's total revenue for FYE 2021 was RM44.59 million.

7. BUSINESS OVERVIEW *(CONT'D)*

Due to the nature of our Group's business, which is on a project basis, the project secured from any given customer may contribute a significant portion to our Group's annual revenue for a given year. As such, our Group's top 5 customers generally contribute a large percentage to our Group's revenue. For the FYE 2018, FYE 2019, FYE 2020 and FYE 2021, our Group's top 5 customers contributed 69.6%, 65.5%, 85.4% and 76.3% of our Group's revenues, respectively.

Particularly, revenue generated from the Dell group of companies constituted a large proportion of our Group's revenue. Collectively, the Dell group of companies comprised 37.6%, 45.2%, 52.6% and 54.7% of our Group's revenue in the FYE 2018, FYE 2019, FYE 2020 and FYE 2021, respectively. The growth in revenue contribution from the Dell group of companies is due to an increase in engagements from our existing customers in the Dell group of companies and an increase in companies that are part of the Dell group of companies that are engaging us.

As such, the increase in revenue contribution from Dell group of companies is a testament to the good working relationship they have with our Group. While we do not have long-term contracts with the Dell group of companies, we have maintained a mutually beneficial and trusted working relationship of 7 years with them as at the LPD.

In general, each of these companies in the Dell group of companies maintains and manages their own costs. Although they are provided with a recommended list of IT infrastructure and/or cybersecurity service providers, they are generally able to independently select from the recommended list of service providers. As such, any decision undertaken by a single company under the Dell group of companies to appoint an IT infrastructure and/or cybersecurity service provider may not impact the decisions of other companies under the Dell group of companies.

Save for Dell group of companies, the other top 5 customers generally vary over the years, and we are not dependent on any one of these customers.

As at the LPD, none of our Directors, Promoters and/or substantial shareholders has any interest, direct or indirect, in any of our major customers.

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7. BUSINESS OVERVIEW *(CONT'D)*

7.13 MAJOR SUPPLIERS

Our Group's top 5 major suppliers for the FYE Under Review are as follows:

FYE 2018

No.	Suppliers	Location	Principal activities	Types of products/services procured	Length of relationship (years) [(1)]	RM'000	% of total purchases [(2)]
1	Tec D group of Companies	Malaysia	Distribution and marketing of computer and computer related products and the provision of installation and maintenance services	IT infrastructure and cybersecurity hardware and software	1	[(3)] 2,998	25.2
2	Akima [(4)]	Hong Kong	Trading of IT products and services	IT infrastructure and cybersecurity hardware and software, and maintenance support services	3	1,557	13.1
3	Ingram Micro Malaysia Sdn Bhd	Malaysia	(i) Sales of computer hardware, software and peripherals; (ii) Distribution of wireless devices; and (iii) Provision of outsourced logistics services	IT infrastructure hardware and software	5	1,443	12.1
4	ICS Network Provider Sdn Bhd	Malaysia	Computer networking and training school	IT infrastructure hardware and software	1	682	5.7
5	Simedata Network Sdn Bhd	Malaysia	Services related to electronic, electrical, wiring computer network	IT infrastructure hardware and software, and cabling installation, mechanical and electrical and civil and structural services	3	680	5.7
Total						**7,360**	**61.8**

7. BUSINESS OVERVIEW *(CONT'D)*

FYE 2019

No.	Suppliers	Location	Principal activities	Types of products/services	Length of relationship (years) [(1)]	RM'000	% of total purchases [(5)]
1	Tec D group of companies	Malaysia	Distribution and marketing of computer and computer related products and the provision of installation and maintenance services	IT infrastructure and cybersecurity hardware and software	2	[(3)] 1,976	9.2
2	Rittal Systems Sdn Bhd	Malaysia	Trading in all kinds of enclosure systems	IT infrastructure hardware and software	< 1	1,610	7.5
3	Digital China group of companies	PRC	Distribution of physical hardware components and software (Distributor)	IT infrastructure and cybersecurity hardware and software	< 1	[(6)] 1,571	7.3
4	Ingram Micro Malaysia Sdn Bhd	Malaysia	(i) Sales of computer hardware, software and peripherals; (ii) Distribution of wireless devices; and (iii) Provision of outsourced logistics services	IT infrastructure and cybersecurity hardware and software	6	1,513	7.1
5	Akima [(4)]	Hong Kong	Trading of IT products and services	IT infrastructure and cybersecurity hardware and software, and maintenance support services	4	1,300	6.1
Total						**7,970**	**37.2**

7. BUSINESS OVERVIEW *(CONT'D)*

FYE 2020

No.	Suppliers	Location	Principal activities	Types of products/services	Length of relationship (years) [(1)]	RM'000	% of total purchases [(7)]
1	M-Security Technology Sdn Bhd	Malaysia	Distributing various IT products and related services	Cybersecurity hardware and software	5	7,010	24.3
2	VSTECS group of companies	Malaysia	Marketing of microcomputers, peripherals, software and the provision of computer maintenance services	IT infrastructure and cybersecurity hardware and software	6	[(8)] 4,887	17.0
3	Digital China group of companies	PRC	Distribution of physical hardware components and software (Distributor)	IT infrastructure and cybersecurity hardware and software	1	[(6)] 2,315	8.0
4	VA Dynamics Sdn Bhd	Malaysia	Marketing of networking cables	IT infrastructure hardware	4	1,425	4.9
5	Tec D group of Companies	Malaysia	Distribution and marketing of computer and computer related products and the provision of installation and maintenance services	IT infrastructure and cybersecurity hardware and software	3	[(3)] 1,340	4.7
Total						**16,977**	**58.9**

FYE 2021

No.	Suppliers	Location	Principal activities	Types of products/services	Length of relationship (years) [1]	RM'000	% of total purchases [9]
1	Green Line Solution Pte. Ltd.	Singapore	Marketing of hardware and peripherals, as well as software	IT infrastructure hardware and software	Less than 1 year	5,036	18.1
2	VSTECS group of companies	Malaysia	Marketing of microcomputers, peripherals, software and the provision of computer maintenance services	IT infrastructure and cybersecurity hardware and software	6	[8]3,964	14.2
3	Ingram Micro Malaysia Sdn Bhd	Malaysia	(i) Sales of computer hardware, software and peripherals; (ii) Distribution of wireless devices; and (iii) Provision of outsourced logistics services	IT infrastructure and cybersecurity hardware and software	7	3,192	11.5
4	Tec D group of companies	Malaysia	Distribution and marketing of computer and computer related products and the provision of installation and maintenance services	IT infrastructure and cybersecurity hardware and software	4	[3]2,145	7.7
5	Simedata Network Sdn Bhd	Malaysia	Services related to electronic, electrical, wiring computer network	IT infrastructure hardware and software, and cabling installation, mechanical and electrical and civil and structural services	6	1,271	4.6
Total						**15,608**	**56.1**

7. BUSINESS OVERVIEW *(CONT'D)*

Notes:

* Negligible.

(1) Length of relationship is determined as at the respective FYE 2018, FYE 2019, FYE 2020 and FYE 2021.

(2) Our Group's total purchases for FYE 2018 was RM11.89 million.

(3) For FYE Under Review, our Group's suppliers that are part of the Tec D group of companies comprised the following:

Tec D group of companies	Country	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
		RM'000	% of total purchases	RM'000	% of total purchases	RM'000	% of total purchases	RM'000	% of total purchases
Tec D (Malaysia) Sdn Bhd	Malaysia	-	-	456	2.1	88	0.3	-	-
Tec D Distribution (Malaysia) Sdn Bhd (formerly known as Innovix Distribution Sdn Bhd)	Malaysia	2,998	25.2	1,520	7.1	1,252	4.4	2,145	7.7
Total		**2,998**	**25.2**	**1,976**	**9.2**	**1,340**	**4.7**	**2,145**	**7.7**

(4) The transactions entail IT supplies/services rendered by Akima to Infoline Shenzhen and Infoline Solutions for fulfillment of their customers' (mainly Dell group of companies) orders. Akima was a company owned by CWC. Akima was the holding company of Infoline Shenzhen until December 2019 prior to the disposal of the entire shareholding of Infoline Shenzhen by Akima to CWC. In August 2020, CWC disposed his entire shareholding in Akima to a third party.

(5) Our Group's total purchases for FYE 2019 was RM21.44 million.

7. BUSINESS OVERVIEW *(CONT'D)*

(6) For FYE Under Review, our Group's suppliers that are part of the Digital China group of companies comprised the following:

Digital China group of companies	**Country**	**FYE 2018**		**FYE 2019**		**FYE 2020**		**FYE 2021**	
		RM'000	**% of total purchases**	**RM'000**	**% of total purchases**	**RM'000**	**% of total purchases**	**RM'000**	**% of total purchases**
Digital China (China) Limited	PRC	-	-	-	-	1,772	6.1	-	-
Digital China Shenzhen Co., Ltd	PRC	-	-	1,460	6.8	543	1.9	-	-
Digital China Technology Malaysia Sdn Bhd	Malaysia	-	-	111	0.5	*	*	-	-
Digital China (Beijing) Co., Ltd	PRC	-	-	-	-	-	-	250	0.9
Total		**-**	**-**	**1,571**	**7.3**	**2,315**	**8.0**	**250**	**0.9**

(7) Our Group's total purchases for FYE 2020 was RM28.76 million.

(8) FYE Under Review, our Group's suppliers that are part of the VSTECS group of companies comprised the following:

VSTECS group of companies	**Country**	**FYE 2018**		**FYE 2019**		**FYE 2020**		**FYE 2021**	
		RM'000	**% of total purchases**	**RM'000**	**% of total purchases**	**RM'000**	**% of total purchases**	**RM'000**	**% of total purchases**
VSTECS Pericomp Sdn Bhd	Malaysia	3	*	326	1.5	944	3.3	1,782	6.4
VSTECS Astar Sdn Bhd	Malaysia	-	-	293	1.4	3,943	13.7	2,080	7.5
VSTECS Ku Sdn Bhd	Malaysia	-	-	23	0.1	-	-	102	0.3
Total		**3**	*****	**642**	**3.0**	**4,887**	**17.0**	**3,964**	**14.2**

(9) Our Group's total purchases for FYE 2021 was RM27.83 million.

7. BUSINESS OVERVIEW *(CONT'D)*

We generally purchase the physical hardware components and software required in implementing our IT infrastructure and cybersecurity solutions from Principals through their distributors. Some of these suppliers also provide services such as maintenance, cabling installation, mechanical and electrical, and civil and structural works.

The nature of our Group's business is such that it is on a project basis and thus, certain projects may utilise specific types of physical hardware components and/or software as compared to others. As such, the contribution of purchases from our top 5 major suppliers for the FYE Under Review have generally varied from year-to-year.

While we are able to source similar hardware and software from other suppliers, we purchase physical hardware components and software from the above suppliers in bulk to obtain competitive pricing. We are not dependent on any individual suppliers and/or Principals for our business operations for the FYE Under Review. We have not experienced any major disruptions in supplies for the FYE Under Review.

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7.14 MAJOR LICENCES, PERMITS AND APPROVALS

Details of the major licences, permits and approvals obtained by our Group for our business operations as at LPD are as follows:

No.	Company	Description of licences/ permits/ approval	Permit/ Licence/ Registration No.	Date of issuance / Validity	Approving authority	Major conditions imposed	Status of compliance
1.	Infoline Solutions	Trade, Business and Industrial licence for the year of 2021 at No 51-2, 51-3 & 53-3, Jalan PJU 5/20E, Pusat Perdagangan Kota Damansara, 47810 Petaling Jaya.	Account No.: L2540000604075 Application No.: EL2540000605956	Issuance date: 2 November 2021 Commencement date: 1 January 2022 Expiry date: 31 December 2022	Petaling Jaya City Council ("**PJCC**")	Nil	N/A
		Trade, Business and Industrial licence for the year of 2021 at No 53-1, Jalan PJU 5/20E, Pusat Perdagangan Kota Damansara, 47810 Petaling Jaya.	Account No.: L2540000621400 Application No.: EL2780000630544	Issuance date: 2 November 2021 Commencement date: 1 January 2022 Expiry date: 31 December 2022			
2.	Infoline Solutions	Signboard license for the year of 2021 at No 51-3 & 53-3, Jalan PJU 5/20E, Pusat Perdagangan Kota Damansara, 47810 Petaling Jaya.	Account No.: L2540000615500 Application No.: EL2540000623939	Issuance date: 2 November 2021 Commencement date: 1 January 2022 Expiry date: 31 December 2022	PJCC	Nil	N/A

7. BUSINESS OVERVIEW *(CONT'D)*

No.	Company	Description of licences/ permits/ approval	Permit/ Licence/ Registration No.	Date of issuance / Validity	Approving authority	Major conditions imposed	Status of compliance
3.	Infoline Shenzhen	Business Licence (营业执照)	Unified social credit code No.91440300057897189T	Issuance date: 12 May 2022 Commencement date: 12 May 2022 Expiry date: N/A[1]	Shenzhen Administration for Market Regulation (深圳市场监督管理局)	Nil	N/A
4.	Infoline Shenzhen	Entry/Exit Inspection and Quarantine Declaration Enterprise Filing Form (出入境检验检疫报检企业备案表)	4700665127^	Issuance date: 16 March 2018 Commencement date: 16 March 2018 Expiry date: N/A[2]	Shenzhen Import/Export Inspection and Quarantine Administration (深圳市进出口检验检疫局)	Nil	N/A
5.	Infoline Shenzhen	Foreign Trade Operator Registration Form (对外贸易经营者备案登记表)	04993040	Issuance date: 6 June 2022 Commencement date: 6 June 2022 Expiry date: N/A[1]	Shenzhen Commerce Bureau (深圳市商务局)	Nil	N/A
6.	Infoline Shenzhen	Custom Declaration Entities Registration Certificate (海关报关单位注册登记证书)	440314103B^	Issuance date: 15 March 2018 Commencement date: 15 March 2018 Expiry date: N/A[3]	Shenzhen Custom (深圳海关)	Nil	N/A

7. BUSINESS OVERVIEW *(CONT'D)*

Notes:

^ Notifications in relation to the change of registered information of Infoline Shenzhen following the completion of the Infoline Shenzhen Acquisition have been made to the respective authorities, and no new certificates were issued pursuant to the changes made.

(1) One-off registration subject to update upon any changes in registered information.

(2) One-off filing subject to update upon any changes on registered information.

(3) One-off registration subject to annual information updating.

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7.15 INTELLECTUAL PROPERTY

We have applied for the following trademark registrations in Malaysia and PRC:

Trademark	Registrant	Application No.	Issuing authority	Date of application	Validity	Class [(1)]	Status
	Infoline Solutions	TM2020022597	Intellectual Property Corporation of Malaysia ("**MyIPO**")	10 October 2020	N/A	42[(a)]	Provisional Refusal [(2)]
	Infoline Shenzhen	63287566	Trademark Office of China National Intellectual Property Administration ("**PRC Trademark Office**")	15 March 2022	N/A	42[(b)]	Preliminary validation [(3)]

Notes:

(1) Description of each class under which the trademark is registered is as follows:

(a) Cloud computing services; Computer and internet security consultancy and data encryption services; Computer programming; Computer programming and design software; Computer programming for data processing; Computer programming services; Computer programming services for commercial analysis and reporting; Computer programming services relating to multimedia and interactive applications; Computer services for securing financial information; Computer software design, development and programming services; Computer systems design services; Computer systems integration services; Computer virus protection services; Computerised data storage services; Configuration, installation, fault diagnosis, repair, upgrading and maintenance of computer software; Consultancy and information services relating to information technology architecture and infrastructure; Consultancy and research services in the field of information technology; Consultancy relating to information technology; Consultancy services in the field of maintaining the security and integrity of databases; Consulting services in the field of cloud computing applications and networks; Customised design of computer hardware and software; Data security consultancy; Design and development of information and communications technology; Information technology (IT) consultancy services; Infrastructure as a service (IaaS); Integration of computer systems and networks; IT security services in the nature of protection and recovery of computer data; Monitoring of computer systems for detecting unauthorised access or data breach; Monitoring of computer systems to detect breakdowns and all included in class 42.

(b) Cloud computing; data encryption services; computer security consultancy; internet security consultancy; computer network configuration services; computer programming; computer software design; development and construction of computer program for data processing; computer programming for business analysis and reporting; programming for multimedia equipment; research and development of new products for others; software design and development; computer system design; computer virus protection services; electronic data storage; computer software fault clearing; installation and maintenance of computer software; maintenance and updating of computer software; installation, repair and maintenance of computer software; information technology consultancy; design and development of database; design and development of data security system; computer hardware design; information security consultancy; design and develop of instant messaging software; software as a service (SaaS; maintenance of software for computer safety and risk prevention; recovery of computer data; monitoring of computer system for detecting unauthorised access or data breach; monitoring of computer system to detect breakdowns).

(2) The MyIPO had issued its provisional refusal against the trademark application on 23 August 2021 on the grounds, among others, that: (i) the applied trademark of "Infoline" ("**subject mark**") is descriptive of the services applied for and is non-distinctive for registration purpose; and (ii) there is another prior mark which is confusingly similar/ identical to the subject mark, i.e. "Info Line" registered in Class 9. Infoline Solutions has filed a request for an ex-parte hearing on 29 September 2021 to overcome the provisional refusal of MyIPO on the grounds, among others, that: (i) the subject mark has achieved factual distinctiveness for registration; (ii) the subject mark should be read as a whole; and (iii) the public will not be confused due to the visual and conceptual dissimilarities between the subject mark. As at the LPD, Infoline Solutions is in the process of preparing documents needed for the ex-parte hearing which is to be held on a later date (to be determined by MyIPO).

(3) Infoline Shenzhen submitted the trademark application on 10 November 2020. The trademark application was refused by the PRC Trademark Office on 12 April 2021 on the grounds that the applied trademark of "Infoline" is similar with a registered trademark "Infolife" owned by another company, registered on the goods and services of Class 42. On 19 May 2021, Infoline Shenzhen has simultaneously filed an appeal for review of the refusal with the PRC Trademark Office and an application to cancel the trademark registration of "Infolife" on the grounds that the trademark has not been used for at least 3 years. On 17 November 2021, the appeal against registration refusal was rejected by the PRC Trademark Office. On 15 February 2022, the PRC Trademark Office approved the non-use cancellation application by Infoline Shenzhen. On 15 March 2022, Infoline Shenzhen re-filed the trademark application to the PRC Trademark Office. As at the LPD, the trademark application is pending review by the PRC Trademark Office.

If the appeals for the registration of the trademarks by Infoline Solutions or the trademark application by Infoline Shenzhen are refused by MyIPO or the PRC Trademark Office, our Group will submit alternative trademarks for registration and cease to use the existing trademarks. However, our Group's ability to provide services to our customers is not dependent upon the successful registration of the trademarks.

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7.16 EMPLOYEES

As at the LPD, we have a total of 26 full-time permanent employees. As at the LPD, we also have 4 technical staff on contract basis based in Malaysia and 1 full-time finance and administration staff on a contract basis based in PRC.

The breakdown of our employees by department and country is as follows:

Department	Number of employees			
	As at 31 December 2021		**As at the LPD**	
	Permanent	Contract	Permanent	Contract
Malaysia:				
Key Management	5	-	5	-
Technical[(1)]	11	3	12	4
Sales	3	-	3	-
Software	1	-	1	-
Finance and administration	4	-	5	-
PRC:				
Finance and administration	-	1	-	1
Total	**24**	**4**	**26**	**5**

Note:

(1) The breakdown of the Group's technical department is set out below:

Department	Number of employees			
	As at 31 December 2021		**As at the LPD**	
	Permanent	Contract	Permanent	Contract
Project manager	1	-	1	-
Network and system engineer	6	2	6	4
NOC engineer	2	-	2	-
Solutions architect	1	-	1	-
Technician	1	-	1	-
IT support executive	-	1	1	-
Total	**11**	**3**	**12**	**4**

None of these employees belong to any labour union. As at the LPD, there has been no industrial dispute pertaining to our employees nor has there been any incidence of work stoppage or labour disputes that have materially affected our operations since incorporation.

Training and development

We place emphasis on the development of our employees as they are important resources and significant assets which contributes to our Group's business.

We provide our employees, particularly those in the technical department, with training and development to enhance their skills and knowledge with courses, seminars and training programmes. Some of these training programmes are required by our Principals in order to be certified by our Principals.

During the FYE Under Review and up to the LPD, some of the courses, seminars and training programmes our employees have attended include:

Year	Training Programmes	Organiser
2022	Aruba Certified Mobility Associate (ACMA)	Aruba
2022	Aruba Certified Mobility Professional (ACMP)	Aruba
2022	VMware Certified Professional – Data Centre Virtualisation 2022	VMware, Inc.
2021	Contractor Safety Passport System – All Risk Work	National Institute of Occupational Safety and Health ("**NIOSH**")
2021	Palo Alto Firewall 10.0 Essentials: Configuration and Management	BridgingMinds Network Pte Ltd
2021	NSE 4 Network Security Professional	Fortinet NSE Training Institute
2021	Checkpoint Certified Security Expert	M.Tech Holdings Pte Ltd
2020	Huawei WIFI-6 Converged Infrastructure Workshop	Infosyte Sdn Bhd
2020	Contractor Safety Passport System – All Risk Work	NIOSH
2020	VMware Software-defined WAN by VeloCloud: Deploy and manage – On Demand Content	VMware, Inc.
2020	H3C Certified Network Engineer	H3C University
2020	Aruba Certified Mobility Associate (ACMA)	Aruba
2020	Aruba Switching Fundamentals	Aruba
2020	Dell EMC SD-WAN Velocloud Design, Deploy and Manage Certification Training Class	Ethicus Design Pte Ltd
2019	Juniper Security 101 Partner Bootcamp	Juniper Networks
2019	Contractor Safety Passport System – All Risk Work	NIOSH
2019	Iverson Project Management Professional (PMP) Examination Prepatory Course	Iverson Associates Sdn Bhd
2019	Check Point Certified Security Administrator	Check Point Software Technologies Ltd
2019	VMware Software-defined WAN by VeloCloud: Deploy and manage	VMware, Inc.
2018	VMware Velocloud Training	Ingram Micro Asia Ltd
2018	Vocational Training Operation	IPTSkills Sdn Bhd

Further, we also provide on-the-job training to fresh graduates or students in IT infrastructure and cybersecurity solution implementation. This allows us to groom and cultivate potential employees, providing us with access to a talent pool of technical personnel.

7.17 DEPENDENCY ON PATENTS, LICENCES, CONTRACTS, AGREEMENTS OR OTHER ARRANGEMENTS

As at the LPD, saved as disclosed in Section 7.14 and Section 15.5 of this Prospectus, we are not dependent on any patents, licences, contracts, agreements or other arrangements.

7.18 REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES

Our business operations are regulated and governed by guidelines, regulations and laws in Malaysia and PRC. The following is an overview of the regulatory requirements governing our Group which are material to our business operations:

1. Malaysian Legislation

(i) Local Government Act 1976

Pursuant to section 102 of the Local Government Act 1976, local authorities are empowered to make, amend and revoke the by-laws.

As our business is carried out in Petaling Jaya, we come under the jurisdiction of the PJCC and the relevant by-laws governing the conduct of our business would be the Licencing of Trades, Businesses and Industries (Petaling Jaya City Council) By-Laws 2007 ("**By-Laws**"). The By-Laws provide that any person may use any premise for operating any business activity when a licence, if necessary, has been obtained. A contravention of the By-laws would result in an offence, which upon conviction, would result in the person being liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or to both.

As at the LPD, our Group holds and maintains valid industrial licence and business licence issued by the PJCC.

(ii) Occupational Safety and Health Act 1994

Under the Occupational Safety and Health Act 1994, we have a general duty to our employees to provide and maintain the working environment that is, as far as in practicable, safe and without risks to health, provide information, instruction, training and supervision to ensure, in so far as is practicable, the safety and health of our employees at work, and adequate as regards to facilities for their welfare at work. We also have a duty to ensure, in so far as practicable, that other persons, not being our employees, who may be affected, are not exposed to risks to their safety or health.

(iii) Copyright Act 1987

Pursuant to section 3 of the Copyright Act 1987 ("**CA 1987**"), literary works include computer programs, where it is defined as an expression, in any language, code or notation, of a set of instructions (whether with or without related information) intended to cause a device having an information processing capability to perform a particular function either directly or after either or both of the following: (a) conversion to another language, code or notation; (b) reproduction in a different material form. As such description would indicate that software is a literary work, any software developed by us in the future will be entitled to receive copyright protection under CA 1987.

2. PRC Legislation

(i) PRC Company Law (中华人民共和国公司法) and PRC Foreign Investment Law (中华人民共和国外商投资法）

Foreign investment enterprises refer to the enterprises fully or partially invested by foreign investors in the PRC which is governed by the PRC Foreign Investment Law. The establishment documents and the business licence of Infoline Shenzhen comply with the requirements of PRC Company Law and PRC Foreign Investment Law where as Application for the Establishment of Foreign Investment Enterprise (外商投资的公司设立登记申请书) was submitted and subsequently approved by the Shenzhen Administration for Market Regulation, pursuant to which, Infoline Shenzhen was duly established.

7.19 BUSINESS STRATEGIES AND PROSPECTS

7.19.1 Prospects

According to the IMR Report in Section 8 of this Prospectus, the IT infrastructure and cybersecurity industries in Malaysia grew at CAGRs of 9.0% and 13.1%, respectively, between 2016 and 2021. Moving forward, Providence expects the IT infrastructure and cybersecurity industries in Malaysia to grow by a further 9.7% and 14.4%, respectively, between 2022 and 2024.

The IT infrastructure and cybersecurity industries in PRC grew at CAGRs of 18.0% and 18.2%, respectively, between 2016 and 2021. Moving forward, Providence expects the IT infrastructure and cybersecurity industries in PRC to grow by a further 18.4% and 19.1%, respectively, between 2022 and 2024.

The recent COVID-19 pandemic had led to the implementation of national lockdown policies in many countries, including Malaysia. In Malaysia, the MCO and NRP, which was implemented throughout 2020 and 2021 entailed the closure of all Government and private premises except those involved in essential services (water, electricity, energy, telecommunications, postal, transportation, irrigation, oil, gas, fuel, lubricants, broadcasting, finance, banking, health, pharmacy, fire, prison, port, airport, safety, defence, cleaning, retail and food supply).
This played a significant role in driving the digital economy. Many corporations implemented work-from-home policies during the MCO and NRP, which gave rise to the use of digital tools to enable file sharing, virtual video and audio teleconferencing as well as project management tools. Our Group benefitted from the accelerated shift towards the digital economy.

In line with the forecast growth of the IT infrastructure and cybersecurity industries in Malaysia and PRC, our Group is expected to continue benefiting from the shift towards the digital economy which will be driven by:

- Continued technological evolution and uptake of technologies such as AI, big data, cloud computing, IoT, and mobile and social computing;
- Government initiatives to develop the IT infrastructure and cybersecurity industries;
- Increased occurrence and level of sophistication of cyber threats;
- Need for regulatory compliance to prevent misuse of personal data and to protect national security;
- Demand for IT infrastructure arising from use of technologies such as data analytics, data processing, data exchange and cloud-based services; and

- Growing number of companies and businesses.

All of the above factors are expected to result in a continuous increase in volume of digital data generated, and this would consequently lead to continuous demand for IT infrastructure and cybersecurity solutions in order to store and manage these digital data. In addition, this will also lead to continuous demand for maintenance and technical support services to monitor, manage and upgrade the network, hardware and/or software utilised.

Thus, our Board is of the view that we will continue to enjoy favourable prospects in the long term, providing IT infrastructure and cybersecurity solutions in Malaysia on the back of our historical track record, competitive strengths (as detailed in Section 7.2 of this Prospectus) and the growing IT infrastructure and cybersecurity industries in Malaysia and PRC, as well as other countries in Asia Pacific.

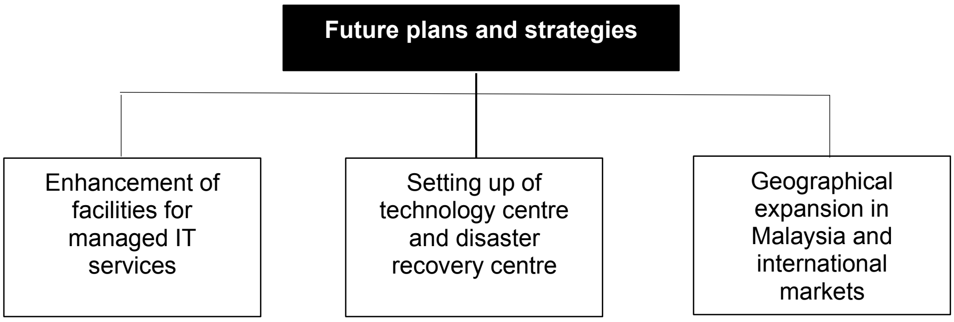
Our Board also does not foresee any material adverse impact from the COVID-19 pandemic on our financial performance, liquidity position and business operations as the country has entered into the "Endemic" phase of COVID-19 beginning 1 May 2022.

Against this backdrop, we seek a listing on the ACE Market to facilitate our future growth and strengthen our position as an IT infrastructure and cybersecurity solution provider in Asia Pacific.

(Source: Our Management)

7.19.2 Business strategies

The following strategies have been identified as a means to strengthen our position as an IT infrastructure and cybersecurity solution provider by leveraging on our competitive strengths:



(i) We intend to enhance our facilities and services to increase our capacity and capabilities for providing managed IT services

We ventured into managed network services in 2014, and we set up our existing NOC in 2017. We also began to offer managed cybersecurity services in 2021. However, our services are presently limited to the detection, analysis and response to common cyber threats.

In order to grow our managed IT services segment, we intend to undertake the following:

(a) Enhancement of our NOC

We will be improving the infrastructure of our existing NOC by acquiring equipment, software and accessories that allow for higher capacities, such as upgrading our switches, servers and storage.

Currently, our Group's NOC infrastructure has limited bandwidth provided by internet service providers, and the current NOC's dashboard analytics do not allow for centralisation of information from all systems/applications under the NOC such as the helpdesk applications and network monitoring system. As the systems in the current NOC run separately, analytics gathered through the systems/applications must be manually consolidated into a holistic report for customers.

The enhancement of the new NOC will entail:

- increasing bandwidth, by subscribing for higher bandwidth and dedicated internet access from our internet service provider and acquiring new hardware to cater for higher bandwidth; and
- upgrading of systems.

This will enable us to cater for more customers and enhance the range of managed network services provided as the new NOC will allow for the following, amongst others:

- centralisation of systems/applications in the NOC;
- higher visibility on the status of the customers' networks allowing for more comprehensive network insights which will ease troubleshooting of issues;
- multi-tenancy where the NOC will be able to support multiple customers' accounts concurrently, and dashboards can be customised for customers in accordance with the required scope of works; and
- support and consolidate multiple platforms from different clients.

In order to upgrade our NOC, we will need to purchase new hardware and equipment such as servers, racks, switches, video wall display solutions and UPS; as well as software such as network performance monitoring, network configuration management and endpoint management software.

We will also need to undertake facility enhancement works such as minor revisions to the layout of the area space to ensure the present facility can accommodate the additional hardware and equipment and electrical wiring works. We estimate that the new hardware, equipment and software, including facility enhancement works, will cost approximately RM4.3 million, which will be funded via our IPO proceeds.

We plan to complete the enhancement of our NOC within 8 months from the receipt of our IPO proceeds, barring any unforeseen circumstances.

(b) Setting up of a SOC

We will be setting up our SOC in our Kota Damansara head office. The SOC will encompass a dedicated IT infrastructure.

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

- automated data collection on security events or incidents from multiple sources, including infrastructure devices, security devices and servers of different brands and product manufacturers;

- analysing and correlating the security incidents of different sources to identify if there are any potential security threats and actual security breaches that have occurred;

- automated threat detection and centralised security monitoring for both cloud and on-premise environments; and

- responding to the security threats and breaches including attack containment, attack eradication and attack recovery.

At present, our present facilities can allow our security analysis team to undertake basic diagnosis on the network to detect common cyber threats in order to troubleshoot any incidents and problems raised by customers. Our security analysis team will also install, set up, update and/or change cybersecurity software as required.

The intended development of a SOC will enable a substantial upgrade (in respect of service offerings and capabilities) to our current managed cybersecurity services. Our intended SOC is envisaged to assist our security analysis team by enabling the followings features:

- support the monitoring and collections of security events and incidents from multiple sources, including infrastructure devices, security devices and servers of different brands and product manufacturers;

- allows the correlation of security incidents from different sources of different brands and product manufacturers for threat analysis and threat hunting;

- centralise security information to security analysts more quickly and deliver a more holistic view of security activities;

- proactive threat monitoring to reduce false alarms, detect hidden threats, and prioritise response for concerning alarms; and

- automates response workflows to enable our security analysis team to accomplish more and reduce the time it takes to protect against evolving security threats.

We intend to allocate RM4.7 million to develop a SOC, which will be used to acquire and set up the IT infrastructure required including hardware such as servers, storage tapes, discs and racks; and software such as networking management and monitoring, endpoint management and traffic analysis software. We will also need to undertake facility enhancement works such as minor revisions to the layout of the area space to ensure the present facility can accommodate the new SOC and electrical wiring works. The cost for setting up a SOC will be funded via our IPO proceeds.

We plan to complete the setting up of our SOC within 18 months upon receiving our IPO proceeds.

(c) Development and enhancement of in-house applications

We plan to enhance our present project management application which we presently use in carrying out our professional IT services. The enhancement of the application will include:

- adding more features to integrate with the helpdesk application that we presently use to manage incidents/issues raised. This will enable us to utilise the project management application to facilitate our managed IT services; and
- improving users' experience through a more user-friendly interface.

With the enhanced project management application, customers of our managed IT services can utilise this application to track the delivery of our services as well as request changes in services provided. This application will enable us to better serve our managed IT services customers.

Further, we intend to develop an outsourced engineer application, which will also be integrated with the helpdesk application used in our proposed enhanced NOC and new SOC. This application will allow customers of our managed IT services to book subcontractors, comprising engineers for on-site troubleshooting and rectification works on an on-demand basis. These customers will be able to select the number of external technical engineers and level of skillset required.

With this outsourced engineer application, we will also be able to better service our customers in markets where we do not have permanent technical personnel stationed at as the outsourced engineer application will allow for us to tap into local engineers in the particular country to serve customers efficiently and promptly.

The enhancement and development works for our project management and outsourced engineer applications will be carried out in-house by our technical department. We will be able to integrate these applications with the NOC and SOC when they are completed, i.e. 18 months from the date of receipt of IPO proceeds. Any operational costs involving the development of these applications are expected to be minimal as we do not require additional hardware or software, and will be funded via our internally generated funds.

The indicative timeline to enhance our facilities for managed IT services is as follows:

Indicative Timeline	**Milestones**
8 months from date of receipt of IPO proceeds	• Completion of enhanced project management application • Enhancement of NOC • Integration of project management application with NOC
12 months from date of receipt of IPO proceeds	• Completion of outsourced engineer application • Integration of outsourced engineer application with NOC
18 months from date of receipt of IPO proceeds	• Setting up of SOC • Integration of project management and outsourced engineer applications with SOC

The managed IT services segment is an upcoming cost-effective alternative avenue for customers to procure IT infrastructure and cybersecurity solutions without incurring substantial operational expenses in setting up their own dedicated IT team. With the abovementioned plans, we aim to benefit from the potential growth in demand for managed IT services. Even though the NOC and SOC will be physically located in Malaysia, they can facilitate our managed IT services in other countries. There is no geographic limitation as our current NOC is already supporting some customers in the Asia Pacific region. With further enhancement of our NOC and setting up of SOC, we expect to secure more projects in PRC and other regions.

(ii) We intend to set up a technology centre and a disaster recovery centre to improve our sales and marketing activities and strengthen our presence in Malaysia

We plan to enhance our Group's infrastructure to improve our sales and marketing activities and strengthen our presence in Malaysia. In particular, we intend to:

(a) Set up a technology centre

We presently demonstrate customised solutions to our customers and potential customers at our Kota Damansara head office, and this is typically performed during the pre-sales stage.

Our present infrastructure has limited hardware and we often have to rent third-party hardware to enable demonstration for solutions involving software defined infrastructure and virtual desktop. Our technical department will also have to rebuild infrastructure for every solution, and our Kota Damansara head office can only demonstrate 1 type of solution at one point in time. Some of the software utilised are software for demonstration purposes only, hence may not be able to exhibit the full capability of the software. Thus, by acquiring our own software and physical hardware components instead of renting from a third party, we will be able to:

- demonstrate the proposed solutions to potential customers at any time and is not constrain by the availability of the rented hardware;
- demonstrate the full capabilities of the software to our customers without limitation, due to the software being a demonstration version; and
- demonstrate a wider range of solutions involving software defined infrastructure and virtual desktop, and run multiple solution configurations concurrently.

We will work with our Principals to determine the type of solutions to showcase, and the type of physical hardware components and software required. This will allow us to better plan the type of physical hardware components and software that will be required in the next 5 years.

(b) Set up a disaster recovery centre

We currently use third-party cloud-based disaster recovery facilities to minimise any disruptions to our operations. There are some limitations to the utilisation of cloud-based disaster recovery facilities, including higher costs incurred as the volume of data stored grows as we are charged based on usage, as well as costs incurred for downloading the data stored on the cloud. In addition, there may be customers who prefer that we do not store and back up their company information using the cloud.

Hence, we intend to set up our own disaster recovery centre which will enable us to recover and restore our data and IT infrastructure to allow for operations to continue despite disruptions caused by events such as cyber attacks and natural disasters.

The disaster recovery centre will be located at a different location (a highly secured physical environment) i.e. a co-location facility which we intend to rent. We will acquire the necessary equipment and software to set up our own disaster recovery centre in the said location. We have allocated RM0.11 million to pay the co-location service owner for the rental and set up (e.g. electrical wiring works) of our own disaster recovery centre.

We estimate that we will take approximately 9 months to set up the technology centre and disaster recovery centre. The cost of setting up the technology centre and a disaster recovery centre is estimated to amount to approximately RM8.5 million. This will be funded via our IPO proceeds.

With the proposed technology centre, we would be able to:

(i) better serve our prospective customers. As the existing infrastructure does not support updated and newer software, any delays in the arrival of rented equipment may result in a delay in demonstrating these solutions to our customers. With the technology centre, we will have the necessary infrastructure to demonstrate these software as it is readily available;

(ii) improve customer confidence of our Group and allow us to build and maintain relationships with our suppliers as we showcase some of their products in our solution configurations; and

(iii) test configurations of new customised solutions prior to implementation on-site at our customers' premises at the proposed technology centre. By doing so, this will shorten the time taken for implementation, allowing us to take on a higher number of projects.

With the proposed disaster recovery centre, we would be able to:

(i) address the limitation of our current usage of third-party cloud-based disaster recovery facilities as mentioned above; and

(ii) minimise risks of system failures of our Group's internal IT infrastructure.

(iii) We plan to expand our geographical presence in Malaysia and in international markets

We currently operate out of Malaysia and PRC, and have been designing and implementing IT infrastructure and cybersecurity solutions for enterprises based in the Asia Pacific region.

<u>Malaysia</u>

In Malaysia, our customer base is primarily centered in the Central (i.e. Kuala Lumpur, Selangor and Negeri Sembilan) and Northern (i.e. Kedah, Penang, Perlis and Perak) regions of Peninsular Malaysia. At present, our existing technical team which is based in Selangor will travel to the respective regions within Malaysia (e.g. Northern region of Peninsular Malaysia) to implement the solutions and provide technical support services. We intend to continue to grow our presence to other regions in Malaysia in light of the growing IT infrastructure and cybersecurity solutions industries in the country, as highlighted in the IMR Report in Section 8 of this Prospectus.

In particular, we intend to grow our customer base in the Southern region of Peninsular Malaysia (i.e. Johor and Malacca) and East Malaysia (i.e. Sabah and Sarawak). We thus intend to expand our technical team by recruiting new engineers stationed in these states. We estimate that we will require a total of 6 new additional technical personnel who will be stationed in Johor, Sabah and Sarawak.

These new personnel will be recruited within 3 months upon receipt of IPO proceeds.

PRC

In addition, we also intend to expand our presence to other parts of PRC due to the growing market potential present in PRC, as detailed in the IMR Report in Section 8 of this Prospectus. At present, as we are currently based in Shenzhen, our customer base is largely in Shenzhen. We also plan to expand our sales and technical team by recruiting approximately 6 new personnel who will be stationed in several major cities including:

- Shanghai and Beijing where we have existing customers;
- Wuhan and Chengdu where we have begun to receive enquiries from potential customers and/or have potential collaborations with other service providers; and
- Heilongjiang which is expected to be a potential growth area in line with the Government of PRC's plans to expand the city.

These new personnel will be recruited over the span of 1 year from the receipt of IPO proceeds.

Apart from the above, we also plan to penetrate into international markets in Asia Pacific where some of our customers, who are multinational companies, intend to expand into. We will expand into these markets should we successfully secure a contract and receive enquiries from potential customers, and taking into consideration the prospects for the IT infrastructure and cybersecurity market, and political and economic factors within the country. As at the LPD, we have currently received enquiries from our existing customers and potential customers based in Japan and Australia.

Increasing the number of technical personnel will allow us to promptly respond to our potential customers and existing customers, thus enabling us to provide reliable and efficient service to our customers. We do not intend to set up offices in these identified locations as our newly hired technical personnel will generally be based at our customers' premises and do not require an office to carry out their day-to-day operational activities.

In the short term, we expect to incur business expansion costs in Malaysia and the PRC. We expect that the costs of business expansion in Malaysia and the PRC will include the recruitment of new personnel, marketing expenses and procurement of physical hardware. Such costs are estimated to amount to RM1.3 million in each country. Collectively, this would amount to a total estimated cost of RM2.6 million in both Malaysia and the PRC, of which we have allocated RM2.22 million from the IPO Proceeds as mentioned in Section 4.7(d) of this Prospectus. The remaining estimated cost of RM0.38 million will be funded via internally generated funds.

In the event of any business expansion into other international markets in Asia Pacific, we intend to allocate RM1.3 million to fund the costs of business expansion (for the recruitment of new personnel, marketing expenses and procurement of physical hardware) for each country. For illustration purposes, should we proceed with our plan to expand into Japan or Australia, we would allocate RM1.3 million for each country, which will be funded via internally generated funds. For clarity purposes, our expansion plans in other international markets in Asia Pacific e.g. Japan and Australia are still preliminary at this juncture as we have only received enquiries from our existing and potential customers.

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

Date: 23 May 2022

The Board of Directors
Infoline Tec Group Berhad
No. 53-3, Jalan PJU 5/20E,
Pusat Perdagangan Kota Damansara,
47810 Petaling Jaya,
Selangor
Malaysia

Dear Sirs,

Independent Market Research ("IMR") Report on the Information Technology ("IT") Infrastructure and Cybersecurity Industries in Malaysia and the People's Republic of China ("PRC") in conjunction with the Proposed Listing of Infoline Tec Group Berhad on the ACE Market of Bursa Malaysia Securities Berhad

PROVIDENCE STRATEGIC PARTNERS SDN BHD ("**Providence**") has prepared this IMR report on the IT Infrastructure and Cybersecurity Industries in Malaysia and PRC for inclusion in the Prospectus of Infoline Tec Group Berhad.

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

For and on behalf of PROVIDENCE:

MELISSA LIM
EXECUTIVE DIRECTOR

About PROVIDENCE STRATEGIC PARTNERS SDN BHD:

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

About MELISSA LIM:

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

1 THE IT INFRASTRUCTURE AND CYBERSECURITY INDUSTRIES IN MALAYSIA AND PRC

The objective of this IMR report is to provide an independent view of the industries in which Infoline Tec Group Berhad operates and to offer a clear understanding of the industry and market dynamics. As Infoline Tec Group Berhad is an IT infrastructure and cybersecurity solution provider that largely serves the Malaysia and PRC markets, this IMR report focuses on both the IT infrastructure and cybersecurity industries in Malaysia and PRC.

