

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF DAYTHREE DIGITAL BERHAD (“DAYTHREE” OR THE “COMPANY”) DATED 21 JUNE 2023 (“ELECTRONIC PROSPECTUS”)

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

Website

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

Availability and Location of Paper/Printed Prospectus

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

Prospective investors should note that the Application Form is not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, M&A Securities and Daythree take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from 10.00 a.m. on 21 June 2023 and will close at 5.00 p.m. on 11 July 2023.

In the event the Closing Date is extended, Daythree will advertise the notice of the extension in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia prior to the original Closing Date.

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

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

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

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



DAYTHREE DIGITAL BERHAD

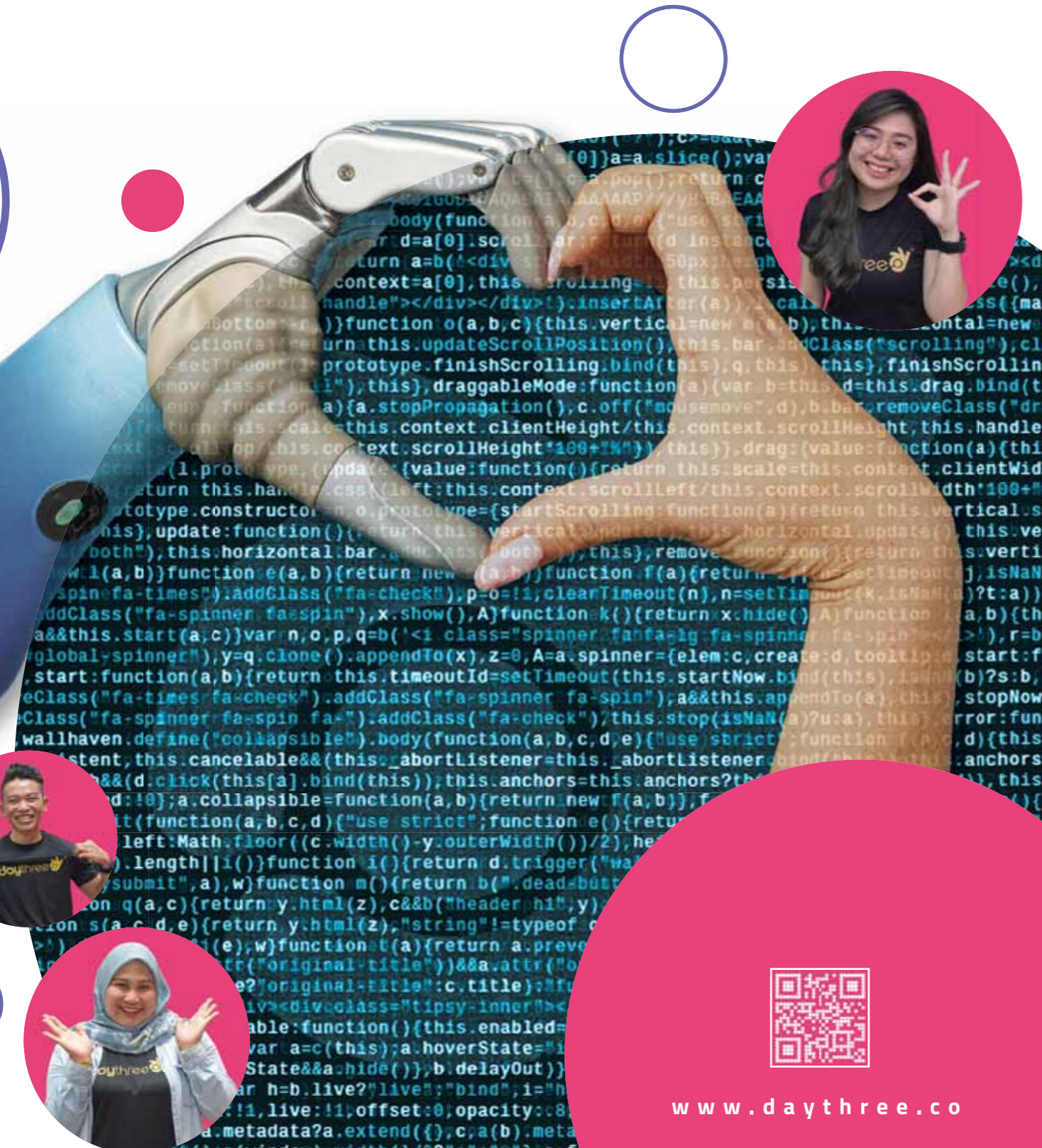
Registration No. 202201029566 (1475263-U)
(Incorporated in Malaysia)

Level 8, Tower 7, UOA Business Park
No 1, Jalan Pengaturcara U1/51A, Seksyen U1
40150 Shah Alam, Selangor, Malaysia
Tel: (+603) 5567 2388



DAYTHREE DIGITAL BERHAD

P R O S P E C T U S



www.daythree.co

P R O S P E C T U S



DAYTHREE DIGITAL BERHAD

(Registration No. 202201029566 (1475263-U))
(Incorporated in Malaysia)

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

- I) PUBLIC ISSUE OF 110,400,000 NEW ORDINARY SHARES IN OUR COMPANY (“SHARES”) IN THE FOLLOWING MANNER:
 - 24,000,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 12,000,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES OF OUR GROUP; AND
 - 74,400,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;

AND

- II) OFFER FOR SALE OF 12,000,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS

AT AN ISSUE/OFFER PRICE OF RM0.30 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Adviser, Sponsor, Underwriter and Placement Agent



M & A SECURITIES SDN BHD
(197301001503 (15017-H))
(A Participating Organisation of
Bursa Malaysia Securities Berhad)

This Prospectus has been registered by the Bursa Securities. The approval of the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities and registration of this Prospectus, should not be taken to indicate that Bursa Securities recommends the offering or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. Bursa Securities has not, in any way, considered the merits of the securities being offered for investment. Bursa Securities is not liable for any non-disclosure on the part of the company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. No securities will be allotted or issued based on this Prospectus after 6 months from the date of this Prospectus.

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

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 175.

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

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

This Prospectus Is Dated 21 June 2023

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

M & A Securities Sdn Bhd, being our Adviser, Sponsor, Underwriter and Placement Agent to our IPO (as defined herein), acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

This Prospectus, together with the Application Form (as defined herein), has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

Investors should note that they may seek recourse under Sections 248, 249 and 357 of the Capital Markets and Services Act 2007 ("**CMSA**") for breaches of securities laws including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to our Group (as defined herein).

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

Approval has been obtained from Bursa Securities for the listing of and quotation for our IPO Shares (as defined herein) on 9 March 2023. Our admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

The Securities Commission Malaysia ("**SC**") has on 13 March 2023 took note of the resultant equity structure of our Company under the Bumiputera equity requirements for public listed companies pursuant to our Listing (as defined herein).

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

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

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

It shall be your sole responsibility if you are or may be subject to the laws of countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether our IPO would result in the contravention of any law of such countries or jurisdictions.

Further, it shall also be your sole responsibility to ensure that your application for our IPO Shares would be in compliance with the terms of our IPO as stated in our Prospectus and the Application Form and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected. We will further assume that you had accepted our IPO in Malaysia and will be subjected only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither us nor our Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS

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

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

If you are in doubt of the validity or integrity of an Electronic Prospectus, you should immediately request from us, our Adviser or the Issuing House (as defined herein), a paper printed copy of this Prospectus.

In the event of any discrepancies arising between the contents of the electronic and the contents of the paper printed copy of this Prospectus for any reason whatsoever, the contents of the paper printed copy of this Prospectus, which are identical to the copy of the Prospectus registered with Bursa Securities, shall prevail.

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

- (a) We and our Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (b) We and our Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Adviser are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance of any data, information, files or other material provided by such parties; and
- (c) Any data, information, files or other material downloaded from Third Party Internet Sites is done at your own discretion and risk. We and our Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

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

- (a) The Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions and shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and
- (b) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

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

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INDICATIVE TIMETABLE

All terms used are defined under "Definitions" commencing from page vii.

The indicative timing of events leading to our Listing is set out below:

Events	Indicative date
Issuance of this Prospectus / Opening of Application	21 June 2023
Closing of Application	11 July 2023
Balloting of Application	14 July 2023
Allotment / Transfer of IPO Shares to successful applicants	24 July 2023
Date of Listing	26 July 2023

If there is any change to the timeline, we will advertise the notice of such change in a widely circulated English and Bahasa Malaysia daily newspapers in Malaysia, and make an announcement on Bursa Securities' website.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All terms used in this section are defined under "Definitions" commencing from page vii.

All references to "Daythree" and "Company" in this Prospectus are to Daythree Digital Berhad (Registration No.: 202201029566 (1475263-U)). Unless otherwise stated, references to "Group" are to our Company and our subsidiary taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiary. Unless the context otherwise requires, references to "Management" are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word "approximately" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or one decimal place (for percentages) or one sen (for currency). Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in the "Definitions" and "Technical Glossary" appearing after this section. Words denoting singular shall include plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All reference to dates and times are references to dates and times in Malaysia.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

This Prospectus includes statistical data provided by our management and various third-parties and cites third-party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from the internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, such information can be assumed to originate from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the Independent Market Researcher. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

The information on our website, or any website directly or indirectly linked to such websites do not form part of this Prospectus.

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FORWARD-LOOKING STATEMENTS

All terms used are defined under "Definitions" commencing from page vii.

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

Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:

- (a) Demand for our services;
- (b) Our business strategies;
- (c) Our future plans;
- (d) Our future earnings, cash flows and liquidity; and
- (e) Our ability to pay future dividends.

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

- (a) The economic, political and investment environment in Malaysia; and
- (b) Government policy, legislation or regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 9 – "Risk Factors" and Section 12 – "Financial Information". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

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

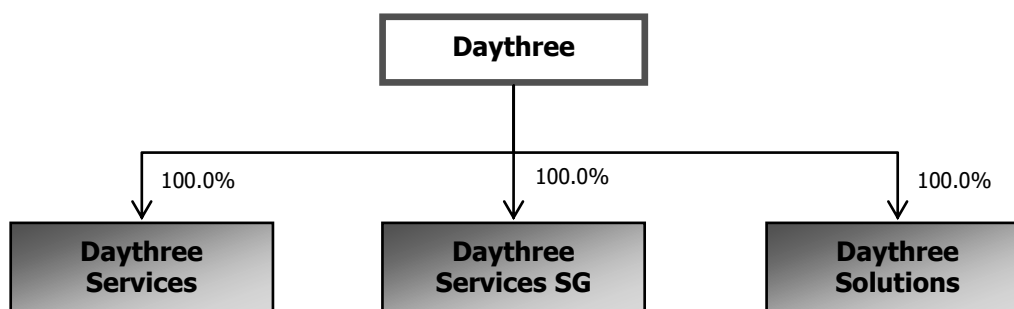
DEFINITIONS

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

COMPANIES WITHIN OUR GROUP:

- "Daythree" or "Company" : Daythree Digital Berhad (Registration No. 202201029566 (1475263-U))
- "Daythree Group" or "Group" : Daythree and its subsidiaries, collectively
- "Daythree Services" : Daythree Business Services Sdn Bhd (Registration No. 200601015164 (734916-T)), a wholly-owned subsidiary of Daythree
- "Daythree Services SG" : Daythree Business Services Pte Ltd (Company No. 201419051W), a wholly-owned subsidiary of Daythree
- "Daythree Solutions" : Daythree Business Solutions Sdn Bhd (Registration No. 201901024391 (1333720-X)), a wholly-owned subsidiary of Daythree

A diagrammatic illustration of our Group structure is as follows:



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DEFINITIONS (Cont'd)

MAJOR CLIENTS OF OUR GROUP:

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

"Client A" : A company based in Malaysia which is principally provides television services. It is a subsidiary of a company listed on the Main Market of Bursa Securities with companies primarily engaged in the provision of television services and other related activities.

We are unable to disclose the identity of Client A by virtue of agreement(s) executed with Client A.

"Client B" : A company based in Malaysia which principally involved in the provision of home shopping business and is a related company of Client A.

We are unable to disclose the identity of Client B by virtue of agreement(s) executed with Client B.

"Client C" : A Government agency established to regulate, develop and facilitate the construction industry in Malaysia.

We are unable to disclose the identity of Client C by virtue of agreement(s) executed with Client C.

"Client D" : A company based in Malaysia that is principally an issuer of electronic money (e-money).

We are unable to disclose the identity of Client D by virtue of agreement(s) executed with Client D.

"Client E" : A company based in Malaysia which is principally a converged telecommunications and digital services operator. It is a subsidiary of a company listed on the Main Market of Bursa Securities with companies involved in the telecommunications industry in Malaysia.

We are unable to disclose the identity of Client E by virtue of agreement(s) executed with Client E.

"Client F" : A company based in Malaysia held under a Malaysian state Government that is principally involved in the provision of utilities.

We are unable to disclose the identity of Client F by virtue of agreement(s) executed with Client F.

"Client G" : A company based in Malaysia and listed on the Main Market of Bursa Securities. Its group of companies is principally involved in the provision of utilities.

We are unable to disclose the identity of Client G by virtue of agreement(s) executed with Client G.

DEFINITIONS (Cont'd)

GENERAL:

"24/7"	:	24 hours a day, 7 days a week
"ACCA"	:	Association of Chartered Certified Accountants
"ACE Market"	:	ACE Market of Bursa Securities
"Act"	:	Companies Act 2016 as amended from time to time and any re-enactment thereof
"Acquisitions"	:	Acquisition of Daythree Services, Acquisition of Daythree Services SG and Acquisition of Daythree Solutions, collectively
"Acquisition of Daythree Services"	:	Acquisition by Daythree of the entire share capital of Daythree Services comprising 2,000,000 ordinary shares for a purchase consideration of RM20,143,200, which was wholly satisfied by issuance of 369,599,997 new Shares at an issue price of RM0.0545 per Share, which was completed on 9 May 2023
"Acquisition of Daythree Services SG"	:	Acquisition by Daythree of the entire share capital of Daythree Services SG comprising 10,000 shares for a purchase consideration of SGD1.00, which was wholly satisfied by cash, which was completed on 9 May 2023
"Acquisition of Daythree Solutions"	:	Acquisition by Daythree of the entire share capital of Daythree Solutions comprising 2 ordinary shares for a purchase consideration of RM2.00, which was wholly satisfied by cash, which was completed on 9 May 2023
"ADA"	:	Authorised Depository Agent
"Adviser" or "Sponsor" or "Placement Agent" or "Underwriter"	:	M & A Securities
"APAC"	:	Asia Pacific Accreditation Cooperation
"Application(s)"	:	Application(s) for IPO Shares by way of Application Form(s), Electronic Share Application(s) or Internet Share Application(s)
"Application Form(s)"	:	Printed application form(s) for the application of our IPO Shares accompanying this Prospectus
"ATM"	:	Automated teller machine
"BLM Holdings"	:	BLM Holdings Sdn Bhd (Registration No. 201701037551 (1251722-D))
"BNM"	:	Bank Negara Malaysia
"Board"	:	Board of Directors of Daythree
"Bursa Depository" or "Depository"	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))

DEFINITIONS (Cont'd)

"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"CAGR"	:	Compound annual growth rate
"CCAM"	:	Contact Centre Association of Malaysia
"CDS"	:	Central Depository System
"CDS Account"	:	Account established by Bursa Depository for a depositor for the recording and dealing in securities by the depositor
"Central Depositories Act"	:	Securities Industry (Central Depositories) Act, 1991
"Client(s)"	:	Corporate clients with whom our Group have entered into contract(s)
"Closing Date"	:	Date adopted in this Prospectus as the last date for acceptance and receipt of the Application
"Cloud Marshal"	:	Cloud Marshal Sdn Bhd (Registration No. 202001015376 (1371696-D))
"CMSA"	:	Capital Markets and Services Act 2007, as amended from time to time and any re-enactment thereof
"Constitution"	:	Our constitution
"COVID-19"	:	Novel coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019
"CPA"	:	Certified Practising Accountant Australia
"CRM"	:	Customer relationship management
"Customer(s)"	:	Consumer with whom our Group have customer interactions on behalf of our Group's Clients
"CX"	:	Customer experience
"Dayspring Capital"	:	Dayspring Capital Sdn Bhd (formerly known as Daythree Sdn Bhd) (Registration No. 201601008812 (1179740-W))
"Daythree Services Vendor(s)"	:	Dayspring Capital, Cloud Marshal and BLM Holdings, collectively
"Depository Rules"	:	Rules of Bursa Depository and any appendices thereto as they may be amended from time to time
"Director(s)"	:	An executive director or a non-executive director of our Company within the meaning of Section 2 of the Act
"D&D"	:	Design and development
"EBIT"	:	Earnings before interest and tax

DEFINITIONS (Cont'd)

"EBITDA"	:	Earnings before interest, tax, depreciation and amortisation
"Electronic Prospectus"	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium
"Electronic Share Application(s)"	:	Application(s) for IPO Shares through a Participating Financial Institution's ATM
"EPS"	:	Earnings per share
"ESG"	:	Environmental, social and governance
"FYE"	:	Financial year(s) ended/ending 31 December, as the case may be
"GBS"	:	Global business services
"GLC"	:	Government-linked corporation/company
"Government"	:	Government of Malaysia
"GP"	:	Gross profit
"ICT"	:	Information and communications technology
"IFRS"	:	International Financial Reporting Standards
"IMR" or "Protégé"	:	Protégé Associates Sdn Bhd (Registration No. 200401037256 (675767-H)), our Independent Market Researcher
"IMR Report"	:	Independent Market Research Report titled "Strategic Analysis of the Global Business Services Industry in Malaysia"
"Internet Participating Financial Institution(s)"	:	Participating financial institution(s) for Internet Share Application as listed in Section 16.6
"Internet Share Application(s)"	:	Application(s) for IPO Shares through an online share application service provided by Internet Participating Financial Institution(s)
"Initial Public Offering" or "IPO"	:	Our initial public offering comprising the Public Issue and Offer for Sale
"IPO Price"	:	Issue/Offer price of RM0.30 per Share under our Public Issue and Offer for Sale
"IPO Share(s)"	:	Issue Share(s) and Offer Share(s), collectively
"Issue Share(s)"	:	New Share(s) to be issued under the Public Issue
"Issuing House"	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
"ISO"	:	International Organisation for Standardisation
"IT"	:	Information technology

DEFINITIONS (Cont'd)

"Kannal Services"	:	Kannal Services Sdn Bhd (Registration No. 200601015164 (734916-T)), now known as Daythree Services
"Kannal Solutions"	:	Kannal Solutions Sdn Bhd (Registration No. 200601004127 (723874-V))
"Listing"	:	Listing of and quotation for our entire enlarged share capital of RM53,263,203 comprising 480,000,000 Shares on the ACE Market
"Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities, as amended from time to time
"LPD"	:	31 May 2023, being the latest practicable date for ascertaining certain information contained in this Prospectus
"M & A Securities"	:	M & A Securities Sdn Bhd (Registration No. 197301001503 (15017-H))
"Malaysian Public"	:	Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
"Market Day"	:	Any day between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"MCO"	:	The nationwide Movement Control Order imposed by the Government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
"MD Status"	:	Malaysia Digital Status (formerly known as MSC Malaysia Status)
"MDEC"	:	Malaysia Digital Economy Corporation
"MFRS"	:	Malaysian Financial Reporting Standards
"MIA"	:	Malaysian Institute of Accountants
"MICPA"	:	Malaysian Institute of Certified Public Accountants'
"MITI"	:	Ministry of Investment, Trade and Industry, Malaysia
"MIDA"	:	Malaysian Investment Development Authority
"MSC"	:	Multimedia Super Corridor
"NA"	:	Net assets
"NBV"	:	Net book value
"NRP"	:	National Recovery Plan
"Offer for Sale"	:	Offer for sale of 12,000,000 Offer Shares by our Selling Shareholder at our IPO Price
"Offer Share(s)"	:	Existing Share(s) to be offered under our Offer for Sale

