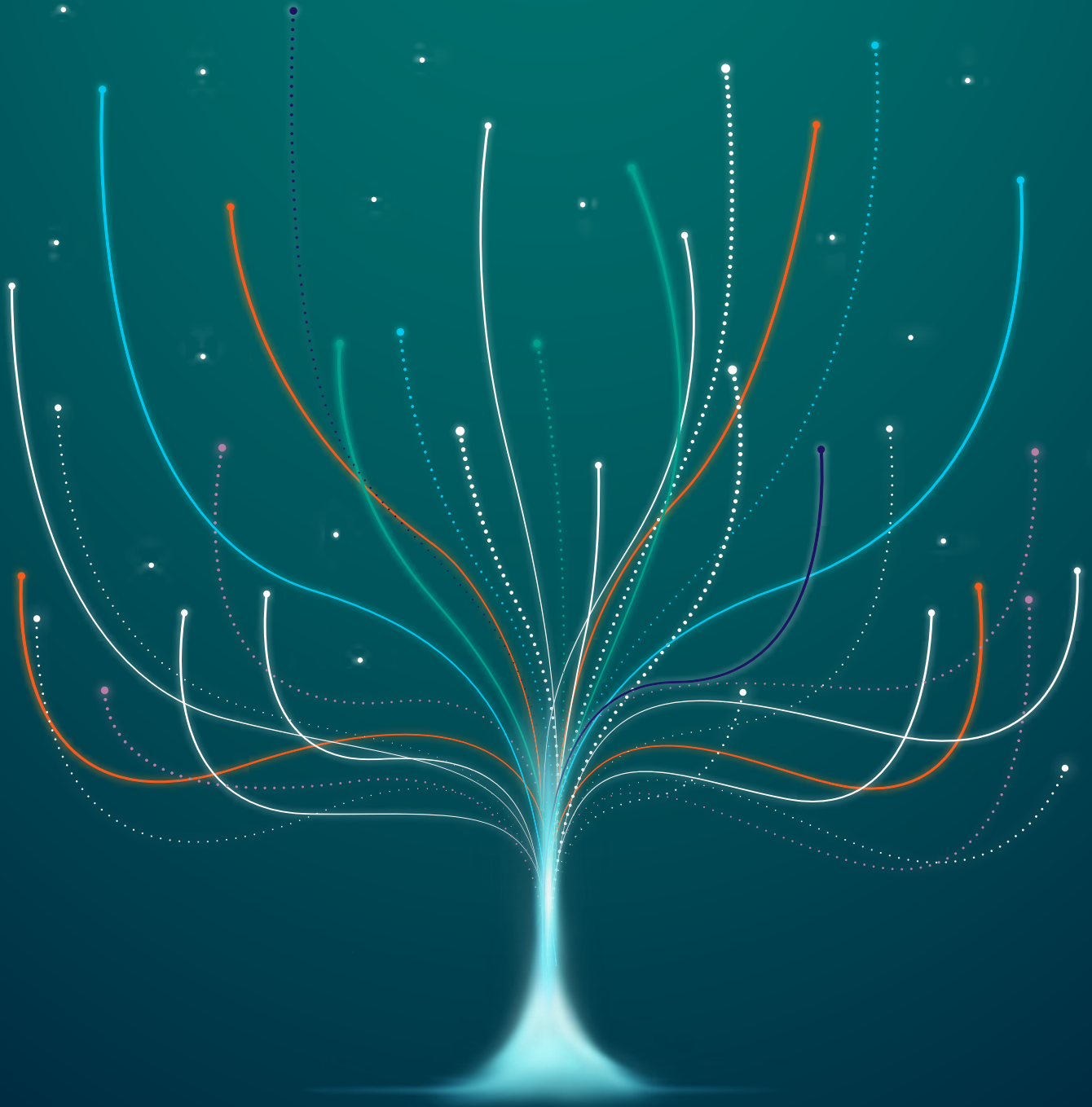


ctos Digital



INNOVATION FOR FUTURE GROWTH

INTEGRATED ANNUAL REPORT 2024

INSIDE THIS REPORT



INNOVATION FOR FUTURE GROWTH.

Welcome to CTOS 2024 Integrated Annual Report (IAR) themed “Innovation for Future Growth”. In 2024, our efforts are committed to enhancing products, services, technologies, and business models to drive long-term success. It highlights investments in digital transformation, strategic partnerships, or emerging market opportunities which aligns with the company’s vision, competitive advantage, and sustainability goals.

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PROXY FORM

2025 ANNUAL GENERAL MEETING



TIME:
9.30 a.m.



DATE:
25 June 2025



Venue:
One World Hotel, Bandar Utama, Petaling Jaya

NAVIGATE OUR REPORT

In the report, we utilise the following icons to signify the connectivity between our business elements. Please refer to the icons for links between capitals, strategic focus areas, stakeholder groups, material matters, and risks:



Web Refer

To find more information online via www.ctosdigital.com



Page Refer

To find more related information inside this report

CAPITALS



Human



Financial



Intellectual



Natural



Manufactured



Social

STRATEGIC FOCUS AREAS



Continuing
to Grow Core
Business



Expanding
International
Operations



Leveraging
the Digital
Ecosystem



Harnessing
Group-wide
Synergies



Strengthening
Customer
Lifetime Journey

STAKEHOLDERS



Employees



Shareholders
& Investors



Customers



Suppliers
& Business
Partners



Government
& Regulatory
Bodies



Local
Communities

MATERIAL MATTERS



M1 Data Privacy & Cyber
Security



M6 Diversity, Equity, &
Inclusion ("DEI")



M2 Governance, Transparency,
& Accountability



M7 Career
Development



M3 Sustainability Risk
Management



M8 Employee Welfare &
Well-Being



M4 Innovative
Customer Solutions



M9 GHG Emissions &
Energy Consumption



M5 Financial Inclusion &
Community Empowerment



M10 Environmental
Stewardship

RISKS



R1 Cyber and Data Security
Risks



R5 Third-Party Risk



R2 Regulatory Risks



R6 Environmental, Social, &
Governance ("ESG") Risk



R3 Human Capital Risk



R4 Operational Risk

ABOUT THIS REPORT

Welcome to CTOS Digital Berhad's Integrated Annual Report (IAR) for 2024. This report reflects our commitment to sustainable value creation for both our business and stakeholders by balancing financial performance with non-financial contributions. Guided by the principles of integrated reporting, we strive to deliver meaningful outcomes that drive shared prosperity and resilience for our stakeholders and the broader ecosystem.

Aligned with the International Integrated Reporting Council's (IIRC) <IR> Framework (January 2021), this report provides a comprehensive view of our performance, strategies and future outlook. It demonstrates our dedication to transparency and accountability, equipping stakeholders with insights to make informed decisions while considering our environmental and social impact.

SCOPE & BOUNDARIES

This Integrated Annual Report records our financial and non-financial performance for the period 1 January 2024 to 31 December 2024, unless otherwise stated, including data from the recently acquired operations in Thailand. This report provides an in-depth and comprehensive analysis of the business operations and performance of the holding company, CTOS Digital Berhad ("CTOS Digital" or "the Company") and its subsidiaries ("CTOS" or "the Group").

The report outlines our key strategic priorities, achievements and provides insights into our progress across both our financial and non-financial metrics, aligned with our focus on transparency. Additionally, it addresses our material matters, risks and opportunities and stakeholder value creation initiatives, demonstrating our dedication to meeting the expectations of a dynamic global stakeholder base.

Reporting Frameworks

This report was developed using the following standards, guidelines and best practices:

- IIRC <IR> Framework
- Bursa Malaysia Main Market Listing Requirements (MMLR)
- Securities Commission Malaysia Malaysian Code on Corporate Governance (MCCG)
- Malaysian Financial Reporting Standards (MFRS)
- Bursa Malaysia's Sustainability Reporting Guide
- FTSE4Good Bursa Malaysia (F4GBM) Index
- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- United Nations Sustainable Development Goals (UNSDGs)
- Companies Act 2016
- Credit Reporting Agencies (CRA) Act 2010
- ISO 26000 Guidance on Social Responsibility
- ISO 27001 Information Security Risks
- ISO 31000 Risk Management Guidelines

REPORTING PRINCIPLES

We adhere to the following principles to ensure the quality of our reporting disclosures:

Transparency

We equip stakeholders with clear, reliable information to support informed decisions about our performance.

Stakeholder Inclusiveness

We highlight CTOS' initiatives to drive effective engagement with key stakeholders, addressing their needs and concerns with proactive solutions.

Materiality

We focus on CTOS' economic, environmental and social impacts to drive business sustainability and create value for stakeholders.

Connectivity

We offer a thorough analysis of the critical connections, dependencies, and elements that impact the organisation's ability to deliver sustained value.

Potential

We articulate the organisation's growth potential to enable stakeholders to understand the rationale behind key decisions.

ABOUT THIS REPORT

MATERIALITY

This integrated report highlights the material matters and critical factors that shape our social impact, market adaptability and long-term performance. These were identified through a rigorous materiality assessment process that incorporated stakeholder engagement, internal evaluations and Board insights to address risks and opportunities essential to achieving our goal as ASEAN's centre of excellence for credit reporting.

For more information on our materiality process, please see page 22.

ASSURANCE

The credibility of our reporting disclosures has been verified by the following:

- Internal Audit
- External Auditor, PricewaterhouseCoopers PLT

FORWARD-LOOKING STATEMENTS

This integrated report contains several forward-looking statements that address challenges, future plans, known and unknown risks as well as growth opportunities. These statements are based on CTOS' current projections, assumptions, and expectations that may evolve due to various external uncertainties that are beyond our control. Hence, these forward-looking statements do not constitute guarantees of future performance.

STATEMENT FROM THE BOARD OF DIRECTORS

The Board acknowledges its responsibility for the integrity of this report, ensuring a fair presentation of CTOS' integrated performance, and addressing material issues affecting value. The Board confirms that this report was diligently prepared in accordance with the International <IR> Framework and received approval on 23 April 2025.

Aligns with The UNSDGs



We envisage a world free of poverty, hunger, disease and want, where all life can thrive. We envisage a world free of fear and violence. A world with universal literacy. A world with equitable and universal access to quality education at all levels, to health care and social protection, where physical, mental and social well-being are assured. A world where we reaffirm our commitments regarding the human right to safe drinking water and sanitation and where there is improved hygiene; and where food is sufficient, safe, affordable and nutritious. A world where human habitats are safe, resilient and sustainable and where there is universal access to affordable, reliable and sustainable energy.



FEEDBACK

We welcome all feedback and comments on ways we can improve the quality of the report. Please direct all inquiries to:

contactus@ctos.com.my

03- 2722 8833



Please scan barcode to visit our website at www.ctosdigital.com



Please scan the attached QR code

OVERVIEW OF CTOS WHO WE ARE

CTOS Digital Berhad is an important player in the ASEAN credit reporting landscape, enabling digital credit solutions through strategic investments and innovation.

Since our listing in 2021, our dual-pronged strategy of organic growth and targeted acquisitions has expanded our portfolio of digital products and credit risk management solutions. We serve diverse clients, including banking, financial services, insurance, telecommunications, large corporations, SMEs, legal firms and statutory bodies while empowering individuals through credit self-check capabilities.

With over three decades of operational excellence, CTOS remains committed to transforming the region's financial ecosystem. Through innovation, sustainable growth, and geographical expansion, we are focused on developing new verticals and delivering tailored solutions, shaping the future of credit ecosystems while driving economic and social value across the region.



Please scan the attached
QR code to get more information

VISION

To make Malaysia a centre of excellence for credit reporting in ASEAN.

MISSION

To empower individuals and businesses with the confidence to make sound credit decisions through access to data and insights at greater ease and speed, leading the community to better financial health.



OUR REGIONAL FOOTPRINT

Anchored by our strong presence in Malaysia, we have strategically expanded across key ASEAN markets. As the parent company of CTOS Data Systems Sdn Bhd and CTOS Basis Sdn Bhd in Malaysia, we hold a 24.83% stake in Thailand's leading credit information provider, Business Online Public Company Limited ("BOL"). Additionally, we fully own Finscore, Inc. ("FinScore") in the Philippines and hold an 80% stake in PT Prime Analytics Indonesia, which are both rapidly growing credit-scoring firms. This expansion reflects our commitment to delivering sustainable growth and creating long-term value across the region.

OVERVIEW OF CTOS
WHO WE ARE

GUIDING PRINCIPLES

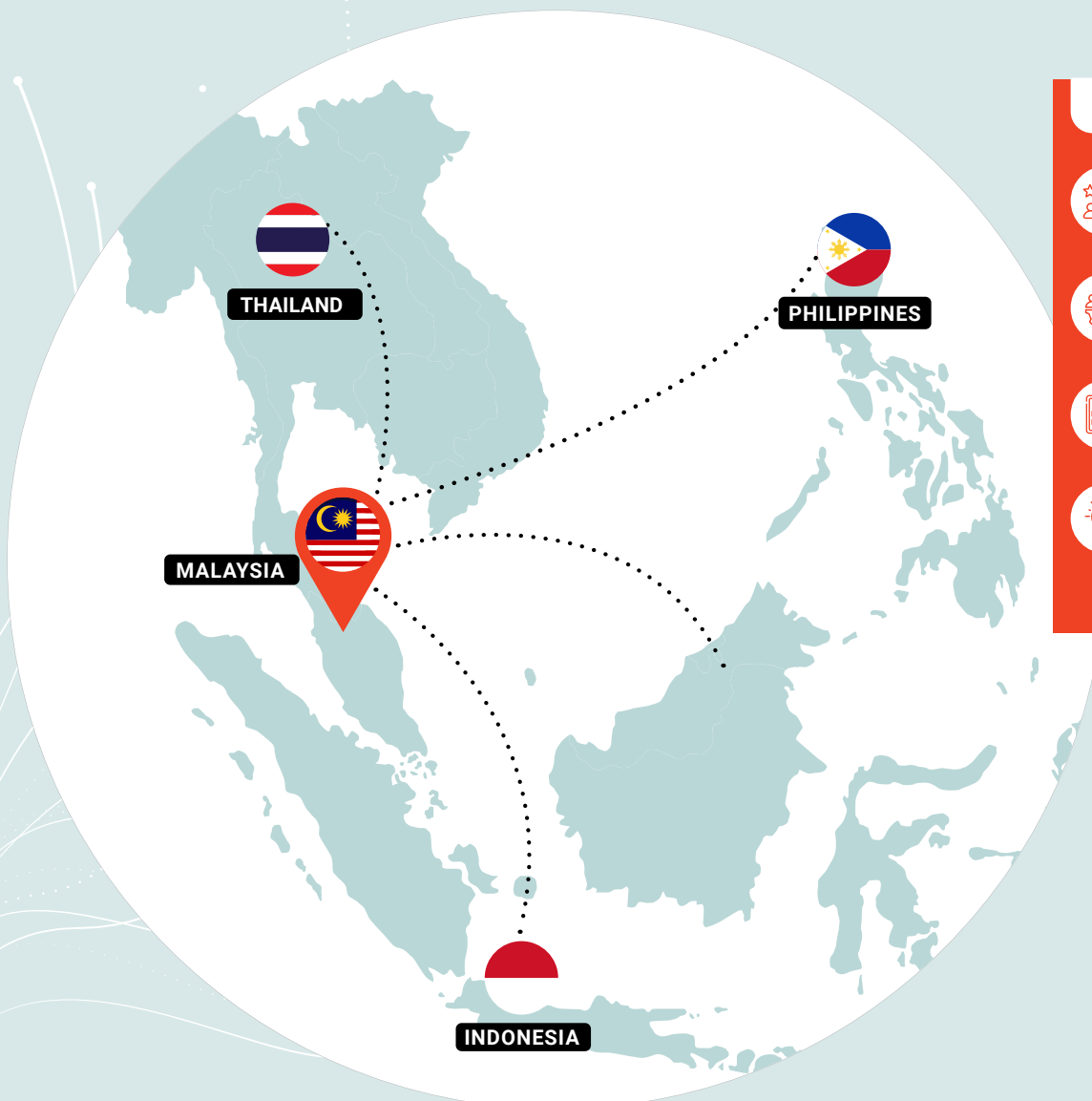
We
delight our
customers

We
meet our
commitments

We
are a high
performance
team

We
innovate
continuously

High
energy,
exciting
work
environment



PEOPLE CULTURE



Customer
Focused



Collaborative and
High-Performance
Team



Accountability

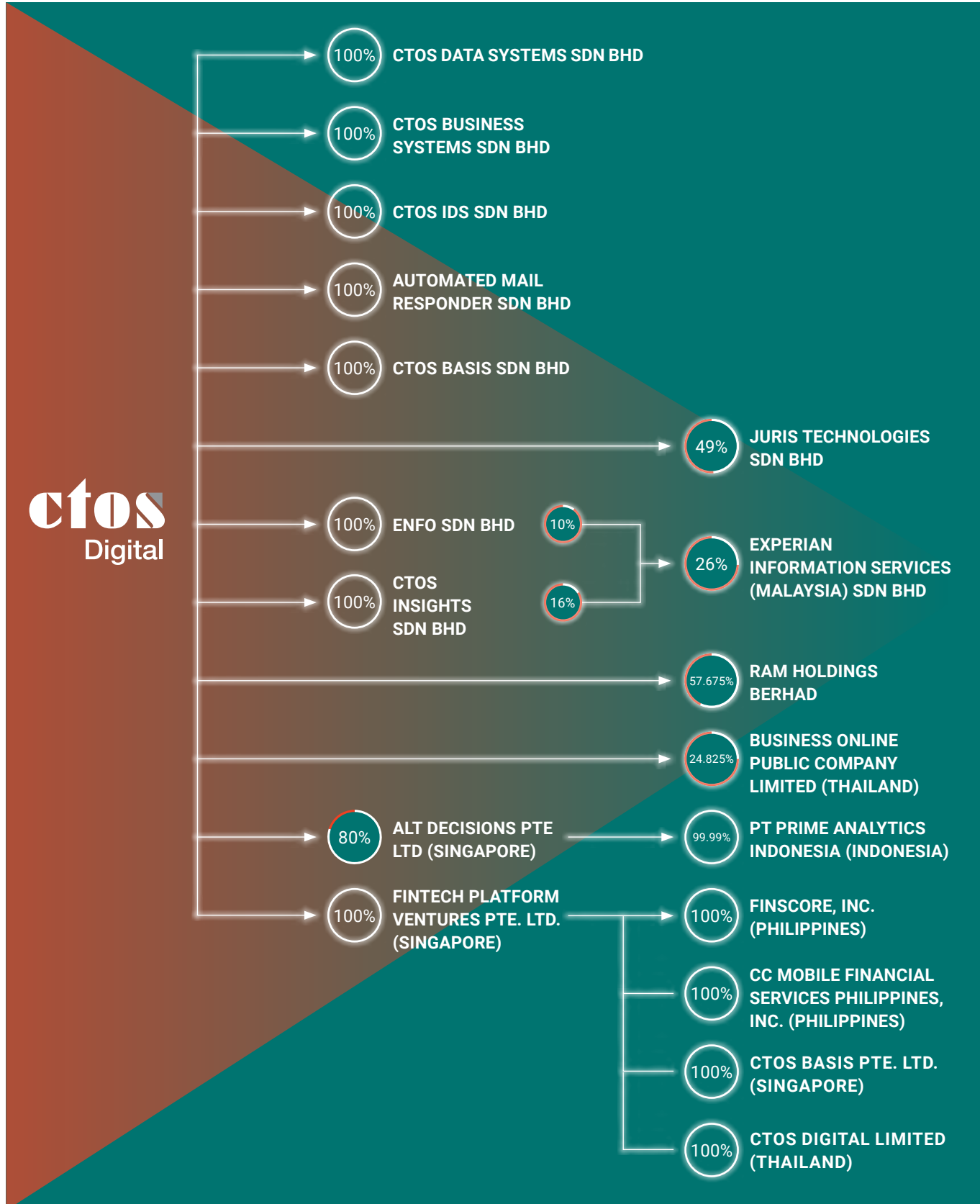


Innovation and
Digital Driven

OVERVIEW OF CTOS

HOW WE ARE STRUCTURED




CTOS Digital is the holding company of and holds interests in some of ASEAN's leading credit reporting agencies.



OVERVIEW OF CTOS HOW WE ARE STRUCTURED

OUR ASSOCIATE COMPANIES

In line with our growth strategy, the Group's strategic investments in several associate companies allows us to harness opportunities in the evolving digital economy.

Company	Ownership stake	Description
	24.825%	Listed on the Stock Exchange of Thailand, BOL is a key player that offers business decision-making solutions, offering online platforms for risk management, business intelligence platforms and data solutions.
	57.675%	A leading provider of credit ratings, research, ESG analytics and bond pricing.
	49%	A Malaysian-based fintech firm specialising in end-to-end credit software solutions for enterprises.

WHAT WE DO

Aligned by our mission, we deliver a diverse portfolio of cutting-edge digital products and credit management solutions that span the entire customer credit lifecycle. Our operations are focused on four core business segments, each designed to optimise value and drive growth.



KEY ACCOUNTS - MALAYSIA

- **Customers served:** Approximately 500 high revenue generating customers
- **Top contributors:** Banks, NBFIs and telcos
- **Services provided:** Digital reports, Comprehensive Portfolio Review & Analytics, Digital Solutions CTOS Application and Decisioning (CAD), electronic Know-Your-Customer (eKYC), ID Guard, and electronic Trade Reference (eTR)



COMMERCIAL

- **Customers served:** >22,000 customers
- **Top 5 industries:** Wholesale and retail trade, manufacturing, professional services, construction, finance and insurance
- **Services provided:** Credit Manager, Credit Monitoring and eTR



KEY ACCOUNTS - INTERNATIONAL

- **Customers served:** Approximately 80 clients across the Philippines and Indonesia
- **Coverage:** Close to 100% telco coverage in Indonesia and the Philippines
- **Services provided:** Alternative score platform



DIRECT-TO-CONSUMER (D2C)

- **Customers served:** >4.4 million registered users for CTOS ID
- **Services provided:** CTOS Score, CTOS SecureID, Credit Finder, CTOS Credit Monitoring, and CTOS Vehicle Check

OVERVIEW OF CTOS

HOW WE ARE STRUCTURED

OUR DIGITAL SOLUTIONS

We deliver digital solutions that assist businesses and customers throughout their lifecycle, from identification and decision making to management, monitoring, and recovery.

Digital Solution	OUR APPROACH
CTOS Score	Helps individuals secure loan approvals through a three-digit evaluation, which highlights their creditworthiness and repayment reliability.
CTOS Credit Manager	Improves credit risk management by tracking financial health and encourages timely repayments while lowering risk, time and costs.
Comprehensive Portfolio Review & Analytics	Facilitates evaluation of composition and performance of financial portfolio from market analysis, balance growth, bench mark opportunities for retail loans and risk mitigation.
CTOS Application and Decisioning	Enhances risk management and business performance through customisable automated analytics and insights.
eKYC	Facilitates remote customer onboarding with Digital ID Verification, ensures regulatory compliance.
Electronic Trade Reference (eTR)	Shares payment data from suppliers, typically related to unpaid debts with organisations such as telcos, credit, leasing and utility companies.
CTOS ID Guard	Detects and prevents fraud, resulting in faster investigations and credit monitoring.
CTOS SecureID	Provides consumers with real-time fraud prevention notifications and credit monitoring.
CTOS Credit Finder	Connects lenders with consumers, matching them with financial products using the CTOS Consumer Score.
CTOS Vehicle Check	Provides customers the database to check on a used car's full vehicle history.

The background of the slide is a dark teal color. It features a series of wavy, undulating lines that create a sense of movement and depth. These waves are composed of a fine grid of small dots, giving it a digital or data-like appearance. The overall effect is modern and sophisticated.

MESSAGE FROM OUR CHAIRMAN

CHAIRMAN'S MESSAGE

DEAR VALUED STAKEHOLDERS,

2024 has been another defining year for CTOS Digital, reflecting our ability to navigate market complexities while capitalising on emerging opportunities. Despite continued global economic uncertainties, we sharpened our strategic focus, bolstered core competencies, and laid the groundwork for future growth. This year also marked an opportunity to recalibrate our strategic roadmap, aligning aspirations with the vision of positioning CTOS Digital as a regional hub of excellence for credit reporting and digital financial solutions within ASEAN.

ACCELERATING GROWTH THROUGH INNOVATION & TALENTS

The global macroeconomic environment in 2024 remained challenging, characterised by subdued economic activity and ongoing geopolitical tensions. Nevertheless, Malaysia demonstrated remarkable resilience, achieving GDP growth of 5.3%, driven by robust investment activity, higher exports, and increased household spending.

Building on this foundation, CTOS Digital achieved a commendable performance in 2024. Anchored by our long-term strategy focused on sustainable value creation, we intensified investments in two critical areas—technology and talent. These enablers have been instrumental in scaling our operations and enhancing market responsiveness.

Recognising the growing demand for data-driven insights from banks, FinTechs, and other non-financial institutions, we prioritised technology investments to enrich our product portfolio. This focus on innovation enabled the accelerated adoption of wide range digital solutions and advanced analytics. By expanding our suite of offerings, we have further solidified our reputation as a trusted partner in delivering impactful, customer-centric solutions across diverse industries.

In a digital-first world, safeguarding data integrity and mitigating risks are paramount. CTOS Digital



CHAIRMAN'S MESSAGE

achieved a significant milestone in May 2024 by receiving the ISO/IEC 27001:2022 (Information Security, Cyber Security & Privacy Protection – Information Security Management Systems) Certification, a globally recognised standard for information security management. This certification underscores our commitment to implementing robust security protocols and adhering to best practices in protecting stakeholder information.

This achievement enhances our ability to manage cyber security risks effectively, ensuring that we stay ahead of evolving threats while maintaining operational resilience. Combined with substantial enhancements to our data privacy frameworks, these measures reinforce our reputation as a trusted custodian of sensitive information, further strengthening the trust and confidence of our clients and stakeholders.

At the heart of our success lies our ability to nurture talent and continuously expand our capabilities. In 2024, we strategically invested in upskilling and reskilling initiatives to empower our workforce with the competencies required to navigate the complexities of the digital economy. In addition, we have significantly bolstered our business development team to capitalise on the robust opportunities we have identified. This expansion aligns with our focus on acquiring new clients and increasing Average Revenue Per User (ARPU) from existing clients. By strengthening our talent pool and adopting a proactive approach, we are well-positioned to accelerate growth and further entrench our leadership in the credit reporting and digital solutions market.

STRENGTHENING CORPORATE GOVERNANCE

Governance remains the cornerstone of our business, enabling us to deliver value and maintain the trust of our stakeholders. In 2024, we continued to strengthen our governance framework, which is rooted in the Bursa Malaysia Securities Bhd Main Market Listing Requirements (MMLR), the Malaysian Code on Corporate Governance (MCCG) 2021 and global best practices. The Board of Directors remains steadfast in upholding the highest standards of integrity, accountability and transparency.

This year, the only change in our Board composition was the appointment of an alternate director, while all other positions remained unchanged. Our Board remains committed to fostering balanced representation and inclusive decision-making at the highest level. As of 2024, women directors comprise 50% of our Board, maintaining the same composition as the previous year. To strengthen ethical leadership and uphold the highest governance standards, we implemented several key initiatives,

including specialised programmes focused on corporate governance, prevention, protection, and collaboration in compliance matters.

EXPANDING OUR HORIZONS

Our ambition to expand in ASEAN's dynamic digital and credit solutions market remains unchanged. We have studied our position internally and assessed that we are currently achieving a penetration rate of 10% to 15% of the total addressable market, which stands at RM2.7 billion across Malaysia, Indonesia, Thailand and the Philippines.

2024 marked the first full year of contribution from our subsidiaries, FinScore Philippines and FinScore Indonesia. The acquisition has been very successful, positioning us among the key players in Indonesia and the Philippines for alternative data solutions. FinScore continues to drive our efforts to bridge financial inclusion gaps, further strengthening our position as growing player in these markets.

By integrating alternative data into credit scoring and analytics, we continue to create pathways for unbanked and underbanked communities to access financial services, catalysing broader economic participation and inclusivity. Our growth runway is long, with substantial opportunities to cross-sell digital solutions, making our presence in these markets even more impactful.

We remain committed to further strengthening our regional presence through synergistic partnerships that enhance our value proposition across ASEAN. The ASEAN market continues to be vibrant and full of untapped potential, and we are actively exploring new ways to deepen and expand our footprint across the region. To leverage the success we have experienced in Malaysia, we aim to replicate this model in other ASEAN countries that are undergoing similar growth cycles. This approach enables us to provide tailored solutions that meet the unique needs of each market while maintaining the scalability of our proven digital and credit solutions.

We are confident that, as we continue to grow in these markets, our ability to deliver innovative, data-driven financial solutions will drive sustainable long-term success and contribute to the region's overall economic development.

DRIVING SUSTAINABLE PROGRESS

Throughout 2024, we made positive progress in strengthening our sustainability approach and building upon where we left off in 2023. Guided by four sustainability pillars—empowering progress and resilience, driving environmental responsibility, nurturing employee growth, and acting with integrity – we are continuing our commitment to drive sustainable practices for our stakeholders.

CHAIRMAN'S MESSAGE

A significant milestone in our sustainability journey was the development of a comprehensive roadmap with measurable targets. This strategy was shaped through active engagement with key team members, whose insights and aspirations informed a focused approach to sustainability. Moreover, we advanced our Net Zero ambitions by broadening the scope of our carbon footprint measurement and began early adoption of IFRS S2 Climate Disclosures.

Our customer-centric initiatives delivered tangible results, as reflected in our Net Promoter Score (NPS) of 23.1, a testament to our service excellence. We also expanded our initiatives to promote financial literacy among consumers, with the number of registered users under our Direct-to-Consumer (D2C) portfolio growing to over 4.4 million compared to the previous year.

DELIVERING VALUE FOR OUR SHAREHOLDERS AND STAKEHOLDERS

We continue to drive value creation by aligning strong financial performance with meaningful engagement with both stakeholders and shareholders. Recognising the vital role they play in supporting our growth journey, we have implemented strategic initiatives this year to strengthen both our financial performance and relationships.

Following a comprehensive assessment of our capital requirements and future growth strategies, we raised the minimum dividend payout ratio to 70% of PATAMI, up from the previous 60%. This decision reflects our progress to delivering robust returns while ensuring we reinvest in high-growth opportunities that fortify our market position and drive sustainable long-term value.

Our focus on financial inclusion remains central to delivering value to our stakeholders, especially those from underserved communities.

Alongside roadshows and webinars, we also introduced youth financial literacy programmes in collaboration with SEGi College and Universiti Kebangsaan Malaysia (UKM), reaching 500 students and raising awareness about financial management and credit health. This was an important step as it addressed the need to help young people obtain a strong foundation in financial responsibility. Through our website, which offers content in Bahasa Melayu, English, and Mandarin, we encouraged customers to deepen their understanding of credit management.

Additionally, we continue to broaden our support for Malaysia's SMEs, an important component in driving the nation's economic growth. We provided them with tailored solutions, financial literacy programmes and advanced cash flow management strategies to help them stay competitive and resilient, despite the challenges. For one of our key SME events, the CTOS SME Biz Day 2024, we partnered with industry leaders such as SME Corp Malaysia, MATRADE, Google and RAM. Overall, we supported approximately 2000 SME's 26 SME-focused events this year.

CHARTING OUR 2025 JOURNEY

As we move into 2025, CTOS Digital will leverage its strengths and digital transformation to sustain its leadership in the credit reporting industry while capitalising on significant growth opportunities in Malaysia and across ASEAN. The growing digital economy and demand for advanced credit data and solutions remain key drivers of this expansion.

To stay ahead, we will intensify investments in technology and systems that strengthen our core operations and unlock new growth avenues. By leveraging Artificial Intelligence (AI), we will enhance credit scoring accuracy, strengthen fraud detection and deliver advanced analytics to meet evolving market needs.

In parallel, we will empower consumers and businesses with innovative tools that enable informed financial decisions, expand strategic partnerships and advocate for financial education to drive economic resilience.

Beyond that, we implemented the separation of the Audit and Risk Committee into two distinct entities—the Audit Committee and the Risk and Compliance Committee. This strategic move will enhance our oversight on financial integrity, regulatory compliance, and risk management, reinforcing our commitment to accountability and trust across the credit reporting ecosystem.


ACKNOWLEDGEMENTS

2025 marks the departure of Erick Hamburger, Group Chief Executive Officer (GCEO) of CTOS Digital and on behalf of the Board of Directors, I would like to thank Erick for his leadership and contributions to the company over the last three years. We wish him every success in his future endeavours. I would also like to extend my profound gratitude to the CTOS Digital management team and employees for their dedication and resilience throughout the year. To my fellow Board members, your insights and guidance have been invaluable in navigating challenges and realising opportunities.

As we move into the next phase of our journey, we reaffirm our commitment to driving sustainable growth, fostering financial inclusion and delivering impactful solutions that empower businesses and individuals. Together, we can build a future defined by innovation, resilience and shared prosperity.

Dato' Noorazman bin Abd Aziz

Independent Non-Executive Chairman
CTOS Digital Berhad

The background is a dark teal color with a series of wavy, undulating lines that create a sense of movement. Overlaid on these waves is a grid of small, light teal dots, which are more densely packed in some areas and more sparse in others, creating a textured, digital effect.

VALUE CREATION AT CTOS

- VALUE CREATION BUSINESS MODEL
- STAKEHOLDER ENGAGEMENT
- MATERIAL MATTERS

VALUE CREATION AT CTOS

VALUE CREATION BUSINESS MODEL

DRIVING SUSTAINABLE GROWTH FOR A BETTER FINANCIAL FUTURE

We harness resource efficiency...

to drive

CAPITAL INPUTS



HUMAN

Employees are the core of our success, representing our most valuable asset - our human capital. We prioritise safeguarding their well-being, advancing their professional development and cultivating a high-performance culture supported by robust governance and ethical standards. Through strategic investments in their growth, we help them unlock their full potential to ensure operational excellence and be equipped for the future.

- **611** total employees
- **RM710,404** invested in learning & development programmes
- **21** employee engagement initiatives



FINANCIAL

We utilise varied funding sources to fuel growth in markets, technology and talent, ensuring strong cash flow to sustain operations, capitalise on new opportunities and enhance customer satisfaction.

- **RM873.3 million** Total Assets
- **RM603.2 million** Shareholder's Equity
- **RM19.4 million** Cash and Bank Balances



MANUFACTURED

Our fixed and digital assets, which include our offices and digital infrastructure, enhance efficiency in digital financial inclusion, generate long-term value and support consumers' financial well-being

- **7** Service Centres Nationwide



INTELLECTUAL

Our Research and Development (R&D) efforts and proprietary knowledge fuel innovation, harnessing advanced technologies to meet customer needs, expand our product suite and reinforce our competitive edge across the region.

- **RM15.7 million** invested in IT/Tech
- **1** New digital solution developed



SOCIAL & RELATIONSHIP

We cultivate trust and strong relationships with stakeholders, including local communities and civil society, to drive digital inclusion. This strengthens community ties, builds customer loyalty, and enhances our brand presence.

- **>4.4 million** total consumers (self-check users)
- Engaged with **83.9%** local suppliers
- **78** outreach activities
- Invested **RM307,489** in socio-economic activities, including on financial literacy programme nationwide



NATURAL

We implement sustainable practices to minimise our environmental impact and preserve resources for the well-being of the people and planet.

- **514.96 MWh** of total electricity usage
- **5.36 megalitres** of total water consumption

ctos

STRATEGIC OBJECTIVES

To create value by optimising our impact on the environment and stakeholders, while ensuring good governance across all our operations. We pursue strategies that address our material topics and measure their impact, so that we can constantly improve our performance.

STRATEGIC FOCUS AREAS



CONTINUING TO GROW CORE BUSINESS



LEVERAGING THE DIGITAL ECOSYSTEM



HARNESSING GROUP-WIDE SYNERGIES



STRENGTHENING CUSTOMER LIFETIME JOURNEY



EXPANDING INTERNATIONAL OPERATIONS

KEY RISKS

- Cyber and Data Security risks
- Human Capital risks
- Operational risks
- Third Party risks
- Regulatory risks
- Environmental, Social and Governance (ESG) risks



Read more on page 37-39

CORE BUSINESS SEGMENTS

- Key Accounts
- Commercial (Malaysia)
- Commercial (International)
- Direct-to-Consumer (D2C)



Read more on page 43-46


VALUE CREATION AT CTOS

VALUE CREATION BUSINESS MODEL

our business...

MATERIAL MATTERS

- Data Privacy & Cyber Security
- Governance, Transparency & Accountability
- Sustainability Risk Management
- Innovative Customer Solutions
- Diversity, Equity & Inclusion (DEI)
- Career Development
- Employee Welfare & Well-being
- Financial Inclusion & Community Empowerment
- Environmental Stewardship
- GHG Emissions & Energy Consumption

 Read more on page 22-26


...and deliver meaningful value.

CAPITAL OUTPUTS


- **87%** employees trained with future-ready skills
- **77%** employee engagement index
- **76%** employee retention rate


 Employees

- **RM304.9** million revenue
- **17.5 %** Return-on-Equity ("ROE")
- Total **70.6%** dividend payout


 Shareholders and Investors


- **8,016** walk-in customers assisted


 Shareholders and Investors

 Customers

- **2.6 million** average monthly visitors to the Knowledge Base site
- **4.4 million** self-check users

 Shareholders and Investors


 Regulatory and Government Bodies

 Customers

- **23.1** consumer Net Promoter Score (NPS) scoring
- **16,000** individuals engaged in outreach events
- Spent **RM27,919,498** to our suppliers

 Communities

- Reduced Scope 2 GHG emission by **26%**

 Shareholders and Investors

 Communities

TRADE OFFS

Human

Investing in talent development strengthens innovation and service excellence but requires financial resources, impacting short-term profitability.

Financial

Funding technology and strategic growth enhances long-term value but may reduce short-term shareholder returns.

Manufactured

Enhancing digital infrastructure improves efficiency and customer experience but demands high upfront investment, affecting short-term liquidity.

Intellectual

Driving fintech innovation and data solutions strengthens competitiveness but requires significant R&D investment, delaying immediate returns.

Social & Relationship

Expanding financial inclusion and stakeholder engagement builds trust and market reach but may lower short-term revenue margins.

Natural

Decarbonising initiatives reduce environmental impact and regulatory risks but require financial commitments, affecting near-term profits.

VALUE CREATION AT CTOS

STAKEHOLDER ENGAGEMENT

We prioritise meaningful engagement with our stakeholders to deepen our understanding of their priorities and expectations. Through ongoing dialogue, we gain insights that shape our strategies, allowing us to address key concerns and deliver impactful outcomes for both our business and stakeholders.

Frequency of Engagement

W Weekly	M Monthly	E Every 2 Months	Q Quarterly	BA Bi-Annually
A Annually	AR As required	D Daily	O Ongoing	T Twice a year



EMPLOYEES

Why We Engage

Employees are key to CTOS' success, growth, and sustainability, driving innovation and operational efficiency. CTOS prioritises a safe work environment, continuous improvement and rewarding career opportunities to support employee well-being and performance.

Channel & Frequency of Engagement

- Employee engagement survey
- "WE CARE" activities
- Town Halls



Key Concerns Raised

- Open and equitable dialogue
- Improve work-life integration
- Increase engagement by aligning objectives strategically

Our Response

- Established a regular feedback channel through engagement surveys.
- Implemented work-from-home (WFH) policies, flexible working arrangements, and wellness programmes.
- Launched a process improvement project to enhance cross-departmental collaboration and drive organisational success.

Value Created for Employees

- Progressed professional advancement and career growth opportunities.
- Created an inclusive and positive work environment that drives motivation and clarity with greater flexibility.
- Emphasised employee health, safety and life balance.

Value Created for CTOS Digital

- Developed a future-ready workforce, driving productivity and business success through innovation.
- Fostered a cohesive, engaged culture that empowers employees and enhances customer experiences.
- Expanded talent pool and ethical practices to strengthen market leadership and operational integrity.

Map to

Material Matters:

M6

M7

M8

Risks:

R3

R4

VALUE CREATION AT CTOS

STAKEHOLDER ENGAGEMENT

Frequency of Engagement

W Weekly	M Monthly	E Every 2 Months	Q Quarterly	BA Bi-Annually
A Annually	AR As required	D Daily	O Ongoing	T Twice a year



CUSTOMERS

Why We Engage

We engage customers to enhance their experience, adapt to emerging market trends and refine our offerings. By understanding their evolving needs, we build trust, loyalty and provide hyper-personalised services. This customer-centric approach strengthens our brand, drives innovation and fuels sustainable growth.

Channel & Frequency of Engagement

• Checkpoint call/face-to-face appointment	D	M	Q
• Multi-channel touchpoints	D		
• Customer Onboarding	D		
• Regular meetings and day-to-day interactions	D		
• NPS Survey	BA		
• Service Level Agreements (SLAs)	O		
• Management response	M		
• Product and Solution Training			

Key Concerns Raised

- ESG transparency in credit assessments.
- Equal access to financial services.
- High standards of data security and privacy.

Our Response

- Implemented advanced data security measures and conducted real-time monitoring.
- Achieved ISO/IEC 27001:2022 certification for Information Security Management Systems (ISMS).

Value Created for Customers

- Customised solutions to meet customer needs and preferences, ensuring a seamless experience.
- Strengthened customer relationships that foster loyalty and encourage recurring businesses.
- Improved product and service quality through proactive engagement and swift issue resolution.
- Provided reliable, secure and efficient services.

Value Created for CTOS Digital

- Gained perspectives into trends to anticipate market demands and drive innovation.
- Strengthened brand reputation to attract customers and cultivate loyalty.
- Adherence to privacy laws and regulations will minimise the legal risk and build trust among customers.
- Sustained growth and profitability supported by a strong customer base and relevant offerings.
- Positioned the company as a privacy-conscious organisation that differentiates itself in the market.

Map to Material Matters:



Risks:



VALUE CREATION AT CTOS
STAKEHOLDER ENGAGEMENT

Frequency of Engagement

W Weekly

M Monthly

E Every 2 Months

Q Quarterly

BA Bi-Annually


A Annually

AR As required

D Daily

O Ongoing

T Twice a year



GOVERNMENT & REGULATORY BODIES

Why We Engage

Compliance with legal and regulatory requirements remains a top priority for us, enabling risks mitigation and ensuring smooth, uninterrupted operations. Staying abreast of regulatory changes allows us to contribute to the development of fair policies, support national initiatives and foster industry growth. Our transparent engagement with regulators builds trust, enhances accountability and ensures alignment with global best practices.

Channel & Frequency of Engagement

Continuous active engagement and consultations

O

Independent audit

A

Key Concerns Raised

Prompt and reliable reporting.

Clear communications on ESG-focused sustainability efforts.

Strengthened compliance and data-driven decision-making.

Our Response

Implemented internal control systems to ensure compliance with evolving regulations and standards.

Conducted regular training programmes for employees to stay updated on regulatory requirements.

Established a dedicated liaison team to facilitate clear and timely communication.

Published detailed disclosures in line with regulatory guidelines to enhance transparency.

Engaged third-party auditors to verify adherence to legal standards.

Value Created for Regulators

Maintained industry stability and ensured compliance with relevant regulations.

Monitored relevant regulations and laws actively to maintain compliance.

Minimised systemic risks by implementing robust data security measures, reducing the likelihood of large-scale breaches that could strain public resources.

Efficiently allocated resources for support programmes, including grants, subsidies and collaborations.

Value Created for CTOS Digital

Advocated for policies fostering a favourable business environment and growth.

Enhanced transparency and trust, significantly improving public perception and investor confidence.

Secured access to essential resources and incentives, driving operational performance.

Maintained regional operations resilience, ensuring stability, agility, and alignment with regulatory developments.

Map to Material Matters:

M1

M2

M3

Risks:

R1

R2

R4

R5

VALUE CREATION AT CTOS

STAKEHOLDER ENGAGEMENT

Frequency of Engagement

W Weekly	M Monthly	E Every 2 Months	Q Quarterly	BA Bi-Annually
A Annually	AR As required	D Daily	O Ongoing	T Twice a year



LOCAL COMMUNITIES

Why We Engage

We actively engage with communities to drive digital financial inclusion and address social and environmental concerns, promoting sustainable development. By building strong relationships, we stimulate socio-economic growth, foster transformative change and empower communities, creating lasting, shared value for all.

Channel & Frequency of Engagement

- Independent stakeholder engagement survey
- Webinars, roadshows, social media and emails
- Online surveys

A
W
A

Key Concerns Raised

- Enhance credit reporting for SMEs.
- Maintain strong data governance and ethical standards.
- Diligent oversight to achieve regulatory compliance.

Our Response

- Introduced simplified credit reporting tools and user-friendly platforms for SMEs.
- Hosted SME networking events to promote knowledge-sharing and collaboration.
- Conducted roadshows and webinars nationwide to promote financial education and literacy.

Value Created for Local Communities

- Fostered long-term partnerships through community engagement.
- Contributed to sustainable development and improved quality of life.
- Aligned business goals with local cultural values and societal needs.

Value Created for CTOS Digital

- Identified new market opportunities through community-driven initiatives.
- Strengthened business growth through long-term, sustainable partnerships.
- Promoted inclusivity, environmental responsibility and public trust for lasting impact.

Map to Material Matters:

M2 **M5** **M9**
M10

Risks:

R2 **R6**

VALUE CREATION AT CTOS
STAKEHOLDER ENGAGEMENT

Frequency of Engagement					
W Weekly	M Monthly	E Every 2 Months	Q Quarterly	BA Bi-Annually	
A Annually	AR As required	D Daily	O Ongoing	T Twice a year	



SHAREHOLDERS & INVESTORS

Why We Engage

Engaging with our investors is critical to ensuring transparency, building trust, and fostering long-term partnerships. We aim to provide timely updates on our financial and business performance, strategic direction, and market opportunities to enable informed decision-making by the investing community. Through consistent communication, we also align our growth aspirations with shareholder expectations.

Channel & Frequency of Engagement

• Annual General Meetings (AGMs)	A
• Website	AR
• Investors and analyst briefings, roadshows, group meetings, private sessions, and forums	M
• Announcements to Bursa on financial performance	Q

Key Concerns Raised

- Transparent decision-making for shareholders.
- ESG-driven risk management implementation.
- Robust financial performance and resilience.

Our Response

- Conducted 65 investor meetings to communicate market expansion strategies across ASEAN regions, detailing progress and opportunities.
- Provided regular updates on financial performance, legal updates, growth drivers, profitability, and cost management.
- Reported on measurable progress through sustainability reports and disclosures.

Value Created for Investors

- Built long-term partnerships and maintained stability, even in volatile market conditions.
- Reinforced monetary growth priorities to drive long-term success.
- Delivered strategic financial support to capitalise on growth opportunities.

Value Created for CTOS Digital

- Strengthened our position as a trusted leader in credit reporting and analytics.
- Fostered feedback loops to refine business strategies and align with market expectations.

Map to Material Matters:

M2 **M3** **M4**

M9

Risks:

R1 **R2** **R6**

VALUE CREATION AT CTOS STAKEHOLDER ENGAGEMENT

Frequency of Engagement

W Weekly	M Monthly	E Every 2 Months	Q Quarterly	BA Bi-Annually
A Annually	AR As required	D Daily	O Ongoing	T Twice a year



SUPPLIERS AND BUSINESS PARTNERS

Why We Engage

Suppliers are integral to CTOS' sustained growth and expansion. By maintaining strong, transparent communication, we ensure the delivery of high-quality products and foster collaborative partnerships. Their support enhances operational resilience and strengthens the quality and reliability of our entire value chain.