DEFINITION AND SEGMENTATION

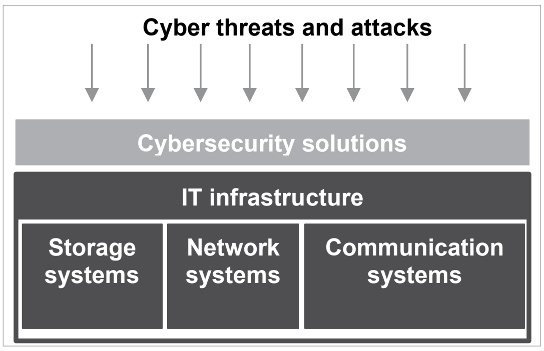
IT infrastructure solutions facilitate and support the management and usage of digital data. In general, IT infrastructure solutions comprise:

- storage systems which enable storage and backup of digital data;
- network systems that allow for interconnectivity; and
- communication systems that allow users to communicate and collaborate through different avenues such as e-mail, video conferencing and voice over internet protocol.

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

Both IT infrastructure and cybersecurity solutions refer to a combination of physical hardware components and software, as well as services to install, implement and/or manage these solutions. IT infrastructure and cybersecurity solutions are used by enterprises as well as individuals. Managed IT services, which include managed network services and managed cybersecurity services, are a form of services offered to enterprises. Managed IT services offer enterprises an alternative avenue to procure IT infrastructure and cybersecurity solutions without incurring substantial operational expenses in setting up their own dedicated IT team. It involves real-time monitoring of IT infrastructure, implementing protective measures and/or responding to any cyber threats and attacks.

IT infrastructure solutions have become increasingly crucial for enterprises' business operations. With the increased utilisation of IT infrastructure, cybersecurity solutions have become critical to protect enterprise data and networks from cybersecurity attacks and unauthorised access, thus mitigating these cybersecurity risks and any costs associated with dealing with these attacks. As such, both IT infrastructure and cybersecurity solutions are complementary as an enterprise requires these solutions to safely and securely store, backup and transmit data as well as interconnect.



The IT infrastructure and cybersecurity industry value chains are generally similar. Both of these industry value chains comprise companies that are involved in:

(i) **Development of hardware and software** – companies which design and develop the physical hardware components (such as servers, storage discs and security devices), as well as the software required to enable its functionality (such as web applications, content management systems and anti-malware software). These companies are typically established multinational companies, and are referred to as "**Principals**";

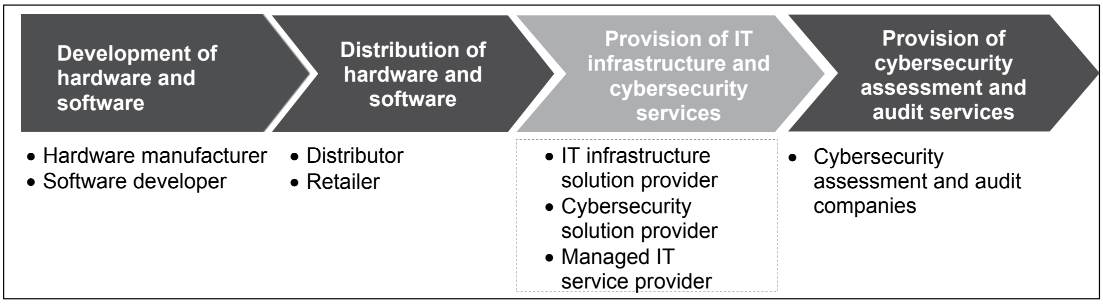
(ii) **Distribution of hardware and software** – companies which market and sell the physical hardware components and software on behalf of the Principals;

(iii) **Provision of IT infrastructure and cybersecurity services** – companies which evaluate and consult enterprises to design an IT infrastructure tailored to the organisational needs and/or propose suitable cybersecurity solution to protect the IT infrastructure, as well as implement and integrate various physical hardware components and software to form a complete solution for enterprises. Some of these companies may also provide managed IT services; and

(iv) **Provision of cybersecurity assessment and audit services** – companies which assess and audit the security of an IT infrastructure solution for a company, to determine if the cybersecurity solutions implemented by a cybersecurity solution provider are sufficient to protect an enterprise's IT infrastructure.

Infoline Tec Group Berhad and its subsidiaries (collectively referred to as "Infoline Group") is principally involved in the provision of IT infrastructure solutions, managed services and other IT services and cybersecurity solutions to enterprises. In addition, Infoline Group is also involved in trading of ancillary hardware and software, as and when required.

IT infrastructure and cybersecurity industry value chain



Notes:
(i) Denotes the segments in which Infoline Tec Group Berhad presently operates.
(ii) This list is not exhaustive.
Source: PROVIDENCE

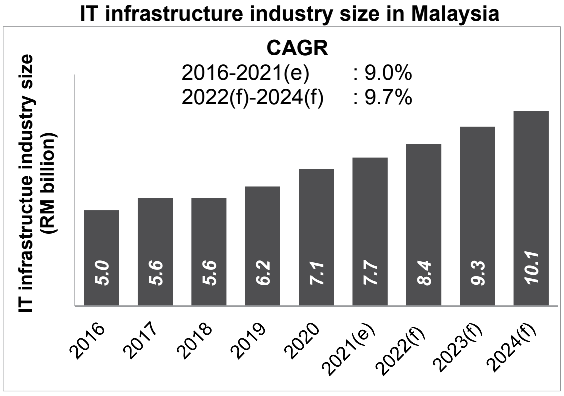
INDUSTRY PERFORMANCE, SIZE AND GROWTH – IT INFRASTRUCTURE

The IT infrastructure industry size is depicted by the sales of servers, storage, networking, and powering and cooling hardware as well as required software and services, and includes managed services.

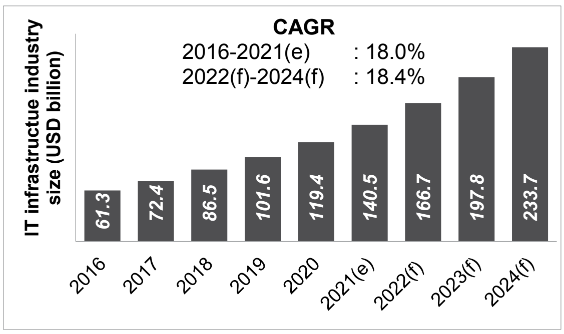
The IT infrastructure industry size increased from RM5.0 billion in 2016 to an estimated RM7.7 billion in 2021, recording a compound annual growth rate ("**CAGR**") of 9.0%. Moving forward, the IT infrastructure industry size in Malaysia is forecast to grow at a CAGR of 9.7%, from RM8.4 billion in 2022 to RM10.1 billion in 2024.

Meanwhile, the IT infrastructure industry size in PRC grew from USD61.3 billion (RM254.1 billion[1]) in 2016 to an estimated USD140.5 billion (RM582.4 billion[2]) in 2021, recording a CAGR of 18.0%. Moving forward, the IT infrastructure industry size in PRC is forecast to grow at a CAGR of 18.4%, from USD166.7 billion (RM691.0 billion[3]) in 2022 to USD233.7 billion (RM968.8 billion[3]) in 2024.

IT infrastructure industry size in Malaysia



IT infrastructure industry size in PRC



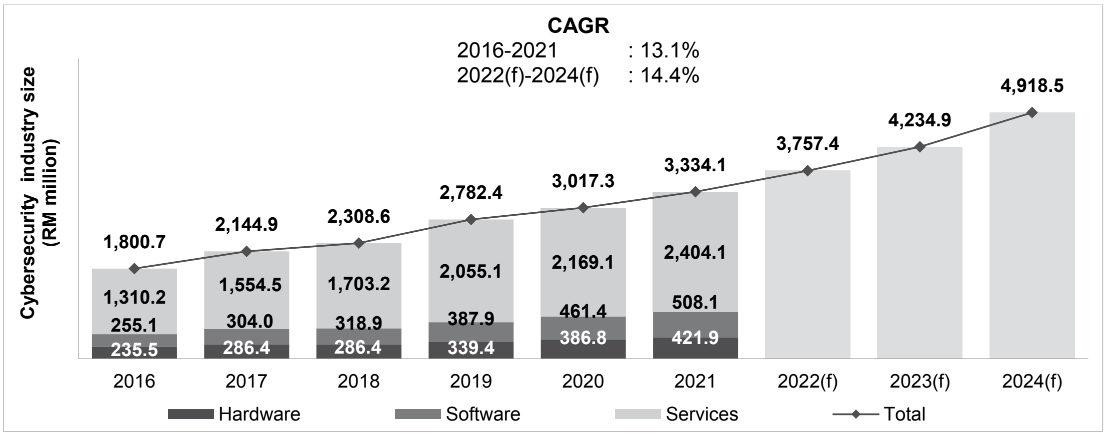
Notes:
(i) (e) – Estimate
(ii) (f) – Forecast
Sources: PROVIDENCE analysis

[1] Exchange rate from USD to RM in 2016 was converted based on average annual exchange rates in 2016 extracted from published information from Bank Negara Malaysia at USD1 = RM4.1457
[2] Exchange rate from USD to RM in 2021 was converted based on average annual exchange rates in 2021 extracted from published information from Bank Negara Malaysia at USD1 = RM4.1454
[3] Exchange rate from USD to RM in 2022 and 2024 was converted based on average annual exchange rates in 2021 extracted from published information from Bank Negara Malaysia at USD1 = RM4.1454

INDUSTRY PERFORMANCE, SIZE AND GROWTH – CYBERSECURITY

The cybersecurity industry in Malaysia is depicted by the sales of cybersecurity hardware, software and services (including managed cybersecurity services) in the country. The total cybersecurity industry grew from RM1.8 billion in 2016 to RM3.3 billion in 2021 at a CAGR of 13.1%. Moving forward, the total cybersecurity industry in Malaysia is forecast to grow by a further CAGR of 14.4%, from an estimated RM3.8 billion in 2022 to RM4.9 billion in 2024.

Cybersecurity industry size in Malaysia



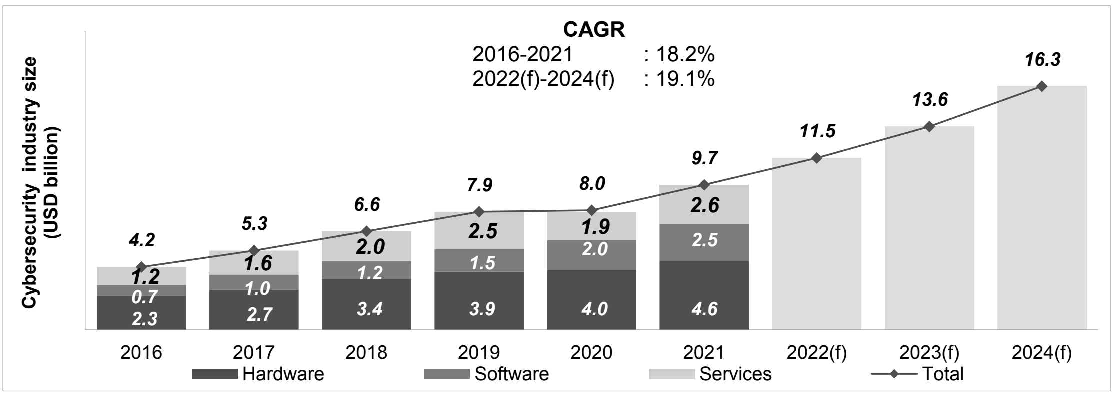
Notes:

(i) (f) – Forecast (ii) Numbers may not add up due to rounding

Sources: PROVIDENCE analysis

The cybersecurity industry in Malaysia is largely driven by sales of cybersecurity services which include services such as penetration tests, consulting and on-site technical support as well as managed security services. In 2021, cybersecurity services comprised 72.1% of the total cybersecurity industry in Malaysia. Meanwhile, spending on cybersecurity hardware and software comprised 12.7% and 15.2% respectively of the total cybersecurity industry in Malaysia in 2021. Spending on cybersecurity services (which include managed cybersecurity services) and software has been growing at a relatively faster pace as compared to spending on cybersecurity hardware. Between 2016 and 2021, spending on cybersecurity services and software grew at CAGRs of 12.9% and 14.8%, while spending on cybersecurity hardware grew at a CAGR of 12.4%.

Cybersecurity industry size in PRC



Notes:

(i) (f) – Forecast (ii) Numbers may not add up due to rounding

Sources: PROVIDENCE analysis

The cybersecurity industry in PRC, as depicted by the sales of cybersecurity hardware, software and services (including managed cybersecurity services) in the country, grew from USD4.2 billion (RM17.4 billion[1]) in 2016 to USD9.7 billion (RM40.2 billion[2]) in 2021, recording a CAGR of 18.2%. Moving forward, the cybersecurity industry in PRC is forecast to grow at a CAGR of 19.1%, from an estimated USD11.5 billion (RM47.7 billion[3]) in 2022 to USD16.3 billion (RM67.6 billion[3]) in 2024.

The cybersecurity industry in PRC is largely driven by sales of cybersecurity hardware. In 2021, spending on cybersecurity hardware and software comprised 47.4% and 25.8% respectively of the total cybersecurity industry in PRC in 2020. Meanwhile, cybersecurity services (which include managed cybersecurity services) comprised 26.8% of the total cybersecurity industry in PRC. Spending on cybersecurity services and software has also been growing at a relatively faster pace as compared to spending on cybersecurity hardware in PRC. Between 2016 and 2021, spending on cybersecurity services and software grew at CAGRs of 16.7% and 29.0% while spending on cybersecurity hardware grew at a CAGR of 14.9%.

DEMAND CONDITIONS: KEY GROWTH DRIVERS

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

The proliferation and evolution of technologies in daily lives, for both personal and business reasons, have increased the usage of consumer electronics and other personal devices. Examples of these technologies include:

- Artificial Intelligence (AI)
- Big data
- Cloud computing
- Internet of Things ("**IoT**")
- Mobile and social computing

To stay competitive, governments and corporations are utilising these technologies as part of their business operations in the wake of globalisation and to improve efficiency. The use of these technologies has also led to increasing amount of data due to digitalisation. Digital data is valuable and crucial to organisations across various economic sectors, as it facilitates their day-to-day operations, customer transactions, allows for collaboration even from different locations and is used in analysis, which leads to the need to protect this data.

The COVID-19 pandemic has also forced organisations to adapt to remote working arrangements as countries around the world had to impose lockdowns to curb the spread of this disease. Realising the need for the flexibility of allowing their employees to work from home, organisations have harnessed the use of technology such as file sharing, messaging platforms, project management and video conferencing. The increased popularity of electronic commerce platforms during this time has also encouraged organisations to take their business online as an additional revenue channel.

The National IoT Strategic Framework estimates that the market for IoT in Malaysia will reach RM42.5 billion by 2025. Meanwhile, the Government of Malaysia intends to accelerate the adoption of big data through the National Big Data Analytics Framework, which would spur demand for big data in all sectors, catalyse the adoption of big data in the public sector and build the big data industry in Malaysia. Further, the National Fiberisation and Connectivity Plan 2019-2023 will provide the robust infrastructure needed to support these technologies.

PRC's 14th Five-Year Plan (2021-2025) outlines the focus on building a digital PRC. PRC's digital economy reached RMB39.2 trillion (RM23.9 trillion[4]) in 2020, accounted for 38.6% of the national gross domestic product ("**GDP**") and outgrew traditional sectors such as manufacturing. It is expected that the digital economy will be the main driver of economic growth by 2027, accounting for almost half of national GDP. There is a shift in focus from high-speed growth to high-quality development, particularly following the COVID-19 pandemic in 2020 where the ensuing lockdowns had increased awareness about the importance of digital technology in conducting business, working from home, making purchases and performing other necessary transactions. Thus, the shift to high-quality development of technology and

[4] Exchange rate from RMB to RM in 2020 was converted based on average annual exchange rates in 2020 derived from published information from Bank Negara Malaysia at RMB1 = RM0.6091

infrastructure aims to accelerate the penetration of digital economy as well as improve the deployment of smart home, smart industry and smart city solutions.

The number of internet-connected devices in the PRC has increased exponentially, from laptops and smartphones to home electronics and even vehicles. PRC accounts for an estimated 64.0% of the 1.5 billion global cellular connections, making it the world's largest IoT market.[5] As the number of connected devices is expected to continue growing, there will also be an increased risk of security breaches. This indicates a pressing need for cybersecurity solutions to provide protection for personal data.

In addition to IoT, the huge growth in digital data in PRC is also attributable to video surveillance footage, among others. Project Dazzling Snow, a nationwide video surveillance network, was approved in 2016 with the aim of improving public security, preventing crime and providing supporting infrastructure for nationwide smart city implementation. All major streets were to be equipped with 24-hour, 360-degree video surveillance cameras, resulting in the creation of massive amounts of digital data by 2020. In 2018, PRC's digital data accounted for 23.4% of the global data, or 7.6 zettabytes, and is expected to further grow substantially.

As these technologies continue to become more significant in our daily lives, this will subsequently create demand for supporting IT infrastructure and cybersecurity solutions to store, manage and analyse digital data.

Government initiatives to develop the IT infrastructure and cybersecurity industries in Malaysia and PRC

The Government of Malaysia recognises cybersecurity as a national priority and developed the National Cyber Security Policy ("**NCSP**") in 2016 to address its risks to the Critical National Information Infrastructure (CNII), which encompasses National Defence and Security; Banking and Finance; Information and Communications; Energy; Transportation; Water; Health Services; Government; Emergency Services; and Food and Agriculture. The NCSP has a series of frameworks to ensure that these sectors, which are vital to Malaysia, are protected by the appropriate cybersecurity controls.

The National Cyber Security Agency ("**NACSA**") was established in February 2017 to secure and strengthen Malaysia's resilience in facing the threats of cyberattacks. NACSA is responsible for developing and implementing national-level cybersecurity policies and strategies, spearheading cybersecurity awareness, taking strategic measures in combatting cyber threats and advising on organisational cyber risk management, among others.

Recognising the opportunities arising from the growth of the digital economy in Malaysia, a Memorandum of Understanding ("**MoU"**) was signed between Malaysia Digital Economy Corporation (MDEC) and Axiata Group Berhad in July 2018. This strategic collaboration intends to further boost the nation's cybersecurity industry by strengthening talent development in the cybersecurity industry through upskilling internships and providing mentorships.

In February 2021, the Government of Malaysia launched MyDIGITAL, a national initiative which aims to transform Malaysia into a digitally-driven, high income nation and a regional leader in digital economy. The Malaysia Digital Economy Blueprint maps out the strategies which will be undertaken in 3 phases (2021-2022, 2023-2025 and 2026-2030) to achieve the targeted outcomes of MyDIGITAL. The key thrusts in the Malaysia Digital Economy Blueprint pertaining to the IT infrastructure and cybersecurity industries are:

(i) Build enabling digital infrastructure – providing access to extensive and high-quality digital infrastructure (such as broadband, data centres and cable landing stations) to better enable people, businesses and the Government of Malaysia to participate in the digital economy; and

(ii) Build trusted, secure and ethical digital environment – creating a conducive environment for businesses and society to reap the benefits of digital services without compromising safety, data security, privacy, reliability and ethical standards.

[5] Source: Global System for Mobile Communications Association (GSMA)

In March 2021, the Government of Malaysia announced that the first 5G cybersecurity test laboratory in Southeast Asia would be established by 2023 as part of an MoU between CyberSecurity Malaysia (the national cyber security specialist agency under the Ministry of Communications and Multimedia Malaysia), Huawei Technologies (M) Sdn Bhd and Celcom Axiata Berhad. The MoU aims to better understand, learn, manage and reduce cybersecurity threats related to 5G, as the rollout of 5G is expected to result in an increase in cybersecurity threats which would affect national security and public safety. The test laboratory will be conducting test cases on IoT security and telecommunications security, as well as improve the country's preparedness in responding to 5G-related cyberattacks.

One of the strategies in the PRC's 14th Five-Year Plan (2021-2025) is to integrate development and security by strengthening construction of cybersecurity assurance systems and capabilities, in a bid to guard against cybercrime.

These Government initiatives in Malaysia and the PRC are expected to further create awareness about the need for cybersecurity measures and contribute to the growth of the IT infrastructure and cybersecurity industries.

Increased occurrence and level of sophistication of threats will create demand for cybersecurity solutions and services

The number of reported cybersecurity incidents in Malaysia increased at a CAGR of 0.2% between 2015 and 2021, from 9,915 incidents to 10,016 incidents[6]. Furthermore, with the increasing number of devices, appliances and even vehicles which can be connected to the internet, this has increased the risk of exposure to cyberattacks. Besides targeting corporations, individuals are also at risk as they are less likely to implement protective measures.

Cybersecurity incidents have increased in size, risk and severity. In Malaysia, notable incidents include a data breach in 2017 whereby 46.2 million mobile number subscribers had their private information leaked. During the ongoing COVID-19 pandemic, there has been increased use of video conferencing software / platform for both business and personal use and one such platform was the subject of intrusion by uninvited users in private video conferencing sessions.

To keep up with increasingly sophisticated attacks, organisations may choose to rely on the services of cybersecurity solution providers in order to protect their data.

The need for regulatory compliance will drive demand for cybersecurity solutions and services

The Personal Data Protection Act 2010 ("**PDPA**") was passed to prevent and monitor misuse of any personal data collected to process commercial transactions. The Personal Data Protection Department, an agency under the Ministry of Communications and Multimedia Commission Malaysia, is responsible for enforcing the PDPA. Personal data includes any information which may identify a person or is sensitive (e.g. physical or mental health, political opinions and religious beliefs). This personal data is to be protected from any loss, misuse, modification, unauthorised or accidental access or disclosure, alteration or destruction. This includes the way that the data is collected, used, stored and destroyed. In line with the PDPA, cybersecurity solutions and services will be crucial in strengthening consumer confidence in view of the increasing number of online business transactions.

The Cybersecurity Law of PRC was enacted in 2016 and aims to increase data protection and cybersecurity to protect national security. In April 2020, the Cybersecurity Review Measures were issued as a part of the Cybersecurity Law of PRC, requiring technology products and services procured by critical information infrastructure operators to undergo a cybersecurity review to determine if they present a risk to national security. Any network products or services (including core network equipment, high-performance computers and servers, mass storage devices, large databases and application software, cybersecurity equipment and cloud computing services) procured by a critical information infrastructure operator, whether from a local or foreign source, must be assessed to determine if they may present a national security concern.

Thus, the requirements to comply with laws related to data protection are expected to increase demand for cybersecurity solutions and services.

[6] Source: Malaysia Computer Emergency Response Team (MyCERT)

Demand arising from the use of technologies which require IT infrastructure solutions

Organisations rely on the use of various technologies to improve their operations, processes and productivity. In particular, technologies to facilitate data analytics, data processing and data exchange require appropriate IT infrastructure solutions to run effectively and securely.

Furthermore, there is increasing popularity of cloud-based services such as Dropbox, Google Drive, Slack and Office 365, as well as video conferencing applications such as Zoom and Microsoft Teams. These applications have experienced high usage particularly during the COVID-19 pandemic whereby national lockdowns were imposed in many countries, forcing employees to work from home. The proliferation of wireless technologies such as IoT, WiFi and Bluetooth also requires IT infrastructure to provide the necessary support.

As the use of these technologies increases, the demand for IT infrastructure solutions is expected to rise as well.

Growing number of companies and businesses

Malaysia has seen a steady growth of newly registered companies at an average increase of 3.1% annually between 2016 and 2021. According to latest available data from the Companies Commission of Malaysia, new companies in Malaysia grew from 1.2 million in 2016 to 1.4 million in 2021. This steady growth trend is expected to continue in light of the nation's developing economy over the long-term.

The PRC provides a conducive business environment, which has attracted both local and foreign investment. It is a popular destination for business due to its large consumer population, availability of manpower, advanced technology and large land mass. The number of business entities in PRC has grown at a strong CAGR of 15.5% between 2014 and 2020, from 10.6 million to 25.1 million.

The growing number of registered companies provides opportunities for growth of the IT infrastructure and cybersecurity industries in Malaysia and the PRC.

PRODUCT / SERVICE SUBSTITUTION

IT infrastructure and cybersecurity solutions / services are essential to both individuals and corporations as it provides connectivity, and protects personal data and information critical to business operations that are transferred over the network. Thus, there is no available substitute.

SUPPLY FACTORS

Availability of hardware and software

Physical hardware components and software are critical components of IT infrastructure and cybersecurity solutions, and are typically purchased from third-party hardware and software distributors or retailers. Physical hardware components and software are the basic components needed before the service provider is able to customise, configure, implement and maintain proper IT infrastructure and cybersecurity solutions. Thus, service providers are dependent on their network of hardware and software Principals, distributors and retailers, and their ability to obtain a reliable supply of the physical hardware components and software required for implementing their systems.

Availability of human resources

A critical element of being able to provide IT infrastructure and cybersecurity services is the availability of qualified and experienced talent. It is essential that an IT infrastructure and cybersecurity solution provider is able to hire, train and retain talented employees. Generally, there is no shortage of skilled resources in the IT sector, as the number of IT, science and mathematics graduates in Malaysia accounted for 6.0% of total graduates in 2020.[7]

[7] Source: Ministry of Education Malaysia. Includes graduates from public universities, higher educational private institutions, polytechnics, community colleges and vocational colleges. Latest publicly available information is as at 2020.

RISKS AND CHALLENGES

Competition from other industry players

The IT infrastructure and cybersecurity industries in Malaysia and PRC are fragmented, with numerous IT infrastructure and cybersecurity solution providers that are capable of providing similar solutions, competing on the basis of price and solution design, among others. Thus, the industries are highly competitive, and industry players have to leverage on their existing strengths and advantages in order to gain larger market share and remain competitive. Further, industry players also compete in terms of recruiting and retaining skilled and trained technical professionals. While there is no shortage of skilled resources in the IT sector, it is a challenge to retain trained technical professionals as they may be recruited by other industry players.

Lack of awareness on the need for cybersecurity solutions and services

Generally, there is a lack of awareness amongst organisations and enterprises on the importance of cybersecurity solutions and services. As the effects of a cybersecurity solution are not immediately visible, organisations and enterprises may view cybersecurity solutions as an unnecessary additional business cost and may choose to redirect their resources to other areas which are deemed more critical to their business operations. There are also organisations and enterprises which continue to operate with legacy cybersecurity solutions, that have not been updated to keep up with increasingly sophisticated cyber threats and attacks.

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PROVIDENCE STRATEGIC PARTNERS

COMPETITIVE OVERVIEW

Although Infoline Group largely serves the Malaysia and PRC, the Group is headquartered in Malaysia and approximately 66.1% to 70.2% of the Group's revenues are generated from IT infrastructure and cybersecurity projects implemented in Malaysia. The Group also serves other countries in Asia Pacific, including PRC, as some of its customers are multinational companies with operations in various countries. As such, for the purpose of this IMR report, this section will detail IT infrastructure and cybersecurity industry players in Malaysia so as to be comparable with Infoline Group.

The competitive landscapes of the IT infrastructure and cybersecurity industries in Malaysia are fragmented, with many companies competing in both industries. PROVIDENCE has identified the following 20 players on the basis that:

(i) they are involved in offering both cybersecurity solutions and IT infrastructure solutions (which may include managed IT services) and are based in Malaysia; and
(ii) they have revenues of RM10.0 million and above.

These 20 identified industry players are as detailed below:

Company name	Managed IT services	Latest FYE	Revenue (RM '000)	Profit After Tax (RM '000)
Sarawak Information Systems Sdn Bhd	✓	31 December 2020	206,546 [a]	25,813 [a]
CTC Global Sdn Bhd	✓	31 March 2021	623,878	17,472
Infoline Tec Group Berhad	✓	**31 December 2021**	**44,586**	**9,328** [b]
Cloudpoint Solutions Sdn Bhd (formerly known as DMX Packet (Malaysia) Sdn Bhd)	✓	31 December 2020	51,230	8,330
Mesiniaga Berhad	✓	31 December 2021	240,189 [a]	5,476 [a]
Fortesys Sdn Bhd	-	31 December 2020	67,895	5,188
Bridgenet Solutions Sdn Bhd [d]	✓	31 December 2020	70,308	5,004
DXC Technology Malaysia Sdn Bhd	✓	31 March 2021	252,481 [a]	4,645 [a]
Integrated Global Solutions Sdn Bhd	✓	31 December 2020	80,406	3,207
NTT Data Malaysia Sdn Bhd	✓	31 December 2020	27,593 [a]	1,403 [a]
CommVerge Solutions (M) Sdn Bhd	✓	31 December 2020	25,702 [a]	1,245 [a]
CLL Systems Sdn Bhd	-	31 December 2020	46,092	1,177
NS Distribution (M) Sdn Bhd	✓	31 August 2020	18,342 [a]	316 [a]
Wiki Labs Sdn Bhd	-	31 December 2020	37,258	284
TMT Solutions Sdn Bhd	✓	31 December 2020	23,342	75
Microtree Sdn Bhd	✓	31 December 2020	19,446	33
Hitachi Sunway Information Systems Sdn Bhd	✓	31 March 2021	161,475 [a]	(607) [a]
Ensign InfoSecurity (Malaysia) Sdn Bhd	✓	31 December 2020	51,611	(3,105)
Softline Solutions International Sdn Bhd	✓	31 December 2020	84,740	(3,903)
Dataprep Holdings Berhad	✓	31 December 2020	35,338 [c]	(9,776) [a]

Notes:

1. The list above is based on publicly available information and is not exhaustive as it may not include companies whose financial information have been private exempted and cannot be viewed by the public.
2. The list above has been arranged based on the company's profit after tax in descending order.
3. [a] Revenues may be derived from business activities other than IT infrastructure and cybersecurity solutions.
4. [b] Infoline Group's PAT excludes listing expenses as it is a one-off expense
5. [c] Segmental revenue comprising revenue from contracts with customers for Information and Communications Technology (ICT) related products and services.

6. [d] Bridgenet Solutions Sdn Bhd has been acquired by Celcom Axiata Berhad in 2021, and is now part of Celcom Axiata Berhad

Sources: Various company websites, Companies Commission of Malaysia, PROVIDENCE

MARKET SHARE

Infoline Group garnered a market share of 0.3% of the IT infrastructure and cybersecurity industries in Malaysia, based on its revenue generated from Malaysia of RM28.4 million for the FYE 2020, computed against the total IT infrastructure and cybersecurity industry size in Malaysia of RM10.2 billion in 2020. In 2021, Infoline Group garnered a market share of 0.3% of the IT infrastructure and cybersecurity industries in Malaysia, based on its revenue generated from Malaysia of RM28.6 million for the FYE 2021, computed against the total IT infrastructure and cybersecurity industry size in Malaysia of RM11.0 billion in 2021.

Meanwhile, Infoline Group garnered a market share of 0.003% of the IT infrastructure and cybersecurity industries in PRC, based on its revenue from PRC of RM13.6 million for the FYE 2020, computed against the total IT infrastructure and cybersecurity industry size in PRC of USD121.5 billion (RM510.5 billion) in 2020. Based on its revenue from PRC of RM8.2 million for the FYE 2021 and the total IT infrastructure and cybersecurity industry size in PRC of USD150.2 billion (RM622.6 billion), Infoline Group garnered a market share of 0.001% in 2021.

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9. RISK FACTORS

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

9.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

9.1.1 We are dependent on our major customers, particularly Dell group of companies

The revenue generated collectively from the Dell group of companies comprised 37.6%, 45.2%, 52.6% and 54.7% of our Group's revenues in the FYE Under Review. Please refer to Section 7.12 of this Prospectus for the detailed breakdown of the companies under the Dell group of companies which are our major customers during the FYE Under Review.

Our customers under the Dell group of companies, are spread across different countries and region, including Malaysia, PRC, Hong Kong, Australia, Singapore, Thailand, Taiwan, South Korea, India, Myanmar, Indonesia and the Philippines. As set out in Section 7.12 of this Prospectus, certain companies under the Dell group of companies contributed more to our Group's revenue during the FYE Under Review, as compared to other companies under the same group. As such, we are exposed to risks that we may fail to secure sufficient projects in the future, or encounter delays in payments or non-payments from the companies under the Dell group of companies, which may adversely affect our Group's business operations and financial performance.

While we do not have long-term contracts with Dell group of companies, we have maintained a mutually beneficial and trusted working relationship of 7 years with the Dell group of companies as at the LPD. Their long-term working relationship with us indicates that we have been able to effectively and efficiently deliver IT infrastructure and cybersecurity solutions for them.

Notwithstanding the above, there can be no assurance that we will continue to maintain the business relationship and continue to secure future projects or receive prompt payments from the Dell group of companies.

9.1.2 We are dependent on our Executive Directors for the continued success of our Group

We believe that our success is heavily dependent upon the continued service of our Executive Directors who have extensive knowledge and experience in our business and industry. Our Executive Directors are vital for the strategic direction, leadership, business planning and development, and management of our Group's operations, in addition to formulating and implementing strategies to drive the future growth of our Group.

As such, the loss of any of our Executive Directors without suitable or timely replacements may result in an adverse effect on our Group's operations and may eventually affect our ability to maintain and/or improve our business or financial performances.

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9.1.3 We depend on our ability to secure new projects and customers

Our future profitability and financial performance depend on our ability to secure new projects and customers. Projects related to the provision of IT infrastructure and cybersecurity solutions secured by our Group are generally on a purchase order basis and last for a period of 2 to 3 months, depending on the complexity of the project, may extend up to 6 months if there is any delay in obtaining the required hardware. Upon completion of the projects, we enter into maintenance service contracts and/or managed IT service contracts with some of these customers, ranging between 1 and 3 years.

The absence of long-term contracts poses a risk of losing our existing customers since they are not obligated to continue engaging us for our solutions and services. If we were to lose any of our customers, particularly our major customers, and are unable to secure sales from new customers or additional sales from existing customers in a timely manner, our business and financial performance may be adversely affected.

9.1.4 Our Group may face risks of security breaches and failure to protect our proprietary information as well as our customers' information

We have a NOC to support our managed network services, which have the necessary facilities to monitor and manage our customers' IT infrastructure. In addition, we also retain confidential data/information pertaining to our customers.

As such, we may also face risks of external security threats such as malware attacks, hacking, espionage and cyber intrusion, as well as internal security breaches. This includes unauthorised access to restricted information by employees, or attacks which originate from malware-infected devices which are brought into the network system by employees.

Any such security breaches can compromise the security of our data and/or customers' data, and this would materially and adversely affect our business operations. Failure to protect our proprietary and customers' information from security breaches could adversely damage our business reputation and brand name, and subsequently have long-term repercussions on our business operations.

While we work with established hosting providers to host our data and our NOC is presently certified by ISO / IEC 27001:2013 certification indicating that we have in place the necessary policies, procedures and facilities to safeguard our NOC, there can be no assurance that we may not face any security breaches in the future.

9.1.5 Our managed IT services business segment may be affected by system failures

Our managed IT services segment contributed 45.5%, 27.8%, 24.2% and 17.8% to our Group's total revenue in the FYE Under Review. Our managed IT services involve the real-time monitoring and management of our customers' IT infrastructure, including any network issues and cybersecurity threats and attacks to the network. For our managed network services, we have a NOC that has facilities that are internet-enabled to monitor and manage our customers' networks on a real-time basis, continuously. We also provide our managed network and cybersecurity services customers with 24-hour support daily.

We are thus dependent on our software systems and network connection to operate our NOC which is internet-enabled to allow for remote monitoring of our customers' IT infrastructure. As such, should there be any system failures or malfunctions caused by events that may be beyond our control, such as power failures, natural disasters, equipment failure and network connectivity downtime, this may disrupt the provision of managed IT services to our customers.

We hold ISO / IEC 27001:2013 certification indicating that we have in place the necessary policies, procedures and cloud-based disaster recovery facilities for business continuity. However, there can be no assurance that we will not face any system failures or malfunctions in the future that may materially impact our ability to carry out our managed IT services.

9.1.6 We are exposed to fluctuations in foreign exchange rates

Approximately 29.8% to 35.8% of our Group's revenue in the FYE Under Review are generated from markets outside of Malaysia. In addition, the financial statements of our subsidiary, Infoline Shenzhen in the PRC, as well as any purchases and sales conducted within the PRC, are denominated in RMB. Any revenues generated from customers in Asia Pacific, excluding Malaysia and PRC, are denominated in USD and SGD. Meanwhile, our purchases from our suppliers may not necessarily be denominated in the same currency as the revenues received from our customers.

As such, any foreign exchange fluctuations in RMB, USD and SGD may have an impact on our Group's reported operating profits based in Malaysia. In circumstances where the RMB, USD and SGD significantly appreciate or depreciate, we will record higher or lower revenue, respectively, as our sales are recorded in RM.

At present, we do not use any financial instruments to hedge our exposure against transactions in foreign currencies. However, we will continue to assess the need to utilise financial instruments to hedge our currency exposure, taking into consideration factors such as foreign currency involved, exposure period and transaction costs.

9.1.7 We face credit risks

We grant our customers credit periods of between 30 and 90 days and as such we are exposed to credit risks arising from our Group's trade receivables which may arise from events and circumstances beyond our control. In the event of significant delay or default in payment by our customers or where our customers face significant financial difficulties, we will have to make allowance for impairment losses on uncollectible trade receivables or write-off uncollectible trade receivables as bad debts, which may adversely affect our financial performance.

During the past FYE Under Review, our impairment loss on trade receivables and bad debts written off are as follows:

	FYE 2018	FYE 2019	FYE 2020	FYE 2021
	RM'000	RM'000	RM'000	RM'000
Impairment loss on trade receivables	-	-	60	47
Bad debts written off	-	5	1	-
	-	**5**	**61**	**47**

Despite closely monitoring the ageing of our trade receivables and keeping a close relationship with our customers, there is no guarantee that our customers will be able to fulfil their payment obligations and will continue to maintain their positive payment records in the future.

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9.1.8 Our business operations and financial performance may be affected by the COVID-19 pandemic

On 16 March 2020, the Government announced the MCO under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 which took effect from 18 March 2020. Our Group was able to partially resume our operations in our office in Malaysia on 4 May 2020 after receipt of approval from MITI, and subsequently fully resumed our operations in our head office on 10 June 2020.

Meanwhile, our Group was able to fully resume our operations in our office in PRC on 17 February 2020.

However, during this period, our IT projects were interrupted as some of the IT projects which required physical installation and configuration at the customers' premises could not be carried out during the MCO period. Further, there were also delays in delivery of IT components required for our IT projects. As a result, the implementation of some of our projects during the MCO period were prolonged by 6 to 8 weeks, though there were no penalties imposed by our customers for any project delays. As such, there was no adverse impact on our financial performance arising from such delays. In addition, as our managed network services were deemed as essential services, our NOC was operating as usual and we were able to render our managed network services remotely to our customers. Despite the challenges faced, our Group's revenues increased from RM31.06 million in FYE 2019 to RM44.59 million in FYE 2021.

Although our business operations have continued throughout the MCO, the operating environment has changed since the COVID-19 pandemic with the need to adhere to strict SOPs at additional costs. Any deterioration in the conditions of the COVID-19 pandemic may also potentially result in a tightening of the MCO including targeted enhanced MCO in a specific location, which could potentially interrupt and/or suspend our IT projects at our customers' premises. This could lead to an adverse impact on our business and financial conditions.

While our Group's financial performance was not adversely impacted by the COVID-19 pandemic thus far, there is no assurance that the COVID-19 pandemic will not impact us in the future. There is no assurance that the outbreak of COVID-19 in Malaysia and PRC can be effectively controlled, or that another outbreak of similar nature to COVID-19 or other pandemics will not happen in the future. Such future outbreaks or pandemics may materially and adversely affect our business operations and financial performance.

In addition, we may also face delays in implementing our business strategies and capital expenditure in accordance with the expected timeline as set out in Section 7.19.2 of this Prospectus, due to the COVID-19 pandemic. Failure to implement our business strategies in a timely manner may adversely affect our future business and financial performance.

Please refer to Section 7.11 of this Prospectus on the effect of COVID-19 on our business operations and the implementation of SOPs by us to reduce the risk of COVID-19 transmission.

9.1.9 We are subject to the risk of inadequate insurance coverage

We maintain insurance coverage for our business operations. Currently, the insurance policies taken out by us include fire, burglary and public liability. All these insurance coverages are subject to exclusions and limitations of liability both in amount and with respect to the insured events.

We believe our current insurance coverage undertaken is adequate for our business and level of operations. Nonetheless, there can be no assurance that our insurance coverage would be adequate to cover the losses, damages or liabilities or to compensate the claims, which we may incur in the course of our business operations. To the extent that any such risks are uninsured, not covered under our insurance policies, or where the insurance protection is insufficient to cover such risks, we may have to bear such losses, damages or liabilities and consequently our business and financial performance may be materially and adversely affected. Further, there can be no assurance that such insurance policies will continue to be available on terms acceptable to us.

9.2 RISKS RELATING TO OUR INDUSTRY

9.2.1 We face competition from other industry players

Notwithstanding our competitive advantages and key strengths, we continue to face competition from existing and prospective competitors which may be capable of offering similar products and services.

We will leverage on our future expansion plans to enhance our competitiveness. Additionally, through our IPO, we expect to establish a stronger corporate profile and higher market presence in the industry both locally and internationally, through our marketing, branding and promotional activities via webinars and digital marketing.

Whilst we strive to remain competitive, there can be no assurance that any change in the competitive environment would not have any material and adverse impact on our business and financial performance.

9.2.2 We are dependent on the availability of technical professionals

Our Group's continued success will depend, to a significant extent, on the capabilities, experience and efforts of our technical professionals. We believe that our business continuity and future success relies on the continued service of our skilled and experienced technical professionals. The loss of our personnel within a short span of time without suitable and timely replacement, or our inability to attract or retain qualified and competent personnel could have an unfavourable and material impact on our Group's ability to compete effectively and this in turn may affect our business and operating results.

As part of our strategy to attract new skilled personnel as well as to retain our current employees, we offer competitive remuneration packages, continuous on-the-job training and career advancement prospects. We have also put in place a succession plan for our key management team and senior technical personnel where we ensure we have identified and groomed suitable candidates to gradually assume these roles. In addition, we have access to a talent pool as we provide on-the-job training to graduates. Despite this, there can be no assurance that we will be able to attract or retain qualified or competent personnel.

Please refer to Section 7.16 of this Prospectus for further details on our employees.

9.2.3 We are subject to economic, social, political and regulatory risks in the countries in which we operate in as well as global pandemic risks

Our business is subject to risks associated with conducting business internationally because we sell our solutions and, to a certain extent, purchase parts and components from overseas. We also have market presence in both local and international markets and therefore, we are susceptible to legal, regulatory, political and economic conditions as well as operational risks in the countries in which we operate.

As we continue to expand our business to foreign markets, our financial condition and results of operations could be affected by a variety of factors, including:

- Political and economic instability, including global and regional macroeconomic disruptions such as natural calamities, epidemics or other risks related to countries where we procure our components and parts or sell our solutions;
- Trade protection measures and import or export licencing requirements;
- Risks with respect to international taxation, including transfer pricing regulations;
- Difficulty in staffing and managing widespread operations and the increased travel, infrastructure and legal compliance costs associated with multiple international locations, particularly with any COVID-19 restrictions;
- Difficulties in enforcing contracts and collecting accounts receivable because of distance and different legal rules; and
- Risks with respect to social and political crises resulting from terrorism and war, amongst others.

Notwithstanding that our Group will continue to adopt prudent management and efficient operating procedures to mitigate these factors, there can be no assurance that any adverse economic, social, political and regulatory factors will not materially affect our Group's future financial results.

9.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

9.3.1 There is no prior market for our Shares

Prior to our Listing, there has been no prior market for our Shares. Our Listing does not guarantee that an active market for the trading of our Shares will develop, or if developed, that such market can be sustained. There is also no assurance as to the liquidity of the market that may develop for our Shares, the ability of holders to sell our Shares or the prices at which holders would be able to sell our Shares.

There also can be no assurance that the IPO Price which has been determined after taking into consideration the factors as set out in Section 4.5 of this Prospectus will correspond to the price at which our Shares will be traded on the ACE Market upon or subsequent to our Listing.

9.3.2 There may be a delay in or abortion of our Listing

Our IPO is exposed to the risk of potential failure or delay should the following events, amongst others, occur:

(i) the Underwriter exercising its rights under the Underwriting Agreement to discharge itself of its obligations under such agreement;

(ii) we are unable to meet the public spread requirements of the Listing Requirements, i.e. at least 25.00% of our issued and paid-up capital for which listing is sought must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the time of Listing; or

(iii) the revocation of the approvals from the relevant authorities prior to our Listing and/or admission 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(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and our Company shall refund all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which our 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 upon expiration of that period until full refund is made; 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.