DEFINITIONS (Cont'd)

"Official List"	:	A list specifying all securities which have been admitted for listing on the ACE Market
"Participating Financial Institution(s)"	:	Participating financial institution(s) for Electronic Share Application as listed in Section 16.5
"PAT"	:	Profit after tax
"PBT"	:	Profit before tax
"PE Multiple"	:	Price-to-earnings multiple
"PIKOM"	:	The National Tech Association of Malaysia, an association representing the ICT industry in Malaysia
"Pink Form Allocations"	:	Allocation of 12,000,000 Issue Shares to our eligible Directors and employees of our Group, which forms part of our Public Issue
"Pre-IPO Investor"	:	BLM Holdings
"Promoter(s)"	:	Dayspring Capital, Paul Raymond Raj A/L Davadass and Cloud Marshal, collectively
"Prospectus"	:	This prospectus dated 21 June 2023 in relation to our IPO
"Public Issue"	:	Public issue of 110,400,000 Issue Shares at our IPO Price
"QA"	:	Quality assurance
"RHB Trustees"	:	RHB Trustees Berhad (Registration No. 200201005356 (573019-U))
"ROC"	:	Registrar of Companies
"RPS"	:	Redeemable preference share(s)
"SOP(s)"	:	Standard operating procedure(s)
"SC"	:	Securities Commission Malaysia
"Selling Shareholder"	:	Dayspring Capital, who is undertaking the Offer for Sale
"Share(s)" or "Daythree Share(s)"	:	Ordinary share(s) in Daythree
"Singtel"	:	Singapore Telecommunications Limited (Company No. 199201624D)
"Specified Shareholder(s)"	:	Dayspring Capital, Paul Raymond Raj A/L Davadass and Cloud Marshal, collectively
"Thanos Capital"	:	Thanos Capital Sdn Bhd (Registration No. 201801026417 (1288438-X))

DEFINITIONS (Cont'd)

- "Underwriting Agreement" : Retail underwriting agreement dated 31 May 2023 entered into between the Company and M & A Securities for the purpose of our IPO
- "UOA Business Park" : A business park comprising 11 blocks of boutique offices including 1 block of strata offices, a 3-storey retail podium and 26 units of retail shops prominently aligned along Federal Highway, Shah Alam, Selangor

CURRENCIES AND UNIT:

- "RM" or "sen" : Ringgit Malaysia and sen respectively
- "SGD" : Singapore Dollar
- "sq ft" : Square feet

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TECHNICAL GLOSSARY

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

"Artificial intelligence" or "AI"	:	A computer system or machine that leverages on algorithms to mimic the problem-solving and decision-making capabilities of the human mind
"Big Data"	:	A large and complex dataset that is processed and analysed to determine patterns, trends, and associations. In the context of CX lifecycle management, big data refers to datasets generated by customer interactions across channels such as phone, email, chat, and social media. These datasets include customer demographics, call recordings, chat transcripts, customer feedback, and other relevant information
"Customer Operations Performance Centre" or "COPC"	:	A globally recognised performance management framework for contact centres and CX operations provided by COPC Inc.
"CX delivery office"	:	An office used specifically for purposes of delivering CX lifecycle management services to Clients
"data analytics"	:	A process of analysing raw data sets in order to derive insights from the data
"Financial technology" or "fintech"	:	Integration of technology into product and service offerings by financial services providers companies such as cryptocurrencies and robo advisor, to improve their use and delivery to consumers
"Health technology" or "healthtech"	:	Integration of technology into product and service offerings by healthcare providers such as wearables, biosensors, and telemedicine consultation devices, to improve the delivery and consumption of healthcare
"Proof of concept"	:	A demonstration, the purpose of which is to verify that certain concepts or theories that have the potential for real-world application. It is therefore a prototype that is designed to determine feasibility but does not represent deliverables
"RPA Robot(s)" or "RPA bot(s)"	:	Software programme that are programmed to mimic human actions. They are designed to automate repetitive, manual and time-consuming tasks such as data entry, form filling and other routine processes. They are typically used to automate back-office tasks such as data entry, data validation and data reconciliation. RPA bots can also be configured to process data according to specific rules and algorithms, making them capable of performing complex tasks such as automated decision-making, document processing and data analysis. RPA bots can also work with other automation tools such as process mapping, workflow automation and process automation intelligent platforms
"Robotic process automation" or "RPA"	:	Automation of mundane and repetitive digital tasks such as automatic responses in chatbots, capturing data from Customers' responses, accessing CRM systems for Customers' information with the use of bots

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Residential address	Nationality/ Profession	Gender
Dato' Ting Heng Peng	Independent Non-Executive Chairman	1, Jalan PJU 1A/56 Damansara Idaman 47301 Petaling Jaya Selangor	Malaysian / Director	Male
Paul Raymond Raj A/L Davadass	Managing Director (Non-Independent)	59, Jalan Mutiara Seputeh 1 Taman Seputeh 58000 Kuala Lumpur	Malaysian / Director	Male
Prabakaran A/L Chilatorai	Executive Director and Head, Customer Experience (Non-Independent)	44, Lorong CP 7/57 Cheras Perdana Batu 9 3/4 Cheras 43200 Batu 9 Cheras Selangor	Malaysian / Director	Male
Gan Jhia Jhia	Non-Independent Non-Executive Director	11, Jalan Manisan Taman Bukit Indah 58200 Kuala Lumpur	Malaysian / Director	Female
Syed Izmi Bin Syed Kamarul Bahrin	Non-Independent Non-Executive Director	9, Jalan Maktab 7 54000 Kuala Lumpur	Malaysian / Director	Male
Azlina Binti Abdullah	Independent Non-Executive Director	RB7, Jalan Anggerik Taman Uda Jaya 68000 Ampang Selangor	Malaysian / Director	Female
Leong Chooi Kuen	Independent Non-Executive Director	31, Jalan Prima Pelangi 2 Bukit Prima Pelangi 51200 Kuala Lumpur	Malaysian / Director	Female
Woon Tai Hai	Independent Non-Executive Director	9, Bukit Utama Condo C-SB-9 9, Persiaran Bukit Utama Bandar Utama 47800 Petaling Jaya Selangor	Malaysian / Director	Male

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Leong Chooi Kuen	Chairwoman	Independent Non-Executive Director
Azlina Binti Abdullah	Member	Independent Non-Executive Director
Woon Tai Hai	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY *(Cont'd)*

NOMINATING COMMITTEE

Name	Designation	Directorship
Azlina Binti Abdullah	Chairwoman	Independent Non-Executive Director
Woon Tai Hai	Member	Independent Non-Executive Director
Syed Izmi Bin Syed Kamarul Bahrin	Member	Non-Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Woon Tai Hai	Chairman	Independent Non-Executive Director
Azlina Binti Abdullah	Member	Independent Non-Executive Director
Gan Jhia Jhia	Member	Non-Independent Non-Executive Director

COMPANY SECRETARY : Siew Suet Wei (MAICSA 7011254)
SSM Practicing Certificate No.: 202008001690
(Chartered Secretary and Fellow of the Malaysian Institute of Chartered Secretaries and Administrators)

Lim Yen Teng (LS0010182)
SSM Practicing Certificate No.: 201908000028
(Chartered Governance Professional and Master in Administration from Universiti Tunku Abdul Rahman)

5-9A, The Boulevard Offices
Mid Valley City
Lingkar Syed Putra
59200 Kuala Lumpur

Telephone: +603-2282 6331

REGISTERED OFFICE : 5-9A, The Boulevard Offices
Mid Valley City
Lingkar Syed Putra
59200 Kuala Lumpur

Telephone: +603-2282 6331

HEAD OFFICE : Level 8, Tower 7 UOA Business Park
1, Jalan Pengaturcara U1/51A
Seksyen U1
40150 Shah Alam
Selangor

Telephone: +603-5567 2388

EMAIL ADDRESS AND WEBSITE : Website: www.daythree.co
Email address: askme@daythree.co

1. CORPORATE DIRECTORY (Cont'd)

- AUDITORS AND REPORTING ACCOUNTANTS FOR OUR LISTING** : **Baker Tilly Monteiro Heng PLT**
(Registration No. 201906000600 (LLP0019411-LCA) & AF 0117)

Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

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

Telephone number: +603-2297 1000
- ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT** : **M & A Securities Sdn Bhd**
(Registration No. 197301001503 (15017-H))

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

Telephone: +603-2284 2911
- SOLICITORS FOR OUR LISTING** : **Zul Rafique & Partners**

D3-3-8, Solaris Dutamas
1, Jalan Dutamas 1
50480 Kuala Lumpur

Telephone: +603-6209 8228
- ISSUING HOUSE AND SHARE REGISTRAR** : **Tricor Investor & Issuing House Services Sdn Bhd**
(Registration No. 197101000970 (11324-H))

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone: +603-2783 9299

1. CORPORATE DIRECTORY (*Cont'd*)

INDEPENDENT MARKET RESEARCHER	:	Protégé Associates Sdn Bhd (Registration No. 200401037256 (675767-H)) Suite C-09-12, Plaza Mont' Kiara 2, Jalan Kiara Mont' Kiara 50480 Kuala Lumpur Telephone: +603-6201 9301 Person-in-charge: Seow Cheow Seng <i>(Master in Business Administration from Charles Sturt University, Australia and Bachelor of Business majoring in Marketing from RMIT University, Australia)</i>
LISTING SOUGHT	:	ACE Market of Bursa Securities
SHARIAH STATUS	:	Approved by Shariah Advisory Council of SC

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2. PROSPECTUS SUMMARY

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

2.1 PRINCIPAL DETAILS OF IPO

The following details relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text:

	Public Issue		Offer for Sale		Total	
	No. of Shares	⁽¹⁾ %	No. of Shares	⁽¹⁾ %	No. of Shares	⁽¹⁾ %
Malaysian Public	24,000,000	5.0	-	-	24,000,000	5.0
Pink Form Allocations	12,000,000	2.5	-	-	12,000,000	2.5
Private placement to selected investors	74,400,000	15.5	12,000,000	2.5	86,400,000	18.0
	110,400,000	23.0	12,000,000	2.5	122,400,000	25.5

Enlarged number of Shares upon Listing	480,000,000
IPO Price per Share	RM0.30
Market capitalisation upon Listing (based on our IPO Price and enlarged number of Shares upon Listing)	RM144,000,000

Note:

⁽¹⁾ Based on our enlarged share capital of 480,000,000 Shares after our IPO.

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

Our Specified Shareholders namely Dayspring Capital's and Cloud Marshal's and the Pre-IPO Investor's entire shareholdings after our IPO will be held under moratorium for 6 months from the date of Listing, as follows:

Specified Shareholders	Shares under moratorium	
	No. of Shares	% of enlarged share capital
Dayspring Capital	172,800,000	36.0
Cloud Marshal	110,880,000	23.1
Pre-IPO Investor		
BLM Holdings	73,920,000	15.4

Thereafter, our Specified Shareholders' shareholdings amounting to 45.0% of our share capital will remain under moratorium for another 6 months. Our Specified Shareholders may sell, transfer or assign up to a maximum of one-third per annum (on a straight line basis) of their shares held under moratorium upon expiry of the second 6-month period.

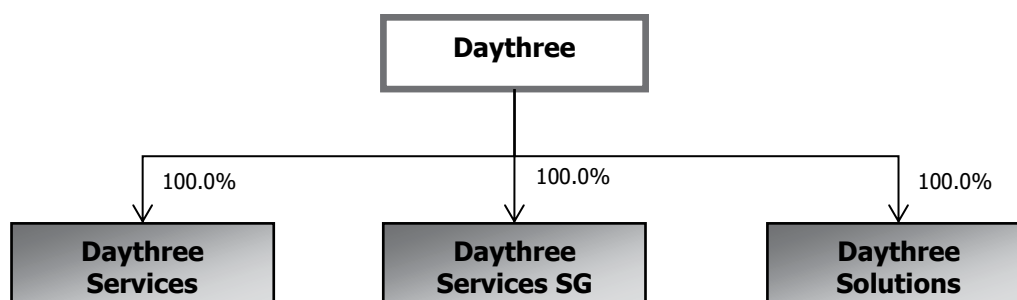
Separately, the ultimate shareholders of Dayspring Capital, Cloud Marshal and BLM Holdings namely Paul Raymond Raj A/L Davadass, Thanos Capital, Gan Jhia Jhia, Leong Kok Cheng, Lee King Loon and Bernadine Lee Siew Ling respectively, have also undertaken not to sell, transfer or assign their shareholdings in Dayspring Capital, Cloud Marshal and BLM Holdings (as applicable) during the moratorium period. The shareholders of Thanos Capital, namely Leong Kok Cheng, Lee King Loon and Gan Jhia Jhia will also not sell, transfer or assign their shareholdings in Thanos Capital during the moratorium period. Further details on the moratorium on our Shares are set out in Section 3.2.

2.2 GROUP STRUCTURE, BUSINESS MODEL AND OPERATIONAL HIGHLIGHTS

Our Company was incorporated in Malaysia under the Act on 11 August 2022 as a private limited company under the name of Daythree Digital Sdn Bhd. On 28 September 2022, it was converted into a public limited company and changed to our present name.

2. PROSPECTUS SUMMARY (Cont'd)

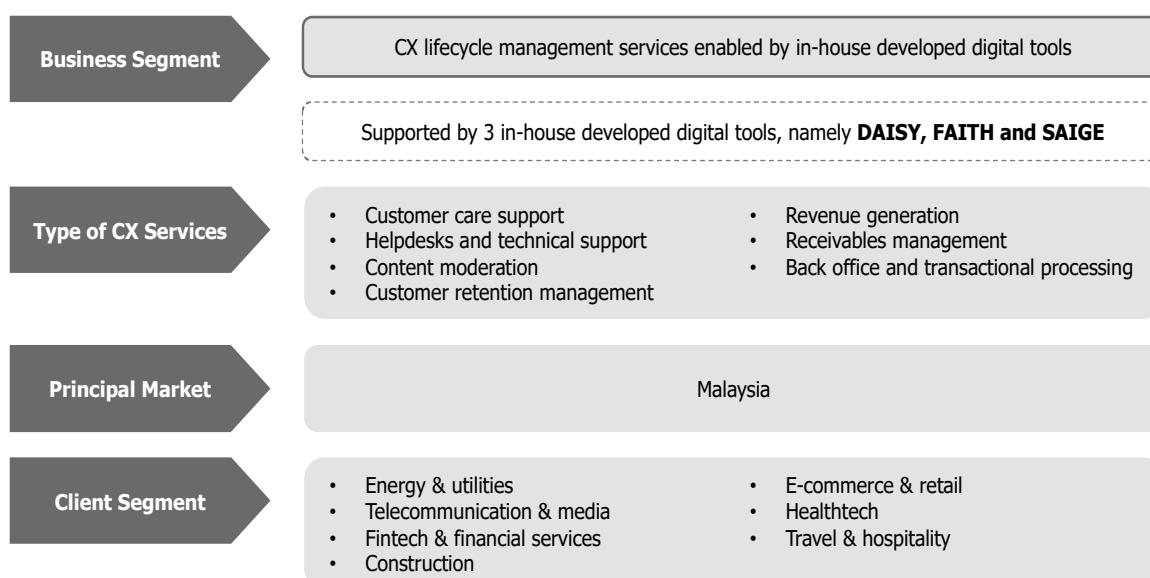
We are an investment holding company. Our Group structure as at LPD is as follows:



Through our subsidiaries, namely Daythree Services, Daythere Services SG and Daythree Solutions, we are GBS service provider focusing on CX lifecycle management services enabled by our in-house developed digital tools. Our CX lifecycle management services involve the setting up of CX delivery offices at either our premises or at our Clients' premises, which will house the CX executives that we employ to provide all our CX services. For most of our CX services, our CX delivery office primarily functions as a contact centre, which facilitates communications between our Clients and their Customers, such as in customer care support and/or in acquisition of Customers (where the Client establishes contact with a new Customer with the hope of converting from a prospect into a paying Customer), and in after-sales' customer support and care services such as responding to enquiries and technical support.

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

We manage both voice and non-voice communication channels such as calls, emails, chat messaging, social media platform, AI-powered chat bots and in-app interactions to engage with the Customers. Our services are managed and operated by trained CX executives, and we employ our in-house developed digital tools in facilitating their tasks to increase efficiencies and improve response time, thereby offering a unique brand experience.



To deliver our CX lifecycle management services efficiently, we utilise our in-house developed digital tools in our operations, that are designed to optimise CX while improving our Clients' operational performance. We identify the key areas of Clients' operations that are suitable for adoption and integration of emerging technologies in their business processes which streamline workflow and improve efficiency, thereby creating added value for our Clients. We currently utilise 3 in-house developed digital tools, namely, DAISY, SAIGE and FAITH to facilitate and support our CX operations.

2. PROSPECTUS SUMMARY (Cont'd)

Our revenue is solely generated from Malaysia. As at LPD, we are engaged by 22 Clients from various industry segments as set out in the table below. The revenue contributions from the client segment for FYE 2019 to 2022 are set out as follows:

Client segment	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Energy & utilities	14,623	39.0	19,606	41.1	24,471	42.1	31,840	48.9
Telecommunications & media	17,592	47.0	16,203	34.0	18,568	31.9	15,236	23.4
Fintech & financial services	2,202	5.9	6,842	14.3	7,906	13.6	10,003	15.4
Construction	1,891	5.0	2,264	4.7	2,475	4.3	2,474	3.8
Others ⁽¹⁾	1,155	3.1	2,798	5.9	4,713	8.1	5,552	8.5
Total	37,463	100.0	47,713	100.0	58,133	100.0	65,105	100.0

Note:

⁽¹⁾ Others consist of e-commerce & retail, healthtech and travel & hospitality.

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

2.3 IMPACT OF COVID-19 AND MCO

The Government has imposed the MCO to curb the spread of the COVID-19 virus throughout Malaysia from 18 March 2020 to 3 May 2020. Subsequent to that, the Government had implemented different forms of MCO from 4 May 2020 to 31 May 2021. Following the resurgence of COVID-19 cases in first half of 2021, the Government implemented a four-phase recovery, known as NRP, whereby the Phase 1 NRP is re-imposition of a nationwide lockdown beginning 1 June 2021. The phases of NRP vary from one state to another, depending on the improvement of COVID-19 cases in each state and the announcement by the Government. From 17 July 2021, the Government gradually announced the transition of phases for states with lower record of COVID-19 cases, whereby further relaxation of economic activities was granted to the respective states. Beginning 1 April 2022, Malaysia entered into the 'Transition to Endemic' phase whereby restrictions have been further eased, which includes the removing limits on workforce capacity and restrictions on business hours as well as allowing interstate travels.

Most of our Clients operate in the essential services sectors such as energy & utilities, telecommunications & media and fintech & financial services. As such, our services were deemed essential to support our Clients' operations. We received approvals from MITI to continue operating with specified guidelines and SOPs by the Government during various MCO and NRP stages.

The social restriction and lockdown measures in response to the COVID-19 have resulted in the increased in volume of Customer interactions, particularly for our Clients from energy & utilities, and telecommunications & media segments, which have resulted in higher demand for our services. We did not experience any major difficulties in the collection of our trade receivables arising from business interruptions faced by our Clients. Our cash flow from operations remained positive during FYE 2019 to 2022.