Channel & Frequency of Engagement

- Regular meetings
- Strategic dialogues

O
O

Key Concerns Raised

- Collective dedication to ESG leadership.
- Disclosing environmental efforts.
- Collaboration through open dialogue.

Our Response

- Enhanced vendor compliance process with a structured vendor assessment process.
- Conducted awareness sessions on procurement policies.

Value Created for Suppliers

- Streamlined production and business operations to manage demand consistently.
- Adapted business operations to meet evolving market demands, ensuring continued flexibility and resilience.

Value Created for CTOS Digital

- Identified and mitigated supply chain risks to enhance stability.
- Strengthened supply chain reliability for consistent delivery of goods and services.
- Ensured all inputs and materials met the necessary standards, guaranteeing the quality of our products and services.

Map to Material Matters:

M1 **M2** **M9**
M10

Risks:

R1 **R5** **R6**

VALUE CREATION AT CTOS

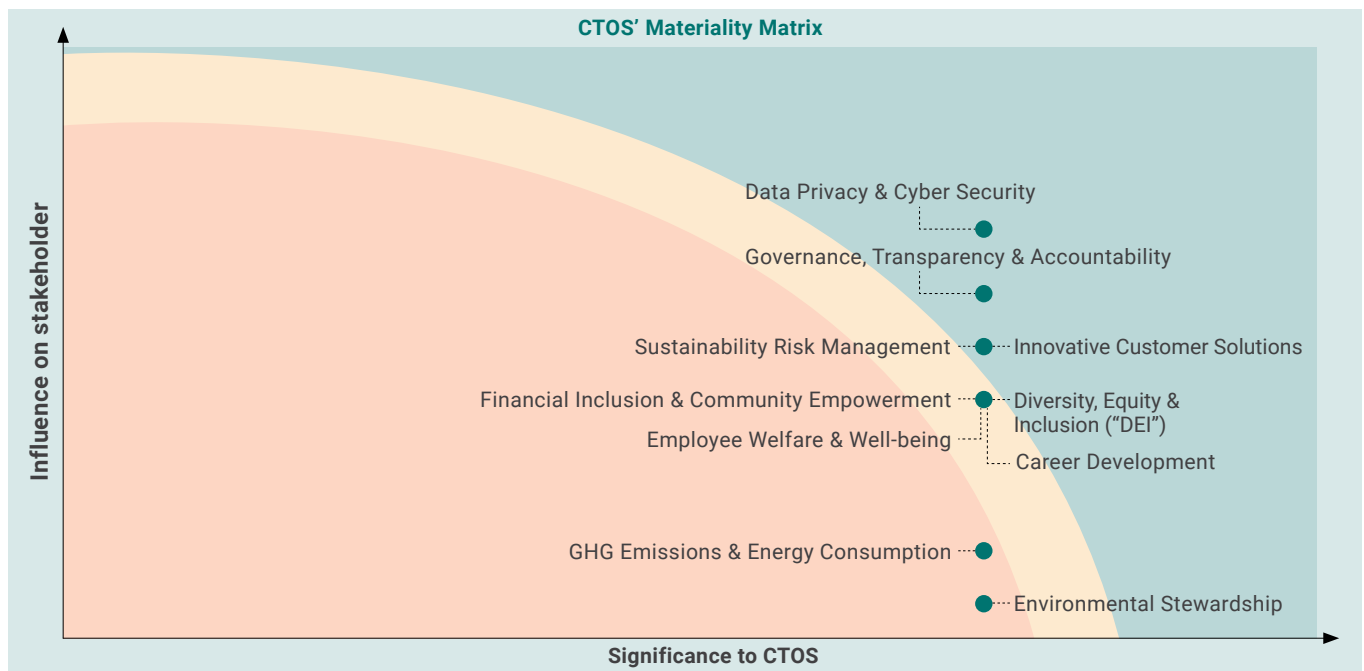
MATERIAL MATTERS

MATERIALITY PROCESS & MATRIX

Material matters are pivotal to CTOS' value creation, shaping strategies that address stakeholder priorities and align with long-term goals. These issues enable us to concentrate on sustainability challenges that directly affect our operations, stakeholders, and the environment. By focusing on these critical areas, we deliver integrated solutions that drive inclusive and enduring value while maintaining strategic alignment with market and regulatory demands.

In 2023, a comprehensive materiality assessment involving key stakeholders identified ten Economic, Environmental, Social, and Governance (EESG) priority factors. Conducted every three years, this process offers valuable insights into risks, opportunities, and shifting expectations, enabling us to adapt our strategies and strengthen resilience in an ever-changing operating environment.

For more details, refer to page 13 of our Sustainability Report.



Management Approach to Material Matters

Out of the ten material matters identified as integral to our operations and strategic priorities, four have been identified as very high importance.

Pillar #1: Empowering Progress and Resilience

M1 Data Privacy & Cyber Security

Importance

Strong data privacy and cyber security practices are essential for safeguarding our stakeholders' sensitive information, meeting regulatory requirements and ensuring business continuity. This will help retain stakeholder trust, reputation and support seamless business operations.

Key Priorities

- Implemented advanced security measures
- Targeted security programmes

Our Approach

- Implemented Project Elevate (2023-2025), a three-year cyber security strategy.
- Ensured compliance with RMIT guidelines, ISO 27001:2022 standards, and the NIST Cyber Security Framework.

Risks

- Compromised data integrity
- Legal implications
- Reputational loss

Opportunities

- Strengthen stakeholder trust
- Enhance competitive edge

Capitals:



Strategic Focus Area:



Stakeholders



UNSDGs:



Key Risk



VALUE CREATION AT CTOS

MATERIAL MATTERS

M4 Innovative Customer Solutions

Importance

We leverage advanced technology and uphold ethical practices to deliver innovative, high-quality products and solutions that meet evolving stakeholder demands.

Key Priorities

- Mitigated fraud and resolve identity issues
- Introduced credit report products

Our Approach

- Offered robust monitoring service to support informed financial decisions.
- Enhanced SME access to solutions via the Credit Manager platform.
- Simplified digital onboarding, decision-making, and automation through the CTOS CAD solutions.

Risks

- Inability to adapt to changing market trends
- Unable to keep up with technological advancements

Opportunities

- Expand and improve market leadership
- Strengthen customer loyalty
- Accelerate revenue growth

Capitals



Strategic Focus Area



Stakeholders



UNSDGs



Key Risk



M5 Financial Inclusion & Community Empowerment

Importance

We support individuals in achieving their financial goals while promoting economic and social progress. By providing accessible and responsible products, we generate positive socioeconomic impact, build trust and foster lasting relationships with local communities.

Key Priorities

- Introduced financial literacy programmes and strategic collaborations
- Strengthened Corporate Social Responsibility (CSR) efforts

Our Approach

- Initiated initiatives aimed at enhancing financial knowledge.
- Established alliances to broaden the impact of educational programmes.
- Regularly upgraded digital resources such as e-learning modules, interactive platforms, and mobile apps.

Risks

- Social inequality
- Reputational risks

Opportunities

- Increase awareness of available solutions
- Enhance CSR initiatives
- Strengthen community engagement and relations

Capitals



Strategic Focus Area



Stakeholders



UNSDGs



Key Risk



VALUE CREATION AT CTOS

MATERIAL MATTERS

Pillar #2: Driving Environmental Responsibility

M10 Environmental Stewardship

Importance

Reducing the environmental impact of our operations and lowering our carbon footprint is essential. By adoption eco-friendly digital operations, we promote sustainability while ensuring social and economic equity.

Key Priorities

- Reduced environmental impact

Our Approach

- Raised awareness of sustainable practices through town halls and ongoing employee communication.

Risks

- Non-compliance with regulations
- Limited resources

Opportunities

- Cost savings through improved efficiency
- Positive environmental outcomes

Capitals



Strategic Focus Area



Stakeholders



UNSDGs



Key Risk



M9 GHG Emissions & Energy Consumption

Importance

We support the shift to a low-carbon economy to mitigate climate change and enhance operational resilience, improving efficiency and enabling forward-thinking strategies.

Key Priorities

- Boosted emission reduction

Our Approach

- Set short-term carbon reduction goals to support the low-carbon transition.

Risks

- Inability to meet regulations
- Resource shortages

Opportunities

- Achieve cost savings due to lower resource consumption
- Positive environmental impact

Capitals



Strategic Focus Area



Stakeholders



UNSDGs



Key Risk



Pillar #3: Nurturing Employee Growth

M6 Diversity, Equity & Inclusion (DEI)

Importance

We create an inclusive workplace that values diverse backgrounds, fostering innovation, collaboration and broader perspectives. This environment nurtures creativity and builds stronger relationships.

Key Priorities

- Implemented inclusive hiring strategies
- Conducted fair performance evaluations
- Fostered a supportive workplace culture

Our Approach

- Ensured equal access to growth opportunities for everyone.
- Integrated Diversity, Equity, and Inclusion (DEI) principles in our Code of Conduct.
- Established whistleblower channels.

Risks

- Employee disengagement
- Reputational damage

Opportunities

- Broaden recruitment to attract diverse talent
- Enhance employee engagement and trust
- Drive innovation and improve business outcomes

Capitals



Strategic Focus Area



Stakeholders



UNSDGs



Key Risk



VALUE CREATION AT CTOS

MATERIAL MATTERS

M7 Career Development

Importance

We empower our workforce with critical skills and knowledge, ensuring they are future-ready. This strengthens long-term performance, creates a sustainable talent pipeline and ensures sustainability through continuous skill development, complemented by competitive compensation.

Key Priorities

- Improved employee skillsets
- Widened technical training initiatives

Our Approach

- Aligned our workforce with the latest technologies.
- Offered equitable learning opportunities to all employees.
- Promoted continuous professional growth through targeted development policies.
- Invested in robust training and development programmes.

Risks

- Disengaged workforce
- Talent turnover / Loss of key talent

Opportunities

- Build a highly skilled and motivated workforce
- Strengthen the talent pipeline to enhance agility and efficiency
- Implement effective development programs to attract and retain top industry talent

Capitals



Strategic Focus Area



Stakeholders



UNSDGs



Key Risk



M8 Employee Welfare & Well-being

Importance

Employee welfare and well-being are critical to fostering a productive and engaged workforce. By prioritising work-life balance, transparent communication and health-focused initiatives, we create a positive environment where employees feel valued and motivated. This enhances performance and helps achieve our goals.

Key Priorities

- Established employee health and safety programmes
- Provided occupational safety training

Our Approach

- Optimised workloads and efficiency on an ongoing basis.
- Implemented safety protocols via the Floor Marshal team.

Risks

- Decrease productivity
- Higher absenteeism and turnover

Opportunities

- Improve employee engagement
- Positive workplace culture

Capitals



Strategic Focus Area



Stakeholders



UNSDGs



Key Risk



VALUE CREATION AT CTOS

MATERIAL MATTERS

Pillar #4: Acting With Integrity

M3 Sustainability Risk Management

Importance

We address risks to build trust and integrity, ensuring sustainable success in the digital era through responsible practices.

Key Priorities

- Risk management strategies
- Procurement risk control

Our Approach

- Maintained Board oversight and integrated risk management into operations.
- Implemented the Enterprise Risk Management (ERM) framework for EESG risks.
- Performed third-party due diligence.

Risks

- Operational disruptions

Opportunities

- Optimise resources for cost savings
- Improved brand image

Capitals:



Strategic Focus Area



Stakeholders



UNSDGs



Key Risk



M2 Governance, Transparency & Accountability

Importance

We establish a robust framework to protect our business and stakeholders from misconduct, upholding the highest standards of integrity, transparency, and accountability, with zero tolerance for corruption and unethical practices.

Key Priorities

- Enhanced governance framework
- Introduced actions to prevent corruption and bribery
- Facilitated transparent stakeholder interactions

Our Approach

- Maintained robust governance and leadership evaluation practices.
- Established clear guidelines for executive compensation.
- Promoted transparency for efficient strategy implementation and high-performance culture.

Risks

- Legal and regulatory violations
- Damage to brand reputation

Opportunities

- Increased stakeholder confidence
- Enhanced brand image
- Sustainable long-term growth

Capitals



Strategic Focus Area



Stakeholders




UNSDGs



Key Risk



The background of the entire page is a dark teal color. Overlaid on this is a series of wavy, horizontal lines that create a sense of depth and movement. These lines are composed of a grid of small, light teal dots, which are more densely packed in some areas and more sparse in others, creating a 3D effect. The overall aesthetic is modern and technological.

MANAGEMENT DISCUSSION AND ANALYSIS

- GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE
- OPERATING ENVIRONMENT
- KEY RISKS AND MITIGATION
- BUSINESS REVIEW

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE

NAVIGATING UNCERTAINTY, GROWING TOGETHER



DEAR STAKEHOLDERS,

The year 2024 marked another year of progress for CTOS Digital Berhad, as we delivered further growth in our financial performance while expanding our regional footprint and driving innovation in credit intelligence.

Our commitment to innovation, financial inclusion, and regional expansion has further strengthened our position as Malaysia's leading credit reporting agency, with a growing presence in the Philippines and Indonesia. Despite macroeconomic uncertainties and external volatilities, we remained resilient; harnessing our advanced data analytics, proprietary databases and digital solutions to deliver exceptional value to businesses and consumers alike.

As I begin my transition from CTOS Digital, I am proud to reflect on the progress we've made and excited about the road ahead of the organisation.

2024 KEY HIGHLIGHTS



GROWTH IN FINANCIAL PERFORMANCE

- Revenue up **17% YoY** to **RM304.9 million**
- Normalised PATAMI grew **4%** to **RM107.5 million**



INTERNATIONAL EXPANSION SUCCESS

- More than **6x** revenue growth in international operations
- Nearly **100** customers onboarded in Indonesia and the Philippines

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE


NAVIGATING MARKET SHIFTS & SEIZING GROWTH OPPORTUNITIES

The financial and credit reporting industry is rapidly transforming, driven by digital innovation, regulatory changes, and a growing focus on financial inclusion. In Malaysia and across ASEAN, businesses and financial institutions are increasingly leveraging data-driven insights, artificial intelligence (AI), and alternative data to enhance credit decision-making and risk management. The rise in digital adoption has reshaped the industry, while Malaysia's projected economic growth of 4.5% to 5.5% in 2025 is expected to support healthy loan expansion, creating opportunities for CTOS to strengthen its role in facilitating responsible lending.

Regulatory developments are also shaping the industry. Governments and financial regulators across the region are tightening compliance requirements, reinforcing the need for robust credit risk management frameworks. In Malaysia, the Credit Reporting Agencies (CRA) Act 2010 remains a cornerstone of our operations, ensuring transparency, integrity, and compliance in credit reporting. CTOS undergoes an annual audit by the registrar for license renewal, reflecting our dedication to operational excellence and trust-building.

Beyond Malaysia, ASEAN remains a high-growth market for credit intelligence solutions, with low credit penetration in Indonesia and the Philippines offering significant expansion potential. Through FinScore, CTOS has successfully expanded its regional presence, offering alternative credit insights tailored to diverse market conditions.

Meanwhile, regulatory advancements and stricter compliance requirements underscore the importance of maintaining transparency and robust credit risk frameworks. As demand for sophisticated credit solutions rises, CTOS is well-positioned to capitalise on emerging opportunities, leveraging its innovation and deep data expertise to drive long-term value.

 For more information on our market landscape and trends, read page 33 of this report.

REALISING GROWTH THROUGH STRATEGIC FOCUS AREAS



Continuing to Grow Core Business

Our business model follows a “build once, sell many times” approach, allowing for high scalability. As we expand, economies of scale will drive further margin improvements, solidifying our long-term growth trajectory.

We are focusing to deepen market penetration across key customer segments, particularly in Malaysia, Indonesia, and the Philippines—where credit intelligence adoption continues to expand. To accelerate this, we are enhancing our digital solutions and portfolio analytics, equipping financial institutions with deeper insights to refine credit decision-making.

At the same time, we are strengthening customer engagement through targeted upselling and cross-selling strategies. The establishment of our new Commercial team in Singapore further extends our regional reach, with positive contributions anticipated in FY2025. On the consumer front, we remain committed to advancing financial literacy and scaling our subscription-based credit monitoring services to drive stronger retention and long-term engagement.



Expanding International Operation

Our regional expansion approach has strengthened CTOS's presence in Indonesia and the Philippines, where our FinScore brand continues to gain rapid market traction. With clear execution and innovation, we are confident in our ability to drive sustainable growth, expand our ASEAN footprint, and create long-term value for stakeholders.



COMMITMENT TO SHAREHOLDER VALUE

- **71%** payout ratio, total dividend of **3.25** sen per share
- Delivered consistent returns to shareholders



OPERATIONAL EXCELLENCE

- Achieved **ISO/IEC 27001:2022** (Information Security, Cyber Security & Privacy Protection – Information Security Management Systems) certification

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE

To accelerate penetration in these high-growth economies, we are leveraging alternative data sources—such as telecommunications and utility data—to enhance financial inclusion for underserved populations. Beyond these markets, we continue to explore broader ASEAN expansion opportunities, leveraging our expertise and regional insights to scale our impact across the financial ecosystem.



Strengthening Customer Lifetime Journey

Delivering a seamless, value-driven customer experience is how we do business. For Key Accounts and Commercial clients, we are deepening engagement by providing comprehensive, end-to-end credit solutions—from onboarding to debt recovery—enhanced by customised analytics and real-time insights. On the consumer front, we are expanding financial literacy initiatives and introducing more personalised credit monitoring and advisory services. By harnessing data-driven engagement strategies, we are unlocking greater monetisation potential while strengthening customer retention.



Leveraging the Digital Ecosystem

As digital transformation reshapes the financial landscape, CTOS is accelerating investments in AI-powered analytics, predictive credit scoring, and fraud detection capabilities. We are expanding our proprietary data assets and digital solutions capabilities to offer an end-to-end suite of digital credit solutions for credit providers. These advancements ensure that our offerings remain future-ready, scalable, and responsive to the evolving needs of an increasingly digital-first economy.



Harnessing Group-wide Synergies

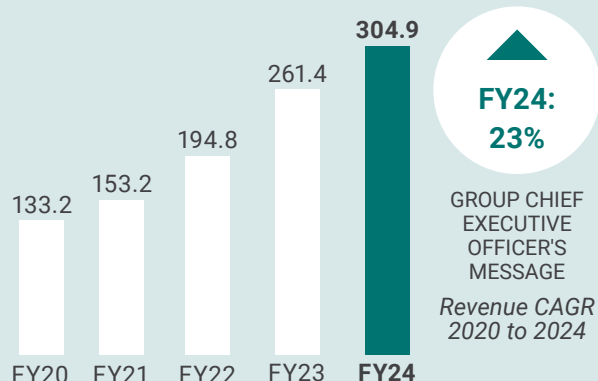
Our strategic investments in JurisTech, RAM Holdings, and BOL continue to unlock new synergies, reinforcing our industry leadership. By integrating JurisTech's loan origination software with CTOS's data-driven solutions, we are delivering end-to-end credit lifecycle management that enhances efficiency for financial institutions.

Through strengthened collaboration in product development and cross-selling, we are driving innovation and creating high-impact solutions that address the evolving demands of our clients and the broader financial ecosystem.

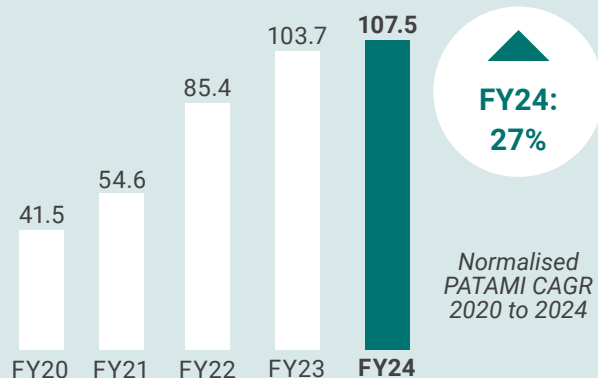
SCALING PROFITABILITY WITH PURPOSE

“CTOS Digital Berhad delivered another year of strong financial performance in FYE 2024, achieving growth in revenue and profitability while maintaining financial discipline and a robust balance sheet.”

REVENUE GROWTH (RM million)



NORMALISED PATAMI (RM million)



MANAGEMENT DISCUSSION AND ANALYSIS

GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE

We achieved revenue of RM304.9 million in FYE 2024, representing a 17% year-on-year increase from RM261.4 million in FYE 2023. This growth was driven by growth performances across all three customer segments—Key Accounts, Commercial, and Direct-to-Consumer (D2C) — as well as the first full-year contribution from our international operations.

Segmental Revenue Analysis

	FYE 2024 (RM'000)	FYE 2023 (RM'000)	YoY Change (%)
Key Accounts	150,382	118,891	+26%
Malaysia	111,136	112,929	-2%
International	39,246	5,962	+558%
Commercial	127,963	120,178	+6%
Direct-to-consumer (D2C)	26,505	22,368	+18%
Total Revenue	304,850	261,437	+17%

For more information on our business review, read page 43 of this report.

During the year, our gross profit increased by 10% to RM221.1 million. Our gross profit margin remained robust at 73%, reflecting our efficiency and consistent operational performance. Associate companies performed well, with the share of profits of associates coming in at RM30.6 million for the year, backed by strong performance from JurisTech and RAM Holdings. Profit after tax and minority interest ("PATAMI") stood at RM106.3 million in FYE 2024, compared to RM118.1 million in FYE 2023. The higher PATAMI in FYE 2023 was due to a one-off tax write-back of RM14.6 million.

As of 31 December 2024, our total assets stood at RM873.3 million, up from RM805.6 million in FYE 2023. The increase was primarily attributed to greater intangible assets arising from our regional acquisitions and product development investments. Our total borrowings (excluding lease liabilities) were RM165.0 million, with a net gearing ratio of 0.24 times, providing considerable flexibility for future investments. Operating cash flow remained healthy, ensuring sufficient liquidity to support future expansion, product innovation, and sustained shareholder returns.

CTOS continued to deliver value to its shareholders by declaring total dividends of 3.25 sen per share, amounting to RM75.1 million for FYE 2024. The payout ratio increased to 71% as compared to 65% in FYE 2023, reflecting the Group's dedication to rewarding investors while maintaining a strong financial position. This approach underscores CTOS's ability to balance growth investments with sustainable shareholder returns.

BUILDING A FUTURE FOR SUSTAINABLE GROWTH

Environmental, Social and Governance (ESG) will continue to drive transformative change in the years ahead. In ASEAN, sustainability momentum is accelerating through coordinated policies, renewable energy initiatives, and decarbonisation efforts.

As the foundation for a sustainable digital economy takes shape, the demand for trusted data and intelligent analytics has never been more critical. Recognising this, our strategic investments in data-driven solutions, cyber security, and financial literacy initiatives are designed to strengthen resilience while enabling businesses to navigate an increasingly complex ESG landscape.

Starting from within, we are embedding sustainability across our operations. To ensure measurable progress, we are developing a Group-wide Sustainability Policy, providing a clear framework for employees to integrate ESG principles into daily business practices. Beyond internal operations, we are embedding ESG considerations throughout our value chain to safeguard customer trust and proactively address sustainability risks and opportunities.

While our business model is not heavily reliant on fossil fuels, we remain committed to decarbonising our operations in alignment with Malaysia's Net Zero by 2050 agenda. As part of this effort, we are actively working towards compliance with the National Sustainability Reporting Framework (NSRF), which aligns with IFRS S1 and S2 disclosure standards. This shift underscores our dedication to greater transparency, accountability, and ESG integration across financial reporting.


Though we are in the foundational stages of our sustainability journey, we are determined to take decisive action in climate risk management, ESG-driven decision-making, and enhanced disclosure practices. By embedding these principles at the core of our business, we aim to future-proof our operations and contribute meaningfully to the evolving sustainability landscape.

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE

We are pleased that the Court of Appeal (COA) made clear that “credit reporting” would include credit information that has any bearing on the eligibility of a customer to any credit and it includes credit scores. This decision reinforces the rights of credit reporting agencies to formulate credit scores. With the subsequent, decision of the Federal Court, the COA judgement now stands as binding precedent on the issue.

As we continue enhancing our data integrity and governance practices, we uphold the highest standards of accountability, ensuring that our solutions empower businesses and individuals with reliable credit insights while maintaining compliance with evolving regulatory expectations. This experience reinforces our focus on ESG principles—particularly in responsible data stewardship—allowing us to drive greater financial inclusion and sustainable growth across ASEAN.

 For more information, read our Sustainability Report 2024.

OUTLOOK

We see vast opportunities ahead and remain focused on deepening market penetration, enhancing customer value, and exploring new avenues for growth in Malaysia and ASEAN. The increasing reliance on credit intelligence and digital financial solutions continues to fuel demand for our services. To capitalise on this, we will implement targeted strategies to deepen customer engagement, enhance average revenue per user (ARPU), and expand our market share.

Our regional expansion remains a key growth pillar, leveraging cross-selling and upselling opportunities to drive scalability and strengthen margins. ASEAN's credit reporting industry holds significant growth potential, and we are actively positioning ourselves to capture emerging opportunities.

Our people are our greatest asset, and their ability to innovate and execute our strategy will be instrumental in shaping CTOS's future success. To accelerate our ambitions, we will continue investing in a high-performing team, equipping them with the expertise and resources necessary to accelerate business growth. With a clear strategy and strong execution, CTOS is well-positioned to navigate an evolving financial landscape and unlock new opportunities.

At the same time, we aim to strengthen our cyber-resilience and uphold our ESG commitments, ensuring responsible lending, financial inclusion, and long-term value creation.

ACKNOWLEDGEMENTS

As we reflect on 2024, we extend our sincere gratitude to our customers, shareholders, Board, employees, regulators, and industry partners. Your trust, support, and collaboration have been instrumental in driving CTOS Digital Berhad's growth and success.

To my future successor, I wish you the very best in leading the organisation into its next chapter. To our customers, your confidence in our solutions fuels our pursuit of excellence. To our shareholders, your unwavering support enables us to expand, innovate, and create long-term value. To our team, your dedication and expertise continue to be the foundation of our progress. We also appreciate the guidance of regulators and partners in upholding industry standards and strengthening our impact. With your continued support, we are confident in reaching new heights in the years ahead.

Thank you for being part of our journey.

ERICK HAMBURGER

Group Chief Executive Officer
CTOS Digital Berhad

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING ENVIRONMENT

ECONOMIC REVIEW & OUTLOOK

In 2024, global economic momentum remained steady, supported by resilient labour markets and moderating inflation. This environment enabled central banks to implement accommodative monetary policies that supported growth. In Malaysia, Gross Domestic Product (GDP) grew by 4.3%, while inflation rate remained controlled at 1.8%, creating a stable economic environment.

In the second half of 2024, credit activity surged, driven by global interest in credit health, a recovering construction sector, and supportive government initiatives such as Employees Provident Fund (EPF) Flexible Account withdrawals and salary revisions for civil servants. This surge directly increased the demand of our credit reporting and solutions, enabling us to provide critical insights that support the broader financial ecosystem.

Looking ahead, the global economic environment is expected to sustain its momentum into 2025. Central banks' accommodative monetary policies are anticipated to create further opportunities for expanded financial activity. In Malaysia, GDP growth is projected to remain steady, with controlled inflation providing a conducive environment for businesses to thrive.

CREDIT REPORTING INDUSTRY REVIEW & OUTLOOK

WHAT HAPPENED THIS YEAR?

The financial and credit reporting landscape continued to evolve rapidly, driven by digital transformation, regulatory advancements, and an increasing emphasis on financial inclusion. In Malaysia and ASEAN, businesses, financial institutions, and consumers relied more heavily on data-driven insights to improve credit access and risk management. The surge in digital adoption led to the integration of AI, alternative data, and advanced analytics in credit scoring models.

Credit growth in the private non-financial sector moderated to 4.8% in Q3 2024, with business loan growth slowing to 4.5%. However, SME loans remained resilient, expanding by 8.8%, reflecting sustained demand for credit among smaller enterprises. Loan applications also saw strong growth, with approval rates remaining high, signaling a stable lending environment.

Additionally, two new credit reporting agencies, MyData Informatica (MISB) and One Future Solutions (OFS), received approval from the Ministry of Finance, expanding the industry landscape. This development highlights the increasing demand for credit intelligence solutions and the growing role of alternative data in financial decision-making.

HOW WERE WE IMPACTED?

As the demand for digital credit solutions surged, we saw increasing adoption of our services across financial institutions and businesses. The evolving regulatory environment required us to strengthen compliance measures, particularly in Malaysia, where the Credit Reporting Agencies (CRA) Act 2010 mandates stringent transparency and integrity standards. Our annual audit process further underscored our commitment to upholding trust and compliance in our operations.

HOW DID WE RESPOND?

To capitalise on the shifting landscape, we enhanced our digital solutions by integrating AI-driven analytics and alternative data to refine credit scoring models. Our expansion into Indonesia and the Philippines through FinScore enabled us to tap into underserved markets, strengthening our regional footprint. We also reinforced our regulatory compliance efforts, ensuring adherence to evolving frameworks while maintaining operational integrity.

WHAT IS OUR OUTLOOK?

Looking ahead, Malaysia's projected economic growth of 4.5% to 5.5% in 2025, coupled with strong domestic demand and infrastructure investments, is expected to drive healthy loan growth. This presents significant opportunities for CTOS to support financial institutions in credit risk assessment and responsible lending.

Beyond Malaysia, ASEAN remains a key growth region, with increasing digital adoption and financial inclusion initiatives creating a robust demand for credit intelligence solutions. Our ability to differentiate through innovation, deep data insights, and tailored solutions will be critical in capturing emerging opportunities and delivering long-term value to stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING ENVIRONMENT

KEY MARKET TRENDS

Key Market Trend	Potential Impact
<p>Advancing the Digitalisation of the Financial Sector</p> <p>Deployment and incorporation of technological advancements, such as digital financial services, mobile transactions, and distributed ledger systems.</p>	<ul style="list-style-type: none"> + Develop new products to enhance customer experience and operational efficiency. + Offer more accessible and user-friendly services. - Increased cyberattacks which require ongoing investment in security measures. <div> <div> <p>How We Responded</p> <ul style="list-style-type: none"> • Conducted customer research such as surveys and focus groups to identify pain points and unmet needs. • Co-created solutions with customer input to ensure alignment with their expectations. • Integrated AI, IoT and automation for smarter and more efficient products/ services. • Explored cloud-based solutions for scalability and flexibility in operations. • Conducted regular vulnerability assessments and penetration testing. </div> <div> <p>Outlook</p> <ul style="list-style-type: none"> • Improve customer engagement by introducing new, user-friendly features, driving increased sales and strengthening brand perception. • Enhance operational efficiency to achieve cost savings and scalability. • Strengthen market positioning and build customer loyalty through innovation. </div> </div>
<p>Adoption of Artificial Intelligence</p> <p>AI-driven platforms for credit assessment and financial guidance.</p>	<ul style="list-style-type: none"> + Optimise data analysis for faster and more accurate insights. + Enhance identity verification and eligibility assessments for improved security and efficiency. - Rise in privacy issues due to the use of AI in handling sensitive financial data. <div> <div> <p>How We Responded</p> <ul style="list-style-type: none"> • Improved operational efficiency through faster data analysis and streamlined customer verification. • Enhanced customer satisfaction by reducing onboarding time and improving security. • Leveraged predictive analytics to drive proactive decision-making, unlocking new revenue opportunities. • Reduced fraud, building a strong reputation for security and efficiency. </div> <div> <p>Outlook</p> <ul style="list-style-type: none"> • Automate eligibility assessments using predictive models to ensure consistency and accuracy. • Perform ongoing tests to identify potential weak points in verification systems. • Conduct internal training to interpret and act on AI-driven insight. • Enhance AI-driven data tools to improve processing speed and accuracy. </div> </div>

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING ENVIRONMENT

Key Market Trend

Financial Inclusion and Literacy

Governments and regulators are focusing on initiatives to expand access to financial services and improve financial literacy.

Potential Impact

- ⊕ Increase in self-checks on credit scoring by customers.
- ⊕ Offer credit reporting services to underserved communities.
- ⊖ Increase the risk of defaults when expanding services to underbanked communities.

How We Responded

- Increased engagement as customers utilised self-check tools, enhancing loyalty.
- Improved financial literacy among underserved communities through targeted education initiatives.
- Collected more data on underbanked customers to improve risk modelling.

Outlook

- Manage increased default risk during the learning phase of serving underserved customers.
- Utilise AI-driven risk assessments to evaluate creditworthiness in real-time.
- Implement financial coaching programmes to guide new customers in managing credit responsibly.

Key Market Trend

Regulations for Fair and Responsible Consumer Financing

Changing regulations by policymakers has the potential to alter the business operating environment.

Potential Impact

- ⊕ Enhance insights on individual creditworthiness through accurate credit reporting.
- ⊕ Promote fair lending practices to attract and retain socially responsible clients.
- ⊖ Limit our ability to offer riskier but potentially more profitable financial products.

How We Responded

- Collaborated with regulators to develop and implement standardised credit reporting metrics.
- Onboarded five fintech partners to promote equitable access to credit.

Outlook

- Personalise financial products based on accurate credit insights to increase customer retention.
- Invest in AI and machine learning to improve credit scoring accuracy using alternative data sources such as rental payments and utility bills.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING ENVIRONMENT

Key Market Trend	Potential Impact				
<p>Regulatory Compliance and Data Security</p> <p>Prioritise adapting to evolving regulations and securing stakeholders' sensitive information with robust cyber security measures.</p>	<ul style="list-style-type: none"> ⊕ Strengthen client confidence in CTOS's ability to protect sensitive information. ⊕ Address the surge in cyber threats with enhanced security protocols. ⊖ Increase in operational challenges to manage complex compliance requirements. <table border="1"> <tr> <th data-bbox="464 566 954 616">How We Responded</th><th data-bbox="957 566 1447 616">Outlook</th></tr> <tr> <td data-bbox="464 616 954 992"> <ul style="list-style-type: none"> • Provided customers with security-focused tools such as fraud alerts and identity theft monitoring as part of our solution offerings. • Invested in advanced security measures, such as AI-driven threat detection and endpoint protection. </td><td data-bbox="957 616 1447 992"> <ul style="list-style-type: none"> • Enhance security measures to prevent major cyberattacks, minimising operational and reputational risks. </td></tr> </table>	How We Responded	Outlook	<ul style="list-style-type: none"> • Provided customers with security-focused tools such as fraud alerts and identity theft monitoring as part of our solution offerings. • Invested in advanced security measures, such as AI-driven threat detection and endpoint protection. 	<ul style="list-style-type: none"> • Enhance security measures to prevent major cyberattacks, minimising operational and reputational risks.
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Key Market Trend	Potential Impact				
<p>Climate Change & Sustainability</p> <p>In response to the growing urgency of climate change, we recognise our role in reducing our environmental footprint and ensuring resilience in our operations.</p>	<ul style="list-style-type: none"> ⊕ Attract ESG-focused investors and enhance CTOS's market position. ⊕ Increase in energy efficiency within operations, which could lower long-term operational costs. ⊖ Increase in short-term expenses due to initial investments in green technologies. ⊖ Failure to meet stringent environmental regulations could lead to penalties and damage to CTOS's reputation. <table border="1"> <tr> <th data-bbox="464 1350 954 1400">How We Responded</th><th data-bbox="957 1350 1447 1400">Outlook</th></tr> <tr> <td data-bbox="464 1400 954 1695"> <ul style="list-style-type: none"> • Developing a Group-wide Sustainability Policy. • Conducted a cross departmental target setting workshop. • Establishing a decarbonisation strategy. </td><td data-bbox="957 1400 1447 1695"> <ul style="list-style-type: none"> • Improve our sustainability strategy in reducing Scope 1, Scope 2 and Scope 3 emissions. • Incorporate ESG-linked credit reporting features for our clients. • Explore renewable energy opportunities for our offices and data centres. • Enhance climate-related financial disclosures. </td></tr> </table>	How We Responded	Outlook	<ul style="list-style-type: none"> • Developing a Group-wide Sustainability Policy. • Conducted a cross departmental target setting workshop. • Establishing a decarbonisation strategy. 	<ul style="list-style-type: none"> • Improve our sustainability strategy in reducing Scope 1, Scope 2 and Scope 3 emissions. • Incorporate ESG-linked credit reporting features for our clients. • Explore renewable energy opportunities for our offices and data centres. • Enhance climate-related financial disclosures.
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MANAGEMENT DISCUSSION AND ANALYSIS

KEY RISKS & MITIGATION

The Group manages both existing and emerging risks through a robust, integrated risk management framework that aligns with industry best practices and regulatory requirements. Our approach is structured and adaptable, ensuring resilience in an ever-evolving landscape.

Cyber and Data Security Risks

Risk Trend : Stable



Risk Impact : High



Understanding the Risk

Cyber-attacks can disrupt operations, compromise data integrity, and weaken stakeholder confidence.

Impact on Value

- Operational disruptions.
- Regulatory penalties and legal actions.

- Loss of proprietary and business data.
- Erosion of stakeholder trust.
- Reputational damage.

Mitigation Strategies

- Advanced Project Elevate 2023–2025, the three-year cyber security strategy with ongoing improvements.
- Achieved ISO/IEC 27001:2022 certification for ISMS.
- Enforced stringent policies and frameworks aligned with ISO 27001:2022 and Bank Negara Malaysia's Risk Management in Technology (RMiT).
- Engaged with external cyber security partners and independent auditors to assess controls and validate safeguards.
- Implemented strict cyber security standards for Information Technology (IT) vendors and outsourced providers.
- Conducted ongoing security awareness training and phishing simulations to mitigate human-related risks.

Opportunities

- Withstand, mitigate, and recover from cyber threats and operational disruptions.
- Drive secure, scalable, and innovative solutions through advanced cyber security technologies.
- Enhance credibility and trust through regulatory compliance.
- Facilitate secure partnerships with third parties, suppliers, and strategic partners.
- Attract top cyber security talent to reinforce internal capabilities.
- Boost customer confidence and corporate reputation.

Regulatory Risk

Risk Trend : Stable



Risk Impact : Moderate



Understanding the Risk

Compliance with evolving regulations, such as Malaysia's Credit Reporting Agency (CRA) Act, is critical to business continuity.

Impact on Value

- Operational disruptions and business license revocation.
- Regulatory penalties and legal costs.
- Restricted access to critical data.

- Loss of stakeholder trust.
- Reputational damage.

Mitigation Strategies

- Implemented robust policies, processes, and controls to ensure regulatory compliance.
- Reviewed and monitored compliance levels regularly, aligning with risk appetite for critical laws and anti-corruption measures.
- Enforced zero tolerance for non-compliance, addressing bribery and corruption risks.
- Conducted regular audits by Group Internal Audit and external auditors to resolve gaps promptly.
- Maintained open communication with regulators for compliance guidance.
- Strengthened compliance awareness among internal and external stakeholders.

Opportunities

- Strengthen reputation, trust, and stakeholder loyalty.
- Expand market access and business opportunities.
- Establish a competitive advantage.
- Provide timely industry and regulatory updates for informed decision-making.
- Leverage industry insights to adopt best practices and drive strategic collaborations.

MANAGEMENT DISCUSSION AND ANALYSIS

KEY RISKS & MITIGATION

Human Capital Risk

Risk Trend : Stable



Risk Impact : Moderate



Understanding the Risk

Ensuring a safe and conducive work environment while addressing skill and expertise gaps is crucial to effective business execution and performance.

Impact on Value

- Weak talent pipeline and reduced competitiveness.
- Skill gaps affecting strategic execution.
- Failure to safeguard employee health, safety, and well-being.

Mitigation Strategies

- Conducted salary benchmarking to align remuneration with industry standards.
- Implemented a structured strategy, target setting, and performance management system.
- Developed leadership succession plans and reviewed talent retention strategies.
- Assessed competency gaps and provided training to build expertise in key growth areas.
- Maintained open communication through town halls and intranet updates on employee engagements.
- Conducted periodic employee surveys to gather feedback.

Opportunities

- Drive talent diversity through innovative attraction and retention strategies.
- Foster a healthy, safe, and engaged workforce.
- Strengthen talent development programmes and performance-based rewards.

Operational Risk

Risk Trend : Stable



Risk Impact : Moderate



Understanding the Risk

Disruptions from external providers and unforeseen events can impact service delivery.

Impact on Value

- Service outages affecting product availability.
- Business continuity risks from natural disasters.
- Breach of Service Level Agreements (SLAs).
- Higher costs for alternative supply sourcing.
- Delayed project completion.

Mitigation Strategies

- Diversified supplier base with alternative solutions.
- Reduced operational dependency on external suppliers.
- Engaged key suppliers through regular consultations.

Opportunities

- Strengthen business stability and continuity.
- Drive innovation with new technologies and reduce material reliance.
- Enhance customer experience and corporate reputation.

MANAGEMENT DISCUSSION AND ANALYSIS

KEY RISKS & MITIGATION

Third-Party Risk

Risk Trend : Stable



Risk Impact : Moderate



Understanding the Risk

Inadequate third-party risk management can threaten financial and operational stability.

Impact on Value

- Financial losses.
- Data breaches and unauthorised access.
- Regulatory scrutiny and legal disputes.
- Customer attrition.

Mitigation Strategies

- Reviewed and enhanced procurement policies and procedures regularly.
- Conducted rigorous assessments and due diligence on third-party vendors.
- Evaluated vendor performance periodically.
- Monitored critical suppliers and established new partnerships.
- Implemented security controls and mitigated third-party cyber security risks.
- Maintained ongoing engagement with key vendors and suppliers.

Opportunities

- Pursue strategic partnerships, collaborations, and innovation initiatives.
- Minimise security breaches, compliance risks, legal disputes, and operational disruptions.
- Foster a risk-aware culture to anticipate and address emerging threats.
- Enhance trust and gain a competitive edge.

Environmental, Social and Governance (ESG) Risk

Risk Trend : Stable



Risk Impact : Moderate



Understanding the Risk

Failure to integrate ESG considerations may limit growth and investor confidence.

Impact on Value

- Lower ESG ratings and reputational risk.
- Negative media exposure.
- Reduced profitability and returns.
- Limited institutional investor interest.

Mitigation Strategies

- Established short, medium, and long term targets across all material matters.
- Prioritised a decarbonisation strategy.
- Monitored the progress in meeting ESG requirements periodically.

Opportunities

- Improve our ESG rating.
- Integrate ESG as a key boardroom agenda.
- Enhance CTOS' visibility and influence in the ESG space.
- Cultivate a motivated and high-performing workforce.

MANAGEMENT DISCUSSION AND ANALYSIS

OUR GROUP'S STRATEGIES AND PERFORMANCE REVIEW

Recognising the growth potential of the credit reporting industry in ASEAN, we remain focused on sustainable expansion through deeper market penetration, increased wallet share, and active engagement with the region's rapidly growing digital economy.

This year, we refined our strategy pillars by making targeted revisions to better align with our Group's direction and industry trends. The updated pillars reflect our evolving priorities and position us to respond effectively to emerging opportunities and challenges in the industry.

To drive long-term value, we continue to enhance our product suite, increase recurring revenue, strengthen group synergies and deploy advanced digital solutions and analytics. Simultaneously, we are refining our approach to maximise customer lifetime value by optimising our existing portfolio and improving activation rates. With a strong pipeline of opportunities and a sizeable addressable market, we are well-positioned to scale our presence and capture the expanding market potential.

CTOS' STRATEGIC FOCUS AREAS



OUR 2024 STRATEGIC PROGRESS



Continuing to Grow Core Business

What It Means

We have identified significant addressable markets for our core business, presenting robust growth opportunities. Our expansion approach is driven by market penetration, increased wallet share, and end-to-end credit management solutions, supported by an extensive database of banking and non-banking information.

Priority Areas

- Onboard more customers and increase activation across diverse industries to enhance economies of scale.
- Maximise wallet share and drive revenue growth across product and customer segments.
- Maintain market leadership in Malaysia while growing our footprint in the region.

Achievements/ Developments

- Continued steady growth in digital report consumption, increasing recurring revenue.
- Increased adoption of Digital Solutions with close to **100** active customers.
- Improved activation trends in Malaysia and Singapore operations for the commercial segment, onboarding several sizable enterprises.
- Achieved double-digit growth in the **D2C** segment, fuelled by successful campaigns and education initiatives.

Outlook

- Revenue Expansion:** Leverage organic growth potential and CTOS' scalability to amplify coverage and revenue across all business segments.
- Market Penetration:** Maintain leadership in Malaysia while expanding coverage to larger financial institutions in the Philippines and Indonesia.
- Upselling & Cross-Selling:** Capitalise on significant opportunities to deepen wallet share across business units and group entities.

Material Matters:

M2 M4 M5 M8

Stakeholders:



Capitals:



UNSDGs:



MANAGEMENT DISCUSSION AND ANALYSIS

OUR GROUP'S STRATEGIES AND PERFORMANCE REVIEW



Expanding International Operations

What It Means

Expanding into the Philippines and Indonesia under the FinScore brand marks a key milestone in scaling our international presence. By integrating alternative data into credit scoring such as mobile usage, payment behaviour, and digital footprints, we are strengthening our position in ASEAN's credit reporting landscape. This expansion strengthens our ability to support financial institutions with deeper credit insights, driving broader adoption of digital credit solutions across the region.

Priority Areas

- Advance financial inclusion by delivering comprehensive credit solutions across ASEAN.
- Address limitations of traditional credit scoring for individuals with limited credit history.
- Develop market-specific products.

Achievements/ Developments

- New clients: **+29** in **2024** with a cumulative total client of **91**.
- Contributed **13%** of Group revenue in **2024**, a notable achievement in its first full year of contribution.
- Developed proprietary products tailored to these markets, gaining strong customer acceptance.

Outlook

- High-Growth Markets: Capitalise on vast opportunities in the Philippines and Indonesia, driven by large populations and low household debt penetration.
- Alternative Data Utilisation: Unlock potential by leveraging alternative data to enhance credit evaluations.

Material Matters:

M2 M4 M5 M8

Stakeholders:



Capitals:



UNSDGs:



Strengthening Customer Lifetime Journey

What It Means

Deepening our engagement with customers at every stage of their interaction with us. It's about understanding their evolving needs, delivering tailored solutions, and building long-term relationships that drive mutual growth. We aim to enhance customer satisfaction, loyalty, and lifetime value. This approach not only benefits our customers but also positions CTOS as a trusted partner in their financial and business growth.

Priority Areas

- Enhance customer engagement and improve service accessibility across all touchpoints.
- Increase retention and monetisation by enabling customers to fully leverage our data and solutions.
- Optimise upselling and cross selling opportunities to existing customers.

Achievements/ Developments

- CSM Team Expansion: Strengthened team and client engagement to improve lifetime value and service levels.
- Strategic Sales Team: Established to nurture high-value clients.

Outlook

- Revenue Growth & Wallet Share: Expand market presence and customer spending.
- Service Penetration & Value Delivery: Improve offerings to strengthen leadership in the CRA market.

Material Matters:

M1 M2 M4

Stakeholders:



Capitals:



UNSDGs:



MANAGEMENT DISCUSSION AND ANALYSIS

OUR GROUP'S STRATEGIES AND PERFORMANCE REVIEW



Leveraging the Digital Ecosystem

What It Means

The expanding digital ecosystem driven by digital banks, online moneylenders, and the digital transformation of traditional banks creates a strong opportunity for CTOS. As financial institutions increasingly rely on real-time data and advanced analytics for credit assessments and risk management, we are well-positioned to support this shift with seamless, data-driven solutions that enable faster, more accurate decisions.