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, our 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)(b) of the CMSA upon expiration of that period until full refund is made; or

(ii) our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by either:

    (a) the sanction of our shareholders by special resolution in a general meeting, consent by 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 returned within a short period of time or at all under such circumstances; or

    (b) the sanction of our shareholders by special resolution in a general meeting supported by a solvency statement from our Directors.

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

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 variations in the results of our operations, changes in analyst's recommendations or projections, changes in general market conditions and broad market fluctuations.

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

9.3.4 There is no assurance of payment of dividends to our shareholders

It is the intention of our Board to recommend and distribute a dividend of up to 30% of the profit attributable to the owners of the Company. However, our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded, excess of funds not required to be retained for working capital for our business, capital expenditure and other investment plans.

There can be no assurance that dividends will be paid out in the future or on timing of any dividends that are to be paid in the future. If we do not pay dividends or pay dividends at levels lower than that anticipated by investors, the market price of our Shares may be negatively affected.

Please refer to Section 12.14 of this Prospectus for further information on our dividend policy.

9.3.5 The sale, or the possible sale, of a substantial number of our Shares in the public market following our Listing could adversely affect the price of our Shares

Following our Listing, we will have in issue 363,229,120 Shares, of which up to 96,250,000 Shares, will be held by investors participating in our Listing (representing approximately 26.50% of our enlarged issued share capital) and 69.55% will be held by the Promoters and substantial shareholders via their direct interests in our Company. Our Shares offered pursuant to our Listing will be tradable on the ACE Market of Bursa Securities following our Listing.

Notwithstanding our existing level of cash and cash equivalents, we may issue additional Shares in connection with our financing activities or otherwise. In addition, the Promoters and substantial shareholders could dispose of some or all of our Shares that they hold after the moratorium period pursuant to their own investment objectives. If the Promoters and substantial shareholders sell, or are perceived as intending to sell, a substantial amount of our Shares that they hold, the market price for our Shares could be adversely affected.

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9.4 OTHER RISK

9.4.1 Our Promoters will be able to exert significant influence over our Company

Upon completion of our IPO, our Promoters will collectively hold an aggregate of 252,648,867 Shares, representing approximately 69.55% of our enlarged issued Shares. As a result, these shareholders, acting together, will be our controlling shareholders and have voting control over our Company and are expected to have significant influence on the outcome of certain matters, unless they are required to abstain from voting by law and/or by the relevant authorities.

Nevertheless, our Company has appointed 4 Independent Directors and they will play an active role in our Board's deliberations to ensure future transactions involving related parties are entered into on an arms-length basis, so as to facilitate good corporate governance whilst promoting greater corporate transparency.

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10. RELATED PARTY TRANSACTIONS

10.1 OUR GROUP'S RELATED PARTY TRANSACTIONS

10.1.1 Material related party transactions entered into by our Group

Save as disclosed below, there are no existing or proposed material related party transactions which involved the interest, direct or indirect, of our Directors, substantial shareholders and/ or persons connected with them for the FYE Under Review and from 1 January 2022 up to the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2018		FYE 2019		FYE 2020		FYE 2021		From 1 January 2022 up to the LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(i)	Infoline Solutions and I-Frasis	**Interested Director** • CWC [(1)(2)]	Rental of property to Infoline Solutions for use as office[(4)]	6.0	0.3	-	-	-	-	-	-	-	-
(ii)	Infoline Solutions and CWC			-		29.2	[(11)] 0.7	50.4	[(11)]1.1	50.4	[(11)]0.8	21.0	[(11)]1.1
(iii)	Infoline Solutions and I-Frasis	**Interested Director** • CWC [(1)(2)]	Rental of property to Infoline Solutions for use as warehouse[(5)]	24.0	[(11)]0.9	-	-	-	-	-	-	-	-
(iv)	Infoline Solutions and CWC			12.0	[(11)]0.5	48.0	[(11)]1.1	36.0	[(11)]0.8	-	-	-	-
(v)	Infoline Solutions and I-Ducations	**Interested Director** • CWC [(2)(3)]	Rental of property to Infoline Solutions for use as office[(6a)]	-	-	-	-	4.4	[(11)]0.1	26.4	[(11)]0.4	11.0	[(11)]0.6
(vi)	Infoline Solutions and I-Ducations	**Interested Director** • CWC [(2)(3)]	Rental of property to Infoline Solutions for use as office[(6b)]	24.0	[(11)]0.9	24.0	[(11)]0.6	24.0	[(11)]0.5	24.0	[(11)]0.4	10.0	[(11)]0.5

10. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2018		FYE 2019		FYE 2020		FYE 2021		From 1 January 2022 up to the LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(vii)	Infoline Shenzhen and Infoline Technology Limited	**Interested Director** • CWC [(7)]	Purchase of hardware and maintenance support from Infoline Technology Limited	-	-	[(9)]209.1	[(12)]0.9	[(10)]478.6	[(12)]1.6	-	-	-	-
(viii)	Infoline Solutions and Infoline Technology Limited	**Interested Director** • CWC [(2)(7)]	Purchase of hardware from Infoline Technology Limited	-*	-	-	-	16.2	[(12)]0.1	-	-	-	-
			Provision of IT infrastructure and cybersecurity solutions by Infoline Solutions	927.0	[(13)]4.9	1,066.7	[(13)]3.4	1,482.1	[(13)]3.4	-	-	-	-
(ix)	Infoline Solutions and Infoline Technologies Pte Ltd	**Interested Director** • CWC [(2)(8)]	Sale of services to Infoline Technologies Pte Ltd	-	-	9.0	[(13)]0.1	-	-	-	-	-	-
(x)	Our Company and Infoline Solutions Vendors	**Interested Directors** • CWC [(2e)] • LWH [(15)] • TYM [(16)]	Acquisition by our Company of the entire equity interest in Infoline Solutions from the Infoline Solutions Vendors. See Section 6.3(a) of this Prospectus for further details on the Infoline Solutions Acquisition.	-	-	-	-	-	-	-	-	9,553.5	[(14)]60.1

10. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2018		FYE 2019		FYE 2020		FYE 2021		From 1 January 2022 up to the LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(xi)	Our Company and Infoline Shenzhen Vendor	**Interested Director** • CWC [(2e)]	Acquisition by our Company of the entire equity interest in Infoline Shenzhen from the Infoline Shenzhen Vendor. See Section 6.3(b) of this Prospectus for further details on the Infoline Shenzhen Acquisition.	-	-	-	-	-	-	-	-	4,907.9	[(14)]30.9

Notes:

* Negligible.

(1) I-Frasis Technology Sdn bhd ("**I-Frasis**")

(a) CWC is our Director and substantial shareholder. He was also a director and shareholder of I-Frasis. On 5 July 2018, he resigned as a director of I-Frasis and disposed his shares in the company.

(b) I-Frasis was the owner of a land known as Lot PT 10536, Mukim of Pekan Baru Sungai Buloh, District of Petaling, State of Selangor held under HS(D) 251881 ("**Lot 10536**"). On 12 September 2018, the ownership of Lot 10536 was transferred by I-Frasis to CWC and Lee Su Guat ("**Land Transfer**").

(2) CWC

(a) CWC is our Director and substantial shareholder.

(b) CWC is a director of Infoline Solutions and Infoline Shenzhen, being our wholly-owned subsidiaries. CWC was appointed a director of Infoline Solutions on 20 June 2016 and Infoline Shenzhen on 9 March 2018.

(c) CWC held 100% of the share capital of Infoline Solutions before the registration of LWH and TYM as holders of 28.5% and 7.5% of the share capital of Infoline Solutions respectively on 6 October 2021. Prior to the Acquisitions, CWC held 64.0% of the share capital of Infoline Solutions and 100.0% of the share capital in Infoline Shenzhen.

10. RELATED PARTY TRANSACTIONS (CONT'D)

(d) CWC is one of the Infoline Solutions Vendors and the Infoline Shenzhen Vendor.

(e) Prior to the completion of the Acquisitions, CWC held 60.0% equity interest in our Company.

(3) I-Ducations Sdn Bhd ("**I-Ducations**")

(a) CWC is our Director and major shareholder. He is also a director and shareholder of I-Ducations.

(4) The property rented to Infoline Solutions for use as office at Lot 10536.

(a) Infoline Solutions and CWC entered into a tenancy agreement dated 1 July 2019 pursuant to which Infoline Solutions rented from CWC part of the land held under Lot 10536 together with the office building erected thereon known as Unit 51-2 ("**Unit 51-2**"), commencing from 1 July 2019 to 30 June 2021 for a monthly rental rate of RM2,200.

(b) Infoline Solutions and I-Frasis entered into a tenancy agreement dated 1 January 2017 pursuant to which Infoline Solutions rented from I-Frasis part of the land held under Lot 10536 together with the office building erected thereon known as Unit 51-3 ("**Unit 51-3**"), commencing from 1 January 2017 to 31 December 2018 for a monthly rental rate of RM1,000. Following the Land Transfer, Infoline Solutions and CWC entered into a tenancy agreement dated 1 January 2019 in respect of Unit 51-3. On 1 September 2019, the parties entered into a new tenancy agreement where the monthly rental of Unit 51-3 was revised to RM2,000, commencing from 1 September 2019 to 31 August 2021.

(c) Subsequently, Infoline Solutions and CWC entered into a tenancy agreement dated 1 September 2021 pursuant to which the tenancies in respect of Unit 51-2 and Unit 51-3 are renewed from 1 September 2021 to 31 August 2023 for a monthly rental rate of RM4,200, subject to an option to renew for another term of one year.

(5) The property rented to Infoline Solutions for use as warehouse at Lot 10536.

(a) Infoline Solutions and I-Frasis entered into a tenancy agreement dated 1 October 2016 pursuant to which Infoline Solutions rented from I-Frasis part of the land held under Lot 10536 together with the office building erected thereon known as Unit 51-G ("**Unit 51-G**"), commencing from 1 October 2016 to 30 September 2018 for a monthly rental rate of RM4,000. Following the Land Transfer, Infoline Solutions and CWC entered into a tenancy agreement dated 1 October 2018 pursuant to which the tenancy in respect of Unit 51-G was renewed from 1 October 2018 to 30 September 2020 at a monthly rental of RM4,000. Upon the expiration of the tenancy agreement, Infoline Solutions no longer rents the Unit 51-G.

(6) The property rented to Infoline Solutions for use as office is identified as Lot PT 10535, Mukim of Pekan Baru Sungai Buloh, District of Petaling, State of Selangor held under HS(D) 251880 ("**Lot 10535**")

(a) Infoline Solutions and I-Ducations entered into a tenancy agreement dated 1 November 2020 pursuant to which Infoline Solutions rented from I-Ducations part of the land held under Lot 10535 together with the office building erected thereon known as Unit 53-1, commencing from 1 November 2020 to 31 October 2022 for a monthly rental rate of RM2,200, subject to an option to renew for another term of one year.

10. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Infoline Solutions and I-Ducations entered into a tenancy agreement dated 1 August 2016 pursuant to which Infoline Solutions rented from I-Ducations part of the land held under Lot 10535 together with the office building erected thereon known as Unit 53-3, commencing from 1 August 2016 to 31 July 2018, which was subsequently renewed by the tenancy agreements dated 1 August 2018 and 1 August 2020 respectively. The current tenure of the tenancy is for the period commencing 1 August 2020 to 31 July 2022 with an option to renew for another one year. The monthly rental rate is RM2,000.

(7) Infoline Technology Limited, Hong Kong (now known as Akima ICT Limited)

(a) Infoline Shenzhen was incorporated by Infoline Technology Limited on 5 January 2013 and was its wholly-owned subsidiary. CWC was appointed as director of Infoline Technology Limited on May 2014. In August 2015, CWC acquired the entire shareholdings in Infoline Technology Limited. In December 2019, CWC acquired the entire shareholdings in Infoline Shenzhen from Infoline Technology Limited (wholly-owned by CWC at that point in time). In August 2020, CWC resigned as director of Infoline Technology Limited and disposed his shares in the company. Subsequently, Infoline Technology Limited was renamed to Akima ICT Limited in June 2021 under the new owner.

(8) Infoline Technologies Pte Ltd, Singapore (now known as Inline Technologies Pte Ltd)

(a) CWC is our Director and substantial shareholder. He was also the director and shareholder of Infoline Technologies Pte Ltd. In August 2020, he resigned as the director of Infoline Technologies Pte Ltd and disposed his shares in the company to a third party not connected to CWC.

(9) Based on the average conversion rate of 0.5998 from RMB to RM for the year 2019.

(10) Based on the average conversion rate of 0.6091 from RMB to RM for the year 2020.

(11) Based on our Group's administrative expenses for each of the respective financial years/periods under review.

(12) Based on our Group's cost of sales for each of the respective financial years.

(13) Based on our Group's revenue for each of the respective financial years.

(14) Based on our Group's pro forma combined NA after the adjustment for the dividend declaration for the FYE 2021 and Acquisitions as at 31 December 2021.

(15) LWH

(a) LWH is our Director and substantial shareholder.

(b) LWH is a director of Infoline Solutions, being our wholly-owned subsidiary. He was appointed a director of Infoline Solutions on 8 May 2013.

10. RELATED PARTY TRANSACTIONS (CONT'D)

(16) TYM

(a) TYM is our Director.

(b) TYM is a director of Infoline Solutions, being our wholly-owned subsidiary. He was appointed a director of Infoline Solutions on 22 September 2021.

Save for the related party transactions in (vii), (viii) and (ix) which occurred while CWC had an interest in Infoline Technology Limited (now known as Akima ICT Limited) and Infoline Technologies Pte Ltd (now known as Inline Technologies Pte Ltd), the related party transactions entered into by our Group were carried out on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to our Group i.e. the terms and rental rates of the rented offices are comparable to the rental rates of office units located in the vicinity of the relevant properties.

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. Our Audit and Risk Management Committee will review the terms of all related party transactions.

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10. RELATED PARTY TRANSACTIONS (CONT'D)

10.1.2 Summary of related party transactions entered by our Group

Below is a summary of the related party transactions listed in Section 10.1.1 of this Prospectus aggregated on the basis that such transactions have been entered into by our Group with the same related party:

Related Party	Nature of transaction	FYE 2018		FYE 2019		FYE 2020		FYE 2021		From 1 January 2022 up to the LPD	
		RM'000	%	RM'00	%	RM'000	%	RM'000	%	RM'000	%
I-Frasis	Payment of rental by Infoline Solutions	30.0	(1)1.2	-	-	-	-	-	-	-	-
CWC	Payment of rental by Infoline Solutions	12.0	(1)0.5	77.2	(1)1.8	86.4	(1)1.9	50.4	(1)0.8	21.0	(1)1.1
I-Ducations	Payment of rental by Infoline Solutions	24.0	(1)0.9	24.0	(1)0.6	28.4	(1)0.6	50.4	(1)0.8	21.0	(1)1.1
Infoline Technology Limited	Provision of IT infrastructure and cybersecurity solutions by Infoline Solutions	927.0	(2)4.9	1,066.7	(2)3.4	1,482.1	(2)3.4	-	-	-	-
	Purchase of hardware and service maintenance by Infoline Technology Limited and Infoline Solutions	-	-	209.1	(3)0.9	494.8	(3)1.7	-	-	-	-
Infoline Technologies Pte Ltd	Sale of services by Infoline Solutions	-	-	9.0	(2)0.1	-	-	-	-	-	-
Total		**993.0**	**N/A**	**1,386.0**	**N/A**	**2,091.7**	**N/A**	**100.8**	**N/A**	**42.0**	**N/A**

Notes:

(1) Based on our Group's administrative expenses for each of the respective financial years/periods under review.

(2) Based on our Group's revenue for each of the respective financial years.

(3) Based on our Group's cost of sales for each of the respective financial years.

10. RELATED PARTY TRANSACTIONS (CONT'D)

10.1.3 Transactions that are unusual in their nature or conditions

Our Directors have confirmed that there are no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party in the FYE Under Review and up to the LPD.

10.1.4 Outstanding loans and/or financial assistance to or for the benefit of related parties

Our Directors have confirmed that there are no outstanding loans (including guarantees of any kind) and/or financial assistance that have been granted by our Group to or for the benefit of the related parties for the FYE Under Review and up to the LPD.

10.1.5 Outstanding loans and/or financial assistance from related parties for the benefit of our Group

Save as disclosed below, our Directors confirm that there are no outstanding loans (including guarantees of any kind) and/or financial assistance from related parties to our Group for the FYE Under Review and up to the LPD.

(i) CWC and LWH, being our Promoters, and Lee Su Guat, being spouse of CWC, had extended joint and several guarantees ("**Guarantees**") for the banking facilities granted to Infoline Solutions. As at the LPD, the banking facilities have been cancelled and the Guarantees have accordingly been discharged;

(ii) CWC had also extended a personal guarantee for hire purchase facility procured by Infoline Solutions. As at the LPD, the outstanding amount of the hire purchase facility has been fully settled and the personal guarantee has accordingly been discharged; and

(iii) CWC had also extended several cash advances to our subsidiaries during the period of FYE 2018 and FYE 2019 for the purpose of working capital. All the advances were fully repaid to CWC by the end of FYE 2020.

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10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

Our Audit and Risk Management Committee will review the terms of all related party transactions (including recurrent related party transactions), and our Directors will report such transactions, if any, annually in our Company's annual report. In the event that there are any proposed related party transactions that involve the direct or indirect interest of our Directors, our interested Directors 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 Directors shall also abstain from any of our Board's deliberation and voting on the relevant resolutions 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 shareholders to enter into these transactions. The interested persons shall abstain from voting on the relevant resolutions in respect of such proposed related party transactions at our general meetings. Under 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 SIMILAR BUSINESSES OF OUR GROUP, OUR CUSTOMERS AND/ OR OUR SUPPLIERS

As at the LPD, none of our Directors and substantial shareholders have any interest, direct or indirect, in other businesses and/or corporations which are:

(i) carrying on a similar trade as our Group; or

(ii) customers and/or suppliers of our Group.

Details of the interests, shareholdings and directorships in other businesses of our Directors are disclosed in Section 5.2.3 of this Prospectus.

It is our Director's fiduciary duty to avoid conflict, and they are required to attend courses which provide them guidelines on their fiduciary duties. In order to mitigate any possible conflict of interest situation in the future, our Directors will declare to our Nominating Committee and our Board their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our Nominating Committee will then evaluate if such Director's involvement gives rise to a potential conflict of interest situation with our Group's business. If our Directors are involved in similar business as our Group or business of our customers and our suppliers, our Nominating Committee shall inform our Audit and Risk Management Committee of such involvement. When a determination has been made that there is a conflict of interest of a Director, our Nominating Committee will:

(i) Immediately inform our Board of the conflict of interest situation after deliberating with the Audit and Risk Management Committee;

(ii) Make recommendations to our Board to direct the conflicted Director to:

(a) Withdraw from all his executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director is an Executive Director); and

(b) Abstain from all Board deliberation and voting in the matter that has given rise to the conflict of interest.

In relation to (b) above, the conflicted Director shall abstain from any Board discussion relating to the recommendation of our Nominating Committee 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, be present at the Board meeting for the purposes of answering any questions.

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11.2 DECLARATION BY THE ADVISERS ON CONFLICT OF INTERESTS

(i) Principal Adviser, Sponsor, Underwriter and Placement Agent

Malaysia Industrial Development Finance Berhad ("**MIDF**") is the holding company of MIDF Investment. MIDF, MIDF Investment and other subsidiaries of MIDF (collectively referred to as "**MIDF Group**") and its related and associated companies are involved in diversified financial activities. MIDF Group has been engaged, and may in the future be engage, in transactions with and/or perform services for our Group and our affiliates, in addition to MIDF Investment's role as the Principal Adviser, Sponsor, Underwriter and Placement Agent for our IPO. Further, in the ordinary course of business, any member of the MIDF 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 Infoline Group and its affiliates or any other entity or transactions for its own account or the account of its customer. This is a result of the business of the MIDF Group generally acting independent of each other and accordingly, there may be situations where parts of the MIDF Group and/or its customers now have, or in the future, may have interest or take actions that may conflict with the said interest. Nonetheless, MIDF Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities, and Chinese wall between different business divisions.

MIDF Investment has confirmed that there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent for our IPO. The Underwriting Agreement, which certain details are set out in Section 4.9 of this Prospectus, was entered into on arm's length basis and on market terms.

(ii) Solicitors

Wong Beh & Toh has given its confirmation that there is no existing or potential conflict of interests in its capacity as Solicitors for our IPO.

(iii) Auditors and Reporting Accountants

Crowe Malaysia PLT has given its confirmation that there is no existing or potential conflict of interests in its capacity as the Auditors and the Reporting Accountants for our IPO.

(iv) Independent Market Researcher

Providence Strategic Partners Sdn Bhd has given its confirmation that there is no existing or potential conflict of interests in its capacity as the Independent Market Researcher for our IPO.

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12. FINANCIAL INFORMATION

12.1 HISTORICAL COMBINED AND PRO FORMA FINANCIAL INFORMATION

Our audited combined financial statements for the FYE Under Review have been prepared in accordance with MFRS and IFRS and were not subject to any audit qualification.

12.1.1 Historical financial information

The following sets out a summary of our historical financial information for FYE Under Review which have been extracted from the Accountants' Report set out in Section 14 of this Prospectus. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 12.2 and 14 respectively.

(i) Historical combined statements of profit or loss and other comprehensive income

The following table sets out a summary of our historical audited combined statements of profit or loss and other comprehensive income for the FYE Under Review:

	Audited			
	FYE 2018	**FYE 2019**	**FYE 2020**	**FYE 2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Continuing operations				
Revenue	18,838	31,058	43,815	44,586
Less: Cost of sales	(11,838)	(22,162)	(29,753)	(27,549)
GP	**7,000**	**8,896**	**14,062**	**17,037**
Other income	16	56	135	256
Administrative expenses	(2,550)	(4,270)	(4,456)	(6,269)
Other expenses	(159)	(220)	(335)	(440)
Finance costs	(3)	(46)	(43)	(23)
Net impairment losses on financial assets	-	(5)	(61)	(34)
PBT	**4,304**	**4,411**	**9,302**	**10,527**
Income tax expense	(762)	(853)	(2,256)	(2,731)
PAT from continuing operations	3,542	3,558	7,046	7,796
Discontinued operations				
(LAT)/PAT from discontinued operations	(509)	243	-	-
PAT	**3,033**	**3,801**	**7,046**	**7,796**
Other comprehensive income				
Foreign currency translation differences	-	(37)	93	260
Total comprehensive income for the financial year/period	**3,033**	**3,764**	**7,139**	**8,056**
PAT/(LAT) attributable to owners of the Company				
- Continuing operations	3,542	3,558	7,046	7,796
- Discontinued operations	(509)	243	-	-
	3,033	**3,801**	**7,046**	**7,796**

	Audited FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
Total comprehensive income/(expenses) for the financial year/period attributable to the owners of the Company				
- Continuing operations	3,542	3,521	7,139	8,056
- Discontinued operations	(509)	243	-	-
	3,033	**3,764**	**7,139**	**8,056**
EBIT[(1)]	3,795	4,666	9,306	10,524
EBITDA[(1)]	3,811	4,814	9,476	10,724
GP margin (%)[(2)]	37.2	28.6	32.1	38.2
PBT margin (%)[(3)]	22.8	14.2	21.2	23.6
PAT margin (%)[(3)]	16.1	12.2	16.1	17.5
Basic EPS (sen)[(4)]	1.05	1.31	2.44	2.70
Diluted EPS (sen)[(5)]	0.84	1.05	1.94	2.15

Notes:

(1) EBIT and EBITDA are calculated as follows:

	Audited FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
PAT	3,033	3,801	7,046	7,796
Less:				
Interest income	(3)	(34)	(39)	(26)
Add:				
Finance costs	3	46	43	23
Income tax expense	762	853	2,256	2,731
EBIT	**3,795**	**4,666**	**9,306**	**10,524**
Add:				
Depreciation	16	148	170	200
EBITDA	**3,811**	**4,814**	**9,476**	**10,724**

(2) GP margin is computed based on GP over revenue for the financial years/periods.

(3) PBT margin and PAT margin are computed based on the respective PBT and PAT for the financial years/periods over revenue.

(4) Basic EPS is computed based on PAT of our Company divided by our enlarged number of Shares in issue before IPO.

(5) Diluted EPS is computed based on PAT of our Company divided by our enlarged number of Shares in issue after IPO.

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12. FINANCIAL INFORMATION *(Cont'd)*

(ii) Historical combined statements of financial position

The following table sets out a summary of our historical audited combined statements of financial position as at 31 December 2018, 2019, 2020 and 2021:

	Audited			
	FYE 2018	FYE 2019	FYE 2020	FYE 2021
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Equipment	43	95	75	372
Right-of-use assets	-	263	200	233
Deferred tax assets	48	48	644	803
Total non-current assets	**91**	**406**	**919**	**1,408**
Current assets				
Inventories	1,060	1,018	661	2,022
Contract cost assets	200	902	2,489	2,746
Trade receivables	5,093	8,370	8,408	9,519
Other receivables, deposits and prepayments	355	338	433	1,723
Amount owing by a related party	70	535	-	-
Current tax assets	39	74	57	8
Deposit with a licensed bank	900	900	930	959
Cash and bank balances	872	1,841	7,172	11,432
	8,589	13,978	20,150	28,409
Assets of disposal group classified as held for sale	693	-	-	-
Total current assets	**9,282**	**13,978**	**20,150**	**28,409**
Total assets	**9,373**	**14,384**	**21,069**	**29,817**
Equity				
Share capital	-	-	-	*
Invested equity	1,310	2,490	2,490	2,490
Retained profits	2,896	2,073	7,166	14,962
Reserves	(11)	(48)	198	458
Total equity	**4,195**	**4,515**	**9,854**	**17,910**
Non-current liabilities				
Contract liabilities	50	369	378	602
Lease liabilities	-	125	111	132
Total non-current liabilities	**50**	**494**	**489**	**734**
Current liabilities				
Trade payables	1,432	6,745	6,270	6,561
Other payables and accruals	427	652	1,002	1,456
Contract liabilities	250	899	2,199	3,049
Lease liabilities	-	143	92	107
Amount owing to a related party	151	-	-	-
Amount owing to a director	2,199	244	-	-
Bankers' acceptance	-	568	-	-
Current tax liabilities	142	124	1,163	-
	4,601	9,375	10,726	11,173
Liabilities of disposal group classified as held for sale	527	-	-	-
Total current liabilities	**5,128**	**9,375**	**10,726**	**11,173**

	Audited			
	FYE 2018	FYE 2019	FYE 2020	FYE 2021
	RM'000	RM'000	RM'000	RM'000
Total liabilities	**5,178**	**9,869**	**11,215**	**11,907**
Total equity and liabilities	**9,373**	**14,384**	**21,069**	**29,817**
Net asset	**4,195**	**4,515**	**9,854**	**17,910**

Note:

* Denotes RM25.

(iii) Historical combined statements of cash flows

The following table sets out our historical audited combined statements of cash flows for the FYE Under Review:

	Audited			
	FYE 2018	FYE 2019	FYE 2020	FYE 2021
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
PBT/(LBT)				
- Continuing operations	4,304	4,411	9,302	10,527
- Discontinued operations	(460)	249	-	-
	3,844	**4,660**	**9,302**	**10,527**
Adjustments for:				
Bad debts written off	-	5	1	-
Depreciation of equipment	16	31	34	78
Depreciation of right-of-use assets	-	117	136	122
Equipment written off	-	-	3	-
Impairment losses on trade receivables	-	-	60	47
Interest expense on financial liabilities that are not at fair value through profit or loss	-	31	28	3
Interest expense on lease liabilities	-	14	11	13
Inventories written down	-	-	129	62
Loss on disposal of a subsidiary	-	446	-	-
COVID-19 related rent concessions	-	-	(3)	-
Gain on modification of leases	-	-	(3)	(2)
Gain on disposal of equipment	-	-	(4)	(1)
Interest income	(3)	(34)	(39)	(44)
Reversal of impairment loss on trade receivables	-	-	-	(13)
Operating profit before working capital changes	**3,857**	**5,270**	**9,655**	**10,792**
Decrease/(Increase) in inventories	101	42	228	(1,423)
(Increase)/Decrease in contract cost assets	(66)	(702)	(1,588)	(257)
(Decrease)/Increase in contract liabilities	(304)	781	1,309	1,074
Increase in trade and other receivables	(3,296)	(3,234)	(193)	(2,418)
(Decrease)/Increase in trade and other payables	(343)	5,293	(125)	745

	Audited			
	FYE 2018	FYE 2019	FYE 2020	FYE 2021
	RM'000	RM'000	RM'000	RM'000
Decrease/(Increase) in amount owing by related parties	203	(616)	535	-
Cash flows from operations	**152**	**6,834**	**9,821**	**8,513**
Income tax paid	(578)	(903)	(1,796)	(4,004)
Interest paid	-	(46)	(39)	16
Interest received	3	34	39	26
NET CASH (FOR)/FROM OPERATING ACTIVITIES	**(423)**	**5,919**	**8,025**	**4,519**
CASH FLOWS FOR INVESTING ACTIVITIES				
Placement of deposit with tenure more than 3 months	(900)	-	(30)	(29)
Proceeds from disposal of equipment	-	-	9	3
Purchase of equipment	(20)	(83)	(22)	(377)
Addition to right-of-use assets	-	-	-	-
Acquisition of a subsidiary	(70)	-	-	-
Disposal of a subsidiary, net of cash and cash equivalents disposed of	-	(18)	-	-
NET CASH FOR INVESTING ACTIVITIES	**(990)**	**(101)**	**(43)**	**(403)**
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES				
Dividends paid	-	(4,624)	(1,800)	-
Repayment to directors	(168)	(775)	(244)	-
Advances from directors	1,854	-	-	-
Drawdown/(Repayment) of bankers' acceptance	-	568	(568)	-
Repayment of lease liabilities	-	(111)	(132)	(117)
Proceeds from issuance of share	-	-	-	*
NET CASH FROM/(FOR) FINANCING ACTIVITIES	**1,686**	**(4,942)**	**(2,744)**	**(117)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**273**	**876**	**5,238**	**3,999**
EFFECTS ON FOREIGN EXCHANGE TRANSLATION	(12)	(37)	93	261
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/PERIOD	741	1,002	1,841	7,172
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR/ PERIOD	**1,002**	**1,841**	**7,172**	**11,432**

Note:

* Denotes RM25.

12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our Group's financial performance and results of operations should be read in conjunction with the Accountants' Report as sets out in Section 14 of this Prospectus.

The discussion and analysis contain data derived from our audited combined financial statements as well as forward-looking statements that involve risks and uncertainties. The future results may differ significantly from those projected in the forward-looking statements. Factors that may cause future results to differ significantly from those anticipated in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the Risk Factors as set out in Section 9 of this Prospectus.

12.2.1 Overview of our operations

(i) Principal activities

Our Company is an investment holding company. Through our subsidiaries, our Group is principally involved in the provision of IT infrastructure solutions, cybersecurity solutions as well as managed IT services and other IT services. Additionally, we are also involved in the trading of ancillary IT hardware and software as and when required by our customers.

We conduct our operation from Malaysia and PRC and our customers include both local and multinational companies based in Asia Pacific region that operate in a diverse range of industries, including but not limited to, financial services, telecommunications, retail, healthcare, education, manufacturing, and food and beverage.

Please refer to Section 7 of this Prospectus for a detailed overview on our Group's business.

(ii) Revenue

Our revenue segments are based on our principal activities, as follows:

(a) **IT infrastructure solutions** - IT infrastructure solutions facilitate and support the management and usage of digital data. It comprises physical hardware and facilities that can house, cool and power a data centre to enable data storage, data retrieval and internet connectivity, as well as software such as web applications and content management systems that are programmed or installed in these physical hardware and facilities to enable their functionality.

We charge a one-off project-based fee for the design, implementation and configuration of our IT infrastructure solutions. We recognise such revenue based on the project billing milestones as agreed between us and our customers (if any) or the stage of completion of the project.

We also charge a software licensing fee for continuous usage of the required software. We charge the licensing fees upfront on an annual basis and recognise the revenue monthly throughout the licensing period.

(b) **Cybersecurity solutions** - Cybersecurity solutions prevent cyber threats and attacks, and services to install and implement these solutions.

We charge a one-off project-based fee for the implementation of these solutions. We recognise such revenue based on the project billing milestones as agreed between us and our customers.

We also charge a software licensing fee for continuous usage of cybersecurity software. We charge the licensing fees upfront on an annual basis and recognise the revenue monthly throughout the licensing period.

(c) **Managed IT services and other IT services** - Our managed IT services and other IT services include managed network and cybersecurity services, as well as professional services such as project delivery and management services, assessment, troubleshooting and repair services, and consultation services, as well as maintenance and technical support services.

We charge a contract fee for a specified period for the services offered. We charge the contract fees upfront and recognise the revenue on a monthly basis throughout the contract period. We also charge professional service fees for the professional services rendered.

(d) **Trading of ancillary hardware and software** - When required, we also provide ancillary hardware and software products to complement our Group's business. These hardware and software products are sold on an outright sale basis. We recognise the revenue from such sales upon delivery of goods and acceptance by customer.

Our sales transactions are mainly settled in RM, RMB, USD and SGD. Sales transactions between our Group and customers based in Malaysia and PRC are settled in RM and RMB respectively while other sales transactions between our Group with customers based in countries other than Malaysia or PRC are mainly settled in USD and SGD.

(iii) Cost of sales

Our cost of sales comprises mainly of the following:

(a) **Hardware and software** – being the cost of purchasing hardware and software that we require in order for us to perform our services/ execute our projects as well as the cost of purchasing our supplies under our trading business of ancillary hardware and software;

(b) **Staff cost** – being the direct labour cost (i.e. salaries of technical and software departments) associated with the services offered by our Group; and

(c) **Subcontractor cost** – being cost of installation, maintenance and technical support services for our solutions, customisation and integration for software and systems that are not deployed by our internal technical team, as well as non-IT related works associated with our services and projects (i.e. electrical wiring, building structural works and complex cabling installation works). In such cases, we outsource these works to subcontractors.

(iv) Other income

Our other income mainly comprises interest income, realised gain on foreign exchange as well as the gain from disposal of equipment.

(v) Other expenses

Our other expenses mainly comprise depreciation charges, realised loss on foreign exchange, inventories written down and loss on disposal of subsidiary.

(vi) Administrative expenses

Our administrative expenses mainly comprise staff costs, directors' remuneration, professional fees, accommodation and travelling expenses and office expenses.

(vii) Finance costs

Finance costs comprise mainly interest expense on our banking facilities and lease liabilities.

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12.2.2 Revenue

The following tables illustrate the breakdown of our revenue by business segments and geographical locations for the FYE Under Review:

(i) Analysis of revenue by business segments

	Audited							
	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
IT infrastructure solutions	8,355	44.3	17,647	56.8	18,674	42.6	33,023	74.1
Cybersecurity solutions	805	4.3	2,610	8.4	11,219	25.6	1,509	3.4
Managed IT services and other IT services	8,564	45.5	8,620	27.8	10,587	24.2	7,959	17.8
Trading of ancillary hardware and software	1,114	5.9	2,181	7.0	3,335	7.6	2,095	4.7
	18,838	**100.0**	**31,058**	**100.0**	**43,815**	**100.0**	**44,586**	**100.0**

(ii) Analysis of revenue by geographical locations

	Audited							
	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	12,444	66.1	21,819	70.2	28,385	64.8	28,602	64.2
PRC	5,370	28.5	8,160	26.3	13,636	31.1	8,243	18.5
Others	(1)1,024	5.4	(2)1,079	3.5	(3)1,794	4.1	(4)7,741	17.3
	18,838	**100.0**	**31,058**	**100.0**	**43,815**	**100.0**	**44,586**	**100.0**

Notes:

(1) FYE 2018 - comprises Hong Kong, Singapore, India and Myanmar.

(2) FYE 2019 - comprises Hong Kong and Singapore.

(3) FYE 2020 - comprises Hong Kong, Australia, Thailand, Singapore, Taiwan, South Korea and India.

(4) FYE 2021 - comprises Hong Kong, Australia, Thailand, Singapore, Taiwan, South Korea, Indonesia and the Philippines, Japan and India.

(iii) Analysis of revenue by subsidiaries

	Audited							
	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
Revenue by subsidiaries	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Infoline Solutions	13,497		22,898		30,404		36,665	
Less: Elimination(1)	-		-		(39)		(128)	
Total	**13,497**	**71.6**	**22,898**	**73.7**	**30,365**	**69.3**	**36,537**	**82.0**
Infoline Shenzhen	5,347		8,160		13,450		8,073	
Less: Elimination(1)	(6)		-		-		(24)	
Total	**5,341**	**28.4**	**8,160**	**26.3**	**13,450**	**30.7**	**8,049**	**18.0**
Grand total	**18,838**	**100.0**	**31,058**	**100.0**	**43,815**	**100.0**	**44,586**	**100.0**

Note:

(1) Elimination of inter-company transactions arising from revenue between Infoline Solutions and Infoline Shenzhen.

(iv) Breakdown of customers which transacted with our Group during the FYE Under Review

	FYE 2018	FYE 2019	FYE 2020	FYE 2021
New customers	55	56	53	35
Existing customers	68	76	89	105
	123	**132**	**142**	**140**

Type of customers	FYE 2018	FYE 2019	FYE 2020	FYE 2021
IT services provider	41	37	32	29
Multinational corporation	17	18	26	23
Professional firm	11	12	15	12
Financial institution	10	12	15	14
Small and medium enterprise	8	15	15	12
Principals	4	4	10	18
Local corporation	5	3	6	7
Construction firm	4	3	4	3
Education institution	3	6	4	7
Telecommunication	3	3	3	3
Manufacturing	3	4	2	3
Individual	1	4	3	1
Others(1)	13	11	7	8
	123	**132**	**142**	**140**

Note:

(1) Mainly comprises logistics, hospitality, food and beverages, airlines, healthcare and pharmaceutical.

(v) Financial commentaries

Summary of commentaries

For the FYE Under Review, we recorded an overall improvement in our revenue from RM18.84 million in FYE 2018 to RM31.06 million in FYE 2019 to RM43.82 million in FYE 2020 and to RM44.60 million in FYE 2021, which translates to a CAGR of 33.3%. The upward trend in our revenue was largely due to our growing presence in Malaysia and PRC as we began to expand our range of IT infrastructure and cybersecurity solutions which also resulted in the increase in revenue from our managed IT services and other IT services. This can be seen by the growth in our customer base from 123 customers in FYE 2018 to 140 customers in FYE 2021 which largely comprises multinational companies and Principals.

IT infrastructure solutions and managed IT services and other IT services segments have been the largest revenue contributing business segments for the FYE Under Review. In the FYE 2021, our IT infrastructure solution segment accounted for 74.1% of our total revenue while the managed IT services and other IT services segment contributed 17.8% of our total revenue. In FYE 2020, our cybersecurity solutions segment saw a significant growth of RM8.61 million or 329.9% to a revenue of RM11.22 million recorded in FYE 2020 from a revenue of RM2.61 million recorded in FYE 2019 mainly due to a major cybersecurity project secured during the year.

Our principal market is Malaysia. For the FYE Under Review, our revenue derived from local market contributed 64.2% to 70.2% to our total revenue. Our second largest market is PRC which contributed 18.5% to 31.1% of our total revenue for the FYE Under Review.

As our Group serves multinational companies, we also design and implement solutions for their offices located in countries in the Asia Pacific region such as Hong Kong, Australia, Thailand, Singapore, Taiwan, South Korea, India, Myanmar, Indonesia, Japan and the Philippines. The revenue contribution from these Asia Pacific countries contributed 3.5% to 17.3% of our total revenue for the FYE Under Review.

Comparison between FYE 2018 and FYE 2019

In FYE 2019, our Group revenue increased by RM12.22 million or 64.9% to RM31.06 million from RM18.84 million in FYE 2018. The increase in the overall revenue of our Group was a result of the overall growth of our Group's businesses as we managed to secure more projects from our existing and new customers. The increase in our overall revenue was mainly contributed by the revenue growth of our IT infrastructure solutions and cybersecurity solutions segments.

IT Infrastructure solutions segment

Our revenue derived from the IT infrastructure solutions segment increased by RM9.30 million or 111.4% to RM17.65 million in FYE 2019 from RM8.35 million in FYE 2018. The increase was mainly due to the completion of the following projects and the recognition of its full project value during the FYE 2019:

(a) completion of a data centre upgrade project with a project value of approximately RM2.40 million for the manufacturing plant of a multinational semiconductor company located in Melaka, Malaysia;

(b) completion of an ultra-high-speed network infrastructure upgrade project with a project value of approximately RM1.79 million for one of our Principals' manufacturing plant located in Penang, Malaysia;

(c) completion of an IT infrastructure supply and installation project with a project value of approximately RM1.22 million for the new smart office of a global enterprise management and consulting firm located in Shanghai, PRC

(d) completion of a network infrastructure upgrade project with a project value of approximately RM0.38 million for the offices of a multinational insurance company located in Kuala Lumpur, Malaysia and Singapore;

(e) completion of a network upgrade and migration project with a project value of approximately RM1.04 million for the headquarters of a Malaysia based apparel retailer; and

(f) completion of a network upgrade and migration project with a project value of approximately RM0.60 million for the Malaysian headquarters and branch offices of an Asia Pacific based healthcare service provider.

Cybersecurity solutions segment

Our revenue derived from cybersecurity solutions segment increased by RM1.80 million or 222.2% to RM2.61 million in FYE 2019 from RM0.81 million in FYE 2018. The increase was mainly attributable to the following:

(a) new project with a project value of approximately RM0.89 million to provide security enhancement services for the WAN of a Malaysia based financial institution, which was fully recognised during the year; and

(b) new project with a project value of approximately RM1.36 million to provide overall network security upgrade services for the R&D and services facilities of a multinational computer storage solutions provider located in Chengdu, PRC, which was fully recognised during the year.

Managed IT services and other IT services segment

Our revenue derived from managed IT services and other IT services increased marginally by approximately RM0.06 million or approximately 0.7% to RM8.62 million recorded in FYE 2019 from RM8.56 million recorded in FYE 2018. The increase was mainly due to increase in orders from one of our Principals for other IT services.

Trading of ancillary hardware and software segment

Our revenue derived from the trading of ancillary hardware and software segment increased by RM1.07 million or 96.4% to RM2.18 million in FYE 2019 from RM1.11 million in FYE 2018. The increase was mainly attributable to the following:

(a) increase in orders from a multinational multi-level marketing company for the purchase of computers and related equipment for its branch office expansion;

(b) increase in orders from a PRC based financial institution for the purchase of computers for its branch expansion in Malaysia; and

(c) increase in orders from a local private tertiary institution for the purchase of computers and related equipment for the upgrade of its information technology laboratory.

Geographical Markets

In terms of geographical markets, the revenue contribution from local market to our total revenue improved marginally from 66.1% in FYE 2018 to 70.2% in FYE 2019 mainly due to increase in revenue derived from the IT infrastructure solutions segment and cybersecurity solutions segment of our operations in Malaysia.

Comparison between FYE 2019 and FYE 2020

In FYE 2020, our Group revenue increased by RM12.76 million or 41.1% to RM43.82 million from RM31.06 million in FYE 2019. The increase in the overall revenue of our Group was mainly due to the increase in our revenue derived from cybersecurity solutions and managed IT services and other IT services segments.

IT infrastructure solutions segment

Our revenue derived from the IT infrastructure solutions segment increased by RM1.02 million or 5.8% to RM18.67 million recorded in FYE 2020 from RM17.65 million recorded in FYE 2019. The increase was mainly attributable to the following:

(a) completion of network server and main database storage project with a project value of approximately RM2.15 million upgrade for a Malaysia based agriculture industry focused financial institution, of which RM1.69 million was recognised as revenue during the year;

(b) new orders secured from one of our Principals for the network infrastructure upgrade project with a project value of approximately RM0.41 million in relation to the expansion of its offices located in Cyberjaya and Penang, Malaysia, which was fully recognised during the year; and

(c) new orders secured from one of our Principals for the data centre infrastructure upgrade project with a project value of approximately RM1.05 million in its Asian region core production plant located in Xiamen, PRC, which was fully recognised during the year.

Cybersecurity solutions segment

Our revenue derived from the cybersecurity solutions segment increased by RM8.61 million or 329.9% to RM11.22 million in FYE 2020 from RM2.61 million in FYE 2019. The increase was mainly attributable to a new project secured from a Malaysia based financial institution with a project value of approximately RM8.91 million to upgrade the network security of its online banking platform at its main data centre, of which RM7.63 million was recognised as revenue during the year.