To comply with the SOPs imposed since 18 March 2020 and up until LPD, our Group has incurred expenses of approximately RM191,000 in aggregate which includes the purchase of sanitizers, disinfectants, facial recognition and temperature checking equipment, and personal protective equipment as well as COVID-19 testing costs. We have received government incentives of RM2.0 million in aggregate in relation to the wage subsidy programmes.

2. PROSPECTUS SUMMARY (Cont'd)

Further details on the impact of COVID-19 and MCO and our measures to commence and continue operations are set out in Section 7.8.

2.4 COMPETITIVE STRENGTHS

Our Directors believe that our business sustainability and future growth is built on the following competitive strengths:

- (a) Our Group's workforce is our key assets. As such, we place strong focus on human capital development to deliver quality CX. Our average CX executive headcount by client segment for FYE 2019 to 2022 are set out as follows.

Client segment	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Energy & utilities	378	486	584	687
Telecommunications & media	452	400	379	326
Fintech & financial services	37	145	152	189
Construction	27	42	54	60
Others ⁽¹⁾	27	94	98	115
	921	1,167	1,267	1,377

Note:

- (1) Others consist of e-commerce & retail, healthtech and travel & hospitality.

In order to provide satisfactory service to Customers, our Group has identified the key measures in improving and maintaining the performance of our workforce. In general, quality CX executives are able to: (i) achieve high customer satisfaction scores; (ii) handle interactions quickly; (iii) resolve more customer interactions; and (iv) perform consistently.

To instil such qualities in our growing and adaptive workforce, our Group commits to investing in our employees by providing a conducive work environment and necessary trainings. New employees also undergo up to 2 weeks induction programme that are designed to instil our corporate culture known as the '**Daythree Way – Service from the Heart**'. This culture and our core values emphasise on a team collaborative approach in our operations.

In addition, project-specific training programmes that provide CX executives with knowledge of the Clients' products, services, procedures and systems are developed together with the Clients during project development and planning stages. Our Group's employees also have access to internal and external training programmes such as functional and leadership skills training, data analytic programmes, and COPC compliance programmes.

- (b) In line with technological advancement in areas including RPA, AI, data analytics and business intelligence, our Group leverages on our in-house developed digital tools DAISY, SAIGE and FAITH to facilitate and support our CX operations. The deployment of these in-house developed digital tools into the CX operations enables our CX executives to focus on delivering a personalised CX while in-house developed digital tools handle more mundane and repetitive tasks. Our Group monitors technological advancements and trends and also uses our in-house developed digital tools for review, evaluation and analysis of performance, which will allow our Group to better propose and incorporate newer and improved technologies in our services and solutions. This is ultimately aimed at supporting the modernisation of business processes of our Clients.

2. PROSPECTUS SUMMARY (Cont'd)

- (c) Our Group has a diverse client segment base. Since our inception, we have grown our client base operating in diverse industries which include but are not limited to energy & utilities, telecommunications & media, fintech & financial services, construction, e-commerce & retail, healthtech and travel & hospitality. We leverage on this experience to continue building our capabilities to serve new Clients, and combine it with improvements in operational processes augmented by the adoption of advanced technologies.
- (d) Our Group has an experienced key senior management team, led by our founder and Managing Director, Paul Raymond Raj A/L Davadass who has more than 10 years of working experience within the GBS industry and Prabakaran A/L Chilatorai, our Executive Director and Head, Customer Experience, who has approximately 20 years of experience in managing CX lifecycle business processes. Our management team has substantial experience in their respective fields, contributing valuable new perspectives and insights to our Group's business operations.

Further details of our competitive strengths are set out in Section 7.16.

2.5 BUSINESS STRATEGIES

Our business objectives are to maintain sustainable growth and create long term shareholder value. To achieve our business objectives, we will implement the following business strategies over the period of 24 months from the date of our Listing:

- (a) We intend to expand our office space in the following manner:
 - (i) increase the current headquarters built-up area from approximately 4,000 sq ft (being occupied by our management level employees) to 6,045 sq ft, which is expected to accommodate the current and additional management team;
 - (ii) set up 2 new CX delivery offices with an aggregate built-up area of approximately 12,000 sq ft located at UOA Business Park; and
 - (iii) set up a multipurpose facility with a built-up area of approximately 6,000 sq ft located at UOA Business Park to be used for internal training, meeting, rest and recreational purposes.
- (b) We intend to recruit a team of industry experts comprising the expansion of the management team with a Chief People Officer, Director of learning and development and Chief Customer Officer, together with 12 executive personnel to support and assist this expanded management team.
- (c) We intend to purchase networking infrastructure, IT software and hardware, which will facilitate the monitoring of our network performance and potential cyber threats. Through the network monitoring centre, we can detect network anomalies and address any cyber-attacks and/or network disruptions and thus ensuring our operational continuity.
- (d) We intend to increase our market visibility and brand recognition by participating in more educational exhibitions and forums and placing of thought leadership articles, advertisements on various platforms such as digital publications, websites, in-application advertisements and social media platforms. We also intend to redesign our website layout to improve user experience.

Further details of our business strategies are set out in Section 7.18.

2. PROSPECTUS SUMMARY (Cont'd)**2.6 RISK FACTORS**

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risk factors as set out in Section 9. Some of the more important risk factors are summarised below:

- (a) Our business is concentrated on 3 major Clients which had contributed approximately 60.2%, 63.3%, 64.1% and 67.3% to our Group's revenue in FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively. As such, our financial performance may be materially and adversely affected if we were to lose one or more of the 3 major Clients (or reduce the level of services provided to them) without capturing new Clients to replace the loss of business in a timely manner, or if we were to encounter difficulties in collecting payments from these major Clients, the projects are delayed or terminated.
- (b) We are dependent on our ability to secure new contracts, maintain and renew contracts with our Clients where there is no assurance that our Clients will renew their contracts with us after the expiration of their terms or that our Clients will continue engaging our services. If renewed, any subsequent service agreements awarded by our existing Clients, may be on terms less favourable to us.
- (c) We are dependent on our employees collectively to support our operations as our CX executives (people cost) accounted for 93.4%, 94.5%, 93.2% and 92.6% of the cost of sales for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively. While our management employees (staff's cost) accounted for 69.2%, 70.8%, 67.3% and 56.4% of the administrative expenses for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively. Our employees are collectively critical to the smooth execution of our overall operations including our CX delivery offices and as such our success and future growth is largely dependent on our ability to attract, train and retain our employees.
- (d) Our financial performance may be impacted in the event of non-extension of our Pioneer Status which entitles us to a 100% exemption on taxable statutory income derived from approved activities for the second 5 years (from 16 February 2022 to 15 February 2027). On 18 January 2023, we received the approval-in-principle by MIDA and this approval is subject to the gazettment of the relevant tax exemption provisions by the Government. Our Group has provided for the income tax payable of RM2.3 million and the relevant penalties of RM0.2 million in FYE 2022. If the gazettment does not take place, our Group will continue to account for the income tax payable and penalties, resulting in a significant impact on our financial performance.
- (e) Our continued success will depend on our ability to retain the service of our Managing Director, Executive Director and key management personnel. As such, the loss of our experienced Managing Director, Executive Director and key management personnel without suitable and timely replacements, may have an adverse impact on our Group's business and ability to compete effectively.
- (f) We are subject to the service level and performance obligations required by our Clients, and they are stipulated in our Clients' contract. As such, we may be imposed a penalty if we fail to meet the minimum service level and performance obligation required and/or mistake made by our CX executives in the course of delivering CX services, and could lead to reduction in revenue (lower payments to us) and a claim against us for damages.
- (g) We are liable to our Clients for damages caused by unauthorised disclosure of sensitive and confidential information, whether through a breach of our computer systems, through our employees or otherwise which we could also face legal claims from our Clients as a result of breaching contractual confidentiality provisions, leading to loss of Clients and loss of revenue.

2. PROSPECTUS SUMMARY (Cont'd)**2.7 DIRECTORS AND KEY SENIOR MANAGEMENT**

Our Directors and key senior management are as follows:

Name	Designation
Directors	
Dato' Ting Heng Peng	Independent Non-Executive Chairman
Paul Raymond Raj A/L Davadass	Managing Director
Prabakaran A/L Chilatorai	Executive Director and Head, Customer Experience
Gan Jhia Jhia	Non-Independent Non-Executive Director
Syed Izmi Bin Syed Kamarul Bahrin	Non-Independent Non-Executive Director
Azlina Binti Abdullah	Independent Non-Executive Director
Leong Chooi Kuen	Independent Non-Executive Director
Woon Tai Hai	Independent Non-Executive Director
Key senior management	
Chiew Sin Kwang	Head, Digital Transformation
Charanjit Kaur A/P Mohan Singh	Head, Service Excellence
Callie Tan Poh Choo	Financial Controller
Zaina Haida Binti Zainal Rahim	Senior Manager, People & Culture
Joma Paul Mariano Germentil	Senior Manager, Business Excellence

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

2.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

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

Name	Country of incorporation/ Nationality	(1) Before IPO				(2) After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%
Promoters and substantial shareholders									
Dayspring Capital	Malaysia	184,800	50.0	-	-	172,800	36.0	-	-
Paul Raymond Raj A/L Davadass	Malaysian	-	-	(3)184,800	(3)50.0	-	-	(3)172,800	(3)36.0
Cloud Marshal	Malaysia	110,880	30.0	-	-	110,880	23.1	-	-
Substantial shareholders									
BLM Holdings ⁽⁴⁾	Malaysia	73,920	20.0	-	-	73,920	15.4	-	-
Thanos Capital	Malaysia	-	-	(5)110,880	(5)30.0	-	-	(5)110,880	(5)23.1
Gan Jhia Jhia	Malaysian	-	-	(6)110,880	(6)30.0	-	-	(6)110,880	(6)23.1
Leong Kok Cheng	Malaysian	-	-	(7)110,880	(7)30.0	-	-	(7)110,880	(7)23.1
Lee King Loon	Malaysian	-	-	(8)110,880	(8)30.0	-	-	(8)110,880	(8)23.1
Bernadine Siew Ling	Lee Malaysian	-	-	(9)73,920	(9)20.0	-	-	(9)73,920	(9)15.4

Notes:

(1) Based on the share capital of 369,600,000 Shares before our IPO.

(2) Based on the enlarged share capital of 480,000,000 Shares after our IPO.

2. PROSPECTUS SUMMARY (Cont'd)

- (3) Deemed interest by virtue of his direct shareholdings in Dayspring Capital pursuant to Section 8(4) of the Act.
- (4) Being the beneficial owner of the Shares held through Kenanga Investors Berhad-client's trust account in RHB Trustees.
- (5) Deemed interest by virtue of its direct shareholding in Cloud Marshal pursuant to Section 8(4) of the Act.
- (6) Deemed interest by virtue of her direct shareholding in Thanos Capital pursuant to Section 8(4) of the Act.
- (7) Deemed interest by virtue of his direct shareholding in Thanos Capital pursuant to Section 8(4) of the Act.
- (8) Deemed interest by virtue of his direct shareholding in Thanos Capital pursuant to Section 8(4) of the Act.
- (9) Deemed interest by virtue of her direct shareholding in BLM Holdings pursuant to Section 8(4) of the Act.

Please refer to Section 5.1.2 for further details of the shareholders of Dayspring Capital, Cloud Marshal, BLM Holdings and Thanos Capital. Further details of our Promoters and substantial shareholders are set out in Section 5.

2.9 UTILISATION OF PROCEEDS

The gross proceeds to be raised by our Company from the Public Issue of RM33.1 million shall be utilised in the following manner:

Utilisation of proceeds	RM'000	%	⁽¹⁾Estimated timeframe for utilisation
Office expansion	7,100	21.4	Within 24 months
Recruit industry experts to capture growth opportunities	3,020	9.1	Within 24 months
Capital expenditure in networking infrastructure, IT hardware and software	3,000	9.1	Within 12 months
Branding, marketing and promotional activities	1,500	4.5	Within 12 months
Working capital	14,700	44.4	Within 12 months
Estimated listing expenses	3,800	11.5	Within 1 month
Total	33,120	100.0	

Note:

- (1) From the date of our Listing.

There is no minimum subscription to be raised from IPO.

Detailed information on our utilisation of proceeds is set out in Section 4.9.

2. PROSPECTUS SUMMARY (Cont'd)**2.10 FINANCIAL HIGHLIGHTS**

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

2.10.1 Combined statements of comprehensive income

The following table sets out the financial highlights based on our combined statements of comprehensive income for FYE 2019 to 2022:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	37,463	47,713	58,133	65,105
GP	7,631	9,888	15,163	16,401
PBT	3,838	5,649	9,671	8,545
PAT	3,838	5,649	9,630	6,247
GP margin (%) ⁽¹⁾	20.4	20.7	26.1	25.2
PAT margin (%) ⁽²⁾	10.2	11.8	16.6	9.6
EPS (sen) ⁽³⁾	0.8	1.2	2.0	1.3
Current ratio (times)	4.7	4.5	6.0	2.6
Gearing ratio (times)	-	-	-	0.2

Notes:

- (1) Calculated based on GP over revenue.
- (2) Calculated based on PAT over revenue.
- (3) Calculated based on PAT and enlarged share capital of 480,000,000 Shares after our IPO.

There were no exceptional items during the financial years under review. Our audited combined financial statements for the past financial years under review were not subject to any audit qualifications. Further details on the financial information are set out in Section 12 and Section 13.

2.10.2 Pro forma combined statements of financial position

The following table sets out a summary of the pro forma combined statements of financial position of our Group to show the effects of the Acquisitions, Public Issue, Offer for Sale and utilisation of proceeds. It is presented for illustrative purposes only and should be read together with the pro forma combined statements of financial position as set out in Section 14.

	I	II	III
As at 31 December 2022	After Acquisitions	After I and Public Issue and Offer for Sale	After II and utilisation of proceeds
RM'000	RM'000	RM'000	RM'000
ASSETS			
Total non-current assets	12,874	12,874	12,874
Total current assets	33,240	33,240	63,521
TOTAL ASSETS	46,114	46,114	76,395

2. PROSPECTUS SUMMARY (Cont'd)

	I	II	III
As at 31 December 2022	After Acquisitions	After I and Public Issue and Offer for Sale	After II and utilisation of proceeds
RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES			
Share capital	20,143	53,263	52,389
Invested equity	-	-	-
Exchange reserve	1	1	1
Reorganisation reserve	(18,143)	(18,143)	(18,143)
Retained earnings	24,474	24,474	22,509
TOTAL EQUITY	26,475	26,475	56,756
Total non-current liability	6,818	6,818	6,818
Total current liabilities	12,821	12,821	12,821
TOTAL LIABILITIES	19,639	19,639	19,639
TOTAL EQUITY AND LIABILITIES	46,114	46,114	76,395
No. of Shares in issue ('000)	369,600	480,000	480,000
NA per Share (RM)	0.07	0.12	0.12
Borrowings	12,340	12,340	12,340
Gearing (times)	0.5	0.2	0.2

2.11 DIVIDEND POLICY

Our Company presently does not have any formal dividend policy. It is our intention to pay dividends to shareholders in the future, however, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board.

During FYE 2019 to 2022 and up to LPD, we declared and paid the following dividends:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	1 January 2023 up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividends declared	1,300	2,000	600	8,000	-
Dividends paid	1,300	2,000	600	8,000	-

The dividends declared and paid in FYE 2019 to 2022 and up to LPD were funded via internally generated funds. We do not intend to declare and pay any dividends from the LPD up to the point of our Listing.

Further details of our dividend policy are set out in Section 12.16.

3. APPROVALS AND CONDITIONS

3.1 APPROVALS AND CONDITIONS

3.1.1 Bursa Securities approval

Bursa Securities had, vide its letter dated 9 March 2023, approved our admission to the Official List of the ACE Market, the listing of and quotation for our entire enlarged issued share capital on the ACE Market and the approval-in-principal for the registration of the Prospectus. The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(a)	Submit the following information with respect to the moratorium on the shareholdings of the Specified Shareholders to Bursa Depository: <ul style="list-style-type: none"> (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of shares. 	Complied
(b)	Confirm that approvals from other relevant authorities have been obtained for implementation of the listing proposal;	Complied
(c)	The Bumiputera equity requirements for public listed companies as approved / exempted by the SC including any conditions imposed thereon;	Complied. Daythree is exempted from the Bumiputera equity requirement for public listed companies. Further details are set out in Section 3.1.2.
(d)	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements;	To be complied
(e)	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of Daythree on the first day of listing;	To be complied
(f)	In relation to the public offering to be undertaken by Daythree, to announce at least 2 market days prior to the listing date, the result of the offering including the following: <ul style="list-style-type: none"> (i) Level of subscription of public balloting and placement; (ii) Basis of allotment / allocation; (iii) A table showing the distribution for placement tranche; and (iv) Disclosure of placees who become substantial shareholders of Daythree arising from the public offering, if any. 	To be complied
(g)	Daythree / M & A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of Daythree to the Official List of the ACE Market.	To be complied

3. APPROVALS AND CONDITIONS (Cont'd)

3.1.2 SC approval

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

The SC had, vide its letter dated 13 March 2023 took note of the resultant equity structure of our Company pursuant to our Listing under the Bumiputera equity requirement for public listed companies ("**Equity Requirement**"). Daythree Services was awarded the MSC Malaysia Status by MDEC on 14 February 2017 which was subsequently replaced by Malaysia Digital Status on 4 July 2022, and was the major contributor to our Group's after tax-profit for FYE 2019 to FYE 2021. Accordingly, Daythree is exempted from the Equity Requirement.

Nevertheless, if we undertake subsequent proposals involving:

- (a) a transfer of our listing status to the Main Market of Bursa Securities; or
- (b) any acquisition which results in a significant change in our business direction or policy,

we must submit such application to the SC under the Equity Requirement for a reassessment.

The Shariah Advisory Council of SC had, vide its letter dated 13 June 2023 classified our Shares as shariah-compliant based on our audited combined financial statements for FYE 2022.

3.1.3 MITI approval

The MITI had, vide its letter dated 10 January 2023, exempted our Company from meeting the Bumiputera equity requirement pursuant to our Listing as we had obtained the MSC Malaysia Status on 14 February 2017 in line with the rules issued by the SC.

3.2 MORATORIUM ON OUR SHARES

3.2.1 Specified Shareholders

In accordance with Rule 3.19(1) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of those Shares held by our Specified Shareholders namely Dayspring Capital and Cloud Marshal as follows:

- (a) The moratorium applies to the entire shareholdings of our Specified Shareholders for a period of 6 months from the date of our admission to the ACE Market ("**First 6-Month Moratorium**");
- (b) Upon expiry of the First 6-Month Moratorium, our Company must ensure that our Specified Shareholders' aggregate shareholdings amounting to at least 45.0% of the total number of issued ordinary shares remain under moratorium for another period of 6 months ("**Second 6-Month Moratorium**"); and
- (c) On the expiry of the Second 6-Month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight line basis) of those Shares held under moratorium.

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

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

Specified Shareholders	Shares under the First 6-Month Moratorium		Shares under the Second 6-Month Moratorium		Year 2		Year 3	
	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(2)%
Dayspring Capital	⁽¹⁾ 172,800,000	36.0	⁽¹⁾ 131,573,604	27.4	87,715,736	18.3	43,857,868	9.1
Cloud Marshal	110,880,000	23.1	84,426,396	17.6	56,284,264	11.7	28,142,132	5.9
	283,680,000	59.1	216,000,000	45.0	144,000,000	30.0	72,000,000	15.0

Notes:

⁽¹⁾ After Offer for Sale.