Priority Areas

- Enhance AI-driven data analytics for real-time credit assessments.
- Support digital banks and online lenders in their growth journeys.

Achievements/ Developments

- Onboarded three of Malaysia's five digital banks, with efforts underway to onboard the remaining two.
- One major digital bank has commenced with growing volume.

Outlook

- Collaboration with Digital Banks: As digital banks scale loan disbursement, demand for data and analytics will rise in tandem.
- Expanding Digital Services: Strengthen capabilities in real-time credit decisioning and innovative financial solutions.
- Customer Engagement: Elevate financial platforms to provide seamless portfolio management for financial institutions and credit providers.

Material Matters:

M1

M4

M7

Stakeholders:



Capitals:



UNSDGs:



Harnessing Group-wide Synergies

What It Means

Harnessing synergies across CTOS enables economies of scale, product cross-selling, and accelerated market expansion. By integrating capabilities across subsidiaries, regional operations, and associate companies, we create a seamless ecosystem for credit risk management and digital solutions. Strengthening internal collaboration positions us for sustainable growth and new opportunities.

Priority Areas

- Partner with JurisTech to roll out its digital lending solutions and drive CTOS data consumption.

Achievements/ Developments

- Improved performance with strong project pipeline through partnership with JurisTech.

Outlook

- Strengthening Associate Partnerships: Deepen collaboration with JurisTech and RAM for joint product development and strategic account planning.

Material Matters:

M3

M6

M7

M9

Stakeholders:



Capitals:



UNSDGs:



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW





CTOS navigated 2024 with resilience, delivering strong financial results across all business segments. The accelerating shift towards digital transactions has reinforced the demand for reliable, data-driven credit insights. As businesses and individuals prioritise speed and accuracy in decision-making, CTOS plays a pivotal role in enabling seamless credit access. Our expansive database and digital solutions empower stakeholders at every stage of the credit lifecycle, enhancing efficiency, reducing risk, and driving sustainable growth.

WHAT WE DO

CTOS drives the digital economy by equipping individuals and businesses with the tools to make informed credit decisions. We operate in four core segments: Key Accounts (Malaysia), Key Accounts (International), Commercial, and Direct-to-Consumer (D2C).

Our digital solutions have been essential to industries that rely on accurate credit insights. Banks, financial institutions, insurers, telcos, large corporations, SMEs, legal firms, statutory bodies, and individual consumers use our reports and tools to assess creditworthiness and manage risk effectively.

Each business segment offers tailored solutions to meet the specific needs of our customers:

 KEY ACCOUNTS - MALAYSIA <ul style="list-style-type: none"> Digital reports Comprehensive Portfolio Review and Analytics Digital Solutions CTOS Application and Decisioning (CAD) electronic Know Your Customer (eKYC) IDGuard e-Trade Reference (eTR) 	 COMMERCIAL <ul style="list-style-type: none"> Credit Manager Credit Monitoring eTR
 KEY ACCOUNTS - INTERNATIONAL (FinScore) <ul style="list-style-type: none"> Alternative Score Platforms using telco data FICO Score 	 DIRECT-TO-CONSUMER (D2C) <ul style="list-style-type: none"> CTOS Score CTOS SecureID Credit Finder CTOS Vehicle Check CTOS Credit Monitoring

CREATING STAKEHOLDER VALUE

We deliver data-driven solutions that support businesses and consumers to make informed financial decisions. By providing accurate insights and maintaining strong governance, we drive financial confidence and operational resilience across key industries.

Stakeholder Expectations	What We Did In 2024	Results
<ul style="list-style-type: none"> Large Corporations and SMEs: <p>Deliver reliable credit reports and risk assessment tools to support sound lending decisions and proactive credit risk management.</p>	<ul style="list-style-type: none"> Renewed focus on improving annual recurring revenue (ARR) across all products. Launched new use case on our eKYC platform. Accelerated large enterprise segment synergies with JurisTech. Increased engagement frequency with SMEs customer on the Credit Manager platform. Approached new SME leads to sign on as new customers. 	<ul style="list-style-type: none"> Established significant client on the new eKYC feature, with strong replication potential across industries. Secured a major Telco partnership on CTOS Scores. Established strategic digital platform synergies with Development Financial Institutions and Islamic Banks via JurisTech and CTOS solutions. Improved activation and onboarding of SME clients in Malaysia.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Stakeholder Expectations	What We Did In 2024	Results
<div><div><div>• Consumers:</div><div>Access to accurate credit information and scores for self-assessment, supported by educational resources to enhance financial literacy.</div></div></div>	<div><div><div>• Expanded CTOS mini programme on Touch 'n Go (TNGD), launching Credit Monitoring (April 2024).</div><div>• Established seven new partnerships to sell CTOS Score</div><div>• Executed targeted EDM campaigns featuring engaging financial literacy insights on CTOS Scores, for general and specific CIDER segments.</div><div>• Conducted 78 financial literacy awareness campaigns, webinars, and roadshows.</div></div></div>	<div><div><div>• Consumer base grew by 19% YoY, surpassing 0.6 million new registered users.</div><div>• Credit monitoring and auto-renewal services contributed 8% of total consumer revenue in 2024.</div></div></div>
<div><div><div>• Government and Regulatory Authorities:</div><div>Ensure strict regulatory compliance, engaged in industry collaboration and contributed to the development of governance standards.</div></div></div>	<div><div><div>• Engaged regulators through industry dialogues, sharing insights and shaping governance frameworks.</div><div>• Collaborated with the World Bank to enhance credit reporting agency capabilities and industry-wide governance standards.</div></div></div>	<div><div><div>• Maintained leadership in regulatory compliance, reinforcing trust and transparency within the credit reporting ecosystem.</div><div>• Contributed to policy discussions that drive sustainable industry growth and innovation.</div></div></div>
<div><div><div>• Investors and Shareholders:</div><div>Deliver sustainable financial returns, transparent reporting, effective risk management, and proactive communication to maintain confidence and trust.</div></div></div>	<div><div><div>• Engaged with our shareholders and investors through conducting 65 meetings, briefings, and engagement sessions.</div><div>• Addressed investor questions, and gathered insights on their concerns.</div></div></div>	<div><div><div>• Received valuable feedback that helped us enhance our disclosures and align more closely with investor expectations.</div></div></div>



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

KEY ACHIEVEMENTS



KEY ACCOUNTS - MALAYSIA

- Served approximately **500** high-revenue-generating customers across banking, Non-Banking Financial Institutions (NBFIs), and telecommunications.
- Recorded in year-over-year (YoY) revenue of **RM 111 million** in 2024.
- Increased adoption of Digital Solutions, particularly CAD and eKYC, among Key Account customers.
- Successfully launched the Retail Loan Origination System (RLOS) contract for a major financial institution, in collaboration with JurisTech



KEY ACCOUNTS - INTERNATIONAL (FinScore)

- Added **29** new clients in 2024, expanding the total customer base to **91** across the Philippines and Indonesia, strengthening market presence.
- Recorded **558%** YoY revenue boost, reaching **RM 39 million**.
- Achieved **100%** telecommunications coverage for alternative data Scores in Indonesia and the Philippines.
- Enhanced the Comprehensive Portfolio Review and Analytics suite with new analytics-driven products.
- Launched new margin-enhancing products, experiencing double-digit uptake post-launch.



COMMERCIAL

- Served over **22,000** clients across key industries, including wholesale and retail trade, manufacturing, professional services, construction, finance, and insurance.
- Hosted four SME-focused events, including CTOS SME, Biz Day, Malaysia's largest SME networking event and the CTOS Connect Series.
- Delivered **6%** YoY revenue growth, reaching **RM128 million** in 2024.
- Reintroduced CTOS Verified Services, developed with Airasia Academy.



DIRECT-TO-CONSUMER (D2C)

- Expanded registered self-check account customers to over **4.4** million.
- Launched the Credit Monitoring Subscription, targeting young adults for greater credit monitoring convenience via the Touch 'n Go app.
- Achieved **18%** YoY revenue growth, totalling **RM26 million** in 2024.
- Conducted **78** financial literacy awareness initiatives, including campaigns, webinars, and roadshows, reaching individuals and businesses.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

OUTLOOK AND PROSPECTS



KEY ACCOUNTS - MALAYSIA

We are driven by robust earnings from key clients across banking, NBFIs, telcos, insurers, and large corporations. As these sectors experience sustained growth, we anticipate continued expansion in recurring usage. Our new digital fraud prevention product strategically positions us as a key player in national fraud prevention efforts, aligning with regulatory mandates for stronger fraud mitigation. Additionally, we are launching new initiatives to enhance visibility for “Thin File” consumers, empowering financial institutions with deeper insights for better decision-making.



KEY ACCOUNTS - INTERNATIONAL (FinScore)

FinScore is dedicated to enabling financial inclusion for over 200 million “Thin File” consumers in Indonesia and the Philippines—markets where more than 60% of the population lacks traditional credit bureau records. Unlike conventional credit bureaus, FinScore leverages telecommunication data to assess creditworthiness, maintaining 100% telco coverage across both countries.

In 2025, we aim to expand beyond FinTech into multifinance and banking, diversifying our revenue streams as our products mature. Additionally, we are scaling new product innovations launched in 2024 while preparing to introduce our FICO Score product, designed for partnerships with established credit bureaus. This expansion will allow us to serve both banked and underbanked populations, reinforcing our leadership in alternative credit scoring.



COMMERCIAL

SMEs are the backbone of Malaysia’s economy, and we are committed to empowering businesses with data-driven decision-making tools. By leveraging our vast data network and industry expertise, we will provide businesses with transparent, reliable credit evaluations, ensuring stronger investor confidence and smoother access to financing.

As a trusted partner in credit decisioning and financial literacy, we continue to deliver high-value solutions that support business sustainability, helping SMEs make informed decisions that drive growth and economic resilience.



DIRECT-TO-CONSUMER (D2C)

Our D2C segment is committed to protecting Malaysians through product innovations and strategic partnerships that enhance financial management capabilities.

Our consumer solutions enable individuals to monitor their financial health, manage spending wisely, and receive alerts on compromised personal information or missed payments. We continue to drive financial literacy awareness through social channels and collaborations with Ministry of Finance (MoF), BNM, PayNet, strengthening our role in Malaysia’s financial empowerment agenda. Additionally, we are expanding our partnership ecosystem to enhance visibility and penetrate new verticals, ensuring greater accessibility to financial tools that empower consumers.

The background of the entire page is a dark teal color. Overlaid on this is a large, abstract graphic consisting of several undulating, wave-like bands. These bands are composed of a fine grid of small, light teal dots, creating a sense of depth and movement. The waves flow from the left side towards the right, with some peaks and valleys. The overall effect is modern and technological.

SUSTAINABILITY STATEMENT

- SUSTAINABILITY STATEMENT
- BURSA MALAYSIA ESG REPORT

SUSTAINABILITY STATEMENT


Sustainability is integrated into our operations, driving us to create value for our organisation and society. We leverage our expertise in data-driven solutions and targeted initiatives to improve financial literacy and access to financing opportunities, empowering individuals and businesses to make informed credit decisions. Our goal is to position Malaysia as the credit reporting leader in ASEAN while delivering meaningful value for our organisation and the communities we serve.

OUR SUSTAINABILITY GOVERNANCE

Effective governance drives the execution of our Sustainability Blueprint and Roadmap, helping us meet stakeholder expectations while navigating the evolving sustainability landscape. As the global economy moves toward low-carbon solutions, we continue to build our organisational capabilities to capitalise on emerging opportunities. We continuously refine our governance framework to align with international standards and address the growing complexities, meeting the growing expectations of investors, customers and other stakeholders.

Our Board assumes overall responsibility for managing risks and opportunities, including those related to Environmental, Social and Governance (ESG) considerations such as climate change. To ensure accountability across the organisation, ESG-related Key Performance Indicators (KPIs) are assigned through the leadership team, led by the Group CEO and Group Head of Corporate Strategy and Planning. Department heads also play a key role in driving ESG initiatives throughout the organisation to ensure a consistent and comprehensive approach across all levels.



 For more information on our sustainability governance roles and responsibilities, please read page 54 of our CTOS Digital Sustainability Report 2024.

OUR SUSTAINABILITY STRATEGY

Sustainability guides our focus on building financial resilience, promoting inclusive growth and delivering meaningful impact. This commitment is embedded in our Sustainability Blueprint, anchored on four key pillars: empowering progress and resilience, driving environmental responsibility, nurturing employee growth and acting with integrity. These pillars shape our strategy, ensuring agility and relevance given the evolving landscape. To realise this, we refined our Sustainability Roadmap to provide a structured framework for responsible growth, helping us priorities effectively and adapt strategies in real time to create long-term value for CTOS and our stakeholders.

In 2024, we strengthened our sustainability efforts by setting clear targets within each sustainability pillar, aligning them with global benchmarks and regulatory expectations. We also conducted cross-departmental sustainability engagements, reinforcing a solid framework for responsible and ethical business practices. At the same time, we are developing a group-wide sustainability policy that serves as a unifying framework, guiding all employees in integrating sustainable practices into their daily operations. We are currently in the process of securing management approval for its implementation, ensuring a structured and effective rollout.

SUSTAINABILITY STATEMENT



To help empower consumers and businesses to make sound credit decisions confidently, leading to better financial health

To make Malaysia a centre of excellence for credit reporting in ASEAN

At CTOS, we are dedicated to improving financial well-being in Malaysia and ASEAN through innovation and data-driven solutions

Empowering Progress & Resilience

- Data Privacy & Cyber security
- Innovative Customer Solutions
- Financial Inclusion & Community Empowerment

Driving Environmental Responsibility

- Environmental Stewardship
- GHG Emissions & Energy Consumption

Nurturing Employee Growth

- Diversity, Equity & Inclusion ("DEI")
- Career Development
- Employee Welfare & Well-being

Acting with Integrity

- Sustainability Risk Management
- Governance, Transparency & Accountability



SUSTAINABILITY STATEMENT

Sustainability Pillar: Empowering Progress and Resilience

We drive financial inclusion, protect data and expand credit access to strengthen Malaysia’s leadership in ASEAN’s credit reporting landscape. By prioritising fairness and meeting customer needs, we create meaningful connections that support lasting trust and long-term growth.

Key Highlights




- Awarded ISO/IEC 27001:2022 certification.
- Achieved a cyber security maturity level of 2.9 out of 5.0, exceeding the original Project Elevate target of 2.5 by 2025.
- Empowered 500 students with critical financial knowledge and skills for better financial decision-making.
- Increased average monthly visitors to the Knowledge Base site to 2.6 million (2023: 2.11 million).
- Conducted a total of 78 events in 2024, engaging 16,000 individuals.

ESG Snapshot	2022	2023	2024	Trend
Number of training and awareness on cyber security	2	8	14	We are incorporating more targeted training programmes to prompt a more proactive approach to employee awareness and preparedness.
Total amount invested in the community where the target beneficiaries are external to the listed issuer (RM)*	19,390	219,588	307,489	We are committed to addressing community needs for financial inclusion by expanding our outreach programs to drive greater impact.
Number of beneficiaries of the investment in communities*	1.0	1.0	1.0	We maintained our focus on directing investments toward a single community initiative rather than multiple short-term efforts, ensuring long-term and meaningful contributions.





Related Material Matters:

M1M4M5




Stakeholders Impacted:



Prioritised UNSDGs:



Related Capitals:



* Bursa Malaysia’s Common Sustainability Indicators

SUSTAINABILITY STATEMENT

Sustainability Pillar: Driving Environmental Responsibility

We actively track and report GHG emissions (Scope 1 and 2), enhancing efficiency by focusing on improving efficiency and resource management to drive sustainable growth and meet global standards.

Key Highlights

- Progressing towards alignment with IFRS S2 Climate Disclosures.
- Ongoing enhancements to internal data collection on Scope 3 GHG emissions for improved accuracy and reporting.

ESG Snapshot	2022	2023	2024	Trend
Total energy consumption (MWh)*	696.7	634.24	514.96	We decreased our overall energy consumption following the transition to a green building.
Emissions management				
Scope 1 emissions (tCO ₂ e)	0.82	0.65	N/A	We discontinued the use of company cars, eliminating direct emissions from fuel consumption.
Scope 2 emissions (tCO ₂ e)	407.57	371.03	301.25	We actively promoted continuous behavioural change among our employees to encourage energy-saving practices.
GHG Emissions Intensity (Total emissions/FTE)*	0.78	0.64	0.49	We decreased our overall energy consumption following the transition to a green building, incorporating energy-efficient design.

Related Material Matters:

M9 M10

Stakeholders Impacted:**Prioritised UNSDGs:****Related Capitals:**

* Bursa Malaysia's Common Sustainability Indicators

** FTE includes full-time and temporary employees

SUSTAINABILITY STATEMENT

Sustainability Pillar: Nurturing Employee Growth

We nurture employee growth by fostering an inclusive environment, valuing diverse contributions, and encouraging continuous learning to empower employee growth.

Key Highlights

- Recorded zero discrimination complaints.
- Empowered 57 leaders at the manager level and above the through Applied Coaching (PEAC) leadership programme.
- Recorded 77% in our Employee Engagement Index.
- 100% of employees received regular performance reviews.
- Onboarded 20 Malaysian talent with specialised expertise in data analytics, Information Technology (IT), and technical fields.
- Certified 20 employees in Lean Six Sigma through nine coaching sessions.
- Trained 154 employees to improve sales capabilities.
- Recorded zero incidents of work-related injuries, illnesses, or fatalities for three consecutive years.

ESG Snapshot	2022	2023	2024	Trend
Number and percentage of employees by gender*				We conducted fair recruitment processes, ensuring the elimination of gender and racial bias.
Female	339 (59%)	301 (53%)	344 (56%)	
Male	238 (41%)	268 (47%)	267 (44%)	
Breakdown of number of senior management*				We are committed to maintaining a healthy female-to-male ratio, ensuring equal access to opportunities within our management team.
Female	27%	23%	29%	
Male	73%	77%	71%	
Total training hours for employees	16,664.0	15,407.5	17,584.4	We introduced various strategic training programmes to enhance employee expertise, technical knowledge, and leadership capabilities.
Average total hours of training per employee				We implemented targeted training initiatives to strengthen technical expertise and support career development.
Female	22.2	19.6	23.8	
Male	37.1	29.6	35.2	
Percentage of workers covered by an occupational health and safety management system	100%	100%	100%	We equipped employees with essential skills to respond effectively to workplace safety and emergency situations.
Number of employees trained on health and safety standards*	21	351	23	The sharp increase in trained employees from 21 in 2022 to 351 in 2023 was due to the mandatory evacuation programme following the Business Continuity Plan (BCP) certification. In 2024, the number was normalised to 23, as most employees had already undergone training.

Related Material Matters:

M6 M7 M8

Stakeholders Impacted:



Prioritised UNSDGs:



Related Capitals:



* Bursa Malaysia's Common Sustainability Indicators

SUSTAINABILITY STATEMENT

Sustainability Pillar: Acting with Integrity

We are committed to earning customer trust through transparency and responsible practices, sharing our strategies and results with stakeholders to reinforce our position as Malaysia's leading credit reporting agency. We uphold accountability through robust governance and ethical standards.

Key Highlights

- Zero reports on misconduct and malpractice.
- Passed the annual audit for the Credit Reporting Agencies (CRA) license renewal.
- Secured a satisfactory score in the annual audit by an independent auditor to ensure continuous access to Bank Negara Malaysia (BNM).
- 611 employees participated in anti-corruption training sessions.
- Conducted 12 awareness sessions, engaging 91 internal stakeholders on new procurement procedures.

ESG Snapshot	2022	2023	2024	Trend
Number and percentage of employees who have received training on anti-corruption by employee category*				We witnessed full training participation from all employee categories.
Non-Executive	125 (21.7%)	92 (16.1%)	88 (14.4%)	
Executive	345 (59.8%)	355 (62.4%)	380 (62.2%)	
Middle Manager	85 (14.7%)	100 (17.6%)	122 (20%)	
Senior Management	22 (3.8%)	22 (3.9%)	21 (3.4%)	
Percentage of operations assessed for corruption-related risks*	75%	75%	100%	We demonstrated a strengthened approach to corruption risk management.
Confirmed incidents of corruption and action taken	0	0	0	We maintained zero confirmed corruption incidents across all years, reflecting our commitment to ethical business practices.
Number and percentage of employees who participated in anti-corruption briefing/policies and procedures*	577 (100%)	569 (100%)	611 (100%)	We continued to maintain a strong commitment to compliance and awareness among all employees.
Proportion of spending on local suppliers*	90%	90%	83.9%	We observed a slight shift in sourcing our business needs.

Related Material Matters:

M2 M3

Stakeholders Impacted:**Prioritised UNSDGs:****Related Capitals:**

* Bursa Malaysia's Common Sustainability Indicators

SUSTAINABILITY STATEMENT

BURSA MALAYSIA ESG REPORT

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	100.00	100.00	100.00
Middle Management	Percentage	100.00	100.00	100.00
Executive	Percentage	100.00	100.00	100.00
Non-Executive	Percentage	100.00	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	75.00	75.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	30,000.00	25,000.00	307,489.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1	1	1
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	73.00	73.00	76.00
Senior Management Above 50	Percentage	27.00	27.00	24.00
Middle Management Under 30	Percentage	9.40	7.00	5.00
Middle Management Between 30-50	Percentage	89.40	89.00	90.00
Middle Management Above 50	Percentage	1.20	4.00	5.00
Executive Under 30	Percentage	45.50	46.40	47.00
Executive Between 30-50	Percentage	53.90	53.00	52.00
Executive Above 50	Percentage	0.60	0.60	1.00
Non-Executive Under 30	Percentage	68.80	61.00	62.00
Non-Executive Between 30-50	Percentage	30.40	39.00	38.00
Non-Executive Above 50	Percentage	0.80	0.00	0.00

Internal assurance

External assurance

No assurance

(*) Restated

SUSTAINABILITY STATEMENT

BURSA MALAYSIA ESG REPORT

Indicator	Measurement Unit	2022	2023	2024
Gender Group by Employee Category				
Senior Management Male	Percentage	73.00	77.00	71.00
Senior Management Female	Percentage	27.00	23.00	29.00
Middle Management Male	Percentage	53.00	55.00	64.00
Middle Management Female	Percentage	47.00	45.00	35.00
Executive Male	Percentage	48.00	49.00	44.00
Executive Female	Percentage	52.00	51.00	56.00
Non-Executive Male	Percentage	8.00	25.00	76.00
Non-Executive Female	Percentage	92.00	75.00	24.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	47.00	50.00	50.00
Female	Percentage	43.00	50.00	50.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	0.00	0.00	0.00
Above 50	Percentage	100.00	100.00	100.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	696.70	634.24	514.96
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	21	351	23
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	12	9	11
Middle Management	Hours	39	26	40
Executive	Hours	17	33	32
Non-Executive	Hours	11	21	2
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	12.00	8.00	8.00

SUSTAINABILITY STATEMENT

BURSA MALAYSIA ESG REPORT

Indicator	Measurement Unit	2022	2023	2024
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	1	1	21 *
Middle Management	Number	17 *	9 *	122 *
Executive	Number	164 *	118 *	380 *
Non-Executive	Number	9 *	4 *	88 *
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	90.00	90.00	83.90
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	1
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	32.890000	37.500000	5.360000



CORPORATE GOVERNANCE

- CORPORATE INFORMATION
- BOARD OF DIRECTORS' PROFILE
- KEY SENIOR MANAGERMENTS' PROFILE
- CORPORATE GOVERNANCE OVERVIEW STATEMENT
- AUDIT & RISK COMMITTEE REPORT
- STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

CORPORATE GOVERNANCE

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Noorazman Bin Abd Aziz
Independent Non-Executive
Chairman

Lynette Yeow Su-Yin
Independent Non-Executive
Director

Loh Kok Leong
Non-Independent Non-Executive
Director

Nirmala A/P Doraisamy
Independent Non-Executive
Director

Erick Hamburger Barraza
Executive Director and Group Chief
Executive Officer

Mizran Bin Md Nahar
Alternate Director to Loh Kok
Leong

Su Puay Leng
Independent Non-Executive
Director

AUDIT COMMITTEE

Nirmala A/P Doraisamy
Chairperson

Su Puay Leng
Member

Lynette Yeow Su-Yin
Member

RISK & COMPLIANCE COMMITTEE

Su Puay Leng
Chairperson

Loh Kok Leong
Member

Nirmala A/P Doraisamy
Member

NOMINATION & REMUNERATION COMMITTEE

Lynette Yeow Su-Yin
Chairperson

Loh Kok Leong
Member

Nirmala A/P Doraisamy
Member

BOARD INVESTMENT COMMITTEE

Su Puay Leng
Chairperson

Loh Kok Leong
Member

Dato' Noorazman Bin Abd Aziz
Member

EMPLOYEE SHARE OPTION SCHEME COMMITTEE

Lynette Yeow Su-Yin
Chairperson

Nirmala A/P Doraisamy
Member

Loh Kok Leong
Member

Erick Hamburger Barraza
Member

Note:

CTOS has announced that Loh Kok Leong will serve as Interim Group Chief Executive Officer of CTOS effective 1 May 2025, as Erick Hamburger Barraza will be on leave from 1 May 2025 until the conclusion of his employment on 30 September 2025. Erick Hamburger Barraza will relinquish his directorship at CTOS with effect from 1 May 2025. Effective 1 May 2025, Lynette Yeow Su-Yin will replace Loh Kok Leong on the Risk & Compliance Committee, and Su Puay Leng will replace Loh Kok Leong on the Nomination & Remuneration Committee.

COMPANY SECRETARIES

Nur Shahfaiza Binti Md Yusoff
(SSM PC No. 202008000953)
(MAICSA 7052006)

Leela A/P. Suresh Kee See Leng
(SSM PC No. 201909001962)
(MAICSA 7069589)

AUDITORS

PricewaterhouseCoopers PLT

Level 10, Menara TH 1 Sentral,
Jalan Rakyat, Kuala Lumpur Sentral, 50706
Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur
Tel. No.: +603 2173 1188
Partner-in-charge: Chan Suet Lye
Professional qualification:
Member of MIA
(MIA membership No.: CA46421)

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: +603 2783 9111
E-mail: info@my.tricorglobal.com

CORPORATE OFFICE

Level 17, Menara CelcomDigi,
No. 6, Persiaran Barat, Seksyen 52,
46200 Petaling Jaya, Selangor
Tel. No.: +603 2722 8888
Website: www.ctosdigital.com
E-mail: info@ctosdigital.com

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
E-mail: is.enquiry@vistra.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities
Berhad (5301)

CORPORATE GOVERNANCE

BOARD OF DIRECTORS' PROFILE

DATO' NOORAZMAN BIN ABD AZIZ

Independent
Non-Executive Chairman



NRC 1/1

BIC 3/3

Board Meeting
Attendance:



DATE OF APPOINTMENT

24 FEBRUARY 2020

ACADEMIC/QUALIFICATIONS/MEMBERSHIP(S)

- Bachelor of Science in Finance (Louisiana State University, USA)
- Citicorp Associate Programme Training Institute, New York, USA
- Member of the Chartered Institute of Islamic Finance Professionals ("CIIF")
- Member of the Australian Institute of Company Directors
- Member of the Institute of Corporate Directors Malaysia

RELEVANT WORKING EXPERIENCE

Over 40 years of experience in banking and finance, investments, and capital markets.

- Executive Director, Investments at Khazanah Nasional Berhad
- Co-founder and Managing Director, Fajr Capital Ltd
- Managing Director and Chief Executive Officer, BIMB Holdings Berhad
- Managing Director and Chief Executive Officer, Bank Islam Malaysia Berhad
- Managing Director and Head of Corporate and Investment Banking, Citibank Berhad
- Chief Operating Officer, Bursa Securities (Kuala Lumpur Stock Exchange Berhad)
- Director General, Labuan Financial Services Authority
- Senior Vice President (Corporate Banking and Treasury), Citibank Berhad

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC OR LISTED COMPANIES

- Independent Non-Executive Director of Kumpulan Perangsang Selangor Berhad
- Chairman of Sun Life Malaysia Assurance Berhad
- Chairman of Sun Life Malaysia Takaful Berhad
- Chairman of MUFG Bank (Malaysia) Berhad
- Chairman of the Board of Trustees of Yayasan UEM
- Chairman of the Board of Trustee of International Centre for Education in Islamic Finance ("INCEIF")
- Member of the Audit Oversight Board of the Securities Commission
- Member of the Investment Panel of Kumpulan Wang Persaraan ("KWAP")
- Board of Trustees of OSK Foundation effective 17 Oct 2023

ADVISORY

- Advisor, Vynn Capital Sdn Bhd

He does not have any family relationship with any of the other Directors and/or major shareholders of the Company. He has no conflict of interest with the Group other than that which has been disclosed to the Board of Directors (if any). He has not been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanctions or penalty by the relevant regulatory bodies during the financial year.

Board Committee Membership



Audit & Risk Committee



Nomination & Remuneration Committee



Board Investment Committee



Chairman

CORPORATE GOVERNANCE

BOARD OF DIRECTORS' PROFILE

ERICK HAMBURGER

Non-Independent Executive Director
and Group Chief Executive Officer



DATE OF APPOINTMENT

30 SEPTEMBER 2022

ACADEMIC/QUALIFICATIONS/MEMBERSHIP(S)

- General Management Program (Harvard Business School)
- MBA (MIT Sloan School of Management)
- Bachelor of Science, Pontificia (Universidad Javeriana, Colombia)

RELEVANT WORKING EXPERIENCE

Over 31 years of vast experience incorporate strategy and international credit reporting sector.

- President of Experian Colombia and Mexico
- CEO of Publicar S.A. (Colombia)
- President of Brightpoint Inc. (Miami)
- Director of Strategy & Business Development at Motorola Inc. (Miami)
- Engagement Manager at McKinsey & Co (Miami)
- Director of Prepaid Products at Bell Canada (Colombia)
- Manager of Convenience Channel at British American Tobacco (Colombia)
- Assistant Brand Manager at Procter & Gamble (Colombia)

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC OR LISTED COMPANIES

- Non-Independent Non-Executive Director of BOL (listed on the Stock Exchange of Thailand)

He has no family relationship with any of the other Directors and/or major shareholders of the Company. He has no conflict of interest including any potential conflict of interest that may arise with the Group, other than as disclosed to the Board of Directors (if any), in relation to the recurrent related party transactions pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He has not been convicted of any offences (other than traffic offences) within the past 5 years, and no public sanctions or penalty have been imposed on him by any relevant regulatory bodies during the financial year.

LOH KOK LEONG

Non-Independent
Non-Executive Director



DATE OF APPOINTMENT

15 AUGUST 2014

ACADEMIC/QUALIFICATIONS/MEMBERSHIP(S)

- Bachelor of Science in Business Administration (Hawaii Pacific University, USA)
- MBA (Hawaii Pacific University, USA)

RELEVANT WORKING EXPERIENCE

Over 29 years of experience in consulting, specialising in strategy development and execution and private equity.

- Senior Managing Director of Creador Sdn Bhd
- Founder of Aigeus Capital Sdn Bhd
- Partner and Managing Director of Boston Consulting Group Sdn Bhd

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC OR LISTED COMPANIES

Nil

He has no family relationship with any of the other Directors and/or major shareholders of the Company. He has no conflict of interest including any potential conflict of interest that may arise with the Group, other than as disclosed to the Board of Directors (if any), in relation to the recurrent related party transactions pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He has not been convicted of any offences (other than traffic offences) within the past 5 years, and no public sanctions or penalty have been imposed on him by any relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS' PROFILE

NIRMALA A/P DORAISAMY

Independent
Non-Executive Director



DATE OF APPOINTMENT

1 APRIL 2021

ACADEMIC/QUALIFICATIONS/MEMBERSHIP(S)

- Bachelor of Economics (Hons) (University Malaya, Malaysia)
- MBA (International Islamic University Malaysia, Malaysia)
- Member of Malaysian Institute of Accountants ("MIA")
- Chartered Global Management Accountant, UK
- Fellow of Chartered Institute of Management Accountants, UK
- Fellow of Institute of Corporate Directors Malaysia ("ICDM"), Kuala Lumpur

RELEVANT WORKING EXPERIENCE

Over 33 years of experience specialising in banking and finance, risk management and advisory work.

- Senior Independent Director, Evergreen Fibreboard Bhd, Chairman of Risk & Sustainability Committee, Chairman of Nomination Committee, Member of Audit Committee and Remuneration Committee
- Director of Ecobuilt Holdings Bhd (Ecobuilt), Chairman of Nomination Committee and Member of Audit Committee, Ecobuilt
- Director of Credence Malaysia Sdn Bhd
- Head of Risk Management, Credit Guarantee Corporation Malaysia Berhad
- Various positions in Affin Bank Bhd, Alliance Bank Malaysia Bhd and MBF Finance Bhd

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC OR LISTED COMPANIES

- Independent Non-Executive Director of Petronas Dagangan Berhad
- Independent Non-Executive Director of Aeon Bank (M) Bhd

OTHER APPOINTMENTS

- Member of Auditing and Assurance Standards Board, Malaysia Institute of Accountants
- Independent Non-Executive Director of Setel Ventures Sdn Bhd (subsidiary of Petronas Dagangan Bhd)

She does not have any family relationship with any of the other Directors and/or major shareholders of the Company. She has no conflict of interest with the Group other than that which has been disclosed to the Board of Directors (if any). She has not been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanctions or penalty by the relevant regulatory bodies during the financial year.

LYNETTE YEOW SU-YIN

Independent
Non-Executive Director



DATE OF APPOINTMENT

1 OCTOBER 2020

ACADEMIC/QUALIFICATIONS/MEMBERSHIP(S)

- Bachelor of Arts in Law (University of Cambridge, United Kingdom)
- Master of Arts in Law (University of Cambridge, United Kingdom)
- Advocate and Solicitor of the High Court of Malaya
- Member of the Malaysian Bar

RELEVANT WORKING EXPERIENCE

A lawyer by profession, over 28 years of experience specialising in corporate and securities laws, mergers and acquisitions and capital markets.

- Consultant, Messrs Sanjay Mohan
- Consultant, Messrs Chua Associates
- Partner, Messrs Chua Associates
- Partner, Kadir Andri & Partner
- Partner, Messrs Zaid Ibrahim & Co
- Partner, Messrs Raslan Loong

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC OR LISTED COMPANIES

- Independent Non-Executive Director of Malaysia Building Society Berhad

OTHER APPOINTMENTS

- Independent Non-Executive Director of TNB Power Generation Sdn Bhd
- Independent Non-Executive Director of MIDF Amanah Investment Bank Berhad
- Trustee of The Datai Pledge

She does not have any family relationship with any of the other Directors and/or major shareholders of the Company. She has no conflict of interest with the Group other than that which has been disclosed to the Board of Directors (if any). She has not been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanctions or penalty by the relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS' PROFILE

SU PUAY LENG

Independent
Non- Executive Director



DATE OF APPOINTMENT

27 MAY 2021

ACADEMIC/QUALIFICATIONS/MEMBERSHIP(S)

- First class honours in Bachelor of Laws (International Islamic University, Malaysia)
- MBA from Judge Business School (University of Cambridge, United Kingdom)
- Advocate and Solicitor of the High Court of Malaya
- Member of Institute of Corporate Directors Malaysia (ICDM), Kuala Lumpur

RELEVANT WORKING EXPERIENCE

Over 30 years of experience within a law firm and corporate legal department

- Head of Legal of Maxis Berhad group
- Legal Practitioner, Messrs Skrine

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC OR LISTED COMPANIES

Nil

She does not have any family relationship with any of the other Directors and/or major shareholders of the Company. She has no conflict of interest with the Group other than that which has been disclosed to the Board of Directors (if any). She has not been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanctions or penalty by the relevant regulatory bodies during the financial year.

MIZRAN BIN MD NAHAR

Alternate Director to
Loh Kok Leong



DATE OF APPOINTMENT

24 JULY 2024

ACADEMIC/QUALIFICATIONS/MEMBERSHIP(S)

- First class honours in Bachelor of Commerce - Accounting & Finance (University of Melbourne)

RELEVANT WORKING EXPERIENCE

Over 10 years working experience in equity capital markets, mergers and acquisitions and general investment across Southeast Asia

- Director of Creador Sdn Bhd
- Assistant Vice President of Khazanah Nasional Berhad
- Assistant Manager at Maybank Investment Bank

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC OR LISTED COMPANIES

Nil

He has no family relationship with any of the other Directors and/or major shareholders of the Company. He has no conflict of interest including any potential conflict of interest may arise with the Group, other than as disclosed to the Board of Directors (if any), in relation to the recurrent related party transactions pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He has not been convicted of any offences (other than traffic offences) within the past 5 years, and no public sanctions or penalty have been imposed on him by any relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE

KEY SENIOR MANAGERIALS' PROFILE

**ERICK HAMBURGER
BARRAZA**

Non-Independent Executive
Director and Group Chief
Executive Officer

Age:

56

Gender:

MALE

Nationality

COLUMBIA



JOIN DATE:

30 September 2022

DATE OF APPOINTMENT OF CURRENT POSITION

30 September 2022

ACADEMIC/QUALIFICATIONS/MEMBERSHIP(S)

- General Management Program (Harvard Business School)
- MBA (MIT Sloan School of Management)
- Bachelor of Science, Pontificia (Universidad Javeriana, Colombia)

RELEVANT WORKING EXPERIENCE

Over 31 years of vast experience incorporate strategy and international credit reporting sector.

- President of Experian Colombia and Mexico
- CEO of Publicar S.A. (Colombia)
- President of Brightpoint Inc. (Miami)
- Director of Strategy & Business Development at Motorola Inc. (Miami)
- Engagement Manager at McKinsey & Co (Miami)
- Director of Prepaid Products at Bell Canada (Colombia)
- Manager of Convenience Channel at British American Tobacco (Colombia)
- Assistant Brand Manager at Protect & Gamble (Colombia)

CHIN KUAN WENG, ERIC

Chief Executive Officer of
CTOS Data Systems Sdn Bhd

Age:

54

Gender:

MALE

Nationality

MALAYSIA



JOIN DATE:

18 November 2014

DATE OF APPOINTMENT OF CURRENT POSITION

18 November 2014

ACADEMIC/QUALIFICATION(S)

- Bachelor of Economics majoring in Industrial Economics (Universiti Kebangsaan Malaysia)

RELEVANT WORKING EXPERIENCE

Eric has over 26 years of experience in helping senior leadership roles in business, sales and operational functions for multinationals and local corporates. He joined CTOS in 2014 as the Chief Executive Officer and he first focused on strengthening the core operations and services of the business. He has been involved in the management of Key Accounts customers, oversees the Legal Department and acting as the key liaison with the regulators.

Prior to CTOS, he was Chief Operating Officer of Credit Bureau Malaysia ("CBM"). Before CBM he was the Head of Professional and Technical Division in Kelly Services (M) Sdn Bhd. And from 1998 to 2008, he worked at Siemens Malaysia Sdn Bhd under the Siemens Business Services division, and Siemens Nixdorf Information Systems (M) Sdn Bhd, where he rose through the ranks to become the Vice President of IT and business advisory in charge of management of the business performance of solutions and consulting services practice and establishing new solutions.

CHIAM HSING CHEE

Group Chief Financial Officer

Age:

54

Gender:

MALE

Nationality

MALAYSIA



JOIN DATE:

16 January 2023

DATE OF APPOINTMENT OF CURRENT POSITION

16 January 2023

ACADEMIC/QUALIFICATION(S)

- Bachelor of Accounting & Financial Management (Hons), University of Essex (UK)
- Diploma in Business Studies, North Manchester College (UK)

RELEVANT WORKING EXPERIENCE

Chiam joined CTOS Group in 2023 as the Group Chief Financial Officer and is responsible for all the finance activities, provide leadership and function as a key advisor of the business.

Prior joining CTOS, he was attached to Worley Limited ("WOR"), a ASX-listed company based in Australia. He held various positions of increasing responsibility with the Worley group - Group Executive Director (Operational Finance), Head of Shared Services, Regional Group Finance Director (Asia, Middle East, North Africa & Europe) and Finance Controller.

Chiam is a global senior leader with extensive international business experience within the energy and resources industry. He has transitioned operational finance from a business-led to a functional-led model, revitalised the shared services unit to a standalone business and transformed the highly-fragmented emerging markets (which consisted of numerous joint-venture businesses) into IPO-ready structures – a vital factor to the public-listing of Worley on the ASX in 2002. At Worley, he also has proven cultivated a culture of technology as an enabler to achieve next-level value-adding services by embracing analytics, system enhancements and automation.

CORPORATE GOVERNANCE

KEY SENIOR MANAGERIALS' PROFILE

JAMES FANCOURT MITCHELL

Group Chief Technology Office

Age: **55** Gender: **MALE**

Nationality: **AUSTRALIA** 

Join Date: 17 MAY 2022

DATE OF APPOINTMENT OF CURRENT POSITION

17 May 2022

ACADEMIC/QUALIFICATION(S)

- Bachelor of Information Technology (Hons), University of Queensland (Australia)
- Bachelor of Informatics, Griffith University (Australia)

RELEVANT WORKING EXPERIENCE

James has over 31 years of experience in IT and is a transformational and strategic leader with extensive knowledge of private banking, retail banking and central banking, developing and implementing systems in core banking, trading, risk, compliance, regulatory reporting, payments, document management and enterprise data management platforms. He has vast experience in operating diverse, multi-cultural environments and leading global and regional financial institutions spanning Asia, the Middle East and Europe.


Before joining CTOS, he was the Deputy Director (Head of IT Transformation) at Bank Negara Malaysia ("BNM") and then went to Tata Consulting Services ("TATA") as the Head of Banking & Financial Services. At BNM he was responsible for the IT Transformation Programme and has transitioned into the target organisation structure and introduced new capabilities in the areas of Solution Delivery & Deployment, Cyber Security, Infrastructure, Big Data & Analytics, Vendor Management & Procurement, Testing, Enterprise Architecture and Human Resource Management.

Prior to that, he was the Associate Partner at IBM Global Business Services (Malaysia), Delivery Head Information Management & Integration at Standard Chartered Bank (Malaysia), Head of IT Shared Services at Ambank (Malaysia), Chief Information Officer at Hong Leong Bank (Malaysia), Head Change the Bank IT and Executive Director at Bank Julius Bar (Singapore) and Vice President/ Program Manager Strategic Projects at Credit Suisse (Switzerland & Singapore).

KOLEV IVAYLO VENKOV IVO

Group Chief Data and Product Officer

Age: **43** Gender: **MALE**

Nationality: **BULGARIA** 

JOIN DATE: 8 MARCH 2023

DATE OF APPOINTMENT OF CURRENT POSITION

8 March 2023

ACADEMIC/QUALIFICATION(S)

- Bachelor of Computer Systems and Technologies (New Bulgarian University, Bulgaria)

RELEVANT WORKING EXPERIENCE

Ivo joined CTOS in March 2023 as Group Chief Data and Product Officer. He is responsible for overseeing the Data, Analytics, Product and Presales teams across all business units of the Group. His remit is to expand CTOS data assets, lead analytics capabilities and set the strategic direction for the business's overall product development.

He brings close to 21 years of multinational experience in data businesses and proven track-record in leading and building high-performance teams. He previously served as the Executive Director of Creador Malaysia. Before that, he held several positions at Experian Singapore, most recently as the General Manager for APAC, where he oversaw Operations and was responsible for strategy, delivery, product development, data sourcing, and distribution. Past roles include Head of Sales & Presales for ASEAN, Senior Consultant and Data Scientist at Experian Singapore, Bulgaria and Austria.

CORPORATE GOVERNANCE

KEY SENIOR MANagements' PROFILE

LEE SHIN MEI

Chief Operating Officer of
CTOS Data Systems Sdn Bhd

Age:

49

Gender:

FEMALE

Nationality

MALAYSIA



Join Date:

1 November 2023

DATE OF APPOINTMENT OF CURRENT POSITION

1 November 2023

ACADEMIC/QUALIFICATION(S)

- First Class Hons Degree Business Management, Universiti Sains Malaysia, Pulau Pinang

RELEVANT WORKING EXPERIENCE

Shin Mei brings more than 25 years of experience in enterprise business and with exceptional track-record in driving business growth. Before joining CTOS, she was the Head of Enterprise Business with Google Cloud Malaysia where she achieved exceptional year-on-year growth and played a pivotal role in building the company's presence.

Prior to that, she was the Head of Enterprise Business at Digi Telecommunications. Shin Mei also worked at Microsoft as a Senior Channel Sales Director and Sales Director, overseeing the Microsoft Malaysia Corporate Account & SMEs business. Shin Mei began their professional journey at Samsung Malaysia Electronics, where she held positions as Senior Manager of Marketing managing the IT business.

Shin Mei also worked at HP as a Channel Program Manager. Overall, Shin Mei Lee has a strong background in business development, sales, and management, with expertise in cloud platforms, AI, telecommunications, and technology.

LIM SUE LING

Group General Manager
of Risk and Business
Compliance

Age:

41

Gender:

FEMALE

Nationality

MALAYSIA



Join Date:

6 March 2006

DATE OF APPOINTMENT OF CURRENT POSITION

1 June 2023

ACADEMIC/QUALIFICATION(S)

- Master of Business Administration (University of The West of Scotland)
- Diploma in Information Technology (Informatics College, Malaysia)

RELEVANT WORKING EXPERIENCE

Sue Ling joined CTOS since 2006 and has acquired over 18 years of experience in regulatory compliance and risk management of the credit bureau business and currently oversees all compliance and risk management related matters of our Group.

She was promoted as Group General Manager of Risk and Business Compliance in June 2023. Her primary responsibilities include overseeing the Group's enterprise risk management and compliance functions to ensure adherence to regulatory requirements, corporate governance, and industry best practices. Additionally, she is responsible for managing the consumer redress mechanism and fostering regulatory engagement.

She has rose through the ranks from Customer Service Officer to the current position as Group General Manager of Risk and Business Compliance. She held several roles including Special Project Officer, Assistant Manager of the Settlement and Record Update, Manager of Business Compliance, Head of Business Compliance and Group Senior Head of Risk and Compliance.

None of the Key Senior Management has any family relationship with any director and/or major shareholders of the Company, nor any conflict of interest or potential conflict of interest that may arise with the Group including any interest in any competing business with the Company or its subsidiaries. They have not been convicted of any offence (other than traffic offences) within the past five years, and no public sanctions or penalties have been imposed on them by any regulatory body during the financial year.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

CTOS Digital Berhad (“**CTOS Digital**” or the “**Company**”) and its subsidiaries (the “**Group**” or “**CTOS**”) are committed to high standards of corporate governance (“**CG**”). The Group believes good governance ethics are critical to enhance shareholders’ value, business integrity and performance, and set as the fundamental principles to achieve the Group’s mission, vision and corporate objectives.

The Board of Directors (“**Board**”), Management, and employees are constantly working to improve the Group’s CG practices and processes and strive to uphold the CG principles. The Board is pleased to present this CG Overview Statement for the financial year ended 31 December 2024 (“**FYE 2024**”) based on the following statutory provisions: (i) Companies Act 2016; (ii) Malaysian Code on Corporate Governance 2021 (“**MCCG 2021**”); (iii) Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”); and (iv) Corporate Governance (4th Edition) issued by Bursa Securities.

CTOS Digital is a Large Company (defined as listed on FTSE Bursa Malaysia Top 100 Index or market capitalisation of RM2 billion and above).

The CG Overview Statement shall be read together with the CG Report 2024 (“**CG Report**”), available on the Company’s website at www.ctosdigital.com. The comprehensive details of the Company’s overall approach and specific practices pertaining to CG detailing on how the Company has applied each of the practices set out in the MCCG 2021 are disclosed in the CG Report.