Managed IT services and other IT services segment

Our revenue derived from the managed IT services and other IT services segment increased by RM1.97 million or 22.9% to RM10.59 million in FYE 2020 from RM8.62 million in FYE 2019. The increase was mainly attributable to the increase in orders from one of our Principals for network equipment maintenance services of their operation sites throughout Asia Pacific region. The higher revenue was also due to an increase in the scope of work of our services rendered to one of our Principals (e.g. including installation and maintenance of telecommunication equipment). Further, we also secured new orders from one of our Principals to provide consultation services for its IT infrastructure enhancement projects which are still in the planning stage.

Trading of ancillary hardware and software segment

Our revenue derived from the trading of ancillary hardware and software segment increased by approximately RM1.16 million or approximately 53.2% to RM3.34 million in FYE 2020 from RM2.18 million in FYE 2019. The increase was due to the increase in orders from a Malaysia based agriculture industry focused financial institution for the purchase of laptops.

Geographical Markets

In terms of geographical markets, the revenue contribution of PRC market to our total revenue increased from 26.3% in FYE 2019 to 31.1% in FYE 2020 mainly due to increase in revenue derived from the IT infrastructure solutions segment of our PRC operation.

Comparison between FYE 2020 and FYE 2021

In FYE 2021, our Group's revenue increased by RM0.77 million or 1.8% to RM44.59 million from RM43.82 million in FYE 2020. The increase in the overall revenue of our Group was due to the increase in revenue derived from our IT Infrastructure solutions segment which saw an increase of RM14.35 million or 76.9% in FYE 2021.

The increase in our revenue derived from the IT infrastructure solutions segment was partly offset by the decrease in our revenue derived from the rest of our business segments, namely cybersecurity solutions segment, managed IT services and other IT services segment as well as trading of ancillary hardware and software segment.

IT infrastructure solutions segment

Our revenue derived from IT infrastructure solutions segment increased by RM14.35 million or 76.9% to RM33.02 million in FYE 2021 from RM18.67 million in FYE 2020. The increase was mainly attributable to the following:

(a) completion of a data centre solution project with a project value of approximately RM7.83 million for one of our Principal's data centre located in Cyberjaya and Penang, Malaysia, which was fully recognised during the year;

(b) completion of IT infrastructure solutions project with a project value of approximately RM4.75 million at the support centre of an Indonesian IT services provider located in Jakarta, Indonesia, which was fully recognised during the year;

(c) completion of a data centre solution project with a project value of approximately RM1.90 million for one of our Principals' data centre located in Penang, Malaysia, which was fully recognised during the year; and

(d) new project secured from a Malaysia based insurance company with a project value of approximately RM0.68 million for the upgrade of centralised storage and servers of its head office located in Kuala Lumpur, Malaysia, which was fully recognised during the year.

Cybersecurity solutions segment

Our revenue derived from cybersecurity solutions segment decreased by RM9.71 million or 86.5% to RM1.51 million in FYE 2021 from RM11.22 million in FYE 2020. The decrease was mainly due to higher revenue recognition in FYE 2020 attributable to the completion of non-recurring projects in FYE 2020 and lesser cybersecurity projects secured in FYE 2021.

Managed IT services and other IT services segment

Our revenue derived from managed IT services and other IT services segment decreased by RM2.63 million or 24.8% to RM7.96 million in FYE 2021 from RM10.59 million in FYE 2020. The decrease was due to lower contribution of RM3.80 million from the existing customers in FYE 2020, which was particularly due to the completion of one-off project delivery and management service contracts in FYE 2020. However, the lower contribution was partially offset by contribution of RM1.20 million from new customers secured in FYE 2021.

Trading of ancillary hardware and software segment

Our revenue derived from trading of ancillary hardware and software segment decreased by RM1.24 million or 37.2% to RM2.10 million in FYE 2021 from RM3.34 million in FYE 2020. The decrease was mainly attributable to an overall lower request to supply ancillary hardware and software.

Geographical Markets

In terms of geographical markets, the revenue contribution from PRC market to our total revenue decreased from 31.1% in FYE 2020 to 18.5% in FYE 2021 mainly due to lesser new projects secured from the IT infrastructure solutions and cybersecurity solution segments of our PRC operation.

Nevertheless, our revenue from other markets increased by RM5.95 million or 332.4% to RM7.74 million in FYE 2021 from RM1.79 million in FYE 2020 which was mainly contributed by:

(i) a new IT infrastructure solutions project from Indonesia with a project value of approximately RM4.75 million, which was fully recognised during the year; and

(ii) projects secured from new geographical market i.e. the Philippines and Japan.

12.2.3 Cost of sales, GP and GP margin

(i) Analysis of cost of sales by cost items

	Audited							
	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Hardware and software	10,565	89.2	18,540	83.7	26,070	87.6	23,013	83.5
Staff costs	1,010	8.6	2,350	10.6	2,783	9.4	2,706	9.8
Subcontractor costs	263	2.2	1,272	5.7	900	3.0	1,830	6.7
	11,838	**100.0**	**22,162**	**100.0**	**29,753**	**100.0**	**27,549**	**100.0**

Our cost of sales comprises 3 major components, namely hardware and software, staff costs and subcontractor costs.

(a) Hardware and software

Hardware and software costs is the largest cost component, contributing between 83.5% to 89.2% of our total costs of sales for the FYE Under Review.

In line with growth in our revenue from all our business segments, an increased number of hardware and software are required to facilitate the execution of our new projects secured under the IT infrastructure solutions and cybersecurity solutions segments. Our hardware and software cost increased from RM10.57 million in FYE 2018 to RM23.01 million in FYE 2021.

In FYE 2021, our hardware and software cost decreased by RM3.06 million or 11.7% to RM23.01 million in FYE 2021 from RM26.07 million in FYE 2020 mainly due to the decrease in hardware and software purchased for cybersecurity solutions, which is in line with the decrease in revenue for cybersecurity solutions segment in FYE 2021. Further, the decrease was also attributable to the hardware cost saving from our IT infrastructure solutions segment in FYE 2021 due to discount extended on hardware (i.e. smart power distribution unit) used in our data centre solution projects by one of our Principals.

(b) Staff costs

Staff costs comprise the salaries of our technical and software departments which are directly involved in the design and implementation of our solutions and services. For the FYE Under Review, staff costs comprised between 8.6% and 10.6% of our total costs of sales.

Our staff costs increased from RM1.01 million in FYE 2018 to RM2.78 million in FYE 2020. The increase was due to the recruitment of additional full-time engineers to support the growth in our business activities. The number of technical and software personnel (i.e. engineers) increased from 13 full-time engineers in FYE 2018 to 17 full-time engineers in FYE 2020. Further, the increase in the total staff cost was also attributed to the salary increment and performance bonus given to our technical and software personnel during the FYE Under Review as a recognition of their services.

In FYE 2021, our staff costs decreased marginally by RM0.07 million to RM2.71 million in FYE 2021 from RM2.78 million in FYE 2020. The decrease was mainly due to the reduction in total number of technical and software personnel whereby the headcount reduced from 17 full-time personnel in FYE 2020 to 16 full-time personnel in FYE 2021.

(c) Subcontractor costs

Subcontractor costs comprise costs of services provided by third-party subcontractors for installation, maintenance and technical support our solutions, customisation and integration works for software and systems that are not deployed by our internal technical team, as well as non-IT related works such as electrical wiring, building structural works and complex cabling installation works.

Subcontractor costs constituted between 2.2% and 6.7% of our total cost of sales for the FYE Under Review.

Our total subcontractor cost increased by approximately RM1.01 million or approximately 388.5% to RM1.27 million in FYE 2019 from RM0.26 million in FYE 2018 as more customisation and integration works for software and systems that were not deployed by our internal technical team were required in FYE 2019. Further, the IT infrastructure solutions projects that we undertook during the year entailed more non-IT related works (i.e. electrical wiring and building structural works).

Our subcontractor costs decreased by RM0.37 million to RM0.90 million in FYE 2020 from RM1.27 million in FYE 2019 as lesser non-IT related works (i.e. electrical wiring and building structural works) were required in the implementation of our IT infrastructure solutions projects in Malaysia. Nevertheless, the decrease in total subcontractor costs incurred for our projects in Malaysia- was partly offset by the increase in subcontractor costs for our overseas projects, which is in line with the increase in revenue from our overseas operations.

In FYE 2021, our subcontractor costs increased by RM0.93 million to RM1.83 million in FYE 2021 from RM0.90 million in FYE 2020 as the new IT infrastructure solutions projects that we undertook during the year entailed more non-IT related works (i.e. electrical wiring and building structural works). Further, the increase in subcontractor costs was also due to more engagement of overseas subcontractors for installation and non-IT related works as we secured more overseas projects in FYE 2021.

(ii) <u>Analysis of cost of sales by business segments</u>

	Audited							
	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
IT infrastructure solutions	5,875	49.6	13,304	60.0	13,344	44.8	20,710	75.2
Cybersecurity solutions	653	5.5	2,210	10.0	9,733	32.7	1,186	4.3
Managed IT services and other IT services	4,382	37.0	4,743	21.4	3,675	12.4	3,757	13.6
Trading of ancillary hardware and software	928	7.9	1,905	8.6	3,001	10.1	1,896	6.9
	11,838	**100.0**	**22,162**	**100.0**	**29,753**	**100.0**	**27,549**	**100.0**

(iii) Analysis of GP and GP margin by business segments

	Audited							
	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
	GP (RM'000)	GP Margin (%)	GP (RM'000)	GP Margin (%)	GP (RM'000)	GP Margin (%)	GP (RM'000)	GP Margin (%)
IT infrastructure solutions	2,480	29.7	4,343	24.6	5,330	28.5	12,313	37.3
Cybersecurity solutions	152	18.9	400	15.3	1,486	13.2	323	21.4
Managed IT services and other IT services	4,182	48.8	3,877	45.0	6,912	65.3	4,202	52.8
Trading of ancillary hardware and software	186	16.7	276	12.7	334	10.0	199	9.5
	7,000	**37.2**	**8,896**	**28.6**	**14,062**	**32.1**	**17,037**	**38.2**

(iv) Financial commentaries on cost of sales and GP

Comparison between FYE 2018 and FYE 2019

In FYE 2019, our Group incurred a higher total cost of sales, which corresponds with the increase in our total revenue. Our total cost of sales was predominantly contributed by the IT infrastructure solutions segment and managed IT services and other IT services segment as they contributed for more than 80.0% of our total cost of sales in FYE 2019.

Our overall GP in FYE 2019 increased by RM1.90 million or 27.1% to RM8.90 million in FYE 2019 from RM7.00 million in FYE 2018 which was attributable to the higher total revenue achieved by our Group in FYE 2019.

Despite the increase in our overall GP, our overall GP margin decreased to 28.6% in FYE 2019 from 37.2% in FYE 2018. The decrease was mainly due to the following:

(a) average GP margin for cybersecurity solutions segment decreased to 15.3% in FYE 2019 from 18.9% in FYE 2018 as we offered a more competitive pricing to our new customer from the banking sector, to establish a business relationship with the customer;

(b) average GP margin for IT infrastructure solutions segment decreased to 24.6% in FYE 2019 from 29.7% in FYE 2018 due to higher subcontractor cost incurred for the projects that were undertaken during the year due to higher requirement for customisation and integration works for software and systems for our projects implemented in international markets that were not deployed by our internal technical team and more non-IT related works (i.e. electrical wiring and building structural works). The lower average GP margin was also attributed to the incremental cost of average hardware and software purchased due to a general increase in market price of hardware and software cost globally; and

(c) average GP margin for managed IT services and other IT services segment decreased to 45.0% in FYE 2019 from 48.8% in FYE 2018. The lower average GP margin for managed IT services and other IT services segment in FYE 2019 as compared to FYE 2018 was due to the completion of a project which commanded a higher profit margin in FYE 2018 and was not recurring for FYE 2019. In addition, we incurred more hardware purchase cost in FYE 2019 when we commenced new maintenance services projects under this segment in FYE 2019. We typically incur more hardware purchase cost at the commencement of new maintenance services project due to the replacement of obsolete or damaged hardware.

Comparison between FYE 2019 and FYE 2020

In FYE 2020, our Group incurred a higher total cost of sales, which corresponds with the increase in our total revenue. Our total cost of sales was predominantly contributed by the IT infrastructure solutions segment and cybersecurity solutions segment as they contributed for more than 70.0% of our total cost of sales in FYE 2020.

Our overall GP in FYE 2020 increased by RM5.16 million or 58.0% to RM14.06 million in FYE 2020 from RM8.90 million in FYE 2019 which was attributable to the higher total revenue achieved by our Group in FYE 2020.

Our overall GP margin also improved to 32.1% in FYE 2020 from 28.6% in FYE 2019 which was mainly due to the following:

(a) improvement of the average GP margin for managed IT services and other IT services segment to 65.3% in FYE 2020 from 45.0% in FYE 2019. This was mainly due to the improvement in the skillset and efficiency of our technical department, which reduced our services lead time and enabled us to take on more projects with the same number of employees in the team. In addition, in FYE 2020 we have also completed a professional IT services and cabling structure project for one of our Principals that had commanded a higher GP margin;

(b) lower hardware purchase cost associated with the commencement of new maintenance services projects for managed IT services and other IT services segment as majority of our maintenance services projects in FYE 2020 are recurring projects from FYE 2019. We typically incur more hardware purchase cost for new maintenance services project at its commencement as a result of the replacement of obsolete or damaged hardware; and

(c) average GP margin for IT infrastructure solutions segment increased to 28.5% in FYE 2020 from 24.6% in FYE 2019. The increase in the average GP margin was mainly attributable to more discounts being extended by our one of our Principals for cabling products, which is in line with the continued growth of our annual purchase volume.

Notwithstanding the above, the improvement in average GP margin for both managed IT services and other IT services segment and IT infrastructure solutions segment was partly offset by the decrease in average GP margin for cybersecurity solutions segment to 13.2% in FYE 2020 from 15.3% in FYE 2019. Having built our track record with a new customer from the banking sector in FYE 2019, we were able to secure a cybersecurity solution project that was larger in project value size from the said customer in the FYE 2020. We continue to offer a competitive pricing to the said customer to further strengthen our business relationship with them.

Comparison between FYE 2020 and FYE 2021

In FYE 2021, despite the increase in revenue, our Group incurred a lower cost of sales which was mainly attributable to lower cost of hardware as we managed to source our hardware at a more competitive pricing.

Our overall GP in FYE 2021 increased by RM2.98 million or 21.2% to RM17.04 million in FYE 2021 from RM14.06 million in FYE 2020 and our overall GP margin also improved to 38.2% in FYE 2021 from 32.1% in FYE 2020.

The improvement was mainly due to the improvement of the average GP margin for IT infrastructure solutions segment which improved from 28.5% in FYE 2020 to 37.3% in FYE 2021, which was mainly attributable to the following:

(a) lower hardware purchasing cost as we managed to source for hardware used in our data centre solution projects (i.e. smart power distribution unit) at a more competitive price (i.e. lower selling price per unit) from one of our Principals; and

(b) improvement in the skillset and efficiency of our technical department, which allows us to shorten our project delivery lead time and take on more projects with the same number of employees in the team.

Apart from the increase in average GP margin for IT infrastructure solutions segment, the improvement in our overall GP margin was also marginally contributed by the increase in average GP margin for cybersecurity solutions segment, which saw an improvement from 13.2% in FYE 2020 to 21.4% in FYE 2021. The improvement was mainly due projects secured with higher margin in FYE 2021.

Notwithstanding the above, the improvement in average GP margin for IT infrastructure solutions segment and cybersecurity segment was partly offset by the following:

(a) average GP margin for managed IT services and other IT services segment decreased to 52.8% in FYE 2021 from 65.3% in FYE 2020 due to the following:

- higher hardware purchase cost associated with the commencement of new maintenance services projects as we secured more new maintenance service projects in FYE 2021; and

- completion of a professional IT services and cabling structure project that commands a higher margin for one of our Principals which was completed in FYE 2020 and is not recurring in FYE 2021.

(b) average GP margin for trading of ancillary hardware and software segment decreased to 9.5% in FYE 2021 from 10.0% in FYE 2020 due to the general increase in market price of computers and its related equipment because of the global computer chip supply shortage. We sold ancillary hardware and software to our existing customers from other business segments as a complementary product offering.

12.2.4 Other income

Our other income amounted to RM0.02 million, RM0.06 million, RM0.14 million and RM0.26 million, representing 0.1%, 0.2%, 0.3% and 0.6% of our total revenue for FYE 2018, 2019, 2020 and 2021 respectively.

The breakdown of our other income are as follows:

	Audited							
	FYE 2018		**FYE 2019**		**FYE 2020**		**FYE 2021**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Interest income	3	18.7	34	60.7	39	28.9	44	17.2
Realised gain on foreign exchange	13	81.3	20	35.7	83	61.5	135	52.7
Gain on disposal of equipment	-	-	-	-	4	2.9	1	0.4
Others(1)	-	-	2	3.6	9	6.7	76	29.7
	16	**100.0**	**56**	**100.0**	**135**	**100.0**	**256**	**100.0**

Note:

(1) Mainly comprise of one-off gains associated with the implementation of MFRS 16 – Leases and insurance compensation.

Comparison between FYE 2018 and FYE 2019

In FYE 2019, our other income increased by RM0.04 million or 200.0% to RM0.06 million recorded in FYE 2019 from RM0.02 million recorded in FYE 2018. The increase was main due to the following:

(a) interest earned from our placement of fixed deposit amounting to RM0.90 million with a licensed financial institution during FYE 2018. The said fixed deposit was placed as collateral for banking facilities that were granted to us by the same licensed financial institution back in October 2018; and

(b) realised gain on foreign exchange for our sales transaction denominated in USD due to the strengthening of USD against RM (FYE 2018: RM4.04/USD; FYE 2019: RM4.14/USD) during FYE 2019.

Comparison between FYE 2019 and FYE 2020

In FYE 2020, our other income increased by RM0.08 million or 133.3% to RM0.14 million recorded in FYE 2020 from RM0.06 million recorded in FYE 2019. The increase was mainly due to the realised gain on foreign exchange for our sales transaction denominated in both RMB (FYE 2019: RM0.60/RMB; FYE 2020: RM0.61/RMB) and USD (FYE 2019: RM4.14/USD; FYE 2020: RM4.20/USD) due to the depreciation of RM against RMB and USD during FYE 2020. Further, the increase in gain on foreign exchange in FYE 2020 was also due to higher sales from international markets as revenue contribution from international market increased from 29.8% in FYE 2019 to 35.2% in FYE 2020.

Comparison between FYE 2020 and FYE 2021

In FYE 2021, our other income increased by RM0.12 million or 85.7% to RM0.26 million from RM0.14 million recorded in FYE 2020. The increase was mainly due to the following:

(a) Realised gain on foreign exchange for our sales transaction and cash and bank balances denominated in RMB due to the strengthening of RMB against RM (FYE 2020: RM0.61/RMB; FYE 2021: RM0.64/RMB) during FYE 2021; and

(b) compensation received from insurance provider for our Group health and life insurance that we purchased for all of our employees, which amounted to RM0.08 million following the passing of our employee due to a non-work related incident.

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12.2.5 Other expenses

The breakdown of our other expenses are as follows:

	Audited							
	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Inventories written down	-	-	-	-	129	38.5	62	14.1
Depreciation	16	10.1	148	67.3	170	50.7	200	45.4
Loss on a disposal of a subsidiary	-	-	62	28.2	-	-	-	-
Realised loss on foreign exchange	143	89.9	10	4.5	33	9.9	178	40.5
Others(1)	-	-	-	-	3	0.9	-	-
	159	**100.0**	**220**	**100.0**	**335**	**100.0**	**440**	**100.0**

Note:

(1) Relates to write-off of equipment and loss on disposal of equipment.

Comparison between FYE 2018 and FYE 2019

In FYE 2019, our other expenses increased by RM0.06 million or 37.5% to RM0.22 million in FYE 2019 from RM0.16 million in FYE 2018. The increase in our other expenses was mainly due to the following:

(a) depreciation charge over our rented head office located at Kota Damansara, Selangor amounting to RM0.12 million pursuant to the initial application of MFRS 16 – Leases; and

(b) loss on disposal of the entire equity interest in ICS Network Provider Sdn Bhd amounting to RM0.06 million. The disposal of the entire equity interest of ICS Network Provider Sdn Bhd by our Group was completed on 25 October 2019.

Notwithstanding the above, the overall increase in our other expenses was partly offset by the decrease in realised loss on foreign exchange by RM0.13 million to RM0.01 million in FYE 2019 from RM0.14 million in FYE 2018, which was mainly due to the strengthening of USD against RM in FYE 2019 (FYE 2018: RM4.04/USD; FYE 2019: RM4.14/USD) for our sales transactions denominated in USD.

Comparison between FYE 2019 and FYE 2020

In FYE 2020, our other expenses increased by RM0.12 million or 54.5% to RM0.34 million in FYE 2020 from RM0.22 million in FYE 2019. The increase in our other expenses was mainly due to the write down of slow moving and obsolete inventories, such as data centre switches, cables and wireless network equipment.

Comparison between FYE 2020 and FYE 2021

In FYE 2021, our other expenses increased by RM0.10 million or 29.4% to RM0.44 million in FYE 2021 from RM0.34 million in FYE 2020. The increase was mainly due to the increase in realised loss on foreign exchange due to the timing difference between receipt of invoices from supplier and actual payment for our purchases denominated in USD.

Notwithstanding the above, the increase in realised loss on foreign exchange was partly offset by the decrease in the write down of inventories as majority of the slow moving and obsolete inventories have been written down in FYE 2020.

12.2.6 Administrative expenses

The breakdown of our administrative expenses are as follows:

	Audited							
	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff cost	1,266	49.7	2,460	57.6	2,899	65.0	2,932	46.8
Realisation of disposal of subsidiary	-	-	466	10.9	-	-	-	-
Directors' remuneration	240	9.4	497	11.6	664	14.9	758	12.1
Accommodation and travelling expenses	437	17.1	363	8.5	163	3.7	184	2.9
Professional fees	83	3.3	62	1.5	244	5.5	1,755	27.9
Service charges	194	7.6	4	^	2	^	-	-
Entertainment	41	1.6	77	1.8	56	1.3	49	0.8
Office expenses	182	7.1	155	3.6	171	3.8	224	3.6
Taxes and surcharge	40	1.6	45	1.1	81	1.8	148	2.4
Training fee	16	0.6	8	0.2	21	0.5	14	0.2
Recruitment fee	16	0.6	32	0.7	-	-	15	0.2
Insurance	17	0.7	14	0.3	28	0.6	5	0.1
Subscription fee	13	0.5	28	0.7	43	1.0	73	1.2
License fee	-	-	3	0.1	19	0.4	15	0.2
Others(1)	5	0.2	56	1.4	65	1.5	97	1.6
	2,550	**100.0**	**4,270**	**100.0**	**4,456**	**100.0**	**6,269**	**100.0**

Notes:

^ Less than RM1,000 or 0.1%

(1) Comprises sponsorship fees, medical fees, advertisement, tender fees and other miscellaneous expenses.

Comparison between FYE 2018 and FYE 2019

In FYE 2019, our administrative expenses increased by RM1.72 million or 67.5% to RM4.27 million in FYE 2019 from RM2.55 million in FYE 2018. The increase in our administrative expenses was mainly due to the following:

(a) Increase in staff cost by RM1.19 million mainly due to the following:

(i) increase in sales commission to our sales personnel of RM0.30 million, which is in line with the growth of our revenue in FYE 2019;

(ii) salaries amounting to RM0.24 million for the recruitment of 4 new employees by Infoline Solutions (including 1 financial controller, 1 project coordinator and 2 account and administrative personnel); and

(iii) performance bonus and salary increment (including statutory contribution) amounting to RM0.65 million, which is in line with the improvement in our financial performance.

(b) Realisation of disposal of subsidiary amounting to RM0.47 million, which was pertaining to the reversal of retained profits and PAT of ICS Network Provider Sdn Bhd. The disposal of the entire equity interest of ICS Network Provider Sdn Bhd by our Group was completed on 25 October 2019.

(c) Increase in directors' remuneration by RM0.26 million due to the increase in directors' fee and annual increment of directors' salaries, which is in line with the improvement in our financial performance.

Comparison between FYE 2019 and FYE 2020

In FYE 2020, our administrative expenses increased by RM0.19 million or approximately 4.4% to RM4.46 million in FYE 2020 from RM4.27 million in FYE 2019. The increase in our administrative expenses was mainly due an increase in staff cost by RM0.44 million mainly due to the salary increment for our employees as well as the higher sales commission to our sales personnel, which is in line with the growth of our revenue in FYE 2020.

The increase in our administrative expenses was also attributable to:

- increase in professional fees of RM0.18 million which was mainly attributable to audit fees, advisory fees incurred for transfer pricing and internal audit; and

- increase in directors' remuneration of RM0.16 million due to the increase in directors' fee and annual increment of directors' salaries, which is in line with the improvement in our financial performance.

Despite the global outbreak of COVID-19 which severely impacted many businesses, our business operations and financial performance have not been materially impacted and as such, our Group had not undertaken any austerity measure (i.e., reduction in employees' salaries) during the year. Kindly refer to Section 7.11 for further details on the impact of COVID-19 on our business operation.

Comparison between FYE 2020 and FYE 2021

In FYE 2021, our administrative expenses increased by RM1.81 million or 40.6% to RM6.27 million in FYE 2021 from RM4.46 million in FYE 2020 which was mainly due to the increase in professional fees associated with the Listing amounting to RM1.53 million which is non-recurring.

12.2.7 Finance costs

Our finance costs mainly relate to the utilisation of our banking facilities namely bank overdraft, trust receipt/ letter of credit, bankers' acceptance and hire purchase. For the FYE Under Review, our finance cost was marginal and amounted to less than 0.2% of our total revenue for the respective financial years. The breakdown of our finance cost are as follows:

	Audited							
	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Bank overdraft	-	-	18	39.1	14	32.5	1	4.4
Hire purchase interest	-	-	-	-	-	-	2	8.7
Trust receipt/ letter of credit	-	-	9	19.6	3	7.0	-	-
Bankers' acceptance	-	-	4	8.7	11	25.6	-	-
Lease interest	-	-	14	30.4	11	25.6	13	56.5
Bank charges	3	100.0	1	2.2	4	9.3	7	30.4
	3	**100.0**	**46**	**100.0**	**43**	**100.0**	**23**	**100.0**

12.2.8 PBT and PBT margin

	Audited			
	FYE 2018	FYE 2019	FYE 2020	FYE 2021
PBT (RM'000)	4,304	4,411	9,302	10,527
PBT margin (%)	22.8	14.2	21.2	23.6

Comparison between FYE 2018 and FYE 2019

In FYE 2019, we recorded a higher PBT of RM4.41 million as compared with RM4.30 million recorded in FYE 2018. The increase in PBT in FYE 2019 was mainly due to the overall growth of our Group's businesses as we obtained a higher revenue and GP from our IT infrastructure solutions segment, cybersecurity solutions segment and trading of ancillary hardware and software segment in FYE 2019.

Despite the increase in our PBT, our PBT margin decreased to 14.2% in FYE 2019 from 22.8% in FYE 2018 which was mainly due to the decrease in our GP margin to 28.6% in FYE 2019 from 37.2% in FYE 2018. The decrease in our GP margin was mainly due to the decrease in the GP margin for our cybersecurity solutions segment, IT infrastructure solutions segment and managed IT services and other IT services segment.

Additionally, our PBT margin also decreased more than our GP margin in FYE 2019. This was mainly due to the increase in our staff cost as we expanded our staff force to support the growth in our business.

Comparison between FYE 2019 and FYE 2020

In FYE 2020, we recorded a higher PBT of RM9.30 million as compared with RM4.41 million recorded in FYE 2019. The increase in PBT in FYE 2020 was mainly due to the increase in GP recorded by our IT infrastructure solutions segment and managed IT services and other IT services segment.

Further, our PBT margin also increased to 21.2% in FYE 2020 from 14.2% in FYE 2019 mainly due to the improvement of our average GP margin to 32.1% in FYE 2020 from 28.6% in FYE 2019. The improvement in our GP margin was mainly due to the improvement in the GP margin for our managed IT services and other IT services segment and IT infrastructure solutions segment.

Comparison between FYE 2020 and FYE 2021

In FYE 2021, we recorded a higher PBT of RM10.53 million as compared with RM9.30 million recorded in FYE 2020. The increase in PBT in FYE 2021 was mainly due to the increase in GP recorded by our IT infrastructure solutions segment.

Further, our PBT margin also increased to 23.6% in FYE 2021 from 21.2% in FYE 2020 mainly due to the improvement in our GP margin to 38.2% in FYE 2021 from 32.1% in FYE 2020. This was mainly contributed by the increase in GP margin for our IT infrastructure solutions segment to 37.3% from 28.5%, which was partially offset by the decrease in GP margin for our managed IT services and other IT services segment from 65.3% in FYE 2020 to 52.8% in FYE 2021.

12.2.9 Taxation

	Audited			
	FYE 2018	**FYE 2019**	**FYE 2020**	**FYE 2021**
Tax expense (RM'000)				
- Malaysia	715	755	1,660	2,661
- PRC	47	98	596	70
	762	**853**	**2,256**	**2,731**
Statutory tax rate (%)				
- Malaysia	24.0	24.0	24.0	24.0
- PRC	25.0	25.0	25.0	25.0
Effective tax rate (%)[(1)]	**17.7**	**19.3**	**24.3**	**25.9**
- Infoline Solutions	18.8	24.0	24.0	28.4
- Infoline Shenzhen	9.4	7.7	25.0	5.9

Note:

(1) Effective tax rate is computed by dividing the total tax expense over the PBT of our Group for the relevant financial year.

FYE 2018

Our overall effective tax rate for FYE 2018 of 17.7% was lower than the statutory tax rate of 24.0% and 25.0% in Malaysia and PRC respectively. The lower effective tax rate was mainly attributed to the income tax rebate introduced by PRC government for companies with a taxable income of less than RMB1.00 million.

FYE 2019

Our overall effective tax rate for FYE 2019 of 19.3% was lower than the statutory tax rate of 24.0% and 25.0% in Malaysia and PRC respectively. The lower effective tax rate was mainly attributed to the new income tax rebate for companies with a taxable income of between RMB1.00 million and RMB3.00 million, which was introduced by the PRC government in 2019.

FYE 2020

Our overall effective tax rate for FYE 2020 is 24.3% which was mainly due to a higher effective tax rate for Infoline Shenzhen in FYE 2020. The effective tax rate for Infoline Shenzhen increased from 7.7% in FYE 2019 to 25.0% in FYE 2020 as the company achieved a taxable income of more than RMB3.00 million, which exceeded the income tax rebate bracket introduced by PRC government.

FYE 2021

Our overall effective tax rate for FYE 2021 is 25.9% which was mainly attributable to a higher effective tax rate for Infoline Solutions. The effective tax rate for Infoline Solutions increased from 24.0% in FYE 2020 to 28.4% in FYE 2021 due to higher non-deductible expenses recorded during financial year (i.e. depreciation charges and professional fees incurred in relation to our Listing).

The effective tax rate for Infoline Shenzhen decreased from 25.0% in FYE 2020 to 5.9% in FYE 2021 which was attributable to the income tax rebate for companies with a taxable income of between RMB1.00 million and RMB3.00 million.

12.2.10 PAT and PAT margin

	Audited			
	FYE 2018	**FYE 2019**	**FYE 2020**	**FYE 2021**
PAT (RM'000)	3,033	3,801	7,046	7,796
PAT margin (%)	16.1	12.2	16.1	17.5

For the FYE Under Review, we recorded a PAT margin of 12.2% to 17.5%. The fluctuation of our PAT margin for the FYE Under Review was due to the reasons described in Sections 12.2.8 and 12.2.9 of this Prospectus.

12.3 LIQUIDITY AND CAPITAL RESOURCES

12.3.1 Working capital

We finance our operations with cash generated from operations, credit extended by trade creditors, and trade facilities (e.g. bank overdraft, banker's acceptance, letter of credit and trust receipts) extended to us by a licensed financial institution. We also utilise lease liabilities for our capital expenditure (i.e. purchase of fixed asset).

Our Board is of the opinion that our working capital will be sufficient for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus, taking into consideration the following:

(a) Our cash and cash equivalent of approximately RM10.33 million as at the LPD. For clarity, our cash and cash equivalent excludes fixed deposit pledged as security with maturity period of more than 3 months in accordance with MFRS 107;

(b) Our expected future cash flows from operations; and

(c) Our pro forma gearing level of approximately 0.01 times, based on our Group's pro forma combined statements of financial position as at 31 December 2021 after the material subsequent event (dividend declaration for FYE 2021), Acquisitions, Public Issue and utilisation of proceeds.

12.3.2 Review of cash flows

The table sets out the summary of our Group's historical audited combined statements of cash flows for the FYE Under Review.

	Audited			
	FYE 2018	**FYE 2019**	**FYE 2020**	**FYE 2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net cash (for)/from operating activities	(423)	5,919	8,025	4,519
Net cash for investing activities	(990)	(101)	(43)	(403)
Net cash from/(for) financing activities	1,686	(4,942)	(2,744)	(117)
Net increase in cash and cash equivalents	**273**	**876**	**5,238**	**3,999**
Effects of foreign exchange translation	(12)	(37)	93	261
Cash and cash equivalents at the beginning of the financial year/ period	741	1,002	1,841	7,172
Cash and cash equivalents at the end of the financial year/ period	**1,002**	**1,841**	**7,172**	**11,432**

Most of our cash and cash equivalents are held in RM and RMB. There are no legal, financial or economic restrictions on our subsidiaries' ability to transfer funds to our Group in the form of cash dividends, loans or advances, subject to the availability of distributable reserves, loans or advances in compliance with any applicable financial covenants save as otherwise set out in Section 15.7 of this Prospectus.

FYE 2018

Net cash for operating activities

For FYE 2018, our operating profit before working capital changes is approximately RM3.86 million. After adjusting for the following key items, the net cash for operating activities is approximately RM0.42 million:

(a) the increase in our trade and other receivables by approximately RM3.30 million which was in tandem with the growth of our business;

(b) the decrease in trade and other payables by approximately RM0.34 million was mainly due to a decrease in accrued purchases and a decrease in amount due to a shareholder in FYE 2018 as compared to FYE 2017; and

(c) the decrease in our contract liabilities by approximately RM0.30 million due to the recognition of revenue pertaining to the initial application of MFRS 15 – Revenue from contracts with customers.

The net cash flows for operating activities of RM0.42 million in FYE 2018 was mainly attributable to the increase in our trade receivables in FYE 2018 as a result of higher overdue trade receivables amount as at 31 December 2018 (i.e. RM4.36 million overdue out of total trade receivables of RM5.09 million). Subsequent to FYE 2018, we have enhanced our effort for trade receivables collection by proactively following up via calls and emails with our customers to ensure prompt payment.

For FYE 2018, we also paid income tax of approximately RM0.58 million.

Net cash for investing activities

For FYE 2018, we recorded a net cash for investing activities of approximately RM0.99 million mainly due to the placement of fixed deposit of RM0.90 million with a licensed financial institution. The said fixed deposit was pledged as security for banking facilities extended to our Group such as bank overdraft, bankers' acceptance, letter of credit and trust receipt.

Net cash from financing activities

For FYE 2018, we recorded a net cash from financing activities of approximately RM1.69 million mainly due to the advances from a director of RM1.85 million which was used for the following:

(i) placement of fixed deposit which was pledged as security for banking facilities of our Group of RM0.90 million; and

(ii) payment on behalf for purchase of goods and services from third parties amounting to RM0.68 million and repayment of trade payables by our Group amounting to RM0.27 million.

RM1.18 million of the said advances were capitalised while the remaining was settled in cash during FYE 2019.

FYE 2019

Net cash from operating activities

For FYE 2019, our operating profit before working capital changes is approximately RM5.27 million. After adjusting for the following key items, the net cash from operating activities is approximately RM5.92 million:

(a) the increase in trade and other payables by approximately RM5.29 million and the increase in trade and other receivables by approximately RM3.23 million which was in line with the growth of our business. In FYE 2019, our revenue increased to RM31.06 million from RM18.84 million recorded in FYE 2018;

(b) the increase in contract cost assets by approximately RM0.70 million due to timing difference between the actual issuance of invoices by suppliers and recognition of cost based on billing milestones for our projects under IT infrastructure solutions segment and cybersecurity solutions segment;

(c) increase in contract liabilities by approximately RM0.78 million due to contract fees and licensing fees charged under our IT infrastructure solutions segment, managed IT services and other IT services segment as well as cybersecurity solutions segment; and

(d) increase in amount owing by related companies by RM0.62 million which relates to the amount owing by Akima ICT Limited (formerly known as Infoline Technology Limited) for the sales and services rendered by our Group. Our Promoter, CWC was the substantial shareholder of the company until the disposal of his equity interest to a third party on 31 August 2020.

For FYE 2019, we also paid income tax of approximately RM0.90 million.

Net cash for investing activities

For FYE 2019, we recorded a net cash for investing activities of approximately RM0.10 million mainly due to the purchases of equipment amounting to RM0.08 million during the year.

Net cash for financing activities

For FYE 2019, we recorded a net cash for financing activities of approximately RM4.94 million mainly due to the following:

(a) payment of dividends to the shareholder amounting to RM4.62 million

(b) repayment of amount owing to directors of RM0.78 million which was pertaining to the advances extended by directors for the following:

    (i) placement of fixed deposit pledged as security for our banking facilities during FYE 2018; and

    (ii) payment on behalf for repayment of trade payables by our Group and working capital for Infoline Shenzhen during FYE 2019

(c) drawdown of bankers' acceptance amounting to RM0.57 million.

FYE 2020

Net cash from operating activities

For FYE 2020, our operating profit before working capital changes is approximately RM9.66 million. After adjusting for the following key items, the net cash from operating activities is approximately RM8.03 million:

(a) increase in our contract cost assets by approximately RM1.59 million due to timing difference between the actual issuance of invoices by suppliers and the recognition of cost based on our billing milestones for our projects under IT infrastructure solutions segment and cybersecurity solutions segment;

(b) increase in our contract liabilities by approximately RM1.31 million due to contract fees and licensing fees charged under our managed IT services and other IT services segment as well as cybersecurity solutions segment; and

(c) decrease in the amount owing by related parties by approximately RM0.53 million as a result of the repayment of advances extended to Akima ICT Limited (formerly known as Infoline Technology Limited) for the purpose of working capital. Our Promoter, CWC was the substantial shareholder of the company until the disposal of his equity interest to a third party on 31 August 2020.

For FYE 2020, we also paid income tax of approximately RM1.80 million.

Net cash for investing activities

For FYE 2020, we recorded a net cash for investing activities of approximately RM0.04 million which was mainly due to the additional placement of fixed deposit of RM0.03 million with licensed financial institution which was pledged as security for banking facilities extended to our Group and purchases of computers amounting to RM0.02 million.

Net cash for financing activities

For FYE 2020, we recorded a net cash for financing activities of approximately RM2.74 million comprising the following:

(a) payment of dividend to shareholders amounting to RM1.80 million;

(b) repayment of bankers' acceptance amounting to RM0.57 million;

(c) repayment of lease liabilities amounting to RM0.13 million; and

(d) repayment of the outstanding balance of RM0.24 million advances from our directors in FYE 2018 for the payment of trade payables on behalf of our Group.

FYE 2021

Net cash from operating activities

For FYE 2021, our operating profit before working capital changes is approximately RM10.79 million. After adjusting for the following key items, the net cash from operating activities is approximately RM4.52 million:

(a) the increase in our trade receivables by approximately RM2.42 million due to more billings to our customers towards the end of FYE 2021, which have yet to reach the payment deadline;

(b) the increase in our inventories by approximately RM1.42 million which mainly comprises the supplies that we purchased for our ongoing projects that have yet to be utilised as at 31 December 2021;

(c) the increase in contract liabilities by approximately RM1.07 million due to contract fees and licensing fees charged under our managed IT services and other IT services segment as well as cybersecurity solutions segment; and

(d) the decrease in trade and other payables by approximately RM0.75 million mainly due to higher purchases which is in line with the growth of our revenue and increase in our inventories; and

(e) the increase in contract cost asset by approximately RM0.26 million due to timing difference between the actual issuance of invoices by suppliers and recognition of cost based on billing milestones for our projects under IT infrastructure solutions segment and cybersecurity solutions segment.

For FYE 2021, we also paid income tax of approximately RM4.00 million.

Net cash for investing activities

For FYE 2021, we recorded a net cash for investing activities of RM0.40 million mainly due to RM0.22 million for the renovation of our office (which involved the upgrading of our office's functions and security by expansion of office space and reception, implementation of automatic door system and increasing the number of closed-circuit television (CCTV)), RM0.02 million for the purchase of office equipment, RM0.09 million for the purchase of motor vehicle and RM0.01 million for the purchase of computers.

Net cash for financing activities

For FYE 2021, we recorded a net cash for financing activities of approximately RM0.12 million due to the repayment of our lease liabilities.

12.3.3 Impact of inflation

Inflation has not had a material impact on our business, financial condition or results of operations for the FYE Under Review. Nevertheless, there can be no assurance that future inflation would not have a material impact on our business and performance insofar as we are unable to pass on the higher costs to our customers through increase in prices of our solutions.

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12.4 BORROWINGS

All of our borrowings are secured, interest-bearing and denominated in RM. Our total outstanding borrowings as at 31 December 2021 stood at RM0.24 million, details of which are set out below:

	Purpose	Fixed rate/ Floating rate	Tenure	Effective interest rate	Audited As at 31 December 2021
				%	RM'000
Interest bearing short-term borrowings, payable within 1 year:					
Lease liabilities	Rental of office	Fixed rate	1 to 2 years	5.45 to 5.70	107
				Sub-total	**107**
Interest bearing long-term borrowings, payable after 1 year:					
Lease liabilities	Rental of office	Fixed rate	1 to 2 years	5.45 to 5.70	132
			Sub-total		**132**
			Total borrowings		**239**

As at LPD, we are not in breach of any terms and conditions or covenants associated with the credit arrangements or bank loans, which can materially affect our financial results, financial position or business operations, or the investment by holders of securities in our Group. We do not encounter seasonality in our borrowings trend and there are no restrictions on our committed banking facilities.

The lease liabilities for the purchase of motor vehicle were secured by legal charge over the motor vehicle and personal guarantee by our Promoter, CWC. As at the LPD, the outstanding amount of the hire purchase facility has been fully settled and the personal guarantee has accordingly been discharged. Further, our Promoters, CWC and LWH, together with Lee Su Guat (spouse of CWC) have extended joint and several guarantees for the abovementioned trade facilities. As at the LPD, the banking facilities have been cancelled and the guarantees have accordingly been discharged.

As at the LPD, we do not have any borrowings which are non-interest bearing and/ or in foreign currency. We have not defaulted on payments of principal sums and/ or interests in respect of any borrowings throughout FYE 2018, FYE 2019, FYE2020 as well as FYE 2021.

As at the LPD, we do not have any borrowings which are non-interest bearing and/ or in foreign currency. We have not defaulted on payments of principal sums and/ or interests in respect of any borrowings throughout FYE 2018, FYE 2019, FYE 2020 and FYE 2021.

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12. FINANCIAL INFORMATION *(Cont'd)*

12.5 CAPITALISATION AND INDEBTEDNESS

The table below summarises our capitalisation and indebtedness:

(i) Based on the latest unaudited financial information as at 30 April 2022; and

(ii) After adjusting for the effects of the material subsequent event (dividend declaration for FYE 2021), Acquisitions, Public Issue and utilisation of proceeds.

		I	II	III	IV
	Unaudited as at 30 April 2022	**After material subsequent event**	**After I and Acquisitions**	**After II and Public Issue**	**After III and utilisation of proceeds**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Indebtedness					
CURRENT					
Secured					
Lease liabilities	-	-	-	-	-
Unsecured					
Lease liabilities	94	94	94	94	94
	94	94	94	94	94
NON-CURRENT					
Secured					
Lease liabilities	-	-	-	-	-
Unsecured					
Lease liabilities	84	84	84	84	84
	84	84	84	84	84
Total indebtedness	**178**	**178**	**178**	**178**	**178**
Capitalisation					
Shareholders' equity	19,482	17,466	17,466	41,146	38,886
Total capitalisation	**19,482**	**17,466**	**17,466**	**41,146**	**38,886**
Total capitalisation and indebtedness	19,660	17,644	17,644	41,324	39,064
Gearing ratio (times) [(1)]	0.01	0.01	0.01	0.01	0.01

Note:

(1) Calculated based on total indebtedness divided by total capitalisation.