⁽²⁾ Based on the enlarged share capital of 480,000,000 Shares after our IPO.

3.2.2 Pre-IPO Investor

In accordance with Rule 3.19A of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by the Pre-IPO Investor for a period of 6 months from the date of our admission to the ACE Market. Details of our Pre-IPO Investor and its Shares which will be subject to the moratorium, are set out below:

Pre-IPO Investor	Shares under the 6-Month Moratorium	
	No. of Shares	(1)%
BLM Holdings ⁽²⁾	73,920,000	15.4

Notes:

⁽¹⁾ Based on the enlarged share capital of 480,000,000 Shares after our IPO.

⁽²⁾ Being the beneficial owner of the Shares held through Kenanga Investors Berhad for clients' trust account in RHB Trustees.

3. APPROVALS AND CONDITIONS (Cont'd)

The moratoriums in Sections 3.2.1 and 3.2.2 above have been fully accepted by our Specified Shareholders as well as Pre-IPO Investor, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the moratorium period. The moratorium restrictions are specifically endorsed on the share certificates representing the Shares under moratorium held by them to ensure that our Share Registrar does not register any transfer and/or assignment that contravenes with such restrictions.

Separately, the ultimate shareholders of Dayspring Capital, Cloud Marshal and BLM Holdings namely Paul Raymond Raj A/L Davadass, Thanos Capital, Gan Jhia Jhia, Leong Kok Cheng, Lee King Loon and Bernadine Lee Siew Ling have also undertaken not to sell, transfer or assign their shareholdings in Dayspring Capital, Cloud Marshal and BLM Holdings during the abovementioned moratorium period. The shareholders of Thanos Capital, namely Leong Kok Cheng, Lee King Loon and Gan Jhia Jhia will also not sell, transfer or assign their shareholdings in Thanos Capital during the moratorium period.

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4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 21 June 2023 and will remain open until 5.00 p.m. on 11 July 2023. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Indicative date
Issuance of this Prospectus / Opening of Application	21 June 2023
Closing of Application	11 July 2023
Balloting of Application	14 July 2023
Allotment / Transfer of IPO Shares to successful applicants	24 July 2023
Date of Listing	26 July 2023

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

4.3 DETAILS OF OUR IPO

4.3.1 Listing scheme

(a) Public Issue

A total of 110,400,000 Issue Shares, representing approximately 23.0% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(i) Malaysian Public

24,000,000 Issue Shares, representing approximately 5.0% of our enlarged share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

(aa) 12,000,000 Issue Shares made available to public investors; and

(bb) 12,000,000 Issue Shares made available to Bumiputera public investors.

(ii) Eligible Directors and employees of our Group

12,000,000 Issue Shares, representing approximately 2.5% of our enlarged share capital, are reserved for our eligible Directors and employees of our Group under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.2.

(iii) Private placement to selected investors

74,400,000 Issue Shares, representing approximately 15.5% of our enlarged share capital, are reserved for private placement to selected investors.

4. DETAILS OF OUR IPO (Cont'd)

The basis of allocation of the Issue Shares shall take into account our Board's intention to distribute the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements, and to establish a liquid and adequate market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors.

Upon completion of our Public Issue, our share capital will increase from RM20.1 million comprising 369,600,000 Shares to RM53.3 million comprising 480,000,000 Shares. There is no over-allotment or 'greenshoe' option that will increase the number of our IPO Shares.

Our Public Issue is subject to the terms and conditions of this Prospectus.

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4. DETAILS OF OUR IPO (Cont'd)

(b) Offer for Sale

A total of 12,000,000 Offer Shares, representing 2.5% of our enlarged share capital, are offered by our Selling Shareholder to selected investors by way of private placement at our IPO Price.

Our Offer for Sale is subject to the terms and conditions of this Prospectus. The details of our Selling Shareholder and its relationship with our Group are as follows:

Name / Registered or Residential address	Relationship with our Group	As at LPD / Before IPO ⁽¹⁾		Offer Shares offered			After IPO	
		No. of Shares	%	No. of Shares	⁽²⁾ %	⁽³⁾ %	No. of Shares	⁽³⁾ %
Dayspring Capital / 5-9A, The Boulevard Offices Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur	Promoter, Specified Shareholder and substantial shareholder	184,800,000	50.0	12,000,000	3.2	2.5	172,800,000	36.0

Notes:

- (1) After completion of Acquisitions prior to Public Issue.
- (2) Based on the share capital of 369,600,000 Shares before IPO.
- (3) Based on our enlarged share capital of 480,000,000 Shares after IPO.

Further details of our Selling Shareholder, who is also our Promoter and substantial shareholder can be found in Section 5.1.2(a).

(c) Listing

Upon completion of our IPO, our Company's entire enlarged share capital of RM53.3 million comprising 480,000,000 Shares shall be listed on the ACE Market.

4. DETAILS OF OUR IPO (Cont'd)**4.3.2 Pink Form Allocations**

We have allocated 12,000,000 Issue Shares under the Pink Form Allocations to our eligible Directors and employees of our Group as follows:

Category	No. of eligible persons	Aggregate no. of Issue Shares allocated
Eligible Directors	3	2,000,000
Eligible employees	23	10,000,000
	26	12,000,000

Pink Form Allocations which are not accepted by certain eligible Directors and employees of our Group will be re-allocated among the other eligible Directors mentioned in the table above and other eligible employees at the discretion of our Board.

(a) Allocation to eligible Directors

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

Paul Raymond Raj A/L Davadass (our Managing Director) and Gan Jhia Jhia (our Non-Independent Non-Executive Director) have opted not to participate in the Pink Form Allocations as they are already our substantial shareholders. Additionally, Dato' Ting Heng Peng (our Independent Non-Executive Chairman), Azlina Binti Abdullah and Leong Chooi Kuen (our Independent Non-Executive Directors) have opted not to participate in the Pink Form Allocation.

Details of the proposed allocation to our other Directors are as follows:

Name	Designation	No. of Issue Shares allocated
Prabakaran A/L Chilatorai	Executive Director and Head, Customer Experience	1,000,000
Syed Izmi Bin Syed Kamarul Bahrin	Non-Independent Non-Executive Director	500,000
Woon Tai Hai	Independent Non-Executive Director	500,000
		2,000,000

(b) Allocation to our eligible employees

The criteria of allocation to our eligible employees (as approved by our Board) are based on, among others, the following factors:

- (i) Our employees must be an eligible and confirmed employee and on the payroll of our Group;
- (ii) The number of shares allocated to our eligible employees are based on their seniority, position, length of service and respective contribution made to our Group as well as other factors deemed relevant to our Board; and
- (iii) Full time employee of at least 18 years of age.

4. DETAILS OF OUR IPO (Cont'd)

Included in the allocation to our eligible employees are the proposed allocations to our key senior management:

Name	Designation	No. of Issue Shares allocated
Chiew Sin Kwang	Head, Digital Transformation	2,000,000
Charanjit Kaur A/P Mohan Singh	Head, Service Excellence	2,000,000
Callie Tan Poh Choo	Financial Controller	1,000,000
		5,000,000

4.3.3 Placement and underwriting arrangement

Our Underwriter will underwrite 36,000,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 74,400,000 Issue Shares and 12,000,000 Offer Shares available for application by selected investors will not be underwritten and will be placed out by our Placement Agent.

Our IPO Shares shall be subject to the following clawback and reallocation provisions:

- (a) Any IPO Shares not subscribed for under the Pink Form Allocations (if any), will be made available for application by the Malaysian Public; and
- (b) Any remaining IPO Shares including those from (a) which are not subscribed by the Malaysian Public will then be made available to selected investors via private placement.

Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms of the Underwriting Agreement. Our Board will ensure that any excess IPO Shares will be allocated in a fair and equitable manner.

4.3.4 Minimum and over-subscription

There is no minimum subscription to be raised from our IPO. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of IPO Shares will be the number of IPO Shares required to be held by public shareholders to comply with the public spread requirements as set out in the Listing Requirements or as approved by Bursa Securities.

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

Under the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market.

In such an event, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

To the best of our knowledge and belief, there is no person who intends to subscribe for more than 5.0% of our IPO Shares.

4. DETAILS OF OUR IPO (Cont'd)

Daythree Services was awarded the MSC Malaysia Status by MDEC on 14 February 2017 which was subsequently replaced by Malaysia Digital Status on 4 July 2022, and was the major contributor to our Group's after tax-profit for FYE 2019 to FYE 2022. Accordingly, Daythree is exempted from the Bumiputera equity requirement.

4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

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

Details	No. of Shares	RM
Share capital		
As at the date of this Prospectus	369,600,000	20,143,203
To be issued under our Public Issue	110,400,000	33,120,000
Enlarged share capital upon our Listing	480,000,000	53,263,203

Our Offer for Sale will not have any effect on our share capital.

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

Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of our Issue Shares.

Our Offer Shares rank equally in all respects with our existing ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares.

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and any surplus if our Company is liquidated in accordance with our Constitution.

Each of our shareholders shall be entitled to vote at any of our general meetings in person or by proxy or by other duly authorised corporate representative. Every shareholder present in person or by proxy or other duly authorised corporate representative shall have one vote for each ordinary share held.

4.5 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- (a) To enable our Group to raise funds for the purposes specified in Section 4.9 herein;
- (b) To gain recognition through our listing status to enhance our reputation and to retain and attract new, skilled employees from the GBS industry;
- (c) To provide an opportunity for the Malaysian Public, including our eligible Directors and employees of our Group to participate in our equity; and
- (d) To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise.

4. DETAILS OF OUR IPO (Cont'd)

4.6 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and M & A Securities, as our Adviser, Sponsor, Underwriter and Placement Agent, after taking into consideration the following factors:

- (a) Our pro forma NA per Share as at 31 December 2022 after IPO and utilisation of proceeds of RM0.12, calculated based on our pro forma NA after IPO and utilisation of proceeds as at 31 December 2022 of approximately RM56.8 million and enlarged share capital of 480,000,000 Shares upon Listing;
- (b) The PE Multiple of our IPO Price of approximately 23.1 times based on our EPS of approximately 1.3 sen for FYE 2022, calculated based on our PAT for FYE 2022 of RM6.2 million and enlarged share capital of 480,000,000 Shares upon Listing;
- (c) Our historical financial track record is as follows:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	37,463	47,713	58,133	65,105
GP	7,631	9,888	15,163	16,401
PAT	3,838	5,649	9,630	6,247

- (d) Our competitive strengths as set out in Section 7.16; and
- (e) Our business strategies and prospects as set out in Section 7.18.

You should note that our market price upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in them. You are reminded to carefully consider the risk factors as set out in Section 9 before deciding to invest in our Shares.

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 480,000,000 Shares upon Listing, our total market capitalisation will be RM144.0 million.

4. DETAILS OF OUR IPO (Cont'd)**4.8 DILUTION**

Dilution is the amount by which our IPO Price exceeds our pro forma NA per Share immediately after our IPO. The following table illustrates such dilution on a per Share basis:

	RM
IPO Price	0.30
Pro forma NA per Share as at 31 December 2022 after Acquisitions but before IPO	0.07
Pro forma NA per Share as at 31 December 2022 after Acquisitions, IPO and utilisation of proceeds	0.12
Increase in pro forma NA per Share attributable to existing shareholders	0.05
(Decrease) in pro forma NA per Share to our new public investors	(0.18)
(Decrease) in pro forma NA per Share as a percentage of our IPO Price	(60.0%)

Further details of our pro forma NA per Share as at 31 December 2022 is set out in Section 14.

Save as disclosed below, there is no substantial disparity between our IPO Price and the average effective cash cost per Share paid by our Promoters, substantial shareholders, Pre-IPO Investor, Directors, key senior management, and/or any persons connected with them since our incorporation up to the date of this Prospectus:

Shareholders	⁽¹⁾No. of Shares received	⁽²⁾Total cash cost	Average effective cash cost per Share
		RM	RM
Dayspring Capital	184,800,000	7,750,300	0.0419
Cloud Marshal	110,880,000	10,714,286	0.0966
BLM Holdings ⁽³⁾	73,920,000	7,500,000	0.1015

Notes:

- (1) Issued under the Acquisitions, including the existing 1 share each held by Dayspring Capital and Cloud Marshal, and transfer of 1 subscriber's share in Daythree to BLM Holdings.
- (2) Based on their respective cash investments and divestments (if any) in Daythree Services since its incorporation and up to the date of this Prospectus.
- (3) Being the beneficial owner of the Shares held through Kenanga Investors Berhad-client's trust account in RHB Trustees.

Save as disclosed above and the Pink Form Allocations to our eligible Directors and key management, there has been no acquisitions or subscription of any of our Shares by our Directors or key management, substantial shareholders or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, in the past 3 years up to LPD.

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

The estimated gross proceeds from our Public Issue of RM33.1 million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	Notes	RM'000	%	⁽¹⁾Estimated timeframe for utilisation
Office expansion	(a)	7,100	21.4	Within 24 months
Recruit industry experts to capture growth opportunities	(b)	3,020	9.1	Within 24 months
Capital expenditure in networking infrastructure, IT hardware and software	(c)	3,000	9.1	Within 12 months
Branding, marketing and promotional activities	(d)	1,500	4.5	Within 12 months
Working capital	(e)	14,700	44.4	Within 12 months
Estimated listing expenses	(f)	3,800	11.5	Within 1 month
Total		33,120	100.0	

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

Note:

⁽¹⁾ From the date of our Listing.

(a) Office expansion

Presently, we occupy the following units in UOA Business Park:

Tower	Unit	Built-up area (sq ft)
3B	3B-05-01, Level 5	6,717
3A	3A-09-01, Level 9	6,695
7	(i) 7-03A-01, Level 3A	6,045
	(ii) 7-06-01, Level 6	6,045
	(iii) 7-07-01, Level 7	6,045
	(iv) 7-08-01, Level 8 (Headquarters) ⁽¹⁾	4,000
9	(i) 9-02-01, Level 2	2,558
	(ii) 9-13A-01, Level 13A	12,454
Total		50,559

Note:

⁽¹⁾ The remaining 2,045 sq ft area of this floor is occupied as a CX delivery office.

4. DETAILS OF OUR IPO (Cont'd)

We intend to allocate RM7.1 million from the proceeds of our Public Issue for the expansion of our headquarters, additional working space in UOA Business Park for internal use as a training ground and for employee wellbeing, and additional CX delivery offices, in the following manner:

Utilisation of proceeds		RM'000
(i)	Headquarters expansion	1,200
(ii)	Expansion of working space	
	- New CX delivery office	2,900
	- Multipurpose facility for internal training, meetings, rest and recreation	3,000
Total		7,100

The expanded office areas are identified within UOA Business Park, and their respective costs are set out in the table below:

	Tower	Unit	Expansion plan	Expansion cost RM'000	Allocation from Public Issue proceeds RM'000
(i)	7	7-08-01, Level 8	Headquarters expansion of 2,045 sq ft and renovation at Level 8 totalling approximately 6,045 sq ft	1,774	1,200
(ii)	To be identified at UOA Business Park	To be identified at UOA Business Park	Expansion of ninth CX delivery office totalling approximately 6,000 sq ft	2,900	2,900
(iii)	To be identified at UOA Business Park	To be identified at UOA Business Park	Multipurpose facility for internal training, meeting, rest and recreation totalling approximately 6,000 sq ft	3,424	3,000
Total				8,098	7,100

(i) Headquarters renovation

Our Group's headquarters is currently located at Level 8, Tower 7, UOA Business Park has an aggregate built-up area of approximately 6,045 sq ft of which approximately 4,000 sq ft being occupied by our management level employees, being all non-CX executive staff of all ranks, comprising the key senior management team, and the departments of finance, human resources, administration, business excellence, corporate office, digital transformation, and information technology, who are responsible for supporting and guiding CX executives. (Please refer to Section 6.12 for a breakdown of our employees). They provide leadership, direction and support to CX executives, by helping them achieve their full potential and effectively carry out their work.

4. DETAILS OF OUR IPO (Cont'd)

The remaining 2,045 sq ft is occupied as a CX delivery office. In view of our growing workforce, we intend to take over the remaining 2,045 sq ft to expand our current headquarters space, and convert the entire Level 8 as our headquarters, and we intend to utilise RM1.2 million to fully renovate our expanded headquarters to include the additional 2,045 sq ft, which can accommodate both the current and additional management team, including those set out in (b) below for our expansion of the management team.

The full cost of expansion for our headquarters is expected to cost a total of RM1.8 million which was arrived based on the existing rental rate paid for our CX delivery office at UOA Business Park as well as quotations by contractors. The breakdown of the cost is as follows:

Description	Estimated cost (RM'000)
(i) Renovation costs	1,050
(ii) Purchase office furniture and equipment	100
(iii) Rental expenses for 2 years ⁽¹⁾	624
Total	1,774

Note:

- (1) Being rental costs of 2 years for the entire floor of Level 8 measuring approximately 6,045 sq ft. As at LPD, we occupy approximately 4,000 sq ft, and the remaining 2,045 sq ft is occupied as a CX delivery office.

We expect to commence the renovation process which will take up to 3 months to complete, by second quarter of 2024.

(ii) Expansion of new CX delivery office

We currently fully occupy 7 office units as CX delivery offices. Given the space constraints of our existing office and in order to cater our growing customer base and number of employees, we have leased an eighth unit located at Level 13A, Tower 9 in UOA Business Park for expansion of our CX delivery offices. The expansion was funded via internally generated funds and the eighth office is expected to commence operations in August 2023. Please refer to Section 6.9.2 (a) to (f) for details of these units occupied.

Additionally, RM2.9 million of proceeds from the Public Issue is allocated towards the renovation, rental, furniture and fittings as well as IT hardware and software for a ninth CX delivery office, to be located at UOA Business Park.

The ninth CX delivery office premises will encompass a floor area of totalling approximately 6,000 sq ft, amongst others, as follows:

- a larger number of CX delivery workstations with floor space ranging measuring approximately 4,200 sq ft to accommodate the expansion of our workforce of up to 150 CX executives;
- a meeting room with floor space ranging measuring approximately 600 sq ft for the meeting and collaborative endeavours;
- a store room measuring approximately 150 sq ft;
- a locker area measuring approximately 100 sq ft;
- a server room measuring approximately 200 sq ft;
- a pantry room measuring approximately 350 sq ft; and
- a corridor space measuring approximately 400 sq ft.

4. DETAILS OF OUR IPO (Cont'd)

The total cost of the ninth CX delivery office premise is estimated at RM2.9 million which was arrived based on the existing rental rate paid for our CX delivery office at UOA Business Park as well as quotations by contractors for the total renovation costs of our seventh CX delivery office located at Level 9, Tower 3A of UOA Business Park. It will be entirely funded from the proceeds from our Public Issue as set out below:

Description	Estimated cost (RM'000)
Rental of new office space for 2 years	600
Renovation for new office premises	2,000
Fittings, including purchase of office furniture and hardware equipment	300
Total	2,900

We expect to identify the required ninth office unit and commence the renovation process by fourth quarter of 2024, which will take up to 3 months to complete.

(iii) Setting up of a multipurpose facility for internal training, meeting, rest and recreation

We intend to allocate RM3.0 million towards the set up a new internal working space for internal training, meeting, rest and recreation, where our employees may retreat should they need time away from the hustle and bustle of the office.