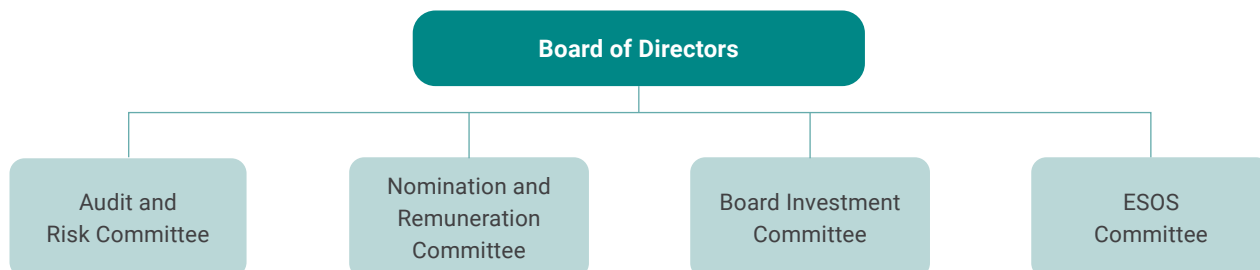
PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

(A) Board of Directors

The Board is primarily responsible for the effective governance and management of the Group and also responsible for the Group’s financial and organisational health. Ultimately, the Board is collectively responsible to ensure that sustainable value is delivered to its stakeholders. Each Director has a legal duty to act in the best interest of the Group and the Directors collectively and individually are aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed. The roles and responsibilities of the Directors are set out in the Board Charter which is published on the Company’s website at <https://ctosdigital.com/corporate-governance/>.

In discharging its stewardship role effectively, the Board has mandated and delegated its authority and specific duties and responsibilities to the Board Committees in carrying out the Board’s oversight functions, each of which is explained further in details under sub-paragraph (E) Board Committees of this CG Overview Statement.



All the Board Committees are actively engaged and act as oversight committees. The Board Committees discuss and decide on matters under their respective decision mandates or otherwise where required, make the recommendation to the Board for approval. The Board further receives updates from the respective Chairman of the Board Committees on matters that have been discussed and deliberated at the respective Board Committee meetings.

Essentially, the Board communicates its decisions to Management through the Group Chief Executive Officer (“**GCEO**”), who oversees the implementation within the business operation. Management is responsible for the day-to-day management of the Group pursuant to the powers delegated by the Board, subject to compliance with the applicable laws and regulations and commercial best practices.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(B) Chairman and the GCEO

In maintaining the effective supervision and accountability of the Board and the Management, the position of Chairman and GCEO are held by different individuals, thereby ensuring check and balance of power and authority. The segregation of roles assists in the furtherance of a healthy and open exchange of views between the Board and the Management particularly, in their deliberation of the business, strategic initiatives and key activities of the Company.

The Chairman of the Company, Dato' Noorazman Bin Abd Aziz is an Independent Non-Executive Chairman. The Chairman is primarily responsible for the stewardship and smooth functioning of the Board, and plays a leading role in the establishment of effective CG system and practices within the Board and the Group. The Chairman sets the tone of Board meetings by encouraging the active participation by the members of the Board ("Board Members") and creating a conducive environment for dissenting views to be expressed freely to ensure that discussions and contributions from all Board Members are forthcoming on matters being deliberated, thus eliminating domination in the discussion.

The GCEO of the Company, Erick Hamburger Barraza is primarily responsible for the execution of business plans in line with the Board's direction and drives the business and performance towards achieving the Group's vision and goals. He is responsible for the day-to-day management and operation of the Group, implementing Board policies and strategies as well as making operational decisions within the authorities as delegated by the Board. He also plays an important role by acting as the medium between the Board and Management in ensuring the success of the Group's governance and management functions.

(C) Board Meeting and Access to Information and Advice

The Board is required to meet quarterly, with additional meetings being convened as and when necessary to consider urgent proposals or matters that require Board's consideration. An annual meeting calendar will be prepared and circulated to Board Members before the beginning of each year, to assist the Board Members in planning their meeting calendars and schedules. The Board also adopts Directors' Written Resolutions as part of its decision-making process.

The Board held nine (9) Board Meetings during the FYE 2024 as shown below:-

Directors/ Designation	Total Number of Board Meetings Attended during FYE 2024
Dato' Noorazman Bin Abd Aziz (Independent Non-Executive Chairman)	9/9
Loh Kok Leong (Non-Independent Non-Executive Director) Alternate Director: (i) Wong Pau Min (Ceased on 24 July 2024) (ii) Mizran Bin Md Nahar (Appointed on 24 July 2024) Note: (i) Mr Wong Pau Min attended one (1) out of three (3) meetings as Alternate Director during his tenure as Alternate Director to Mr Loh Kok Leong (ii) Encik Mizran bin Md Nahar attended two (2) out of six (6) meetings as Alternate Director during his tenure as Alternate Director to Mr Loh Kok Leong	6/9
Erick Hamburger Barraza (Executive Director/ GCEO)	9/9
Lynette Yeow Su-Yin (Independent Non-Executive Director)	9/9
Nirmala A/P Doraisamy (Independent Non-Executive Director)	9/9
Su Puay Leng (Independent Non-Executive Director)	9/9
Wong Pau Min (Alternate Director to Loh Kok Leong (Ceased on 24 July 2024))	1/3
Mizran Bin Md Nahar (Alternate Director to Loh Kok Leong (Appointed on 24 July 2024))	2/6

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Board recognises the importance of timely dissemination of Board's and Board Committee's papers as well as minutes of meeting to all Board Members within a reasonable period prior to the Board and Board Committee meetings. This practice greatly enables the Board Members to receive timely information, facilitate the assessment, discussion and decision making of the matters tabled before the Board meets. Upon the conclusion of the meeting, the minutes will be circulated to the Board Members for their review and comments, within a reasonable timeframe prior to the Chairman's confirmation at the following Board meeting. In ensuring the effective functioning of the Board, the Board Members have direct unrestricted access to the advice and support services of the Company Secretaries, Internal Auditors, External Auditors and Independent Advisers. They may also, if deemed necessary seek advice from the Management on issues under their respective purview.

(D) Board Charter, Codes and Policies

The Board has the following in place:-

Board Charter

The Board Charter of the Company establishes the key values, principles and ethos of the Group, serving as a policy in delineating the roles and responsibilities of the Board, the Chairman, the GCEO, the Independent Directors, the Board Committees and individual Directors. The Board Charter sets matters which falls solely under the decision of the Board. It provides structured guidance for the operation of the Board in discharging its roles, and responsibilities. The Board Charter further outlines standards, expectations, and best practices for the Directors and the Management in discharging their duties towards the Company. The Board will review the Board Charter once in every two (2) years or as and when is deemed necessary to ensure that they remain consistent and relevant with the Board's objectives, operating environment, current law and best practices.

Code of Business Conduct and Ethics ("Code")

In its effort to earn the confidence, respect, and trust of the public, shareholders and stakeholders, the Company established a Code to set out the minimum standards expected from all employees. This Code ensured employees' continued compliance with ethical behaviour in all areas and situations where public trust and confidence may be compromised,

or laws which may be violated. The policies enumerated in the Code serve as the expected standard of business ethics and conduct for the employees which include guidance on overseeing and managing conflict of interest, standards of business ethics and proper conduct by the Group's employees in discharging the respective roles and duties throughout daily business operation and activities.

Whistleblowing Policy ("WB Policy")

CTOS has established a WB Policy which embodied the Group's commitment to promote and maintain high standards of transparency, accountability, ethics and integrity at the workplace. This WB Policy provides a safe avenue for employees, members of the public and any third party with a business relationship with the Group, to report any improper conduct or wrongdoings that contravene the Group's values, duties and ethical responsibilities in carrying out business and corporate activities, while at the same time providing protection for employees and members of the public who report such matters. Confidentiality protection for whistleblowers is extended to both employees and the public. Employees, in particular, receive additional safeguards against potential detrimental or retaliatory actions in workplace.

Anti-Bribery and Corruption Policy ("ABC Policy")

CTOS has an established ABC Policy which sets forth the Group's overall position against bribery and corruption in all its forms and the Group's objective in ensuring full compliance with all applicable anti-corruption regulatory requirements when conducting its business and operation. The ABC Policy further seeks to ensure that the Group adheres to the principles of good CG and emphasises on operating its business with fairness and transparency.

The Group does not tolerate any form of bribery and corruption. Employees are encouraged not to pay bribes or participate in acts of corruption in the day-to-day operations of business.

This policy is applicable to the Group, business associates, resellers, agents and distributors acting on the Group's behalf, the Board and all the Group's personnel.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Directors' Remuneration Policy

To ensure a well-structured Directors' remuneration which is aligned with the strategic objectives of the Group and the promotion of business stability and growth, the Group has established a Directors' Remuneration Policy. This Policy aims to attract, retain and reward the right talent in the Board for the success of the Group's long-term objectives while at the same time fosters shareholders' returns, strengthen the corporate governance and increase the public confidence in business.

Directors' Qualification, Fit and Proper Policy

CTOS has a Directors' Qualification, Fit and Proper Policy which sets out the standards and expectations on the suitability of all candidates and the current Directors of CTOS. The policy provides transparency on the selection of the Board composition to ensure that the Directors of CTOS meet the qualification, fit and proper and have the character, integrity and competence required to perform the roles and responsibilities as a Director of a public listed company.

The Board believes the aforesaid policies define the Group's commitment towards issues relevant to good corporate governance and are periodically reviewed to ensure relevance and applicability. They are all accessible on the Group's website at <https://ctosdigital.com/corporate-governance/>.

(E) Board Committees

The Board Committees carry out the Board's mandates by examining specific issues within the respective approved Terms of Reference ("TOR"). The Board Committees carry out their respective decision mandates as allocated by the Board and, where applicable, report to the Board with their recommendations for matters falling under the Board's purview. The TOR of the Board Committees are available for reference on the Company's website at <https://ctosdigital.com/corporate-governance/>.

The Audit & Risk Committee

The Audit and Risk Committee ("ARC") assists the Board in carrying out its statutory and fiduciary responsibilities related to the Group's monitoring and management of financial risk processes, as well as its accounting practices, system of internal controls, and the Group's management and financial reporting practices, and the integration of sustainability and Environmental, Social and Governance ("ESG") into the Company's financial reporting and audit process. To accomplish this, the ARC oversees the reports of external and internal auditors, upholds the integrity of financial reporting and ensures a sound system of risk management and internal controls to protect and enhance the Company's value.

The ARC was separated into Audit Committee ("AC") and Risk and Compliance Committee ("RCC") effective 2 January 2025 to enhance focus and effectiveness. The AC focuses on financial reporting, internal controls, and the integrity of financial statements. It ensures the independence and objectivity of the external auditor. Whilst the responsibility for monitoring the effectiveness of the Group's risk management and internal control systems has been delegated to the RCC, the Board retains ultimate responsibility for determining the Group's "risk tolerance" and annually considers a report in relation to the monitoring, controlling and reporting of identified risks and uncertainties of the Group.

A full ARC report is set out on pages 88 to 92 of this Integrated Annual Report.

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") is responsible for overseeing the nomination and selection of Board Members and GCEO, assessment framework for the Senior Management, assessing and monitoring the Board's composition and effectiveness, undertaking development needs and succession planning initiatives, recommending and reviewing policies and the remuneration structure/ framework for the Board and the Senior Management.

The NRC comprises entirely Non-Executive Directors, majority of whom are independent. The NRC is chaired by an Independent Director which is in line with Practice 5.8 of MCCG 2021.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

During FYE 2024, there were four (4) meetings held. The details of members of the NRC and the attendance record of meetings are as follows:-

NRC Members	Designation	Total Number of NRC Meetings Attended during FYE 2024
Lynette Yeow Su-Yin (Independent Non-Executive Director)	Chairperson	4/4
Nirmala A/P Doraisamy (Independent Non-Executive Director)	Member	4/4
Loh Kok Leong (Non-Independent Non-Executive Director) Alternate Director: (i) Wong Pau Min (Ceased on 24 July 2024) (ii) Mizran Bin Md Nahar (Appointed on 24 July 2024) Note: Mr Wong Pau Min attended one (1) out of two (2) meetings as Alternate Director during his tenure as Alternate Director to Mr Loh Kok Leong	Member	3/4
Wong Pau Min [Alternate Director to Loh Kok Leong (Ceased on 24 July 2024)]	Member	1/2
Mizran Bin Md Nahar [Alternate Director to Loh Kok Leong (Appointed on 24 July 2024)]	Member	0/2

The NRC is responsible in assisting the Board to ensure composition of the Board remains relevant and effective in meeting the Company's long term objectives. Nomination to the Board takes into consideration that the Board has appropriate size and a balanced composition with a diverse mix of skills, knowledge, qualifications, experience, age, cultural background and gender diversity in order to ensure its effectiveness in discharging its duties. The tenure of each Director is reviewed by the NRC and annual re-election of a Director is contingent upon satisfactory evaluation of the Director's performance and contribution to the Board as well as the result of Qualification, Fit and Proper Criteria Assessment.

In addition to the nomination matters, the NRC is further responsible in assisting the Board in overseeing the establishment of a sound remuneration systems that would form a key component of the governance, remuneration and incentive structure through which the Board and Senior Management drive performance, convey acceptable risk-taking behaviour and reinforce the Company's corporate and risk culture.

During the year under review and up to the date of this report, the NRC reviewed and endorsed the disclosures in the NRC Report for the financial year 2024 to ensure the report was prepared in compliance with the relevant regulatory requirements and guidelines in particular MMLR of Bursa Securities and MCGG.

The NRC had carried out the following activities in discharging its duties for FYE 2024, inter alia:-

GCEO and C-Level Executives Remunerations and Performance, and Staff Bonus Payout

During the year under review and up to the date of this report, the NRC reviewed and endorsed the 2024 Key Performance Indicators ("KPIs") for the GCEO and C-Level executives and FYE 2024's performance bonus and 2025 salary increase for GCEO, C-Level Executives and overall FYE 2024 bonus payout.

Board Evaluation

The NRC assists the Board in reviewing its effectiveness, mix of skills and composition via the Board Assessment ("BA") exercise, which is conducted on annual basis. Findings from the BA are used to establish the Board's skills matrix, which is referred to by the Board and the NRC to support the Board's succession planning activities, including strengthening of its talent pool with the right mix of skills and diversity in terms of gender and ethnicity. In addition, BA is undertaken to assess the effectiveness of the Board as a whole and the Board Committees and contribution of each individual Director as well as reviewing the on the level of independence of each INED to ensure alignment with the Company's objectives, strategic goals and compliance with MMLR of Bursa Securities.

CORPORATE GOVERNANCE
CORPORATE GOVERNANCE OVERVIEW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Board and Board Committees Memberships and Succession Plan

The NRC reviewed and endorsed the appointment of Mizran Bin Md Nahar as the Alternate Director to Loh Kok Leong, in replacement of Wong Pau Min.

The ARC was separated into Audit Committee (“AC”) and Risk and Compliance Committee (“RCC”) effective 2 January 2025 to enhance focus and effectiveness.

Following the separation, the NRC reviewed and endorsed the appointment of Su Puay Leng as Chairperson of the RCC and the appointments of Loh Kok Leong and Nirmala A/P Doraisamy as members of the RCC.

Re-election of Directors at the 2024 AGM held on 5 June 2024 during financial year 2024

The NRC endorsed the rotation list of Directors who stood for re-election at the 2024 AGM before recommending it to the Board for approval.

The Directors who stood for re-election at the 2024 AGM had consented for their re-election and signed the Fit and Proper Declaration prior to NRC’s assessment, endorsement and recommendation to the Board for subsequent presentation to the shareholders for approval.

For the year 2024 AGM, Nirmala A/P Doraisamy and Su Puay Leng were the Directors representing one-third of the Board and have been the longest in office and eligible for re-election, pursuant to Clause 76(3) of the Constitution.

Directors’ Fees and Benefits

The NRC recommended to the Board for endorsement on the payment of the Directors’ Fees for an amount not exceeding RM610,000.00 and Benefits for an amount not exceeding RM15,000.00 from 6 June 2024 until the next AGM of the Company, tabled for shareholders’ approval at the 2024 AGM.

Training for the Board

During the year under review, the NRC reviewed and addressed the training needs of the Board Members. NRC believes that continuous education is essential to keep abreast of industry development and new regulations.

Appointment of New Company Secretaries

The NRC endorsed the appointment of the new Company Secretary for the approval of the Board, having considered their qualification, experience and knowledge in terms of secretarial practices and governance.

Revision of the Terms of Reference of the Board Committees

The NRC endorsed the revision of the TORs of the NRC and ESOSC to standardise with the other Board Committees’ TORs. The NRC also endorsed the TORs of the AC and RCC due to the separation of the ARC into two committees.

Further a more detailed description on the remuneration matters is provided in Remuneration Section of this CG Overview Statement.

The Board Investment Committee

The Board Investment Committee (“BIC”) is responsible to review and make recommendations on all matters in respect of acquisitions and divestments of any business/investment including short term investments, within Malaysia or overseas, subject to the relevant threshold as required under the MMLR of Bursa Securities.

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The BIC comprises entirely of Non-Executive Directors, majority of which are Independent Directors. During the year under review, there were three (3) meetings held. The table below sets out the names of the members of the BIC and their respective attendance record of meetings:-

BIC Members	Designation	Total Number of BIC Meetings Attended during FYE 2024
Su Puay Leng (Independent Non-Executive Director)	Chairperson	3/3
Dato' Noorazman Bin Abd Aziz (Independent Non-Executive Chairman)	Member	3/3
Loh Kok Leong (Non-Independent Non-Executive Director) Alternate Director: (i) Wong Pau Min (Ceased on 24 July 2024) (ii) Mizran Bin Md Nahar (Appointed on 24 July 2024)	Member	2/3
Wong Pau Min [Alternate Director to Loh Kok Leong (Ceased on 24 July 2024)]	Member	0/1
Mizran Bin Md Nahar [Alternate Director to Loh Kok Leong (Appointed on 24 July 2024)]	Member	0/2

During the FYE 2024, the BIC had undertaken the following activities in discharging its duties:-

1. To review and discuss the proposed shareholding structure abroad.
2. To review and discuss the FICO BBL contract implementation.
3. Review and discussed the investment performance of associates.

Employee Share Option Scheme Committee

The Employee Share Option Scheme Committee ("ESOSC") is to assist the Board, in implementing and administering the ESOS of the Company in accordance with the By-laws of the ESOS.

The ESOSC comprises two (2) Independent and Non-Executive Directors, one (1) Non-Independent Non-Executive Director and one (1) Executive Director, of which 50% are Independent Directors. During the year under review, there was one (1) meeting held. The table below sets out the names of the members of the ESOSC and their respective attendance record of meeting:-

ESOSC Members	Designation	Total Number of BIC Meetings Attended during FYE 2024
Lynette Yeow Su-Yin (Independent Non-Executive Director)	Chairperson	1/1
Nirmala A/P Doraisamy (Independent Non-Executive Director)	Member	1/1
Loh Kok Leong (Non-Independent Non-Executive Director)	Member	1/1
Erick Hamburger Barraza (Executive Director)	Member	1/1

During the FYE 2024, the had undertaken the following activities in discharging its duties:-

1. To review and approved the 2025 Grant (Grant 2) of Employee Share Option Scheme ("ESOS") 2023/2029.
2. To review and recommend the 2025 Grant (Grant 2) allocation to the Senior Management Team.
3. To review the TOR of ESOS.

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Company Secretaries

The Board is supported by competent and qualified Company Secretaries, who play a vital role in advising the Board in relation to the Company's Constitution, the Board's policies and procedures and compliance with the applicable laws and regulations, as well as ensuring the Board's application of the corporate governance practices. The Company Secretaries further assisted the Board in effectively discharging its leadership role, fiduciary duties and governance stewardship. All Directors have unrestricted access to the advice and services of the Company Secretaries for the purpose of the conduct of the Board's affairs and the business.

There were several changes in the tenure of the Company Secretaries following the merger of Tricor Group and Vistra Group. After the merger, Ms. Joanne Toh Joo Ann and Ms. Saw Hui Ying resigned on 18 October 2024 and was replaced by Ms. Law Mee Poo and Ms. Catherine Haw Woan Shi who hold office until 5 December 2024.

The current Company Secretaries, Nur Shahfaiza Binti Md Yusoff and Leela A/P Suresh Kee See Leng were duly appointed on 5 December 2024. Both the Company Secretaries are qualified to act as company secretary under Section 235 of the CA 2016. They are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators.

The Company Secretaries ensure that the discussions and deliberations at the Board and Board Committees' meetings are well documented and subsequently, communicated to the Management for its next course of actions, as well as updating the Board on the follow-up taken by the Management of its decisions and recommendations. The Company Secretaries further ensured that the Board is regularly updated and kept abreast of the latest developments in corporate governance, MMLR, directives, and circulars from Bursa Securities as well as other legal and regulatory developments.

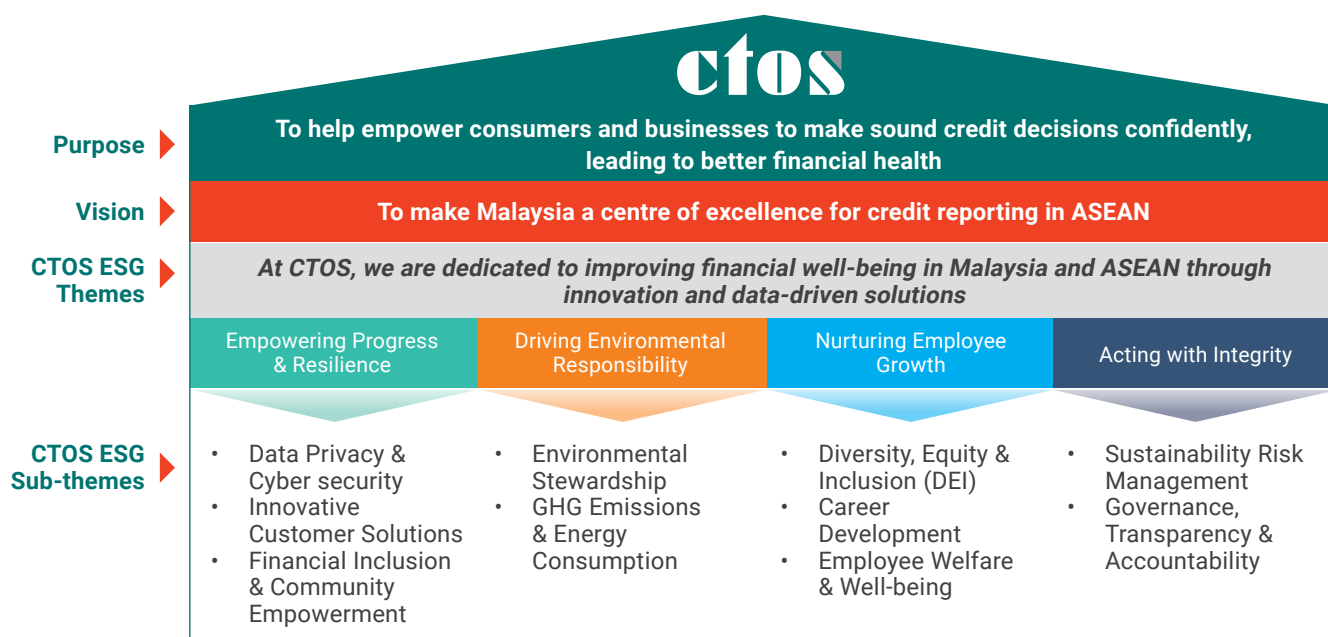
During the FYE 2024, the Company Secretaries had undertaken various activities in discharging their duties, details of which are outlined in the CG Report.

Sustainability

The Board together with Management are responsible for the governance of sustainability in the Group, including setting the Group's sustainability strategies, priorities and targets. The Board provides guidance and has an oversight role for the Group's sustainability matters including, amongst others, the development and implementation of the sustainability strategies, business plans, major plans of action and risk management.

CTOS Digital is committed to sustainability and has implemented various strategies to manage risks effectively while advancing our sustainability goals. Accordingly, it has developed a Sustainability Blueprint that guides its efforts from 2022 to 2025 and it is set out below:-

Sustainability Blueprint for CTOS Digital



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CTOS Digital has been included as a constituent of both the FTSE4Good Bursa Malaysia ("FTSE4Good") Index and FTSE4Good Bursa Malaysia Shariah ("F4GBMS") Index in December 2022. The FTSE4Good index tracks the performance of public-listed companies against environmental, social and governance ("ESG") practices while the F4GBMS tracks the shariah compliance of constituents on the FTSE4Good index.

The Company's efforts in this regard have been set out in the Sustainability Statement on pages 48 to 53 of this Integrated Annual Report.

II. BOARD COMPOSITION**(A) Board Composition and Boardroom Diversity**

The Board recognises that a truly diverse and inclusive Board will leverage the differences of its composition to achieve effective stewardship and in turn, retains its competitive advantage. In this respect, the Board through the NRC conducts an annual review of its composition to determine the right size, fit and diversity with independence elements that best serve the Company's objectives and strategic goals.

As at 31 December 2024, the Board consists of six (6) members, comprising four (4) Independent Non-Executive Directors out of which one (1) Independent Non-Executive Chairman, one (1) Executive Director, one (1) Non-Independent Non-Executive Director and one (1) Alternate Director to the Non-Independent Non-Executive Director. A brief profile of each Director is presented on pages 59 to 62 of this Integrated Annual Report.

CTOS Digital believes that having a diverse Board provides a compelling competitive advantage. The Directors collectively bring diverse knowledge, skill, extensive experience and expertise in multiples areas such as corporate strategy, corporate governance, accounting, financial reporting, mergers and acquisitions and securities regulations. The collective pool of experience and expertise enables the Board to effectively and objectively discharge their duties and responsibilities on the Company's

strategies, compliance and business operations. By combining contributions with different skills, backgrounds and experiences of the Directors is able to approach problems from a greater range of perspectives, raise challenging questions that foster vigorous discussion and thorough consideration. A multiple-perspective analysis of problems enhances the Board's dynamics and assists in achieving higher quality decisions, as opposed to a 'groupthink' environment.

CTOS Digital respects the cultural diversity in the Company in terms of ethnicity, race, religion and beliefs. Multiculturalism provides a variety of viewpoints along with wide-ranging personal and professional experience, which offers new perspectives for looking at a business issue. It gives rise to out-of-the-box thinking for problems solving and making sound business decisions. The Company embraces the differences and appreciates individual's contribution from different background for creating an inclusive environment where everyone feels valued and respected. These divergences bring unique perspectives and insights for better risk management and allow for difference in opinion and perspectives and all thoughts to be deliberated to enable the Board for making an informed decisions which enhance shareholders' value and build stronger stakeholder engagement.

The Board recognises that diversity is a key driver to enhance its effectiveness by allowing a broader scope for debate within itself. Currently, there are three (3) women serving as members of the Board, representing 50% of the Board's composition.

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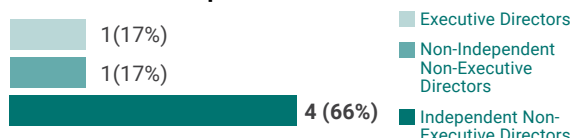
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Board is satisfied with the current composition as this size is optimal and would enable effective oversight and delegation of responsibilities. A summary of the Board composition of the Company as of 31 December 2024 is set out below:-

MCCG Practice 5.2

(At least half of the Board comprises Independent Directors)

CTOS current composition



MCCG Practice 5.9

(The Board comprises at least 30% female Directors)

CTOS current composition



MCCG Step-Up 5.4

The tenure of an independent director does not exceed a term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

CTOS current composition



Nationality

Malaysia (5)
Non-Malaysian (1)

Age

50 to 59 years old (5)
60 to 69 years old (1)

In addition, diversity in Senior Management facilitates constructive debates, which leads to better decisions and enabling discussion in an ever-changing environment. The Board values the diversity of perspectives and experience within the Senior Management which encourages better decision making and competitive advantage. As at 31 December 2024, 29% of the Senior Management positions of the Company are held by women.

(B) Board Independence

CTOS Digital's current Board composition, six (6) Directors (excluding one (1) Alternate Director), out of which four (4) Directors are Independent Non-Executive Director, including the Chairman of the Company. The present Board composition complies with Paragraph 15.02 of the MMLR of Bursa Securities, which requires at least two (2) or one-third (1/3) of the Board of the Company, whichever is higher, to be Independent Directors and Practice 5.2 of the MCCG 2021 whereby 66% of the Board composition comprises of Independent Directors.

The Board recognises the importance of Directors who are capable and willing to make decisions in the best interest of shareholders, free from any conflict of interest, and independent of Management. The Board is satisfied that the current number of Independent Non-Executive Directors provides a fair check and balance in terms of bringing independence of judgement and ensuring the Board's decisions are made objectively in the best interest of the Company.

In line with the MCCG 2021 and the Board Charter, the tenure of an Independent Non-Executive Director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an Independent Director of the Company may continue to serve on the Board subject to the Director's re-designation as Non-Independent Director. If the Board intends to retain an Independent Non-Executive Director who has served a cumulative term of nine (9) years in the Company, the Board must provide a strong justification and obtain the approval of the shareholders. As at the date of this CG Overview Statement, none of the Independent Non-Executive Director has reached the nine (9) years of service since their appointments. The tenure of the respective Independent Non-Executive Director as at 31 December 2024 are as follows:

Name of Directors	Tenure
Dato' Noorazman Bin Abd Aziz	4 years, 10 months
Lynette Yeow Su-Yin	4 years, 3 months
Nirmala A/P Doraisamy	3 years, 9 months
Su Puay Leng	3 years, 7 months

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(C) Appointment and Re-appointment of Directors

The Appointments of Board Members are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. A Director appointed is required to devote sufficient time to serve the Board effectively. The Board considers the overall existing occupational and directorship positions held by the Director, including his/her directorships in non-listed companies. Any appointments that may cast doubt on the fulfilment of the mandatory qualification, fit and proper criteria, integrity and governance of the Company must be duly avoided.

In identifying candidates for the appointment of Directors, the Board does not solely rely on recommendations from existing Directors, Senior Management or major shareholders. The Board is accorded with additional assistance in further utilising independent sources to identify suitably qualified candidates, when necessary. The NRC may consider using executive search firms to assist with the sourcing of candidates with the required skills and background. Pursuant to the NRC TOR, the NRC may utilise independent sources and a variety of approaches to identify suitably qualified candidates. The NRC would disclose the source, including whether such candidates are recommended by the existing Directors, Senior Management or major shareholders.

In addition, the Board had established the Directors' Selection Policy to capture the selection process for the appointment of Directors. Under the said policy, the NRC shall proactively exchange views with Board Members to study and identify the needs of the Company for new Directors and would request nominations from the Board, as well as actively seek suggestions for possible nominees from other sources.

Where the selection of candidates was based on recommendations made by existing Directors, Management or major shareholders, the NRC provides justification on the sufficiency of the source(s) including the justification on the reason on why other sources were not unitized.

The chart below illustrates the procedures on the appointment of a new Director:



The Board has adopted a Directors' Qualification, Fit and Proper Policy which sets out the approach, guidelines and procedures to ensure that a formal, rigorous and transparent process is adhered to for the appointment, re-appointment and/or re-election of the Directors of the Company. The said policy is available on the Company's website at <https://ctosdigital.com/corporate-governance/>.

Under the Constitution of the Company, a one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the AGM in every year provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election. The Directors to retire in every year shall be the Directors who have been longest in office since the Directors' last election, but as between persons who became Directors on the same day, the Directors to retire shall be determined by lot, unless they otherwise agreed among themselves.

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Upon the recommendation of the NRC based on the satisfactory assessment results on the qualification, fitness and propriety of Directors, the Board has confirmed that the following Directors who are retiring and standing for re-election at the 2025 AGM are able to continue to perform effectively and demonstrate commitment:-

Name of Directors	Designation
Dato' Noorazman Bin Abd Aziz	Independent Non-Executive Chairman
Loh Kok Leong	Non-Independent Non-Executive Director

The Profiles of the Directors standing for re-election are set out on pages 59 and 60 of this Integrated Annual Report.

The Board ensures shareholders have the information they require to make an informed decision on the appointment and re-election of a Director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect of their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company or the Group as a whole.

(D) Annual Evaluation

The Board has adopted a formal and objective annual evaluation of the Board, the Board Committees and the Directors' performance as established under the Directors' Performance Assessment Framework. The Directors' Performance Assessment Framework, developed with the assistance of the NRC, serves as a guidance, on the following:-

1. The assessment on the Board's leadership and effectiveness;
2. The annual assessment of Directors performance in discharging their responsibilities for the governance of Company's sustainability, including setting the Company's sustainability strategies, priorities and targets; and
3. The assessment on the necessary quality, integrity, credibility, and competencies of the Directors that contribute to the development and growth of the Company.

The evaluation process was based on self/peer assessments whereby the Directors assessed themselves and the Board as a whole, as well as the performance of each Board Committee. The criteria and outcome of the assessment were properly documented. The evaluation process is led by the Chairman of the NRC, assisted by the Company Secretaries. Each Director conducts the evaluation vide online questionnaire in a confidential manner.

Based on the recent assessment, the NRC was satisfied that the Board size and its composition are optimum as the Board comprises individuals with the requisite skills, knowledge, experience, characteristics and competencies to effectively discharge their roles. The Directors had discharged their responsibilities in a commendable manner and contributed to the overall effectiveness of the Board and Board Committees of the Company. The Directors had committed the time necessary to responsibly fulfil their commitment to the Company during the year. In addition, all the Directors had completed the Director's Qualification Declaration as well as Director's Fit and Proper Criteria Declaration in accordance with the Directors' Qualification, Fit and Proper Policy. Based on the declarations received, all the Directors met the qualification, fit and proper criteria.

The NRC and the Board had further undertaken an annual assessment on the independence of the Independent Directors based on the criteria set out in the MMLR of Bursa Securities and upon their assessment, concluded that the current Independent Directors of the Company have fulfilled the criteria for "independence" as prescribed under the MMLR of Bursa Securities.

The Board is further satisfied with the level of independence demonstrated by all the Independent Directors during the financial year under review, as well as their ability to exercise objective judgement, provide independent views and act in the best interest of the Company.

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(E) Directors' Training

The Board recognises the importance of continuous training for Directors and encourages all Directors to attend workshops, programmes, courses and seminars to stay abreast on relevant business development and industry outlook, as well as changes to statutory requirements and regulatory guidelines.

The Directors are required to evaluate their own training needs on a continuous basis with the overriding objective of staying abreast of regulatory requirements and ongoing business developments. The Board is committed to stay abreast of training programmes and workshops conducted by Bursa Securities and other training providers, while receiving updates of new statutory and regulatory requirements from time to time.

The training programmes, conferences and seminars, attended by the Directors during the FYE 2024 are as follows:-

1. Dato' Noorazman Bin Abd Aziz

No.	Seminars/Conferences/Training Programmes Attended
1.	An Overview of the AI Landscape
2.	Cyber Security for Board Members
3.	Board Ethics: Growing Concerns form Technology, Stakeholder Interests & Conflict of Interest
4.	Artificial Intelligence (AI) Legal Framework
5.	Cyber Security Act 2024
6.	Mandatory Accreditation Programme Part II – Leading for Impact (LIP) 2025

2. Lynette Yeow Su-Yin

No.	Seminars/Conferences/Training Programmes Attended
1.	Beyond Box-Ticking: Enhancing Effectiveness Nominating Committee
2.	Sustainable Sustainability – Why ESG is Not Enough
3.	Sustainability and Climate Responsibility
4.	Director's Conference: Kuala Lumpur International Sustainability Conference
5.	Corporate Governance, MACC Act 2009 & AMLA 2001: Prevention, Detection & Collaboration in Fronting Compliance
6.	ESG/Crisis Management/Crisis Planning
7.	Shariah Training: Key Insights of Hajah and Darurah Principles & Application
8.	Cyber Security Awareness
9.	An Overview of the AI Landscape
10.	Cyber Security for Board Members
11.	Artificial Intelligence (AI) Legal Framework
12.	Cyber Security Act 2024
13.	Khazanah Megatrends Forum 2024

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3. Nirmala A/P Doraisamy

No.	Seminars/Conferences/Training Programmes Attended
1.	An Overview of the AI Landscape
2.	Cyber Security for Board Members
3.	Artificial Intelligence (AI) Legal Framework
4.	Cyber Security Act 2024
5.	MIA Webinar Series: Common Offences by Directors under the Companies Act 2016
6.	MIA International Accountants Conference 2024
7.	New Global Internal Audit Standards (GIAS) Training
8.	Sustainability and Reporting Standard
9.	KPMG Accounting Upskilling
10.	Business Upskilling- Supply & Sourcing
11.	BNM compliance training
12.	KPMG Board Leadership Center Exclusive – Cybersecurity Oversight
13.	Demystifying the Digital Future: Payments, Banks and currency
14.	Building Sustainable Credibility: Assurance Greenwashing and the Rise of Green-Hushing
15.	Leveraging AI in the Fight Against Financial Crime
16.	CGM Masterclass: Latest Developments in Climate-Aligned Executive
17.	Distinguished Board Leadership Series 2024 – Digital Transformation of the World
18.	Economic Outlook & Post Budget 2025 Forum
19.	E-Invoicing application – inhouse training
20.	Cyber Security & You
21.	Leading the leap: Trust-driven strategies to shape reinvention
22.	Personal Data Protection Act
23.	Code of Conduct and Business Ethics
24.	Enterprise Compliance – Sanctions
25.	Competition Law
26.	Human Rights Management

4. Su Puay Leng

No.	Seminars/Conferences/Training Programmes Attended
1.	An Overview of the AI Landscape
2.	Cyber Security for Board Members
3.	Artificial Intelligence (AI) Legal Framework
4.	Cyber Security Act 2024
5.	Building Sustainable Credibility: Assurance, Greenwashing and the Rise of Green-Hushing
6.	Competition Law
7.	Data and Digital Economy - a legal perspective
8.	Innovations and Best Practices in International Arbitration

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5. Loh Kok Leong

No.	Seminars/Conferences/Training Programmes Attended
1.	Mandatory Accreditation Programme Part II – Leading for Impact (LIP)
2.	An Overview of the AI Landscape
3.	Cyber Security for Board Members
4.	Artificial Intelligence (AI) Legal Framework
5.	Cyber Security Act 2024

6. Erick Hamburger Barraza

No.	Seminars/Conferences/Training Programmes Attended
1.	An Overview of the AI Landscape
2.	Cyber Security for Board Members
3.	Mandatory Accreditation Programme Part II – Leading for Impact (LIP)

7. Mizran Bin Md Nahar*(Appointed as Alternate Director to Loh Kok Leong on 24 July 2024)*

No.	Seminars/Conferences/Training Programmes Attended
1.	Mandatory Accreditation Programme Part I – Leading for Impact (LIP)
2.	An Overview of the AI Landscape
3.	Cyber Security for Board Members
4.	Artificial Intelligence (AI) Legal Framework
5.	Cyber Security Act 2024

III. REMUNERATION**(A) Remuneration Policies and Procedures**

As the Company prospers, the Board believes in an appropriate level of remuneration by aligning remuneration and performance with the key strategic drivers of long-term growth. The remuneration is designed to align with industry practices, taking into account the appropriate calibre of each Director whilst upholding of shareholders' interests and aimed to attract, retain, and motivate capable Directors to effectively manage the Group.

The NRC is responsible for reviewing and recommending the remuneration package for all Directors, GCEO, Senior Management (C-Level Team) and the total performance bonus and yearly salary for all employees of the Group to the Board. The Board has the overall responsibility to determine the remuneration of respective Directors and recommend the Directors' Fees and Benefits for the shareholders' approval at the AGM. For the Non-Executive Directors, the level of remuneration reflects the directorship experience and level of responsibilities undertaken. Each Non-Executive Director receives a base fixed fee.

The Board has remuneration policies and procedures to determine the remuneration of Directors and Senior Management, taking into account the skills, experience and performance required as well as the demands, complexities and performance of the Group. The Group has established the following policies:-

1. Directors' Remuneration Policy; and
2. Senior Management Remuneration and Assessment Framework.

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These policies and procedures are periodically reviewed by the NRC to ensure its continuous relevance including salaries, benefits-in-kind, other emoluments and annual performance bonus in detail, ensuring the remuneration remains attractive retention strategy for the Group while at the same time competitive within the benchmark industry

Any revisions to the remuneration policy and/or framework as recommended by the NRC will be tabled to the Board for consideration and approval. The Directors' Remuneration Policy is available on the Company's website at <https://ctosdigital.com/corporate-governance/>.

(B) Remuneration of Directors

The remuneration package for the Non-Executive Directors reflects the individual's merits, performance, valuable contribution and level of responsibilities. The fees payable to the Non-Executive Directors are set by the Board. Each Director abstains from discussing and voting on their own remuneration to maintain objectivity and avoid conflicts of interest. The details of the aggregate remuneration of Directors including GCEO on the named basis for the FYE 2024 (Company and Group basis) are disclosed as below:-

The Company

Name of Director	Fees (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Other emoluments (RM)	Total (RM)
Dato' Noorazman Bin Abd Aziz	114,867	2,400	0	0	0	117,267
Lynette Yeow Su-Yin	96,867	1,000	0	0	0	97,867
Nirmala A/P Doraisamy	102,867	800	0	0	0	103,667
Su Puay Leng	90,867	3,000	0	0	0	93,867
Loh Kok Leong	0	0	0	0	0	0
Erick Hamburger Barraza	0	0	0	0	0	0
Wong Pau Min (Alternate Director to Loh Kok Leong) ¹	0	0	0	0	0	0
Mizran Bin Md Nahar (Alternate Director to Loh Kok Leong) ²	0	0	0	0	0	0

¹ Ceased as Alternate Director to Loh Kok Leong on 24 July 2024.

² Appointed as Alternate Director to Loh Kok Leong on 24 July 2024.

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The Group

Name	Fees (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits (RM)	Other emoluments (RM)	Total (RM)
Dato' Noorazman Bin Abd Aziz	114,867	2,400	0	0	0	0	117,267
Lynette Yeow Su-Yin	96,867	1,000	0	0	0	0	97,867
Nirmala A/P Doraisamy	102,867	800	0	0	0	0	103,667
Su Puay Leng	90,867	3,000	0	0	0	0	93,867
Loh Kok Leong	0	0	0	0	0	0	0
Erick Hamburger Barraza	0	30,944	2,229,657	1,072,406	32,020	0	3,365,027
Wong Pau Min (Alternate Director to Loh Kok Leong) ¹	0	0	0	0	0		0
Mizran Bin Md Nahar (Alternate Director to Loh Kok Leong) ²	0	0	0	0	0		0

¹ Ceased as Alternate Director to Loh Kok Leong on 24 July 2024.

² Appointed as Alternate Director to Loh Kok Leong on 24 July 2024.

(C) Remuneration of Group's Senior Management

The Group's remuneration policy takes into account the various levels of Senior Management based on job grade structure, roles and responsibilities and levels of accountability. This ensures that remuneration packages are adequate, fair and reflect the performance of an individual and the Group. For Senior Management of the Company, all bonuses are determined by the Board based on the recommendation of the NRC after reviewing the individual performance appraisals and achievements. The details of the total remuneration of top five Senior Management of the Company for the FYE 2024 (in the bands of RM50,000) are disclosed as below:-

Name / Position	Salary (RM)	Allowance (RM)	Bonus (RM)	Benefits (RM)	Other emoluments (RM)	Total (RM)
Erick Hamburger Barraza (GCEO)	2,200,001- 2,250,000	0-50,000	1,050,001- 1,100,000	0-50,000	0-50,000	3,350,001- 3,400,000
Chin Kuan Weng (CEO of CTOS Data Systems Sdn Bhd)	700,001- 750,000	100,001- 150,000	250,001- 300,000	0-50,000	0-50,000	1,150,001- 1,200,000
Chiam Hsing Chee (Group Chief Financial Officer)	850,001- 900,000	100,001- 150,000	200,001- 250,000	0-50,000	0-50,000	1,200,001- 1,250,000
Ivaylo Venkov Kolev (Group Chief Data and Product Officer)	1,850,001- 1,900,000	0-50,000	200,001- 250,000	0-50,000	0-50,000	2,100,001- 2,150,000
James Fancourt Mitchell (Group Chief Technology Officer)	850,001- 900,000	100,001- 150,000	200,001- 250,000	0-50,000	0-50,000	1,200,001- 1,250,000

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PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK COMMITTEE

(A) ARC's Composition

The Board has delegated its authority to the ARC to carry out the Board's oversight functions on audit matters as outlined under its TOR. The ARC assists the Board in carrying out its oversight responsibilities by reviewing financial information and matters that may significantly impact the financial condition or affairs of the business and providing an unbiased review of the effectiveness and efficiency of the Group's internal controls.

The Chairman of the ARC is not the Chairman of the Board, which assists the Company in ensuring that the impartiality and objectivity of the Board's review on the ARC's findings and recommendations remain intact. The ARC consists of three (3) Board Members, all of which are Independent Directors with extensive experience in finance, legal, banking and consulting industry contributing to business strategy and CG.

The composition of the ARC, number of meetings, attendance of ARC members, summary of ARC activities and Internal Auditors' function during the financial year under review are set out on pages 88 to 92 under ARC Report of this Integrated Annual Report.

The composition of the ARC

Name of Director	Designation
Nirmala A/P Doraisamy	Chairperson, Independent Non-Executive Director
Lynette Yeow Su-Yin	Member, Independent Non-Executive Director
Su Puay Leng	Member, Independent Non-Executive Director

All ARC Members are financially literate and have sufficient understanding of the Group's business. This enables the ARC Members to continuously apply a critical and probing view on the Group's financial reporting process, transactions and other financial information which effectively challenge Management's assertions on the Company's financials.

(B) External Auditors

The Board maintains a good professional relationship with the External Auditors through the ARC, in discussing their audit plans, audit findings and financial statements with them. The External Auditors further have direct access to the ARC to highlight any issues of concern at any point in time. Pursuant to the ARC TOR, private sessions between the ARC and the External Auditors will be held at least twice a year or as necessary without the presence of the Executive Director and Management to discuss audit findings and any other observations they might have during the audit process.

The ARC recognises the importance of upholding independence of its External Auditors with strict no potential conflict of interest. The TOR of the ARC states that no former key audit partner of the External Auditor of the Company shall be appointed as a member of the ARC before observing a cooling-off period of at least three (3) years. Presently, none of the ARC members is a former key audit partner involved in auditing of the Group. This is in line with the Practice 9.2 of MCCG 2021.

The ARC is responsible for the recommendation on the appointment and re-appointment of the Company's External Auditors and the audit fees. The ARC carried out an assessment of the performance, independence and suitability of the External Auditors based on the following factors:-

1. the competency, audit quality, experience and resource capacity of the External Auditors in relation to the audit;
2. the persons assigned to the audit;
3. other audit engagements of the audit firm;
4. the External Auditors' ability to meet deadlines in providing services and responding timely to issues as outlined in the external audit plan;
5. the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and
6. obtaining written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

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The assessment further considers the information presented in the Annual Transparency Report ("ATR"). The audit firm, PricewaterhouseCoopers PLT issued its ATR in 2024 on matters typically covered in the ATR including the firm's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks.

PricewaterhouseCoopers PLT, the External Auditors of the Company have confirmed to the ARC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of relevant professional and regulatory requirements.