12.6 TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES

Save as disclosed in Section 12.4 above, we do not have or utilise any other financial instruments. All our financial instruments are used for working capital and purchase of fixed asset.

Our main treasury policy is to maintain sufficient working capital to finance our operations. The principal sources of our working capital are cash generated from our operations, cash and bank balances and trade facilities extended by a licensed financial institution. We carefully consider our cash and solvency position and ability to obtain further financing before making significant capital commitments.

12.7 MATERIAL CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

12.7.1 Material capital commitments

As at LPD, there are no material capital commitments incurred or to be incurred by us that have not been provided for which, upon becoming enforceable, may have a material impact on our financial results or financial position.

Notwithstanding the above, we expect to incur capital expenditure to support the growth of our business, details of which are set out in Section 4.7 of this Prospectus. We expect to finance these capital expenditures through the proceeds from the IPO and/or internally generated funds.

12.7.2 Contingent liabilities

As at the LPD, there are no contingent liabilities incurred by us or our subsidiary, which upon becoming enforceable, may have a material effect on our financial position or our subsidiary.

12.8 KEY FINANCIAL RATIOS

The key financial ratios of our Group for FYE Under Review are as follows:

	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Trade receivables turnover (days)(1)	69	79	70	73
Trade payables turnover (days)(2)	53	67	80	85
Current ratio (times)(3)	1.81	1.49	1.88	2.54
Gearing ratio (times)(4)	-	0.19	0.02	0.01
Inventory turnover (days)(5)	34	17	10	18

Notes:

(1) Computed based on average trade receivables over revenue for the financial year/period multiplied by 365 days for each financial year.

(2) Computed based on average trade payables over costs of sales for the financial year/period multiplied by 365 days for each financial year.

(3) Computed based on current assets over current liabilities as at each financial year.

(4) Computed based on total borrowings over total equity as at each financial year.

(5) Computed based on average inventory over cost of sales for the financial year/period multiplied by 365 days for each financial year.

12.8.1 Trade receivables turnover

The normal credit periods granted by our Group to our customers range from 30 to 90 days from the date of invoice. We also practice cash term transactions with certain customers (mostly new customers). In deciding the trade terms with our customers, we will request for our customers to submit a credit application form detailing the background information of the company (i.e. paid-up capital, number of employees, details of directors, details of banking facilities, details on credit terms given to the company by its suppliers and details on company's internal payment practice). We also request for supporting documents such as business registration documents, latest bank statements and audited financial statements from our customer as part of the credit application for our consideration.

There were no changes to our credit policies and procedures during the FYE Under Review.

Our trade receivable turnover period for FYE 2018, FYE 2019, FYE 2020 and FYE 2021 are 69 days, 79 days, 70 days and 73 days respectively, which is within our normal credit period granted to our customers.

Our trade receivable turnover days increased from 69 days in FYE 2018 to 79 days in FYE 2019 as a higher proportion of our trade receivables as at 31 December 2019 relates to the receivable amount from one of our Principals, which has yet to reach the payment deadline as at 31 December 2019.

For FYE 2020, our trade receivable turnover days decreased from 79 days in FYE 2019 to 70 days mainly due to the enhancement of our trade receivables collection effort since FYE 2018. We enhanced our effort for trade receivables collection by proactively following up via calls and emails with our customers to ensure prompt payment. Our overdue trade receivables as at 31 December 2020 amounted to RM2.78 million (representing approximately 33.1% of our total trade receivables as at 31 December 2020 of RM8.41 million) as compared with RM4.13 million (representing approximately 49.3% of our total trade receivables as at 31 December 2019 of RM8.37 million).

For FYE 2021, our trade receivables turnover days increased marginally from 70 days in FYE 2020 to 73 days in FYE 2021 due to more billings to our customers towards the end of FYE 2021. This gave rise to the increase in our total trade receivables of RM9.52 million as at 31 December 2021, of which RM7.66 million or 80.4% of our total trade receivables as at 31 December 2021 has yet to reach the payment deadline.

The ageing analysis of our trade receivables as at 31 December 2021 is as follows:

	Within normal credit period	**Exceeding credit period (days past due)**				
	0 – 90 days	**1 – 30 days**	**31 – 60 days**	**61 – 90 days**	**> 90 days**	**Total**
Trade receivables (RM'000)	7,657	1,744	31	35	52	**9,519**
Percentage of total trade receivables (%)	80.4	18.3	0.3	0.4	0.6	**100.0**
Subsequent collections up to the LPD (RM'000)	4,997	1,744	31	35	52	**6,859**
Trade receivables net of subsequent collections (RM'000)	2,660	-	-	-	-	**2,660**
Percentage of total trade receivables net of subsequent collections (%)	100.0	-	-	-	-	**100.0**

As at the LPD, we have collected a total of RM6.86 million of our trade receivables from our customers, representing 72.1% of our total trade receivables as at 31 December 2021.

We use ageing analysis to monitor the credit quality of our trade receivables. Our management closely monitors the recoverability of our overdue trade receivables on a regular basis, and, when appropriate, provides for impairment of these trade receivables.

Our impairment losses on trade receivables and bad debts written off for the FYE Under Review are as follows:

	FYE 2018	FYE 2019	FYE 2020	FYE 2021
	RM'000	RM'000	RM'000	RM'000
Impairment losses on trade receivables	-	-	60	47
Bad debts written off	-	5	1	-
	-	**5**	**61**	**47**

Save as disclosed above, we have not encountered any difficulty in collection of our trade receivables during the FYE Under Review.

12.8.2 Trade payables turnover

The normal credit terms granted by our trade creditors to our Group range from 30 to 60 days from the date of tax invoice. We also make purchases with certain suppliers via cash term basis.

Our trade payable turnover period for FYE 2018, FYE 2019, FYE 2020 and FYE 2021 are 53 days, 67 days, 80 days and 85 days respectively.

The longer trade payable turnover period for FYE 2019 and FYE 2020 was due to a higher proportion of our trade payables as at 31 December 2019 and 31 December 2020 that has yet to reach its payment deadline. The longer trade payable turnover period was also attributable to increase in our purchases which is in line with the growth of our revenue.

For FYE 2021, our trade payables turnover days increased from 80 days in FYE 2020 to 85 days in FYE 2021 due to a higher proportion of our trade payables as at 31 December 2021 that has yet to reach its payment deadline. The longer trade payables turnover period was also attributable to the increase in our inventories.

The ageing analysis of our trade payables as at 31 December 2021 is as follows:

	Within normal credit period	Exceeding credit period (days past due)				
	0 – 60 days	1 – 30 days	31 – 60 days	61 – 90 days	> 90 days	Total
Trade payables (RM'000)	4,557	1,842	10	93	57	**6,559**
Percentage of total trade payables (%)	69.5	28.1	0.2	1.4	0.8	**100.0**
Subsequent payments up to the LPD (RM'000)	4,255	1,842	10	93	57	**6,257**
Trade payables net of subsequent payments (RM'000)	302	-	-	-	-	**302**
Percentage of total trade payables net of subsequent payments (%)	100.0	-	-	-	-	**100.0**

As part of our internal cash flow management, we closely monitor the payment deadline of our trade payable and maximise the usage of the credit terms granted by our trade creditors.

As at LPD, there are no disputes in respect of our trade payables and no legal action has been initiated by our suppliers to demand for payment.

12.8.3 Current ratio

Our current ratio for the FYE Under Review are as follows:

	FYE 2018	FYE 2019	FYE 2020	FYE 2021
	RM'000	RM'000	RM'000	RM'000
Current assets[(1)]	9,282	13,978	20,150	28,409
Current liabilities[(2)]	5,128	9,375	10,726	11,173
Current ratio (times)	1.81	1.49	1.88	2.54

Notes:

(1) Includes asset of disposal group classified as held for sale.

(2) Includes liabilities of disposal group classified as held for sale.

As at 31 December 2019, our current ratio was 1.49 times as compared with 1.81 times as at 31 December 2018. The lower current ratio was a result of higher current liabilities as at 31 December 2019 which was attributable to the increase of our trade payables as we made more purchases in FYE 2019, in line with the increase in our revenue and business activities as compared to FYE 2018.

As at 31 December 2020, our current ratio was 1.88 times as compared with 1.49 times as at 31 December 2019. The higher current ratio was mainly due to the increase in our current assets which was attributable to the increase in our cash and bank balances and contract cost assets.

As at 31 December 2021, our current ratio was 2.54 times as compared to 1.88 times as at 31 December 2020. The higher current ratio was mainly due to the increase in our current assets which was mainly attributable to the increase in our cash and bank balances, inventories, trade receivables and other receivables, deposit and prepayments.

12.8.4 Gearing ratio

Our gearing ratio for FYE Under Review are as follows:

	FYE 2018	FYE 2019	FYE 2020	FYE 2021
	RM'000	RM'000	RM'000	RM'000
Total borrowings	-	836	203	239
Total equity	4,195	4,515	9,854	17,910
Gearing ratio (times)	-	0.19	0.02	0.01

In FYE 2019, our gearing ratio was 0.19 times as compared to nil in FYE 2018. Our total borrowings for FYE 2019 mainly relates to bankers' acceptance which was utilised for our purchases from new supplier.

In FYE 2020, our gearing ratio decrease from 0.19 times in FYE 2019 to 0.02 times. The decrease was mainly due to decrease in our total borrowings in the absence of any usage of bankers' acceptance.

In FYE 2021, our gearing ratio decreased from 0.02 times in FYE 2020 to 0.01 times. The decrease was mainly due to the increase in our total equity with the PAT of RM7.80 million recorded in FYE 2021.

12.8.5 Inventory turnover

Our inventory mainly comprises hardware such as data centre switches, cables, wireless network equipment and other IT equipment.

For the FYE Under Review, we recorded an inventory turnover period of between 10 days and 34 days.

In FYE 2019, our inventory turnover period decreased from 34 days in FYE 2018 to 17 days. The longer inventory turnover days in FYE 2018 was mainly due to higher inventory level maintained as at 31 December 2018, which mainly comprise supplies that we purchased for our ongoing projects that has yet to be utilised as at 31 December 2018.

In FYE 2020, our inventory turnover days decreased from 17 days in FYE 2019 to 10 days in FYE 2020 mainly due to the write down of slow moving and obsolete inventories which amounted to RM0.13 million.

During FYE 2020, our Group has also put in place a policy to minimise the inventory level and the inventory turnover period in order to mitigate any potential write down of slow moving and obsolete inventories. In order to achieve such objectives, our Group will take into consideration the supplies required for our ongoing and upcoming projects, timing of delivery from our suppliers and availability of supplies before making purchases of such supplies.

In FYE 2021, our inventory turnover period increased from 10 days in FYE 2020 to 18 days. The longer inventory turnover days in FYE 2021 was mainly due to higher inventory level maintained as at 31 December 2021, which comprises of supplies purchased for our ongoing projects that have yet to be utilised as at 31 December 2021.

Further, following the implementation of policy to mitigate any potential write down of slow moving and obsolete inventories (i.e. taking into consideration the supplies required for our ongoing and upcoming projects, timing of delivery from our suppliers and availability of supplies before making purchases of such supplies) in FYE 2020, we recorded a lower write down of slow moving and obsolete inventories of RM0.06 million in FYE 2021 as compared with RM0.13 million recorded in FYE 2020.

12.9 SIGNIFICANT FACTORS AFFECTING OUR OPERATIONS AND FINANCIAL PERFORMANCE

Section 9 of this Prospectus detailed the risk factors relating to our business and the industry in which we operate in. Some of these risk factors have an impact on our Group's revenue and financial performance. The main factors which affect our revenues and profits include but are not limited to the following:

(i) We are dependent on our major customers, particularly Dell group of companies

The revenue generated from Dell group of companies comprised 37.6%, 45.2%, 52.6% and 54.7% of our total revenue in FYE 2018, FYE 2019, FYE 2020 and FYE 2021.

Our business operations and financial performance may be materially impacted in the event of any cancellation or failure to secure subsequent orders from Dell group of companies and our inability to secure new customer to replace the loss of business. Further, even if we are able to secure new customers, there can be no assurance that we will be able to achieve the same level of sales value and profitability of our business transactions with Dell group of companies.

(ii) We are dependent on our Executive Directors for the continued success of our Group

Our success and performance are heavily dependent upon the continued service of our Executive Directors who are vital in formulating and spearheading the strategic directions, leadership, business planning and development, and management of our Group's operations. As such, the loss of any of our Executive Directors without their suitable and timely replacements may result in an adverse effect on our Group's business operation, financial conditions and performance.

(iii) We depend on our ability to secure new projects and customers

Our future profitability and financial performance are dependent on our ability to secure new projects and customers as we do not enter into any long-term contracts with our customers. If we are unable to secure sales from new customer or additional sales from existing customers in a timely manner, our business and financial performance may be adversely affected.

(iv) We are exposed to fluctuations in foreign exchange rates

Approximately 29.8% to 35.8% of our Group's revenue in the FYE Under Review and are generated from markets outside of Malaysia.

Our revenue was mainly denominated in RM (for transactions between Infoline Solutions and customers based in Malaysia), RMB (for transactions between Infoline Shenzhen and customers based in PRC), USD and SGD (for transactions between our Group with customers based in Asia Pacific region, excluding Malaysia and PRC). Further, the financial statement of our subsidiary, Infoline Shenzhen are denominated in RMB.

As such, any fluctuations denominated in USD and RMB would have an impact on our Group's reported operating profits based in Malaysia. In circumstances where the USD and RMB significantly appreciates or depreciates, we will record higher or lower revenue, respectively, as our sales are recorded in RM.

(v) Changes in economic, social, political and regulatory risks in the countries in which we operate in

Risks relating to economic, social, political and regulatory risks in countries in which we operate in are set out in Section 9.2.3 of this Prospectus.

Although our Company will continue to adopt prudent management and efficient operating procedures, there can be no assurance that future changes in economic, social, political, and regulatory risks in the countries in which we operate in will not have adverse effect on our business operations and financial performance.

(vi) Our business operations and financial performance may be affected by the COVID-19 pandemic

Our business operations and financial performance may be affected by the ongoing COVID-19 pandemic. Although our business operations and financial performance was not adversely impacted by the COVID-19 thus far, there can be no assurance that the COVID-19 pandemic will not impact us in the future. There can be no assurance that the outbreak of COVID-19 in Malaysia and PRC can be effectively controlled, or that another outbreak of COVID-19 or other pandemics will not happen in the future.

The failure to effectively control the current outbreak or future outbreaks or pandemic may materially impact our business operations and financial performance as we may not be able to effectively deliver our services to our customers, which may then lead to cancellation of orders or loss of potential orders.

12.10 ORDER BOOK

We enter into maintenance and technical support contracts with our customers which span between a contractual period of 1 to 3 years under our managed IT services and other IT services segment.

Additionally, we also issue sales orders to our customer for the continuous usage of software sold by us under the IT infrastructure solutions segment and cybersecurity solutions segment. We charge a licensing fee upfront to our customer for the continuous usage of such software during the licensing period.

As at the LPD, our total secured orders for the abovementioned services (i.e. maintenance and technical support contracts and licensing fees) amounted to RM13.10 million of which approximately 40.4% are for managed IT services and other IT services segment. Of the total secured orders of RM13.10 million, RM9.46 million has been recognised as revenue up to the LPD. The balance of RM2.26 million, RM1.05 million, RM0.23 million and RM0.10 million would be recognised in post LPD to December 2022, FYE 2023, FYE 2024 and FYE 2025 to FYE 2027 respectively, as summarised below:

Total secured orders by business segments	Total secured orders up to the LPD	Revenue recognition				
		Up to the LPD	Post LPD to December 2022	FYE 2023	FYE 2024	FYE 2025 to FYE 2027
	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million
IT Infrastructure Solutions	5.87	3.48	1.38	0.73	0.20	0.08
Cybersecurity Solutions	1.94	1.72	0.11	0.11	-	-
Managed IT Services and Other IT Services[(1)]	5.29	4.26	0.77	0.21	0.03	0.02
Total	**13.10**	**9.46**	**2.26**	**1.05**	**0.23**	**0.10**

Note:

(1) Comprising maintenance and technical support contracts.

For clarity, majority of our revenue is generated by way of purchase orders from our customers on an ongoing basis. The above table does not include the purchase orders secured for projects in relation to the provision of IT infrastructure solutions and cybersecurity solutions which generally last for a period of 2 to 3 months (depending on the complexity of the project) and purchase orders for trading of the ancillary hardware and software.

The purchase orders in hand, which are yet to be fulfilled/completed as at the LPD, amounted to RM31.01 million, of which RM21.75 million has yet to be recognised as revenue.

12.11 TREND INFORMATION

As at LPD, after all reasonable enquiries, our Board confirms that our operations have not been and are not expected to be affected by any of the following:

(i) Material commitments for capital expenditure save as disclosed in Section 12.7.1 of this Prospectus;

(ii) 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 discussed in Section 9 of this Prospectus;

(iii) Known trends, demands, commitments, events or uncertainties that have resulted in a substantial increase in our Group's revenue and/or profit, save for the following:

(a) those that have been disclosed in this section;

(b) interruption to business and operations due to COVID-19 as set out in Section 7.11 of this Prospectus; and

(c) business strategies and prospects as set out in Section 7.19 of this Prospectus.

(iv) Known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not necessarily indicative of the future financial performance and position, other than those discussed in Section 8 of this Prospectus.

Our Board is optimistic about the prospects of our Group given the positive outlook of the IT infrastructure and cybersecurity industries in Malaysia and PRC as set out in the IMR Report in Section 8 of this Prospectus, our Group's competitive strengths set out in Section 7.2 of this Prospectus and our Group's intention to implement the business strategies as set out in Section 7.19.2 of this Prospectus.

12.12 SIGNIFICANT CHANGES

There are no significant changes have occurred since FYE 2021, being our most recent interim financial statements, which may have a material effect on the financial position and results of our Group.

12.13 MATERIAL INVESTMENT AND DIVESTITURES

Save as disclosed below, there are no material investments, divestitures and write-offs made by us for the FYE Under Review and up to the LPD:

	At carrying value				
	FYE 2018	FYE 2019	FYE 2020	FYE 2021	1 Jan 2022 up to the LPD
Material divestitures	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Disposal of a subsidiary[(1)]	-	484	-	-	-

Note:

(1) Pertaining to the disposal of entire equity interest of Infoline Solutions in ICS Network Provider Sdn Bhd.

12.14 DIVIDEND POLICY

As our Company is an investment holding company, our income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiaries, present or future. Our subsidiaries may require its financiers' consent to pay dividends to our Company in our future facility agreements.

The dividends paid by our Group for FYE Under Review are as follows:

	FYE 2018	FYE 2019	FYE 2020	FYE 2021	1 January 2022 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividends paid	-	4,624	1,800	-	(1)2,016

Note:

(1) On 27 April 2022, Infoline Solutions declared a final dividend of RM0.9247 per ordinary share amounting to RM2,015,779 in respect of the FYE 2021, which was paid on 6 May 2022. This dividend was not reflected in Infoline Solutions' financial statements for the FYE 2021.

Moving forward, we target a pay-out ratio of up to 30.0% of our PAT of each financial year on a consolidated basis after considering our capital requirements including working capital and capital expenditure. The actual dividend pay-out will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board.

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our Group's future dividends which are subject to modification (including non-declaration thereof) at our Board's discretion.

Dividend payments, capital gains and profits from dealing in our Shares will not be subject to Malaysian taxation (not applicable to entities including companies with trading of shares as their principal business activity). Potential investors are advised to consult their professional tax advisors if they are in any doubt as to the taxation implication of subscribing, holding or disposing of and dealing in our Shares.

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13. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
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Date: 23 May 2022

The Board of Directors
Infoline Tec Group Berhad
No.53-3, Jalan PJU 5/20E,
Pusat Perdagangan Kota Damansara,
47810, Petaling Jaya,
Selangor Darul Ehsan.

Dear Sirs/Madam

INFOLINE TEC GROUP BERHAD ("INFOLINE TEC" OR "THE COMPANY")
REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION INCLUDED IN A PROSPECTUS

We have completed our assurance engagement to report on the compilation of Pro Forma Combined Statements of Financial Position of Infoline Tec and its subsidiaries (collectively known as "the Group") as at 31 December 2021 together with the accompanying notes thereon (as set out in Appendix A, for which we have stamped for the purpose of identification), prepared by the Board of Directors of the Company for inclusion in the Prospectus in connection with the listing of and quotation for the entire enlarged issued share capital of Infoline Tec on the ACE Market of Bursa Malaysia Securities Berhad ("the Listing").

The applicable criteria on the basis of which the Board of Directors has compiled the Pro Forma Combined Statements of Financial Position are described in the notes thereon to the Pro Forma Combined Statements of Financial Position. The Pro Forma Combined Statements of Financial Position are prepared in accordance with paragraph 9.18 of Chapter 9, Part II Division 1: Equity of the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia ("Prospectus Guidelines").

The Pro Forma Combined Statements of Financial Position have been compiled by the Board of Directors of the Company to illustrate the effects of the transactions as set out in the notes thereon to the Pro Forma Combined Statements of Financial Position as if the transactions have been implemented and completed on 31 December 2021.

As part of this process, information about the Group's financial position as at 31 December 2021 have been extracted by the Board of Directors of the Company from the Accountants' Report of Infoline Tec.

THE BOARD OF DIRECTORS' RESPONSIBILITIES

The Board of Directors of the Company is solely responsible for compiling the Pro Forma Combined Statements of Financial Position on the basis as described in the notes thereon to the Pro Forma Combined Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

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REPORTING ACCOUNTANTS' INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirement of the By-Laws (*on Professional Ethics, Conduct and Practice*) issued by the Malaysian Institute of Accountants and the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the International Ethics Standard Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The Firm applies International Standard on Quality Control 1 (ISQC 1), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the Pro Forma Combined Statements of Financial Position have been compiled, in all material respects, by the Board of Directors of the Company on the basis as described in the notes thereon to the Pro Forma Combined Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

We conducted our engagement in accordance with the International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagement to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the Pro Forma Combined Statements of Financial Position on the basis as described in notes thereon to the Pro Forma Combined Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinion on any historical financial information used in compiling the Pro Forma Combined Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Combined Statements of Financial Position.

The purpose of Pro Forma Combined Statements of Financial Position included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

Crowe

REPORTING ACCOUNTANTS' RESPONSIBILITIES (CONT'D)

A reasonable assurance engagement to report on whether the Pro Forma Combined Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the Pro Forma Combined Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Combined Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Combined Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of Pro Forma Combined Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the Pro Forma Combined Statements of Financial Position of the Group as at 31 December 2021 have been compiled, in all material respects, on the basis as described in notes thereon to the Pro Forma Combined Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

OTHER MATTER

Our report on the Pro Forma Combined Statements of Financial Position has been prepared for inclusion in the Prospectus of Infoline Tec in connection with the Listing. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully

Crowe	
Crowe Malaysia PLT	**Kaw Hoong Siang**
201906000005 (LLP0018817-LCA) & AF 1018	03379/06/2022 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur

For Identification Only
Crowe
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Appendix A

INFOLINE TEC GROUP BERHAD
PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	Audited as at 31 December 2021 RM'000	Adjustment for Material Subsequent Event RM'000	Pro Forma I After Adjustment for Material Subsequent Event RM'000	Adjustment for Acquisitions RM'000	Pro Forma II After Pro Forma I and Acquisitions RM'000	Adjustment for Public Issue RM'000	Pro Forma III After Pro Forma I, II and Public Issue RM'000	Adjustment for Utilisation of Proceeds RM'000	Pro Forma IV After Pro Forma I, II, III and Utilisation of Proceeds RM'000
ASSETS										
NON-CURRENT ASSETS										
Equipment		372	-	372	-	372	-	372	-	372
Right-of-use assets		233	-	233	-	233	-	233	-	233
Deferred tax assets		803	-	803	-	803	-	803	-	803
		1,408	-	1,408	-	1,408	-	1,408	-	1,408
CURRENT ASSETS										
Inventories		2,022	-	2,022	-	2,022	-	2,022	-	2,022
Contract cost assets		2,746	-	2,746	-	2,746	-	2,746	-	2,746
Trade receivables		9,519	-	9,519	-	9,519	-	9,519	-	9,519
Other receivables, deposits				-						
and prepayments		1,723	-	1,723	-	1,723	-	1,723	-	1,723
Current tax assets		8	-	8	-	8	-	8	-	8
Deposit with a licensed bank		959	-	959	-	959	-	959	-	959
Cash and bank balances	7.1	11,432	(2,016)	9,416	-	9,416	23,680	33,096	(2,470)	30,626
		28,409	(2,016)	26,393	-	26,393	23,680	50,073	(2,470)	47,603
TOTAL ASSETS		29,817	(2,016)	27,801	-	27,801	23,680	51,481	(2,470)	49,011

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INFOLINE TEC GROUP BERHAD
PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 (CONT'D)

	Note	Audited as at 31 December 2021	Adjustment for Material Subsequent Event	Pro Forma I After Adjustment for Material Subsequent Event	Adjustment for Acquisitions	Pro Forma II After Pro Forma I and Acquisitions	Adjustment for Public Issue	Pro Forma III After Pro Forma I, II and Public Issue	Adjustment for Utilisation of Proceeds	Pro Forma IV After Pro Forma I, II, III and Utilisation of Proceeds
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES										
EQUITY										
Share capital	7.2	*	-	*	14,462	14,462	23,680	38,142	(1,249)	36,893
Invested equity	7.3	2,490	-	2,490	(2,490)	-	-	-	-	-
Merger reserve	7.4	-	-	-	(11,972)	(11,972)	-	(11,972)	-	(11,972)
Other reserves		458	-	458	-	458	-	458	-	458
Retained profits	7.5	14,962	(2,016)	12,946	-	12,946	-	12,946	(1,221)	11,725
TOTAL EQUITY		17,910	(2,016)	15,894	-	15,894	23,680	39,574	(2,470)	37,104
NON-CURRENT LIABILITIES										
Contract liabilities		602	-	602	-	602	-	602	-	602
Lease liabilities		132	-	132	-	132	-	132	-	132
		734	-	734	-	734	-	734	-	734

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INFOLINE TEC GROUP BERHAD
PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 (CONT'D)

	Audited as at 31 December 2021 RM'000	Adjustment for Material Subsequent Event RM'000	Pro Forma I After Adjustment for Material Subsequent Event RM'000	Adjustment for Acquisitions RM'000	Pro Forma II After Pro Forma I and Acquisitions RM'000	Adjustment for Public Issue RM'000	Pro Forma III After Pro Forma I, II and Public Issue RM'000	Adjustment for Utilisation of Proceeds RM'000	Pro Forma IV After Pro Forma I, II, III and Utilisation of Proceeds RM'000
CURRENT LIABILITIES									
Trade payables	6,561	-	6,561	-	6,561	-	6,561	-	6,561
Other payables and accruals	1,456	-	1,456	-	1,456	-	1,456	-	1,456
Contract liabilities	3,049	-	3,049	-	3,049	-	3,049	-	3,049
Lease liabilities	107	-	107	-	107	-	107	-	107
	11,173	-	11,173	-	11,173	-	11,173	-	11,173
TOTAL LIABILITIES	11,907	-	11,907	-	11,907	-	11,907	-	11,907
TOTAL EQUITY AND LIABILITIES	29,817	(2,016)	27,801	-	27,801	23,680	51,481	(2,470)	49,011
Number of ordinary shares in Infoline Tec ('000)	#	-	#	289,229	289,229	74,000	363,229	-	363,229
NA attribute to owners of Infoline Tec (RM'000)	17,910		15,894		15,894		39,574		37,104
NA per share attribute to Infoline Tec (RM	5.99 ^		5.32 ^		0.05		0.11		0.10

Notes:-

* *Denote RM25*
\# *Denote 500 shares*
^ *Computed based on aggregate number of ordinary shares in Infoline Tec, Infoline Solutions and Infoline Shenzhen*

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INFOLINE TEC GROUP BERHAD
NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

1. ABBREVIATIONS

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report:-

ACE Market	:	ACE Market of Bursa Securities
Acquisitions	:	Collectively, Infoline Solutions Acquisition and Infoline Shenzhen Acquisition
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Directors	:	Directors of the Company and within the meaning given in Section 2 of the Capital Markets and Services Act, 2007
EPS	:	Earnings per Share
FYE	:	Financial year ended 31 December, as the case may be
IFRS	:	International Financial Reporting Standards
Infoline Solutions	:	Infoline IT Solutions Sdn. Bhd. (Registration No. 201301015421 (1045254-P))
Infoline Solutions Acquisition	:	The acquisition of the entire issued share capital of Infoline Solutions from the Infoline Solutions Vendors for a total consideration of RM9,553,502 which was fully satisfied by the issuance of 191,070,040 new Shares at an issue price of RM0.05 each
Infoline Solutions Vendors	:	Choo Wei Chuen, Loo Wai Hong and Too Yit Meng, collectively
Infoline Shenzhen	:	Infoline Technology (Shenzhen) Limited (Registration No. 440301503446228)
Infoline Shenzhen Acquisition	:	The acquisition of the entire registered capital of Infoline Shenzhen from the Infoline Shenzhen Vendor for a total consideration of RM4,907,929 (equivalent to RMB7,635,236 based on the closing exchange rate on 30 June 2021 of RMB1:RM0.6428) which was fully satisfied by the issuance of 98,158,580 new Shares at an issue price of RM0.05 each
Infoline Shenzhen Vendor	:	Choo Wei Chuen
Infoline Tec or the Company	:	Infoline Tec Group Berhad (Registration No. 202101032489 (1432789-M))
Infoline Tec Shares or Shares	:	Ordinary shares in Infoline Tec

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INFOLINE TEC GROUP BERHAD
NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

1. ABBREVIATIONS (CONT'D)

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report (Cont'd):-

Infoline Tec Group or the Group	:	Infoline Tec and Subsidiaries, collectively
IPO	:	Initial public offering comprising the Public Issue and Offer for Sale, collectively
IPO Price	:	IPO price of RM0.32 per IPO Share
IPO Shares	:	The Issue Shares and Offer Shares, collectively
Issue Shares	:	New Shares to be issued by the Company pursuant to the Public Issue
Listing	:	Admission to the Official List and the listing and quotation for the Company's entire enlarged Shares on the ACE Market
MITI	:	Ministry of International Trade and Industry, Malaysia
MFRSs	:	Malaysian Financial Reporting Standards
NA	:	Net assets
Offer for Sale	:	Offer for sale by the Selling Shareholder of 22,250,000 Offer Shares at the IPO Price, representing 6.12% of the entire enlarged Shares by way of private placement to selected investors
Offer Shares	:	The existing Shares to be offered by the Offeror pursuant to the Offer for Sale
Offeror	:	Choo Wei Chuen
Official List	:	A list specifying all securities listed on Bursa Securities
Promoters	:	Choo Wei Chuen and Loo Wai Hong, collectively

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INFOLINE TEC GROUP BERHAD
NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

1. ABBREVIATIONS (CONT'D)

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report (Cont'd):-

Public Issue	:	Public issue of 74,000,000 Issue Shares at the IPO Price, representing 20.38% of the entire enlarged Shares in the following manner:- (i) 18,162,000 Issue Shares made available for application by the Malaysian Public; (ii) 8,269,000 Issue Shares made available for application by the Eligible Persons; (iii) 2,165,300 Issue Shares made available by way of private placement to selected investors; and (iv) 45,403,700 Issue Shares made available by way of private placement to identified Bumiputra investors approved by MITI
RM and sen	:	Ringgit Malaysia and sen, respectively
Subsidiaries	:	Infoline Solutions and Infoline Shenzhen, collectively

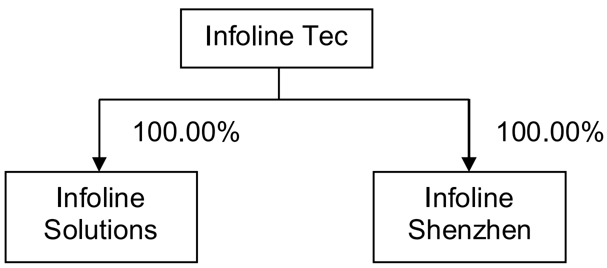
2. INTRODUCTION

The Pro Forma Combined Statements of Financial Position of Infoline Tec Group as at 31 December 2021 together with the accompanying notes thereon, for which the Board of Directors of the Company are solely responsible, have been prepared for illustrative purposes only for the purpose of inclusion in the Prospectus in connection with the Listing and should not be relied upon for any other purposes.

3. BASIS OF PREPARATION

3.1 Group Structure

The pro forma corporate structure of Infoline Tec Group is presented as follows:-



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INFOLINE TEC GROUP BERHAD
NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

3. BASIS OF PREPARATION (CONT'D)

3.2 Accountants' Report And Audited Financial Statements

The Pro Forma Combined Statements of Financial Position are prepared based on the Accountants' Report of Infoline Tec for the FYE 31 December 2021 in accordance with MFRSs and IFRS, and in a manner consistent with the format of the audited financial statements and accounting policies of the Group.

The Accountants' Report used in the preparation of these Pro Forma Combined Statements of Financial Position was not subject to any audit qualification, modification or disclaimer of opinion.

3.3 Business Combinations

The business combinations of Infoline Tec Group involving the formation of a new holding company, namely Infoline Tec, to undertake a restructuring exercise via the acquisitions of Infoline Solutions and Infoline Shenzhen. These acquisitions are accounted using merger method as these companies are under common control by the same parties, both before and after the Acquisitions, and control is not transitory. Using merger method, the assets and liabilities of the acquired entities are stated at their existing carrying amounts. The difference between the consideration paid and share capital of the acquired entity is accounted for as merger reserve in the Pro Forma Combined Statements of Financial Position.

3.4 Applicable Criteria

(a) The Pro Forma Combined Statements of Financial Position of Infoline Tec Group as at 31 December 2021, together with the accompanying notes thereon, have been prepared solely to illustrate the effect on the financial positions of the Infoline Tec Group as at 31 December 2021 had the events and transactions as set out in Note 4 herein been implemented on 31 December 2021.

(b) The Pro Forma Combined Statements of Financial Position of Infoline Tec Group have been prepared for illustration purposes using the Accountants' Report as set out in Note 3.2 above which are prepared in accordance with MFRS and IFRS and are not subject to any qualification, modification or disclaimer.

(c) The Pro Forma Combined Statements of Financial Position of Infoline Tec Group have also been compiled in a manner consistent with the format of the audited financial statements and accounting policies of Infoline Tec.

(d) Material and appropriate adjustments have been made in the preparation of Pro Forma Combined Statements of Financial Position of Infoline Tec Group.

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INFOLINE TEC GROUP BERHAD
NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

3. BASIS OF PREPARATION (CONT'D)

3.4 Applicable Criteria (Cont'd)

The Pro Forma Combined Statements of Financial Position as at 31 December 2021 are not necessarily indicative of the financial position that would have been attained had the Acquisitions, material subsequent event and the IPO actually occurred at the respective dates. The Pro Forma Combined Statements of Financial Position have been prepared for illustrative purpose only, and because of this nature, may not give a true picture of the actual financial position of the Group.

4. MATERIAL SUBSEQUENT EVENT OCCURRING AFTER 31 DECEMBER 2021

On 27 April 2022, the Board of Directors declared a final dividend of RM2,015,778.60 for the financial year ended 31 December 2021 ("Pre-IPO Dividend") which was paid on 6 May 2022.

The Pre-IPO Dividend is illustrated in the Pro Forma in accordance with paragraph 9.20 of Chapter 9, Part II Division 1: Equity of the Prospectus Guidelines.

5. LISTING SCHEME

The following proposals were undertaken in conjunction with, and as an integral part of the Listing:-

5.1 Acquisitions

(a) Infoline Solutions Acquisition

On 3 November 2021, Infoline Tec entered into a conditional share sale agreement with the vendors of Infoline Solutions to acquire the entire issued share capital of Infoline Solutions for a total purchase consideration of RM9,553,502 which was fully satisfied by the issuance of 191,070,040 new Shares at an issue price of RM0.05 per Share. The total purchase consideration of RM9,553,502 was arrived at after taking into consideration the audited NA position of Infoline Solutions as at 30 June 2021 of RM9,553,502. The acquisition is conditional upon, amongst others, the approval of Bursa Securities being obtained for the Listing.

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NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

5. LISTING SCHEME (CONT'D)

5.1 Acquisitions (Cont'd)

(b) Infoline Shenzhen Acquisition

On 3 November 2021, Infoline Tec entered into a conditional share sale agreement with the vendor of Infoline Shenzhen to acquire the entire registered capital of Infoline Shenzhen for a total purchase consideration of RM4,907,929 (equivalent to RMB7,635,236 based on closing exchange rate on 30 June 2021 of RMB1:RM0.6428) which was fully satisfied by the issuance of 98,158,580 new Shares at an issue price of RM0.05 per Share. The total purchase consideration of RM4,907,929 was arrived at after taking into consideration the audited NA position of Infoline Shenzhen as at 30 June 2021 of RMB7,635,236 (equivalent to RM4,907,929 based on the closing exchange rate on 30 June 2021 of RMB1:RM0.6428). The acquisition is conditional upon, amongst others, the approval of Bursa Securities being obtained for the Listing.

The Acquisitions were completed on 9 May 2022.

5.2 IPO

(a) Public Issue

Public issue of 74,000,000 Issue Shares at the IPO Price, representing 20.38% of the entire enlarged Shares in the following manner:-

(i) 18,162,000 Issue Shares will be made available for application by the Malaysian Public;

(ii) 8,269,000 Issue Shares will be made available for application by the Eligible Persons;

(iii) 2,165,300 Issue Shares made available by way of private placement to selected investors; and

(iv) 45,403,700 Issue Shares will be made available by way of private placement to identified Bumiputera investors approved by the MITI.

(b) Offer for Sale

22,250,000 Offer Shares, representing 6.12% of the entire enlarged Shares, will be made available at the IPO Price by way of private placement to selected investors.

5.3 Listing

The admission to the Official List and the listing of and quotation for the entire enlarged issued Shares of Infoline Tec, comprising 363,229,120 Shares on the ACE Market of Bursa Securities will be sought.

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INFOLINE TEC GROUP BERHAD
NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

6. PRO FORMA ADJUSTMENTS TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

6.1 Pro Forma I

Pro Forma I incorporates the effects of the Material Subsequent Event as set out in Section 4 above.

6.2 Pro Forma II

Pro Forma II incorporates the effects of the Pro Forma I and the effects of the Acquisitions as set out in Section 5.1 above.

6.3 Pro Forma III

Pro Forma III incorporates the effects of Pro Forma I, II and the effects of the Public Issue as set out in Section 5.2 above.

6.4 Pro Forma IV

Pro Forma IV incorporates the effects of Pro Forma I, II, III and the utilisation of the proceeds from the Public Issue. The proceeds from the Public Issue will be utilised as follows:-

Purposes	Amount of proceeds RM'000	Amount of proceeds %	Estimated timeframe for utilisation from the date of Listing
Setting up of technology centre and disaster recovery centre #	8,460	35.73	Within 9 months
Enhancement of NOC #	4,300	18.16	Within 8 months
Setting up of a SOC #	4,700	19.85	Within 18 months
Business expansion #	2,220	9.38	Within 12 months
Estimated listing expenses *^	4,000	16.89	Within 3 months
Total	23,680	100.00	

Notes:-

- *As at the latest practicable date, the Company has yet to enter into any contractual binding arrangements or issue any purchase orders in relation to the above purposes. Accordingly, the use of proceeds earmarked for these purposes are not reflected in the Pro Forma Combined Statements of Financial Position.*

* - *If the actual listing expenses are higher than budgeted, the deficit will be funded by the Group's internally generated funds.*

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NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

6. PRO FORMA ADJUSTMENTS TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

6.4 Pro Forma IV (Cont'd)

Notes (Cont'd):-

^ - *The estimated listing expenses of RM1,249,000 directly attributable to the Public Issue will be offset against share capital. The Group has recognised listing expenses of RM1,530,000 to the profit or loss during the FYE 2021. The remaining estimated listing expenses of RM1,221,000 attributable to the Listing will be expensed off to profit or loss.*

7. EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

7.1 Cash and Bank Balances

	RM'000
As at 31 December 2021	11,432
Less: Pre-IPO Dividend	(2,016)
As per Pro Forma I and II	9,416
Add: Proceeds from public issue	23,680
As per Pro Forma III	33,096
Less: Utilisation of proceeds	(2,470)
As per Pro Forma IV	30,626

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INFOLINE TEC GROUP BERHAD
NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

7. EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

7.2 Share Capital

	Number of Ordinary Shares '000	Amount of Share Capital RM'000
As at 31 December 2021/Pro Forma I	#	*
Add: Shares issued pursuant to the Acquisitions	289,229	14,462
As per Pro Forma II	289,229	14,462
Add: Public Issue	74,000	23,680
As per Pro Forma III	363,229	38,142
Less: Estimated listing expenses	-	(1,249)
As per Pro Forma IV	363,229	36,893

Notes:

* – *Denote RM25*
\# – *Denote 500 shares*

7.3 Invested Equity

	RM'000
As at 31 December 2021/Pro Forma I	2,490
Less: Pursuant to the Acquisitions	(2,490)
As per Pro Forma II, III and IV	-

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7. EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

7.4 Merger Reserve

	RM'000
As at 31 December 2021/Pro Forma I	-
Less: Pursuant to the Acquisitions	(11,972)
As per Pro Forma II, III and IV	(11,972)

7.5 Retained Profits

	RM'000
As at 31 December 2021	14,962
Less: Pre-IPO Dividend	(2,016)
As per Pro Forma II and III	12,946
Less: Estimated listing expenses	(1,221)
As per Pro Forma IV	11,725

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INFOLINE TEC GROUP BERHAD

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Infoline Tec in accordance with a resolution dated 20 May 2022.

On behalf of the Board of Directors,

Loo Wai Hong **Choo Wei Chuen**

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Date: 23 May 2022

The Board of Directors
Infoline Tec Group Berhad
No.53-3, Jalan PJU 5/20E,
Pusat Perdagangan Kota Damansara,
47810, Petaling Jaya,
Selangor Darul Ehsan.

Dear Sirs/Madam

REPORTING ACCOUNTANTS' OPINION ON THE FINANCIAL INFORMATION CONTAINED IN THE ACCOUNTANTS' REPORT OF INFOLINE TEC GROUP BERHAD ("INFOLINE TEC" OR "COMPANY")

OPINION

We have audited the financial information contained in the Accountants' Report of Infoline Tec Group Berhad, which is the combined financial statements of Infoline Tec and its combining entities, namely Infoline IT Solutions Sdn. Bhd. and Infoline Technology (Shenzhen) Limited (collectively known as "the Group"), which comprise the combined statements of financial position as at 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021 of the Group and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the financial years ended ("FYE") 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021 and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 4 to 109.

The historical financial information has been prepared for inclusion in the prospectus of Infoline Tec in connection with the listing of and quotation for the entire enlarged issued share capital of Infoline Tec on the ACE Market of Bursa Malaysia Securities Berhad ("the Listing"). This report is required by the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and is given for the purpose of complying with Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines and for no other purpose.