The proceeds will be used as renovation, purchase of furniture and fittings, rental of a new office space measuring approximately 6,000 sq ft for the breakout place, details as follows:

Description	Estimated cost (RM'000)
Rental of premises for 2 years	624
Building planning, renovation cost and third-party consultancy fees	2,000
Fittings, including purchase of office furniture	800
Total	3,424

The new internal working space will be located at UOA Business Park and we expect to secure the space by fourth quarter of 2023 and commence renovation by second quarter of 2024.

(b) Recruit industry experts to capture growth opportunities

Our Group believes that the quality of our employee is a key differentiator in securing and retaining business, as well as in delivering superior CX. Strengthening our workforce is fundamental for our continued business growth and as such, we intend to use RM3.0 million to hire a team of industry experts comprising the expansion of the management team with a Chief People Officer, Director of learning and development, and Chief Customer Officer, together with 12 executive personnel to support this expanded management team.

This is to further develop our company's talent and corporate culture, as well as better focus on improving CX, in a bid to get ahead of competition. Additionally, we intend to establish a digital transformation team whose role is to continuously enhance the in-house developed digital tools of our Group.

4. DETAILS OF OUR IPO (Cont'd)

The breakdown of the RM3.0 million allocated is set out in the table below:

Description	Estimated cost (RM'000)
Cost of recruiting of industry experts ⁽¹⁾ comprising:	
Managerial:	
- Chief People Officer	240
- Chief Customer Officer	600
- Director of learning and development	240
Executive:	
- 12 executive personnel for the new managerial personnel mentioned above (4 per department)	900
Digital transformation team ⁽²⁾ :	
- 1 project manager	200
- 1 team lead	150
- RPA engineers	350
- Web engineers	340
Total	3,020

Notes:

- (1) An allocation of approximately RM2.0 million is set aside for the hiring of the abovementioned positions to support our future business growth. These staff will be assigned to our head office and the payroll expenses will be utilised over a period of 12 months after Listing and mainly consist of salaries, medical expenses, staff benefits and other related expenses.
- (2) The digital transformation team aims to establish a diverse team of personnel possessing specialised skills such as, RPA, compliance, planning, web development, quality assurance to derive best practices, support, training as well as improving technology standards for our Clients.

Please refer to Section 7.18.2 for further details on our recruitment plans and the roles of the respective personnel to be recruited.

(c) Capital expenditure on networking infrastructure, IT hardware and software

The capital expenditure on networking infrastructure, IT hardware and software will serve as backup and disaster recovery and for the further development of our Group's proprietary range of in-house developed digital tools which will involve system build, design and development, integration of hardware and software. The additional equipment for backup and disaster recovery will be installed at our existing offices in UOA Business Park. Our Group's network monitoring is presently conducted at our current offices in UOA Business Park.

We also intend to build a network monitoring centre to detect network anomalies and address any cyber-attacks and/or network disruptions and thus ensuring our operational continuity. There will not be a need for additional renovation works to accommodate this new equipment as the new network monitoring centre is expected to be located in our Group's current offices. With the growth in business, the new set of servers will better manage the load of the call process and network performance.

4. DETAILS OF OUR IPO (Cont'd)

The RM3.0 million is allocated in the following manner:

Description	Estimated cost (RM'000)
Server and monitoring room setup	600
Networking infrastructure and software licensing	450
IT hardware such as servers, power supply, communication equipment and storage	1,000
Networking, security and recovery software	950
Total	3,000

(d) Branding, marketing and promotional activities

We aim to increase our market visibility and brand recognition by participating in more educational exhibitions and forums, and placing of thought leadership articles, advertisements through various platforms such as digital publications, websites, in-application advertisements and social media platforms as well as redesign our Group's website. Historically, we have incurred minimal costs for branding, marketing and promotional activities, mainly for participation at promotional events or activities organised by academic institutions and industry associations such as PIKOM.

To strengthen our marketing and sales activities, we intend to utilise RM1.5 million of the proceeds from our Public Issue over the next 12 months in the following manner:

Description	Estimated cost (RM'000)
Participation in educational exhibitions and forums ⁽¹⁾	500
Placement of thought leadership articles, advertisements on various online platforms such as digital publications, websites, in-application advertisements as well as social media	700
Redesigning of website	300
Total	1,500

Note:

- (1) Our Group intends to utilise RM0.5 million for our staff overseas travel and participation fees, digital publications and sponsorship, for industry exhibitions and forums to stay abreast with introduction of new technologies and remain relevant in the GBS industry.

Notwithstanding the reduction in global seminars, industry exhibitions and business development engagements due to the impact of COVID-19 on the financial position of many organisations leading to tighter budgets and delay in organising IT events, our Group believes that the demand for IT business development activities will revive once the impact of COVID-19 subsides and economy recovers following the implementation of mass vaccination programmes in Malaysia and other overseas countries. We take note of the COVID-19 related travel restrictions which may affect our marketing activities overseas. However, we have allocated 12 months from our Listing to undertake such marketing activities.

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

We expect our working capital requirements to increase in tandem with the expected growth in scale of our operations. As such, we have allocated approximately RM14.7 million from the IPO proceeds towards expanded working capital requirements for 12 months, in the following manner:

Description	Estimated cost (RM'000)
Staff cost (for 12 months) of 380 CX executives	14,200
Lease rental (for 12 months) of 380 units of computer equipment per CX executive	500
Total	14,700

In conjunction with the growth of our workforce, we intend to recruit additional 380 CX executives to enhance our capacity to service those growing number of contracts, as people costs are our largest cost of sales. These CX executives are to be located at our expanded office areas, and will run through multiple shifts in future. Our Group will be able to hire the 380 executives, by undergoing a mass hiring exercise by interviewing up to 30 candidates a day, through our internal referral programme, third-party human resources agency and job portals. Based on our Group's experience in hiring CX executives in the past, the additional headcount of 380 CX executives can be reasonably achieved within approximately 6 months, or a maximum period of 12 months on a prudent basis. In tandem with the expansion, we also intend to enter into a lease contract for the rental of 380 computer equipment which was estimated based on the quotation of the computer equipment provided by our IT hardware vendors.

People costs are our largest cost of sales item (collectively making up between RM27.9 million, RM35.7 million, RM40.0 million and RM45.1 million, representing 93.4%, 94.5%, 93.2% and 92.6% from FYE 2019 to FYE 2022) and as such, we have allocated 44.4% of the proceeds earmarked for working capital requirements on people costs required for our upcoming projects and/or contracts.

The allocation of proceeds raised from the Public Issue for our working capital requirements will allow us to undertake more contracts concurrently. This is because the number and size of contracts that we can undertake at any point in time depend largely on the availability of our working capital. By allocating a portion of our proceeds to satisfy various working capital requirements associated with number of staff allocated to respective project, our Group will be in a better position to tender and expand our portfolio.

(f) Estimated listing expenses

An amount of RM3.8 million is allocated to meet the estimated cost of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Estimated listing expenses	RM'000
Professional fees ⁽¹⁾	2,200
Underwriting, placement and brokerage fees	1,100
Printing, advertising fees and contingencies ⁽²⁾	424
Fees payable to the authorities	76
Total	3,800

4. DETAILS OF OUR IPO (Cont'd)

Notes:

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

Any variations of the allocation in proceeds set out above shall be adjusted towards or against the proceeds allocated towards our working capital as set out in item (e), and any further shortfall is to be from our internally-generated funds and/or borrowings.

4.9.2 Offer for Sale

The Offer for Sale is expected to raise gross proceeds of approximately RM3.6 million which will accrue entirely to our Selling Shareholder and we will not receive any of the proceeds.

The Selling Shareholder shall bear all of the expenses relating to the Offer Shares, the aggregate of which is estimated to be approximately RM0.1 million.

4.10 BROKERAGE FEES, PLACEMENT FEES AND UNDERWRITING COMMISSION

4.10.1 Brokerage fees

Brokerage is payable in respect of the Issue Shares at the rate of 1.0% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association in Malaysia or Issuing House.

4.10.2 Placement fees

Our Placement Agent has placed out a total of 74,400,000 Issue Shares and 12,000,000 Offer Shares to selected investors.

We will pay our Placement Agent a placement fee of 2.5% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

The placement fee of 2.5% of the value of those Offer Shares placed out by our Placement Agent will be paid by our Selling Shareholder.

4.10.3 Underwriting commission

Our Underwriter has agreed to underwrite 36,000,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We will pay our Underwriter an underwriting commission of 3.0% of our IPO Price multiplied by the number of Shares underwritten.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M & A Securities, to underwrite 36,000,000 Issue Shares ("**Underwritten Shares**") as set out in Section 4.3.3.

The following are the salient terms contained in the Underwriting Agreement.

4. DETAILS OF OUR IPO (Cont'd)

4.11.1 Conditions precedent

- (a) The obligations of the Underwriter under the Underwriting Agreement are conditional on the following conditions precedent ("**Conditions**") being satisfied or fulfilled:
- (i) the Underwriter having received a certificate in the form or substantially in the form contained in the Underwriting Agreement from our Company;
 - (ii) the Prospectus having been issued not later than 30 calendar days after the date of the Underwriting Agreement or such later date as the Underwriter and our Company may from time to time agree in writing;
 - (iii) the Prospectus and such other documents as may be required in accordance with the CMSA in relation to the IPO having been registered with the Bursa Securities and lodged with the CCM together with copies of all documents required under the Listing Requirements and the CMSA, respectively;
 - (iv) the delivery to the Underwriter prior to the date of registration of the Prospectus of (1) two certified true copies of the Constitution of our Company; (2) two certified true extracts of all the resolutions of the board of directors and shareholders of our Company approving: (A) the IPO and the Listing and the transactions contemplated by each of the same; (B) the execution of the Underwriting Agreement and authorising such person as the board may resolve to execute the Underwriting Agreement; (C) the issue and allotment of the IPO Shares under the IPO; (D) the issuance of the Prospectus; and confirming that each of the directors of our Company has reviewed and approved the Prospectus and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, is satisfied that to the best of his knowledge and belief, that the information, statements and opinions contained therein are true, accurate, correct and complete in all respects, that there are no false or misleading statements or other facts the omission of which would make any statement in the Prospectus false or misleading;
 - (v) all the resolutions referred to in paragraph (a)(iv)(2) above remaining in full force and effect as at the Closing Date and none having been rescinded, revoked or varied (unless such variation is minor or required to ensure consistency with the Listing Scheme, or where the approval of the Underwriter has been obtained);
 - (vi) all necessary approvals and consents required in relation to the IPO and the Listing, including but not limited to approvals from the Bursa Securities and SC having been obtained on terms and conditions acceptable to the Underwriter and remaining in full force and effect and none have been amended, withdrawn, revoked, suspended or terminated or lapsed, and a certified true copy of each of such approvals and consents having been provided to the Underwriter and all conditions to such approvals and consents (except for any conditions which can only be complied with on or after Closing Date) shall have been complied with;
 - (vii) the Underwriter having been reasonably satisfied that the IPO and the offering, sale, issue, allotment, subscription and purchase of the IPO Shares, the Listing and the transactions contemplated under the Underwriting Agreement are in compliance with all applicable Laws and not being prohibited or impeded by any Law;

4. DETAILS OF OUR IPO (Cont'd)

- (viii) there not being, in the reasonable opinion of the Underwriter, on or prior to the Closing Date any material change or development involving a prospective change in the financial condition, business or operations of our Group from that set out in the Prospectus which would have or is likely to have any change, effect, event or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on:
 - (aa) the condition (financial or otherwise), general affairs, business, assets, liquidity, liabilities, prospects, properties or results of operations of our Company and our Group, whether individually or taken as a whole, and whether or not arising in the ordinary course of business;
 - (bb) the ability of our Company and/or the Selling Shareholder to perform in any respect our or their obligations under or with respect to, or to consummate the transactions contemplated by the Prospectus, or the Underwriting Agreement;
 - (cc) the ability of our Group to conduct our businesses as described in the Prospectus; or
 - (dd) the IPO.
 - ("Material Adverse Effect") in the context of the IPO;
 - (ix) the Underwriting Agreement having been duly signed, and stamped within the statutory time frame;
 - (x) the Underwriter having been satisfied that there is no breach of, or failure on the part of our Company to comply with, any of its obligations under the Underwriting Agreement; and
 - (xi) there not having occurred, in the opinion of the Underwriter, acting in good faith, on or prior to the Closing Date any breach of and/or failure by our Company to perform any of the warranties or undertakings or any event or discovery of fact or circumstances rendering any of the warranties or undertakings to be untrue, inaccurate, misleading, incorrect, not complied or breached in any respect.
- (b) To the extent permitted by law, the Underwriter may, at its sole discretion, waive the compliance with any Condition or extend the deadline for the compliance with any of the same, without prejudice to their other powers, rights and remedies under the Underwriting Agreement. Any Condition so waived by the Underwriter in writing shall be deemed to have been satisfied in relation to it. For avoidance of doubt, there is no waiver from compliance with any Condition unless such waiver is expressed in writing and signed by the Underwriter.
- (c) In the event any of the Conditions is not fulfilled or waived on or before the Closing Date or such later date as may be consented to in writing by the Underwriter, the Underwriter may at its sole discretion, terminate the Underwriting Agreement by written notice given to our Company.

4. DETAILS OF OUR IPO (Cont'd)

4.11.2 Termination

- (a) Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may by notice to our Company given at any time before the date of Listing, terminate, cancel and withdraw the Underwriting Commitment if:
- (i) there is a breach by our Company of any of its obligations or any of the warranties or undertakings in any respect;
 - (ii) any of the contracts with Clients (as described in this Prospectus) having been terminated or not being renewed or threatened to be terminated or not renewed;
 - (iii) our Company withholds any information from the Underwriter, which, in the opinion of the Underwriter, would have or is likely to have a Material Adverse Effect;
 - (iv) there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Underwriter by reason of Force Majeure which would have or can be expected to have a Material Adverse Effect on the success of the IPO or which would have or is likely to have the effect of making any material obligation under the Underwriting Agreement incapable of performance in accordance with its terms. "Force Majeure" means causes which are unpredictable and beyond the reasonable control of the party claiming Force Majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including but not limited to:
 - (aa) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of hostile army, nation or enemy, civil war or commotion, hijacking, terrorism;
 - (bb) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organised armed resistance to the government, insurrection, revolt, military or usurped power; or
 - (cc) natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, epidemics or other acts of God;
 - (v) there shall have occurred any government requisition or other events whatsoever which would have or is likely to have a Material Adverse Effect on the business, operations, financial condition or prospects of our Group or the success of the IPO;
 - (vi) there shall have occurred any change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which in the opinion of the Underwriter would have or is likely to have a Material Adverse Effect (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:

4. DETAILS OF OUR IPO (Cont'd)

- (aa) on or after the date of the Underwriting Agreement; and
- (bb) on or prior to 3 market days after receipt of the underwriting notice,
 - lower than 85% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;
- (vii) trading of all securities on Bursa Securities has been suspended or other form of general restriction in trading in securities is imposed for three consecutive Market Days or more;
- (viii) there shall have announced or carried into force any new law or change in law in any jurisdiction which in the opinion of the Underwriter may prejudice the success of the IPO or the Listing or which would have or is likely to have the effect of making it impracticable to enforce contracts to allot and/or transfer the Shares or making any obligation under the Underwriting Agreement incapable of performance in accordance with its terms;
- (ix) the Public Issue or the Offer for Sale is stopped or delayed by our Company or any regulatory authorities for any reason whatsoever (unless such delay has been approved by the Underwriter);
- (x) the Closing Date does not occur within fifteen days from the Issue Date or such other extended date as may be agreed in writing by the Underwriter (the agreement of which should not be unreasonably withheld);
- (xi) the Listing does not take place by end of 30 August 2023 or such other extended date as may be agreed in writing by the Underwriter (the agreement of which should not be unreasonably withheld);
- (xii) any commencement of legal proceedings or action against any member of our Group or any of their directors which, in the opinion of the Underwriter would have or is likely to have a Material Adverse Effect or make it impracticable to enforce contracts to allot and/or transfer the Shares;
- (xiii) any of the approvals referred to in paragraph 4.11.1 (a)(v) or (a)(vi) is revoked, suspended or ceases to have any effect whatsoever, or is varied or supplemented (unless such variation or supplement is minor or is made to ensure consistency with the Listing Scheme, or is made with the approval of the Underwriter);
- (xiv) any material statements contained in the Prospectus and the application form(s) for the application for subscription of the IPO shares accompanying the Prospectus has become or been discovered to be untrue, inaccurate or misleading in any respect; or
- (xv) any other event in which a Material Adverse Effect has occurred or which in the opinion of the Underwriter is reasonably likely to occur.

4. DETAILS OF OUR IPO (Cont'd)

- (b) Upon such notice of termination being given, the Underwriter shall be released and discharged from their obligations without prejudice to their rights under the Underwriting Agreement and the Underwriting Agreement shall thereafter be of no further force or effect and no party will be under any obligation or liability to any other party under the Underwriting Agreement except that:
- (i) the provisions of Clauses 1 (Definitions), 2 (Interpretation), 9 (Costs and Expenses), 10 (Representations and Warranties), 11 (Indemnity), 12 (Termination), 15 (Communications), 16 (Time to be of the Essence), 19 (Governing Law and Jurisdiction), 20 (Amendments), 21 (Entire Agreement), 22 (Severability), 23 (Assignment) and 24 (Waivers) of the Underwriting Agreement shall continue to apply notwithstanding such termination or rescission;
 - (ii) our Company shall continue to be liable to the Underwriter for any antecedent breaches of the Underwriting Agreement;
 - (iii) our Company shall refund to the Underwriter the subscription monies including interests accrued thereon in accordance with the Underwriting Agreement if such subscription monies have been paid by the Underwriter;
 - (iv) subject to paragraph (v) below, our Company shall be liable to pay all Underwriting commission, in each case, together with all service tax thereon;
 - (v) our Company shall be liable to pay to the Underwriter the lower of half of the underwriting commission and an amount equivalent to the Underwriter's cost of funds on an amount equivalent to underwriting commitment multiplied by the IPO Price, for the period commencing from the date of the Underwriting Agreement and expiring on the termination of the Underwriting Agreement in the event that the Underwriting Agreement is terminated pursuant to the terminations event as specified in paragraph 4.11.2 (a)(iv), (a)(v), (a)(vi), (a)(vii) or (a)(viii) above. Notwithstanding the above, in the event that such termination event occurs as a result of the breach, default or negligence of our Company or such termination event is within our Company's control, then our Company shall be liable to pay all Underwriting Commission, in each case, together with all service tax thereon, in accordance with the Underwriting Agreement; and
 - (vi) our Company shall pay or reimburse to the Underwriter all costs, charges, expenses and fees referred to in the Underwriting Agreement.
- (c) Notwithstanding the other provisions in the Underwriting Agreement, the Parties may confer with each other with a view to defer the IPO or amend its terms or the terms of the Underwriting Agreement or enter into a new underwriting agreement accordingly. However, none of the Parties is under any obligation whatsoever to enter into a fresh underwriting agreement.