Being satisfied with the External Auditors' performance, technical competence and independence, the ARC recommended the re-appointment of PricewaterhouseCoopers PLT as External Auditors for the financial year ending 31 December 2025. In view thereof, the Board has recommended the re-appointment of the External Auditors for the approval of shareholders at the forthcoming 2025 AGM.

(C) Financial Reporting

The Board aims to present a clear, balanced and comprehensive assessment of the Group's financial position and future prospects that extends to the annual and quarterly financial statements. The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time of the financial position of the Group and ensuring that the financial statements of the Group are prepared so as to give a true and fair view of the current financial status of the Group in accordance with the Companies Act 2016 and applicable approved financial reporting standards in Malaysia.

The ARC assists the Board in discharging its fiduciary duties by ensuring that the audited financial statements and quarterly financial reports are prepared in accordance with the Malaysian Financial Reporting Standards and MMLR of Bursa Securities. In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Board aims to present a balance and fair assessment of the Company's financial position and prospects. The ARC reviews the Company's quarterly financial results and annual audited financial statements to ensure accuracy, adequacy and completeness prior to presentation to the Board for its approval.

The Statement of Directors' Responsibility in respect of the preparation of the annual audited financial statements is set out on page 86 of this Integrated Annual Report.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges the significance of a sound system of risk management and internal control to manage the overall risk exposure of the Group which provides reasonable assurance in ensuring the effectiveness and efficiency of the Group's operations that is not limited to financial aspects of the business but operational and regulatory compliance. In order to achieve the objectives to protect the Group's assets and safeguard shareholders' investments, the ARC has been entrusted by the Board in managing the risks and establishment of the internal control system and processes of the Group.

The Company recognises that an internal audit function is essential to ensure the effectiveness of the Group's system of internal control and is an integral part of the risk management process. To achieve the purpose, the Group has established an in-house Group Internal Audit ("GIA") which reports directly to the ARC. The GIA carries out its function in accordance with the approved Internal Audit Charter. The findings of the audits and the recommendations for improvement or actions to be taken by the Management to rectify the issues will be presented in the ARC Meeting. The further details of Internal Audit Function for the current year under review are set out in the ARC Report of this Integrated Annual Report.

Any significant issue affecting the existing risks or emerging risks as well as the changes to the action plans to address the risks identified will be discussed during the ARC meetings and brought to the attention of the Board by the Chairman of ARC.

The Statement on Risk Management and Internal Control as set out in this Integrated Annual Report provides an overview of the state of the Group's Risk Management and Internal Controls Framework within the Group.

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PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. ENGAGEMENT WITH STAKEHOLDERS

The Company has a dedicated investor relations function led by the General Manager of Marketing, Corporate Communication and Investor Relations and the GCEO is an authorised spokesperson in relation to the disclosure of material information to shareholders and stakeholders.

The Group communicates with its stakeholders through various channels and media. A constructive and effective investor relationship is important to enhance shareholders' value and to keep shareholders and various stakeholders informed of the Group's performance, businesses, corporate affairs and establish a transparent, regular and effective two-ways communication.

Announcements, news, promotions and all relevant updates are posted on the Company's website regularly. The shareholders and other stakeholders can subscribe to the Company's Investor Relations News Alerts via its website for the latest announcements posted to its website. Shareholders may further communicate with the Group on investor relation matters via email or phone call. The contact details are available at www.ctosdigital.com/investor-relations/overview.

The Group's objective is to build long-term relationships with shareholders and potential investors through appropriate channels for the management and disclosure of information. The Group strives to disclose all price sensitive information to the public as soon as practicable and in terms of degree of the disclosures in accordance with the by Bursa Securities' Corporate Disclosure Guide.

All public announcements are electronically published and accessible on Bursa Securities' website at www.bursamalaysia.com or the Group's website at <https://ctosdigital.com/>. The Group's website includes dedicated sections which provide all relevant information on the Group, including announcements to Bursa Securities, share price information as well as the corporate and governance structure of the Group.

The Group communicates with its stakeholders through various means, including:-

- Corporate Website – Provides an essential platform for investors and other stakeholders to access information periodically through the Investor Relations section at www.ctosdigital.com;
- Annual/Extraordinary General Meeting – Offers an opportunity to the shareholders to raise questions and concerns on the Group's performance directly to the Board and Management;
- One-on-One and Group Meetings/Investor Conferences/Roadshows – Meetings with major institutional investors, individual shareholder groups and financial analysts to share and discuss the Group's announcement to Bursa Securities and publication on business performance and its strategic plan; and
- Integrated Annual Reports – Comprehensive report on the Group's financial results, business operations and strategic direction.

The information published in the Investors Relations section can be found at <https://ctosdigital.com/investor-relations/>.

During the year under review, the Company increased the engagements with the investment community and conducted more than 50 one-to-one and group meetings. During these engagements, the Group would address the concerns raised, where possible, delivering sustainable value to its shareholders. Additionally, the Company remains actively engaged with other investor relations stakeholders such as Bursa Securities, Malaysia Investor Relations Association, and other investor relations service providers to ensure that the Group practices the highest standards of transparency and disclosure.

CORPORATE GOVERNANCE

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II. CONDUCT OF GENERAL MEETINGS

The Board considers general meetings as the principal forum for dialogue and interaction with shareholders for an effective three-way communication between the shareholders, the Board and the Senior Management of the Company. The shareholders are encouraged to participate in the general meetings, where they are given opportunities to enquire and comment on the Group's performance and operations, which the Board and the Senior Management may clarify issues pertaining to the Group's business activities, performance and other related matters. All Directors, together with the Senior Management team and the External Auditors, attended the 2024 AGM held on 5 June 2024 which provided meaningful responses to the questions raised by the shareholders.

The notice convening the 2024 AGM held on 5 June 2024 was circulated to the shareholders on 30 April 2024, i.e. more than twenty-eight (28) days before the AGM. This provided sufficient time for the shareholders to prepare for attendance or to appoint proxy(ies) to attend and vote on their behalf. The notice included details of the resolutions that were tabled with detailed explanations provided on the resolutions. Details of the proposed resolutions together with the relevant background information, reports and recommendations were included in the notice of AGM.

The AGM was held fully virtual through live streaming, using Remote Participation and Voting ("RPV") facilities to enhance the participation of shareholders. During the fully virtual AGM, the shareholders were given the opportunity to raise questions, suggestions or comment, before and throughout the AGM. All the questions raised by the shareholders were duly responded.

The shareholders who were unable to attend the AGM were encouraged to vote on the proposed motions by appointing a proxy. For the 2024 AGM, submission of e-Proxy Form to appoint a proxy was available on the RPV facilities for the shareholders who were unable to attend to the AGM.

In compliance with the MMLR of the Bursa Securities, the Company had implemented poll voting for all resolutions set out in the Notice of AGM to be voted via electronic means using RPV facilities as well as to expedite verification and counting of votes. The Company had appointed an independent scrutineer to validate the votes cast at the AGM. All resolutions tabled during the 2024 AGM were duly passed. Thereafter, the outcome of the meetings together with the verified poll results were announced to Bursa Securities on the same day for the information of the shareholders.

The Minutes of the 2024 AGM held on 5 June 2024 includes all the questions raised during the meetings were published on the Company's corporate website.

COMPLIANCE STATEMENT BY THE BOARD ON THE CORPORATE GOVERNANCE OVERVIEW STATEMENT

This statement on the Company's corporate governance practices is made in compliance with Paragraphs 15.25 and 15.08A of the MMLR of Bursa Securities.

Upon review and deliberation, the Board is satisfied that to the best of its knowledge, the Company is substantially in adherence with the principles and practices set out in the MCCG 2021 as well as in compliance with the relevant paragraphs under the MMLR of Bursa Securities for the financial year under review. Any practices in the MCCG 2021 which has not been implemented during the financial year would be reviewed by the Board and be implemented where practical and relevant to the Group's business.

This statement has been presented and approved by the Board at its meeting held on 24 April 2025.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the Companies Act 2016 ("the Act") and Paragraph 15.26(a) of the MMLR of Bursa Securities, the Directors are required to prepare the financial statements for each financial year in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Act in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the financial position of the Group and of the Company at the end of the financial year, and of the financial performance and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- Adopted appropriate accounting policies in accordance with applicable approved accounting standards and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Act further requires the Directors to ensure that the Group and the Company keep such accounting and other records of the Group and of the Company with reasonable accuracy to ensure that the financial statements comply with the provisions of the Act.

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The Directors are responsible for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE

Material Contracts

There were no material contracts entered into by the Group involving the interests of the Director, Chief Executive Officer and/or major shareholders during the financial year ended 31 December 2024 ("FYE 2024") or still subsisting at the end of the FYE 2024.

Recurrent Related Party Transactions

The Company did not seek any shareholders' mandate in respect of Recurrent Related Party Transactions ("RRPTs") of a revenue or trading nature, and will not be seeking any shareholders' mandate for RRPT at the forthcoming 2025 AGM to be held on 25 June 2025.

List of Properties

The Group does not have any properties as at the end of the FYE 2024.

Employees' Share Option Scheme

The Company had at the Extraordinary General Meeting ("EGM") held on 11 December 2023, obtained its shareholders' approval to establish an Employees' Share Option Scheme ("ESOS" or "Scheme") of up to 1% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the Scheme for the benefit of eligible executive directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries, if any).

Having fully complied with the requirements under Paragraph 6.43(1) of the MMLR of Bursa Securities, the Company had implemented the Scheme on 12 December 2023 ("Effective Date") and shall be in force for a period of six (6) years commencing from the Effective Date. The ESOS is governed by its By-Laws approved by the shareholders of the Company at the EGM.

Notes:

The following documents mentioned in the above context are available on the Company's corporate website at <https://ctosdigital.com/corporate-governance/>:

- (1) Anti-Bribery and Anti-Corruption Policy
- (2) Board Charter and the Terms of Reference of the respective Board Committees, namely Audit Committee, Risk and Compliance Committee, Nomination & Remuneration Committee and Board Investment Committee
- (3) Code of Business Conduct and Ethics
- (4) Corporate Governance Report 2024
- (5) Directors' Qualification, Fit & Proper Policy
- (6) Directors' Remuneration Policy
- (7) Whistleblowing Policy

CORPORATE GOVERNANCE

AUDIT AND RISK COMMITTEE REPORT

The Board presents the Audit and Risk Committee (ARC), which provides insights into the manner in which the ARC, discharged its functions for the Company in 2024.

Composition and meeting attendance

The composition of the ARC complies with the following requirements:

- a) Paragraph 15.09(1)(a) and (b) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements (MMLR) which states that the Audit Committee must be composed of not fewer than three members and that all the Audit Committee members must be non-executive directors, with a majority of them being independent directors. The ARC comprises of three members who are all Independent Non-Executive Directors (INEDs) that satisfy the test of independence under the MMLR.
- b) Paragraph 15.09(1)(c)(i) of the MMLR which requires at least one member of the Audit Committee to be a qualified accountant. The ARC Chairperson, Ms. Nirmala Doraisamy, is a member of the Malaysian Institute of Accountants (MIA) and is a Fellow of the Chartered Institute of Management Accountants in the United Kingdom.
- c) Practice 9.1 of the Malaysian Code on Corporate Governance (Code) that the Chairman of the Audit Committee is not the Chairman of the Board.
- d) Step-up Practice 9.4 of the Code that the Audit Committee comprises solely of independent directors.

The attendance record of the Committee members are as follows:

No.	Name	Status of Directorship	Total number of ARC meetings attended in FYE 2024
1	Nirmala Doraisamy	Chairperson Independent Non-Executive Director	8 of 8
2	Su Puay Leng	Independent Non-Executive Director	8 of 8
3	Lynette Yeow Su-Yin	Independent Non-Executive Director	8 of 8

During the financial year ended 31 December 2024, the ARC convened eight (8) meetings with four (4) scheduled meetings and four (4) special meetings. These meetings were attended by the Group Chief Executive Officer (GCEO), Group Chief Financial Officer (GCFO), Group General Manager of Risk and Business Compliance (RBC), Group Head of Internal Audit and the Company Secretary as invitees. Other management representatives were also invited to the meetings where required to provide updates and explanations to the ARC.

The Board is satisfied that the ARC and its members discharged their functions, duties and responsibilities in accordance with the ARC's Terms of Reference (TOR) which is available on the Company's website at www.ctosdigital.com.

Summary of activities undertaken by the ARC during the financial year**1. Financial performance reporting**

- a. Reviewed the annual audited financial statements of the Group and Company, and thereafter, recommended the same to the Board for adoption. In reviewing the annual audited financial statements, the ARC discussed with Management and the external auditors on the accounting principles and standards that were applied and key assumptions used by Management and their opinion on the items that may affect the financial statements.
- b. In the presence of the GCEO, reviewed the quarterly financial results of the Group and subsequently recommended the same to the Board for approval to be released to Bursa Malaysia. During these meetings, the GCFO presented the quarterly financial reports and highlighted the material variances or movements for the relevant reporting quarters.
- c. Reviewed the documents for solvency test on the declarations and payments of dividends, as required by Section 132 of the Companies Act 2016, and thereafter, recommended the same to the Board for approval.

CORPORATE GOVERNANCE

AUDIT AND RISK COMMITTEE REPORT

2. External audit

- a. Reviewed the results of the annual audit and deliberated on the audit findings and internal control recommendations, including Management's response to the audit findings.
- b. Reviewed the independence and effectiveness of the external auditors and recommend to the Board to propose to shareholders the re-appointment of the external auditors at the Annual General Meeting of the Company. In relation to the independence of external auditors, the ARC received formal written statement from the external auditors, re-affirming the following:
 - they have maintained their independence in accordance with the firm's requirements, with the provisions of the *By-Laws on Professional Independence* of the MIA and with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards).
 - the non-audit services provided to the Group during the financial year were in accordance with the independence requirements and that there are no services provided that have compromised their independence as external auditors of the Group.
- c. Reviewed the external auditors' audit plan for the financial year ended 31 December 2024, which outlined the audit scope, key areas of audit emphasis and the audit approach.
- d. Considered in consultation with Management the proposed audit fees of the external auditors for financial year ended 31 December 2024 for recommendation to the Board for approval. The breakdown of fees for the services provided by the external auditors are as follows:

Description	Fee (RM)	Fee percentage
Statutory audit	390,000	74%
Audit related services (<i>review of employee share option scheme services and agreed upon procedures</i>)	44,000	8%
Non-audit related services (<i>tax compliance and advisory</i>)	95,520	18%
Total	529,520	100%

In addition, the ARC had also carried out an assessment of their performance for the period under review, in accordance with the Company's *Performance Evaluation Framework for External Audit and Internal Audit Function*.

- e. Held two (2) private sessions with the external auditors without Management's presence during the financial year.
- f. Reviewed the policy on provision of non-assurance services by the external auditors and recommended the same to the Board for approval.
- g. Reviewed the Statement on Risk Management and Internal Control (SORMIC), and recommended the same for Board approval, prior to its publication in the 2024 Annual Report.

CORPORATE GOVERNANCE

AUDIT AND RISK COMMITTEE REPORT

3. Internal Audit (IA)

- a. Reviewed and deliberated the IA reports presented by the Group Head of IA and assessed IA's findings, recommendations and Management's corrective action plans to address IA's recommendations.
- b. Reviewed the status report on the progress of remedial actions taken or to be taken to resolve the outstanding audit findings along with the implementation status of the Management's remedial actions to ensure that the remedial measures are implemented promptly and appropriately.
- c. Reviewed the adequacy and performance of the IA function and its comprehensiveness of the coverage of activities within the Group, including adequacy of resources for the IA function.
- d. Carried out an assessment of the performance of the Group Head of IA for the period under review, in accordance with the Company's *Performance Evaluation Framework for External Audit and Internal Audit Function*.
- e. Held two (2) private meetings with the Group Head of IA without the presence of Management.
- f. Reviewed and approved the Annual Audit Plan for 2025, to ensure comprehensiveness of the audit coverage of the various aspects of the business including internal control processes, risk management, corporate governance and compliance to regulatory requirements.

4. Risk management

The ARC assisted the Board in its duty to review and monitor, on an ongoing basis, the effectiveness of the Group's risk management framework which include the following:

- a. Reviewed the key risks as reported by the Group General Manager of RBC across the wide spectrum of risks facing the businesses and operations, which included strategic risk, business risk, cybersecurity risk and operational risk. The ARC has also assessed the adequacy and effectiveness of controls and/or mitigation actions identified and/or implemented by the respective business units in addressing the identified risks.
- b. Received update on half-yearly enterprise-wide and emerging risk assessments to ensure additional mitigations to strengthen the management of existing and emerging risks were undertaken.
- c. Reviewed the Group's 2024 Risk Management Plan.

- d. Reviewed the *Enterprise-wide Risk Management Policy and Framework* to incorporate updates to meet ISO/IEC 27001:2022 requirements, align the of roles and responsibilities of the Board with the requirements under MCGG and inclusion of Risk Management Policy Statement.
- e. On quarterly basis, the ARC received update on risk management activities held within the Group including but not limited the following: -
 - i. Report of the Risk Appetite Statement and Key Risk Indicators in ensuring that key and high risks were identified and monitored.
 - ii. Status of the Group's Business Continuity Plan (BCP).
 - iii. Report of tabletop simulation exercise.
 - iv. Status of the Group's Risk Management System implementation.
 - v. Trainings and awareness sessions conducted to increase the knowledge of risk management.
- f. Reviewed the Group's Business Continuity Management Policy to ensure its effectiveness and alignment with current operational needs.
- g. Discussed and received updates on the adequacy of resources for the risk management function.

5. Compliance

- a. Received updates from Group General Manager of RBC on the compliance status of the Group, including the following:
 - Status of the ISO 27001 (the international standard on information security management) implementation to ensure both subsidiaries, CTOS Data Systems Sdn Bhd and CTOS Basis Sdn Bhd are able to fulfil the new regulatory requirement to be ISO 27001 certified by 2024.
 - Reviewed the Personal Data Protection (Amendments) Bill 2024 and the proposed next steps.
 - Reviewed the compliance status of the Occupational Safety and Health Act.
- b. Reviewed the revised Anti-Bribery and Corruption Policy to ensure compliance with Section 17A of the MACC Act.

CORPORATE GOVERNANCE

AUDIT AND RISK COMMITTEE REPORT

6. Environmental, Social and Governance (ESG)

- a. Reviewed the Company's Sustainability Report and recommended the same for Board approval.
- b. Reviewed Company's 2024 sustainability key focus plan & 3 years strategy and recommended the same to the Board.
- c. Received quarterly updates on the sustainability plan & progress.
- d. Attended ESG training as part of the Company's commitment to raise ESG awareness for both Board members and the Company's employees.

7. Cybersecurity

- a. Reviewed the efficacy and the state of the Group's current cyber security posture, including:
 - i. Evaluated the effectiveness of Key Risk Indicators (KRIs) identified and tracked, exploring opportunities to streamline them for more meaningful ARC-level deliberations.
 - ii. Assessed the Group's cyber maturity level at the end of 2023 and reviewed strategic initiatives to achieve the target maturity state by the end of 2024.
 - iii. Reviewed the Group's cyber security rating, including benchmarking against industry peers to gauge relative positioning and areas for improvement.
 - iv. Evaluated the adequacy of the Group's cyber insurance coverage and its alignment with evolving cyber risk exposure.
- b. Received quarterly updates on Cyber Security initiatives where the ARC:
 - i. Discussed emerging cyber threats, including risks associated with Generative AI (GenAI), and reviewed ongoing mitigation strategies.
 - ii. Reviewed progress on the Group's ISO 27001 implementation and key milestones toward certification.

- iii. Evaluated the sufficiency of existing resources and capabilities to support cyber security resilience, in line with the Group's strategic plans.
- iv. Discussed ongoing and upcoming initiatives to enhance the Group's cyber security governance, processes, and overall risk management framework.

8. Related party transactions

- a. Reviewed, on a quarterly basis, if any, all recurrent related party transactions within the Group to ensure these transactions were at arm's length basis and were in the ordinary course of business; on terms not more favourable than those generally available to the public.
- b. Reviewed the procedures for recurrent related party transactions to ensure that the process and controls were in place to monitor the transactions.
- c. Reviewed the announcement to Bursa Malaysia to comply with the Listing Requirements and other relevant rules and regulations and reviewed the monitoring of aggregate value of the recurrent and related party transactions against the shareholders' mandate and if expected to exceed the percentage ratio of 5% within a period of 12 months.

9. Other matters

- a. Reviewed and endorsed the ARC Report, Corporate Governance Overview Statement and SORMIC for Board approval, for the inclusion of these documents in the 2024 Annual Report.
- b. Received quarterly updates on the management of litigation cases from Corporate Legal Affairs.

CORPORATE GOVERNANCE

AUDIT AND RISK COMMITTEE REPORT

GIA function

The Board has established an in-house Group Internal Audit (GIA) function to enhance and protect the organisational value of the Group by providing risk-based and objective assurance, advice and insight. GIA helps the Group to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the Group's risk management, internal controls, and governance processes. The GIA's mission, scope of work, responsibilities and authority are governed by its Internal Audit Charter, which is approved by the ARC.

To maintain its independence, GIA reports functionally to the ARC and administratively to the GCEO. The ARC reviews the adequacy of the scope and resources of the GIA function as well as the competency and experience of the internal auditors to ensure that the responsibilities of GIA are fully discharged in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

The scope of work for the GIA function is laid out in the annual audit plan determined in consultation with the GCEO and approved by the ARC. The contents of the annual audit plan are determined by an annual risk assessment performed independently by the GIA function. Various aspects of the business are covered by the audit plan, such as key internal control processes, risk management, corporate governance & compliance and recurrent related party transactions. The progress and status of the audit plan are presented to the ARC on a quarterly basis.

The main activities of the GIA function during 2024 were as follows:

- Performed independent risk assessments on all auditable areas for the purpose of annual audit planning. Factors considered in the planning included potential financial impact, perceived state of controls, feedback from the Management Team, past audit findings and control matters raised by the external auditor.
- Preparation of the annual audit plan for presentation to the ARC for review and approval.
- Performed audit reviews based on the approved audit plan and prepared audit reports in which the audit observations, root cause analyses and remedial recommendations were detailed. During the year, reviews related to Commercial operations, Procurement and Payment, compliance to Credit Reporting Agencies Act 2021 and compliance to Section 47(2) of the Central Bank on Malaysia Act were performed. Ad hoc/ special review on process improvements for customer complaint management as requested by the ARC was also performed.

- Conducted meetings throughout the year with the relevant stakeholders to discuss and align on audit-related matters and identify emerging risks to the Group.
- Regularly followed up on outstanding audit issues, especially on the status of implementation and continuity of Management action plans in addressing control gaps that were identified.
- Provided advice in relation to internal control issues arising from the day-to-day business operations. Where necessary, the IA function also collaborated with Management to promote a culture of practising good internal controls and governance to strive for business efficiency and internal control effectiveness.
- Appointed as the Secretariat of the Whistleblowing Committee and managed the Group's official whistleblowing mailbox. Liaised with the Whistleblowing Committee on the appropriate responses and actions in relation to reports received from whistleblowers. Carried out investigations as instructed by the Whistleblowing Committee. All investigation reports were tabled at the quarterly ARC meetings for review, implementation and closure.
- Participated as an independent observer in the end-to-end tendering process of the Group. GIA monitored all tenders carried out for purchases above RM1,500,000 in terms of tender briefs, scoring criteria and weightage, actual submission by suppliers and selection justification.
- Reviewed the recurrent related party transactions of the Group on a quarterly basis.
- Participated as an independent observer during the Business Continuity Plan tests.
- Validated the Group Sustainability Statement as per Main Market Listing Requirement.

The total costs incurred by IA in discharging its functions and responsibilities in 2024 amounted to RM342,000, as compared to RM258,000 in 2023.

CORPORATE GOVERNANCE

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

This Statement on Risk Management and Internal Control has been prepared in line with paragraph 15.26(b) of Bursa Malaysia's Main Market Listing Requirements, which requires a listed issuer to ensure that its Board of Directors makes a statement in its annual report about the state of risk management and internal control of the listed issuer as a group. The Board is committed to maintaining a strong internal control and risk management system. Under the leadership of the Group CEO, who is responsible for good business and regulatory governance, each business / functional unit has implemented its own control processes. The following statement describes the nature and scope of internal control and risk management at the Company and its subsidiaries ("CTOS" or "the Group") in 2024.

BOARD RESPONSIBILITY

The Board affirms its overall responsibility for the Company and its subsidiaries in establishing a sound system of risk management and internal control. The Board reviews the effectiveness, adequacy and integrity of the risk management framework and internal control system via the Audit and Risk Committee ("ARC"). This is to ensure that significant risks faced by the Group are being managed appropriately in proportionate to their level of significance, to allow the Group in responding timely and appropriately to changes in business and operating environment.

The Board has established a strong risk management and internal control governance structure that is crucial in setting the tone and culture towards effective risk management and internal control. To discharge its oversight roles and responsibilities more effectively, the Board has delegated the independent oversight over, inter alia, internal and external audit functions and internal controls and risk management to the ARC. The Board receives reports periodically from the ARC to keep the Board informed of its work, key deliberations and decisions on delegated matters.

The Board continually articulates, implements and reviews the adequacy and effectiveness of the Group's enterprise-wide risk management and internal control system which has been embedded in all aspects of the Group's activities. The Board, via the ARC reviews the processes, responsibilities and assesses for reasonable assurance that risks have been mitigated by formalising relevant controls and processes and to ensure that the system is viable and robust.

The Board confirms that there is continuous effort to enhance the overall risk management and internal control processes by pursuing various initiatives that involve the Group. This is in accordance with the guidance as contained in the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers".

In 2024, the adequacy and effectiveness of internal controls were reviewed by the ARC in relation to the audits conducted by Internal Audit (IA) during the year. Audit issues and actions taken by Management to address the issues tabled by IA were deliberated on during the ARC meetings. Minutes of the ARC meetings which recorded these deliberations were presented to the Board.

The ARC was separated into Audit Committee (AC) and Risk and Compliance Committee (RCC) effective 2 January 2025 to enhance focus and effectiveness.

The Board has received assurances from the Group CEO and Group CFO that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

MANAGEMENT RESPONSIBILITY

The Management is responsible for implementing all policies and procedures established by the Board in relation to risk and control. The role of Management includes:

- Identifying and evaluating risks relevant to the Group's business, and the achievement of business objectives and strategies;
- Formulating relevant policies and procedures to manage these risks in accordance with the Group's strategic vision and overall risk appetite;
- Designing, implementing and monitoring the implementation of an effective risk management and internal control system;
- Implementing policies approved by the Board;
- Implementing remedial actions to address compliance deficiencies as directed by the Board; and
- Reporting in a timely manner to the Board any changes to the risks or emerging risks and the corrective and mitigation actions taken.

CORPORATE GOVERNANCE

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

Risk Management

A. Risk Management Framework

The Enterprise Risk Management Framework ("Framework") is aligned to ISO 31000:2018 "Risk Management - Principles and Guidelines". The Framework provides a structured and consistent approach to risk management implementation across the Group for informed decision-making.

With our Framework, we identify, analyse, evaluate and mitigate the risks to protect the Group from negative financial and non-financial consequences that exceed the risk appetite at operational function, business unit and group levels. All risks relevant to the achievement of business objectives are evaluated and monitored. The relevant controls, action plans and Risk Owners are also identified. Each risk is rated according to its severity level depending on its likelihood and impact.

The principles of our ERM Framework are described in table below:

No.	Principles	Description
1	Culture of risk ownership	Risk management is part of the day-to-day job of all employees, driven through daily application of management and operational decisions
2	Defined risk appetite and strategy	Clear articulation of the Board's risk appetite in pursuit of its business objectives
3	Ensure proper governance and oversight function	A clear, effective and robust risk governance structure with clearly defined lines of accountabilities has been established within the Group
4	Implement sound risk framework, policies and process	Implementation of various risk framework, policies and procedures to ensure that risk management practices and processes are effective at all levels
5	Execute risk management practices and processes	Strong risk management processes are in place to actively identify, measure, control, monitor and report pertinent risks in all products and activities undertaken by the Group
6	Functional capabilities and capacity	The right talent pool and infrastructure are key to effectively carry out risk management activities

B. Risk Appetite

The Group's risk appetite is an integral component of the Group's robust Enterprise Risk Management Framework and is driven by both top-down Board leadership and bottom-up involvement of Senior Management at all levels. The risk appetite statement enables the Board and Senior Management to communicate, understand and assess the types and levels of risks that the Group is willing to accept in pursuit of its business and strategic goals. It also reflect the level of risk tolerance and limits to govern, manage and control the Group's risk-taking activities.

The risk appetite is integrated into the strategic planning process and remains dynamic and responsive to the changing internal and external drivers such as market conditions, stakeholders' expectations and internal capabilities. The refined risk appetite, provide a consistent structure in understanding risk and is embedded in the day-to-day business activities and decisions throughout the Group.

CORPORATE GOVERNANCE

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

C. Risk Governance and Oversight

The risk governance model of the Group is supported by a formal organisational structure with clear lines of authority and responsibility. It provides a formalised, transparent and effective governance structure that promotes active involvement from the Board and Senior Management in the risk management process to ensure a unified view of risk.

The risk management framework is implemented through an organisational construct and escalation structure as depicted below:

Board
The Board is responsible to ensure effective stewardship over the risk-control management mechanism, including approval of the appropriate risk governance structure and risk appetite
Board Committee – The ARC
The ARC provides board-level oversight on risk exposure as well as the adequacy of risk management framework and its components. It is responsible for overseeing the effective implementation of risk management strategies and practices in line with the tolerance and risk appetite limits as approved by the Board
Management level – The Risk Management Committee ("RMC")
The RMC is established to assist the ARC to oversee the effective implementation and maintenance of CTOS' risk management framework and programmes for the business units
Lines of defense
First line <ul style="list-style-type: none"> The first line of defense is undertaken by Risk Owners. To identify risks that are associated with their daily business activities, analyse, assess and prioritise the risk, implement control measures and monitor the progress of the mitigating action plans.
Second line <ul style="list-style-type: none"> The second line of defense is carried out by Risk and Business Compliance ("RBC"). Establish frameworks, policies and procedures. Provide overall risk governance and oversight and challenge the first line. Monitor level of compliance to the applicable laws, regulations, established policies and procedures.
Third line <ul style="list-style-type: none"> The third line of defense is Group Internal Audit ("GIA") which provides independent assurance on the adequacy and effectiveness of the risk management framework and its corresponding internal controls. The GIA reports independently to the ARC and subsequently to the Board.

D. Risk and Compliance Culture

The risk and compliance culture of the Group is driven by a strong tone from the top by the Board and Senior Management and at the same time also inculcate an enterprise-wide awareness of risks at all levels of the Group.

As part of the risk and compliance culture, the Group has instilled a culture where the Board, Senior Management and employees are committed to adhere to the requirements of relevant laws, rules, and regulations. This is reiterated in the formalised Risk Appetite Statement. This commitment is further demonstrated through the establishment and enhancement of policies, processes and controls in managing and preventing non-compliances.

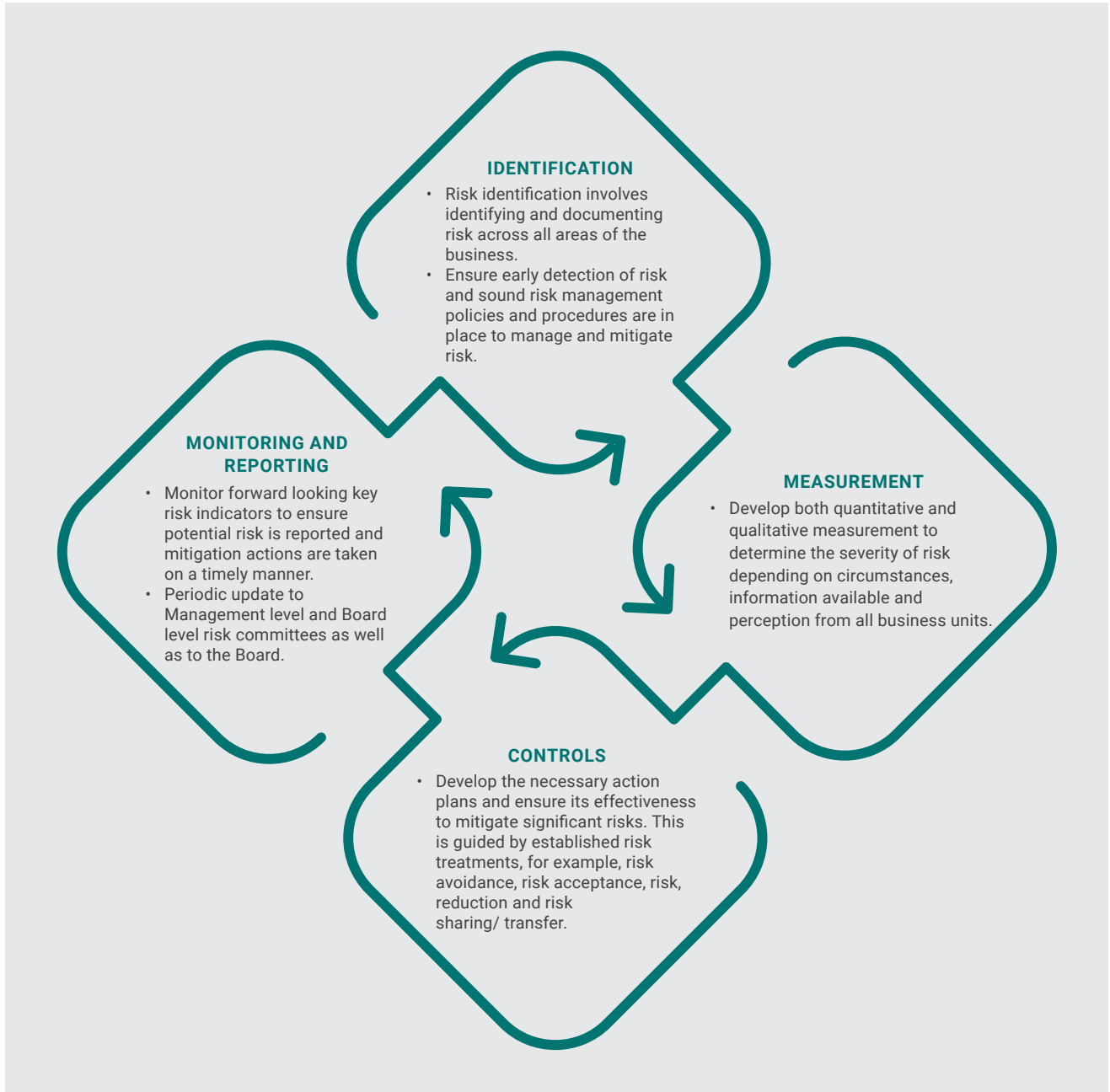
Programmes related to risk and compliance including induction programme, e-Learnings and memorandums are established and driven by the Board and Senior Management as part of the journey toward effective risk management within the Group.

CORPORATE GOVERNANCE

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

E. Risk Management Processes

The Group's risk management process is guided by ISO31000:2018 Risk Management Guidelines as illustrated below. It comprises of the following elements:

**F. Risk Assessment**

The Group employs a thorough procedure to conduct risk assessments on a half-yearly basis, fostering a proactive stance in risk management. Additionally, emerging risk and new project risk assessments will be conducted as needed to proactively identify and address new and evolving risks that may impact the Group.

(Key risks and their mitigation measures for the FY 2024 are outlined in Risks and Opportunities at page 37.)

CORPORATE GOVERNANCE

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTERNAL CONTROL PROCESSES

A. Authority and responsibility

- The ARC, the Nomination and Remuneration Committee, and the Board Investment Committee are delegated with the selected Board responsibilities through clearly defined Terms of Reference ("TOR") that are reviewed periodically.
- The Delegation of Authority is in place to manage the Board Committees' and Management's authority and authorisation limits in all aspects of the Group's major business operations and regulatory functions. This includes guidance for entering into contracts, commitments and appropriating assets in the course of conducting the Group's business.
- Senior Management is accountable for the comprehensiveness of the risk identified, their assessment and their bottom-up reporting as well as ensuring appropriate risk management is being demonstrated. Their principal roles and responsibilities are as follows:
 - Provide executive leadership in the management of risk within their work responsibilities.
 - Review, update and approve their respective divisional risk profile as registered by each business unit.
 - Report risk exposures and status of action plans to the RMC.
 - Ensuring significant risks are considered and assessed during business planning.
 - Ensuring significant risks are mitigated by appropriate mitigation actions.
- As of 31 December 2024, the Group has three executives committees, namely the RMC, the Cybersecurity and IT Governance Committee and the ISO27001 Committee. Each of these committees has clearly defined TOR to enable good business and regulatory governance.

B. Planning, monitoring and reporting

Strategic planning activities to set out the Group's direction and budgetary planning are carried out on an annual basis with budgetary control and monitoring reported on a quarterly basis.

There is a regular and comprehensive flow of information to the Board and Management on all aspects of the Group's operations to facilitate the monitoring of performance against the Group's corporate strategy, business, and regulatory plans.

C. Policies and procedures

Clear, formalised and documented internal policies and procedures are in place to ensure continued compliance with internal controls and relevant rules and regulations imposed by the relevant authorities. These policies and procedures are subjected to periodic review and improvement to reflect changes in laws, regulations and resultant changing risks and process enhancement, as and when required. Employees can access common Group policies through the Company's intranet.

D. Compliance Management

The roles and responsibilities of Compliance are primarily guided by but not limited to the rules and regulations issued by the relevant regulators including Registrar of Credit Reporting Agencies under Ministry of Finance, Bank Negara Malaysia, Department of Personal Data Protection, Securities Commission and Bursa Malaysia. Compliance provides guidance and solutions to business whilst ensuring business objectives and regulatory obligations are met. Additionally, Compliance updates the Board on changes in laws and regulations relevant to the business.

E. Legal

The Legal function plays a vital role in protecting the Group's interests from a legal standpoint. It ensures that the Group's operations, policies, procedures, and transactions comply with all applicable laws while addressing legal risks to the business. Legal also keeps the Board informed on material litigation.

F. Ethic and Integrity

The Group's commitment to upholding integrity in carrying out its duties is evidenced by:

A. Anti-Bribery and Anti-Corruption

The Group adopts a zero-tolerance approach against all forms of bribery and corruption in all its business dealings. Policies and procedures related to Anti-Bribery and Anti-Corruption Policy ("ABAC") have been enhanced in FY2024 to further promote the highest levels of integrity and ethics amongst the Group's employees.

CORPORATE GOVERNANCE

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

B. Code of Business Conduct and Ethics

A Code of Business Conduct and Ethics establishes the Group's policy on business conduct and the standards of behaviour and ethical conduct expected of its employees. It outlines the Group's commitment to various aspects, including workplace, preservation and protection of the Group's assets and information, fostering open and honest communication, ethical conduct, interaction with counterparties, business partners, customers, environment and communities, working with joint venture partners and business alliances and dealings with the Government, regulators and political parties.

C. Whistleblowing Policy

The Group has a Whistleblowing Policy ("WP") and Whistleblowing Investigation Procedures ("WIP") that provides an avenue for any person, including employees, directors, and external parties, to report any improper conduct as defined in the WP against any employee or director in a safe and confidential manner. An employee who reports improper behaviour in good faith shall not be subject to any retaliation, termination or suspension of service, disciplinary action, transfer, demotion, or any other use of authority to obstruct the whistleblower's right to continue performing their duties. The ARC is in charge of overseeing the implementation of WP and WIP, as well as ensuring effective administration by Human Resources and GIA.

D. Awareness Sessions

Regular awareness sessions on Business Conduct and Ethics and ABAC are conducted to ensure employees have sufficient knowledge and understanding on the acceptable and unacceptable business conduct. Employees are also reminded of the Group's zero tolerance against all forms of corruption during these sessions.

G. Business Continuity Management ("BCM")

The Group's BCM programme is designed to enhance service liability and resilience with a view to systematically identify potential disruptions, evaluates their operational impact and facilitate timely recovery efforts. Additionally, the Business Continuity Management Policy aims to ensure consistent implementation and maintenance of all BCM activities across the Group through the establishment of a clear response framework to protect stakeholders' interests and safeguard the Group's operations.

H. Cyber Security Management**A. Information Security Strategy and Certifications**

The Group continues to enhance its approach to information security governance, focusing on cyber resilience, proactive cyber risk management and safeguarding digital assets. Regular assessments are conducted to verify the implementation of essential security controls for critical services, ensuring compliance with regulatory requirements and alignment with industry best practices.

i. Cyber Security Strategy

The Group remains committed to its 3-year cyber security strategy, Project Elevate, endorsed by the Board in January 2023. In 2024, steady progress has been observed in key areas such as governance, policies and procedures and cyber risk management. The strategy continues to drive meaningful improvements in cyber maturity.

ii. Improved Governance

To support efforts on cyber security, various governance platforms have been strengthened or introduced, including direct engagements with the top management aimed to reinforce the Group's commitment on cyber security as an important enabler of its business operations.

B. Cybersecurity Programme Management ("CPM") Maturity

The Group's cybersecurity program is guided by the objectives of Project Elevate, focusing on people, process and technology. Key milestones achieved in 2024 include:

i. Cybersecurity Framework and Process Strengthening

- Successfully obtained ISO/IEC 27001:2022 certification for the Group's main subsidiaries, demonstrating a strong commitment to information security and regulatory compliance.
- Strengthened data protection controls by reviewing and enhancing the overall data protection framework, including Data Loss Prevention ("DLP") implementation.

CORPORATE GOVERNANCE

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

- Launched an initiative to enhance identity and access management and streamline network security, aligning with Project Elevate's mission to achieve a resilient cybersecurity program.
- In addition, the Group continued to actively align its cybersecurity implementation with industry best practices such as the NIST Cybersecurity Framework 2.0.

ii. Technology Advancement

The Group continues to implement a layered defense approach, ensuring comprehensive security coverage across users, endpoints, networks, applications and critical business data. Key initiatives in 2024 include:

- Integration of identity protection solutions with the broader monitoring, detection and response framework.
- Efforts undertaken to develop a cloud security governance framework to support the Group's IT Transformation Plan.

iii. Cybersecurity-Focused People Development

Recognizing the critical role of people in cybersecurity, the Group continues to expand its awareness and training programs:

- Enhanced cybersecurity awareness efforts which are more relevant and targeted.
- Continued implementation of regular phishing simulation campaigns, reinforcing a culture of vigilance with a view to reduce phishing-related incidents.
- Conducted a cyber tabletop exercise with senior leadership and operational teams.

iv. Cyber Human Capital Investment

The Group has continued to invest in new human resources to its cybersecurity team in 2024.

v. Third Party Information Security Requirements

The Group continues to work on managing information security requirements of critical IT vendors including efforts to impose minimum security requirements.

I. Insurance

Sufficient insurance coverage and physical safeguards on major assets are in place to protect the Group's major assets from any unforeseen events that could result in material loss. Senior Management conducts a yearly policy renewal exercise to review the coverage of these assets, as recorded in the current fixed assets register.

J. Internal audit function

Internal audit ("IA") engagements are carried out in accordance with the annual IA plan approved by the ARC, taking into account feedback from Senior Management and the Group CEO. IA evaluates the selected areas under the IA scope in terms of risk exposures, compliance with approved policies and procedures, compliance with applicable laws and regulations, and where appropriate, is benchmarked against available best practices.

Where significant gaps in the governance, risk management, and internal control processes are identified during the engagements, IA provides recommendations to Senior Management on potential improvements in the design and methods to increase the effectiveness of existing processes.

IA reports to the ARC the results of the engagements including the review of reports prepared by external consultants, if any. The ARC takes note of the review results which include the state of internal controls and the control improvements required and these results are then shared with Senior Management to ensure the Group's internal control system is continuously improved. Follow-up assessments are carried out to determine the status of Management's implementation of IA recommendations and IA will provide quarterly updates to the ARC on the progress of the management action plans as well as the progress of the Internal Audit plan.

IA strives to continuously adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the International Standards for the Professional Practices of Internal Auditing, and the Code of Ethics.

CORPORATE GOVERNANCE

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL**REVIEW BY EXTERNAL AUDITORS**

This Statement on Risk Management and Internal Control has been reviewed by our external auditor in accordance with Paragraph 15.23 of Bursa Listing's Main Market Listing Requirements for the financial year under review. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditor to form an opinion on the adequacy and effectiveness of the risk management and internal control system of our Group.

CONCLUSION

The system of internal control provides reasonable, rather than absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal control can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, losses, fraud or other irregularities.

The Board and Senior Management are committed to operating a sound system of internal control and the internal control system will continue to be reviewed, updated and improved upon in line with changes in the operating environment.

For the financial year under review and up to the date of issuance of the financial statements, the Board is satisfied with the adequacy, integrity and effectiveness of the Group's system of risk management and internal control. No material losses, contingencies, or uncertainties have arisen from any inadequate or failure of the Group's system of internal control that would require separate disclosure in the Group's Annual Report.

The Board believes that, in the absence of any evidence to the contrary, the system of internal controls, including the financial, operational and compliance controls and risk management system, maintained by the Group's management, were in place throughout the financial year and up to and as of the date of the report, are adequate to meet the needs of the Group in its current business environment.

This statement is made in accordance with a resolution of the Board dated 23 April 2025.

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FINANCIAL STATEMENTS

DIRECTORS' REPORTS

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding, whilst the principal activities of the Group are credit reporting agency, digital software related services including software development, outsourcing, provision of training services and provision of alternative data credit scoring. Details of the principal activities of the subsidiaries are shown in Note 14 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit/(loss) for the financial year attributable to:		
Owner of the Company	106,271	82,080
Non-controlling interest	(375)	-
	105,896	82,080

DIVIDENDS

The dividends declared since the end of the previous financial year were as follows:

	RM'000
In respect of the financial year ended 31 December 2023:	
- Single-tier tax exempt fourth interim dividend of 1.706 sen per share on 2,310,000,000 ordinary shares, paid on 27 March 2024	39,408
In respect of the financial year ended 31 December 2024:	
- Single-tier tax exempt first interim dividend of 0.640 sen per share on 2,310,000,000 ordinary shares, paid on 2 July 2024	14,784
- Single-tier tax exempt second interim dividend of 0.780 sen per share on 2,310,000,000 ordinary shares, paid on 27 September 2024	18,018
- Single-tier tax exempt third interim dividend of 0.840 sen per share on 2,310,000,000 ordinary shares, paid on 17 January 2025	19,404
	91,614

Subsequent to the financial year end, on 24 February 2025, the Company declared a fourth interim single-tier tax-exempt dividend of 0.990 sen per ordinary share amounting to RM22.9 million in respect of the financial year ended 31 December 2024 which will be paid on 30 April 2025.

The financial statements for the financial year ended 31 December 2024 do not reflect these dividends. Upon declaration, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2025.

DIRECTORS' REPORTS

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year have been disclosed in the financial statements.

SHARE CAPITAL

There were no changes in the issued and paid-up capital of the Company during the financial year.

EMPLOYEES' SHARE OPTION SCHEME

The Company established the Employees' Share Option Scheme ("ESOS") on 12 December 2023. The ESOS scheme is governed by the By-Laws which were approved by the shareholders on 11 December 2023 and is administered by the ESOS Committee which is appointed by the Board of Directors of the Company, in accordance with the By-Laws. The ESOS Committee may from time to time, offer ESOS to eligible employees of the Group.

The maximum number of new shares which may be made available under the ESOS and/or allotted and issued upon vesting of the new shares under the ESOS shall not exceed in aggregate 1% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the ESOS.