In our opinion, the financial information contained in the Accountants' Report gives a true and fair view of the combined financial position of the Group as at 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021, and of its combined financial performance and combined cash flows for each of the financial years ended 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021 in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Financial Information* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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BASIS FOR OPINION (CONT'D)

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

We are independent of the Group in accordance with the By-Laws *(on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL INFORMATION

The Directors of the Group are responsible for the preparation of financial information of the Group that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial information of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the financial information of the Group, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

REPORTING ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL INFORMATION

Our objectives are to obtain reasonable assurance about whether the financial information of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial information of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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REPORTING ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL INFORMATION (CONT'D)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial information of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial information of the Group, including the disclosures, and whether the financial information of the Group represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial information of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RESTRICTION ON DISTRIBUTION AND USE

Our report has been prepared for inclusion in the prospectus of Infoline Tec in connection with the listing of and quotation for the entire enlarged issued share capital of Infoline Tec on the ACE Market of Bursa Malaysia Securities Berhad. As such, this report should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Crowe

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kaw Hoong Siang
03379/06/2022 J
Chartered Accountant

Kuala Lumpur

INFOLINE TEC GROUP BERHAD

COMBINED STATEMENTS OF FINANCIAL POSITION

		Audited			
		FYE 31 December			
	Note	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
ASSETS					
NON-CURRENT ASSETS					
Equipment	5	43	95	75	372
Right-of-use assets	6	-	263	200	233
Deferred tax assets	7	48	48	644	803
		91	406	919	1,408
CURRENT ASSETS					
Inventories	8	1,060	1,018	661	2,022
Contract cost assets	9	200	902	2,489	2,746
Trade receivables	10	5,093	8,370	8,408	9,519
Other receivables, deposits and prepayments	11	355	338	433	1,723
Amount owing by a related party	12	70	535	-	-
Current tax assets		39	74	57	8
Deposit with a licensed bank	13	900	900	930	959
Cash and bank balances		872	1,841	7,172	11,432
		8,589	13,978	20,150	28,409
Assets of disposal group classified as held for sale	14	693	-	-	-
		9,282	13,978	20,150	28,409
TOTAL ASSETS		9,373	14,384	21,069	29,817

INFOLINE TEC GROUP BERHAD

COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

		Audited			
		FYE 31 December			
	Note	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15(a)	-	-	-	*
Invested equity	15(b)	1,310	2,490	2,490	2,490
Retained profits		2,896	2,073	7,166	14,962
Reserves	16	(11)	(48)	198	458
TOTAL EQUITY		4,195	4,515	9,854	17,910
NON-CURRENT LIABILITIES					
Contract liabilities	17	50	369	378	602
Lease liabilities	18	-	125	111	132
		50	494	489	734

Note : (*) - Denote RM25

INFOLINE TEC GROUP BERHAD

COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

		Audited			
		FYE 31 December			
	Note	**2018** RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
CURRENT LIABILITIES					
Trade payables	19	1,432	6,745	6,270	6,561
Other payables and accruals	20	427	652	1,002	1,456
Contract liabilities	17	250	899	2,199	3,049
Lease liabilities	18	-	143	92	107
Amount owing to a related party	12	151	-	-	-
Amount owing to a director	21	2,199	244	-	-
Bankers' acceptance	22	-	568	-	-
Current tax liabilities		142	124	1,163	-
		4,601	9,375	10,726	11,173
Liabilities of disposal group classified as held for sale	14	527	-	-	-
TOTAL LIABILITIES		5,178	9,869	11,215	11,907
TOTAL EQUITY AND LIABILITIES		9,373	14,384	21,069	29,817

INFOLINE TEC GROUP BERHAD

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Audited			
		FYE 31 December			
	Note	**2018** RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
CONTINUING OPERATIONS					
REVENUE	23	18,838	31,058	43,815	44,586
COST OF SALES		(11,838)	(22,162)	(29,753)	(27,549)
GROSS PROFIT		7,000	8,896	14,062	17,037
OTHER INCOME		16	56	135	256
ADMINISTRATIVE EXPENSES		(2,550)	(4,270)	(4,456)	(6,269)
OTHER EXPENSES		(159)	(220)	(335)	(440)
FINANCE COSTS		(3)	(46)	(43)	(23)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	24	-	(5)	(61)	(34)
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS	25	4,304	4,411	9,302	10,527
INCOME TAX EXPENSE	26	(762)	(853)	(2,256)	(2,731)
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		3,542	3,558	7,046	7,796

INFOLINE TEC GROUP BERHAD

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

		Audited FYE 31 December			
	Note	**2018** RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
DISCOUNTINUED OPERATIONS					
(LOSS)/PROFIT AFTER TAXATION FROM DISCONTNUED OPERATIONS	27	(509)	243	-	-
PROFIT AFTER TAXATION		3,033	3,801	7,046	7,796
OTHER COMPREHENSIVE INCOME					
Items that will be reclassified subsequently to profit or loss					
Foreign currency translation differences		-	(37)	93	260
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		3,033	3,764	7,139	8,056

INFOLINE TEC GROUP BERHAD

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

		Audited			
		FYE 31 December			
	Note	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company:					
- continuing operations		3,542	3,558	7,046	7,796
- discontinued operations		(509)	243	-	-
		3,033	3,801	7,046	7,796
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ATTRIBUTABLE TO:-					
Owners of the Company:					
- continuing operations		3,542	3,521	7,139	8,056
- discontinued operations		(509)	243	-	-
		3,033	3,764	7,139	8,056
EARNINGS/(LOSS) PER SHARE (RM)	28				
Basic and diluted:					
- continuing operations		2.70	1.43	2.83	3.13
- discontinued operations		(0.39)	0.10	-	-

INFOLINE TEC GROUP BERHAD

COMBINED STATEMENTS OF CHANGES IN EQUITY

		Audited					
				< --- Non-Distributable --->		Distributable	
	Note	Share Capital RM'000	Invested Equity RM'000	Foreign Exchange Translation Reserve RM'000	Statutory Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
Balance at 1.1.2018		-	1,310	(12)	1	(137)	1,162
Profit after taxation/Total comprehensive income for the financial year		-	-	-	-	3,033	3,033
Balance at 31.12.2018/1.1.2019			1,310	(12)	1	2,896	4,195
Profit after taxation for the financial year		-	-	-	-	3,801	3,801
Other comprehensive income for the financial year:							
- Foreign currency translation differences		-	-	(37)	-	-	(37)
Total comprehensive income for the financial year		-	-	(37)	-	3,801	3,764
Contributions by and distribution to owners of the Company:							
- Issuance of shares	15(b)	-	1,180	-	-	-	1,180
- Dividends	29	-	-	-	-	(4,624)	(4,624)
Total transactions with owners		-	1,180	-	-	(4,624)	(3,444)
Balance at 31.12.2019/1.1.2020		-	2,490	(49)	1	2,073	4,515

INFOLINE TEC GROUP BERHAD

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

		Audited					
				< --- Non-Distributable --->		Distributable	
	Note	Share Capital RM'000	Invested Equity RM'000	Foreign Exchange Translation Reserve RM'000	Statutory Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
Balance carried forward		-	2,490	(49)	1	2,073	4,515
Profit after taxation for the financial year		-	-	-	-	7,046	7,046
Other comprehensive income for the financial year:							
- Transfer to statutory reserve		-	-	-	153	(153)	-
- Foreign currency translation differences		-	-	93	-	-	93
Total comprehensive income for the financial year		-	-	93	153	6,893	7,139
Distribution to owners of the Company:							
- Dividends	29	-	-	-	-	(1,800)	(1,800)
Balance at 31.12.2020/1.1.2021		-	2,490	44	154	7,166	9,854

INFOLINE TEC GROUP BERHAD

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

		Audited					
				< --- Non-Distributable --->		Distributable	
	Note	Share Capital RM'000	Invested Equity RM'000	Foreign Exchange Translation Reserve RM'000	Statutory Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
Balance carried forward		-	2,490	44	154	7,166	9,854
Profit after taxation for the financial year		-	-	-	-	7,796	7,796
Other comprehensive income for the financial year:							
- Foreign currency translation differences		-	-	260	-	-	260
Total comprehensive income for the financial year		-	-	260	-	7,796	8,056
Contributions by owners of the Company:							
- Issuance of shares	15(a)	*	-	-	-	-	*
Balance at 31.12.2021		*	2,490	304	154	14,962	17,910

Note : (*) - Denote RM25

INFOLINE TEC GROUP BERHAD

COMBINED STATEMENTS OF CASH FLOWS

	Audited FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation				
- continuing operations	4,304	4,411	9,302	10,527
- discontinued operations	(460)	249	-	-
	3,844	4,660	9,302	10,527
Adjustments for:-				
Bad debts written off	-	5	1	-
Depreciation of equipment	16	31	34	78
Depreciation of right-of-use assets	-	117	136	122
Equipment written off	-	-	3	-
Impairment losses on trade receivables	-	-	60	47
Interest expense on financial liabilities that are not at fair value through profit or loss	-	31	28	3
Interest expense on lease liabilities	-	14	11	13
Inventories written down	-	-	129	62
Loss of disposal of a subsidiary	-	446	-	-
COVID-19-related rent concessions	-	-	(3)	-
Gain on modification of leases	-	-	(3)	(2)
Gain on disposal of equipment	-	-	(4)	(1)
Interest income	(3)	(34)	(39)	(44)
Reversal of impairment loss on trade receivables	-	-	-	(13)
Operating profit before working capital changes carried forward	3,857	5,270	9,655	10,792

INFOLINE TEC GROUP BERHAD

COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

	Audited FYE 31 December			
	2018	**2019**	**2020**	**2021**
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES (CONT'D)				
Operating profit before working capital changes brought forward	3,857	5,270	9,655	10,792
Decrease/(Increase) in inventories	101	42	228	(1,423)
Increase in contract cost assets	(66)	(702)	(1,588)	(257)
(Decrease)/Increase in contract liabilities	(304)	781	1,309	1,074
Increase in trade and other receivables	(3,296)	(3,234)	(193)	(2,418)
(Decrease)/Increase in trade and other payables	(343)	5,293	(125)	745
Decrease/(Increase) in amount owing by related parties	203	(616)	535	-
CASH FROM OPERATIONS	152	6,834	9,821	8,513
Income tax paid	(578)	(903)	(1,796)	(4,004)
Interest paid	-	(46)	(39)	(16)
Interest received	3	34	39	26
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(423)	5,919	8,025	4,519

INFOLINE TEC GROUP BERHAD

COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

		Audited			
		FYE 31 December			
	Note	**2018** RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
CASH FLOWS FOR INVESTING ACTIVITIES					
Placement of deposit pledged to a licensed bank and/or deposit with tenure more than 3 months		(900)	-	(30)	(29)
Proceeds from disposal of equipment		-	-	9	3
Purchase of equipment	31(a)	(20)	(83)	(22)	(377)
Acquisition of a subsidiary		(70)	-	-	-
Disposal of a subsidiary, net of cash and cash equivalents disposed of	30	-	(18)	-	-
NET CASH FOR INVESTING ACTIVITIES		(990)	(101)	(43)	(403)

INFOLINE TEC GROUP BERHAD

COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

		Audited			
		FYE 31 December			
	Note	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividends paid		-	(4,624)	(1,800)	-
Repayment to directors	31(b)	(168)	(775)	(244)	-
Advances from directors	31(b)	1,854	-	-	-
Drawdown/(Repayment) of bankers' acceptance	31(b)	-	568	(568)	-
Repayment of lease liabilities	31(b)	-	(111)	(132)	(117)
Proceeds from issuance of shares		-	-	-	*
NET CASH FROM/(FOR) FINANCING ACTIVITIES		1,686	(4,942)	(2,744)	(117)
NET INCREASE IN CASH AND CASH EQUIVALENTS		273	876	5,238	3,999
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(12)	(37)	93	261
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		741	1,002	1,841	7,172
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	31(d)	1,002	1,841	7,172	11,432

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. ABBREVIATIONS

Unless the context otherwise requires, the following information shall apply throughout this report:

Abbreviations

COVID-19	:	Novel coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019
Infoline Tec or the Company	:	Infoline Tec Group Berhad (Registration No. 202101032489 (1432789-M))
Infoline Tec Group or the Group	:	Infoline Tec and Subsidiaries, collectively
Infoline Tec Shares or Shares	:	Ordinary shares in the Company
Infoline Shenzhen	:	Infoline Technology (Shenzhen) Limited (Registration No. 440301503446228) （因福来科技（深圳）有限公司）, the Company's proposed wholly-owned subsdiary in PRC
Infoline Solutions	:	Infoline IT Solutions Sdn Bhd (Registration No. 201301015421 (1045254-P)), the Company's proposed wholly-owned subsidiary in Malaysia
FYE	:	Financial year ended/ending 31 December, as the case may be
FYE Under Review	:	FYE 2018, FYE 2019, FYE 2020 and FYE 2021
NA	:	Net assets
PRC	:	The People's Republic of China

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. ABBREVIATIONS (CONT'D)

Unless the context otherwise requires, the following information shall apply throughout this report (Cont'd):

Abbreviations (Cont'd)

RM and sen	:	Ringgit Malaysia and sen, respectively
The Group	:	Infoline Tec, Infoline Solutions and Infoline Shenzhen collectively

2. GENERAL INFORMATION

Infoline Tec was incorporated in Malaysia under the Companies Act 2016 on 5 October 2021 as a private limited company to facilitate the proposed initial public offering. Subsequently on 29 October 2021, the Company was converted to a public limited company under the name of Infoline Tec Group Berhad. The registered office and principal place of business are as follows:-

Registered office	:	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
Principal place of business	:	No.53-3, Jalan PJU 5/20E, Pusat Perdagangan Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

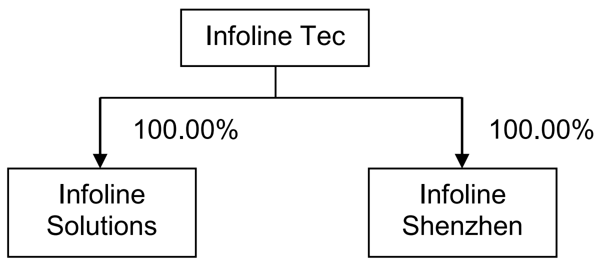
2. GENERAL INFORMATION (CONT'D)

For the purpose of listing the Company on the ACE Market of Bursa Malaysia Securities Berhad, the Company undertook a restructuring exercise via the acquisition of subsidiaries as follows:-

(a) On 3 November 2021, Infoline Tec entered into a conditional share sale agreement with the vendor of Infoline Solutions to acquire the entire issued share capital of Infoline Solutions for a total purchase consideration of RM9,553,502 which was fully satisfied by the issuance of 191,070,040 new Shares, at an issue price of RM0.05 per Share. The total purchase consideration of RM9,553,502 was arrived at after taking into consideration the NA position of Infoline Solutions as at 30 June 2021 of RM9,553,502. The acquisition is conditional upon, amongst others, the approval of Bursa Malaysia Securities Berhad being obtained for the Listing.

(b) On 3 November 2021, Infoline Tec entered into a conditional share sale agreement with the vendor of Infoline Shenzhen to acquire the entire registered capital of Infoline Shenzhen for a total purchase consideration of RM4,907,929 (equivalents to RMB7,635,236 based on closing exchange rate on 30 June 2021 of RMB1:RM0.6428) which was fully satisfied by the issuance of 98,158,580 new Shares, at an issue price of RM0.05 per Share. The total purchase consideration of RM4,907,929 was arrived at after taking into consideration the NA position of Infoline Shenzhen as at 30 June 2021 of RMB7,635,236 (equivalents to RM4,907,929 based on closing exchange rate on 30 June 2021 of RMB1:RM0.6428). The acquisition is conditional upon, amongst others, the approval of Bursa Malaysia Securities Berhad being obtained for the Listing.

Upon the completion of the acquisitions, the group structure will be as follows:-



INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

2. GENERAL INFORMATION (CONT'D)

The principal activity of Infoline Tec is investment holding. The details of the subsidiary and combining entities, which are incorporated in Malaysia and China, are disclosed as follows:-

Name of Company	Percentage of Issued Share Capital Held by Parent Audited 31 December				Principal Activities
	2018 %	2019 %	2020 %	2021 %	
Direct Subsidiary					
ICS Network Provider Sdn Bhd #	100	-	-	-	Importing, exporting and customisation of computer software and hardware
Combined Entities					
Infoline IT Solutions Sdn Bhd	100	100	100	100	Provision of information technology infrastructure and cybersecurity solutions, trading of ancillary hardware, and related services
Infoline Technology (Shenzhen) Limited	100	100	100	100	Provision of information technology infrastructure and cybersecurity solutions, trading of ancillary hardware, and related services

Note:-

ICS Network Provider Sdn Bhd was disposed of during FYE 31 December 2019. As at 31 December 2018, the assets and liabilities have been reclassified as held for sale.

3. BASIS OF PREPARATION

As the Group has not been in place as at 31 December 2021, there are no consolidated financial statements of the Group for financial years ended 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021.

For the purpose of inclusion in the prospectus of Infoline Tec in connection with the listing of and quotation for the entire enlarged issued share capital on the ACE Market of Bursa Malaysia Securities Berhad, the Group prepared the combined financial statements comprise the combined statements of financial position as at 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021 and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the financial years ended 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021.

The combined financial statements of the Group for the relevant period were prepared in a manner similar to the merger method, as if the entities within the Group were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period or the dates of incorporation of entities within the Group, if later. Such manner of presentation reflects the economic substance of the companies, which are under common control throughout the relevant period.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of common controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

The common control of the Group has been established since the set-up of the Group by virtue of Choo Wei Chuen, being the major shareholder and promoter of the Group. Hence, the combined financial statements of the Group have been prepared as if the Group has been operated as a single economic entity throughout the financial years ended 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

3. BASIS OF PREPARATION (CONT'D)

The combined financial statements of the Group are the combination or aggregation of all of the financial statements of the entities of the Group and have been prepared based on the financial statements for the relevant financial years as follows:-

Entities Under Common Control	31 December 2018	31 December 2019	31 December 2020	31 December 2021
Infoline Tec Group Berhad	*	*	*	✓
Infoline IT Solutions Sdn Bhd	✓, @	✓, &	✓, &	✓, &
Infoline Technology (Shenzhen) Limited	✓, $	✓, ^	✓, ^	✓, ^

* *No financial statements available for Infoline Tec as the Company was incorporated on 5 October 2021.*

✓ *The combined financial statements of the Group include the financial statements of these combining entities for the respective financial years.*

@ *The financial statements of Infoline Solutions for the financial year were audited by other firms of chartered accountants.*

& *The financial statements of Infoline Solutions for the respective financial years were audited by Crowe Malaysia PLT.*

$ *The financial statements of Infoline Shenzhen for the financial year were audited by other firm of chartered accountants.*

^ *The financial statements of Infoline Shenzhen for the respective financial years were audited by a member firm of Crowe Global of which Crowe Malaysia PLT is a member.*

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

3. BASIS OF PREPARATION (CONT'D)

The audited financial statements of all the combining entities were not subject to any modified audit opinions.

The combined financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the Prospectus Guideline.

3.1 The Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

Financial Year Beginning on or after 1 January 2021

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's combined financial statements.

Financial Year Beginning on or after 1 January 2020

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendment to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendments to MFRS 16: Covid-19-Related Rent Concessions

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's combined financial statements.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

3. BASIS OF PREPARATION (CONT'D)

3.1 The Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any)(Cont'd):-

Financial Year Beginning on or after 1 January 2019

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 16 Leases

IC Interpretation 23 Uncertainty Over Income Tax Treatments

Amendments to MFRS 9: Prepayments Features with Negative Compensation

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015 - 2017 Cycles

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's combined financial statements except as follows:-

MFRS 16 sets out the principles for the recognition, measurement presentation and disclosure of leases and replaced the previous guidance on lease accounting. Under MFRS 16 the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognize their lease assets and the related lease obligations in the combined statement of financial position (with limited exceptions) as right-of-use assets and lease liabilities respectively. The right-of-use assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The impacts on the combined financial statements of the Group upon its initial application of MFRS 16 are disclosed in Note 39 to the combined financial statements.

Financial Year Beginning on or after 1 January 2018

The Group prepared the first set of combined financial statements in accordance with MFRSs and adopted all the standards and interpretations which were effective for financial year beginning on or after 1 January 2018. All the effects of transition to MFRSs had been reflected at the date of transition, 1 January 2017.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the financial years under review:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the combined financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amounts of inventories as at the reporting date is disclosed in Note 8 to the combined financial statements.

(b) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales (including changes in the customer payment profile in response to the COVID-19 pandemic) and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables. The carrying amounts of trade receivables and trade amount owing by a related party as at the reporting date are disclosed in Notes 10 and 12 to the combined financial statements.

(c) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting period. The carrying amount of other receivables as at the reporting date is disclosed in Note 11 to the combined financial statements.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the combined financial statements other than as disclosed below:-

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

4.2 BASIS OF COMBINATION

(a) Combining Entities

The combined financial statements comprise the financial statements of the Company and its combining entities as at the reporting dates. The financial statements of the Company and its combining entities used in the preparation of the combined financial statements are prepared as of the same reporting dates.

The combining entities are entities, including structured entities, under common control of the shareholders that control the Company and the combining entities ("Controlling Shareholders"), and are accounted for as if the Company and the combining entities are a single economic entity at the beginning of the earlier comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated.

The assets and liabilities of the combining entities are recognised at the carrying amounts recognised in the respective combining entities' financial statements. The components of equity of the combining entities' are added to the same components within the Group's equity and any resulting gain/loss is recognised directly in equity. The accounting policies of combining entities have been changed where necessary to align them with the policies adopted by the Group.

The Controlling Shareholders control an entity when they are exposed, or have rights, to variable returns from their involvement with the entity and have the ability to affect those returns through their power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Controlling Shareholders also consider they have de facto power over an investee when, despite not having the majority of voting rights, they have the current ability to direct the activities of the investee that significantly affect the investee's return.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF COMBINATION (CONT'D)

(b) Transactions Eliminated on Combination

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the combined financial statements.

4.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The combined financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) Foreign Operations (Cont'd)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

4.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the combined statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the combined statements of financial position are disclosed in the individual policy statement associated with each item.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 EQUIPMENT

All items of equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of equipment are recognised in profit or loss as incurred.

Depreciation on equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Computers	20%
Office equipment	20%
Renovation	10%
Motor vehicle	20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

4.8 CONTRACT COST ASSETS

Costs to Fulfil a Contract

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract cost assets are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost assets exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost assets does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

4.9 CONTRACT LIABILITY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

4.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the combined statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal group comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets (or the disposal group) are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets (or non-current assets of the disposal group) are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss. In addition, equity accounting of equity-accounted associates ceases once classified as held for sale or distribution.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statements of profit or loss and other comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

4.12 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the combined statements of financial position.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.14 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax are recognised using the liability method for temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.16 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.17 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the combined profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

4.18 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) IT Infrastructure Solutions

Revenue is recognised over time in the period in which the IT infrastructure solutions are rendered. IT infrastructure solutions include overall management of the project and identifies various goods and services to be provided, including project management, procurement of hardware and software, system design, system deployment and testing, system installation and integration are rendered. In such contracts, goods and services are not distinct and generally accounts for them as a single performance obligation.

This performance does not create an asset with alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Certain IT infrastructure solutions contracts included the sale of hardware which is distinct and optional. Revenue for the sale of hardware is recognised at a point in time when the goods is delivered, the legal title has passed and the customer has accepted the goods. Following delivery, the customer bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered or the services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the goods delivered or services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the goods delivered or services rendered, a contract liability is recognised.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(b) Cybersecurity Solutions

Revenue is recognised over time in the period in which the cybersecurity solutions are rendered. Cybersecurity solutions provide to customers include supply of software to prevent cyber threats and attacks, and provide services to install and implement these solutions. Such services provided, if distinct will be accounted for as a separate performance obligation.

Customers are invoiced on yearly basis and consideration is payable when invoiced.

If the services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(c) Managed IT Services and Other IT Services

Revenue arising from the managed IT services and other IT services includes managed network and cybersecurity services, project delivery and management services, consultation services and maintenance and technical support services.

The Group enters into fixed price managed IT services and other IT services with its customers for terms between one and three years in length. Revenue for these services is recognised on a straight-line basis over the term of the contract. This method best depicts the transfer of services to the customer as there is no reliable prediction that can be made as to if and when any individual customer will require their service.

Customers are invoiced on monthly or yearly basis and consideration is payable when invoiced.

If the services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(d) Trading of Ancillary Hardware and Software

Revenue from the sale of ancillary hardware and software for a fixed fee shall be recognised when control over the hardware and software are transferred to customer at a point in time. For sales of ancillary hardware and software, transfer of control is usually deemed to occur upon delivery of products and customer acceptances. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

Some contracts include multiple deliverables, such as the installation of ancillary hardware and software. In most cases, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4.20 OTHER OPERATING INCOME

(a) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

5. EQUIPMENT

	At 1.1.2018 RM'000	Addition (Note 31(a)) RM'000	Depreciation Charges (Note 25) RM'000	At 31.12.2018 RM'000
FYE 2018				
Carrying Amount				
Computers	35	20	(15)	40
Office equipment	4	-	(1)	3
	39	20	(16)	43

	At 1.1.2019 RM'000	Additions (Note 31(a)) RM'000	Depreciation Charges (Note 25) RM'000	At 31.12.2019 RM'000
FYE 2019				
Carrying Amount				
Computers	40	58	(24)	74
Office equipment	3	25	(7)	21
	43	83	(31)	95

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

5. EQUIPMENT (CONT'D)

	At 1.1.2020 RM'000	Addition (Note 31(a)) RM'000	Disposal RM'000	Write off (Note 25) RM'000	Depreciation Charges (Note 25) RM'000	At 31.12.2020 RM'000
FYE 2020						
Carrying Amount						
Computers	74	22	(5)	(3)	(28)	60
Office equipment	21	-	-	-	(6)	15
	95	22	(5)	(3)	(34)	75

	At 1.1.2021 RM'000	Additions (Note 31(a)) RM'000	Disposal RM'000	Depreciation Charges (Note 25) RM'000	At 31.12.2021 RM'000
FYE 2021					
Carrying Amount					
Computers	60	9	(2)	(25)	42
Office equipment	15	25	-	(10)	30
Renovation	-	253	-	(25)	228
Motor vehicle	-	90	-	(18)	72
	75	377	(2)	(78)	372

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

5. EQUIPMENT (CONT'D)

	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
At 31.12.2018			
Computers	73	(33)	40
Office equipment	9	(6)	3
	82	(39)	43
At 31.12.2019			
Computers	131	(57)	74
Office equipment	34	(13)	21
	165	(70)	95
At 31.12.2020			
Computers	141	(81)	60
Office equipment	34	(19)	15
	175	(100)	75
At 31.12.2021			
Computers	133	(91)	42
Office equipment	56	(26)	30
Renovation	253	(25)	228
Motor vehicle	90	(18)	72
	532	(160)	372

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

6. RIGHT-OF-USE ASSETS

	1.1.2019 At Previously Reported RM'000	1.1.2019 Initial Application of MFRS 16 RM'000	1.1.2019 At Restated RM'000	Addition (Note 31(a)) RM'000	Depreciation Charges (Note 25) RM'000	At 31.12.2019 RM'000
FYE 2019						
Carrying Amount						
Office buildings	-	181	181	199	(117)	263

	At 1.1.2020 RM'000	Addition (Note 31(a)) RM'000	Depreciation Charges (Note 25) RM'000	Derecognition Due to Lease Modification RM'000	At 31.12.2020 RM'000
FYE 2020					
Carrying Amount					
Office buildings	263	140	(136)	(67)	200

	At 1.1.2021 RM'000	Depreciation Charges (Note 25) RM'000	Derecognition Due to Lease Modification RM'000	Modification of Lease Liabilities (Note 18) RM'000	At 31.12.2021 RM'000
FYE 2021					
Carrying Amount					
Office buildings	200	(122)	(47)	202	233

The Group has leased 4 office buildings that run for 2 years, with an option to renew the lease for a term of 1 year after that date.

The Group reassesses whether it is reasonably certain to exercise the options if there is a significant change in circumstances within its control. During the FYE 31 December 2021, the financial effect of revising the lease terms to reflect the effect of exercising the termination options was a decrease in recognised lease liabilities and right-of-use assets of RM46,445 (FYE 2020 - RM66,914).

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

7. DEFERRED TAX ASSETS

	Audited FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
At 1 January	54	48	48	644
Recognised in profit or loss (Note 26)	(6)	-	596	159
At 31 December	48	48	644	803

The deferred tax assets/(liability) recognised at the end of the reporting periods before appropriate off-setting are as follows:

	Audited FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Deferred Tax Assets:				
Contract liabilities	54	53	618	772
Provisions	-	-	45	68
	54	53	663	840
Deferred Tax Liability:-				
Equipment	(6)	(5)	(19)	(37)
	48	48	644	803

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

7. DEFERRED TAX ASSETS (CONT'D)

At the end of the reporting period the amounts of deferred tax asset not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	Audited			
	FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Deferred Tax Asset:-				
Contract liabilities	75	1,048	-	-

8. INVENTORIES

	Audited			
	FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Finished goods	1,060	1,018	661	2,022
Recognised in profit or loss:-				
Inventories recognised as cost of sales	11,997	21,461	28,938	26,409
Amount written down to net realisable value	-	-	129	62

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

9. CONTRACT COST ASSETS

	Audited			
	FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Costs to fulfil a contract	200	902	2,489	2,746

The costs to fulfil a contract represent cost incurred that is used to fulfil the contract in future. The costs are to be amortised on a straight-line method over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

10. TRADE RECEIVABLES

	Audited			
	FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Trade receivables	5,093	8,370	8,468	9,295
Unbilled receivables	-	-	-	318
	5,093	8,370	8,468	9,613
Allowance for impairment losses	-	-	(60)	(94)
	5,093	8,370	8,408	9,519

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

10. TRADE RECEIVABLES (CONT'D)

	Audited FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Allowance for impairment losses:-				
At 1 January	-	-	-	(60)
Addition during the financial year (Note 24)	-	-	(60)	(47)
Reversal during the financial year (Note 24)	-	-	-	13
At 31 December	-	-	(60)	(94)

The normal trade credit terms granted by the Group ranging from 30 to 90 days during the financial years under review. Other credit terms are assessed and approved on case-by-case basis.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Audited FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Other receivables	42	227	276	37
Deposits	26	36	68	349
Prepayments	287	75	89	1,337
	355	338	433	1,723

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

12. AMOUNTS OWING BY/(TO) A RELATED PARTY

The amounts owing were trade in nature and subject to the normal trade credit terms ranging from 30 to 60 days.

13. DEPOSIT WITH A LICENSED BANK

(a) The effective interest rate and maturity period of the deposit with a licensed bank of the Group at the end of the reporting periods are as follows:-

	Audited FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Interest rate (%)	3.35	3.35	3.10	1.85
Maturity period (months)	12	12	12	12

(b) The deposit with a licensed bank of the Group has been pledged as security for banking facilities granted to the Group during the FYE 2018, 2019 and 2020.

(c) During the FYE 2021, the deposit with a licensed bank is no longer pledged as security due to cancellation of banking facilities granted to the Group.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

14. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 25 October 2019, the Group entered into a Share Sale Agreement to dispose of its entire equity interests in its subsidiary, ICS Network Provider Sdn. Bhd..

At the end of the reporting period, the assets and liabilities of the subsidiary have been presented in the combined statements of financial position as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale", and its results have also been presented separately in the combined statements of profit or loss and other comprehensive income as "(Loss)/Profit after taxation from discontinued operations". The disposal was completed on 25 October 2019.

The assets of the disposal of a subsidiary were as follows:-

	The Group FYE 2018 RM'000
Assets	
Deferred tax assets	52
Goodwill	446
Other receivables	32
Amount due from a director	25
Current tax assets	8
Cash and bank balances	130
Assets of disposal group classified as held for sale	693

The carrying amount of the non-current assets were the same as their carrying values before it was reclassified as held for sale.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

14. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

The liabilities of the disposal of a subsidiary were as follows:-

	The Group FYE 2018 RM'000
Liabilities	
Trade payables	118
Other payables and accruals	121
Contract liabilities	288
Liabilities of disposal group classified as held for sale	527

Details of the subsidiary, which is incorporated in Malaysia, were as follows:-

Name of Subsidiary	Principal Place of Business	Percentage of Ownership Audited FYE 31 December 2018 %	2019 %	2020 %	2021 %	Principal Activities
ICS Network Provider Sdn. Bhd.^	Malaysia	100	-	-	-	Importing, exporting and customisation of computer software and hardware.

^ This subsidiary was audited by other firm of chartered accountants.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

15. SHARE CAPITAL AND INVESTED EQUITY

(a) Share Capital

	Audited							
	FYE 31 December							
	2018	2019	2020	2021	2018	2019	2020	2021
	Number of Shares '000				RM'000			
Issued and Fully Paid-Up								
Ordinary Shares								
At 1 January/Date of incorporation	-	-	-	#	-	-	-	*
At 31 December	-	-	-	#	-	-	-	*

Notes :-

* - RM25
\# - 500 shares

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

15. SHARE CAPITAL AND INVESTED EQUITY (CONT'D)

(b) Invested Equity

	Audited							
	FYE 31 December							
	2018	2019	2020	2021	2018	2019	2020	2021
	Number of Shares '000				RM'000			
Issued and Fully Paid-Up								
Ordinary Shares								
At 1 January	1,310	1,310	2,490	2,490	1,310	1,310	2,490	2,490
Issuance of new shares	-	1,180	-	-	-	1,180	-	-
At 31 December	1,310	2,490	2,490	2,490	1,310	2,490	2,490	2,490

For the purpose of these combined financial statements, the invested equity at the end of the respective financial years is the aggregate of the share capital of the combining entities constituting the Group.

During the FYE 2019, Infoline Solutions increased its issued and paid-up share capital from RM1,000,000 to RM2,180,000 by way of issuance of 1,180,000 new ordinary shares by capitalising the amount owing to a director of RM1,180,000. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of Infoline Solutions.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

16. RESERVES

(a) Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the combined financial statements of foreign subsidiary whose functional currencies are different from the Group's presentation currency.

(b) Statutory Reserve

The statutory reserve represents amounts transferred from profit after taxation of the common entity, Infoline Shenzhen under the PRC laws and regulations.

17. CONTRACT LIABILITIES

	Audited			
	FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Contract Liabilities				
Contract liabilities relating to sales of goods and services	300	1,268	2,577	3,651

(a) The contract liabilities primarily relate to sales of goods and services which are yet to be recognised as revenue due to unsatisfied performance obligation at the end of the period and advance receipts from customers. These contract liabilities will be recognised over the remaining contract term of the specific contract it relates to or upon delivery of goods or rendering of services.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

17. CONTRACT LIABILITIES (CONT'D)

(b) The changes to contract liability balances during the financial years under review are summarised below:-

	Audited			
	FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
At 1 January	334	300	1,268	2,577
Revenue recognised in profit or loss during the financial year	(613)	(250)	(4,433)	(7,262)
Billings to customers during the financial year	579	1,218	5,742	8,336
At 31 December	300	1,268	2,577	3,651
Represented by:-				
Current liabilities	250	899	2,199	3,049
Non-current liabilities	50	369	378	602
	300	1,268	2,577	3,651

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

17. CONTRACT LIABILITIES (CONT'D)

(c) As at the end of the reporting period, the transaction price allocated to the unsatisfied or partially unsatisfied performance obligations of long-term contracts whereby the remaining performance obligations are expected to be recognised as below:-

	Audited			
	FYE 31 December			
	2018	**2019**	**2020**	**2021**
	RM'000	RM'000	RM'000	RM'000
Within 1 year	250	899	2,199	3,049
Between 1 and 3 years	50	369	378	602
	300	1,268	2,577	3,651

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

18. LEASE LIABILITIES

	Audited			
	FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
At 1 January				
- As previously reported	-	-	268	203
- Initial application of MFRS 16	-	180	-	-
- As restated	-	180	268	203
Additions (Note 31(b))	-	199	140	-
Interest expense recognised in profit or loss (Note 25)	-	14	11	13
COVID-19-related rent concessions (Note 25)	-	-	(3)	-
Derecognition due to lease modification	-	-	(70)	(49)
Changes due to lease modification (Notes 6 and 31(b))	-	-	-	202
Repayment of principal	-	(111)	(132)	(117)
Repayment of interest expense	-	(14)	(11)	(13)
At 31 December	-	268	203	239
Analysed by:-				
Current liabilities	-	143	92	107
Non-current liabilities	-	125	111	132
	-	268	203	239

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

19. TRADE PAYABLES

	Audited			
	FYE 31 December			
	2018	**2019**	**2020**	**2021**
	RM'000	RM'000	RM'000	RM'000
Third parties	1,209	5,869	2,848	5,516
Accrued purchase	223	876	3,422	1,045
	1,432	6,745	6,270	6,561

The normal trade credit terms granted to the Group ranging from 30 to 60 days during the financial years under review.

20. OTHER PAYABLES AND ACCRUALS

	Audited			
	FYE 31 December			
	2018	**2019**	**2020**	**2021**
	RM'000	RM'000	RM'000	RM'000
Other payables	259	92	334	811
Deposits received	3	40	-	-
Accruals	165	520	668	645
	427	652	1,002	1,456

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

21. AMOUNT OWING TO A DIRECTOR

The amount owing was unsecured, interest-free and repayable on demand. The amount was partially settled by way of capitalising RM1,180,000 as consideration for the issuance of 1,180,000 new ordinary share on 18 June 2019. The balance of amount owing was settled by cash.

22. BANKERS' ACCEPTANCE

(a) During the FYE 2020, the bankers' acceptance was secured by:-

   (i) a joint and several guarantee of the directors of the Group and a former shareholder of the Group; and

   (ii) a pledged of fixed deposit of the Group as disclosed in Note 13 to the combined financial statements.

(b) The bankers' acceptance of the Group at the end of the reporting period bore an effective interest rate of 5.63% per annum.

(c) During the FYE 2021, the bankers' acceptance was no longer available due to cancellation of banking facilities granted to the Group.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

23. REVENUE

	Audited FYE 31 December			
	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
Revenue recognised at a point in time				
IT Infrastructure solutions	809	2,020	1,055	2,308
Trading of ancillary hardware and software	1,114	2,181	3,335	2,095
	1,923	4,201	4,390	4,403
Revenue recognised over time				
IT Infrastructure solutions	7,546	15,627	17,619	30,715
Cybersecurity solutions	805	2,610	11,219	1,509
Managed IT services and other IT services	8,564	8,620	10,587	7,959
	16,915	26,857	39,425	40,183
	18,838	31,058	43,815	44,586

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

23. REVENUE (CONT'D)

	Audited FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
The revenue is derived primarily from:-				
Local sales	17,785	29,979	41,835	36,652
Overseas sales	1,053	1,079	1,980	7,934
	18,838	31,058	43,815	44,586

24. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Audited FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Impairment losses on trade receivables (Note 10)	-	-	60	47
Reversal of impairment loss on trade receivables (Note 10)	-	-	-	(13)
Bad debts written off	-	5	1	-
	-	5	61	34

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

25. PROFIT BEFORE TAXATION

	Audited			
	FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- current financial year	67	50	70	122
- overprovision in the previous financial year	-	-	-	(2)
Directors' remuneration (Note 32(a)):				
- short-term employee benefits	283	511	1,342	1,974
- defined contribution benefits	26	53	69	114
- other benefits	1	2	2	2
Material Expenses/(Income)				
Depreciation of equipment (Note 5)	16	31	34	78
Depreciation of right-of-use assets (Note 6)	-	117	136	122
Equipment written off (Note 5)	-	-	3	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bankers' acceptance	-	31	28	3
Interest expense on lease liabilities (Note 18)	-	14	11	13

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

25. PROFIT BEFORE TAXATION (CONT'D)

	Audited			
	FYE 31 December			
	2018	**2019**	**2020**	**2021**
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) (Cont'd):-				
Material Expenses/(Income) (Cont'd)				
Inventories written down	-	-	129	62
Lease expenses:				
- rental of premises	134	24	3	-
Loss on disposal of a subsidiary	-	446	-	-
Staff costs (including other key management personnel as disclosed in Note 32):				
- short-term employee benefits	1,698	2,809	2,641	2,294
- defined contribution benefits	138	234	259	274
- other benefits	27	73	56	113
Foreign exchange loss/(gain):				
- realised	127	(11)	(51)	44
Gain/(Loss) on disposal of equipment	-	-	(4)	(1)
Gain on modification of leases	-	-	(3)	(2)
COVID-19-related rent concessions (Note 18)	-	-	(3)	-
COVID-19-related subsidies from government	-	-	(53)	-
Interest income	(3)	(35)	(39)	(44)

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

26. INCOME TAX EXPENSE

The corporate tax rate of the Group on the first RM600,000 (FYE 2020 - RM600,000; FYE 2019 - RM500,000 and FYE 2018 - RM500,000) of chargeable income is 17% (FYE 2020 - 17%; FYE 2019 - 17% and FYE 2018 - 18%). The tax rate applicable to the balance of the chargeable income is 24% for the financial years under review. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

	Audited			
	FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Current tax expense:				
- for the financial year	748	940	2,599	2,866
- under/(over)provision in prior years	8	(87)	253	24
	756	853	2,852	2,890
Deferred tax (Note 7):				
- origination and reversal of temporary differences	6	-	(343)	(158)
- overprovision in prior years	-	-	(253)	(1)
	6	-	(596)	(159)
	762	853	2,256	2,731
Represented by:-				
Income tax expense on continuing operations	762	853	2,256	2,731
Income tax expense on discontinued operations	49	6	-	-
	811	859	2,256	2,731

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

26. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group is as follows:-

	Audited			
	FYE 31 December			
	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
Profit after taxation	3,033	3,801	7,046	7,796
Total income tax expense	811	859	2,256	2,731
Results from continuing and discontinued operations before income tax expense	3,844	4,660	9,302	10,527

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

26. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group is as follows (Cont'd):-

	Audited FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Tax at the statutory tax rate of 24%	923	1,118	2,232	2,526
Tax effects of:-				
Non-deductible expenses	5	309	43	438
Non-taxable income	(90)	(219)	(1)	(48)
Others	-	(401)	-	-
Deferred tax assets not recognised during the financial year	-	230	-	-
Differential in tax rates	(35)	(22)	(18)	(208)
Utilisation of deferred tax assets previously not recognised	-	(69)	-	-
Under/(Over)provision in prior years:				
- current tax	8	(87)	253	24
- deferred tax	-	-	(253)	(1)
	811	859	2,256	2,731

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

27. (LOSS)/PROFIT AFTER TAXATION FROM DISCONTINUED OPERATIONS

The discontinued operations are in relations to the disposal of or discontinued operations of the subsidiary, ICS Network Provider Sdn. Bhd. which has completed on 25 October 2019.

An analysis of the results of the discontinued operations is as follows:-

	Audited FYE 31 December	
	2018 RM'000	**2019** RM'000
Revenue	389	289
Cost of sales	(797)	(2)
Gross (loss)/profit	(408)	287
Other income	3	-
Administrative expenses	(55)	(38)
(Loss)/Profit before taxation	(460)	249
Income tax expense	(49)	(6)
(Loss)/Profit after taxation from discontinued operations	(509)	243

Included in (loss)/profit before taxation from discontinued operations are the following:-

	Audited FYE 31 December	
	2018 RM'000	**2019** RM'000
Audit fee	18	-
Rental of premises	12	8
Staff costs	24	-

The cash flows attributable to the discontinued operations are as follows:-

	Audited FYE 31 December	
	2018 RM'000	**2019** RM'000
Net cash for operation activities	(16)	(99)
Net cash from investing activities	376	-
Net cash from financing activities	-	25
Net cash from/(for) discontinued operations	360	(74)

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

28. EARNINGS/(LOSS) PER SHARE

	Audited			
	FYE 31 December			
	2018	2019	2020	2021
Continuing Operations				
Profit attributable to owners of the Company (RM'000)	3,542	3,558	7,046	7,796
Weighted average number of ordinary shares in issue ('000):-				
Ordinary shares at 1 January	1,310	1,310	2,490	2,490
Effect of new ordinary shares issued	-	1,180	-	-
Weighted average number of ordinary shares at 31 December ('000)	1,310	2,490	2,490	2,490
Basic earnings per share (RM)	2.70	1.43	2.83	3.13

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

28. EARNINGS/(LOSS) PER SHARE (CONT'D)

	Audited			
	FYE 31 December			
	2018	**2019**	**2020**	**2021**
Discontinued Operations				
(Loss)/Profit attributable to owners of the Company (RM'000)	(509)	243	-	-
Weighted average number of ordinary shares at 31 December (as above) ('000)	1,310	2,490	2,490	2,490
Basic (loss)/earnings per share (RM)	(0.39)	0.10	-	-

There is no dilution in earnings per share as there is no potential diluted ordinary shares.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

29. DIVIDENDS

	Audited FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
In respect of the financial year ended 31 December 2019				
- single tier tax exempt interim dividend of RM2.0294 per ordinary share	-	4,424	-	-
- single tier tax exempt interim dividend of RM0.0917 per ordinary share	-	200	-	-
In respect of the financial year ended 31 December 2020				
- single tier tax exempt interim dividend of RM0.2752 per ordinary share	-	-	600	-
- single tier tax exempt interim dividend of RM0.5505 per ordinary share	-	-	1,200	-
	-	4,624	1,800	-

On 27 April 2022, Infoline Solutions declared a final dividend of RM0.9247 per ordinary share amounting to RM2,015,779 in respect of the FYE 2021, which was paid on 6 May 2022. This dividend was not reflected in Infoline Solutions' financial statements for the FYE 2021. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2022.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

30. DISPOSAL OF A SUBSIDIARY

On 25 October 2019, the Group disposed of its entire equity interests in ICS Network Provider Sdn. Bhd for RM38,000 in cash.