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

Our Shares will be admitted to the Official List of the ACE Market and an official quotation will commence after, among others, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

4. DETAILS OF OUR IPO (Cont'd)

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and Depository Rules. We will not issue any share certificates to successful applicants. Upon our Listing, transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS Account being debited with the number of Shares sold and the buyer's CDS Account being credited with the number of Shares acquired.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares will trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

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

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

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

Name	Country of incorporation / Nationality	⁽¹⁾ Before IPO				⁽²⁾ After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and substantial shareholders									
Dayspring Capital	Malaysia	184,800,000	50.0	-	-	172,800,000	36.0	-	-
Paul Raymond Raj A/L Davadass	Malaysian	-	-	⁽³⁾ 184,800,000	⁽³⁾ 50.0	-	-	⁽³⁾ 172,800,000	⁽³⁾ 36.0
Cloud Marshal	Malaysia	110,880,000	30.0	-	-	110,880,000	23.1	-	-
Substantial shareholders									
BLM Holdings ⁽⁴⁾	Malaysia	73,920,000	20.0	-	-	73,920,000	15.4	-	-
Thanos Capital	Malaysia	-	-	⁽⁵⁾ 110,880,000	⁽⁵⁾ 30.0	-	-	⁽⁵⁾ 110,880,000	⁽⁵⁾ 23.1
Gan Jhia Jhia	Malaysian	-	-	⁽⁶⁾ 110,880,000	⁽⁶⁾ 30.0	-	-	⁽⁶⁾ 110,880,000	⁽⁶⁾ 23.1
Leong Kok Cheng	Malaysian	-	-	⁽⁷⁾ 110,880,000	⁽⁷⁾ 30.0	-	-	⁽⁷⁾ 110,880,000	⁽⁷⁾ 23.1
Lee King Loon	Malaysian	-	-	⁽⁸⁾ 110,880,000	⁽⁸⁾ 30.0	-	-	⁽⁸⁾ 110,880,000	⁽⁸⁾ 23.1
Bernadine Lee Ling	Malaysian	-	-	⁽⁹⁾ 73,920,000	⁽⁹⁾ 20.0	-	-	⁽⁹⁾ 73,920,000	⁽⁹⁾ 15.4

Notes:

- (1) Based on the share capital of 369,600,000 Shares before our IPO.
- (2) Based on the enlarged share capital of 480,000,000 Shares after our IPO.
- (3) Deemed interest by virtue of his direct shareholdings in Dayspring Capital pursuant to Section 8(4) of the Act.
- (4) Being the beneficial owner of the Shares held through Kenanga Investors Berhad for clients' trust account in RHB Trustees.
- (5) Deemed interest by virtue of its direct shareholding in Cloud Marshal pursuant to Section 8(4) of the Act.

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

- (6) Deemed interest by virtue of her direct shareholding in Thanos Capital pursuant to Section 8(4) of the Act.
- (7) Deemed interest by virtue of his direct shareholding in Thanos Capital pursuant to Section 8(4) of the Act.
- (8) Deemed interest by virtue of his direct shareholding in Thanos Capital pursuant to Section 8(4) of the Act.
- (9) Deemed interest by virtue of her direct shareholding in BLM Holdings pursuant to Section 8(4) of the Act.

Our Promoters and substantial shareholders do not have different voting rights from other shareholders of our Group.

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

5.1.2 Profiles of Promoters and/or substantial shareholders

(a) Dayspring Capital

Dayspring Capital was incorporated in Malaysia on 16 March 2016 under the Act as a private limited company. Dayspring Capital is an investment holding company. The issued share capital of Dayspring Capital as at LPD is RM100 comprising 100 ordinary shares. As at LPD, the director and substantial shareholder of Dayspring Capital is as follows:

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	%	No. of shares	%
Paul Raymond Raj A/L Davadass	Raj Director / Shareholder	Malaysian	100	100.0	-	-

(b) Paul Raymond Raj A/L Davadass

Paul Raymond Raj A/L Davadass, a Malaysian male, aged 52, is our founder and Managing Director. He was appointed to our Board on 25 August 2022. He is responsible for charting our Group's business strategies and directions. He has more than 10 years of working experience within the GBS industry.

He graduated with a Master of Business Administration majoring in Strategy & Planning from Deakin University, Australia in August 2006. He is a fellow member of CPA since June 2020 and a member of MIA since March 2020. He was also a committee member of the Malaysian Institute of Chartered Secretaries and Administrators Training & Professional Development from January 2021 to August 2022.

He completed his Malaysian Higher School Certificate (STPM) education in early 1991 and thereafter began his career in June 1991 as an Audit Assistant in Business Assurance division in PricewaterhouseCoopers Malaysia (formerly known as Coopers & Lybrand), a company that is involved in the provision of accounting and consulting services. He was involved in performing audit duties for companies in the banking, insurance, financial services, technology, manufacturing and plantations industries. He received multiple promotions and left PricewaterhouseCoopers Malaysia in September 1997 as an Assistant Manager, Business Assurance.

In October 1997, he joined AIC Corporation Berhad, an IT solution company involved in distribution of electronic and semiconductor components, fabrication of high precision engineering plastics, and development and manufacturing of automotive components and multimedia displays, as Senior Manager in its Finance and Administration division. He was tasked to manage the Finance and Accounting function of its IT Business Unit. He left the company in June 2001 and joined Solutions Protocol Sdn Bhd, a company involved in the provision of integrated healthcare IT solutions, as its Vice President of Corporate Services in July 2001. He was later promoted to Deputy Chief Executive Officer in November 2002 where he managed the company's operations including setting the company's strategies and direction in the area of healthcare informatics. He left Solutions Protocol Sdn Bhd in December 2005. Between January 2006 and June 2009, he pursued his personal entrepreneur ventures to provide business consulting services. In June 2009, he ceased his business ventures.

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

In July 2009, he joined Kannal Solutions Sdn Bhd (a subsidiary of Kannaltec Berhad, then listed on the ACE Market), a company involved in the provision of telemarketing contact centre services, as its Chief Executive Officer to manage the company's operations including charting the company's strategies and direction. He resigned from his position in April 2016 and did a management buyout of Kannal Solutions Sdn Bhd's business via Kannal Services Sdn Bhd (now known as Daythree Services).

Given his in-depth knowledge and expertise in digital technology industry, he was appointed to the MDEC Talent Expert Network Panel and Grant Recommendation Committee for the MyDigitalWorkforce Work in Tech programme in June 2021 and remains on the MDEC Talent Expert Network Panel to this day. As a panel member, he continues to provide his expert advice, industry inputs, recommendation and approval related to digital technology talent development in Malaysia.

He holds various positions in national industry associations which include, the President of CCAM since April 2019, the Councillor at the PIKOM since December 2019 and the Treasurer of Digital Global Business Services Council of Malaysia ("**GBS Malaysia**") (formerly knowns as Outsourcing Malaysia) since December 2017. He also leads GBS Malaysia's Research Committee and is a member of PIKOM's Research Committee. In January 2023, he was appointed as a permanent member and Deputy Chairman of the Sectorial Training Committee (STC) for Business and Consultancy. His role in these national industry associations is to provide his expert opinion and recommendation for the development and growth of Malaysia as a high-value digital GBS hub.

Presently, he also holds directorship in a private limited company. Please refer to Section 5.2.3(b) for further details.

(c) Cloud Marshal

Cloud Marshal was incorporated in Malaysia on 24 June 2020 under the Act as a private limited company. Cloud Marshal is an investment holding company, and is the investment arm of Thanos Capital for the technology sector. It presently holds an investment only in Daythree, whilst other investments are being evaluated and not yet finalised. The issued share capital of Cloud Marshal as at LPD is RM22,800,100 comprising 100 ordinary shares and 22,800,000 preference shares. As at LPD, the directors and substantial shareholders of Cloud Marshal are as follows:

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	%	No. of shares	%
Ordinary share						
Thanos Capital	Shareholder	Malaysia	100	100.0	-	-
Gan Jhia Jhia	Director / Shareholder	Malaysian	-	-	⁽¹⁾ 100	100.0
Leong Kok Cheng	Director / Shareholder	Malaysian	-	-	⁽¹⁾ 100	100.0
Lee King Loon	Director / Shareholder	Malaysian	-	-	⁽¹⁾ 100	100.0
Preference share						
Kenanga Enhancement Fund	Yield Preference shareholder	Malaysia	⁽²⁾ 22,800,000	100.0	-	-

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

Notes:

- (1) Deemed interest by virtue of his/her direct shareholding in Thanos Capital pursuant to Section 8(4) of the Act.
- (2) Being the entire preferences shares of Cloud Marshal held by CIMB Group Nominee (Tempatan) Sdn Bhd as a nominee of CIMB Commerce Trustee Berhad which in turn is a custodian of Kenanga Yield Enhancement Fund.

The salient terms of the preference shares are as follows:

Item	Subject matter	Description
(i)	Issuer	Cloud Marshal
(ii)	No. of subscription shares	^(a) 30,000,000 RPS
(iii)	Investor	Kenanga Yield Enhancement Fund managed by Kenanga Investors Berhad
(iv)	Subscription date	7 October 2021
(v)	Subscription price	RM1.00 per RPS
(vi)	Tenure	5 years from the Subscription Date (" Tenure "). The expiry of the Tenure shall be referred to as the " Maturity Date ". Notwithstanding the above, the Company shall be entitled to redeem the RPS in full from the 4th anniversary of the Subscription Date onwards.
(vii)	Dividend	(a) The company will declare and pay a Dividend at a fixed rate per annum with a step-up mechanism over the Tenure. (b) Notwithstanding the foregoing, no dividend shall be declared in respect of the ordinary shares unless the Dividend is first declared and paid to the Investor. All Dividend declared shall be paid to the Investor in preference to any dividends declared over the ordinary shares or any other class of shares in the share capital of the company.
(viii)	Redemption at Maturity	(a) The company shall redeem all the RPS (or any balance thereof) at the Maturity Date. (b) The redemption price shall be RM1.00 per RPS (" Redemption Price ").

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

Item	Subject matter	Description
(ix)	Early redemption prior to the Maturity date	The company shall be entitled to redeem all the RPS in full for cash at any time before the Maturity Date by giving 30 days' early redemption notice at the Redemption Price.
(x)	Partial redemption prior to the Maturity Date	The company shall be entitled to redeem part of the RPS for cash at any time prior to the commencement of the 4th year from the subscription date at RM1.00 per RPS, by giving at least 30 days' partial redemption notice to the investor. Partial redemption of the RPS is subject to a minimum of RM2,000,000 and shall not be allowed effective from the first day of the 4th year from the subscription date.
(xi)	Liquidation preference	In the event of any liquidation, dissolution, winding up or other repayment of capital of the company, the investor shall rank as first creditors and subject to insolvency laws, be entitled to receive, in preference to holders of all other ordinary shares, plus any accrued but unpaid dividends in arrears.
(xii)	Voting rights	<p>The investor shall have no voting rights at any general meeting of the company, except in the following circumstances:</p> <p>(a) upon any resolution or proposal which varies or is deemed to vary the rights and privileges attaching to the RPS;</p> <p>(b) during such period as any dividends on the RPS may have been proposed by the Board and approved by the shareholders of the company but remains in arrears and unpaid for more than 6 months^(b);</p> <p>(c) on a proposal to reduce the share capital of the company; and/or</p> <p>(d) on a proposal for the disposal of the whole of the property, business and undertaking of the company.</p>
(xiii)	Conversion right	The RPS contains no conversion rights.
(xiv)	Variation of rights	No variation, modification, deletion of the rights attached to the RPS shall be made without prior written consent of the investor.
(xv)	Transferability	The RPS shall not be transferable by the investor to any party, unless approved by of the Board of the company.

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

<u>Item</u>	<u>Subject matter</u>	<u>Description</u>
(xvi)	Ranking of the RPS	The RPS shall rank pari passu among themselves in all respects and shall rank pari passu to all existing and future RPS issued or to be issued by the company and in priority to all existing and future ordinary shares issued or to be issued by the company.

Notes:

- (a) 7,200,000 of RPS has been redeemed as at LPD.
- (b) For the avoidance of doubt, in the event that RPS holders are accorded the voting rights pursuant to this term, they will not obtain any ordinary shares in Cloud Marshal. As they are not members of the company, they do not have rights to call for members' meetings pursuant to the Constitution of Cloud Marshal. The Directors of Cloud Marshall would still have authority over the operations of the company. As such, the voting rights accorded to the RPS holder would not be tantamount to a change in the controlling shareholder of Cloud Marshal.

(d) Thanos Capital

Thanos Capital was incorporated in Malaysia on 23 July 2018 under the Act as a private limited company. Thanos Capital is an investment holding company. Thanos Capital's investments are held through separate wholly-owned investment holding companies as its investment arms. It holds investments in the technology sector, which presently comprises Daythree, and other companies in the healthcare sector via its other subsidiaries. The issued share capital of Thanos Capital as at LPD is RM1,000,000 comprising 1,000,000 ordinary shares. As at LPD, the directors and substantial shareholders of Thanos Capital are as follows:

<u>Name</u>	<u>Designation</u>	<u>Nationality</u>	<u>Direct</u>		<u>Indirect</u>	
			<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
Leong Kok Cheng	Director / Shareholder	Malaysian	420,000	42.0	-	-
Lee King Loon	Director / Shareholder	Malaysian	330,000	33.0	-	-
Gan Jhia Jhia	Director / Shareholder	Malaysian	250,000	25.0	-	-

(e) Leong Kok Cheng

Leong Kok Cheng, a Malaysia male, aged 62, is our substantial shareholder. He has more than 30 years in the banking and finance industry with extensive experience in investment banking, capital markets, corporate finance, structuring and managing investments of large corporation.

He graduated in October 1982 with a Bachelor of Commerce (Honours) from University of Windsor, Ontario, Canada. In February 1984, he graduated with a Master in Business Administration at Drake University, United States.

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

He began his career in April 1984 as a Bank Officer with Arab-Malaysian Bank Merchant Berhad where he was responsible for corporate and debt restructuring exercises. He left the company in October 1992 with his last position as a Bank Manager. In October 1992, after leaving Arab-Malaysian Merchant Bank Berhad, in the same month, he joined Projalma Ventures Sdn Bhd, a company that is principally engaged in construction works and provision of project management services, as an Executive Director, where he was responsible for the overall business direction of the company. In October 1993, he left the company to set up ML Consultants Sdn Bhd, a company that is principally engaged in the provision of management and business consultancy services.

In May 2008, he ceased the business of ML Consultants Sdn Bhd, and in the same month, he joined Choizen Holdings Limited (formerly known as CSF Group plc, then listed on the Alternative Investment Market ("**AIM**") of the London Stock Exchange) as Director of Corporate Finance, responsible for the company's funding sources, capital structuring, business strategies and investments decisions. In July 2014, he was promoted to Acting Chief Executive Officer and in January 2018, he was appointed as the Chief Executive Officer. At the same time, he was also appointed to the Board of CSF Group plc. In July 2022, he was transferred to Choizen Capital Advisory Sdn Bhd (formerly known as CSF Capital Advisory Sdn Bhd) as Managing Director, a position he holds to date.

(f) Lee King Loon

Lee King Loon, a Malaysian male, aged 52, is our substantial shareholder. He has approximately 30 years of experience in accounting and corporate finance works including conducting financial due diligence reviews and valuations on large corporate clients and private equity firms.

He graduated in March 1992 with a Bachelor of Commerce from the University of Western Australia. Additionally, he is a member of CPA since August 1995 and MIA since December 1995, and is registered as an ASEAN Chartered Professional Accountant since April 2018.

He started his accountancy career with KPMG (then known as KPMG Peat Marwick) in March 1992 as an Audit Assistant and upon leaving the firm in December 1999, his last position held was Deputy Manager. During the tenure of his employment at KPMG, he was involved in the audits of companies involved in a wide array of businesses including multinational and public listed companies on Bursa Securities.

He joined Crowe Malaysia PLT (then known as Horwath Mok & Poon) in January 2000 as Senior Manager. During his tenure at Crowe Malaysia PLT, he was involved in engagements as the reporting accountants for corporate exercises undertaken by the listed companies, conducting surprise audits on stockbroking firms pursuant to the requirements of Bursa Securities, operational reviews on fund management companies, and providing independent advisory services to the shareholders of various public listed companies. He was promoted to Principal in January 2005, and then to Executive Director of Crowe Advisory Sdn Bhd (then known as Horwath Corporate Advisory Sdn Bhd) in February 2008.

In March 2010, he left Crowe Malaysia PLT and in the same month, he was appointed as Chief Financial Officer of Choizen Holdings Limited (formerly known as CSF Group plc, then listed on AIM of the London Stock Exchange), where he had been involved in overseeing the finance department, ensuring compliance with stock exchange regulations, financial reporting and other regulatory requirements. He was also involved in the formulation and implementation of the company's corporate strategies to facilitate the expansion of the company's business.

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

In August 2016, he was transferred to Choizen Capital Advisory Sdn Bhd (formerly known as CSF Capital Advisory Sdn Bhd), a business management consultancy company, as its Executive Director where he is primarily involved in identifying and evaluating investment opportunities, and the implementation of the company's investment proposals and projects. He holds this position to this day.

Presently, he also holds directorships in several private limited companies. He had served as an Independent Non-Executive Director of CN Asia Corporation Berhad (listed on the Main Market of Bursa Securities) between June 2016 and January 2021. He had also served as an Independent Non-Executive Director of Central Global Berhad (listed on the Main Market of Bursa Securities) between February 2021 and December 2022.

(g) BLM Holdings

BLM Holdings was incorporated in Malaysia on 17 October 2017 under the Act as a private limited company. BLM Holdings is an investment holding company which holds investments in several companies in the technology, property, oil and gas, as well as healthcare sectors which includes Daythree and other quoted securities on Bursa Securities. The issued share capital of BLM Holdings as at LPD is RM10,000,001 comprising 1 ordinary share and 10,000,000 preference shares. As at LPD, the director and substantial shareholder of BLM Holdings are as follows:

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	%	No. of shares	%
Ordinary share						
Louis Chu	Director	Malaysian	-	-	-	-
Bernadine Lee Siew Ling	Shareholder	Malaysian	1	100.0	-	-
Preference share						
Kenanga Investors Berhad for clients' trust account ⁽¹⁾	Preference shareholder	Malaysia	⁽¹⁾ 10,000,000	100.0	-	-

Note:

(1) Being the entire preference shares of BLM Holdings held through a trust account in RHB Trustees on behalf of Kenanga Investors Berhad's clients.

The salient terms of the preference shares are as follows:

Item	Subject matter	Description
(i)	Issuer	BLM Holdings
(ii)	No. of Subscription Shares	10,000,000 RPS
(iii)	Investor	Kenanga Investors Berhad
(iv)	Subscription date	13 September 2022
(v)	Subscription price	RM1.00 per RPS

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

<u>Item</u>	<u>Subject matter</u>	<u>Description</u>
(vi)	Tenure	1 year from the Subscription Date (" Tenure ") or such other extended tenure as may be mutually agreed between the company and Kenanga Investors Berhad (" Maturity Date ").
(vii)	Dividend	<p>(a) The company will declare and pay a Dividend at a fixed rate per annum.</p> <p>(b) Notwithstanding the foregoing, no dividend shall be declared in respect of the ordinary shares unless the Dividend is first declared and paid to the Investor. All Dividend declared shall be paid to the Investor in preference to any dividends declared over the ordinary shares or any other class of shares in the share capital of the company.</p> <p>(c) Any Dividend which is payable and outstanding shall be paid on a cumulative basis.</p>
(viii)	Redemption at maturity	<p>(a) The company shall redeem all the RPS (or any balance thereof) at the Maturity Date.</p> <p>(b) The redemption price shall be RM1.00 per RPS ("Redemption Price").</p>
(ix)	Early redemption prior to the Maturity Date	The company shall be entitled to redeem all the RPS in full for cash at any time before the Maturity Date by giving 30 days' early redemption notice at the Redemption Price.
(x)	Early partial redemption prior to the Maturity Date	The company shall have the right to redeem part of the RPS for cash at any time before the Maturity Date at RM1.00 per RPS, by giving at least 14 business days' early partial redemption notice to the investor, provided always that the partial redemption sum shall always be a sum equivalent to at least 25.0% of the total RPS issued by the company or such other amount as may be mutually agreed by the company and the investor.
(xi)	Liquidation preference	In the event of any liquidation, dissolution, winding up or other repayment of capital of the company, the investor shall rank as first creditors and subject to insolvency laws, be entitled to receive, in preference to holders of all other ordinary shares, plus any accrued but unpaid dividends in arrears.
(xii)	Voting rights	The investor shall have no voting rights at any general meeting of the company, except in the following circumstances:

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

<u>Item</u>	<u>Subject matter</u>	<u>Description</u>
		(a) upon any resolution or proposal which varies or is deemed to vary the rights and privileges attaching to the RPS;
		(b) during such period as any dividends on the RPS may have been proposed by the Board and approved by the shareholders of the company but remains in arrears and unpaid for more than 6 months ^(a) ;
		(c) on a proposal to reduce the share capital of the company; and/or
		(d) on a proposal for the disposal of the whole of the property, business and undertaking of the company.
(xiii)	Conversion right	The RPS contains no conversion rights.
(xiv)	Variation of rights	No variation, modification, deletion of the rights attached to the RPS shall be made without prior written consent of the investor.
(xv)	Transferability	The RPS shall not be transferable by the investor to any party, unless approved by of the Board of the company.
(xvi)	Ranking of the RPS	The RPS shall rank pari passu among themselves in all respects and shall rank pari passu to all existing and future RPS issued or to be issued by the company and in priority to all existing and future ordinary shares issued or to be issued by the company.