During the financial year, 9,134,994 units under the ESOS were granted to the eligible employees of the Group. Subject to the terms and conditions of the By-Laws governing the ESOS, the employees shall be entitled to subscribe for new ordinary shares in the Company, to be allotted and issued pursuant to the ESOS ("new shares"), upon meeting the vesting conditions.

The movement of the ESOS is as follows:

	Company	
	2024 '000	2023 '000
At 1 January	-	-
Granted	9,135	-
Vested	(775)	-
At 31 December	8,360	-

The Directors have not been granted any shares since ESOS implementation.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Dato' Noorazman bin Abd Aziz

Erick Hamburger Barraza

Loh Kok Leong

Lynette Yeow Su-Yin

Nirmala A/P Doraisamy

Su Puay Leng

Mizran Bin Md Nahar (alternate director to Loh Kok Leong) (appointed on 24 July 2024)

Wong Pau Min (alternate director to Loh Kok Leong) (resigned on 24 July 2024)

DIRECTORS' REPORTS

DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office since the beginning of the financial year to the date of the report are as follows:

Chin Kuan Weng
Wong Pau Min
Omar Mahmoud
Chiam Hsing Chee
Puvendran A/L Sangaran
Alan John Thornton
Ivaylo Venkov Kolev
Djati Prabowo
Mizran Bin Md Nahar (appointed on 24 July 2024)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he/she is a member, or with a company in which the Director has a substantial financial interest.

The aggregate amount of emoluments received/receivable by the Directors of the Company during the financial year are as follows:

	Group RM'000	Company RM'000
Fees	413	413
Wages, salaries and bonuses	4,362	-
	4,775	413

There was no benefit-in-kind provided to Directors of the Company of the Company during the financial year.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries or its holding company or subsidiaries of the holding company during the financial year except as follows:

	Number of ordinary shares in the Company			
	At 1.1.2024/ Date of appointment	Acquired	Sold	At 31.12.2024
Erick Hamburger Barraza	150,000	100,000	-	250,000
Loh Kok Leong	300,000	-	-	300,000
Lynette Yeow Su-Yin	300,000	-	-	300,000
Su Puay Leng	300,000	-	-	300,000
Mizran Bin Md Nahar	359,400	-	-	359,400

DIRECTORS' REPORTS

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company has effected Directors' and Officers' Liability Insurance for the Directors of the Group and of the Company, for up to a maximum of RM30.0 million for any one claim and in aggregate, at a total premium cost of RM64,810 in the current financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment of doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for impairment of doubtful debt in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person except as disclosed in Note 23 to the financial statements; and
- (b) any contingent liabilities of the Group and of the Company which has arisen since the end of the financial year except as disclosed in Note 31 to the financial statements.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet its obligations when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORTS

SUBSIDIARIES

Details of subsidiaries are set out in Note 14 to the financial statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration are as follows:

	Group RM'000	Company RM'000
Auditors' remuneration		
- fees for statutory audit to PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)	390	165
- fees for audit related services to PricewaterhouseCoopers PLT	44	35
- fees for other services to member firms of PricewaterhouseCoopers PLT	96	10
- fees for statutory audit to other auditors	56	50
	586	260

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 24 April 2025. Signed on behalf of the Board of Directors:

DATO' NOORAZMAN BIN ABD AZIZ
DIRECTOR

ERICK HAMBURGER BARRAZA
DIRECTOR

Kuala Lumpur

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	5	304,850	261,437	97,397	98,461
Cost of sales		(83,765)	(60,544)	-	-
Gross profit		221,085	200,893	97,397	98,461
Other income		1,250	-	-	-
Other expenses		(222)	(234)	-	(44)
Selling and marketing expenses		(45,150)	(38,217)	(268)	(72)
Administrative expenses		(85,362)	(74,172)	(7,149)	(7,214)
Finance income	6	205	602	65	169
Finance costs	6	(9,975)	(6,731)	(7,883)	(6,629)
Share of profits of associates	15	30,623	26,182	-	-
Profit before tax	7	112,454	108,323	82,162	84,671
Tax (expense)/credit	10	(6,558)	9,652	(82)	(105)
Profit for the financial year		105,896	117,975	82,080	84,566

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other comprehensive income/(loss):					
Items that will be subsequently reclassified to profit or loss:					
Exchange differences on translation of foreign operations		(6,513)	5,731	-	-
Share of other comprehensive income of associate accounted for using equity method		6	2	-	-
Items that will not be subsequently reclassified to profit or loss:					
Exchange differences on translation of foreign operations		(18)	3	-	-
Share of other comprehensive (loss)/income of associate accounted for using equity method		(45)	3,647	-	-
Other comprehensive income for the financial year		(6,570)	9,383	-	-
Total comprehensive income for the financial year		99,326	127,358	82,080	84,566
Profit/(loss) for the financial year attributable to:					
Owners of the Company		106,271	118,109	82,080	84,566
Non-controlling interest		(375)	(134)	-	-
		105,896	117,975	82,080	84,566
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the Company		99,719	127,489	82,080	84,566
Non-controlling interest		(393)	(131)	-	-
		99,326	127,358	82,080	84,566
Earnings per share for profit attributable to ordinary equity holders of the Company:					
- Basic/diluted (sen)	32	4.6	5.1	-	-

The notes on pages 116 to 197 form part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Note					
NON-CURRENT ASSETS					
Property, plant and equipment	11	10,051	8,656	11	6
Right-of-use assets	12	21,868	1,434	-	61
Intangible assets	13	157,787	133,781	-	-
Investments in subsidiaries	14	-	-	373,708	372,846
Investments in associates	15	586,374	576,796	504,618	504,618
Receivables, deposits and prepayments	18	780	-	-	-
Deferred tax assets	17	1,709	265	-	-
TOTAL NON-CURRENT ASSETS		778,569	720,932	878,337	877,531
CURRENT ASSETS					
Receivables, deposits and prepayments	18	73,139	64,124	309	178
Other investments	16	-	925	-	925
Amounts due from related parties	19	1,369	1,429	-	-
Amounts due from subsidiaries	22	-	-	30,128	2,094
Tax recoverable		867	887	9	2
Cash and bank balances	20	19,369	17,330	2,494	2,825
TOTAL CURRENT ASSETS		94,744	84,695	32,940	6,024
CURRENT LIABILITIES					
Payables and accruals	21	69,881	49,716	20,578	1,578
Contract liabilities	5	7,805	7,502	-	-
Lease liabilities	12	1,801	1,397	-	63
Amounts due to related parties	19	1,764	965	-	-
Amounts due to subsidiaries	22	-	-	1,691	-
Borrowings	23	60,155	48,852	60,155	48,852
Provision for restoration costs	24	-	694	-	-
Tax payable		2,301	1,272	-	-
TOTAL CURRENT LIABILITIES		143,707	110,398	82,424	50,493
NET CURRENT LIABILITIES		(48,963)	(25,703)	(49,484)	(44,469)

STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
NON-CURRENT LIABILITIES					
Lease liabilities	12	20,280	96	-	-
Provision for restoration costs	24	1,168	-	-	-
Borrowings	23	104,816	100,691	104,816	100,691
Provision for defined benefit plan		141	153	-	-
TOTAL NON-CURRENT LIABILITIES		126,405	100,940	104,816	100,691
NET ASSETS		603,201	594,289	724,037	732,371
EQUITY					
Share capital	25	584,047	584,047	584,047	584,047
Reverse acquisition reserve		(193,528)	(193,528)	-	-
Equity contribution from shareholder		315	315	315	315
Other reserves	26	1,508	6,805	1,200	-
Retained earnings		211,351	196,749	138,475	148,009
Equity attributable to the owners of the Company		603,693	594,388	724,037	732,371
Non-controlling interest		(492)	(99)	-	-
TOTAL EQUITY		603,201	594,289	724,037	732,371

The notes on pages 116 to 197 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Ordinary shares		Other reserves					Total			
	Number of shares '000	Share capital RM'000	Equity contribution from shareholders RM'000	Reverse acquisition reserve ⁽¹⁾ RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Shared-based payment reserve RM'000	Retained earnings RM'000	Company RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 January 2024	2,310,000	584,047	315	(193,528)	513	6,292	-	196,749	594,388	(99)	594,289
Profit/(loss) for the financial year	-	-	-	-	-	-	-	106,271	106,271	(375)	105,896
Other comprehensive income	-	-	-	-	(6,513)	16	-	(55)	(6,552)	(18)	(6,570)
Share-based payment expense	-	-	-	-	-	-	1,200	-	1,200	-	1,200
Transaction with owners:											
Dividends paid (Note 30)	-	-	-	-	-	-	-	(91,614)	(91,614)	-	(91,614)
At 31 December 2024	2,310,000	584,047	315	(193,528)	(6,000)	6,308	1,200	211,351	603,693	(492)	603,201

Note:

⁽¹⁾ The reverse acquisition reserve was created during the acquisition of CTOS Business Systems Sdn. Bhd. ("CBS"), CTOS Data Systems Sdn. Bhd. ("CDS") and Automated Mail Responder Sdn. Bhd. ("AMR") by the Company in 2014. CBS was identified as the accounting acquirer in accordance with MFRS 3 "Business Combination". The difference between the issued equity of the Company and issued equity of CBS together with the deemed purchase consideration of subsidiaries other than CBS is recorded as reverse acquisition reserve.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Ordinary shares		Equity			Other reserves			Total		Non-controlling interest	Total equity
	Number of shares '000	Share capital RM'000	contribution from shareholders RM'000	Reverse acquisition reserve ⁽ⁱ⁾ RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Company RM'000	of the Company RM'000			
At 1 January 2023	2,310,000	584,047	315	(193,528)	(5,211)	2,669	124,414	512,706	-	512,706	-	512,706
Profit/(loss) for the financial year	-	-	-	-	-	-	118,109	118,109	(134)	117,975		117,975
Other comprehensive income	-	-	-	-	5,724	3,623	33	9,380	3	9,383		9,383
Transaction with owners:												
Dividends paid (Note 30)	-	-	-	-	-	-	(45,807)	(45,807)	-	(45,807)		(45,807)
Non-controlling interests on acquisition of subsidiaries (Note 34)	-	-	-	-	-	-	-	-	32	-	32	32
At 31 December 2023	2,310,000	584,047	315	(193,528)	513	6,292	196,749	594,388	(99)	594,289		594,289

Note:

⁽¹⁾ The reverse acquisition reserve was created during the acquisition of CTOS Business Systems Sdn. Bhd. ("CBS"), CTOS Data Systems Sdn. Bhd. ("CDS") and Automated Mail Responder Sdn. Bhd. ("AMR") by the Company in 2014. CBS was identified as the accounting acquirer in accordance with MFRS 3 "Business Combination". The difference between the issued equity of the Company and issued equity of CBS together with the deemed purchase consideration of subsidiaries other than CBS is recorded as reverse acquisition reserve.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Company	Note	Number of shares '000	Share capital RM'000	Equity contribution from shareholders RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2024		2,310,000	584,047	315	-	148,009	732,371
Profit and total comprehensive income for the financial year		-	-	-	-	82,080	82,080
Share-based payment expense		-	-	-	1,200	-	1,200
Transaction with owners:							
Dividends paid	30	-	-	-	-	(91,614)	(91,614)
At 31 December 2024		2,310,000	584,047	315	1,200	138,475	724,037

Company	Note	Number of shares '000	Share capital RM'000	Equity contribution from shareholders RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2023		2,310,000	584,047	315	109,250	693,612
Profit and total comprehensive income for the financial year		-	-	-	84,566	84,566
Transaction with owners:						
Dividends paid	30	-	-	-	(45,807)	(45,807)
At 31 December 2023		2,310,000	584,047	315	148,009	732,371

The notes on pages 116 to 197 form part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		112,454	108,323	82,162	84,671
Adjustments for:					
Allowance/(reversal of) impairment of receivables - net	28(c)	938	(160)	-	-
Depreciation of property, plant and equipment	11	3,656	5,036	5	6
Depreciation of right-of-use assets	12	3,476	1,599	42	72
Amortisation of intangible assets	13	9,282	3,807	-	-
Dividend income		-	-	(93,779)	(94,305)
Interest income		(203)	(247)	(63)	(92)
Distribution income from money market funds		-	(2)	-	-
Fair value gain on other investments		(2)	(353)	(2)	(77)
Gain on disposal of property, plant and equipment		-	(11)	-	-
Write-off of property, plant and equipment		36	-	-	-
Loss/(gain) on derecognition of right-of-use assets		171	-	(1)	-
Accretion of provision for restoration costs	24	78	16	-	-
Reversal of restoration costs	24	(704)	-	-	-
Changes in fair value of contingent consideration payable		-	54	-	54
Interest expense on bank borrowings	6	8,800	6,625	7,882	6,625
Lease interest	12	1,097	90	1	4
Share of profits of associates		(30,623)	(26,182)	-	-
Share-based payment expense		1,200	-	338	-
Defined benefit plan		(8)	(34)	-	-
Bad debt recovered		(4)	-	-	-
Unrealised loss on foreign exchange		61	96	3	10
Operating cash flows before working capital changes		109,705	98,657	(3,412)	(3,032)
Changes in working capital:					
Receivables, deposits and prepayments		(11,015)	(17,516)	(131)	(38)
Payables and accruals		(4,569)	5,623	(404)	(58)
Contract liabilities		308	(1,300)	-	-
Related party balances		859	(2,353)	(1,851)	(426)
Cash flow generated from/(used in) operations		95,288	83,111	(5,798)	(3,554)
Interest received		203	247	63	92
Tax paid		(6,942)	(5,530)	(89)	(86)
Dividend received		15,634	34,380	93,779	94,305
Net cash flows generated from operating activities		104,183	112,208	87,955	90,757

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
	Note				
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	11	(4,314)	(1,108)	(10)	-
Purchase of intangible assets	13	(29,230)	(19,102)	-	-
Proceeds from disposal of property, plant and equipment		-	21	-	-
Distribution income from money market funds		-	355	-	77
Acquisition of subsidiaries, net of cash acquired	34	-	(25,061)	-	(30,017)
Investment in money market funds - net	16	-	4,123	-	4,123
Withdrawal of money market funds	16	927	-	927	-
Payment of contingent consideration		-	(12,211)	-	(12,211)
Advances to subsidiaries	22	-	-	(31,745)	-
Repayment of advances from subsidiaries	22	-	-	4,687	-
Net cash flows used in from investing activities		(32,617)	(52,983)	(26,141)	(38,028)
CASH FLOWS FROM FINANCING ACTIVITIES					
Restricted cash for term loan facility	20	(403)	44	(403)	44
Dividends paid	30	(72,210)	(45,807)	(72,210)	(45,807)
Drawdown of borrowings	23	74,500	28,000	74,500	28,000
Repayment of borrowings	23	(58,719)	(28,459)	(58,719)	(28,459)
Payment of lease liabilities	12	(3,490)	(1,696)	(45)	(77)
Transaction cost paid	23	(1,017)	(7)	(1,010)	(7)
Interest paid	23	(8,136)	(6,077)	(7,225)	(6,077)
Advances to subsidiaries	22	-	-	-	(1,361)
Repayment of advances from subsidiaries	22	-	-	876	500
Advances from subsidiaries	22	-	-	7,060	-
Repayment of advances to subsidiaries	22	-	-	(5,369)	-
Net cash flows used in financing activities		(69,475)	(54,002)	(62,545)	(53,244)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,091	5,223	(731)	(515)
EFFECT OF EXCHANGE RATE CHANGES		(455)	(255)	(3)	(11)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		15,682	10,714	1,177	1,703
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	20	17,318	15,682	443	1,177

The notes on pages 116 to 197 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1 GENERAL INFORMATION

The principal activity of the Company is investment holding, whilst the principal activities of the Group are credit reporting agency, digital software related services including software development, outsourcing, provision of training services and provision of alternative data credit scoring.

The address of the registered office and principal place of business of the Company are as follows:

Registered office

Unit 30-1, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur

Principal place of business

Level 17, Menara CelcomDigi
No 6, Persiaran Barat
Seksyen 52, Petaling Jaya
46200 Selangor

2 BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The financial statements have been prepared under the historical cost convention except as disclosed in the summary of material accounting policies in Note 3 to the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial period. It also requires the Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

As at 31 December 2024, the Group and the Company were in net current liabilities positions of RM49.0 million (2023: RM25.7 million) and RM49.5 million (2023: RM44.5 million) respectively which was mainly contributed by the Group's and the Company's borrowings as at 31 December 2024. The Group and the Company have prepared the financial statements on a going concern basis premised upon the sufficiency of cash flows to enable the Group and the Company to meet their liabilities as and when they fall due and to carry out their operations without a significant curtailment. See Note 28(b) for details.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2 BASIS OF PREPARATION (CONTINUED)

(a) Standards, amendments to published standards and interpretations that are effective to the Group and the Company

The amendments and improvements to published standards that are effective for the Group's and the Company's financial year beginning on 1 January 2024 are as follows:

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' and 'Non-current Liabilities with Covenants'
- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'
- Amendments to MFRS 107 and MFRS 7 'Supplier Finance Arrangements'
- IFRIC agenda decision on disclosure of revenues and expenses for reportable segments (MFRS 8 Operating Segments)

The adoption of the above amendments and IFRIC agenda decision did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Standards, amendments to published standards and interpretations that are applicable to the Group and the Company but not yet effective

A number of new standards and amendments to standards and interpretations are effective for the financial year beginning after 1 January 2025. The Group has not early adopted these new standards and amendments. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except for the following set out below, for which management is still assessing the impact:

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.

The new MFRS introduces a new structure of profit or loss statement.

(a) Income and expenses are classified into 3 new main categories:

- (i) Operating category which typically includes results from the main business activities;
- (ii) Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
- (iii) Financing category that presents income and expenses from financing liabilities.

(b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.

Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2 BASIS OF PREPARATION (CONTINUED)

(b) Standards, amendments to published standards and interpretations that are applicable to the Group and the Company but not yet effective (continued)

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026) have:
 - (a) require financial assets to be derecognised on the date the contractual rights to the cash flows expire and financial liabilities to be derecognised when obligation under the contract is discharged (i.e. the settlement date). In addition, there is an optional exception to derecognise financial liabilities before the settlement date for settlement using electronic payment systems (if specified criteria are met);
 - (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The following amendments are not expected to have a significant impact on the consolidated financial statements of the Group:

- Amendments to MFRS 121 'Lack of Exchangeability'
- MFRS 19 'Subsidiaries without Public Accountability: Disclosures'
- Annual Improvement to MFRS Accounting Standards for enhanced consistency

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(a) Basis of consolidation (continued)****(i) Subsidiaries (continued)**

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss. See accounting policy Note 3(e)(i) on goodwill.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is accounted for as an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(iii) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(iv) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment in an associate is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in profit or loss, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investment in associates includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount. The Group presents the impairment loss adjacent to 'share of profit/(loss) of an associate' in the statement of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains or losses arising in investments in associates are recognised in profit or loss.

The cost of acquiring an additional stake in an associate is added to the carrying amount of associate and equity accounted. Goodwill arising on the purchase of additional stake is computed using fair value information at the date the additional interest is purchased. The previously held interest is not remeasured.

When the Group increases its stake in an existing investment and the investment becomes an associate for the first time, the cost of an associate acquired in stages is measured as the sum of the fair value of the interest previously held plus the fair value of any additional consideration transferred as of the date when the investment became an associate. Any gain or loss on re-measurement of the previously held stake is recognised in profit or loss or other comprehensive income if election has been made under MFRS 9. Any acquisition-related costs are expensed in the periods in which the costs are incurred. Goodwill is determined on acquisition date, based on the difference between the cost of the investment (which comprise of both fair value of consideration transferred for additional interest and fair value of interest previously held) and the Group's share of fair value of the associate's net assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Investments in subsidiaries and associates in separate financial statements

In the Company's separate financial statements, investments in subsidiaries and associates are carried at cost less accumulated impairment losses. The cost includes any contingent consideration to be transferred by the Company and is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(g) on impairment of non-financial assets.

On disposal of investments in subsidiaries and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(c) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within administrative expenses. All other foreign exchange gains and losses are presented in profit or loss on a net basis within other income/(expenses).

Changes in the fair value of monetary securities denominated in foreign currency classified as debt instruments at fair value through other comprehensive income ("FVOCI") are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as at fair value through other comprehensive income, are included in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Foreign currencies (continued)

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss, as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(d) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price, import duties, non-refundable purchase taxes and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in other income/(expenses) in profit or loss.

Property, plant and equipment are depreciated on the straight-line method to write off the cost of property, plant and equipment to their residual values over their estimated useful lives at the following annual rates:

Computers	20% - 33%
Office equipment	20% - 33%
Renovation	15% - 20%
Furniture and fittings	15% - 33%
Motor vehicles	20% - 25%

Work-in-progress will be reclassified to the respective categories of property, plant and equipment and depreciated when the assets are ready for their intended use.

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the property, plant and equipment is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3(g) on impairment of non-financial assets.

(e) Intangible assets

The Group acquires intangible assets either as part of a business combination or through separate acquisition. Intangible assets acquired in a business combination are recorded at their fair values at the date of acquisition and recognised separately from goodwill. On initial acquisition, management judgement is applied to determine the appropriate allocation of purchase consideration to the assets being acquired, including goodwill and identifiable intangible assets.

Intangible assets that are considered to have a finite life are amortised on a straight-line basis over the period of expected benefit. Intangible assets that are considered to have an indefinite economic useful life are not amortised but tested for impairment on an annual basis, or where an indication of impairment exists. See accounting policy Note 3(g) on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Intangible assets (continued)

(i) Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in profit or loss.

Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(ii) Database and customer relationships

Separately acquired database are shown at historical cost. Database and customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The acquired database and customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the database and customer relationships, not exceeding 5 years.

(iii) License fees

Separately acquired licenses are shown at historical cost. Licenses have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licenses over their estimated useful lives of 3 years.

(iv) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(e) Intangible assets (continued)****(iv) Computer software (continued)**

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs are recognised as assets. The assets are amortised using the straight-line method from the point at which the asset is ready for use over their estimated useful lives, which does not exceed 5 years.

Some computer software is part of a system that cannot operate without being integrated with the related hardware. The Group treats this computer software as property, plant and equipment as it is an integral part of the property, plant and equipment. The Group uses judgement to assess which element is more significant. When the software is not an integral part of the related hardware, computer software is treated as an intangible asset.

(f) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

Financial assets**(i) Classification**

The Group and the Company classify their financial assets to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group and the Company reclassify debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial assets (continued)

(iii) Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other income/(expenses) using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income/(expenses) together with foreign exchange gains and losses. Impairment losses are presented within administrative expenses in the statement of comprehensive income.

(iv) Subsequent measurement - impairment

The Group and the Company assess on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company have few types of financial instruments that are subject to the ECL model:

- trade receivables;
- other receivables;
- deposits;
- amounts due from subsidiaries; and
- amounts due from related parties.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(f) Financial instruments (continued)**Financial assets (continued)**(iv) Subsequent measurement - impairment (continued)**

- (a) General 3-stage approach for other receivables, deposits, amounts due from subsidiaries and amounts due from related parties

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

- (b) Simplified approach for trade receivables

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables.

Significant increase in credit risk

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor; and
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Group and the Company define a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial assets (continued)

(iv) Subsequent measurement - impairment (continued)

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- the debtor is in breach of financial covenants;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on individual basis.

Write-off

- Trade receivables

Trade receivables is written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and the Company, and a failure to make contractual payments for a period of greater than 365 days past due.

Impairment losses on trade receivables is presented within administrative expenses in the statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

- Other receivables, amounts due from subsidiaries and amounts due from related parties

The Group and the Company write off financial assets, in whole or in part, when they have exhausted all practical recovery efforts and have concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity. These are presented within administrative expenses in the statement of comprehensive income. Subsequent recoveries of amounts previously written off will result in impairment gains

Financial liabilities

(i) Classification and measurement

The Group and the Company classify their financial liabilities in the following categories: at fair value through profit or loss, other financial liabilities and financial guarantee contracts. Management determines the classification of financial liabilities at initial recognition.

Other financial liabilities are non-derivative financial liabilities. Other financial liabilities are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method. Changes in the carrying value of these liabilities are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(f) Financial instruments (continued)**Financial liabilities (continued)**(i) Classification and measurement (continued)**

The Group's and the Company's other financial liabilities comprise payables (including amounts due to related parties) and borrowings in the statement of financial position. Financial liabilities are classified as current liabilities, except for maturities greater than 12 months after the reporting date, in which case they are classified as non-current liabilities.

The Group and the Company do not hold any financial guarantee contracts, except for the corporate guarantees disclosed in Note 23 to the financial statements.

(ii) Recognition of financial liabilities

Financial liabilities are recognised when the Group and the Company become a party to the contractual provisions of the instrument.

(iii) Derecognition of financial liabilities

Financial liabilities are derecognised when the liability is either discharged, cancelled, has expired or has been restructured with substantially different terms.

(iv) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(g) Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. The Group also assesses goodwill, intangible assets with indefinite useful life and other assets that are subject to amortisation for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Fair value estimation

The fair value of the financial assets, financial liabilities and derivative financial instruments are estimated for recognition and measurement or for disclosure purposes.

In assessing the fair value of financial instruments, the Group and the Company make certain assumptions and applies the estimated discounted value of future cash flows to determine the fair value of financial instruments. The fair values of financial assets and financial liabilities are estimated by discounting future cash flows at the current interest rate available to the respective companies for similar financial instruments.

The carrying values for financial assets and financial liabilities with a maturity of less than one year are assumed to be approximately equal to their fair values.

(i) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance. See accounting policy Note 3(f)(iv) on impairment of financial assets.

(j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(k) Trade and other payables

Payables, including accruals, represent liabilities for goods received and services rendered to the Group and the Company prior to the end of the financial year and which remain unpaid. Payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(l) Current and deferred income tax**

Tax expenses for the period comprise current and deferred tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in the profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its associates operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. 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 taking into consideration of the expiry date of tax incentive, based on the tax rates and tax laws substantially enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, investment tax allowance or unused tax losses can be utilised.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

Deferred tax liability is recognised for all taxable temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority or either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(m) Provision for restoration costs

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance costs.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Provision for restoration costs (continued)

Provision for restoration costs is the estimated costs of dismantling and removing the fixtures and effects to restore the rental premises back to its original state and condition.

(n) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as payables and accruals in the statement of financial position. The Group and the Company recognise provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(ii) Post-employment pension benefits

The Group and the Company have various post-employment pension benefit schemes in accordance with local conditions and practices in the countries in which the Group and the Company operate. These benefits plans are either defined contribution or defined benefit plans.

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity (a fund) on a mandatory, contractual or voluntary basis and the Group and the Company have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Defined contribution plans

The Group's and the Company'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 and the Company have no further payment obligations.

Defined benefit plans

The liability or asset recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan reflects the increase in the defined benefit obligation resulting from employee service in the current year. It is recognised in profit or loss in employee benefit expense, except where included in the cost of an asset.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Employee benefits (continued)

(ii) Post-employment pension benefits (continued)Defined benefit plans (continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statements of comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

(iii) Share-based payment

The Group and the Company operate an equity-settled, share-based compensation plan under which the Company and its subsidiaries receive services from employees as consideration for equity instruments (options) of the Company, pursuant to the Employee Share Option Scheme ("ESOS"). The fair value of the options granted in exchange for the services of the employees are recognised as employee benefit expense over the vesting period with a corresponding increase to share option reserves within equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding of shares for a specific period of time).

Non-market vesting conditions and service conditions are included in assumptions about the number of options that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in equity.

In circumstances where employees provide services in advance of the grant date, the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

In its separate financial statements of the Company, the grant by the Company of options over its equity instruments to the employees of subsidiary in the Company are treated as a capital contribution to the subsidiary. The fair value of options granted to employees of the subsidiary in exchange for the services of the employees to the subsidiary are recognised as investment in subsidiary, with a corresponding credit to equity of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Employee benefits (continued)

(iii) Share-based payment (continued)

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

If an equity award is cancelled by forfeiture, when the vesting conditions (other than market conditions) have not been met, any expense not yet recognised for that award, as at the date of forfeiture, is treated as if it had never been recognised. At the same time, any expense previously recognised on such cancelled equity awards are reversed from the accounts effective as at the date of forfeiture.

Any payment made to employees on the cancellation or settlement of the grant is accounted for as the repurchase of an equity interest, i.e. as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments granted, measured at the repurchase date. Any such excess is recognised as an expense. However, if the share-based payment arrangement included liability components, the Group remeasures the fair value of the liability at the date of cancellation or settlement. Any payment made to settle the liability component is accounted for as an extinguishment of the liability.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(o) Leases

Accounting by lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

(i) Lease term

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (periods after termination options) are only included in the term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affects whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities (refer to (iv) below).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(o) Leases (continued)**Accounting by lessee (continued)**(ii) ROU assets**

ROU assets are initially measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentive received;
- any initial direct costs; and
- decommissioning or restoration costs.

ROU assets are subsequently measured at cost, less any accumulated depreciation and impairment loss, if any. The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

ROU assets are presented as a separate line item in the statement of financial position.

(iii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group and the Company under residual value guarantees;
- the exercise price of a purchase and extension options if the Group and the Company are reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group and the Company present the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance costs in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Leases (continued)

Accounting by lessee (continued)

(iv) Reassessment of lease liabilities

After the commencement date, a lessee shall remeasure the lease liability to reflect changes to the lease payments by using a revised discount rate if either:

- a change in lease term due to the lessee exercises an option (purchase/termination/extension) in a different way than the Group and the Company have previously determined was reasonably certain; or
- a change in lease term due to an event occurs that contractually obliged/prohibits the lessee from exercise the option.

In contrast, a lessee shall use an unchanged discount rate to remeasure lease liability to reflect changes to lease payments if either:

- a change in the amounts expected to be payable under a residual value guarantee; or
- a change in future lease payments resulting from a change in an index or rate used to determine those payments.

A lessee shall recognise the amount of the remeasurement of the lease liability as an adjustment to the ROU. However, if the carrying amount of the ROU is reduced to zero and there is a further reduction in the measurement of the lease liability, a lessee shall recognise any remaining amount of the remeasurement in profit or loss.

(v) Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office equipment. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

(p) Revenue recognition

Revenue from contracts with customers

(i) Provision of services

The Group's revenue arises from a range of products including subscriptions fees for access to the Group's online credit risk management platform, sale of reports, trade referencing and monitoring services, CTOS electronic Know-Your-Customer ("eKYC") services, CTOS Application and Decisioning ("CAD") services, fraud bureau services and portfolio reviews.

The Group recognises revenue when it satisfies a performance obligation by transferring control of a promised product or service to a customer. The Group determines whether goods or services are distinct, and therefore separate performance obligations, when there are multiple promises in a contract.

At the inception of the contract, the Group determines the consideration or transaction price that it expects to be entitled in exchange for transferring promised goods or services to the customer, which may include fixed consideration and variable consideration. Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The total consideration is allocated to the performance obligations identified based on their standalone selling price, and is recognised when those performance obligations are satisfied and the control of goods or services is transferred to the customer, either over time or at a point in time.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(p) Revenue recognition (continued)**Revenue from contracts with customers (continued)**(i) Provision of services (continued)**Digital reports

Revenue from sales of reports is recognised when control of the reports are transferred to the customers.

Subscriptions and monitoring services

Revenue from subscription of the Group's online credit risk management platform is from fixed subscription fees. The Group recognises revenue from the fixed subscription fees on a straight-line basis over the subscription period. The subscription can be renewed monthly or annually.

Revenue from trade referencing and monitoring services is from fixed monthly subscription fees, which are recognised over the period in which the services are performed.

Comprehensive portfolio review and analytics

Revenue from comprehensive portfolio reviews and analytics is recognised when control of the review results or deliverables are transferred to the customers.

Digital solutions

Revenue from fraud bureau services is from subscription fees and usage charges which are recognised over the period in which the services are performed and at the point in time when the results are transferred to the customers.

The eKYC services that are provided in a bundled contract comprise multiple promises which may include the sale of software licenses, setup and installation services at the customer's premises, document verification, facial recognition, bureau file verification, knowledge-based authentication services (collectively "verification services") and maintenance and technical services. The Group accounts for each service in the bundled contract as separate performance obligations as the services are not inputs to a combined item that the customer has contracted to receive. The Group can fulfil its promise to transfer each of the goods or services separately and does not provide any significant integration, modification, or customisation services.

For each of the verification services, revenue is recognised at the point in time when the verification services are completed and the results are shared with the customer. Bundled contracts usually comprise fixed and variable considerations. The transaction fees for the verification services are variable depending on the volume of transactions. Accumulated experience is used to estimate the volume of the verification services using the expected value method. The transaction price is allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on the expected cost-plus margin.

For CAD contracts that consist of multiple promises such as credit decisioning results and access to the Group's hosted loan management systems, the Group determines that each promise is distinct and are therefore separate performance obligations. These contracts usually comprise fixed and variable considerations. The transaction fees for the credit decisioning results are variable depending on the volume of transactions. Accumulated experience is used to estimate the volume of the verification services using the expected value method. The transaction price is allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on the expected cost-plus margin. The Group recognises revenue from access to the hosted loan management systems over the service period, while revenue from credit decisioning results is recognised at the point in time when the results are shared with the customers.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Revenue recognition (continued)

Revenue from contracts with customers (continued)

(i) Provision of services (continued)

Digital solutions (continued)

For CAD contracts which only comprise credit decisioning results, revenue is recognised when the credit decisioning results are completed and shared with the customers.

The Group recognises revenue from the sale of software license at the point in time when control of the software license has been transferred to the customer.

When another party is involved in providing the software licenses to the customer, the Group is a principal as it controls the software licenses before they are transferred to the customers. As the principal, the Group recognises as revenue on the gross consideration allocated to the software licenses with the corresponding direct costs of satisfying the contract.

The Group recognises revenue from installation services over time as and when the installation progresses. Revenue in respect of maintenance and technical services are recognised over the period the maintenance and technical services are performed.

(ii) Contract liabilities

Contract liability is the unsatisfied obligation by the Group to transfer goods or services to customer for which the Group has received the consideration in advance or has billed the customer.

Revenue from other sources

(i) Interest income

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity, when it is determined that such income will accrue to the Group and the Company.

(ii) Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

(q) Incremental costs incurred to obtain or fulfil a contract

The Group has elected the practical expedient by recognising the costs incurred to obtain a contract as an expense where the costs incurred to obtain a contract are in respect of contracts with amortisation period of less than one year.

(r) Share capital

(i) Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the substance of the contractual arrangement of the particular instrument.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(r) Share capital (continued)****(ii) Share issue costs**

Incremental costs directly attributable to the issue of new shares or options are deducted against equity.

(iii) Dividends to shareholders of the Group

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

(s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between initial recognised amount and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the assets. Other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been 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 within finance costs.

Interest expense, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance costs in the statement of comprehensive income.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(t) Earnings per share**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares, and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Earnings per share (continued)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Group Chief Executive Officer, Group Chief Financial Officer, Chief Executive Officer and Chief Operating Officer of the respective subsidiaries.

(v) Administrative expenses

The nature of expenses classified within administrative expenses are those which are not directly attributable to revenue generating activities of the Group but are part of the Group's overall operating activities. The expenses classified within administrative expenses includes staff cost other than staff cost for sales and marketing employees, depreciation expenses of property, plant and equipment and ROU assets, IT support expenses, professional fees and foreign exchange gain or loss amongst others.

(w) Contingent assets and liabilities

The Group does not recognise contingent assets and liabilities other than those arising from business combinations, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts. A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact on the Group's and the Company's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Revenue recognition for contracts with customers

Identification of performance obligations ("PO")

For the various models of the eKYC contracts and certain types of CAD contracts, they are considered to be bundled solutions that consist of multiple products and services promised to the customers. The Group accounts for individual products and services separately as separate performance obligations if they are distinct promised products and services, i.e. if a product or service is separately identifiable from other items in the bundled solution and if a customer can benefit from it separately. The Group exercises judgements in determining whether the products and services are considered distinct and are separate performance obligations for the eKYC and CAD revenue contracts. This determination will affect the allocation of consideration in the contract and revenue recognised for each performance obligation.

The Group recognises the revenue at a point in time or over time depending on when the control over the provision of services are transferred to the customers. The Group also exercises judgement on the timing when the control is transferred to determine the timing of recognition.

Determining stand-alone selling price ("SSP")

The Group has exercised judgement in estimating the SSP of each PO in the eKYC and CAD revenue contracts, given that the SSPs for products and services are not directly observable in the market. The Group has used a cost plus margin approach, by incorporating the expected cost of satisfying a PO and an appropriate margin for the particular product or service.

Determining transaction price

The Group has determined that the volume of transactions that are highly probable for each revenue contract as the basis to estimate the variable volume in determining the variable consideration it will be entitled to from respective contracts. The estimates of variable consideration should be updated at the end of each reporting period and any changes are accounted for as a change in estimates (adjustments to revenue) in the period in which the transaction price changes.

(b) Contingent liabilities in relation to the Group's litigation and claims

In the normal course of business, there are contingent liabilities arising from legal recourse sought on the Group's credit reporting operations. The accounting treatment of these litigation cases is based on the Group's view of the expected outcome of these contingencies, which the Group makes estimates and judgements concerning these future events. The expected outcomes of these litigation cases are assessed in consultation with the Group's external legal counsel, which will be reviewed at each reporting date. The Directors have assessed these litigation cases as possible obligations where outflow of resources are not probable in accordance with MFRS 137 "Provisions, Contingent Liabilities and Contingent Assets". The contingent liabilities in relation to the Group's litigation and claims as at the reporting date are disclosed in Note 31(b) to the financial statements.

(c) Intangible assets - Goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy or more frequently if events or change in circumstances indicate that this is necessary within the financial year. Recoverable amount is measured at the higher of the fair value less costs to sell and value in use. These calculations require the use of estimates. The calculations are inherently judgemental and susceptible to change from period to period because they require the Group to make assumptions about revenue growth rate, earnings before interest, taxes, depreciation and amortisation ("EBITDA") margin, discount rate and terminal growth rate.

No impairment charge was recognised as the recoverable amount exceeded its carrying amount. The assumptions used in the impairment assessment of goodwill are disclosed in Note 13.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

5 REVENUE

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Provision of services:	(a)				
- digital reports		159,285	115,220	-	-
- subscriptions and monitoring services		93,787	93,726	-	-
- comprehensive portfolio review and analytics		30,898	27,741	-	-
- digital solutions		20,880	24,750	-	-
- other services		-	-	3,618	4,156
- dividend income from subsidiaries and associates		-	-	93,779	94,305
		304,850	261,437	97,397	98,461

(a) Revenue from contracts with customers

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Timing of revenue recognition:				
- at a point in time	200,843	160,765	3,618	4,156
- over time	104,007	100,672	-	-
Revenue from contracts with customers	304,850	261,437	3,618	4,156

The Group serves three distinct types of customers, namely Key Accounts, Commercial and Direct-to-Consumer. Key Accounts customers comprise of the Group's highest revenue-generating customers as well as other selected customers, such as those with complex requirements or well-recognised brands. Commercial customers comprise (i) the Group's Malaysian segment commercial customers other than Key Accounts customers and (ii) all of CTOS Basis Sdn. Bhd.'s, a wholly owned subsidiary of the Company, customers which are all commercial customers. Direct-to-Consumer comprise the Group's retail consumers.

The disaggregation of revenue by types of customers are as follows:

	Group	
	2024 RM'000	2023 RM'000
Type of customers:		
- Key Accounts	150,382	118,891
- Commercial	127,963	120,178
- Direct-to-Consumer	26,505	22,368
Total	304,850	261,437

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

5 REVENUE (CONTINUED)

(a) Revenue from contracts with customers (continued)

The disaggregation of revenue by geographical are as follows:

	Group	
	2024 RM'000	2023 RM'000
Malaysia	265,604	255,475
International	39,246	5,962
Total	304,850	261,437

(b) Contract liabilities related to contracts with customers

The Group has recognised the following contract liabilities related to contracts with customers:

	Note	Group	
		2024 RM'000	2023 RM'000
Contract liabilities	(i),(iii)	7,805	7,502

(i) Significant changes in contract liabilities

	Note	Group	
		2024 RM'000	2023 RM'000
<u>Contract liabilities</u>			
At 1 January		7,502	7,508
Acquisition of subsidiaries	34(b)	-	1,340
Revenue recognised that was included in the contract liability balance at the beginning of the financial year and acquisition		(7,502)	(8,848)
Increases due to cash received, excluding amounts recognised as revenue during the financial year		7,805	7,516
Foreign currency translation difference		-	(14)
At 31 December		7,805	7,502

(ii) Asset recognised from costs to obtain or fulfil a contract

The Group has elected the practical expedient to recognise contract cost incurred related to contracts with an amortisation period of less than one year as an expense when incurred.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

5 REVENUE (CONTINUED)

(b) Contract liabilities related to contracts with customers (continued)

(iii) Unsatisfied performance obligations

As of 31 December 2024, the aggregate amount of the transaction price allocated to the remaining performance obligations for eKYC and CAD contracts amounts to RM4.2 million (2023: RM8.7 million) and the Group will recognise this revenue as and when the services are performed, which is expected to occur over the next 12 to 60 months (2023: 12 to 60 months).

The Group expects that the transaction price of RM1.4 million (2023: RM3.9 million) allocated to unsatisfied performance obligations as of 31 December 2024 will be recognised as revenue within the next 12 months. The remaining allocated transaction price of RM2.8 million (2023: RM4.8 million) will be recognised over the next 12 to 60 months (2023: 12 to 60 months).

The Group applied the practical expedient in MFRS 15 for all other contracts with periods of one year or less and the unsatisfied performance obligations for these contracts are not disclosed.

6 FINANCE INCOME AND FINANCE COSTS

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<u>Finance income</u>					
Interest income		203	247	63	92
Distribution income from money market funds		-	2	-	-
Fair value gain on other investments		2	353	2	77
		205	602	65	169
<u>Finance costs</u>					
Interest expense on:					
- bank borrowings		8,800	6,625	7,882	6,625
- lease liabilities		1,097	90	1	4
Accretion of provision for restoration costs	24	78	16	-	-
		9,975	6,731	7,883	6,629

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7 PROFIT BEFORE TAX

The following items have been charged/(credited) in arriving at the profit before tax:

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Allowance/(reversal of) for impairment of receivables - net	28(c)	938	(160)	-	-
Auditors' remuneration					
- fees for statutory audit to PricewaterhouseCoopers PLT		390	455	165	220
- fees for audit related services ⁽¹⁾		44	19	35	10
- fees for other services ⁽²⁾		96	117	10	20
- fees for statutory audit to other auditors		56	8	50	-
Depreciation of property, plant and equipment		3,656	5,036	5	6
Depreciation of right-of-use assets		3,476	1,599	42	72
Amortisation of intangible assets		9,282	3,807	-	-
Search charges and data fees		64,028	40,072	-	-
Advertising, promotion and sales commission expenses		12,360	12,746	268	72
IT costs		11,913	11,558	2	2
Legal and professional fees		6,395	3,427	760	538
Rental of buildings		642	445	-	-
Realised loss/(gain) on foreign exchange		121	(107)	(1)	(21)
Unrealised loss on foreign exchange		61	96	3	10
Bad debts recovered		(4)	(37)	-	-
Staff cost (including Directors' remuneration)	9	78,185	66,961	3,777	4,699
Gain on disposal of property, plant and equipment		-	(11)	-	-
Interest income	6	(203)	(247)	(63)	(92)

Notes:

(1) Fees incurred mainly in connection with agreed-upon procedures and review of ESOS paid or payable to PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) and member firms of PricewaterhouseCoopers PLT.

(2) Fees incurred for assisting the Group in connection with tax compliance and tax advisory services paid or payable to member firms of PricewaterhouseCoopers PLT.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

8 DIRECTORS' REMUNERATION

The Directors of the Company in office during the financial year are as follows:

Dato' Noorazman bin Abd Aziz

Erick Hamburger Barraza

Loh Kok Leong

Lynette Yeow Su-Yin

Nirmala A/P Doraisamy

Su Puay Leng

Wong Pau Min (alternate director to Loh Kok Leong) (resigned on 24 July 2024)

Mizran Bin Md Nahar (alternate director to Loh Kok Leong) (appointed on 24 July 2024)

The aggregate amount of emoluments received/receivable by the Directors of the Company during the financial year are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fees	413	415	413	415
Wages, salaries and bonuses	4,362	3,276	-	-
	4,775	3,691	413	415

There was no benefit-in-kind provided to Directors of the Company during the financial year.

9 STAFF COST (INCLUDING DIRECTORS' REMUNERATION)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fees	413	415	413	415
Wages, salaries and bonuses	70,021	59,373	3,000	3,819
Defined contribution plan	7,751	7,173	364	465
	78,185	66,961	3,777	4,699

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

10 TAX EXPENSE/(CREDIT)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax:					
- current year		8,010	5,582	94	113
- over accruals in prior years		(8)	(15,969)	(12)	(8)
		8,002	(10,387)	82	105
Deferred tax:					
- origination and reversal of temporary differences	17	(1,444)	735	-	-
Tax expense/(credit)		6,558	(9,652)	82	105

The Company's subsidiary, CDS is entitled to pioneer status incentives under the Promotion of Investments Act ("PIA") 1986 for MSC Malaysia Qualifying Activities. As a result, certain CDS's profits are exempted from tax for a period of 10 years, beginning on 9 November 2016. However, based on the provisions of the PIA 1986, the incentive's effective period is only for the first 5 years. CDS can enjoy an extension of a second 5-year incentive period by applying to the Malaysian Investment Development Authority ("MIDA").

The tax relief period under CDS's MSC Pioneer Certificate is from 9 November 2016 to 8 November 2021. However, pursuant to the Grandfathering and Transitional Guidelines issued by Malaysia Digital Economy Corporation ("MDEC") which became effective on 1 January 2019, such tax relief period will only last until 30 June 2021. CDS requires approval from MDEC or the relevant authorities to continue enjoying these tax incentives from 1 July 2021 until 8 November 2021 (the "Transitional Period").

CDS has on 26 May 2022 received the approval letter from MIDA via MDEC on Transition to the MSC Malaysia Status Services Incentive under Income Tax (Exemption) (No. 10) Order 2018 [P.U. (A) 389/2018], Income Tax Act 1967, which grants tax incentives for the whole of the Transitional Period. CDS has submitted a new application to MDEC in accordance with the new conditions stipulated in the approval letter, for an extension of tax exemption period for the next five years until 2026.

On 26 October 2023, CDS has received the approval from the Ministry of Finance ("MOF") via MDEC on the extension of the second 5-year income tax exemption for the period from 9 November 2021 to 8 November 2026.