The financial effects of the disposal at the date of disposal are summarised below:-

	Audited FYE 2019 RM'000
Goodwill	446
Deferred tax assets	70
Other receivables, deposits and prepayments	1
Current tax assets	12
Cash and bank balances	56
Contract liabilities	(101)
Carrying amount of net assets disposed of	484
Loss on disposal of a subsidiary	(446)
Consideration received, satisfied in cash	38
Less: Cash and bank balances of a subsidiary disposed of	(56)
Net cash outflow from the disposal of a subsidiary	(18)

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of equipment and the additions of right-of-use assets is as follows:-

	Audited FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Equipment				
Cost of equipment purchased (Note 5)	20	83	22	377
Right-of-use assets				
Cost of right-of-use assets acquired (Note 6)	-	199	140	-
Less: Additions of new lease liabilities (Note 18)	-	(199)	(140)	-
	-	-	-	-

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Amount Owing To A Director RM'000
FYE 2018	
1.1.2018	513
Changes in Financing Cash Flows	
Advances	1,854
Repayment	(168)
	1,686
31.12.2018	2,199

	Lease Liabilities RM'000	**Amount Owing To A Director** RM'000	**Bankers' Acceptance** RM'000	**Total** RM'000
FYE 2019				
1.1.2019	180	2,199	-	2,379
Changes in Financing Cash Flows				
Proceeds from drawdown	-	-	568	568
Capitalisation of debts	-	(1,180)	-	(1,180)
Repayment	-	(775)	-	(775)
Repayment of principal	(111)	-	-	(111)
Repayment of interest	(14)	-	-	(14)
	(125)	(1,955)	568	(1,512)
Non-cash Changes				
Acquisition of new leases (Notes 18 and 31(a))	199	-	-	199
Interest expense recognised in profit or loss	14	-	-	14
	213	-	-	213
31.12.2019	268	244	568	1,080

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Lease Liabilities RM'000	Amount Owing To A Director RM'000	Bankers' Acceptance RM'000	Total RM'000
FYE 2020				
1.1.2020	268	244	568	1,080
Changes in Financing Cash Flows				
Repayment	-	(244)	-	(244)
Repayment of principal	(132)	-	(568)	(700)
Repayment of interest	(11)	-	(11)	(22)
	(143)	(244)	(579)	(966)
Non-cash Changes				
Acquisition of new leases (Notes 18 and 31(a))	140	-	-	140
COVID-19-related rent concessions received	(3)	-	-	(3)
Derecognition due to lease modification	(70)	-	-	(70)
Interest expense recognised in profit or loss	11	-	11	22
	78	-	11	89
31.12.2020	203	-	-	203

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Lease Liabilities RM'000
FYE 2021	
1.1.2021	203
Changes in Financing Cash Flows	
Repayment of principal	(117)
Repayment of interest	(13)
	(130)
Non-cash Changes	
Modification of lease (Notes 6 and 18)	202
Derecognition due to lease modification	(49)
Interest expense recognised in profit or loss	13
	166
31.12.2021	239

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a lessee are as follows:-

	Audited FYE 31 December			
	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
Interest paid on lease liabilities	-	14	11	13
Payment of lease liabilities	-	111	132	117
	-	125	143	130

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31. CASH FLOW INFORMATION (CONT'D)

(d) For the purpose of the combined statements of cash flows, the cash and cash equivalents comprise the following:-

	Audited FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Deposit with a licensed bank	900	900	930	959
Cash and bank balances	1,002	1,841	7,172	11,432
	1,902	2,741	8,102	12,391
Less:				
- Deposit pledged to a licensed bank	(900)	(900)	(930)	-
- Deposit with tenure of more than 3 months	-	-	-	(959)
Cash and cash equivalents from continuing operations	872	1,841	7,172	11,432
Cash and cash equivalents from discontinued operations	130	-	-	-
	1,002	1,841	7,172	11,432

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

32. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The directors and certain members of senior management are the key management personnel of the Group.

The key management personnel compensation during the financial years are as follows:-

	Audited			
	FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
(a) Directors:				
Short-term employee benefits				
- fees	-	-	-	32
- salaries, bonuses and commissions	283	511	1,342	1,942
- other benefits	1	2	2	2
	284	513	1,344	1,976
Defined contribution benefits	26	53	69	114
Total directors' remuneration (Note 25)	310	566	1,413	2,090
(b) Other Key Management Personnel				
Short-term employee benefits	323	464	755	462
Defined contribution benefits	33	54	66	56
Total compensation for other key management personnel	356	518	821	518

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

33. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control.

In addition to the information detailed elsewhere in the combined financial statements, the Group has related party relationships with its directors, entities controlled by a director and key management personnel.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

33. RELATED PARTY DISCLOSURES (CONT'D)

(b) Related Party Transactions and Balances

Other than those disclosed elsewhere in the combined financial statements, the Group also carried out the following significant transactions with the related parties during the financial years under review:-

	Audited			
	FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Former Companies Controlled by A Director				
Sales of goods	927	1,067	1,482	-
Purchase of goods	1,790	1,300	495	-
Lease of premises paid to	30	-	-	-
Company Controlled by A Director				
Lease of premises paid to	24	24	28	50
Directors				
Advances from	1,912	848	-	-
Advances to	-	100	200	-
Payment paid by	272	-	-	-
Lease of premises paid to	12	77	86	50

The significant outstanding balance of the related parties together with their terms and conditions are disclosed in Notes 12 and 21 to the combined financial statements respectively.

34. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a yearly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 4 main reportable segments as follows:

(a) IT infrastructure solutions
(b) Cybersecurity solutions
(c) Managed IT services and other IT services
(d) Trading of ancillary hardware and software

Inter-segment pricing is determined on a negotiated basis.

Segment profit

Segment performance is used to measure performance as the directors believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

Segment assets information is neither included in the internal management reports nor provided regularly to the directors. Hence no disclosure is made on segment assets.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the directors. Hence no disclosure is made on segment liabilities.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

34. OPERATING SEGMENTS (CONT'D)

34.1 BUSINESS SEGMENTS

	IT Infrastructure Solutions RM'000	Cybersecurity Solutions RM'000	Managed IT Services and Other IT Services RM'000	Trading of Ancillary Hardware and Software RM'000	**The Group** RM'000
FYE 2018					
Revenue					
External revenue	8,355	805	8,564	1,114	18,838
Combined revenue					18,838
Results					
Segment profit	2,480	152	4,182	186	7,000
Other income					16
Administrative expenses					(2,550)
Other expenses					(159)
Finance costs					(3)
Combined profit before taxation					4,304
Income tax expense					(762)
Combined profit after taxation					3,542

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

34. OPERATING SEGMENTS (CONT'D)

34.1 BUSINESS SEGMENTS (CONT'D)

	IT Infrastructure Solutions RM'000	Cybersecurity Solutions RM'000	Managed IT Services and Other IT Services RM'000	Trading of Ancillary Hardware and Software RM'000	**The Group** RM'000
FYE 2019					
Revenue					
External revenue	17,647	2,610	8,620	2,181	31,058
Combined revenue					31,058
Results					
Segment profit	4,343	400	3,877	276	8,896
Other income					56
Administrative expenses					(4,270)
Other expenses					(220)
Finance costs					(46)
Net impairment losses on financial assets					(5)
Combined profit before taxation					4,411
Income tax expense					(853)
Combined profit after taxation					3,558

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

34. OPERATING SEGMENTS (CONT'D)

34.1 BUSINESS SEGMENTS (CONT'D)

	IT Infrastructure Solutions RM'000	Cybersecurity Solutions RM'000	Managed IT Services and Other IT Services RM'000	Trading of Ancillary Hardware and Software RM'000	**The Group** RM'000
FYE 2020					
Revenue					
External revenue	18,674	11,219	10,587	3,335	43,815
Combined revenue					43,815
Results					
Segment profit	5,330	1,486	6,912	334	14,062
Other income					135
Administrative expenses					(4,456)
Other expenses					(335)
Finance costs					(43)
Net impairment losses on financial assets					(61)
Combined profit before taxation					9,302
Income tax expense					(2,256)
Combined profit after taxation					7,046

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

34. OPERATING SEGMENTS (CONT'D)

34.1 BUSINESS SEGMENTS (CONT'D)

	IT Infrastructure Solutions RM'000	Cybersecurity Solutions RM'000	Managed IT Services and Other IT Services RM'000	Trading of Ancillary Hardware and Software RM'000	**The Group** RM'000
FYE 2021					
Revenue					
External revenue	33,023	1,509	7,959	2,095	44,586
Combined revenue					44,586
Results					
Segment profit	12,313	323	4,202	199	17,037
Other income					256
Administrative expenses					(6,269)
Other expenses					(440)
Finance costs					(23)
Net impairment losses on financial assets					(34)
Combined profit before taxation					10,527
Income tax expense					(2,731)
Combined profit after taxation					7,796

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

34. OPERATING SEGMENTS (CONT'D)

34.2 GEOGRAPHICAL INFORMATION

Revenue is based on country in which the customers are located.

The information on the disaggregation of revenue based on geographical region is summarised below:-

	Audited			
	FYE 31 December			
	2018	**2019**	**2020**	**2021**
	RM'000	RM'000	RM'000	RM'000
Malaysia	12,444	21,819	28,385	28,602
PRC	5,370	8,160	13,636	8,243
Others	[1] 1,024	[2] 1,079	[3] 1,794	[4] 7,741
	18,838	31,058	43,815	44,586

Notes:

(1) FYE 2018 - comprises Hong Kong, Singapore, India and Myanmar.
(2) FYE 2019 - comprises Hong Kong and Singapore.
(3) FYE 2020 - comprises Hong Kong, Australia, Thailand, Singapore, Taiwan, South Korea and India.
(4) FYE 2021 - comprises Hong Kong, Australia, Thailand, Singapore, Taiwan, South Korea, Indonesia, the Philippines, Japan and India.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

34. OPERATING SEGMENTS (CONT'D)

34.3 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:-

	Audited			
	FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Customer #1	7,088	14,009	23,052	24,121
Customer #2	2,496	-	-	-
Customer #3	-	-	7,627	-
Customer #4	-	-	4,630	-
Customer #5	-	-	-	5,047
	9,584	14,009	35,309	29,168

35. CAPITAL COMMITMENT

	Audited			
	FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Purchase of right-of-use assets	-	-	90	-

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

36.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currencies of the Group. The currency giving rise to this risk is primarily United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currency for working capital purposes.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency) based on the carrying amounts of the financial instruments at the end of the reporting periods is summarised below:-

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure

	USD			
	FYE 31 December			
	2018	**2019**	**2020**	**2021**
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
Trade receivables	6	88	162	2,854
Amount owing by a related party	101	535	-	-
Cash and bank balances	-	-	153	1,486
Financial Liability				
Trade payables	(6)	(5)	(265)	(34)
Currency Exposure	101	618	50	4,306

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting periods, with all other variables held constant:-

	Audited FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Effects on Profit After Taxation				
USD/RM				
- strengthened by 5%	4	23	2	164
- weakened by 5%	(4)	(23)	(2)	(164)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

Exposure to Interest Rate Risk

Interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting periods are as follows:-

	Audited FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Fixed Rate Instruments				
Deposit with a licensed bank	900	900	930	959
Bankers' acceptance	-	(568)	-	-
	900	332	930	959

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis

The interest rate sensitivity analysis on the fixed rate instruments is not disclosed as these financial instruments are measured at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither their carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk at the end of the reporting periods is as follows:-

	Audited FYE 31 December			
	2018	**2019**	**2020**	**2021**
Number of customer	2	1	2	2
Percentage over total trade receivables (include trade balance owing by a related party)	64%	48%	86%	79%

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the combined statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of those financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite that the fact they are still subject to enforcement activities.

A financial asset is credit impaired when the receivables is in significant financial difficulties.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full.

Trade Receivables

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for its trade receivables (including trade amount owing by a related party). To measure the expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. The expected loss rates are based on the Group's historical credit losses experienced. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

Allowance for Impairment Losses

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
At 31.12.2018				
Current (not past due)	733	-	-	733
Past due:				
- 1 to 6 months	4,364	-	-	4,364
- 7 to 12 months	61	-	-	61
- more than 1 year	5	-	-	5
	5,163	-	-	5,163
At 31.12.2019				
Current (not past due)	4,772	-	-	4,772
Past due:				
- 1 to 6 months	3,666	-	-	3,666
- 7 to 12 months	221	-	-	221
- more than 1 year	246	-	-	246
	8,905	-	-	8,905

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

Allowance for Impairment Losses (Cont'd)

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
At 31.12.2020				
Current (not past due)	5,632	-	-	5,632
Past due:				
- 1 to 6 months	2,721	-	-	2,721
- 7 to 12 months	110	(60)	-	50
- more than 1 year	5	-	-	5
	8,468	(60)	-	8,408
At 31.12.2021				
Current (not past due)	6,202	-	-	6,202
Past due:				
- 1 to 6 months	3,303	-	-	3,303
- 7 to 12 months	14	-	-	14
- more than 1 year	94	(94)	-	-
	9,613	(94)	-	9,519

The movements in the loss allowance in respect of trade receivables are disclosed in Note 10 to the combined financial statements.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivables would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happen (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factor affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables as it is negligible.

Deposit with a Licensed Bank, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By A Related Party (Non-trade Balance)

The Group applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. The Group considers loans and advances to related parties has low credit risks. The Group assumes that there is a significant increase in credit risk when the related parties' financial position deteriorates significantly.

The Group measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the related parties does not have sufficient highly liquid resources when the loans and advances are demanded, the Group will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the related parties.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

Allowance for Impairment Losses

At the end of the reporting period, there was no indication that the amount owing is not recoverable.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting periods based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting periods):-

	Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Year RM'000	Over 5 Years RM'000
At 31.12.2018						
Non-derivative Financial Liabilities						
Trade payables	-	1,432	1,432	1,432	-	-
Other payables and accruals	-	424	424	424	-	-
Amount owing to a related party	-	151	151	151	-	-
Amount owing to a director	-	2,199	2,199	2,199	-	-
		4,206	4,206	4,206	-	-

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

	Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Year RM'000	Over 5 Years RM'000
At 31.12.2019						
Non-derivative Financial Liabilities						
Lease liabilities	5.70	268	285	155	130	-
Trade payables	-	6,745	6,745	6,745	-	-
Other payables and accruals	-	612	612	612	-	-
Amount owing to a director	-	244	244	244	-	-
Bankers' acceptance	5.63	568	600	600	-	-
		8,437	8,486	8,356	130	-
At 31.12.2020						
Non-derivative Financial Liabilities						
Lease liabilities	5.45 - 5.70	203	216	101	115	-
Trade payables	-	6,270	6,270	6,270	-	-
Other payables and accruals	-	1,002	1,002	1,002	-	-
		7,475	7,488	7,373	115	-

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

	Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Year RM'000	Over 5 Years RM'000
At 31.12.2021						
Non-derivative Financial Liabilities						
Lease liabilities	4.75 - 5.70	239	253	133	120	-
Trade payables	-	6,561	6,561	6,561	-	-
Other payables and accruals	-	1,456	1,456	1,456	-	-
		8,256	8,270	8,150	120	-

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS (CONT'D)

36.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting periods is not presented as its cash and cash equivalents exceeded the total external borrowings.

There was no change in the Group's approach to capital management during the financial years under review.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS (CONT'D)

36.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	Audited			
	FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Financial Asset				
Amortised Cost				
Trade receivables	5,093	8,370	8,408	9,519
Other receivables	42	227	276	37
Amount owing by a related party	70	535	-	-
Deposit with a licensed bank	900	900	930	959
Cash and bank balances	872	1,841	7,172	11,432
	6,977	11,873	16,786	21,947
Financial Liability				
Amortised Cost				
Lease liabilities	-	268	203	239
Trade payables	1,432	6,745	6,270	6,561
Other payables and accruals	424	612	1,002	1,456
Amount owing to a related party	151	-	-	-
Amount owing to a director	2,199	244	-	-
Bankers' acceptance	-	568	-	-
	4,206	8,437	7,475	8,256

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS (CONT'D)

36.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	Audited FYE 31 December			
	2018 RM'000	**2019** RM'000	**2020** RM'000	**2021** RM'000
Financial Asset				
Amortised Cost				
Net gains(loss) recognised in profit or loss	3	30	(23)	10
Financial Liability				
Amortised Cost				
Net losses recognised in profit or loss	-	(45)	(39)	(16)

36.5 FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values in the combined statements of financial position.

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 3 November 2021, Infoline Tec entered into a conditional share sale agreement with the vendor of Infoline Solutions to acquire the entire issued share capital of Infoline Solutions for a total purchase consideration of RM9,553,502 which was fully satisfied by the issuance of 191,070,040 new Shares, at an issue price of RM0.05 per Share. The total purchase consideration of RM9,553,502 was arrived at after taking into consideration the NA position of Infoline Solutions as at 30 June 2021 of RM9,553,502. The acquisition is conditional upon, amongst others, the approval of Bursa Malaysia Securities Berhad being obtained for the Listing.

(b) On 3 November 2021, Infoline Tec entered into a conditional share sale agreement with the vendor of Infoline Shenzhen to acquire the entire registered capital of Infoline Shenzhen for a total purchase consideration of RM4,907,929 (equivalents to RMB7,635,236 based on closing exchange rate on 30 June 2021 of RMB1:RM0.6428) which was fully satisfied by the issuance of 98,158,580 new Shares, at an issue price of RM0.05 per Share. The total purchase consideration of RM4,907,929 was arrived at after taking into consideration the NA position of Infoline Shenzhen as at 30 June 2021 of RMB7,635,236 (equivalents to RM4,907,929 based on closing exchange rate on 30 June 2021 of RMB1:RM0.6428). The acquisition is conditional upon, amongst others, the approval of Bursa Malaysia Securities Berhad being obtained for the Listing.

38. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) On 27 April 2022, the Company obtained approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad.

(b) The acquisition of Infoline Solutions was completed on 9 May 2022 upon the issuance of 191,070,040 Shares to the vendors of Infoline Solutions. Consequently, Infoline Solutions became the wholly-owned subsidiary of the Group.

(c) The acquisition of Infoline Shenzhen was completed on 9 May 2022 upon the issuance of 98,158,580 Shares to the vendor of Infoline Shenzhen. Consequently, Infoline Shenzhen became the wholly-owned subsidiary of the Group.

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

39. INITIAL APPLICATION OF MFRS 16

The Group has adopted MFRS 16 using the modified retrospective approach under which the cumulative effect of initial application is recognised as adjustment to the retained profits as at 1 January 2019 (date of initial application) without restating any comparative information.

The Group has applied MFRS 16 only to contracts that were previously identified as leases under MFRS 117 'Leases' and IC Interpretation 4 'Determining Whether an Arrangement Contains a Lease'. Therefore, MFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

(a) Lessee Accounting

At 1 January 2019, for leases that were classified as operating leases under MFRS 117, the Group measured the lease liabilities at the present value of the remaining lease payments, discounted using the borrowing rate. The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease.

The Group has used the following practical expedients in applying MFRS 16 for the first time:-

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Applied for the exemption not to recognise operating leases with a remaining lease term of less than 12 months as at 1 January 2019;
- Excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the lease contract contains options to extend or terminate the lease.

The following table explains the difference between the operating lease commitments in the FYE 2018 (determined under MFRS 117) and the lease liabilities recognised at 1 January 2019:-

	The Group RM'000
Operating lease commitments as at 31 December 2018	122
Discounted using the incremental borrowing rate as at 1 January 2019	180
Lease liabilities recognised as at 1 January 2019	180

INFOLINE TEC GROUP BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

39. INITIAL APPLICATION OF MFRS 16 (CONT'D)

(b) Financial Impacts

The main impacts resulting from the adoption of MFRS 16 at 1 January 2019 are summarised below:-

	< ---------------	1 January 2019	--------------- >
The Group	As Previously Reported RM'000	MFRS 16 Adjustments RM'000	As Restated RM'000
Statements of Financial Position			
Right-of-use assets (Note 6)	-	180	180
Lease liabilities (Note 18)	-	180	180

STATEMENT BY DIRECTORS

We, Loo Wai Hong and Choo Wei Chuen, being two of the directors of Infoline Tec Group Berhad, state that, in the opinion of the directors, the combined financial statements set out on pages 4 to 109 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Prospectus Guidelines so as to give a true and fair view of the combined financial position of the Group as at 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021, and of its combined financial performance and combined cash flows for each of the financial years ended 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021.

Signed in accordance with a resolution of the directors dated 20 May 2022.

Loo Wai Hong **Choo Wei Chuen**

15. ADDITIONAL INFORMATION

15.1 SHARE CAPITAL

(i) As at the date of this Prospectus, we only have one class of shares, namely, ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.

(ii) No securities will be allotted, issued or offered on the basis of this Prospectus later than 6 months after the date of the issue of this Prospectus.

(iii) None of the share capital of our Company or our subsidiaries is under option or agreed conditionally or unconditionally to be put under option.

(iv) Save for our Issue Shares reserved for our Eligible Persons as disclosed in Section 4.3.1(ii) of this Prospectus, there is currently no other scheme involving our Directors or employees in the capital of our Company or our subsidiaries.

(v) None of our Company or our subsidiaries has any outstanding convertible debt security as at the LPD.

15.2 CONSTITUTION

The following provisions are reproduced from our Constitution which comply with the Listing Requirements, the Act and the Rules of Bursa Depository.

The words, terms and expressions appearing in the following provision shall bear the same meanings used in our Constitution unless they are otherwise defined herein or the context otherwise requires.

(i) Transfer of securities

<u>Clause 14 – Transfer of Securities</u>

The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities.

(ii) Remuneration of Directors

<u>Clause 93 – Remunerations of Directors</u>

(1) The Company may from time to time by an ordinary resolution passed at a General Meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors.

(2) Subject to Clause 84, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders' approval at a General Meeting.

(3) If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

(4) The following expenses shall be determined by the Directors:

(a) Traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company; and

(b) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties.

(5) Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration shall not include a commission on or percentage of turnover.

(iii) Voting and Borrowing power of Directors

Clause 95 – Powers of Directors

Without limiting the generality of Clause 94(1) and (2), the Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

(1) borrow money;

(2) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;

(3) issue debentures and other Securities whether outright or as security; and/or

(4) (a) lend and advance money or give credit to any person or company;

(b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;

(c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company;

and otherwise to assist any person or company

Clause 105 – Directors' Interest in Contracts

(a) A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest

(b) Every Director shall observe the provisions of Sections 221 and 222 of the Act relating to the disclosure of the interest of the Directors in contracts or proposed contracts with the Company or of any office or property held by the Directors which might create duties or interest in conflict with their duties or interest as Directors and participation in discussion and voting. Such disclosure of material personal interest by the Directors shall be in the form of a notice. Such notice shall be in the form and manner prescribed under Section 221 of the Act.

(iv) Changes in capital and rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights

Clause 8(1) – Variation of rights

If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:

(a) with the consent in writing of the holders holding not less than seventy-five percent (75%) of the total voting rights of the holders of that class of shares; or

(b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.

Clause 12(1) – Allotment of shares or grant of rights

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to:

(a) issue and allot shares in the Company; and

(b) grant rights to subscribe for shares or options over unissued shares in the Company

Clause 46 – Alteration of Capital

(1) The Company may from time to time by an ordinary resolution and subject to other applicable laws or requirements:

(a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or

(b) subdivide its shares or any of them into shares, whichever is in the subdivision; the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

(2) The Company may from time to time by a special resolution and subject to other applicable requirements:

(a) cancel shares which, at the date of the passing of the resolution in that regard, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled or in such other manner allowed by law; or

(b) reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained.

(3) The Company shall have the power, subject to and in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines in respect thereof for the time being in force, to purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines thereunder or issued by Bursa Securities and any other relevant authorities in respect thereof.

15.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

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

Dealing in Shares deposited with Bursa Depository may only be effected by a Depositor by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares will be deemed to be a shareholder of our Company and will be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

15.4 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS

Subject to Section 15.3 above, there is no limitation on the right to own our Shares, including any limitation on the right of a non-resident or foreign shareholders to hold or exercise voting rights on our Shares which is imposed by Malaysian law or by our Constitution.

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15.5 MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (including contracts not in writing), not being contracts in the ordinary course of business, that have been entered into by any company within our Group during the FYE Under Review, and from 1 January 2022 up to the date of this Prospectus:

(a) Conditional share sale agreement dated 3 November 2021 entered between our Company and the Infoline Solutions Vendors for the Infoline Solutions Acquisition, which was completed on 9 May 2022.

(b) Conditional share sale agreement dated 3 November 2021 entered between our Company and the Infoline Shenzhen Vendor for the Infoline Shenzhen Acquisition, which was completed on 9 May 2022.

(c) Underwriting agreement dated 1 June 2022 entered between our Company and MIDF Investment for the underwriting of up to 26,431,000 Issue Shares under the Public Issue.

15.6 MATERIAL LITIGATION AND ARBITRATION

Our Group is not engaged in any material litigation, claim and/or arbitration, whether as plaintiff or defendant, which might materially and adversely affect the financial or business position of our Group as at the LPD.

15.7 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single tier dividend are not taxable. Further, the Government of Malaysia does not levy withholding tax on dividend payments. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian companies. There is no Malaysian capital gains tax arising from the disposal of listed shares.

As at the LPD, save as disclosed under Annexure A, to the best knowledge of our Directors, there are no governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and the remittance of profits by or to our Group.

15.8 CONSENTS

The written consent of our Principal Adviser, Sponsor, Underwriter, Placement Agent, Company Secretaries, Solicitors, Share Registrar and Issuing House listed in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

The written consent of our Auditors and Reporting Accountants for the inclusion of its name, the Accountants' Report and the Reporting Accountants' Report on the Pro Forma Combined Statements of Financial Position of our Group and all references thereto in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

The written consent of our IMR for the inclusion of its name, the IMR Report and all references thereto in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

15.9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur during normal business hours for a period of six months from the date of this Prospectus:

(i) our Constitution;

(ii) the IMR Report prepared by IMR as included in Section 8 of this Prospectus;

(iii) the Reporting Accountants' Report on the Pro Forma Combined Statements of Financial Position of our Group as at 31 December 2021 as included to in Section 13 of this Prospectus;

(iv) the Accountants' Report as included in Section 14 of this Prospectus;

(v) the material contracts referred to in Section 15.5 of this Prospectus;

(vi) the letters of consent referred to in Section 15.8 of this Prospectus; and

(vii) audited financial statements of our Group for the FYE 2018, FYE 2019, FYE 2020 and FYE 2021.

15.10 RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Selling Shareholder have seen and approved this Prospectus. They individually and collectively accept full responsibility for the accuracy of the information contained in this Prospectus and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statement or other facts, the omission of which would make any statement in this Prospectus false or misleading.

MIDF Investment as our Principal Adviser, Sponsor, Underwriter and Placement Agent, acknowledges that based on all available information and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT OUR ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural and vice versa.

16.1 OPENING AND CLOSING OF APPLICATION

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 20 June 2022

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 28 June 2022

Applications for the Issue Shares will open and close at the dates and times stated above.

In the event there is any change to the dates and times stated above, we will advertise the notice of the change in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATIONS

16.2.1 Application for our Issue Shares by the Malaysian Public and the Eligible Persons of our Group

Types of Application and Category of Investors	Application Method
Applications by the Eligible Persons of our Group	Pink Application Form only
Applications by the Malaysian Public:	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

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16.2.2 Application by Selected Investors and identified Bumiputera investors approved by the MITI via Private Placement

Types of Application	Application Method
Applications by selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.
Applications by identified Bumiputera investors approved by the MITI	The MITI will contact the Bumiputera investors directly. They should follow the MITI's instructions.

Selected investors and identified Bumiputera investors approved by the MITI may still apply for our Issue Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

16.3 ELIGIBILITY

16.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 ISSUE SHARES OR MULTIPLES OF 100 ISSUE SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

16.3.2 Application by the Malaysian Public

You can only apply for our Issue Shares if you fulfill all of the following:

(i) you must be one of the following:

(a) a Malaysian citizen who is at least 18 years old as at the date of the application for our Issue Shares with a Malaysian address; or

(b) a corporation/ institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/ trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(ii) you must not be a director or employee of the Issuing House, or an immediate family member of a director or employee of the Issuing House; and

(iii) you must submit Applications by using only one of the following methods:

(a) White Application Form; or

(b) Electronic Share Application; or

(c) Internet Share Application.

16.3.3 Application by the Eligible Persons

The Eligible Persons (including any entities, wherever established) will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated Issue Shares. The Eligible Persons must follow the notes and instructions in the said document and where relevant, in this Prospectus.

The Eligible Persons may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, Issuing House, MIDF Investment, Participating organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

16.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.32 for each IPO Share.

Payment must be made out in favour of "**TIIH SHARE ISSUE ACCOUNT NO. 725**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:-

(i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

(ii) **DELIVER BY HAND AND DEPOSIT** in the Drop-in Boxes provided at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, so as to arrive not later than 5.00 p.m. on 28 June 2022 or by such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

16.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our Issue Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Electronic Participating Financial Institutions.

16.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our Issue Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

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16.7 AUTHORITY OF OUR BOARD AND OUR ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

(i) reject Applications which:

(a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

(b) are illegible, incomplete or inaccurate; or

(c) are accompanied by an improperly drawn up, or improper form of, remittance; or

(ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(iii) bank in all Application monies (including those from unsuccessful/ partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House, at anytime within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 OVER/UNDER SUBSCRIPTION

In the event of over-subscription, the Issuing House, will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by the issuing house to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the issuing house's website at https://tiih.online within 1 market day after the balloting date

Pursuant to the Listing Requirements we are required to have a minimum of 25.0% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our Issue Shares by the Malaysian Public and/or Eligible Persons, subject to the underwriting arrangements and reallocation as set out in Section 4.3.3 of our Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

16.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/partially successful in your Application, your Application Monies (without interest) will be refunded to you in the following manner.

16.9.1 For Applications by Way of Application Forms

(i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/ distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

(ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/ registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by our Issuing House, as per items (i) and (ii) above (as the case may be).

(iv) Our Issuing House, reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

16.9.2 For Applications by Way of Electronic Share Application and Internet Share Application

(i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from our Issuing House.

(ii) You may check your account on the 5th Market Day from the balloting date.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House, by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from our Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

(i) our Issue Shares allotted to you will be credited into your CDS account.

(ii) a notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(iii) in accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/ offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository; and

(iv) in accordance with Section 29 of the SICDA, all dealings in our IPO Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

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16.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of Application	Parties to Direct the Enquiries
Application Form	Issuing House Enquiry Services at telephone no. 03-2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

The results of the allocation of Issue Shares derived from successful balloting will be made available to the public at the Issuing House website at https://tiih.online, 1 Market Day after the balloting date.

You may also check the status of your Application at the above website, 5 Market Days after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities.

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ANNEXURE A: THE REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT FROM PRC UNDER PRC LAW

1. Foreign Investment Enterprises (FIEs)

FIEs refers to the enterprises fully or partially invested by foreign investors in the PRC which are governed by the Law of the People's Republic of China on Foreign Investment Enterprises, which was promulgated by the NPC on 15 March 2019 and its Implementation Regulations promulgated on 12th December 2019, both came into effect on 1 January 2020 (together the "**Foreign Investment Law**").

After the Foreign Investment Law came into force, the establishment of a FIEs no longer need the approval of the Ministry of Commerce (the "**MOC**") (or its delegated local authorities). A FIEs may directly be registered with the State Administration for Market Regulation (or its delegated local authorities) and obtain a business licence.

2. Repatriation of Profits and Dividend

After payment of taxes, a FIEs must make contributions to its reserve fund not less than 10 per cent of the after tax profits. If the cumulative total of allocated reserve funds reaches 50% of its registered capital, the FIEs will not be required to make any additional contribution. The reserve fund may be used by a FIEs to make up its losses and can also be used to expand its operations and to increase its capital. The FIEs is prohibited from distributing dividends unless the losses (if any) of previous years have been made up.

When foreign investors of a FIEs want to remit profits or dividends of current year abroad, the foreign investors and the FIEs shall present the following documents to the designated foreign exchange banks:

(i) Tax payment certificate and taxation declaration form (for enterprises enjoying tax reduction or exemption, certificate of tax reduction or exemption issued by domiciled taxation administration shall be provided);

(ii) Auditing Report of the current year issued by Certified Public Accountants ("**CPA**");

(iii) Resolution of the board of directors on the distribution of profits or dividends;

If foreign investors want to remit profit or dividends of previous year abroad, in addition to the documents prescribed above, an auditing report issued by CPA on the financial position of the relevant accounting years during which such profits or dividends yielded should also be submitted to the bank.

The bank will review the documents submitted and if no problem is found, should remit the profits or dividends abroad for the FIEs.

Under the PRC laws, FIEs are allowed to provide loan or advance to its foreign investors subject to that the amount is not more than the profits of the FIEs that the foreign investors are entitled to according to their shareholdings in the FIEs.

3. Taxation

The applicable income tax laws, regulations, notices and decisions related to FIEs and their investors include the follows:

(i) The PRC Enterprise Income Tax Law promulgated by the NPC on 16 March 2007 ("Enterprise Income Tax Law") and amended on 24 February 2017 and 29 December 2018;

(ii) Implementing Regulations of the PRC Enterprise Income Tax Law promulgated by the State Council on 6 December 2007 and amended on 23 April 2019 ("**Implementing Regulations of Enterprise Income Tax Law**"); and

(iii) The Income Tax Law Applicable to Individuals of the PRC promulgated by the Standing Committee of NPC on 10 September 1980, which was amended by the Standing Committee of NPC on 30 August 1999, 27 October 2005, 29 June 2007, 29 December 2007, 30 June 2011 and 31 August 2018.

The following is a summary of the material tax that applied to FIEs:

(a) Income tax

Pursuant to the Income Tax Law, enterprises (including FIEs) are required to pay income tax at a rate of 25% of their taxable income.

Enterprise tax payers are classified as either resident enterprises or non-resident enterprises. Resident enterprises are defined as enterprises that are established in China in accordance with PRC laws, or that established in accordance with the laws of foreign countries but whose actual or de facto management bodies are located in China. Non-resident enterprise refers to an entity established under foreign law whose de facto management bodies are not within the PRC but which have an establishment or place of business in the PRC, or which do not have an establishment or place of business in the PRC but have income sourced within the PRC. An income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident enterprise investors that do not have an establishment or place of business in the PRC, or that have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC.

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Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Incomes (《内地和香港特别行政区关于对所得避免双重征税和防止偷漏税的安排》), or the Double Tax Avoidance Arrangement, and other applicable PRC laws, 5% withholding tax rate shall apply to the dividends paid by a PRC company to a Hong Kong resident, provided that such Hong Kong resident directly holds at least 25% of the equity interests in the PRC company, and 10% of withholding tax rate shall apply if the Hong Kong resident holds less than 25% of the equity interests in the PRC company. However, pursuant to the Circular on Certain Issues Relating to the Implementation of Dividend Provisions in Tax Treaties (《关于执行税收协定股息条款有关问题的通知》) issued on 20 February 2009 by the State Administration of Taxation, or the SAT, if a PRC tax authority determines, in its discretion, that a company benefits from such reduced income tax rate as a result of an arrangement that is primarily tax-driven, such PRC tax authority may adjust the preferential tax treatment of the company. Based on the Announcement on Certain Issues with Respect to the Beneficial Owner in Tax Treaties (《国家税务总局关于税收协定中受益所有人有关问题的公告》) issued by the SAT on 3 February 2018 and effective on 1 April 2018, if an applicant's business activities do not constitute substantive business activities, it could result in the negative determination of the applicant's status as a beneficial owner, and consequently, the applicant could be precluded from enjoying the above-mentioned reduced income tax rate of 5% under the Double Tax Avoidance Arrangement.

(b) Value added tax

The Provisional Regulation of the People's Republic of China Concerning Value Added Tax promulgated by the State Council came into effect on 1 January 1994, amended on 10 November 2008, 6 February 2016 and 19 November 2017. Under this regulation and the Implementing Rules of the Provisional Regulation of the People's Republic of China Concerning Value Added Tax, value added tax is imposed on sales of goods, services, transportation, construction, property lease, transfer of land use rights etc in the PRC or goods imported into the PRC.

Value added tax payable in the PRC is charged on an aggregated basis at a rate of 6%, 9% or 13% (depending on the type of goods or services involved) on the full price collected for the goods sold or the taxable services but excluding any amount paid in respect of value added tax included in the price or charges, and less any deductible value added tax already paid by the taxpayer on purchases of goods and service in the same financial year.

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4. Foreign Exchange Control

Pursuant to the Foreign Exchange Administration Regulations of the PRC (《中华人民共和国外汇管理条例》), as amended on 5 August 2008, and the Regulation on the Administration of the Foreign Exchange Settlement, Sales and Payment (《结汇、售汇及付汇管理规定》), or the Settlement Regulations, promulgated by the People's Bank of China on 20 June 1996 and came into effect on 1 July 1996, foreign exchanges required for profit distributions and dividend payments may be purchased from designated foreign exchange banks in the PRC upon presentation of a board resolution authorizing distribution of profits or payment of dividends.

According to the Notice of SAFE on Further Improving and Adjusting Foreign Exchange Administration Policies on Direct Investment (《国家外汇管理局关于进一步改进和调整直接投资外汇管理政策的通知》) (the "Circular No. 59"), promulgated on 19 November 2012 and last amended on 30 December 2019 by the State Administration of Exchange Control, or the SAFE, (1) the opening of and payment into foreign exchange accounts under direct investment accounts are no longer subject to approval by the SAFE; (2) reinvestment with legitimate income of foreign investors in China is no longer subject to approval by SAFE; (3) the procedures for capital verification and confirmation that FIEs need to go through are simplified; (4) purchase and external payment of foreign exchange under direct investment accounts are no longer subject to approval by SAFE; (5) domestic transfer of foreign exchange under direct investment account is no longer subject to approval by SAFE; and (6) the administration over the conversion of foreign exchange capital of FIEs is improved.

Pursuant to the Circular on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《关于进一步简化和改进直接投资外汇管理政策的通知》) (the "SAFE Circular No. 13"), which was promulgated on 13 February 2015 and became effective on 1 June 2015, the foreign exchange registration under domestic direct investment and the foreign exchange registration under foreign direct investment is directly reviewed and handled by banks in accordance with the Circular No. 13, and the SAFE and its branches shall perform indirect regulation over the foreign exchange registration via banks.

Pursuant to the Circular on the Reform of the Management Method for the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《国家外汇管理局关于改革外商投资企业外汇资本金结汇管理方式的通知》) promulgated by the SAFE on 30 March 2015 and became effective on 1 June 2015, and the Circular on the Reform and Standardization of the Management Policy of the Settlement of Capital Projects (《国家外汇管理局关于改革和规范资本项目结汇管理政策的通知》) promulgated by the SAFE on 9 June 2016, the settlement of foreign exchange by foreign invested enterprises shall be governed by the policy of foreign exchange settlement on a discretionary basis. However, the settlement of foreign exchange shall only be used for its own operation purposes within the business scope of the foreign invested enterprises in accordance with the principle of authenticity.

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5. Capital Injection to FIEs

Under the current applicable PRC laws and regulations, the investors of FIEs may invest their capital into China by the following manners:

(i) Contribution to the outstanding registered capital

Investors of FIEs are obliged to paid off the registered capital of the FIEs within the time limit as stipulated in its articles of association.

When the foreign investors have fully paid off the registered capital of the FIEs, the investors may apply to the authorities to increase the registered capital of the FIEs and make contribution to the increased registered capital.

(ii) Shareholder's loan

The investors of FIEs may provide shareholder's loan to the FIEs, the parties should enter into written loan agreement and the loan agreement should be filed with the local SAFE.

(iii) To establish a new FIEs and make contribution to the registered capital of the new FIEs.

6. Conclusion

No laws in PRC would apply to hinder the flow of the capital from the Company or its subsidiaries to Infoline Shenzhen or the payment of profits by Infoline Shenzhen to its foreign shareholder/s.

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DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (ACCOMPANYING THE ELECTRONIC PROSPECTUS)

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

1. OPENING AND CLOSING OF APPLICATION

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 20 JUNE 2022

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 28 JUNE 2022

Applications for the IPO Shares will open and close at the dates stated above.

In the event there is any change to the dates and/or times stated above, we will advertise the notice of changes in widely circulated daily English and Bahasa Malaysia newspapers within Malaysia.

Late applications will not be accepted.

2. METHODS OF APPLICATIONS

2.1 Application for Our IPO Shares by the Malaysian Public and Eligible Persons of Our Group

Applications must be made in relation to and subject to the terms of our Prospectus and our Constitution. You agree to be bound by our Constitution. The submission of an Application Form does not mean that the application will succeed.

Types of Application and category of investors	Application Method
Applications by eligible employees of our Group	Pink Application Form only
Applications by the Malaysian Public:	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

2.2 Application by Selected Investors and identified Bumiputera Investors approved by the MITI via Private Placement

Types of Application	Application Method
Applications by:	
(a) selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.
(b) identified Bumiputera investors approved by the MITI	The MITI will contact the Bumiputera investors directly. They should follow the MITI's instructions..

Selected investors and Bumiputera investors approved by MITI may still apply for our Issue Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

3. ELIGIBILITY

3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 below. The CDS account must be in your own name**.** Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

In accordance with Section 232 of the Capital Markets and Services Act 2007, the Application Form together with the notes and instructions printed therein shall constitute an integral part of the Prospectus. Applications which do not STRICTLY conform to the terms of the Prospectus or Application Form or notes and instructions printed therein or which are illegible will not be accepted. For applications by way of ESA or ISA, the application must be made in accordance with the instructions, terms and conditions printed in the Prospectus as well as the procedures set out on the ATM screens of the relevant Participating Financial Institution or the steps set out on the internet financial services website of the Internet Participating Financial Institution respectively.

ONLY ONE (1) APPLICATION FORM FOR EACH CATEGORY FROM EACH APPLICANT WILL BE CONSIDERED AND APPLICATIONS MUST BE FOR AT LEAST ONE HUNDRED (100) IPO SHARES OR MULTIPLES OF ONE HUNDRED (100) IPO SHARES.

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO TEN (10) YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

(i) you must be one (1) of the following:

(a) a Malaysian citizen who is at least eighteen (18) years old as at the date of the application for our IPO Shares with a Malaysian address; or

(b) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(ii) you must not be a director or employee of Tricor or an immediate family member of a director or employee of Tricor; and

(iii) you must submit an Application by using only one (1) of the following methods:

(a) White Application Form; or

(b) Electronic Share Application; or

(c) Internet Share Application.

3.3 Application by the Eligible Persons

The Eligible Persons (including any entities, wherever established) will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated Issue Shares. The Eligible Persons must follow the notes and instructions in the said document and where relevant, in this Prospectus.

The Eligible Persons may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, Issuing House, MIDF Investment, Participating organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

4. PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The Malaysian Public must follow the following procedures in making their applications through the White Application Form.

a) Obtain the relevant Application Form together with the Official "A" and "B" envelopes and our Prospectus.

   The **White** Application Forms together with our Prospectus, can be obtained subject to availability from Kenanga IB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia or Malaysian Investment Banking Association and the Issuing House and our Company.

b) In accordance with Section 232(2) of the CMSA, the Application Forms are accompanied by our Prospectus. You are advised to read and understand our Prospectus before making your Application.

c) Complete the relevant Application Form legibly and **STRICTLY** in accordance with the notes and instructions printed on it and in our Prospectus, including:

   (i) Ensuring that your personal particulars submitted in your Application are identical with the records maintained by Bursa Depository. You are required to inform Bursa Depository promptly of any changes to your personal particulars as the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.

   (ii) Stating your CDS account number in the space provided in the Application Form. Invalid or nominee or third party CDS accounts will **not** be accepted.