Note:

- (a) For the avoidance of doubt, in the event that RPS holders are accorded the voting rights pursuant to this term, they will not obtain any ordinary shares in BLM Holdings. As they are not members of the company, they do not have rights to call for members' meetings pursuant to the Constitution of Cloud Marshal. The Directors of BLM Holdings would still have authority over the operations of the company. As such, the voting rights accorded to the RPS holder would not be tantamount to a change in the controlling shareholder of BLM Holdings.

However, notwithstanding the terms of the RPS allowing for voting rights to be accorded to the RPS holder upon dividends being in arrears for more than 6 months, the redemption of the RPS is due in 1 year, which is the date of the first dividend, and as such BLM would be obliged to redeem the RPS and pay the outstanding dividends. Therefore, there would not be a situation where the RPS holder is accorded voting rights in BLM pursuant to this term.

BLM Holdings holds its shareholdings in our Company as the ultimate beneficial owner, through Kenanga Investors Berhad's clients' trust account in RHB Trustees.

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

(h) Bernadine Lee Siew Ling

Bernadine Lee Siew Ling, a Malaysian female, aged 50, is our substantial shareholder. She has over 29 years of working experience in the banking industry and retail trading.

She obtained her Institut Bank-Bank Malaysia (IBBM) Stage 1 and Stage 2 qualification since June 1993. She is a certified Financial Planner under the Financial Planning Association of Malaysia since July 2019 and a license holder of the New Capital Markets Representative's License (CMSRL) approved by the SC since January 2020.

She began her career in March 1991 as a Clerk in Public Bank Berhad where she was involved in handling fixed deposit and remittance. During her tenure with Public Bank Berhad, she was promoted to Confidential Assistant in July 1992 and thereafter was promoted to Officer Trainee in July 1993 where she was involved in promoting bank investment products and cross selling other bank products. She resigned from her position in January 1995. Upon her resignation from Public Bank Berhad, she joined Spivack (M) Sdn Bhd in February 1995 as an Assistant Manager where she was responsible for overseeing the company's sales team. She left the company in September 1996.

In October 1996, she joined UOB Credit Card Centre, UOB Bank Berhad as an Executive where she was involved in conducting credit checks on the customers. She left the company in March 1997 and in the same month, joined PhileoAllied Bank as an Executive, Customer Relations where she was responsible for development of customer relationships. During her tenure with the company, she was promoted to Senior Executive, Customer Relations in January 1998 where she was involved in promoting all bank products, bank share margin financing, loan products and attending to high net worth clients. In January 2000, she was promoted to Assistant Manager, responsible for managing day-to-day operation.

In December 2000, she was transferred to PhileoAllied Group as an Assistant Manager and thereafter in January 2001, she was transferred to PhileoAllied Unit Trust Management Berhad (currently known as Libra Invest Berhad) as a Regional Manager where she was involved in overseeing office branches in 6 different locations. She left the bank in April 2007 and in the same month, joined ING Funds Berhad (currently known as Kenanga Investors Berhad) as an Agency Manager, a position she still holds to date. She is responsible for the provision of advice on financial products and services, tax and estate planning, managing and distributing unit trust funds, financial instruments and products to high net worth clients.

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

5.1.3 Changes in Promoters' and substantial shareholders' shareholdings

The changes in our Promoters and substantial shareholders' respective shareholdings in our Company since our incorporation are as follows:

Name	As at incorporation		⁽¹⁾ After Acquisitions				⁽²⁾ After IPO					
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and substantial shareholders												
Dayspring Capital	1	33.4	-	-	184,800,000	50.0	-	-	172,800,000	36.0	-	-
Paul Raymond Raj A/L Davadass	-	-	⁽³⁾ 1	⁽³⁾ 33.4	-	-	⁽³⁾ 184,800,000	⁽³⁾ 30.0	-	-	⁽³⁾ 172,800,000	⁽³⁾ 36.0
Cloud Marshal	1	33.3	-	-	110,880,000	30.0	-	-	110,880,000	23.1	-	-
Substantial shareholders												
Lee San Koon	1	33.3	-	-	-	-	-	-	-	-	-	-
BLM Holdings ⁽⁴⁾	-	-	-	-	⁽⁵⁾ 73,920,000	⁽⁵⁾ 20.0	-	-	⁽⁵⁾ 73,920,000	⁽⁵⁾ 15.4	-	-
Thanos Capital	-	-	⁽⁶⁾ 1	⁽⁶⁾ 33.3	-	-	⁽⁶⁾ 110,880,000	⁽⁶⁾ 30.0	-	-	⁽⁶⁾ 110,880,000	⁽⁶⁾ 23.1
Gan Jhia Jhia	-	-	⁽⁷⁾ 1	⁽⁷⁾ 33.3	-	-	⁽⁷⁾ 110,880,000	⁽⁷⁾ 30.0	-	-	⁽⁷⁾ 110,880,000	⁽⁷⁾ 23.1
Leong Kok Cheng	-	-	⁽⁸⁾ 1	⁽⁸⁾ 33.3	-	-	⁽⁸⁾ 110,880,000	⁽⁸⁾ 30.0	-	-	⁽⁸⁾ 110,880,000	⁽⁸⁾ 23.1
Lee King Loon	-	-	⁽⁹⁾ 1	⁽⁹⁾ 33.3	-	-	⁽⁹⁾ 110,880,000	⁽⁹⁾ 30.0	-	-	⁽⁹⁾ 110,880,000	⁽⁹⁾ 23.1
Bernadine Lee Siew Ling	-	-	-	-	-	-	⁽¹⁰⁾ 73,920,000	⁽¹⁰⁾ 20.0	-	-	⁽¹⁰⁾ 73,920,000	⁽¹⁰⁾ 15.4

Notes:

- (1) Based on the share capital of 369,600,000 Shares before our IPO after Acquisitions.
- (2) Based on the enlarged share capital of 480,000,000 Shares after our IPO.
- (3) Deemed interest by virtue of his direct shareholdings in Dayspring Capital pursuant to Section 8(4) of the Act.
- (4) Being the beneficial owner of the Shares held through Kenanga Investors Berhad for clients' trust account in RHB Trustees.
- (5) Including the 1 subscriber Share from Lee San Koon which is transferred to BLM Holdings.

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

- (6) Deemed interest by virtue of its direct shareholding in Cloud Marshal pursuant to Section 8(4) of the Act.
- (7) Deemed interest by virtue of her direct shareholding in Thanos Capital pursuant to Section 8(4) of the Act.
- (8) Deemed interest by virtue of his direct shareholding in Thanos Capital pursuant to Section 8(4) of the Act.
- (9) Deemed interest by virtue of his direct shareholding in Thanos Capital pursuant to Section 8(4) of the Act.
- (10) Deemed interest by virtue of her direct shareholding in BLM Holdings pursuant to Section 8(4) of the Act.

5.1.4 Persons exercising control over the corporation

Save for our Promoters as set out in Section 5.1.1, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company.

5.1.5 Amounts or benefits paid or intended to be paid or given to our Promoters or substantial shareholders

Save for the issuance of our Shares as disclosed in Section 6.1 and aggregate remuneration and benefits paid or proposed to be paid for services rendered to our Group in all capacities as disclosed in Section 5.2.4 and 5.3.5, there are no other amounts or benefits that have been paid or intended to be paid to our Promoters and substantial shareholders within the 2 years preceding the date of this Prospectus.

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

5.2 DIRECTORS

5.2.1 Directors' shareholdings

The shareholdings of our Directors in our Company before and after IPO assuming that our Directors will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

Name	Designation / Nationality	⁽¹⁾ Before IPO				⁽²⁾ After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Ting Heng Peng	Independent Non-Executive Chairman / Malaysian	-	-	-	-	-	-	-	-
Paul Raymond Raj A/L Davadass	Managing Director / Malaysian	-	-	⁽³⁾ 184,800,000	⁽³⁾ 50.0	-	-	⁽³⁾ 172,800,000	⁽³⁾ 36.0
Prabakaran A/L Chilorai	Executive Director / Malaysian	-	-	-	-	⁽⁴⁾ 1,000,000	⁽⁴⁾ 0.2	-	-
Gan Jhia Jhia	Non-Independent Non-Executive Director / Malaysian	-	-	⁽⁵⁾ 110,880,000	⁽⁵⁾ 30.0	-	-	⁽⁵⁾ 110,880,000	⁽⁵⁾ 23.1
Syed Izmi Bin Syed Kamarul Bahrin	Non-Independent Non-Executive Director / Malaysian	-	-	-	-	⁽⁴⁾ 500,000	⁽⁴⁾ 0.1	-	-
Azlina Binti Abdullah	Independent Non-Executive Director / Malaysian	-	-	-	-	-	-	-	-
Leong Chooi Kuen	Independent Non-Executive Director / Malaysian	-	-	-	-	-	-	-	-
Woon Tai Hai	Independent Non-Executive Director / Malaysian	-	-	-	-	⁽⁴⁾ 500,000	⁽⁴⁾ 0.1	-	-

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

Notes:

- (1) Based on the share capital of 369,600,000 Shares before our IPO.
- (2) Based on the enlarged share capital of 480,000,000 Shares after our IPO.
- (3) Deemed interest by virtue of his shareholdings in Dayspring Capital pursuant to Section 8(4) of the Act.
- (4) Assuming that they will fully subscribe for their entitlement under the Pink Form Allocations.
- (5) Deemed interest by virtue of her shareholdings in Thanos Capital, shareholder of Cloud Marshal pursuant to Section 8(4) of the Act.

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

5.2.2 Profiles of Directors

The profile of Paul Raymond Raj A/L Davadass is set out in Section 5.1.2. The profiles of our other Directors are as follows:

(a) Dato' Ting Heng Peng

Dato' Ting Heng Peng, a Malaysian male, aged 63, is our Independent Non-Executive Chairman. He was appointed to our Board on 25 August 2022. He has approximately 35 years of working experience in the field of corporate and commercial litigation.

He graduated with a Bachelor of Commerce (Honours) from University of Windsor, Ontario, Canada in October 1982. He also obtained his Bachelor of Law (Hons) from University of Essex in July 1985. He was admitted to the Lincoln's Inn in November 1984 and was called to the Degree of an Utter Barrister in November 1986.

He was admitted to Malaysian Bar in October 1987 and commenced his legal practice at Messrs Amin-Tan & Co. where he was responsible for litigation and corporate related matters. He left the firm in May 2007 and joined Messrs Joseph Ting & Co. in June 2007 as its Partner where he was responsible for corporate related matters. Upon his resignation from the legal firm in December 2015, he set up Messrs Ting Asiah & Co. in January 2016 and acted as its Managing Partner, a position he still holds to date.

In June 2000, he was appointed as an Independent Non-Executive Director of Supermax Corporation Berhad (listed on the Main Market of Bursa Securities). He was then re-designated as Non-Independent Non-Executive Director of Supermax Corporation Berhad in October 2022. Further, he is also an Independent Non-Executive Director of Mercury Industries Berhad since July 2017 and was an Independent Non-Executive Director of Lagenda Properties Berhad from October 2003 to December 2017, both listed on the Main Market of Bursa Securities. He was also the Independent Non-Executive Chairman of Choizen Holdings Limited (formerly known as CSF Group plc, then listed on the AIM of London Stock Exchange) since February 2010 until its dissolution on 5 September 2022, and held directorships in several private limited companies held under Choizen Holdings Limited, namely CSF Advisers Sdn Bhd from July 2007 to October 2020, Bridge Data Centres Malaysia Sdn Bhd (formerly known as CSF CX Sdn Bhd) from July 2009 to November 2017, Atlas CSF Sdn Bhd from January 2014 to October 2020, and CSF Network Services Sdn Bhd from July 2015 to September 2022.

Presently, he also holds directorships in several public and private limited companies. Please refer to Section 5.2.3 (a) for further details.

(b) Prabakaran A/L Chilatorai

Prabakaran A/L Chilatorai, a Malaysian male, aged 45, is our Executive Director and Head, Customer Experience. He was appointed to our Board on 25 August 2022. He oversees strategic client partnerships and operational excellence for CX lifecycle business process services that are focused on delivering a positive CX and to connect with our clients' customers via inbound interactions. He has approximately 20 years of working experience in managing CX lifecycle business processes.

He graduated with a Bachelor of Technology majoring in Aeronautical Engineering from University of West of England Bristol in June 2000. He is also a COPC Certified Implementation Leader 6.0 since September 2017.

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

He had a short stint upon his graduation where he took on various part-time works and later joined Scicom (MSC) Berhad, a business process outsourcing service provider in September 2002. As a Customer Service Executive, he was tasked to handle inbound calls for Celcom careline. He was promoted to Customer Experience Executive in December 2004, where he was responsible for the call quality standard in accordance with the client requirement. He left the company in March 2005 and immediately joined VADS Berhad, a subsidiary of Telekom Malaysia Berhad (listed on the Main Market of Bursa Securities) that is involved in the provision of IT services and business process outsourcing, as a Quality Assurance Specialist (Lead) where he was responsible for ensuring smooth operation of the quality assurance department.

During his period of service, he received multiple promotion. He left the company in May 2010 with his last position as a Quality Assurance Manager and immediately joined CSC Computer Sciences Sdn Bhd, an IT solutions and services provider, as a Senior Operations Manager responsible for day-to-day operational efficiency, productivity and contractual service level.

Upon resigning from CSC Computer Sciences Sdn Bhd in February 2011, he embarked on a new career path with Sudong Sdn Bhd in the same month, as a Quality Assurance Manager where he oversaw the overall quality performance of the Klang contact centre in Malaysia and elevated the overall customer experience of Singtel (listed on the Singapore Stock Exchange). Sudong Sdn Bhd is a wholly-owned subsidiary company of Singtel and is involved in providing voice and data services over fixed, wireless and Internet platforms.

Upon his resignation from Sudong Sdn Bhd in March 2014, he immediately joined Measat Broadcast Network Systems Sdn Bhd, a subsidiary of Astro Malaysia Holdings Berhad (listed on the Main Market of Bursa Securities) as an Assistant Vice President for its Quality Management division, where he was responsible for the quality assurance of contact centre operation, development and enforcement of policies to meet Astro's organisational goal. In February 2016, he was promoted to Head of Customer Services, Marketing and Customer Management in Astro GS Shop Sdn Bhd, a subsidiary of Astro Malaysia Holdings Berhad (listed on the Main Market of Bursa Securities) where he was responsible for maintaining and improving the contact centre operations by monitoring system performance. He left the company in April 2016.

He joined our Group in April 2016 in his current position. Under his leadership, he expanded our Group's CX lifecycle operations from approximately 150 to over 1000 CX executives.

He was also appointed as a panel member of INTI International University & Colleges' Industry Advisory Board since October 2021.

(c) Gan Jhia Jhia

Gan Jhia Jhia, a Malaysian female, aged 50, is our Non-Independent Non-Executive Director. She was appointed to our Board on 25 August 2022. She has approximately 27 years of experience in the banking and finance sectors specialising in the structuring of corporate loans and transactions, including business collaboration, joint-venture, sales and leaseback, finance arrangements, and mergers and acquisitions.

She graduated with a Bachelor of Commerce from the University of Western Australia in March 1995.

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

She began her career in August 1995 as a Management Trainee in the Corporate Banking Department in RHB Bank Berhad, where she was assigned to different departments to provide administrative and operational support. She was promoted to Manager of its Corporate Banking department in October 1998 where she was responsible for managing a portfolio of multi-national corporations. In July 2001, she left RHB Bank Berhad and joined KBC Bank N.V. (Labuan, Malaysia) in August 2001 as its Team Head/Manager of its Corporate Banking department, where she was involved in managing a portfolio of local listed and private corporations, government and quasi-government bodies.

In January 2004, she left KBC Bank N.V. and immediately co-founded 23V Venture Sdn Bhd, a company involved in the designing and retailing of apparel and accessories. As a director of the company, she was involved in overseeing the day-to-day operations, its business development and planning. The company was dissolved in August 2011. In March 2008, she joined ML Strategic Corporate Advisory Sdn Bhd as its Management Consultant where she was involved in business advisory and capital raising exercises. She left the company in April 2008 and immediately joined Bridge Data Centres Malaysia Sdn Bhd (formerly known as CSF CX Sdn Bhd) as a Director of Finance. In June 2013, she was transferred to the holding company, Choizen Holdings Limited (formerly known as CSF Group plc, then listed on the AIM of London Stock Exchange) in 2013 as its Senior Vice President in the Corporate Services division, where she was involved in planning and implementation of the company's corporate strategies. In July 2022, she was transferred to Choizen Capital Advisory Sdn Bhd (formerly known as CSF Capital Advisory Sdn Bhd), a business management consultancy company, as its Senior Vice President in Corporate Services division where she plans and implements the company's corporate strategies as well as handling corporate services matters. She holds this position to this day.

Presently, she also holds directorships in several private limited companies. Please refer to Section 5.2.3 (c) for further details.

(d) **Syed Izmi Bin Syed Kamarul Bahrin**

Syed Izmi Bin Syed Kamarul Bahrin, a Malaysian male, aged 52, is our Non-Independent Non-Executive Director. He was appointed to our Board on 25 August 2022. He has approximately 28 years of working experience in the area of corporate finance, investment and fund management.

He graduated with a Bachelor of Laws (Honours) from University of Exeter, United Kingdom in July 1994. He obtained a Certified Diploma in Accounting and Finance from ACCA in September 1995 and a Certificate in Legal Practice from the Legal Profession Qualifying Board of Malaysia in February 1997.

He began his career in September 1994, as an Executive in the Corporate Finance Division of the Petroliam Nasional Berhad, a Malaysia oil and gas company. He was responsible for the preparation and evaluation of investment and financing proposals and feasibility studies. He left the company in August 1997 and in the same month joined Amanah Merchant Bank Berhad, as a Senior Executive in the Corporate Finance Department where he was involved in advising clients and preparing submission to authorities on matters relating to corporate exercises. He left the bank in May 2000 with his last position as an Assistant Manager, Corporate Finance. In the same month, he joined MSC Venture Corporation Sdn Bhd, a subsidiary of MDEC, as its Investment Manager where he was responsible for evaluating investment proposals and undertake investment in ICT related companies. He resigned from the company in May 2009 with his last position as an Acting Chief Executive Officer.