Tax expenses for the taxation authorities in Indonesia and the Philippines are calculated at the rates prevailing in those jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

10 TAX EXPENSE/(CREDIT) (CONTINUED)

The explanation of the relationship between the tax expenses/(credit) and profit before tax is as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
<u>Numerical reconciliation between the Malaysian tax rate and effective tax rate</u>				
Malaysian tax rate:	24	24	24	24
Tax effects of:				
- pioneer status tax exemption	(17)	(16)	-	-
- income not subject to tax	-	-	(27)	(27)
- expenses not deductible for tax purposes	6	3	3	3
- share of profits of associates	(7)	(6)	-	-
- over accruals in prior years	-	(14)	-	-
Effective tax rate	6	(9)	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

11 PROPERTY, PLANT AND EQUIPMENT

Group	Computers RM'000	Office equipment RM'000	Renovation RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Work in progress RM'000	Total RM'000
<u>2024</u>							
<u>Cost</u>							
At 1 January	32,698	674	5,172	55	-	1,087	39,686
Additions	1,819	170	3,086	16	-	-	5,091
Write-off	-	(486)	(4,478)	(7)	-	-	(4,971)
Reclassifications	606	-	-	-	-	(606)	-
Currency translation differences	(2)	(5)	-	-	-	-	(7)
At 31 December	35,121	353	3,780	64	-	481	39,799
<u>Accumulated depreciation</u>							
At 1 January	25,337	579	5,073	41	-	-	31,030
Charged during the financial year	3,217	80	353	6	-	-	3,656
Write-off	-	(474)	(4,456)	(5)	-	-	(4,935)
Currency translation differences	-	(3)	-	-	-	-	(3)
At 31 December	28,554	182	970	42	-	-	29,748
Net book value	6,567	171	2,810	22	-	481	10,051

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Computers RM'000	Office equipment RM'000	Renovation RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Work in progress RM'000	Total RM'000
<u>2023</u>							
<u>Cost</u>							
At 1 January	29,965	611	5,172	55	60	3,138	39,001
Acquisition of subsidiaries (Note 34)	10	47	-	-	-	-	57
Additions	1,028	17	-	-	-	813	1,858
Disposals	(260)	-	-	-	(60)	-	(320)
Transfer to intangible assets	-	-	-	-	-	(909)	(909)
Reclassifications	1,955	-	-	-	-	(1,955)	-
Currency translation differences	-	(1)	-	-	-	-	(1)
At 31 December	32,698	674	5,172	55	-	1,087	39,686
<u>Accumulated depreciation</u>							
At 1 January	20,695	551	4,962	36	60	-	26,304
Charged during the financial year	4,892	28	111	5	-	-	5,036
Disposals	(250)	-	-	-	(60)	-	(310)
At 31 December	25,337	579	5,073	41	-	-	31,030
Net book value	7,361	95	99	14	-	1,087	8,656

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Company		
	Cost RM'000	Accumulated Depreciation RM'000	Net book value RM'000
<u>Computers</u>			
At 1 January 2024	27	(21)	6
Additions	10	-	10
Charged during the financial year	-	(5)	(5)
At 31 December 2024	37	(26)	11
At 1 January 2023	27	(15)	12
Charged during the financial year	-	(6)	(6)
At 31 December 2023	27	(21)	6

12 LEASES

- (i) The statements of financial position show the following amounts relating to leases:

Right-of-use assets

Buildings	Note	Group		
		Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
At 1 January 2024		4,900	(3,466)	1,434
Additions		24,100	-	24,100
Derecognition		(4,643)	4,453	(190)
Charged during the financial year	7	-	(3,476)	(3,476)
At 31 December 2024		24,357	(2,489)	21,868
At 1 January 2023		4,900	(1,867)	3,033
Charged during the financial year	7	-	(1,599)	(1,599)
At 31 December 2023		4,900	(3,466)	1,434

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

12 LEASES (CONTINUED)

- (i) The statement of financial position shows the following amounts relating to leases (continued):

Right-of-use assets (continued)

Buildings	Note	Company		
		Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
At 1 January 2024		217	(156)	61
Charged during the financial year	7	-	(42)	(42)
Derecognition		(217)	198	(19)
At 31 December 2024		-	-	-
At 1 January 2023		217	(84)	133
Charged during the financial year	7	-	(72)	(72)
At 31 December 2023		217	(156)	61

Lease liabilities

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current	1,801	1,397	-	63
Non-current	20,280	96	-	-
At 31 December	22,081	1,493	-	63

- (ii) Nature of the lessee's leasing activities and restrictions or covenants imposed by leases

The Group and the Company leases various office spaces. Rental contracts are typically made for fixed periods of 3 years but may have extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowings.

- (iii) Variable payments terms

The Group and the Company do not have any variable payment terms on their lease agreements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

12 LEASES (CONTINUED)

(iv) Extension options and termination options

Extension and termination options are included in lease contracts across the Group and the Company. Extension and termination options are included, when possible, to provide greater flexibility. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessors.

In cases in which the Group and the Company are not reasonably certain to exercise an optional extended lease term, payments associated with the optional period are not included within lease liabilities. As at 31 December 2024 and 31 December 2023, the Group and the Company did not exercise any extension option, therefore no financial effect is recognised in the lease liabilities.

Potential future rental payments to periods following the exercise date of extension options are summarised below.

Potential future lease payments not included in lease liabilities (undiscounted)				
	Within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
<u>At 31 December 2024</u>				
<u>Group</u>				
Office space	-	72	10,324	10,396
<u>At 31 December 2023</u>				
<u>Group</u>				
Office space	-	4,811	-	4,811
<u>Company</u>				
Office space	-	230	-	230

(v) Movement in lease liabilities arising from financing activities as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	1,493	3,099	63	136
Repayment of lease liabilities	(3,490)	(1,696)	(45)	(77)
Additions	23,000	-	-	-
Derecognition	(19)	-	(19)	-
Non-cash changes:				
- interest expense (Note 6)	1,097	90	1	4
At 31 December	22,081	1,493	-	63

NOTES TO THE FINANCIAL STATEMENTS

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13 INTANGIBLE ASSETS

Group	Goodwill RM'000	Database and customer relationships RM'000	License fee RM'000	Computer software - Completed RM'000	Computer software - Work in progress RM'000	Total RM'000
<u>2024</u>						
At 1 January	106,654	7,463	-	7,285*	12,379*	133,781
Additions	-	7,443	-	6,173	20,571	34,187
Amortisation charge for the financial year	-	(2,874)	-	(6,408)	-	(9,282)
Reclassifications	-	-	-	17,856	(17,856)	-
Currency translation differences	(853)	-	-	(46)	-	(899)
At 31 December	105,801	12,032	-	24,860	15,094	157,787
Cost	107,677	20,397	1,443	35,153	15,094	179,764
Accumulated amortisation	-	(8,365)	(1,443)	(10,231)	-	(20,039)
Currency translation differences	(1,876)	-	-	(62)	-	(1,938)
At 31 December	105,801	12,032	-	24,860	15,094	157,787

* In the current financial year, the work-in-progress of computer software has been disclosed separately from the completed computer software.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

13 INTANGIBLE ASSETS (CONTINUED)

Group	Goodwill RM'000	Database and customer relationships RM'000	License fee RM'000	Computer software RM'000	Total RM'000
<u>2023</u>					
At 1 January	74,642	4,126	-	7,807	86,575
Acquisition of subsidiaries	33,035	-	-	1,350	34,385
Additions	-	5,111	-	11,646	16,757
Transfer from property, plant and equipment	-	-	-	909	909
Amortisation charge for the financial year	-	(1,774)	-	(2,033)	(3,807)
Currency translation differences	(1,023)	-	-	(15)	(1,038)
At 31 December	106,654	7,463	-	19,664	133,781
Cost	107,677	12,955	1,443	23,502	145,577
Accumulated amortisation	-	(5,492)	(1,443)	(3,823)	(10,758)
Currency translation differences	(1,023)	-	-	(15)	(1,038)
At 31 December	106,654	7,463	-	19,664	133,781

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

13 INTANGIBLE ASSETS (CONTINUED)

Impairment testing for cash-generating units ("CGU") containing goodwill

For the purpose of impairment testing, the carrying amount of goodwill is allocated to CGUs identified at the operating segments.

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on internally approved financial forecasts covering five years period which reflect management's expectations of revenue and EBITDA based on past experience and future expectations of business performance. The calculation of the value-in-use in 2024 has been probability-weighted on 3 possible outcomes, which takes into account the possible variations in the amount and timing of the future cashflows, as compared to the value-in-use in 2023 which was computed based on 1 possible outcome.

A segment-level summary of the Group's net book value of goodwill allocation is as follows:

	Group	
	2024 RM'000	2023 RM'000
Malaysia – Malaysian subsidiaries excluding CTOS Basis Sdn. Bhd., Enfo Sdn. Bhd. and CTOS Insights Sdn. Bhd.	37,906	37,906
Malaysia – CTOS Basis Sdn. Bhd.	36,736	36,736
International – Indonesia	2,001	2,056
International – The Philippines	29,158	29,956
	105,801	106,654

The key assumptions used in the value-in-use calculations are as follows:

Malaysia – Malaysian subsidiaries excluding CTOS Basis Sdn. Bhd., Enfo Sdn. Bhd. and CTOS Insights Sdn. Bhd.

For the financial year ended 31 December 2024

Assumptions	Scenario 1	Scenario 2	Scenario 3
	Descriptions		
Weightage	50%	25%	25%
Revenue growth rate			
(Year 1)	10%	10%	10%
(Year 2 - 5)	10%	15%	5%
EBITDA margin			
(Year 1)	34%	36%	29%
(Year 2 - 5)	34%-36%	36%-38%	29%-30%
Pre-tax discount rate	12.2%	12.2%	12.4%
Terminal growth rate		2.5%	

For the financial year ended 31 December 2023

- (a) revenue growth ranging from 13% to 19% for the next five years financial forecast period;
- (b) EBITDA margin ranging from 30% to 36% for the next five years financial forecast period;
- (c) pre-tax discount rate of 12.51%; and
- (d) terminal growth rate of 2.50%.

There is no reasonably possible change in a key assumption on which management has based the determination of the CGU's recoverable amount that would cause the CGU's carrying amount to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

13 INTANGIBLE ASSETS (CONTINUED)

Impairment testing for cash-generating units ("CGU") containing goodwill (continued)

The key assumptions used in the value in use calculations are as follows (continued):

Malaysia - CTOS Basis Sdn. Bhd.

For the financial year ended 31 December 2024

Assumptions	Scenario 1	Scenario 2	Scenario 3
	Descriptions		
Weightage	50%	25%	25%
Revenue growth rate			
(Year 1)	23%	30%	10%
(Year 2 - 5)	10%	20%	10%
EBITDA margin			
(Year 1)	57%	57%	56%
(Year 2 - 5)	57%	56%-57%	55%-56%
Pre-tax discount rate		12.5%	
Terminal growth rate		2.5%	

For the financial year ended 31 December 2023

- (a) revenue growth ranging from 15% to 38% for the next five years financial forecast period;
- (b) EBITDA margin ranging from 69% to 74% for the next five years financial forecast period;
- (c) pre-tax discount rate of 12.3%; and
- (d) terminal growth rate of 2.50%.

There is no reasonably possible change in a key assumption on which management has based the determination of the CGU's recoverable amount that would cause the CGU's carrying amount to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

13 INTANGIBLE ASSETS (CONTINUED)

Impairment testing for cash-generating units ("CGU") containing goodwill (continued)

The key assumptions used in the value in use calculations are as follows (continued):

International - Indonesia

For the financial year ended 31 December 2024

Assumptions	Scenario 1	Scenario 2	Scenario 3
	Descriptions		
Weightage	50%	25%	25%
Revenue growth rate			
(Year 1)	103%	103%	68%
(Year 2 - 5)	10%	10%-20%	5%
EBITDA margin			
(Year 1)	0%	0%	0%
(Year 2 - 5)	5%	5%-8%	0%-5%
Pre-tax discount rate		10.0%	
Terminal growth rate		2.5%	

For the financial year ended 31 December 2023

- (a) revenue growth of 173% for the first year and a range from 28% to 53% for the next four years financial forecast period;
- (b) EBITDA margin of 0% for the first year and a range of 5% to 14% for the next four years financial forecast period;
- (c) pre-tax discount rate of 16.27%; and
- (d) terminal growth rate of 2.60%.

The most sensitive assumptions in the value-in-use calculations are revenue growth rate and EBITDA margin. A 5% decrease in revenue growth rate and 1% decrease in EBITDA margin for the financial years 2025 to 2029 in the Scenario 1, would result in the carrying amount exceeding its recoverable amount by RM0.5 million.

NOTES TO THE FINANCIAL STATEMENTS

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13 INTANGIBLE ASSETS (CONTINUED)

Impairment testing for cash-generating units ("CGU") containing goodwill (continued)

The key assumptions used in the value in use calculations are as follows (continued):

International - The Philippines

For the financial year ended 31 December 2024

Assumptions	Scenario 1	Scenario 2	Scenario 3
	Descriptions		
Weightage	50%	25%	25%
Revenue growth rate			
(Year 1)	30%	30%	30%
(Year 2 - 5)	10%-18%	10%-28%	10%
EBITDA margin			
(Year 1)	19%	19%	6%
(Year 2 - 5)	19%	19%	6%
Pre-tax discount rate		10.2%	
Terminal growth rate		2.5%	

For the financial year ended 31 December 2023

- (a) revenue growth of 29% for the first year and a range of 18% to 27% for the next four years financial forecast period;
- (b) EBITDA margin of 14% for the first year and 16% for the next four years financial forecast period;
- (c) pre-tax discount rate of 18.75%; and
- (d) terminal growth rate of 3.00%.

There is no reasonably possible change in a key assumption on which management has based the determination of the CGU's recoverable amount that would cause the CGU's carrying amount to exceed its recoverable amount.

14 INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost	366,936	366,936
Fair value of share options granted, over the Company's equity instruments for employees of subsidiaries	6,772	5,910
	373,708	372,846

NOTES TO THE FINANCIAL STATEMENTS

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14 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The information on the subsidiaries are as follows:

Name	Principal activities	Group's effective interest	
		2024	2023
<u>Incorporated in Malaysia</u>			
CTOS Data Systems Sdn. Bhd. ("CDS") ¹	Credit reporting agency and other digital software related services	100%	100%
CTOS Business Systems Sdn. Bhd. ("CBS") ¹	Software developer and other related services	100%	100%
Automated Mail Responder Sdn. Bhd. ("AMR") ¹	Dormant	100%	100%
CTOS IDS Sdn. Bhd. ("IDS") ¹	Outsourcing and training services	100%	100%
Enfo Sdn. Bhd. ("Enfo") ²	Investment holding	100%	100%
CTOS Insights Sdn. Bhd. ("CTOS Insights") ²	Investment holding	100%	100%
CTOS Basis Sdn. Bhd. ("CTOS Basis") ¹	Credit reporting service, business information service, credit bureau, marketing list, market research, industry studies and related consultation services	100%	100%
<u>Incorporated in Singapore</u>			
Alt Decisions Pte. Ltd ("Alt Decisions") ³	Investment holding	80%	80%
Fintech Platform Ventures Pte. Ltd. ("Fintech") ³	Investment holding	100%	100%
<u>Incorporated in Indonesia</u>			
Subsidiary held through Alt Decisions Pte. Ltd.			
PT Prime Analytics Indonesia ("Prime Analytics") ²	Provision of credit scoring and risk-based intelligence information from alternative data assets	79.99%	79.99%
<u>Incorporated in the Philippines</u>			
Subsidiaries held through Fintech Platform Ventures Pte. Ltd.			
Finscore, Inc. ("Finscore") ²	Provision of alternative data credit scoring powered by telco data and advanced analytics	100%	100%
CC Mobile Financial Services Philippines, Inc. ("CCM") ²	Provision of technical support services to related company	100%	100%

Notes:

1 Audited by PricewaterhouseCoopers PLT (LLP0014401–LCA & AF 1146) ("PwC Malaysia"), auditors of the Company.

2 The financial statements of these companies are audited by firms other than the auditors of the Company.

3 Entity is not required to be audited under the laws of the country of incorporation.

NOTES TO THE FINANCIAL STATEMENTS

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15 INVESTMENTS IN ASSOCIATES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted shares	514,721	514,721	504,618	504,618
Share of post-acquisition results and reserves	71,653	62,075	-	-
Share of net assets of associates	586,374	576,796	504,618	504,618

The details of the associates are as below:

Name	Principal activities	Group's effective interest	
		2024	2023
<u>Incorporated in Malaysia</u>			
Associate held through Enfo and CTOS Insights			
Experian Information Services (Malaysia) Sdn. Bhd. ("Experian")	Provision of credit reporting business, credit bureau and information services	26%	26%
Associate held by the Company			
Juris Technologies Sdn. Bhd. ("JurisTech")	Software development	49%	49%
RAM Holdings Berhad ("RAM")	Investment holding	57.675%	57.675%
<u>Incorporated in Thailand</u>			
Associate held by the Company			
Business Online Public Company Limited ("BOL")	Service provider and developer of local and global financial information system and as an online and offline business information service provider as well as consulting service and database management	24.825%	24.825%

NOTES TO THE FINANCIAL STATEMENTS

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15 INVESTMENTS IN ASSOCIATES (CONTINUED)

(a) Equity interest in associates

RAM

The Group's effective shareholding is more than 50% in RAM, however the Group does not have control over RAM and the ability to direct the relevant activities of RAM. This is because the power to direct the relevant activities resides with the Board of Directors of RAM and the decisions on relevant activities are approved via a simple majority irrespective of the equity interest of the shareholders who appointed the directors. The Group does not have the ability to appoint majority of the directors in RAM due to the terms of the Board Charter of RAM which requires at least 75% independent and non-executive directors and the Constitution of RAM which requires any appointment of board members to be approved by the Securities Commission Malaysia ("SC"), or if required, such other relevant authority. Therefore, the Group continues to have significant influence in RAM and account for this investment as an associate.

BOL

As at 31 December 2024, the quoted share price of BOL is lower than the carrying value of the investment in BOL. Hence, the Group has performed an impairment assessment on this investment.

The recoverable amount of the investment in BOL is determined based on value-in-use calculations. These calculations use post-tax cash flow projections adjusted for financing cash flows based on financial forecasts covering five years period which reflect management's expectations of revenue and EBITDA based on past experience and future expectations of business performance. The calculation of the value-in-use in 2024 has been probability-weighted on 3 possible outcomes, which takes into account the possible variations in the amount and timing of the future cashflows.

Assumptions	Scenario 1	Scenario 2	Scenario 3
	Descriptions		
Weightage	50%	25%	25%
Revenue growth rate			
(Year 1)	10%	10%	5%
(Year 2 - 5)	10%	10%	5%
EBITDA margin			
(Year 1)	47%	51%	45%
(Year 2 - 5)	46%-47%	50-51%	44%-45%
Pre-tax discount rate		10.0%	
Terminal growth rate		2.0%	

The most sensitive assumption in the value-in-use calculations is revenue growth rate. A 5% decrease in revenue growth rate for the financial years 2025 to 2029 would result in the carrying amount exceeding its recoverable amount by RM8.3 million.

NOTES TO THE FINANCIAL STATEMENTS

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15 INVESTMENTS IN ASSOCIATES (CONTINUED)

(b) Summarised financial information

The tables below provide summarised financial information for the associates of the Group which are accounted for using the equity method. The information disclosed reflects the amounts presented in the financial statements of the associates and not the Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments.

	Experian		BOL		JurisTech		RAM	
	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Summarised statement of financial position</u>								
Current assets	75,681	56,292	90,623	83,884	54,417	40,984	148,996	131,731
Non-current assets	931	3,059	105,702	119,811	38,206	38,523	99,229	110,001
Current liabilities	(25,820)	(20,810)	(32,019)	(31,660)	(17,010)	(18,276)	(19,525)	(18,742)
Non-current liabilities	-	(226)	(18,247)	(20,029)	(7,103)	(9,286)	(21,952)	(21,613)
Net assets	50,792	38,315	146,059	152,006	68,510	51,945	206,748	201,377
Group's share in %	26%	26%	24.825%	24.825%	49%	49%	57.675%	57.675%
Group's share of net assets	13,206	9,962	36,259	37,735	33,570	25,453	119,242	116,144
Goodwill	51,796	51,796	115,614	119,019	188,897	188,897	27,790	27,790
Carrying amount at end of financial year	65,002	61,758	151,873	156,754	222,467	214,350	147,032	143,934
Quoted fair value	-	-	143,553	246,298	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

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15 INVESTMENTS IN ASSOCIATES (CONTINUED)

(b) Summarised financial information (continued)

The tables below provide summarised financial information for the associates of the Group which are accounted for using the equity method. The information disclosed reflects the amounts presented in the financial statements of the associates and not the Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments. (continued)

	Experian		BOL		JurisTech		RAM	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<u>Summarised statement of comprehensive income</u>								
Revenue	81,600	66,688	93,838	102,644	73,163	64,757	62,466	57,378
Profit for the financial year/ period	14,692	7,504	32,577	35,315	23,047	18,582	12,870	11,026
Other comprehensive income	-	-	(155)	14,698	-	-	-	-
Share of total comprehensive income of associate	3,820	1,951	8,049	12,416	11,293	9,105	7,423	6,359
Dividends received from associates	575	606	7,558	7,485	3,175	4,662	4,326	21,628

NOTES TO THE FINANCIAL STATEMENTS

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16. OTHER INVESTMENTS

	Group and Company	
	2024 RM'000	2023 RM'000
<u>Current</u>		
Investment in money market funds	-	925

17 DEFERRED TAXATION

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 tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group	
	2024 RM'000	2023 RM'000
Deferred tax assets	1,709	265

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Group	
	2024 RM'000	2023 RM'000
Deferred tax assets:		
- to be recovered after more than 12 months	4,902	103
- to be recovered within 12 months	2,838	412
	7,740	515
Deferred tax liabilities:		
- to be settled after more than 12 months	(5,246)	(130)
- to be settled within 12 months	(785)	(120)
	(6,031)	(250)
Deferred tax assets (net)	1,709	265

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

17 DEFERRED TAXATION (CONTINUED)

The analysis of deferred tax assets and deferred tax liabilities is as follows (continued):

	Note	Group	
		2024 RM'000	2023 RM'000
At 1 January		265	901
Acquisition of subsidiaries	34(b)	-	101
- unutilised tax losses		-	101
Credited/(charged) to profit or loss:		1,444	(735)
- provisions and accruals		276	(74)
- property, plant and equipment		(695)	719
- right-of-use assets		(5,187)	635
- contract liabilities		1,537	(1,461)
- lease liabilities		5,235	(648)
- receivables		185	-
- intangible assets		100	94
- unutilised tax losses		(7)	-
Credited to other comprehensive income:		-	(2)
- currency translation differences		-	(2)
At 31 December		1,709	265

The movements in deferred tax assets and liabilities during the financial year comprise the following:

	Group	
	2024 RM'000	2023 RM'000
Deferred tax assets (before offsetting):		
- receivables	185	-
- provisions and accruals	286	10
- contract liabilities	1,877	340
- lease liabilities	5,299	64
- unutilised tax losses	93	100
	7,740	514
Offsetting	(6,031)	(249)
Deferred tax assets (after offsetting)	1,709	265
Deferred tax liabilities (before offsetting):		
- property, plant and equipment	(741)	(46)
- right-of-use assets	(5,248)	(61)
- intangible assets	(42)	(142)
	(6,031)	(249)
Offsetting	6,031	249
Deferred tax liabilities (after offsetting)	-	-

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18 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<u>Non-current</u>					
Deposits		780	-	-	-
<u>Current</u>					
Trade receivables	(a)	54,451	46,410	-	-
Allowance for impairment					
- trade receivables	28(c)	(1,919)	(981)	-	-
Trade receivables - net		52,532	45,429	-	-
Other receivables		2,156	3,768	-	-
Deposits		943	946	30	31
Prepayments		17,508	13,981	279	147
		73,139	64,124	309	178

(a) Information about the impairment of trade receivables and the Group's exposure to credit risk is disclosed in Note 28(c).

19 AMOUNTS DUE FROM/(TO) RELATED PARTIES

The amounts due from/(to) related parties are trade in nature, unsecured, interest free and with credit periods of up to 45 days. The amounts are denominated in RM and USD.

20 CASH AND BANK BALANCES

Cash and cash equivalents at the end of the financial year comprise the following:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	19,369	17,330	2,494	2,825
Less: Restricted cash	(2,051)	(1,648)	(2,051)	(1,648)
Cash and cash equivalents	17,318	15,682	443	1,177

Restricted cash comprise amounts held in a debt service reserve account associated with the term loan facilities.

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20 CASH AND BANK BALANCES (CONTINUED)

The credit quality of bank balances can be assessed by reference to external credit ratings as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Local licensed banks ⁽¹⁾ :				
- AAA	2,067	6,042	3	52
- AA1	10,185	7,459	2,491	2,773
- AA2	2	4	-	-
- AA3	-	-	-	-
- Unrated	5	5	-	-
Non-local licensed banks	7,110	3,820	-	-
	19,369	17,330	2,494	2,825

Note:

⁽¹⁾ Source: Ratings provided by RAM Ratings Services Berhad.

21 PAYABLES AND ACCRUALS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<u>Current</u>				
Trade payables and accruals	21,800	23,357	-	-
Other payables and accruals*	36,559	10,908	20,392	660
Deposits payable to customers	1,726	2,256	-	-
Duties and tax payable	5,139	3,991	7	-
Payroll liabilities	2,772	3,279	125	122
Payroll accruals	1,885	5,925	54	796
	69,881	49,716	20,578	1,578

Trade and other payables of the Group and the Company carry credit periods ranging from 0 to 60 days (2023: 0 to 60 days).

Included in other payables and accruals is the dividends accrued of RM19,403,999 (2023: Nil) payable to the shareholders of the Company. Subsequently, the dividends have been paid on 17 January 2025.

NOTES TO THE FINANCIAL STATEMENTS

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22 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The amounts due from subsidiaries are unsecured, denominated in MYR and repayable on demand. Included in the balances, there is advances to a subsidiary amounting to RM26,500,000 with a variable rate of 5.19% as at the reporting date, based on a rate of 1.5% above Cost of Funds and is repayable on demand.

The amounts due to subsidiaries are unsecured, interest free and are repayable on demand. The amount is denominated in RM.

Reconciliation of amount due from subsidiaries to cash flows from investing activities:

	Company	
	2024 RM'000	2023 RM'000
At 1 January	-	-
Advances to subsidiaries	31,745	-
Repayment of advances from subsidiaries	(4,687)	-
At 31 December	27,058	-

Reconciliation of amount due from subsidiaries to cash flows from financing activities:

	Company	
	2024 RM'000	2023 RM'000
At 1 January	876	15
Advances to subsidiaries	-	1,361
Repayment of advances from subsidiaries	(876)	(500)
At 31 December	-	876

Reconciliation of amount due to subsidiaries to cash flows from financing activities:

	Company	
	2024 RM'000	2023 RM'000
At 1 January	-	-
Advances from subsidiaries	7,060	-
Repayment of advances to subsidiaries	(5,369)	-
At 31 December	1,691	-

NOTES TO THE FINANCIAL STATEMENTS

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23 BORROWINGS

	Note	Group and Company	
		2024 RM'000	2023 RM'000
<u>Current</u>			
Term loan	(a)	33,655	20,852
Revolving credit	(b)	26,500	28,000
		60,155	48,852
<u>Non-current</u>			
Term loan	(a)	104,816	100,691
Total borrowings		164,971	149,543

(a) Term loan

(i) Term loan facility RM70.0 million

The Company entered into a RM70.0 million loan facility agreement on 28 March 2022. The term loan was fully drawn down on 29 March 2022 to fund the acquisition of JurisTech and incurred transaction costs of RM0.8 million. The term loan is repayable on a quarterly basis commencing on 31 March 2024 with final maturity on 31 March 2029.

This term loan bears interest at a variable rate of 5.68% (2023: 4.78%) as at reporting date, based on a rate of 2.0% (2023: 1.0%) above Cost of Funds.

Proceeds from occurrence of certain mandatory prepayment events which includes 100.0% net dividend received in respect of the BOL pledged shares shall be utilised to repay the total outstanding loan balance.

(ii) Term loan facility RM104.2 million

The Company entered into a RM110.0 million supplemental master facilities agreement on 23 August 2022. The Company has drawn down RM92.7 million and RM11.5 million of the term loan in September 2022 and October 2022 respectively to fund the acquisition of RAM and incurred transaction costs of RM1.2 million. The balance undrawn facility amount of RM5.8 million has been cancelled on 1 November 2022. The term loan is repayable on a quarterly basis commencing on 2 December 2022 with final maturity on 31 August 2027.

This term loan bears interest at a variable rate of 4.68% (2023: 4.72%) as at reporting date, based on a rate of 1.0% above Cost of Funds.

All proceeds arising from the mandatory prepayment events shall be utilised to repay the total outstanding loan balance.

NOTES TO THE FINANCIAL STATEMENTS

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23 BORROWINGS (CONTINUED)

(a) Term loan (continued)

(iii) Term loan facility RM30.0 million

The Company entered into a RM30.0 million supplemental master facilities agreement on 18 December 2023 to refinance the revolving credit used to fund the acquisitions of Alt Decisions and Fintech in the previous financial year. The Company has drawn down RM30.0 million of the term loan in June 2024 and incurred transaction costs of RM0.4 million. The term loan is repayable on a quarterly basis commencing on 12 June 2024 with final maturity on 12 June 2029.

This term loan bears interest at a variable rate of 4.68% as at reporting date, based on a rate of 1.0% above Cost of Funds.

The external lenders of the term loan facility of RM70.0 million, RM104.2 million, RM30.0 million require the Company to maintain financial covenant ratios on the Group's Finance Service Coverage Ratio ("FSCR") of minimum 1.25x, gearing covenant which shall not exceed 1.50x and maintain a positive Group Tangible Net Worth at all times. These financial covenant ratios have been fully complied with by the Group and the Company for the financial years ended 31 December 2024 and 31 December 2023.

(b) Revolving credit

The Company entered into a revolving credit facility on 22 February 2022 that provides for borrowings of up to a maximum aggregate principal amount of RM50.0 million with a variable rate of 5.19% (2023: 5.24%) as at the reporting date, based on a rate of 1.5% above Cost of Funds and is repayable on demand.

A total of RM44.5 million and RM28.0 million was drawn down from the revolving credit facility in the financial year ended 31 December 2024 and 31 December 2023 respectively.

The Group and the Company have access to the following undrawn borrowing facilities at the end of the reporting date:

	Group and Company	
	2024 RM'000	2023 RM'000
<u>Floating rate</u>		
Revolving credit	23,500	22,000

The external lender of the revolving credit facility require the Company to maintain financial covenant ratios on the Group's gearing covenant, which shall not exceed 1.50x and maintain a positive Group Tangible Net Worth at all times. These financial covenant ratios have been fully complied with by the Group and the Company for the financial years ended 31 December 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

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23 BORROWINGS (CONTINUED)

Reconciliation of borrowings from financing activities:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	149,543	149,461	149,543	149,461
Drawdown during the financial year	74,500	28,000	74,500	28,000
Repayment	(58,719)	(28,459)	(58,719)	(28,459)
Transaction costs	(1,017)	(7)	(1,010)	(7)
Interest on borrowings	8,800	6,625	7,882	6,625
Interest paid	(8,136)	(6,077)	(7,225)	(6,077)
At 31 December	164,971	149,543	164,971	149,543

Term loan facility of RM70.0 million, RM104.2 million, RM30.0 million and revolving credit

In accordance with the facilities agreement during the tenure of the banking facility, the Company and its subsidiaries were restricted from undertaking any further financing and other forms of indebtedness from any financial institutions without prior written consent of the lenders.

The borrowings were secured against:

(a) Charge over designated accounts

- by way of first party first legal charge over all designated accounts of the Borrower, inclusive of Proceeds Account and Finance Service Reserve Account ("FSRA").

(b) Charge over Associates' shares

- by way of fixed charge by way of Deed of Share Pledge over 57.675% of RAM Shares and assignment of all dividend payments from the Pledged Shares; and
- by way of fixed charge by way of Deed of Share Pledge over 22.65% of BOL Shares and assignment of all dividend payments from Pledged Shares
- by way of fixed charge by way of Deed of Share Pledge over 80% of Alt Decisions Shares and 100% of Fintech Shares.

(c) Joint, several and irrevocable Corporate Guarantee

- Fresh Corporate Guarantee of up to RM70 million, RM104.2 million, RM30.0 million and RM50.0 million by the following companies:
 - CTOS Data Systems Sdn. Bhd.
 - CTOS Business Systems Sdn. Bhd.
 - CTOS IDS Sdn. Bhd.
 - Enfo Sdn. Bhd.
 - CTOS Insights Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS

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23 BORROWINGS (CONTINUED)

Contractual terms of borrowings

	Contractual interest rate at reporting date (per annum)	Functional currency/ currency exposure	Total carrying amount	2025	2026	2027-2029
				Maturity profile		
				<1 year	1-2 years	2-5 years
At 31 December 2024	%		RM'000	RM'000	RM'000	RM'000
Term loan	1.0- 2.0% + COF ⁽¹⁾	RM	138,471	33,655	38,712	66,104
Revolving credit	1.5% + COF ⁽¹⁾	RM	26,500	26,500	-	-
			164,971	60,155	38,712	66,104

	Contractual interest rate at reporting date (per annum)	Functional currency/ currency exposure	Total carrying amount	2024	2025	2026-2028
				Maturity profile		
				<1 year	1-2 years	2-5 years
At 31 December 2023	%		RM'000	RM'000	RM'000	RM'000
Term loan	1.0% + COF ⁽¹⁾	RM	121,543	20,852	42,749	57,942
Revolving credit	1.5% + COF ⁽¹⁾	RM	28,000	28,000	-	-
			149,543	48,852	42,749	57,942

Note:

⁽¹⁾ COF denotes Cost of Funds

24 PROVISION FOR RESTORATION COSTS

	Group	
	2024 RM'000	2023 RM'000
At 1 January	694	678
Capitalised in right-of-use assets	1,100	-
Reversal of restoration costs	(704)	-
Accretion expense included in finance costs	78	16
At 31 December	1,168	694

NOTES TO THE FINANCIAL STATEMENTS

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25 SHARE CAPITAL

	Group and Company			
	Number of shares '000	2024 RM'000	Number of shares '000	2023 RM'000
Issued and fully paid:				
Ordinary shares:				
At 1 January/31 December	2,310,000	584,047	2,310,000	584,047

26 OTHER RESERVES

	Group	
	2024 RM'000	2023 RM'000
<u>Foreign currency translation reserve</u>		
At 1 January	513	(5,211)
Currency translation differences arising from translation of:		
- subsidiaries	(1,142)	(1,002)
- associate	(5,371)	6,726
At 31 December	(6,000)	513
<u>Fair value reserve</u>		
At 1 January	6,292	2,669
Other comprehensive income:		
- gain on changes in value of debt investment designated at FVOCI - net of income tax	7	8
- gain on changes in value of equity investments designated at FVOCI - net of income tax	9	3,615
At 31 December	6,308	6,292
<u>Share-based payment reserve</u>		
At 1 January	-	-
Share-based payment expense	1,200	-
At 31 December	1,200	-
Total other reserves	1,508	6,805

NOTES TO THE FINANCIAL STATEMENTS

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26 OTHER RESERVES (CONTINUED)

	Company	
	2024 RM'000	2023 RM'000
<u>Share-based payment reserve</u>		
At 1 January	-	-
Share-based payment expense	1,200	-
At 31 December	1,200	-

The share-based payment reserve arose from share options granted to eligible executives of the subsidiary in the Group pursuant to the ESOS. Terms of the scheme are disclosed in Note 3(n)(iii).

The Company established the Employees' Share Option Scheme ("ESOS") on 12 December 2023. The ESOS scheme is governed by the By-Laws which were approved by the shareholders on 11 December 2023 and is administered by the ESOS Committee which is appointed by the Board of Directors of the Company, in accordance with the By-Laws. The ESOS Committee may from time to time, offer ESOS to eligible employees of the Group.

The maximum number of new shares which may be made available under the ESOS and/or allotted and issued upon vesting of the new shares under the ESOS shall not exceed in aggregate 1% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the ESOS.

During the financial year, 9,134,994 units under the ESOS were granted to the eligible employees of the Group. Subject to the terms and conditions of the By-Laws governing the ESOS, the employees shall be entitled to subscribe for new ordinary shares in the Company, to be allotted and issued pursuant to the ESOS ("new shares"), upon meeting the vesting conditions.

The movement of the ESOS is as follows:

	Company	
	2024 '000	2023 '000
At 1 January	-	-
Granted	9,135	-
Vested	(775)	-
At 31 December	8,360	-

The Directors have not been granted any shares since ESOS implementation.

Foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of subsidiaries and an associate whose functional currency differs from the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

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27 FINANCIAL INSTRUMENTS BY CATEGORY

		Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
	Note				
<u>Financial assets at amortised cost</u>					
Receivables and deposits (excluding prepayments)	18	55,631	50,143	30	31
Other investments	16	-	925	-	925
Amounts due from related parties	19	1,369	1,429	-	-
Amounts due from subsidiaries	22	-	-	30,128	2,094
Cash and bank balances	20	19,369	17,330	2,494	2,825
		76,369	69,827	32,652	5,875
<u>Financial liabilities at amortised cost</u>					
Payables and accruals (excluding statutory liabilities)	21	60,085	36,521	20,392	660
Amounts due to related parties	19	1,764	965	-	-
Amounts due to subsidiaries	22	-	-	1,691	-
Lease liabilities	12	22,081	1,493	-	63
Borrowings	23	164,971	149,543	164,971	149,543
		248,901	188,522	187,054	150,266

28 FINANCIAL RISK MANAGEMENT

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its interest rate risk, credit risk, liquidity risk and cash flow risk. The Group and the Company operate within clearly defined guidelines that are approved by the Directors and the Group's and the Company's policy is to not engage in speculative transactions.

(a) Market risk

Market risk is the risk that the fair value or future cash flow of the financial instruments that will fluctuate because of changes in market prices. The various components of market risk that the Group and the Company are exposed to are discussed below.

(i) Foreign exchange risk

The objectives of the Group's and of the Company's currency risk management policies are to allow the Group and the Company to effectively manage the foreign exchange fluctuation against its functional currency that may arise from future commercial transactions and recognised assets and liabilities. The Group and the Company monitor the movement in foreign currency exchange rates closely to ensure their exposures are minimised.

NOTES TO THE FINANCIAL STATEMENTS

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28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The currency exposure of financial assets and financial liabilities of the Group and of the Company that are not denominated in the functional currency are set out below:

	Currency exposures			
	USD RM'000	SGD RM'000	EUR RM'000	Others RM'000
<u>Group</u>				
<u>At 31 December 2024</u>				
Receivables	850	327	-	48
Cash and bank balances	3,729	78	17	11
Amounts due from related parties	1,091	-	-	-
Payables	(1,123)	(372)	(2)	(4)
Net exposure	4,547	33	15	55

At 31 December 2023

Receivables	1,722	265	2,056	47
Cash and bank balances	1,293	143	3	8
Payables	(51)	(5)	(1)	(19)
Net exposure	2,964	403	2,058	36

	Currency profile	
	USD RM'000	SGD RM'000
<u>Company</u>		
<u>At 31 December 2024</u>		
Cash and bank balances	47	-
Payables	-	(58)

At 31 December 2023

Cash and bank balances	64	-
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The sensitivity of the Group's and the Company's profit after tax and equity to a reasonably possible change in the USD, SGD and EUR exchange rate against the functional currencies, of RM, with all other factors remaining constant and based on the composition of assets and liabilities at the reporting date are set out as below:

	Impact on profit after tax/equity			
	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
USD/RM				
- strengthened 5%	173	113	2	2
- weakened 5%	(173)	(113)	(2)	(2)
SGD/RM				
- strengthened 5%	1	16	2	-
- weakened 5%	(1)	(16)	(2)	-
EUR/RM				
- strengthened 5%	1	78	-	-
- weakened 5%	(1)	(78)	-	-

The impact on profit after tax and equity is mainly as a result of foreign currency gain/losses on translation of USD, SGD and EUR denominated receivables, cash and bank balances and payables.

NOTES TO THE FINANCIAL STATEMENTS

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28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk

The Group's and the Company's interest rate risk arises from revolving credit and term loan carrying variable interest rates.

The net exposure of financial liabilities of the Group and Company to interest rate risk and the periods in which the borrowings mature or reprice (whichever is earlier) are as follows:

	Weighted average effective interest rate at reporting date	Total carrying amount	Floating interest rate		
			<1 year	1-2 years	2-5 years
Group and Company	%	RM'000	RM'000	RM'000	RM'000
<u>At 31 December 2024</u>					
Term loan	5.68	34,979	6,249	6,275	22,455
Term loan	4.68	103,492	27,406	32,437	43,649
Revolving credit	5.19	26,500	26,500	-	-
		164,971	60,155	38,712	66,104

At 31 December 2023

Term loan	4.78	42,199	14,781	16,868	10,550
Term loan	4.72	79,344	6,071	25,881	47,392
Revolving credit	5.24	28,000	28,000	-	-
		149,543	48,852	42,749	57,942

Interest rate sensitivity

This is mainly attributable to the Group's and the Company's exposure to interest rates on their variable rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

The sensitivity of the Group's and Company's profit after tax and equity to a reasonably possible change in interest rates with all other factors held constant and based on the composition of liabilities with floating interest rates at the reporting date are as follows:

Group and Company	Impact on profit after tax/ equity	
	2024 RM'000	2023 RM'000
Interest rate		
- increased by 1%	(1,254)	(1,495)
- decreased by 1%	1,254	1,495

The impact on profit after tax and equity is mainly as a result of interest expenses on floating rate borrowings.

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28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk

The objectives of the Group's and the Company's liquidity risk management policies are to monitor rolling forecasts of the Group's and the Company's liquidity requirements to ensure that they have sufficient cash to meet operational needs and availability of funding to cater for growth and expansion. Liquidity risk can be mitigated by forecasting and monitoring cash flow regularly, optimising working capital and managing credit facilities effectively.

The undiscounted contractual cash flows of the financial instruments as at the reporting date are as follows:

	Carrying amount RM'000	Total undiscounted contractual cash flow RM'000	<1 year RM'000	1-2 years RM'000	2-5 years RM'000	>5 years RM'000
<u>31 December 2024</u>						
<u>Group</u>						
Payables and accruals	60,085	60,085	60,085	-	-	-
Amounts due to related parties	1,764	1,764	1,764	-	-	-
Lease liabilities	22,081	27,608	3,214	2,416	9,742	12,236
Term loan	138,471	153,726	40,334	43,519	69,873	-
Revolving credit	26,500	26,615	26,615	-	-	-
	248,901	269,798	132,012	45,935	79,615	12,236
<u>Company</u>						
Payables and accruals	20,392	20,392	20,392	-	-	-
Term loan	138,471	153,726	40,334	43,519	69,873	-
Revolving credit	26,500	26,615	26,615	-	-	-
	185,363	200,733	87,341	43,519	69,873	-

NOTES TO THE FINANCIAL STATEMENTS

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28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

The undiscounted contractual cash flows of the financial instruments as at the reporting date are as follows (continued):

	Carrying amount RM'000	Total undiscounted contractual cash flow RM'000	<1 year RM'000	1-2 years RM'000	2-5 years RM'000	>5 years RM'000
<u>31 December 2023</u>						
<u>Group</u>						
Payables and accruals	36,521	36,521	36,521	-	-	-
Amounts due to related parties	965	965	965	-	-	-
Lease liabilities	1,493	1,525	1,426	57	42	-
Term loan	121,543	134,191	26,802	46,979	60,410	-
Revolving credit	28,000	28,125	28,125	-	-	-
	188,522	201,327	93,839	47,036	60,452	-
<u>Company</u>						
Payables and accruals	660	660	660	-	-	-
Lease liabilities	63	64	64	-	-	-
Term loan	121,543	134,191	26,802	46,979	60,410	-
Revolving credit	28,000	28,125	28,125	-	-	-
	150,266	163,040	55,651	46,979	60,410	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

The Group and the Company reported net current liabilities position (current liabilities exceeding current assets) of RM49.0 million and RM49.5 million respectively as of 31 December 2024 (2023: RM25.7 million and RM44.5 million respectively.) The Directors have assessed the Group and the Company have sufficient liquidity to meet their operating requirements, financing and capital commitments over the next twelve months from the reporting date, based on cash flow forecasts and availability of undrawn borrowing facilities amounting to RM23.5 million (2023: RM22.0 million) of the Group and the Company. The cash flow forecasts are based on the assumptions of continued positive cash flow generation from the Group's and the Company's business operations and dividend income from associates, which are supported by historical performance, expected future performance and factoring in anticipated one-off transactions.

Therefore, the Directors have prepared the financial statements of the Group and the Company on a going concern basis.

(c) Credit risk

The objectives of the Group's and of the Company's credit risk management policies are to manage its exposure to credit risk from deposits, cash and bank balances, receivables and derivative financial instruments. It does not expect any third parties to fail to meet their obligations given the Group's and the Company's policy of selecting creditworthy counterparties. The Group and the Company do not have any derivative financial instruments as at the reporting date.

Trade and other receivables

Credit risks of trade and other receivables are controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via limiting the Group's and the Company's dealings with creditworthy business partners and customers. Trade and other receivables are monitored on an ongoing basis via the Group's and the Company's management reporting procedures. For amounts due from subsidiaries and related parties, the exposure to bad debts is not significant since the subsidiaries and the related parties do not have historical default.

Concentration of credit risk

The Group and the Company have no significant concentration of credit risk as the Group's and the Company's policy limits the concentration of financial exposure to any single counterparty.

(c) Credit risk (continued)

Impairment of trade receivables

The Group applies the MFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are determined based on 3-year historical ageing profile and the corresponding historical credit losses experienced within this period.

The historical loss rates are adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Some of the factors which the Group has identified include Overnight Interest Rate, Kuala Lumpur Composite Index ("KLCI") and exchange rate of RM:USD and has adjusted the historical loss rates based on expected changes in such factors.

On that basis, the loss allowances as at 31 December 2024 and 31 December 2023 were determined as follows for trade receivables:

At 31 December 2024	Current to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	91 to 120 days past due RM'000	121 to 150 days past due RM'000	> 150 days past due RM'000	Total RM'000
<u>Group</u>							
Expected loss rate ⁽¹⁾	0.20% - 1.02%	0.20% - 3.34%	0.20% - 8.15%	0.20% - 13.41%	0.20% - 19.02%	0.20% - 100.0%	
Gross carrying amount: - trade receivables	41,823	4,875	1,455	1,592	604	4,102	54,451
Less allowance: - trade receivables	(73)	(30)	(107)	(43)	(50)	(1,616)	(1,919)

Note:

⁽¹⁾ The expected loss rate comprises customers with different risk profiles.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (continued)

Impairment of trade receivables (continued)

On that basis, the loss allowances as at 31 December 2024 and 31 December 2023 were determined as follows for trade receivables (continued):

At 31 December 2023	Current to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	91 to 120 days past due RM'000	121 to 150 days past due RM'000	> 150 days past due RM'000	Total RM'000
Group							
Expected loss rate ⁽¹⁾	0.01% - 0.27%	0.01% - 1.33%	0.01% - 4.92%	0.01% - 12.40%	0.01% - 20.3%	0.01% - 100.0%	
Gross carrying amount:							
- trade receivables	34,096	4,585	2,351	1,295	454	3,629	46,410
Less allowance:							
- trade receivables	(37)	(33)	(61)	(75)	(93)	(682)	(981)

Note:

⁽¹⁾ The expected loss rate comprises customers with different risk profiles.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (continued)

Impairment of trade receivables (continued)

Movement on the Group's loss allowances for receivables is as follows:

	Group	
	2024 RM'000	2023 RM'000
At 1 January	981	1,141
Charged/(credited) to profit or loss	938	(160)
At 31 December	1,919	981

Deposits, cash and bank balances

For deposits, cash and bank balances and short-term investments, the Group and the Company seek to ensure that cash assets are invested safely and profitably by assessing counterparty risks and allocating placement limits for various creditworthy financial institutions. The Group and the Company consider the risk of material loss in the event of non-performance by the above parties to be unlikely. The Group's and the Company's maximum exposure to credit risk is equal to the carrying value of those financial instruments.