   (iii) Stating the details of your payment in the appropriate boxes provided in the Application Form.

   (iv) Stating the number of shares applied. Applications must be for at least 100 IPO Shares or multiples of 100 IPO Shares.

d) Prepare the appropriate form of payment in RM for the FULL amount payable based on the IPO Price of RM0.32 for each IPO Share.

Payment must be made out in favour of **"TIIH SHARE ISSUE ACCOUNT NO. 725"** and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

Only Banker's Draft or Cashier's Order drawn on a bank in Kuala Lumpur, Money or Postal Orders (Sabah and Sarawak only) and Guaranteed Giro Order from Bank Simpanan Nasional Malaysia Berhad will be accepted.

We will not accept Applications with excess or insufficient remittances or inappropriate forms of payment. Remittances must be completed in the appropriate boxes provided in the White Application Form.

e) Insert the White Application Form together with payment and a legible photocopy of your identification document (NRIC or official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) or certificate of incorporation or the certificate of change of name for corporate or institutional applicant (where applicable)) into the Official "A" envelope and seal it. You must write your name and address on the outside of the Official "A" and "B" envelopes.

Affix RM1.50 stamp on the Official "A" envelope and insert the Official "A" envelope into the Official "B" envelope.

The name and address written must be identical to your name and address as in your NRIC or official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) or certificate of incorporation or the certificate of change of name for corporate or institutional applicant (where applicable).

f) Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one (1) of the following methods: -

(i) despatch by **ORDINARY POST** in the official envelopes provided to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

or

(ii) **DELIVER BY HAND AND DEPOSIT** in the Tricor drop-in boxes provided at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

so as to arrive not later than 5.00 p.m. on 28 June 2022 or such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Form or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

5. PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATION

5.1 Participating Financial Institutions

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Applications.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The following processing fee for each Electronic Share Application will be charged by the respective Participating Financial Institutions (unless waived) as follows:

Participating Financial Institutions	Charges
Affin Bank Berhad	Free
Alliance Bank Malaysia Berhad	RM1.00
AmBank (M) Berhad	RM1.00
CIMB Bank Berhad	RM2.50
Malayan Banking Berhad	RM1.00
Public Bank Berhad	RM2.00
RHB Bank Berhad	RM2.50

Please note that these processing fees may be varied or waived from time to time at the discretion of the respective Participating Financial Institutions. Please contact the relevant Participating Financial Institutions for further enquiries.

5.2 Procedures for Electronic Share Application

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions

PLEASE READ THE TERMS OF OUR PROSPECTUS, THE TERMS AND CONDITIONS AND PROCEDURES FOR ELECTRONIC SHARE APPLICATIONS SET OUT BELOW AND AT THE RESPECTIVE ATM CAREFULLY PRIOR TO MAKING AN ELECTRONIC SHARE APPLICATION.

If you encounter any problems in your Application, you may refer to the respective Participating Financial Institutions.

You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for our IPO Shares at an ATM belonging to other Participating Financial Institutions.

You are to submit at least the following information through the ATM, where the instructions on the ATM screen require you to do so:-

- Personal Identification Number ("**PIN**");
- TIIH Share Issue Account No. 725;
- Your CDS account number;
- Number of IPO Shares applied for and the RM amount to be debited from the account; and
- Confirmation of several mandatory statements as set out in Section 5.3 below.

Upon the completion of your Electronic Share Application transaction at the ATM, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or the Issuing House. The Transaction Record is for your records and should not be submitted with any Application Form.

5.3 Terms and Conditions for Electronic Share Application

You must have a CDS account to be eligible to use the Electronic Share Application. Invalid, nominee or third party CDS accounts will not be accepted.

YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE ABOVE.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:-

(i) The Electronic Share Application shall be made in relation to and subject to the terms of our Prospectus and our Company's Constitution.

(ii) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:-

(a) You are at least 18 years old as at the date of the application for our IPO Shares;

(b) You are a Malaysian citizen residing in Malaysia;

(c) You have read our Prospectus and understood and agreed with the terms and conditions of the Application;

(d) The Electronic Share Application is the only application that you are submitting for our IPO Shares offered to the Malaysian Public; and

(e) You consent to the disclosure by the Participating Financial Institution and Bursa Depository of information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the Issuing House and other relevant authorities.

Your Application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, it is considered that you have confirmed each of the above statements as well as given consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of the Financial Services Act, 2013 and Section 45 of SICDA) to the disclosure by the relevant Participating Financial Institutions or Bursa Depository, as the case may be, of any of your particulars to the Issuing House or any relevant authorities.

(iii) You confirm that you are not applying for our IPO Shares offered to the Malaysian Public as a nominee of any other person and that the Electronic Share Application that you make is made by you as the beneficial owner. You shall only make one Electronic Share Application and shall not make any other application for our IPO Shares offered to the Malaysian Public.

(iv) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time the Electronic Share Application is made, failing which the Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made, will be rejected.

(v) You agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated in the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate a lesser number of such IPO Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated keys or buttons on the ATM keyboard) of the number of IPO Shares applied for shall signify, and shall be treated as, your acceptance of the number of IPO Shares that may be allotted or allocated to you and your acceptance to be bound by our Constitution.

(vi) the Issuing House, on the authority of our Board, reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in whole or in part only without the need to give any reason. Due consideration will be given to the desirability of allotting or allocating our IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.

(vii) You request and authorise us:-

(a) to credit our IPO Shares allotted or allocated to you into your CDS account; and

(b) to issue share certificate(s) representing such IPO Shares or jumbo certificates which represent, amongst others, such IPO Shares, allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.

(viii) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond our control or the control of the Issuing House, Bursa Depository or the Participating Financial Institution, and irrevocably agree that if:-

(a) our Company or the Issuing House does not receive your Electronic Share Application; or

(b) the data relating to your Electronic Share Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company or the Issuing House,

you shall be deemed not to have made an Electronic Share Application and shall not make any claim whatsoever against our Company, the Issuing House or the Participating Financial Institution for our IPO Shares applied for or for any compensation, loss or damage.

(ix) All of your particulars in the records of the relevant Participating Financial Institution at the time of making the Electronic Share Application shall be deemed to be true and correct, and our Company, the Issuing House and the relevant Participating Financial Institution shall be entitled to rely on their accuracy.

(x) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application will be rejected. You must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allotment will be sent to your registered or correspondence address last maintained with Bursa Depository.

(xi) By making and completing an Electronic Share Application, you agree that:-

(a) in consideration of us agreeing to allow and accept the application for our IPO Shares through the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;

(b) we, the Participating Financial Institutions, Bursa Depository and the Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our or the control of any of them;

(c) notwithstanding the receipt of any payment by or on behalf of our Company, the acceptance of your offer to subscribe for and purchase our IPO Shares for which the Electronic Share Application has been successfully completed shall be constituted by the issue of notices of allotment in respect of the said IPO Shares;

(d) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounce any instrument of transfer and other documents required for the issue or transfer of our IPO Shares allotted or allocated to you; and

(e) you agree that in relation to any legal action, proceedings or disputes arising out of or in relation to the contract between the parties and / or the Electronic Share Application and / or any terms of our Prospectus, all rights, obligations and liabilities of the parties shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies of Malaysia and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

(xii) the Issuing House, acting on the authority of our Board reserves the right to reject Applications which do not conform to these instructions.

6. PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATION

6.1 Internet Participating Financial Institutions

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The following processing fee for each Internet Share Application will be charged by the respective Internet Participating Financial Institutions (unless waived) as follows:

YOU ARE ADVISED NOT TO APPLY FOR OUR IPO SHARES THROUGH ANY WEBSITE OTHER THAN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

Internet Participating Financial Instituition	Website address	Fees charged
Affin Bank Berhad	www.affinOnline.com	Free
Alliance Bank Malaysia Berhad	www.allianceonline.com.my	RM1.00
CGS-CIMB Securities Sdn Bhd	www.eipocimb.com	RM2.00 for payment through CIMB Bank Berhad or Malayan Banking Berhad
CIMB Bank Berhad	www.cimbclicks.com.my	RM2.00 for applicants with CDS Accounts held with CGS-CIMB Securities Sdn Bhd and RM2.50 for applicants with CDS Accounts with other ADAs
Malayan Banking Berhad	www.maybank2u.com.my	RM1.00
Public Bank Berhad	www.pbebank.com	RM2.00
RHB Bank Berhad	www.rhbgroup.com	RM2.50

Please note that these fees may be varied or waived from time to time at the discretion of the respective Internet Participating Financial Institutions. Please contact the relevant Internet Participating Financial Institutions for further enquiries.

PLEASE READ THE TERMS OF OUR PROSPECTUS, THE TERMS AND CONDITIONS AND PROCEDURES FOR INTERNET SHARE APPLICATIONS SET OUT BELOW AND AT THE INTERNET FINANCIAL SERVICES WEBSITE OF THE RESPECTIVE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS CAREFULLY PRIOR TO MAKING AN INTERNET SHARE APPLICATION.

If you encounter any problems in your Application, you may refer to the respective Internet Participating Financial Institutions.

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6.2 Terms and Conditions for Internet Share Application

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

An Internet Share Application shall be made on and subject to the following terms and conditions:

(i) You can make an Internet Share Application if you fulfill all of the following:

(a) You are an individual with a CDS Account and in the case of a joint account, an individual CDS Account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS Account registered in the joint account holder's name;

(b) You have an existing account with access to Internet financial services facilities with an Internet Participating Financial Institution. You must have your user identification **("User ID")** and Personal Identification Numbers **("PIN")**/password for the relevant Internet financial services facilities; and

(c) You are a Malaysian citizen and have a mailing address in Malaysia.

You are advised to note that a User ID and PIN/password issued by one of the Internet Participating Financial Institutions cannot be used to apply for our IPO Shares at Internet financial service websites of other Internet Participating Financial Institutions.

(ii) An Internet Share Application shall be made on and subject to the terms of our Prospectus and our Company's Constitution.

(iii) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the Internet financial services website of the Internet Participating Financial Institution) and to undertake that the following information given are true and correct:

(a) You are at least 18 years old as at the date of the application for our IPO Shares;

(b) You are a Malaysian citizen residing in Malaysia;

(c) You have, prior to making your Internet Share Application, received and/or have had access to a printed/electronic copy of our Prospectus, the contents of which you have fully read and understood;

(d) You agree to all the terms and conditions of the Internet Share Application as set out in our Prospectus and have carefully considered the risk factors as well as all other information and statements set out in our Prospectus, before making your Internet Share Application;

(e) Your Internet Share Application is the only application that you are submitting for our IPO Shares offered to the Malaysian Public;

(f) You authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for our IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution;

(g) You give express consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of the Financial Service Act, 2013 and Section 45 of SICDA) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of your information, your Internet Share Application or your account with the Internet Participating Financial Institution, to our Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;

(h) You are not applying for our IPO Shares as a nominee of any other person and your Internet Share Application is made in your own name, as beneficial owner and subject to the risks referred to in our Prospectus;

(i) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, our Company, Bursa Securities or other relevant parties in connection with our IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with our IPO. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.

(iv) Your Application will not be successfully completed and cannot be recorded as a completed application unless you have paid for our IPO Shares through the website of the Authorised Financial Institution and completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen.

For the purposes of our Prospectus, “Confirmation Screen” shall mean the screen which appears or is displayed on the Internet financial services website, which confirms that your Internet Share Application has been completed and states the details of your Internet Share Application, including the number of IPO Shares applied for which you can print out for your records.

Upon the display of the Confirmation Screen, you will be deemed to have confirmed the truth of the statements set out in Section 6.2(iii) above. The Confirmation Screen is only a record of the completed transaction with an Internet Participating Financial Institution and not a record of the receipt of the Internet Share Application or any data relating to such an Internet Share Application by our Company or the Issuing House. The Confirmation Screen is for your record and should not be submitted with any Application Form.

(v) You must have sufficient funds in your account with the Internet Participating Financial Institution or the Authorised Financial Institution at the time of making your Internet Share Application, to cover and pay for our IPO Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which your Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not conform strictly to the instructions set out in our Prospectus or any instructions displayed on the screens of the Internet financial services website through which the Internet Share Application is made shall be rejected.

(vi) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Internet Share Application. In the event that we decide to allot or allocate lesser number of such Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final.

In the course of completing your Internet Share Application on the website of the Internet Participating Financial Institution, your confirmation of the number of IPO Shares applied for (by way of your action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:

(a) Your acceptance of the number of IPO Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and

(b) Your agreement to be bound by the Constitution of our Company.

(vii) You are fully aware that multiple or suspected multiple Internet Share Applications for our IPO Shares will be rejected. **A PERSON WHO SUBMITS MULTIPLE INTERNET SHARE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA**. Our Company reserves the right to reject any Internet Share Application or accept any Internet Share Application in part only without the need to give any reason. Due consideration will be given to the desirability of allotting or allocating the Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.

(viii) An Internet Share Application is deemed to be received only upon its completion, which is when the Confirmation Screen is displayed on the Internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for reference and record purposes. Late Internet Share Applications will not be accepted.

(ix) You acknowledge that your Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, and other events beyond the control of the Internet Participating Financial Institution, the Authorised Financial Institution, the Issuing House and our Company and irrevocably agree that if:

(a) our Company, the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive your Internet Share Application and/or payment; and

(b) any data relating to your Internet Share Application or the tape or any other devices containing such data and/or payment is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever,

you will be deemed not to have made an Internet Share Application and you will not make any claim whatsoever against our Company, the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution in relation to our IPO Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.

(x) All of your particulars in the records of the relevant Internet Participating Financial Institution at the time of your Internet Share Application shall be deemed to be true and correct, and we, the Issuing House, the Internet Participating Financial Institutions and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof.

You must ensure that your personal particulars as recorded by both Bursa Depository and the Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Share Application will be rejected. The notification letter on successful allotment will be sent to your last address maintained with Bursa Depository. It is your responsibility to notify the Internet Participating Financial Institution and Bursa Depository of any changes in your personal particulars that may occur from time to time.

7. AUTHORITY OF OUR BOARD AND OUR ISSUING HOUSE

Your Application will be selected in a manner to be determined by our Board. Due consideration will be given to the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares. The Issuing House, on the authority of our Board, reserves the right to:-

(i) reject the Applications which:-

(a) do not conform to the instructions of our Prospectus, Application Form, Electronic Share Application and Internet Share Application (where applicable); or

(b) are illegible, incomplete or inaccurate; or

(c) are accompanied by an improperly drawn up, or improper form of, remittance; or

(ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(iii) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

8. OVER / UNDER-SUBSCRIPTION

In the event of over-subscription, the Issuing House, will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by the issuing house to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the issuing house's website at https://tiih.online within 1 market day after the balloting date

Pursuant to the Listing Requirements we are required to have a minimum of 25.0% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our Issue Shares by the Malaysian Public and/or Eligible Persons, subject to the underwriting arrangements and reallocation as set out in Section 4.3.3 of our Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

9. UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

9.1 For applications by way of Application Form

(i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository (for partially successful applications) within ten (10) Market Days from the date of the final ballot at your own risk.

(ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the National Registration Identity Card or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).

(iv) Our Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within ten (10) Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

9.2 For applications by way of Electronic Share Application and Internet Share Application

(i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within two (2) Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institution) within two (2) Market Days after the receipt of confirmation from the Issuing House.

(ii) You may check your account on the 5th Market Day from the balloting date.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

10. SUCCESSFUL APPLICANTS

If you are successful in your application:-

(i) Our IPO Shares allotted to you will be credited into your CDS account.

(ii) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued / offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

(iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

11. ENQUIRIES

Enquiries in respect of the Applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. 03-2783 9299
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institutions and Authorised Financial Institutions

The results of the allocation of Issue Shares derived from successful balloting will be made available to the public at the Issuing House's website at https://tiih.online, within **1 Market Day** after the balloting date.

You may also check the status of your Application at the above website, 5 Market Days after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 below.

12. LIST OF ADAS

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

Name	Address and Telephone Number	Broker Code
KUALA LUMPUR		
AFFIN HWANG INVESTMENT BANK BHD	2nd Floor, Bangunan AHP No.2, Jalan Tun Mohd Fuad 3 Taman Tun Dr Ismail 60000 Kuala Lumpur Tel No.: 03-7710 6688	068-009
AFFIN HWANG INVESTMENT BANK BHD	Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2143 8668	068-018
AFFIN HWANG INVESTMENT BANK BHD	38A & 40A Jalan Midah 1 Taman Midah Cheras 56000 Kuala Lumpur Tel No.: 03-9130 8803	068-021
ALLIANCE INVESTMENT BANK BHD	Level 17, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2604 3333	076-001
AMINVESTMENT BANK BERHAD	8-9, 11-18, 21-15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2031 0102	086-001
BIMB SECURITIES SDN. BHD.	Level 32, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2691 8887/2613 1600	024-001
CGS-CIMB SECURITIES SDN BHD	3rd Floor, Lot 1511 & 1512 Jalan Mutiara Timur Satu Taman Mutiara Cheras 56100 Kuala Lumpur Tel No.: 03-9132 7424/7428/7429	065-001
FA SECURITIES SDN. BHD.	A-10-17 & A-10-1 Level 10, Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel No.: 2288 1676	021-001
HONG LEONG INVESTMENT BANK BERHAD	Level 7, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No.: 03-2168 1168	066-001

Name	Address and Telephone Number	Broker Code
HONG LEONG INVESTMENT BANK BERHAD	Mezzanine Floor Level 3A, Block B, HP Towers No.12 Jalan Gelenggang 60000 Kuala Lumpur Tel No.: 03-2080 8777	066-002
HONG LEONG INVESTMENT BANK BERHAD	Level 27 & 28, Menara Hong Leong No.6, Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Tel No: 03-2083-1800	066-008
INTER-PACIFIC SECURITIES SDN. BHD.	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No.: 03-2117 1888	054-001
INTER-PACIFIC SECURITIES SDN. BHD.	Ground Floor, 7-0-8, Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel No.: 03-7984 7796	054-003
INTER-PACIFIC SECURITIES SDN. BHD.	No.33-1 (First Floor) Jalan Radin Bagus 57000 Bandar Baru Seri Petaling Kuala Lumpur Tel No.: 03-9056 2921/9056 2922	054-007
KAF-SEAGROATT & CAMPBELL SECURITIES SDN. BHD.	11th - 14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2171 0228	053-001
KENANGA INVESTMENT BANK BHD	Level 17, Kenanga Tower 237 Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-2172 2888	073-001
KENANGA INVESTMENT BANK BERHAD	M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4297 8806	073-001
KENANGA INVESTMENT BANK BERHAD	Ground Floor West Wing ECM Libra Building 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2089 2888	073-001
M & A SECURITIES SDN. BHD.	Level 1-3, No. 45 & 47 and 43-6, The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel No.: 03-2282 1820	057-002

Name	Address and Telephone Number	Broker Code
M & A SECURITIES SDN. BHD.	22A-1, Jalan Kuchai Maju 1 Kuchai Entrepreneurs' Park Off Jalan Kuchai Lama 58200, Kuala Lumpur Tel No.: 03-7983 9890	057-004
MALACCA SECURITIES SDN. BHD.	No. 76-1, Jalan Wangsa Maju Delima 6 Pusat Bandar Wangsa Maju (KLSC) 53300 Setapak, Kuala Lumpur Tel No.: 03-4144 2565	012-001
MALACCA SECURITIES SDN. BHD.	B-M-10, Block B Plaza Arkadia Jalan Intisari Perdana Desa Park City 52200 Kuala Lumpur Tel No.: 03-2733 9782	012-001
MALACCA SECURITIES SDN. BHD.	B01-A-13A Level 13A, Menara 2 No.3 Jalan Bangsar KL ECO City 59200 Kuala Lumpur Tel No.: 03-2201 2100	012-001
MAYBANK INVESTMENT BANK BERHAD	Level 5, Tower C Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No.: 03-2297 8888	098-001
MAYBANK INVESTMENT BANK BERHAD	27, 31-33 Floor Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Tel No.: 03-2059 1888	098-007
MERCURY SECURITIES SDN. BHD.	L-7-2, No.2 Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Tel No.: 03-6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BHD	Level 9,10,11,12 Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2173 8888	026-001
PM SECURITIES SDN BHD	11th Floor, KH Tower No. 8, Lorong P. Ramlee 50250 Kuala Lumpur Tel No: 03-2054 8000	064-001
PUBLIC INVESTMENT BANK BHD	27th Floor, Bangunan Public Bank No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No.: 03-2268 3000	051-001

Name	Address and Telephone Number	Broker Code
RHB INVESTMENT BANK BHD	Level 1, Tower 3 RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-9280 2233/ 2354	087-001
RHB INVESTMENT BANK BHD	No. 62, 62-1, 64, 64-1, Vista Magna Jalan Prima, Metro Prima 52100 Kepong Kuala Lumpur Tel No.: 03-6257 5869	087-028
RHB INVESTMENT BANK BHD	No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4280 4798	087-054
RHB INVESTMENT BANK BHD	Ground, No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No.: 03-9058 7222	087-058
TA SECURITIES HOLDINGS BHD	Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No.: 03-2072 1277	058-003
UOB KAY HIAN SECURITIES (M) SDN. BHD.	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No.: 03-6205 6000	078-004
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Ground & 19th Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-2147 1888	078-010
SELANGOR DARUL EHSAN		
AFFIN HWANG INVESTMENT BANK BHD	Suite B3A1, East Wing 3Ath Floor, Wisma Consplant 2 No. 7, Jalan SS16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5635 6688	068-010
AFFIN HWANG INVESTMENT BANK BHD	4th floor, Wisma Meru 1 Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9999	068-019

Name	Address and Telephone Number	Broker Code
AFFIN HWANG INVESTMENT BANK BHD	No. 79-1 Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No.: 03- 3322 1999	068-023
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No 2, Jalan SS 21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7710 6613	086-001
CGS-CIMB SECURITIES SDN BHD	Level G & Level 1 Tropicana City Office Tower No.3 Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7717 3388	065-001
CGS-CIMB SECURITIES SDN BHD	1st Floor, 135 & 137 Jalan Sultan Abdul Samad 42700 Banting Selangor Darul Ehsan Tel No.: 03-3181 1337/1346	065-001
CGS-CIMB SECURITIES SDN BHD	No. A-07-01 & A-07-02 Empire Office Tower Empire Subang Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5631 7934/7892	065-001
CGS-CIMB SECURITIES SDN BHD	2nd Floor (No. 26-2) Lorong Batu Nilam 4B Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No.: 03-3325 7105/7106	065-001
CGS-CIMB SECURITIES SDN BHD	1st Floor (No. 11A) Jalan Kenari 1 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-5891 6852	065-001
CGS-CIMB SECURITIES SDN BHD	1st Floor, No.26A(F), 26A(M) & 26A(B) Jalan SJ6, Taman Selayang Jaya 68100 Batu Caves Selangor Darul Ehsan Tel No.: 03-6137 1680	065-001
JF APEX SECURITIES BHD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 1118	079-001

Name	Address and Telephone Number	Broker Code
JF APEX SECURITIES BHD	16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7620 1118	079-002
KENANGA INVESTMENT BANK BHD	No. 55C, 2nd Floor Jalan USJ 10/1F 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8024 1773	073-001
KENANGA INVESTMENT BANK BHD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7725 9095	073-001
KENANGA INVESTMENT BANK BHD	Level 1 East Wing Wisma Consplant 2 No. 7 Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No: 03-5621 2118	073-001
KENANGA INVESTMENT BANK BHD	No. 35, (Ground, 1st & 2nd Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3348 8080	073-001
MALACCA SECURITIES SDN. BHD.	No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5636 1533	012-001
MALACCA SECURITIES SDN. BHD.	No. 54M, Mezzanine Floor Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel No: 03-7876 1533	012-001
MAYBANK INVESTMENT BANK BERHAD	Wisma Bentley Music Level 1, No. 3, Jalan PJU 7/2 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7718 8888	098-004
MAYBANK INVESTMENT BANK BERHAD	Suite 8.02, Level 8, Menara Trend Intan Millennium Square No. 68 Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Tel No.: 03-3050 8888	098-003

Name	Address and Telephone Number	Broker Code
PM SECURITIES SDN. BHD.	1st Floor, 157-A Jalan Kenari 23A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-8070 0773	064-003
PM SECURITIES SDN. BHD.	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3341 5300	064-007
RHB INVESTMENT BANK BHD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7873 6366	087-011
RHB INVESTMENT BANK BHD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 3378	087-045
RHB INVESTMENT BANK BHD	1st Floor, 10 & 11 Jalan Maxwell 48000 Rawang Selangor Darul Ehsan Tel No.: 03-6092 8916	087-047
RHB INVESTMENT BANK BHD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1 ½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9180	087-048
RHB INVESTMENT BANK BHD	Unit 1B, 2B & 3B Jalan USJ 10/1J, USJ 10, 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8022 1888	087-059
SJ SECURITIES SDN. BHD.	Ground Floor, Podium Block Wisma Synergy, Lot 72, Persiaran Jubli Perak, Section 22 40000 Shah Alam Selangor Darul Ehsan Tel No.: 03-5192 0202	096-001
SJ SECURITIES SDN. BHD.	No. A-3-11, Block Alamanda, 3rd Floor, 10 Boulevard, Lebuhraya Sprint PJU 6A 47400 Damansara Selangor Darul Ehsan Tel No.: 03-7732 3862	096-005

Name	Address and Telephone Number	Broker Code
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T, Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8025 1880	058-005
TA SECURITIES HOLDINGS BERHAD	2nd Floor, Wisma TA 1A, Jalan SS 20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7795 5713	058-007
<u>PERAK DARUL RIDZUAN</u>		
AFFIN HWANG INVESTMENT BANK BHD	Ground Floor, 1, 2 & 3 21, Jalan Stesen 30400 Taiping Perak Darul Ridzuan Tel No.: 05-8066 688	068-003
AFFIN HWANG INVESTMENT BANK BHD	2nd & 3rd Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2559 988	068-015
CGS-CIMB SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2088 688	065-001
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2530 888	066-003
KENANGA INVESTMENT BANK BHD	Ground, 1st, 2nd & 4th Floor No. 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2422 828	073-022
KENANGA INVESTMENT BANK BHD	Ground Floor No. 25 & 25A, Jalan Jaya 2 Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6939 828	073-031
M & A SECURITIES SDN. BHD.	5th, 6th & Unit 8A M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No.: 05-2419 800	057-001

Name	Address and Telephone Number	Broker Code
MALACCA SECURITIES SDN. BHD.	No. 3, 1st Floor Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05- 2541 533/254 1577	012-013
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Ground Floor), Level 1 & 2 42, Persiaran Greentown 1 Pusat Dagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2453 400	098-002
RHB INVESTMENT BANK BHD	Ground & 1st Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6236 498	087-014
RHB INVESTMENT BANK BHD	Gound & 1st Floor No. 23 & 25, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6921 228	087-016
RHB INVESTMENT BANK BHD	Unit E-2-2A, E-3-2A, E-4-2A & E-5-2A SOHO Ipoh 2, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No.: 05-2415 100	087-023
RHB INVESTMENT BANK BHD	Ground Floor, No. 40, 42 & 44, Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No.: 05-8088 229	087-034
RHB INVESTMENT BANK BHD	No. 1 & 3, First Floor Jalan Wawasan Satu Taman Wawasan Jaya 34200 Parit Buntar Perak Darul Ridzuan Tel No.: 05-7170 888	087-052
TA SECURITIES HOLDINGS BHD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng, No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No.: 05-2531 313	058-001
UOB KAY HIAN SECURITIES (M) SDN. BHD.	153A Jalan Raja Musa Aziz 30300 Ipoh Perak Darul Ridzuan Tel No.: 05-2411 290	078-002

Name	Address and Telephone Number	Broker Code
PENANG		
AFFIN HWANG INVESTMENT BANK BHD	Level 2, 3, 4, 5, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Penang Tel No.: 04-2636 996	068-001
AFFIN HWANG INVESTMENT BANK BHD	No. 2 & 4 Jalan Perda Barat, Bandar Perda 14000 Penang Tel No.: 04-5372 882	068-006
ALLIANCE INVESTMENT BANK BHD	Ground & Mezzanine Floor Bangunan Berkath 21, Beach Street 10300 Penang Tel No.: 04-2611 688	076-015
AMINVESTMENT BANK BERHAD	Level 3, Menara Liang Court No. 37, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2261 818	086-001
CGS-CIMB SECURITIES SDN BHD	Level 2, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2385 900	065-001
INTER-PACIFIC SECURITIES SDN BHD	Canton Square Level 2 (Unit 1) & Level 3 No 56, Cantontment Road 10250 Pulau Pinang Tel No: 04-2268-288	054-002
JF APEX SECURITIES BERHAD	368-2-5 Jalan Burmah Belissa Row 10350 Pulau Tikus Penang Tel No.: 04-2289 118	079-005
MALACCA SECURITIES SDN BHD	28, Lorong Tangling Indah 3 Taman Tangling Indah 14100 Simpang Ampat Pulau Pinang Tel No: 04-506 0967	012-001
MAYBANK INVESTMENT BANK BERHAD	Ground Floor Bangunan KWSP No. 38, Jalan Sultan Ahmad Shah 10050 Georgetown Penang Tel No.: 04-2196 888	098-006
CGS-CIMB SECURITIES SDN BHD	No. 20-1 & 20-2 Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Bayan Lepas Penang Tel No.: 04-6412 881	065-001

Name	Address and Telephone Number	Broker Code
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth, Seberang Perai Penang Tel No.: 04-3322 123	093-001
KENANGA INVESTMENT BANK BHD	7th, 8th & 16th Floor Menara Boustead 39, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2283 355	073-023
M & A SECURITIES SDN. BHD.	332H-1 & 332G-2 Harmony Square Jalan Perak 11600 Georgetown Penang Tel No.: 04-2817 611	057-005
M & A SECURITIES SDN. BHD.	9-1-33 Taman Kheng Tian Jalan Van Praagh 11600 Georgetown Tel No.: 04-2617 611	057-008
MALACCA SECURITIES SDN. BHD.	48 Jalan Todak 2 13700 Seberang Jaya Penang Tel No.: 04-2409 319	012-001
MALACCA SECURITIES SDN. BHD.	No.17, 1st Floor Persiaran Bayan Indah Taman Bayan Indah 11900 Bayan Lepas Penang Tel No.: 04-6421 533	012-001
MERCURY SECURITIES SDN. BHD.	2nd Floor Standard Chartered Bank Chambers 2 Lebuh Pantai 10300 Penang Tel No.: 04-2639 118	093-004
MERCURY SECURITIES SDN. BHD.	70-1-22, Jalan Mahsuri 11900 Bandar Bayan Baru Penang Tel No.: 04-6400 822	093-006
PM SECURITIES SDN. BHD.	3rd Floor, Wisma Wang 251-A Jalan Burmah 10350 Penang Tel No.: 04-2273 000	064-004
RHB INVESTMENT BANK BHD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Penang Tel No.: 04-3900 022	087-005

Name	Address and Telephone Number	Broker Code
RHB INVESTMENT BANK BHD	Ground Floor– Tingkat 3 & Tingkat 5 – Tingkat 8 64 & 64-D Lebuh Bishop 10200 Penang Tel No.: 04-2634 222	087-033
RHB INVESTMENT BANK BHD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5, 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Penang Tel No.: 04-6404 888	087-042
TA SECURITIES HOLDINGS BHD	3rd Floor, Bangunan Heng Guan 171, Jalan Burmah 10050 Penang Tel No. : 04-2272 339	058-010
UOB KAY HIAN SECURITIES (M) SDN. BHD.	1st and 2nd Floor Bangunan Heng Guan No. 171 Jalan Burmah 10050 Penang Tel No.: 04-2299 318	078-002
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Penang Tel No.: 04-5541 388	078-003

KEDAH DARUL AMAN

Name	Address and Telephone Number	Broker Code
AFFIN HWANG INVESTMENT BANK BHD	No. 70A, B & C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No.: 04-4256 666	068-011
ALLIANCE INVESTMENT BANK BHD	Lot T-30, 2nd Floor Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No.: 04-7317 088	076-004
CGS-CIMB SECURITIES SDN BHD	2nd Floor, No.102 Kompleks Persiaran Sultan Abdul Hamid Jalan Pegawai 05050 Alor Setar Kedah Darul Aman Tel No.: 04-7774 400	065-001
MALACCA SECURITIES SDN. BHD.	No. 9 Tingkat Satu Kompleks Perniagaan LITC Jalan Putra Mergong 05150 Alor Setar Kedah Darul Aman Tel No.: 04- 7300 299	012-001

Name	Address and Telephone Number	Broker Code
RHB INVESTMENT BANK BHD	35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No.: 04-4964 888	087-019
RHB INVESTMENT BANK BHD	Ground & 1st Floor 214-A & 214-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-7209 888	087-021
<u>NEGERI SEMBILAN DARUL KHUSUS</u>		
AFFIN HWANG INVESTMENT BANK BHD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7612 288	068-007
AFFIN HWANG INVESTMENT BANK BHD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-4553 188	068-013
CGS-CIMB SECURITIES SDN BHD	1st Floor, No.21 Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-4553 155	065-001
CGS-CIMB SECURITIES SDN BHD	2nd Floor, Lot 3110 Jalan Besar, Lukut 71010 Port Dickson Negeri Sembilan Darul Khusus Tel No.: 06-6515 385	065-001
CGS-CIMB SECURITIES SDN BHD	Level 2, Wisma Dewan Perniagaan Melayu Negeri Sembilan Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7614 651	065-001
KENANGA INVESTMENT BANK BHD	1C & 1D, 1st Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7655 998	073-001
MAYBANK INVESTMENT BANK BERHAD	Ground Floor, Wisma HM No. 43 Jalan Dr. Krishnan 70000, Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7669 555	098-005
PM SECURITIES SDN. BHD.	Ground, 1st, 2nd & 3rd Floor 19, 20 & 21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7623 131	064-002

Name	Address and Telephone Number	Broker Code
RHB INVESTMENT BANK BHD	Ground, 1st & 2nd Floor No. 32 & 33 Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7641 641	087-024
RHB INVESTMENT BANK BHD	1st Floor No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No.: 06-4421 000	087-037
<u>MELAKA</u>		
CGS-CIMB SECURITIES SDN BHD	No 191 Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No.: 06-2898 897	065-001
KENANGA INVESTMENT BANK BHD	71 & 73 (Ground, A&B) Jalan Merdeka, Taman Melaka Raya 75000 Melaka Tel No.: 06-2881 720	073-001
KENANGA INVESTMENT BANK BHD	22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel No.: 06-3372 550	073-001
MALACCA SECURITIES SDN. BHD.	No. 1, 3 & 5, Jalan PPM 9 Plaza Pandan Malim (Business Park) Balai Panjang P.O Box 248 75250 Melaka Tel No.: 06-3371 533	012-001
MERCURY SECURITIES SDN. BHD.	81B & 83B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2921 898	093-003
PM SECURITIES SDN. BHD.	No. 6-1, Jalan Lagenda 2 Taman 1 Legenda 75400 Melaka Tel No.: 06-2866 008	064-006
RHB INVESTMENT BANK BHD	579, 580 & 581 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2825 211	087-026
TA SECURITIES HOLDINGS BHD	No. 59, 59A & 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2862 618	058-003

Name	Address and Telephone Number	Broker Code
UOB KAY HIAN SECURITIES (M) SDN. BHD.	7-2 Jalan PPM8 Malim Business Park 75250 Melaka Tel No.: 06-3352 511	078-014
JOHOR DARUL TAKZIM		
ALLIANCE INVESTMENT BANK BHD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No.: 07-7717 922	076-006
AMINVESTMENT BANK BERHAD	2nd, 3rd, 4th Floor Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4342 282	086-001
AMINVESTMENT BANK BERHAD	18th Floor, Metropolis Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-3343 699	086-001
CGS-CIMB SECURITIES SDN BHD	No. 73 Ground Floor, No. 73A & 79A First Floor Jalan Kuning Dua 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3405 888	065-001
CGS-CIMB SECURITIES SDN BHD	1st Floor, 101 Jalan Gambir 8 Bandar Baru Bukit Gambir 84800 Muar Johor Darul Takzim Tel No.: 07-9764 559	065-001
CGS-CIMB SECURITIES SDN BHD	1st Floor, No.384A Jalan Simbang, Taman Perling 81200 Johor Bahru Johor Darul Takzim Tel No.: 07-2329 673	065-001
CGS-CIMB SECURITIES SDN BHD	2nd Floor, 113 & 114 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No.: 07-9311 509	065-001
CGS-CIMB SECURITIES SDN BHD	1st Floor, No. 8A Jalan Dedap 20 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3537 669	065-001

Name	Address and Telephone Number	Broker Code
AFFIN HWANG INVESTMENT BANK BHD	Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2222 692	068-004
INTER-PACIFIC SECURITIES SDN. BHD.	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2231 211	054-004
KENANGA INVESTMENT BANK BHD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3333 600	073-004
KENANGA INVESTMENT BANK BHD	Ground & Mezzanine Floor No. 34, Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No.: 07-9333 515	073-001
KENANGA INVESTMENT BANK BHD	No. 33 & 35 A & B, Ground Floor Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No.: 07-7771 161	073-001
KENANGA INVESTMENT BANK BHD	Ground Floor No. 4 Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No.: 06-9782 292	073-001
KENANGA INVESTMENT BANK BHD	No. 24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4326 963	073-001
KENANGA INVESTMENT BANK BHD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9531 222	073-001
M & A SECURITIES SDN. BHD.	Suite 5.3A, Level 5 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3381 233	057-003
MALACCA SECURITIES SDN. BHD.	1735-B Jalan Sri Putri 4 Taman Putri Kulai 81000 Kulai Jaya Johor Darul Takzim Tel No: 010-2228 313	012-001

Name	Address and Telephone Number	Broker Code
MALACCA SECURITIES SDN. BHD.	Lot 880, Batu 3 ½ Jalan Salleh 84000 Muar Johor Darul Takzim Tel No: 06-9536 948	012-001
MALACCA SECURITIES SDN. BHD.	31-B Jalan Rahmat 83000 Batu Pahat Johor Darul Takzim Tel No: 07-4381 533	012-001
MERCURY SECURITIES SDN. BHD.	Suite 17.1, Level 17 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3316 992	093-005
PM SECURITIES SDN. BHD.	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4333 608	064-001
RHB INVESTMENT BANK BHD	53, 53-A & 53-B Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4380 288	087-009
RHB INVESTMENT BANK BHD	No. 33-1, 1st and 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9538 262	087-025
RHB INVESTMENT BANK BHD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No.: 07-5577 628	087-029
RHB INVESTMENT BANK BHD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No.: 07-9321 543	087-030
RHB INVESTMENT BANK BHD	Grounf & 1st Floor No. 40 Jalan Haji Manan 86000 Kluang Johor Darul Takzim Tel No.: 07-7769 655	087-031

Name	Address and Telephone Number	Broker Code
RHB INVESTMENT BANK BHD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No.: 07-6626 288	087-035
RHB INVESTMENT BANK BHD	Ground, 1st & 2nd Floor No. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3522 293	087-043
TA SECURITIES HOLDINGS BHD	7A, Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel No.: 07-9435 278	058-009
TA SECURITIES HOLDINGS BHD	15, Jalan Molek 1/5A Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel no.: 07-3647 388	058-011
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-2197 575	078-001
UOB KAY HIAN SECURITIES (M) SDN. BHD.	No. 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No.: 07-6637 398	078-001
UOB KAY HIAN SECURITIES (M) SDN. BHD.	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3513 218	078-001
UOB KAY HIAN SECURITIES (M) SDN. BHD.	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No.: 07-5121 633	078-008

KELANTAN DARUL NAIM

Name	Address and Telephone Number	Broker Code
CGS-CIMB SECURITIES SDN BHD	Level 4, Wisma TCH Jalan Pengkalan Chepa 15400 Kota Baru Kelantan Darul Naim Tel No.: 09-7419 050	065-001

Name	Address and Telephone Number	Broker Code
RHB INVESTMENT BANK BHD	Gound & 1st Floor No. 3953-H Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No.: 09-7430 077	087-020
TA SECURITIES HOLDINGS BHD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-7433 388	058-004
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Ground Floor & 1st Floor Lot 712, Sek 9, PT 62 Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-7473 906	078-004
PAHANG DARUL MAKMUR		
ALLIANCE INVESTMENT BANK BHD	B-400 Jalan Berserah 25300 Kuantan Pahang Darul Makmur Tel No.: 09-5660 800	076-002
CGS-CIMB SECURITIES SDN BHD	Ground 1st & 2nd Floor No. A-27, Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No.: 09-5057 800	065-001
KENANGA INVESTMENT BANK BHD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5171 698	073-001
MALACCA SECURITIES SDN. BHD.	P11-3 Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No: 09-2220 993	012-001
RHB INVESTMENT BANK BHD	B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5173 811	087-007
RHB INVESTMENT BANK BHD	Ground & 1st Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No.: 05-4914 913	087-041

Name	Address and Telephone Number	Broker Code
TERENGGANU DARUL IMAN		
ALLIANCE INVESTMENT BANK BHD	Ground & Mezzanine Floor Wisma Kam Choon 101, Jalan Kampung Tiong 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6317 922	076-009
RHB INVESTMENT BANK BHD	Ground & 1st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No.: 09-8583 109	087-027
RHB INVESTMENT BANK BHD	1st Floor No. 59, Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6261 816	087-055
UOB KAY HIAN SECURITIES (M) SDN. BHD.	No.37-B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6224 766	078-016
SABAH		
AFFIN HWANG INVESTMENT BANK BHD	Suite 1-9-E1, 9th Floor CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No.: 088-311 688	068-008
CGS-CIMB SECURITIES SDN BHD	1st – 3rd Floor, Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No.: 088-328 878	065-001
CGS-CIMB SECURITIES SDN BHD	1st Floor, Lot 12 Block A3, Phase 2 Utama Place Mile 6, Northern Road 90000 Sandakan Sabah Tel No.: 089-215 578	065-001
KENANGA INVESTMENT BANK BHD	Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-236 188	073-032
RHB INVESTMENT BANK BHD	2nd Floor No. 81 & 83 Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-269 788	087-010

Name	Address and Telephone Number	Broker Code
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Lot 177 & 178 Ground Floor, Block 17 Phase 2, Prima Square Mile 4, North Road 90000 Sandakan Sabah Tel No.: 089-218 681	078-012
<u>SARAWAK</u>		
AFFIN HWANG INVESTMENT BANK BHD	Ground Floor & 1st Floor No.1 Jalan Pending 93450 Kuching Sarawak Tel No.: 082-341 999	068-005
AMINVESTMENT BANK BERHAD	No. 162, 164, 166 & 168 1st Floor Jalan Abell 93100 Kuching Sarawak Tel No.: 082-244 791	086-001
CGS-CIMB SECURITIES SDN BHD	Aras 1 (Utara) Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No.: 082-358 688	065-001
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel No.: 084-367 700	065-001
KENANGA INVESTMENT BANK BHD	Lot 1866, Jalan MS 2/5 Marina Square 2 Marina Parkcity 98000 Miri Sarawak Tel No.: 085-435 577	073-001
KENANGA INVESTMENT BANK BHD	Level 2-4, Wisma Mahmud Jalan Sungai Sarawak 93400 Kuching Sarawak Tel No.: 082-338 000	073-001
KENANGA INVESTMENT BANK BHD	No. 11-12, (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibu Sarawak Tel No.: 084-313 855	073-001
KENANGA INVESTMENT BANK BHD	Ground Floor of Survey Lot No. 4203 Parkcity Commerce Square Phase 6, Jalan Diwarta 97000, Bintulu Sarawak Tel No.: 086-337 588	073-001

Name	Address and Telephone Number	Broker Code
MERCURY SECURITIES SDN. BHD.	1st Floor No.16 Jalan Getah 96100 Sarikei Sarawak Tel No.: 084-659 019	093-001
RHB INVESTMENT BANK BHD	Yung Kong Abell Units No. 1-10, 2nd Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-250 888	087-008
RHB INVESTMENT BANK BERHAD	102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Tel No.: 084-329 100	087-008
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 221, Park City Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-311 770	087-053
TA SECURITIES HOLDINGS BHD	12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Tel No.: 084-319 998	058-002
TA SECURITIES HOLDINGS BHD	2nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 kuching Sarawak Tel No.: 082-236 333	058-006
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Lot 1265, 1st Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No.: 085-324 128	078-017
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Ground Floor & First Floor No.16 Lorong Intan 6 96000 Sibu Sarawak Tel No.: 084-252 737	078-018