Other receivables and deposits

Other receivables and deposits are considered to have low risk of defaults and historically there were minimal instances where contractual cash flow obligations have not been met. The identified impairment loss was immaterial.

(d) Capital risk management

The Group's and the Company's primary objective of capital risk management is to maintain an optimal capital base to support the businesses and maximise shareholders value. The Directors monitor the debt levels to maintain an optimum debt-to-equity ratio that complies with the debt covenants. The Group manages the capital structure and makes adjustment to it, in light of changes in economic condition including the interest rate movements. To maintain and adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company had entered into borrowing facilities agreements as disclosed in Note 23 and Note 28(b) to the financial statements. The external lenders of the term loan facility of RM70.0 million, RM104.2 million, RM30.0 million and revolving credit facility require the Company to maintain financial covenant ratios on the Group's Finance Service Coverage Ratio ("FSCR"), gearing covenant and maintain a positive Group Tangible Net Worth at all times. These financial covenant ratios have been fully complied with by the Group and the Company for the financial years ended 31 December 2024 and 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk management (continued)

The Group's net debt-to-equity ratio as of the reporting date is as follows:

	Note	Group	
		2024 RM'000	2023 RM'000
Total borrowings	23	164,971	149,543
Cash and cash equivalents (excluding restricted cash)	20	(17,318)	(15,682)
Net debt		147,653	133,861
Total equity		603,201	594,289
Net debt-to-equity ratio (times)		0.24	0.23

There were no changes in the Group's approach to capital management during the financial year. Other than the securities on borrowings as disclosed in Note 23, the Group is not subject to any other externally imposed capital requirements.

(e) Offsetting financial assets and financial liabilities

(i) Financial assets

There is no offsetting arrangement in 2023 and 2024.

(ii) Financial liabilities

There is no offsetting arrangement in 2023 and 2024.

(f) Fair value estimation

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

a. Financial instruments carried at amortised cost

The carrying amounts of financial assets and liabilities of the Group and the Company at the reporting date approximated their fair values.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Fair value estimation (continued)

b. Financial instruments carried at fair value

The following table represents the assets and liabilities measured at fair value, using the respective valuation techniques at the end of reporting date:

	Group		Company	
	Level 1 RM'000	Level 3 RM'000	Level 1 RM'000	Level 3 RM'000
<u>31 December 2023</u>				
<u>Current asset</u>				
Other investments				
- investment in money market funds	925	-	925	-

The fair value is calculated based on market approach using market multiples, financial information of the equity investments and a discount/premium applied in the valuation. Fair value gain and loss is presented in other comprehensive income.

In the financial year ended 31 December 2023, net fair value loss of RM0.1 million was recognised in profit or loss within other expenses during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

29 RELATED PARTIES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant transactions, balances and commitments. The related party transactions described below were carried out on agreed terms with the related parties.

CIBI Holdings Pte Ltd ("CIBI Holdings"), being an entity connected to certain directors of the Company, is an investment holding company. CDS provides advisory and support services relating to credit bureaus to CIBI Holdings from September 2021.

CIBI Information, Inc ("CIBI"), being an entity connected to certain directors of the Company, is a credit bureau incorporated in the Philippines. CDS provides advisory, support and software services to CIBI relating to implementation, deployment and project management services.

CIBI Tech Ventures, Inc. ("CTVI"), being an entity connected to certain directors of the Company, is engaged in the business of provisioning credit reporting data services incorporated in the Philippines. CDS provides advisory, support and software services to CTVI relating to implementation, deployment and project management services.

Juris Technologies Sdn Bhd ("JurisTech") is an associate of the Company.

	2024 RM'000	2023 RM'000
<u>Significant related party transactions</u>		
<u>Group</u>		
Purchase of services:		
- software services from JurisTech	4,121	2,395
- credit reports from CIBI	185	91
Sale of services:		
- advisory and support services to CIBI Holdings	1,684	4,388
- advisory, support and software services to CIBI	1,083	1,564
- advisory and support services to JurisTech	4	84
- advisory and support services to CTVI	816	-
<u>Significant inter-company transactions</u>		
<u>Company</u>		
Amounts charged to subsidiaries:		
- management fees	3,618	4,156
- share-based payment expense	862	-
Advances to subsidiaries	31,745	1,361
Advances from subsidiaries	7,060	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

29 RELATED PARTIES (CONTINUED)

Dividends from subsidiaries

During the financial year ended 31 December 2024, the dividend income recognised by the Company from investment in subsidiaries amounted to RM78.7 million (2023: RM60.5 million) was received in cash.

Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director of that entity (both executive and non-executive).

The aggregate amount of emoluments received/receivable by key management personnel including Directors of the Company during the financial year is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fees	413	415	413	415
Salaries and other short-term employee benefits	11,953	9,393	2,572	2,629
Defined contribution plan	806	568	311	317
	13,172	10,376	3,296	3,361

30 DIVIDENDS

	2024	
	Single-tier tax-exempt dividend per share sen	Amount of dividends, single-tier tax-exempt RM'000
In respect of the financial year ended 31 December 2023:		
- fourth interim ordinary, paid on 27 March 2024	1.706	39,408
In respect of the financial year ended 31 December 2024:		
- first interim ordinary, paid on 2 July 2024	0.640	14,784
- second interim ordinary, paid on 27 September 2024	0.780	18,018
- third interim ordinary, paid on 17 January 2025	0.840	19,404
	2.260	52,206
	3.966	91,614

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

30 DIVIDENDS (CONTINUED)

Subsequent to the financial year end, on 24 February 2025, the Company declared a fourth interim single-tier tax-exempt dividend of 0.990 sen per ordinary share amounting to RM22.9 million in respect of the financial year ended 31 December 2024 which will be paid on 30 April 2025.

The financial statements for the financial year ended 31 December 2024 do not reflect these dividends. Upon declaration, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2025.

	2023	
	Single-tier tax-exempt dividend per share sen	Amount of dividends, single-tier tax-exempt RM'000
In respect of the financial year ended 31 December 2022:		
- fourth interim ordinary, paid on 15 March 2023	0.360	8,316
In respect of the financial year ended 31 December 2023:		
- first interim ordinary, paid on 30 May 2023	0.433	10,002
- second interim ordinary, paid on 21 September 2023	0.550	12,705
- third interim ordinary, paid on 22 December 2023	0.640	14,784
	1.623	37,491
	1.983	45,807

31 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitments

Significant capital expenditure contracted for at the end of reporting date but not recognised as liabilities is as follows:

	2024 RM'000	2023 RM'000
Contracted:		
- property, plant and equipment	558	828
- intangible assets	2,544	5,581
	3,102	6,409

(b) Contingent liabilities

In the normal course of business, there are contingent liabilities arising from legal recourse sought on the Group's credit reporting operations. The Directors have assessed these cases as possible obligations where outflow of resources are not probable.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

31 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

(b) Contingent liabilities (continued)

- (i) In January 2023, CDS was served with a Writ Summons by a Plaintiff as the Fourth Defendant whereby the Plaintiff alleged negligence and/or conspiracy to injure its interests through the electronic trade reference (eTR) listing. The Plaintiff seeks an injunction against the CDS' Subscriber and its Directors (First, Second and Third Defendants). The Plaintiff further seeks damages, losses, interests and costs from all the Defendants including CDS. CDS maintains that it has conducted its business pursuant to and in compliance of the Act. CDS further maintains that the disclosure of the Plaintiff's eTR data to others (if any) can only be made with the consent of the Plaintiff. CDS will seek indemnity against the First Defendant in the event of any breach of the Subscription Agreement. The matter was resolved amicably through settlement with the Plaintiff withdrawing the matter against CDS with no order as to cost on 16 March 2023 (Settlement).

In June 2023, CDS was served with a Writ Summons by the same Plaintiff alleging that CDS had breached the terms of the Settlement. CDS denies any liability therein as the alleged breach claimed by the Plaintiff is not from report issued by CDS. The Plaintiff has among others sought for exemplary damages, legal costs and expenses amounting to RM840,000. The case is fixed for Trial. However, on 13 March 2025, the Plaintiff had filed Notice of Discontinuance with no costs and no liberty to file afresh.

- (ii) In May 2023, CDS was served with a Writ Summons by a Plaintiff claiming negligence in CDS' credit report which contained the Plaintiff's bankruptcy proceeding that was discharged by the Court. CDS maintained that it has the right to publish the bankruptcy proceeding and had duly updated the status of the discharge of bankruptcy in the credit report as required under the CRA Act. The Plaintiff has among others sought for Special Damages and General Damages amounting to RM500,000 from CDS. The Case Management on 9 April 2025 was postponed to 23 April 2025. At the subsequent, Case Management held on 23 April 2025, the Court has fixed the Trial for 8 September 2025 and informed the Plaintiff, that he may appoint his solicitors in the interim.
- (iii) In July 2023, CDS was served with a Writ Summons by a Plaintiff for defamation with regard to Trade Credit Reference that was listed by the Second Defendant (a third party). CDS denies any publication of defamatory information in CDS Report. The Plaintiff has among others sought for an apology via social media and damages for libel amounting to RM8,000,000 against each Defendant. The Trial was held on 17 January 2025 and 12 February 2025. Oral Submissions were held on 15 April 2025 and the Court fixed Decision on 30 May 2025.

32 EARNINGS PER SHARE

(a) Basic

Basic and diluted earnings per share of the Group is calculated by dividing the profit attributable to the owners of the Company by the weighted average numbers of ordinary shares in issue during the financial year.

	Group	
	2024	2023
Profit attributable to the owners of the Company (RM'000)	106,271	118,109
Weighted average number of ordinary shares ('000)	2,310,000	2,310,000
Basic earnings per ordinary share (sen)	4.6	5.1

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

32 EARNINGS PER SHARE (CONTINUED)

(b) Fully diluted

The share options granted pursuant to ESOS are not included in the calculation of diluted earnings per share, because they are antidilutive for the financial year ended 31 December 2024. These share options could potentially dilute basic earnings per share in the future.

	Group	
	2024	2023
Profit attributable to the owners of the Company (RM'000)	106,271	118,109
Weighted average number of ordinary shares for diluted earnings per share ('000)	2,310,000	2,310,000
Diluted earnings per ordinary share (sen)	4.6	5.1

33 SEGMENT REPORTING

The Group is primarily engaged in credit reporting, digital software related services including software development, outsourcing and provision of training services and provision of alternative data credit scoring. Management has determined the operating segments to be based on the management reports reviewed by the chief operating decision makers ("CODM") that are used to make strategic decisions, for which discrete financial information is available. For management purposes, the Group has organised the operating segments into two reportable segments based on their geographical locations and separation of management teams. The reportable segments are summarised as follows:

- (i) Malaysia which comprises the provision of credit reporting services (sale of reports, monitoring and trade referencing services and other services), sale of digital solutions and provision of related installation and maintenance services as well as provision of comprehensive commercial credit reports and bulk commercial data sales to 3 distinct types of customer group, namely Key Accounts, Commercial and Direct-to-Consumer; and
- (ii) International which comprises the business of provision of alternative data credit scores to customers.

The performance of the operating segments is measured based on segment profit calculated as profit for the relevant financial year plus tax expense, finance costs, depreciation and amortization and foreign exchange losses less interest income, foreign exchange gains and share of profits of associates.

The share of results of associates represents the following:

- (i) business of a credit reporting, credit bureau and information services, a provider of credit enterprise software in Malaysia and a provider of independent credit rating services, sustainability rating services, environment, social and government analytics, data analytics, economic research and consultancy services, bond pricing and information services as well as credit opinions on ventures listed on the Investment Account Platform; and
- (ii) business of a service provider, developer of local and global financial information system and as an online and offline business information service provider as well as consulting service and database management in Thailand.

The CODM also reviews the revenue of the Malaysia and International segments by type of customers as disclosed in Note 5. All assets are managed based on their geographical locations. Capital expenditure comprises acquisition of subsidiaries, additions to property, plant and equipment and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

33 SEGMENT REPORTING (CONTINUED)

Business segments

	2024			2023		
	Malaysia RM'000	International RM'000	Total RM'000	Malaysia RM'000	International RM'000	Total RM'000
Revenue	265,604	39,246	304,850	255,475	5,962	261,437
Gross profit	201,426	19,659	221,085	197,518	3,375	200,893
Segment profit	103,560	4,638	108,198	97,661	1,040	98,701
Depreciation and amortisation	(15,550)	(864)	(16,414)	(10,290)	(152)	(10,442)
Finance costs	(9,975)	-	(9,975)	(6,731)	-	(6,731)
Finance income	190	15	205	596	6	602
Share of profits of associates	22,536	8,087	30,623	17,415	8,767	26,182
Realised and unrealised (losses)/gains on foreign exchange - net	(59)	(124)	(183)	19	(8)	11
Profit before taxation	100,702	11,752	112,454	98,670	9,653	108,323
Tax (expense)/credit	(5,144)	(1,414)	(6,558)	9,652	-	9,652
Profit for the financial year	95,558	10,338	105,896	108,322	9,653	117,975
Segment assets	672,064	201,249	873,313	603,481	202,146	805,627
Other disclosures						
Non-cash item* (other than depreciation and amortisation)	2,080	119	2,199	(72)	8	(64)
Capital expenditure arising from:						
- acquisition of subsidiaries	-	-	-	-	34,442	34,442
- property, plant and equipment and intangible assets additions	56,466	78	56,544	18,607	9	18,616

* Included in non-cash items are (reversal of)/allowance for impairment of receivables - net and unrealised (gains)/losses on foreign exchange, share-based payment expenses.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

33 SEGMENT REPORTING (CONTINUED)

Geographical segments

Non-current assets

Non-current assets are determined according to the country of the location of the assets. Non-current assets exclude financial instruments and deferred tax assets.

	2024 RM'000	2023 RM'000
Malaysia	592,638	530,654
Thailand	151,874	156,754
Indonesia	2,011	2,070
The Philippines	29,557	31,189
	776,080	720,667

Borrowings and lease liabilities

	2024 RM'000	2023 RM'000
Malaysia	187,052	151,036

Information about a major customer

There is no single customer that contributed 10% or more of the Group's revenue throughout the reported financial years.

34 BUSINESS COMBINATION

Acquisition of subsidiaries

(a) Alt Decisions Pte. Ltd.

In the financial year ended 31 December 2023, on 25 August 2023, the Company entered into a Share Sale Agreement ("SSA") to purchase 400 ordinary shares in Alt Decisions Pte. Ltd. ("Alt Decisions") representing 80% of the total paid up share capital in Alt Decisions for a cash consideration of USD475,000 (equivalent to RM2.2 million).

Alt Decisions is an investment holding company that holds 99.99% of PT Prime Analytics Indonesia ("Prime Analytics"), a financial technology company with the focus on helping businesses in making informed and responsible decisions in the area of risk management through the use of alternative data sources and advanced analytics technology. The transaction was completed on 1 September 2023. Upon completion of the transaction, Alt Decisions and Prime Analytics (collectively, "Alt Decisions Group") become subsidiaries of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

34 BUSINESS COMBINATION (CONTINUED)

Acquisition of subsidiaries (continued)

(a) Alt Decisions Pte. Ltd. (continued)

The following table summarises the fair value of assets acquired and liabilities assumed on the acquisition date of the acquired business:

	RM'000
Property, plant and equipment	10
Receivables, deposits and prepayments	1,110
Cash and cash equivalents	1,556
Payables and accruals	(2,328)
Provision for defined benefit plan	(189)
Net identifiable assets acquired	159
Non-controlling interest	(32)
Goodwill arising on acquisition	2,086
Cash consideration	2,213
Less: cash and cash equivalents of subsidiaries acquired	(1,556)
Net cash outflow of the Group on acquisition of subsidiaries	657

The fair value of the identifiable assets acquired, liabilities assumed and goodwill in the above acquisition are finalised on 29 October 2024. The fair value of acquired trade receivables is RM0.6 million. The gross contractual amount for trade receivables due is RM0.6 million recognised on acquisition.

For the non-controlling interest in Alt Decisions Group, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. See note 3(a)(i) for the Group's accounting policies for business combinations.

In relation to the acquisition, the Group has recognised non-recurring acquisition related costs of RM0.1 million, which was expensed and included within administrative expenses in the profit or loss.

The revenue and net loss of Alt Decisions Group included in the consolidated statement of comprehensive income for the period from the date of acquisition of 1 September 2023 to 31 December 2023 amounted to RM1.4 million and RM0.7 million, respectively. If the acquisition had occurred on 1 January 2023, consolidated pro-forma revenue and profit for the financial year ended 31 December 2023 would have been RM263.9 million and RM116.5 million respectively.

The goodwill arising on acquisition of Alt Decisions Group represents the synergies to be realised in the Group's credit reporting business moving forward and the opportunity to expand the Group's presence into the fast growing alternative credit scoring market in Indonesia. The goodwill will not be deductible for tax purposes.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

34 BUSINESS COMBINATION (CONTINUED)

Acquisition of subsidiaries (continued)

(b) Fintech Platform Ventures Pte. Ltd.

In the financial year ended 31 December 2023, on 25 August 2023, the Company entered into a Sale and Purchase Agreement ("SPA") with the Shareholder Sellers and Option Sellers to acquire 4,181,667 ordinary shares in Fintech Platform Ventures Pte. Ltd. ("Fintech") representing 100% of the total paid up share capital in Fintech for a cash consideration of USD5,864,161 (equivalent to RM27.8 million).

Fintech is the holding company of Finscore, Inc. ("Finscore") and CC Mobile Financial Services Philippines, Inc. ("CCM"). The group is engaged in the business of providing alternative credit scoring powered by telco data and advanced analytics. The transaction was completed on 26 October 2023. Upon completion of the transaction, Fintech, Finscore and CCM (collectively, "Fintech Group") become subsidiaries of the Company.

The following table summarises the fair value of assets acquired and liabilities assumed on the acquisition date of the acquired business:

	RM'000
Property, plant and equipment	47
Intangible assets	1,350
Deferred tax assets	101
Receivables, deposits and prepayments	5,793
Cash and cash equivalents	3,400
Payables and accruals	(12,456)
Contract liabilities	(1,340)
Tax payable	(40)
Net identifiable liabilities assumed	(3,145)
Goodwill arising on acquisition	30,949
Cash consideration	27,804
Less: Cash and cash equivalents of subsidiaries acquired	(3,400)
Net cash outflow of the Group on acquisition of subsidiaries	24,404

The fair value of the identifiable assets acquired, liabilities assumed and goodwill in the above acquisition are finalised on 29 October 2024. The fair value of acquired trade receivables is RM3.3 million. The gross contractual amount for trade receivables due is RM5.7 million recognised on acquisition.

In relation to the acquisition, the Group has recognised non-recurring acquisition related costs of RM0.1 million, which was expensed and included within administrative expenses in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

34 BUSINESS COMBINATION (CONTINUED)

Acquisition of subsidiaries (continued)

(b) Fintech Platform Ventures Pte. Ltd. (continued)

The revenue and net profit of Fintech Group included in the consolidated statement of comprehensive income for the period from the date of acquisition of 26 October 2023 to 31 December 2023 amounted to RM4.6 million and RM1.6 million, respectively. If the acquisition had occurred on 1 January 2023, consolidated pro-forma revenue and profit for the financial year ended 31 December 2023 would have been RM281.0 million and RM117.7 million respectively.

The goodwill arising on acquisition of Fintech Group represents the synergies to be realised in the Group's credit reporting business moving forward and the opportunity to expand the Group's presence into the fast growing alternative credit scoring market in the Philippines. The goodwill will not be deductible for tax purposes.

35 SUBSEQUENT EVENTS

On 24 February 2025, the Company declared a fourth interim single-tier tax-exempt dividend of 0.990 sen per ordinary shares amounting to RM22.9 million in respect of the financial year ended 31 December 2024 which will be paid on 30 April 2025.

The financial statements for the financial year ended 31 December 2024 do not reflect these dividends. Upon declaration, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2025.

36 AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 April 2025.

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Noorazman bin Abd Aziz and Erick Hamburger Barraza, two of the Directors of CTOS Digital Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 107 to 197 are drawn up so as to give a true and fair view of the Group and of the Company as at 31 December 2024 and financial performance and cash flows of the Group and of the Company for the financial year ended 31 December 2024 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed by the Board in accordance with a resolution of the Directors dated 24 April 2025.

DATO' NOORAZMAN BIN ABD AZIZ
DIRECTOR

ERICK HAMBURGER BARRAZA
DIRECTOR

Kuala Lumpur

STATUTORY DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Erick Hamburger Barraza, the Director primarily responsible for the financial management of CTOS Digital Berhad, do solemnly and sincerely declare that the financial statements set out on pages 107 to 197 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

ERICK HAMBURGER BARRAZA

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur before me, on 24 April 2025.

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CTOS DIGITAL BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of CTOS Digital Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 107 to 197.

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 "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company 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.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CTOS DIGITAL BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p>Assessment on carrying value of goodwill</p> <p><i>Refer to Note 3(e)(i) - Summary of material accounting policies: Intangible assets - Goodwill, Note 4(c) - Critical accounting estimates and judgements: Intangible assets - Goodwill and Note 13 - Intangible assets</i></p> <p>As at 31 December 2024, the total carrying values of the Group's goodwill allocated to the four cash generating units ("CGUs") identified at the Malaysia and International operations segment amounted to RM105.8 million.</p> <p>The Group is required to test goodwill for impairment annually based on the requirements of MFRS 136 "Impairment of Assets". Based on the annual impairment test performed, the Directors concluded that no impairment is required. The key assumptions and sensitivities are disclosed in Note 13 to the financial statements.</p> <p>We focused on this area as the estimation of the recoverable amount requires significant assumptions and judgements on the future cash flows. Key assumptions include revenue growth rate, earnings before interest, taxes, depreciation and amortisation ("EBITDA") margin, terminal growth rate and discount rate.</p>	<p>We performed the following audit procedures on the value-in-use ("VIU") calculations:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the CGUs to which goodwill is allocated in accordance with MFRS 136; Checked the mathematical accuracy of the five-year VIU cash flows and agreed the cash flows to the financial budget for 2025 approved by the Directors and projections for the next four years; Discussed with management on the key assumptions used in the five-year VIU cash flows which include the revenue growth rate, EBITDA margin, terminal growth rate and discount rate; Assessed the reliability of management's estimates by comparing the historical forecast for 2024 to actual results; Compared the revenue growth rates and EBITDA margins in the projection periods to historical results and understand management's forecasts of revenue and cost components to derive the revenue growth and EBITDA margin; Checked the reasonableness of the discount rate and terminal growth rate with the assistance of our valuation experts by benchmarking to entities with similar risk profiles and market information; and Performed sensitivity analysis on revenue growth rate, EBITDA margin, terminal growth rate and discount rate. <p>Based on the procedures performed above, we did not find any material exceptions to the Directors' conclusion that the goodwill is not impaired as at 31 December 2024.</p>

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CTOS DIGITAL BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Assessment of funding requirements and ability to meet short term obligations</p> <p><i>Refer to Note 28(b) - Financial risk management: Liquidity risk</i></p> <p>As at 31 December 2024, the Group and the Company were in a net current liabilities position of RM49.0 million and RM49.5 million respectively which was mainly contributed by the Group's and the Company's borrowings as at 31 December 2024.</p> <p>Cash flow forecasts for the 12 months period after the year end were prepared taking into account the operational requirements and capital commitments of the Group and the Company. Based on the assessment, there are sufficient cash flows to enable the Group and the Company to meet their liabilities as and when they fall due and to carry out its operations without a significant curtailment of operations. As at 31 December 2024, the Group and the Company have access to undrawn borrowing facilities amounting to RM23.5 million.</p> <p>We focused on this area due to the inherent uncertainties and the judgement taken by management in forecasting future cash flows and determining the availability of funding to fund the operations of the Group and the Company for the next 12 months from the date of the financial statements.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • Checked management's cash flow forecasts for the Group and the Company to the annual budget approved by the Directors and extended up to 12 months from the date of the financial statements, which includes operating, investing and financing cash flows; • Discussed with management on key assumptions used in the cash flow forecasts for the Group and the Company; • Checked the borrowing repayment terms of the Group and of the Company against the loan agreements; • Checked the extent of undrawn borrowing facilities available to the Group and the Company; and • Reviewed management's assessment of compliance with debt covenants. <p>Based on the procedures performed above, we did not find any material exceptions to the Directors' assessment that the Group and the Company will be able to meet their short-term obligations.</p>

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement of Risk Management and Internal Control, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CTOS DIGITAL BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company'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 the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, 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.
- (b) 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 and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) 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 or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CTOS DIGITAL BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 14 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

CHAN SUET LYE
03603/10/2025 J
Chartered Accountant

Kuala Lumpur
24 April 2025

STAKEHOLDER INFORMATION

- ANALYSIS OF SHAREHOLDINGS
- NOTICE OF 2025 ANNUAL GENERAL MEETING
- STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
- ADMINISTRATIVE NOTES

STAKEHOLDER INFORMATION

ANALYSIS OF SHAREHOLDINGS

AS AT 4 APRIL 2025

STATISTICS OF ORDINARY SHAREHOLDINGS

Class of Shares	:	Ordinary Shares
Total Number of Issued Shares	:	2,310,000,000
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 – 99	66	0.458	1,016	0.000
100 – 1,000	3,420	23.776	2,229,587	0.096
1,001 – 10,000	7,529	52.342	35,387,048	1.531
10,001 – 100,000	2,748	19.104	87,242,143	3.776
100,001 – 115,499,999 (*)	618	4.296	1,498,852,182	64.885
115,500,000 and above (**)	3	0.020	686,288,024	29.709
Total	14,384	100.000	2,310,000,000	100.000

Notes:

* less than 5% of issued shares

** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS

(As per Register of Substantial Shareholders)

Name of Shareholders	No. of Shares held			
	Direct	%	Indirect	%
Jade Vine Sdn Bhd	454,836,100	19.690	-	-
Creador V L.P.	-	-	454,836,100 ¹	19.690
Employees Provident Fund Board	446,579,359	19.332	-	-
ABRDN Malaysia Sdn Bhd	-	-	333,696,600 ²	14.446
ABRDN Holdings Limited	-	-	337,294,300 ³	14.601
Aberdeen Group PLC (formerly known as ABRDN PLC)	-	-	337,294,300 ⁴	14.601
Kumpulan Wang Persaraan (Diperbadankan)	11,452,800	0.496	174,490,800 ⁵	7.554

Notes:

@ Computation of percentage of shareholdings is based on total issued Shares of CTOS Digital Berhad.

Assuming the Proposed Share Buy-Back is implemented in full, i.e., up to 10% of total number of issued shares of the Company, the Purchased Shares are held as treasury shares and that the Directors and the substantial shareholders' shareholdings in CTOS Digital shall remain unchanged.

¹ Deemed interest through shares held by Jade Vine Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.² Deemed interest through shares held by the registered holder which is a custodian appointed by one or more funds managed by ABRDN Malaysia Sdn Bhd.³ Deemed interest through shares held by the registered holder who is a custodian appointed by one or more funds managed by one or more subsidiaries of ABRDN Holdings Limited pursuant to Section 8(4)(c) of the Companies Act 2016.⁴ Deemed interest through shares held by the registered holder who is a custodian appointed by one or more funds managed by one or more subsidiaries of ABRDN PLC pursuant to Section 8(4)(c) of the Companies Act 2016.⁵ Deemed interest through shares held by the registered holder who is a fund manager appointed by one or more funds managed by Kumpulan Wang Persaraan (Diperbadankan) pursuant to Section 8 of the Companies Act 2016.

STAKEHOLDER INFORMATION

ANALYSIS OF SHAREHOLDINGS

AS AT 4 APRIL 2025

DIRECTORS' SHAREHOLDINGS

Name of Directors	No. of Shares held			
	Direct	%	Indirect	%
Dato' Noorazman Bin Abd Aziz	-	-	-	-
Loh Kok Leong	300,000	0.013	-	-
Lynette Yeow Su-Yin	300,000	0.013	-	-
Nirmala A/P Doraisamy	-	-	-	-
Su Puay Leng	300,000	0.013	-	-
Erick Hamburger Barraza	250,000	0.011	-	-
Mizran Bin Md Nahar	359,400	0.016	-	-
Total	1,509,400	0.066	-	-

LIST OF TOP 30 HOLDERS

No.	Name	Holdings	%
1	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Jade Vine Sdn Bhd	454,836,100	19.689
2	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	115,936,700	5.018
3	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	115,515,224	5.000
4	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Aberdeen)	91,685,100	3.969
5	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AHAM Am)	84,434,700	3.655
6	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Aberislamic)	72,627,200	3.144
7	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Chung Tze Keong (PB)	57,883,400	2.505
8	Citigroup Nominees (Tempatan) Sdn Bhd Urusharta Jamaah Sdn. Bhd. (2)	54,314,698	2.351
9	Lembaga Tabung Haji	51,752,800	2.240
10	Permodalan Nasional Berhad	39,439,700	1.707
11	HSBC Nominees (Asing) Sdn Bhd HSBC BK PLC For EAM Long-Only Emerging Markets Master Fund Limited	31,914,400	1.381
12	Citigroup Nominees (Tempatan) Sdn Bhd Urusharta Jamaah Sdn. Bhd. (Aberdeen 2)	30,837,900	1.334
13	HSBC Nominees (Asing) Sdn Bhd JPMCB NA For Vanguard Total International Stock Index Fund	25,856,900	1.119

STAKEHOLDER INFORMATION
ANALYSIS OF SHAREHOLDINGS
 AS AT 4 APRIL 2025

No.	Name	Holdings	%
14	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Islamic)	23,800,135	1.030
15	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN For Bank of Singapore Limited (Local)	23,617,700	1.022
16	HSBC Nominees (Asing) Sdn Bhd JPMCB NA For Vanguard Emerging Markets Stock Index Fund	23,285,000	1.008
17	Cartaban Nominees (Tempatan) Sdn Bhd PAMB For PRULink Equity Fund	21,750,100	0.941
18	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (ABDN Eq ABSR Fd)	21,466,700	0.929
19	Amanah Raya Berhad Kumpulan Wang Bersama Syariah	19,710,200	0.853
20	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	18,800,000	0.813
21	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (AHAM Am Eq)	18,584,000	0.804
22	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (EDP 2)	18,024,800	0.780
23	Cartaban Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad For Prulink Strategic Fund	17,944,300	0.776
24	Hong Leong Assurance Berhad As Beneficial Owner (Life Par)	17,468,600	0.756
25	Citigroup Nominees (Asing) Sdn Bhd Exempt AN For Citibank New York (Norges Bank 19)	17,458,719	0.755
26	Cartaban Nominees (Asing) Sdn Bhd Exempt AN For RBC Investor Services Trust (Clients Account)	17,169,800	0.743
27	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (Non Par 16)	16,900,000	0.731
28	Cartaban Nominees (Asing) Sdn Bhd BBH (Lux) SCA For Fidelity Funds Asean	16,643,400	0.720
29	JCL Credit Leasing Sdn Bhd	16,500,000	0.714
30	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For AHAM Select Opportunity Fund	15,423,500	0.667
Total		1,551,581,776	67.168

STAKEHOLDER INFORMATION

NOTICE OF 2025 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2025 Annual General Meeting of CTOS Digital Berhad (“**CTOS Digital**” or the “**Company**”) (“**AGM**”) will be held physically at **One World Hotel, Bandar Utama, Petaling Jaya on Wednesday, 25 June 2025 at 9.30 a.m.** to transact the following businesses:-

AGENDA**Ordinary Business**

- | | |
|---|--------------------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. | (Please refer to Explanatory Note 1) |
| 2. To re-elect Dato’ Noorazman Bin Abd Aziz who retires pursuant to Clause 76(3) of the Company’s Constitution. | (Resolution 1) |
| 3. To re-elect Loh Kok Leong who retires pursuant to Clause 76(3) of the Company’s Constitution. | (Resolution 2) |
| 4. To approve the payment of Directors’ fees for an amount not exceeding RM625,000.00 for the period from 26 June 2025 until the next AGM of the Company. | (Resolution 3) |
| 5. To approve the payment of Directors’ benefits for an amount not exceeding RM15,000.00 for the period from 26 June 2025 until the next AGM of the Company. | (Resolution 4) |
| 6. To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | (Resolution 5) |

Special Business

To consider and, if thought fit, to pass, with or without modifications, the following Ordinary Resolutions of the Company:-

- | | |
|---|----------------|
| 7. ORDINARY RESOLUTION I
AUTHORITY TO ALLOT AND ISSUE SHARES | (Resolution 6) |
|---|----------------|

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”), Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (“New Shares”) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being (“Proposed General Mandate”).

STAKEHOLDER INFORMATION

NOTICE OF 2025 ANNUAL GENERAL MEETING

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

8. **ORDINARY RESOLUTION II** **PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**

(Resolution 7)

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (i) the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back")

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

STAKEHOLDER INFORMATION

NOTICE OF 2025 ANNUAL GENERAL MEETING

whichever occurs first but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- (i) To cancel all or part of the Purchased Shares;
- (ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- (iv) To resell all or part of the treasury shares;
- (v) To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- (vi) To transfer all or part of the treasury shares as purchase consideration;
- (vii) To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- (viii) To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

9. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board

NUR SHAHFAIZA BINTI MD YUSOFF
[MAICSA 7052006]
SSM PC No. 202008000953

LEELA A/P SURESH KEE SEE LENG
[MAICSA 7069589]
SSM PC No. 201909001962

Company Secretaries
 Kuala Lumpur

Dated: 30 April 2025

STAKEHOLDER INFORMATION

NOTICE OF 2025 ANNUAL GENERAL MEETING

Notes:

1. For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, the Record of Depositors as of 18 June 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry ("Central Depositories") Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
The original Proxy Form and the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of that power or authority shall be deposited at the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively to be deposited in the drop-box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) Electronically via TIH Online
The Proxy Form can be electronically lodged with Tricor via TIH Online at <https://tiah.online> or <https://tiah.com.my>. Please follow the procedures set out in the Administrative Notes.
8. For a corporate member who has appointed an authorised representative, please deposit the **original** certificate of appointment of corporate representative with Tricor at the address stated in Note 7(i) above, before the time appointed for holding this general meeting or adjourned meeting.
9. Last date and time for lodging the Proxy Form is on **Monday, 23 June 2025 at 9.30 a.m.**
10. Shareholders are advised to check the Company's website and announcements from time to time for any changes to the administration of the 2025 AGM.

STAKEHOLDER INFORMATION

NOTICE OF 2025 ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON ORDINARY BUSINESS

1. Agenda item No. 1 - Audited Financial Statements for the Financial Year Ended 31 December 2024

The Audited Financial Statements is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 340(1) of the Companies Act 2016. Hence, this item on the Agenda is not put forward for voting by shareholders of the Company.

2. Resolutions 1 and 2 - Re-election of Directors

Please refer to the Statement Accompanying the Notice of AGM for information.

3. Resolutions 3 and 4 – Payment of Directors’ Fees and Benefits

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The Proposed Resolution 3 is to facilitate the payment of Directors’ fees calculated based on the current board size for the period from 26 June 2025 until the next AGM of the Company. In the event the Directors’ fees proposed are insufficient (due to enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

The Proposed Resolution 4 for the Directors’ Benefits are meeting allowances for the Board Investment Committee (“BIC”) and Employee Share Option Scheme (“ESOS”) Committee. Meeting allowances are calculated based on the estimation of the total of six meetings to be held during the period from 26 June 2025 up to the next Annual General Meeting. In the event the proposed amount is insufficient (e.g., due to more meetings), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

4. Resolution 5 – Re-appointment of Auditors

The Board, through the Audit Committee (“AC”) has considered the re-appointment of PricewaterhouseCoopers PLT (“PwC”) as the Auditors of the Company. The factors considered by the AC in making the recommendation to the Board to table the re-appointment of PwC at the 2025 AGM are disclosed in the Corporate Governance Overview Statement of this Integrated Annual Report.

STAKEHOLDER INFORMATION

NOTICE OF 2025 ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON SPECIAL BUSINESS

5. Resolution 6 - Authority to Allot and Issue Shares

The Ordinary Resolution proposed under Resolution 6, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to further placement of shares for the purpose of funding the Company's current and/or future investment project(s), working capital, repayment of borrowings and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed 10% of the total number of issued shares of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company ("Proposed General Mandate").

6. Resolution 7 - Proposed Renewal of Authority for Share Buy-Back

The proposed Resolution 7, if passed, will empower the Company to purchase up to ten per centum (10%) of the issued share capital of the Company through Bursa Malaysia Securities Berhad.

For further information, please refer to the Statement to Shareholders dated 30 April 2025.

STAKEHOLDER INFORMATION

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Election/Appointment as Directors

There are no individuals standing for election/appointment as Directors at the 2025 Annual General Meeting ("AGM").

Dato' Noorazman Bin Abd Aziz and Loh Kok Leong are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 2025 AGM. Their profiles are set out on pages 59 and 60 of the 2024 Annual Report.

The Board has through the Nomination and Remuneration Committee ("NRC"), considered the assessment of Dato' Noorazman Bin Abd Aziz and Loh Kok Leong that was conducted in accordance with the Director Assessment Framework and agreed that they met the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Securities on character, experience, integrity, competence and time to effectively discharge their roles as Directors. Both Directors have also met the relevant requirements under the fit and proper assessment and confirmed that they do not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Group. The NRC and the Board had also undertaken an annual assessment on the independence of Dato' Noorazman Bin Abd Aziz.

In addition to the above, the Board supports and recommended the re-election of Dato' Noorazman Bin Abd Aziz and Lok Kok Leong as Directors of the Company based on the following:-

1. Dato' Noorazman Bin Abd Aziz

Dato' Noorazman was appointed as the Independent Non-Executive Director of the Company on 24 February 2022. He has over 40 years of experience specialising in banking and finance, investment and capital markets. The Board is of the view that the Group has benefitted from having Dato' Noorazman on the Board given his experience and constructive comments made during the Board meetings.

2. Loh Kok Leong

Mr Loh was appointed as a Director of the Company on 15 August 2014. Upon listing of the Company to the Main Market of Bursa Malaysia Securities Berhad in July 2021, his designation is Non-Independent Non-Executive Director of the Company. He has close to 30 years of experience in consulting, specialising in strategy development and execution and private equity. The Board is of the view that the Group has benefitted from having Mr Loh on the Board given her experience and constructive comments made during the Board meetings.

General Mandate for Issue of Securities

Kindly refer to item 5 of the Explanatory Notes on Special Business as contained in the Notice of AGM.

STAKEHOLDER INFORMATION

ADMINISTRATIVE NOTES

FOR THE 2025 ANNUAL GENERAL MEETING ("AGM")

Day and Date : Wednesday, 25 June 2025
 Time : 9.30 a.m.
 Venue : One World Hotel, Bandar Utama, Petaling Jaya

REGISTRATION

The registration counter starts at 8:30 a.m. on Wednesday, 25 June 2025 and will remain open until the conclusion of the 2025 AGM or such time as may be determined by the Chairman of the Meeting.

Shareholders or proxies are requested to produce/show their original MyKAD or Passport (for non-Malaysians) to the registration staff for verification purposes. Please ensure the original MyKAD or Passport is returned to you thereafter.

Please take note that no person will be allowed to register on behalf of another person, even with the original MyKAD or Passport of that person.

Upon verification, shareholders or proxies will also be given the identification wristbands for voting purposes. No person will be allowed to enter the meeting hall without the identification wristband. There will be no replacement for the identification wristband if it is lost or misplaced.

PROXY

Only member whose name appears on the Record of Depositors as at 18 June 2025 shall be entitled to attend and vote or appoint proxy/proxies to attend and vote on his/her behalf at the 2025 AGM.

If you are unable to attend the meeting on Wednesday, 25 June 2025, you may appoint the Chairman of the Meeting as proxy and indicate the voting instructions in the Proxy Form. If you wish to personally participate in the 2025 AGM yourself, please do not submit any Proxy Form. You will not be allowed to participate in the 2025 AGM together with the proxy appointed by you.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited or submitted in the following manner not later than Monday, 23 June 2025 at 9:30 a.m.

(i) In hard copy form

By hand or post to the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively to be deposited in the drop-box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) By electronic form

You may also submit your proxy appointment electronically via Tricor Investor & Issuing House Services Sdn Bhd ("TIIH") Online website at <https://tiih.online>. Please do read and follow the procedures below to submit proxy form electronically.

STAKEHOLDER INFORMATION

ADMINISTRATIVE NOTES

FOR THE 2025 ANNUAL GENERAL MEETING ("AGM")

ELECTRONIC LODGEMENT OF PROXY FORM

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> • Please access the website at https://tiih.online. Register as a user under the "e- Services". Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days.
Proceed with submission of form of proxy	<ul style="list-style-type: none"> • After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password • Select the corporate event: "CTOS DIGITAL BERHAD 2025 AGM - SUBMISSION OF PROXY FORM" • Read and agree to the Terms and Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. • Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman as your proxy. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. • Review and confirm your proxy(s) appointment. • Print the form of proxy for your record.
ii. Steps for Corporate or Institutional shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> • Access TIIH Online at https://tiih.online. • Under e-Services, the authorised or nominated representative of the corporate or institutional shareholder selects "Create Account by Representative of Corporate Holder". • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. <p>Note: The representative of a corporate or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</p>
Proceed with submission of form of proxy	<ul style="list-style-type: none"> • Login to TIIH Online at https://tiih.online. • Select the corporate event: "CTOS DIGITAL BERHAD 2025 AGM - SUBMISSION OF PROXY FORM". • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Login to TIIH Online, select corporate event: "CTOS DIGITAL BERHAD 2025 AGM - SUBMISSION OF PROXY FORM". • Proceed to upload the duly completed proxy appointment file. • Select "Submit" to complete your submission. • Print the confirmation report of your submission for your record.

STAKEHOLDER INFORMATION

ADMINISTRATIVE NOTES

FOR THE 2025 ANNUAL GENERAL MEETING ("AGM")

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose determining who shall be entitled to attend the 2025 AGM, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 18 June 2025 and only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting.

NO RECORDING OR PHOTOGRAPHY

No recording or photography of the 2025 AGM proceedings is allowed without prior written permission of the Company.

POLL VOTING

The voting at the 2025 AGM will be conducted by poll in accordance with Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed TIIH as Poll Administrator to conduct the poll by way of electronic voting.

Shareholders or proxies or corporate representatives or attorneys can proceed to vote on the resolutions upon the announcement by the Chairman of the Meeting.

Upon completion of the voting session for the 2025 AGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

REFRESHMENT

Please be informed that light refreshments will be provided.

ANNUAL REPORT 2024

The Company's Annual Report 2024 is available at:

- The Company's website at <https://ctosdigital.com/investor-relations/reports-presentations/>
- Bursa Malaysia's website at www.bursamalaysia.com under the Company's announcements.

As part of our sustainability initiatives, we encourage you to refer to the digital version.

Should you require a printed copy, please request it at <https://tjih.online> and select "Request for Annual Report/Circular" under "Investor Services". The printed copy will be mailed to you as soon as reasonably practicable.

ENQUIRY

If you have any enquiry prior to the meeting, you may contact the Share Registrar during office hours, on Mondays to Fridays, from 9.00 a.m. to 5.30 p.m. (except public holidays) at:

Tricor Investor & Issuing House Services Sdn Bhd

Telephone Number General Line : 603-2783 9299

Email : is.enquiry@vistra.com

ctos

PROXY FORM

CDS Account No.

No. of Shares Held

I/We _____ Tel: _____
[Full name in block, NRIC/Passport/Company No.]
of _____

being member(s) of **CTOS DIGITAL BERHAD** ("CTOS Digital" or the "Company"), hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy(ies) to vote for me/us on my/our behalf at the 2025 Annual General Meeting of CTOS Digital which will be held physically at **One World Hotel, Bandar Utama, Petaling Jaya on Wednesday, 25 June 2025 at 9.30 a.m.** or any adjournment thereof.

My/Our proxy is to vote as indicated below:

No.	Agenda	Resolution	For	Against
1.	To re-elect Dato' Noorazman Bin Abd Aziz who retires pursuant to Clause 76(3) of the Company's Constitution.	Resolution 1		
2.	To re-elect Loh Kok Leong who retires pursuant to Clause 76(3) of the Company's Constitution.	Resolution 2		
3.	To approve the payment of Directors' fees for an amount not exceeding RM625,000.00 from 26 June 2025 until the next AGM of the Company.	Resolution 3		
4.	To approve the payment of Directors' benefits for an amount not exceeding RM15,000.00 from 26 June 2025 until the next AGM of the Company.	Resolution 4		
5.	To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Resolution 5		
6.	Authority to Allot and Issue Shares	Resolution 6		
7.	To approve renewal of Authority for Share Buy-Back	Resolution 7		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____ day of _____, 2025

Signature*
Member

* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

1. For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 18 June 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

Please fold here

Affix
Stamp

CTOS DIGITAL BERHAD

Registration No : 201401025733
(1101823-A)

c/o 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

Please fold here

7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
The original Proxy Form and the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of that power or authority shall be deposited at the office of Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively to be deposited in the drop-box at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) Electronically via TIIH Online
The Proxy Form can be electronically lodged with Tricor via its TIIH Online at <https://tiih.online> or <http://tiih.com.my> or alternatively drop-box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. Please follow the procedures set out in the Administrative Notes.
8. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please lodge the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's registered office earlier.
9. Last date and time for lodging the Proxy Form is **Monday, 23 June 2025 at 9.30 a.m.**



www.ctosdigital.com

CTOS DIGITAL BERHAD

Registration No: 201401025733 (1101823-A)

Level 17, Menara CelcomDigi
6, Persiaran Barat, Petaling Jaya,
46200 Selangor, Malaysia.

Tel: +603 2722 8800
E-mail: contactus@ctos.com.my

Bursa: 5301 / CTOS
Bloomberg: 5301 :MK
Reuters: CTOS.KL

Syariah Compliant

ERRATA TO THE INTEGRATED ANNUAL REPORT 2024

Dear Valued Shareholders of CTOS Digital Berhad

Reference is made to the Integrated Annual Report (“IAR2024”) of CTOS Digital Berhad which was issued on 30 April 2024.

We wish to inform that amendments are made to the IAR2024, to rectify the inadvertent errors as set out below:

IAR 2024						
No	Section	Location	Amendment			
1	Bursa C3(a) Gender Group by employee category	Page 55	Printed in Annual Report			
			Indicator	2022	2023	2024
			Female Middle Management	53.00	55.00	64.00
			Male Middle Management	47.00	45.00	35.00
			Non Executive Male	8.00	25.00	76.00
			Non Executive Female	92.00	75.00	24.00
			Amendments			
			Indicator	2022	2023	2024
			Female Middle Management	53.00	55.00	48.00
			Male Middle Management	47.00	45.00	52.00
			Non Executive Male	8.00	25.00	24.00
			Non Executive Female	92.00	75.00	76.00
2	Bursa C6(c) Total number of employee turnover by employee category <ul style="list-style-type: none">Senior Management	Page 56	Printed in Annual Report			
			Indicator	2022	2023	2024
			Senior Management	1	1	21
			Middle Management	17	9	122

	<ul style="list-style-type: none"> • Middle Management • Executive • Non-Executive 		Executive	164	118	380
			Non-Executive	9	4	88
			Amendments			
			Indicator	2022	2023	2024
			Senior Management	1	1	3
			Middle Management	17	9	18
			Executive	164	118	101
			Non-Executive	9	4	3

Save for the above, all other information contained in the IAR 2024 remain unchanged.

Yours faithfully
For and on behalf of
CTOS DIGITAL BERHAD

Nur Shahfaiza Binti MD Yusoff
MAICSA 7052006
SSM PC No. 202008000953
Company Secretary

1 August 2025