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

In the same month, he co-founded QuestMark Capital Management Sdn Bhd, a joint venture with a Hong Kong-based company where he served as its Executive Director, in charge of the Kuala Lumpur office and pursue fund management and venture capital activities in Malaysia. In February 2013, he resigned from his position as its Executive Director and he is no longer a shareholder of QuestMark Capital Management Sdn Bhd. In May 2013, he set up a sole proprietorship business, namely Xzerter Management Enterprise to provide management consulting services related to initial public offerings, merger and acquisitions, fundraising, corporate restructuring and business expansion. The company was wound up in 2016.

In August 2016, he joined Unit Peneraju Agenda Bumiputra ("**TERAJU**"), a strategic unit under the Prime Minister's Department of Malaysia as its Director of Strategy & Stakeholder Management. During his tenure there, he was responsible for developing and implementing the Bumiputera strategic roadmaps under the 11th and 12th Malaysian Plan. His responsibilities also include monitoring and evaluation of Bumiputera programmes under TERAJU, government ministries, agencies and the private sector. He left TERAJU in March 2020 and in the same month, joined Choizen Capital Advisory Sdn Bhd (formerly known as CSF Capital Advisory Sdn Bhd), a company involved in the provision of business management consultancy services, as its Principal, where he was responsible for evaluating investment proposals and undertaking investments in ICT and healthcare sectors. He left the company in March 2021.

In May 2021, he set up Centennial Capital Management Sdn Bhd, a company involved in the provision of management consulting and corporate advisory services and Mekar Capital Sdn Bhd, an investment holding company. As the Managing Director of these companies, he is involved in evaluating investment proposals and undertaking investments in companies involved in the ICT and healthcare sectors. In September 2022, he was appointed as an Executive Director of Perbadanan Wakaf Nasional Berhad, an endowment fund and wholly-owned subsidiary of Yayasan Wakaf Malaysia, a government agency established to promote the development and management of wakaf assets in Malaysia. As the Executive Director, he is responsible for the evaluation of the investment proposals and management of assets under Perbadanan Wakaf Nasional Berhad.

Presently, he also holds directorships in several private limited companies. Please refer to Section 5.2.3 (d) for further details.

(e) **Azlina Binti Abdullah**

Azlina Binti Abdullah, a Malaysian female, aged 59, is our Independent Non-Executive Director. She was appointed to our Board on 25 August 2022. She has approximately 28 years of working experience in banking industry.

She graduated with a Bachelor of Business Administration from Eastern Michigan University, United States in December 1988.

She began her career in March 1989 with AFMB Holding Berhad (formerly known as MBf Finance Berhad), a company involved in banking and financial services, as a Branch Credit Officer, where she was responsible for loan processing. She left the company in August 1992.

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

In September 1992, she joined EON Bank Berhad (formerly known as Oriental Bank Berhad) as a Corporate Banking Officer where she was involved in the sale and marketing, evaluating and processing of corporate loans. She resigned from the bank in April 2000 with her last position as Unit Head of Corporate Banking and subsequently joined Affin Bank Berhad (listed on the Main Market of Bursa Securities) in May 2000, as a Manager (Commercial Banking III), where she was involved in supervising a total of 25 branches within the Klang Valley, East Coast and East Malaysia regions. During her tenure there, she received multiple promotions and she left the bank in June 2017 with her last position as a Head of Public Sector Department, Corporate Banking.

From July 2017 to February 2018, she joined Kuwait Finance House (Malaysia) Berhad as a Head of Corporate Banking. Her role was to expand the government linked companies' portfolio in terms of new origination, processing, supervision and monitoring of accounts.

In November 2018, she joined Guidance Equipment Leasing Sdn Bhd, a company involved in the renting and leasing of machinery and equipment services, as a General Manager where she was responsible for developing and establishing quality equipment-lease relationships with investment grade Malaysian corporations. She resigned from the company in November 2021.

(f) Leong Chooi Kuen

Leong Chooi Kuen, a Malaysian female, aged 56, is our Independent Non-Executive Director. She was appointed to our Board on 25 August 2022. She has approximately 34 years of working experience in the field of accounting, finance, taxation and auditing.

In 1992, she completed the Professional Accounting Examinations under MICPA and qualified as a Certified Public Accountant. She was admitted as a member of MICPA since April 1995 and a member of MIA since March 1996. She is also a member of CPA Australia since June 2008.

She began her career in mid-1988 as an Audit Assistant in PricewaterhouseCoopers Malaysia where she was involved in auditing and taxation. She left the firm in April 1996 with her last position as an Assistant Manager. Upon resigning from the firm, she joined United Malayan Land Bhd, a property development group in May 1996 as its Corporate Accountant where she was involved in financial and management reporting, taxation and treasury. She was promoted to General Manager in 2018, where she was responsible for corporate tax planning and compliance, treasury, corporate planning, investor relations, internal audit and risk management, a position she holds to date.

(g) Woon Tai Hai

Woon Tai Hai, a Malaysian male, aged 66, is our Independent Non-Executive Director. He was appointed to our Board on 25 August 2022. He has approximately 40 years of working experience in IT and risk management.

He graduated with a Bachelor of Science from University of New South Wales, Australia in April 1982. He also obtained a Graduate Diploma in Accounting and Finance with Credit in May 1989 and Master of Business Administration in October 1992 from University of Technology, Sydney, Australia.

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

He began his career in June 1982 as a Programming Analyst in Compec Systems Pty Ltd, Australia, a company involved in the banking and finance services, where he was responsible for providing programming and analysis to the development of treasury banking software solution for the financial service industry. He left the company in December 1984. Upon resigning from the company, he joined Quotient Pty Ltd, a subsidiary of Macquarie Bank, in January 1985, as a Project Manager. During his tenure there, he was responsible for the project management and provision of support for the wholesale banking system implementation for the bank. He left the company in December 1988.

In January 1989, he joined Lloyds Bank Nza, Australia, as a Senior Business Analyst, where he provided systems development and operational support of the treasury system focusing on foreign exchange for the bank. He resigned from his position in September 1989 and in the same month, joined Commonwealth Bank of Australia as a Quantitative Analyst. His role was to conduct quantitative analysis for the fixed income trading desk. He left the bank in October 1993 with his last position as a Senior Manager.

In the same month, he relocated to Malaysia and joined SCS Computer Systems Sdn Bhd (currently known as Strateq Sdn Bhd), a local systems integrator and solution provider, as a Business Unit Manager where he was responsible for managing 2 business units, Banking and Finance and General Accounting. He resigned from the company in April 1998 with his last position as a Senior Business Unit Manager and subsequently joined KPMG Management and Risk Consulting Sdn Bhd in May 1998, as a director of the Enabling Technology division. He was involved in driving and implementing IT initiatives in line with KPMG global agenda.

In October 2001, he was promoted to Consulting Principle and in January 2011, he was admitted to the KPMG partnership and during his entire tenure in KPMG, he led a multi-disciplinary team in assisting multinational companies, small and medium enterprises, government ministries and agencies and local clientele in IT, risk and management consulting engagements. Under the KPMG partnership constitution, he retired in December 2013.

In January 2014, he was appointed as an Executive Director of BDO Consulting Sdn Bhd, a company involved in management and IT consulting services, where he acted as a Management Consultant to provide strategic advice to senior management in areas of IT related matter. He left the company in December 2017. He was then appointed as Director in Takaful Ikhlas Family Berhad (September 2019) and Takaful Ikhlas General Berhad (October 2019) where he continues to be Director to this day.

He holds various positions in national associations and council which includes, the advisor of PIKOM since January 2014 and Malaysia Australia Business Council since August 2018.

Please refer to Section 5.2.3 (f) for further details.

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

5.2.3 Principal business performed outside our Group

Save as disclosed below, none of our Directors has any other principal directorship and/or principal business activities performed outside our Group in the past 5 years up to LPD:

(a) Dato' Ting Heng Peng

Company	Principal activities	Position held	Date of appointment / Date of cessation	% of shareholdings held	
				Direct	Indirect
<u>Present involvement</u>					
Ting Asiah & Co	Legal firm	Partner	1 January 2016 / -	-	-
Supermax Corporation Berhad (listed on the Main Market of Bursa Securities)	Investment holding whereby its subsidiaries are involved in manufacturing of rubber gloves	Non-Independent Non- Executive Director / Shareholder	21 October 2022 / -	0.6	-
Digital Data Sdn Bhd	Investment holding in Digital 3D Lab Sdn Bhd, and provision of other information technology services	Director / Shareholder	9 May 2019 / -	25.0	-
Blessed Acres Sdn Bhd	Property investment holding	Director / Shareholder	11 April 2011 / -	10.0	-
Leading Example Sdn Bhd	Property investment holding	Director / Shareholder	10 May 2011 / -	30.0	-
Dolce (M) Sdn Bhd	Provision of export and import of medical and dental instrument and supplies	Director	13 August 2021 / -	-	-
Supermax Foundation	Charity organisation	Director	7 March 2018 / -	-	-

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

Company	Principal activities	Position held	Date of appointment / Date of cessation	% of shareholdings held	
				Direct	Indirect
Digital 3D Lab Sdn Bhd	Provision of printing and manufacturing of medical and dental instrument and supplies	Director / Shareholder	9 May 2019 / -	-	⁽¹⁾ 100.0
Miraculous Technology Sdn Bhd	Provision of dental and related services	Director	1 November 2012 / -	-	-
Academic of Esthetic Dentistry Sdn Bhd	Property investment holding	Director / Shareholder	18 March 2011 / -	10.0	-
Mercury Industries Berhad (listed on the Main Market of Bursa Securities)	Investment holding and provision of management services with subsidiaries involved in civil and building construction works	Independent Non-Executive Director	20 July 2017 / -	-	-
<u>Past involvement</u>					
Renaissance Hectar Sdn Bhd	Provision of homestay services and facilities	Director	17 June 2011 / 20 June 2018	-	-
DTHP Family Sdn Bhd	Provision of property management	Director / Shareholder	18 September 2020 / 8 September 2022	100.0	-
Choizen Holdings Limited (formerly known as CSF Group plc, then listed on AIM of London Stock Exchange)	Dissolved on 5 September 2022 ⁽³⁾	Independent Non-Executive Director	12 February 2010 / 5 September 2022	-	-
<i><u>Companies held under Choizen Holdings Limited</u></i>					
Atlas CSF Sdn Bhd	Provision of computer support facilities	Director	2 January 2014 / 31 October 2020	-	-

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

<u>Company</u>	<u>Principal activities</u>	<u>Position held</u>	<u>Date of appointment / Date of cessation</u>	<u>% of shareholdings held</u>	
				<u>Direct</u>	<u>Indirect</u>
CSF Advisers Sdn Bhd	Provision of rental and design of premises with computer site facilities, and critical infrastructure services for computer site facilities	Director	15 July 2007 / 31 October 2020	-	-
CSF Network Services Sdn Bhd	Dissolved on 19 September 2022 ⁽⁴⁾	Director	6 July 2015 / 19 September 2022	-	-

Notes:

- (1) Deemed interest by virtue of his direct shareholding in Digital Data Sdn Bhd.
- (2) Prior to dissolution, the company was principally act as managing agent for owners of residential properties in Damansara Idaman, Petaling Jaya Selangor and to provide and undertake the services of maintenance and management of infrastructure, common facilities and services and common property.
- (3) Prior to dissolution, the company was principally involved in the provision of business management consultancy services.
- (4) Prior to dissolution, the company was principally involved in provision of computer supply, system development and maintenance.

(b) Paul Raymond Raj A/L Davadass

<u>Company</u>	<u>Principal activities</u>	<u>Position held</u>	<u>Date of appointment / Date of cessation</u>	<u>% of shareholdings held</u>	
				<u>Direct</u>	<u>Indirect</u>
<u>Present involvement</u> Dayspring Capital	Investment holding in Daythree Services	Director / Shareholder	11 April 2016 / -	100.0	-

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

<u>Company</u>	<u>Principal activities</u>	<u>Position held</u>	<u>Date of appointment / Date of cessation</u>	<u>% of shareholdings held</u>	
				<u>Direct</u>	<u>Indirect</u>
<u>Past involvement</u>					
3ble Corporation Sdn Bhd	Dissolved on 3 August 2020 ⁽¹⁾	Director / Shareholder	7 December 2007 / 3 August 2020	50.0	-
Red Flair Sdn Bhd	Dissolved on 8 June 2018 ⁽²⁾	Director	26 June 2012 / 8 June 2018	-	-

Notes:

(1) Prior to dissolution, the company was principally involved in the provision of business consulting.

(2) Prior to dissolution, the company was principally involved in the provision of general trading.

(c) Gan Jhia Jhia

<u>Company</u>	<u>Principal activities</u>	<u>Position held</u>	<u>Date of appointment / Date of cessation</u>	<u>% of shareholdings held</u>	
				<u>Direct</u>	<u>Indirect</u>
<u>Present involvement</u>					
Jhia Seng Sdn Bhd	Investment holding in stock, unit trust funds and other financial products	Director / Shareholder	28 September 2011 / -	*	-
Choizen Capital Advisory Sdn Bhd (formerly known as CSF Capital Advisory Sdn Bhd)	Provision of business management consultancy services	Shareholder	15 June 2022/ -	25.0	-
Thanos Capital	Investment holding in the healthcare and technology industry	Director / Shareholder	23 July 2018 / -	25.0	-

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

Company	Principal activities	Position held	Date of appointment / Date of cessation	% of shareholdings held	
				Direct	Indirect
<i>Companies held under Thanos Capital</i>					
Cloud Marshal	Investment holding in technology industry	Director/ Shareholder	24 June 2020 / -	-	(1)100.0
Med Marshal Sdn Bhd	Dormant. Intended for investment in the healthcare industry	Director/ Shareholder	26 January 2021 / -	-	(1)100.0
Meridian Care Capital Berhad	Investment holding in the healthcare industry	Director/ Shareholder	17 April 2019 / -	-	(1)100.0
Meridian I Sdn Bhd	Investment holding in the healthcare industry	Director/ Shareholder	17 April 2019 / -	-	(1)100.0
Past involvement					
SVBC Cares Sdn Bhd	Provision of ambulance services, general medical services and wholesale of pharmaceutical and medical goods	Shareholder	2 June 2021/ 13 September 2022	30.0	-
TXL Consultancy Sdn Bhd	Dissolved on 29 June 2022 ⁽²⁾	Director / Shareholder	17 December 2012 / 29 June 2022	25.0	-
Choizen Holdings Limited (formerly known as CSF Group plc, then listed on AIM of London Stock Exchange)	Dissolved on 5 September 2022 ⁽³⁾	Shareholder	22 March 2010 / 5 September 2022	2.5	-

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

<u>Company</u>	<u>Principal activities</u>	<u>Position held</u>	<u>Date of appointment / Date of cessation</u>	<u>% of shareholdings held</u>	
				<u>Direct</u>	<u>Indirect</u>
<i>Companies held under Choizen Holdings Limited</i>					
Atlas CSF Enterprise Management Services Sdn Bhd	Dissolved on 7 October 2019 ⁽⁴⁾	Director	10 September 2009 / 7 October 2019	-	-

Notes:

- (1) Deemed interest by virtue of his direct shareholding in Thanos Capital.
- (2) Prior to dissolution, the company was dormant and had no intended business activity.
- (3) Prior to dissolution, the company was principally involved in the provision of business management consultancy services.
- (4) Prior to dissolution, the company was dormant and had no intended business activity.
- * Negligible

(d) Syed Izmi Bin Syed Kamarul Bahrin

<u>Company</u>	<u>Principal activities</u>	<u>Position held</u>	<u>Date of appointment / Date of cessation</u>	<u>% of shareholdings held</u>	
				<u>Direct</u>	<u>Indirect</u>
<u>Present involvement</u>					
Centennial Capital Management Sdn Bhd	Provision of management consulting and corporate advisory services	Director / Shareholder	20 May 2021 / -	100.0	-
Mekar Capital Sdn Bhd	Investment holding in ICT and healthcare sectors	Director / Shareholder	17 May 2021 / -	100.0	-
Perbadanan Wakaf Nasional Berhad	Endowment fund of Yayasan Wakaf Malaysia	Director	23 September 2022 / -	-	-

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

<u>Company</u>	<u>Principal activities</u>	<u>Position held</u>	<u>Date of appointment / Date of cessation</u>	<u>% of shareholdings held</u>	
				<u>Direct</u>	<u>Indirect</u>
<u>Past involvement</u>					
Smshub Sdn Bhd	Dissolved on 18 January 2019 ⁽¹⁾	Director	28 December 2004 / 18 January 2019	-	-
Menara Bersama Sdn Bhd	Provision of construction of other engineering projects	Director / Shareholder	8 November 2021 / 10 August 2022	100.0	-

Note:

⁽¹⁾ Prior to dissolution, the company was principally involved in manufacturing, processing, trading, dealing, importing and marketing of software in computers and all other related activities in telecommunication systems, accessories.

(e) Azlina Binti Abdullah

<u>Company</u>	<u>Principal activities</u>	<u>Position held</u>	<u>Date of appointment / Date of cessation</u>	<u>% of shareholdings held</u>	
				<u>Direct</u>	<u>Indirect</u>
<u>Present involvement</u>					
-	-	-	-	-	-
<u>Past involvement</u>					
E-kiosk Sdn Bhd	Dissolved on 16 September 2022 ⁽¹⁾	Director / Shareholder	18 March 1997 / 16 September 2022	50.0	-
JBH Car Rental Sdn Bhd	Dissolved on 8 June 2018 ⁽²⁾	Director/ Shareholder	20 December 2000 / 8 June 2018	44.4	-

Notes:

⁽¹⁾ Prior to dissolution, the company was principally involved in provision of marketing services.

⁽²⁾ Prior to dissolution, the company was principally involved in leasing and rental of motor vehicles.

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

(f) Woon Tai Hai

Company	Principal activities	Position held	Date of appointment / Date of cessation	% of shareholdings held	
				Direct	Indirect
Present involvement					
Takaful Ikhlas Family Berhad	Provision of family and general takaful services	Director	1 September 2019 / -	-	-
Takaful Ikhlas General Berhad	Provision of takaful services	Director	1 October 2019 / -	-	-

As at LPD, the directorships of our Directors in other companies are in compliance with Rule 15.06 of the Listing Requirements as our Directors do not hold more than 5 directorships in public listed companies on Bursa Securities.

The involvement of our Directors in those business activities outside our Group does not give rise to any conflict of interest situation with our business. Additionally, the involvement of our Directors in those business activities are either as passive investor and/or directors to discharge their fiduciary duties in these companies. They are not actively involved in the day-to-day operations of these companies. Therefore, their involvement in these companies does not require significant amount of time, and hence does not affect their ability to perform their executive roles and responsibilities to our Group.

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

5.2.4 Directors remuneration and benefits

The remuneration of our Directors including fees, salaries, bonuses, other emoluments and benefits-in-kind, must be reviewed and recommended by our Nominating Committee and Remuneration Committee and subsequently, be approved by our Board. The Director's fees and any benefits payable to Directors shall be subject to annual approval by our shareholders pursuant to an ordinary resolution passed at a general meeting in accordance with our Constitution. Please refer to Section 15.3 for further details.

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2020 to 2023 are as follows:

	<u>Directors' fees</u>	<u>Salaries</u>	<u>Bonuses</u>	<u>Other emoluments</u>	<u>Benefits-in-kind</u>	<u>Total</u>
	RM'000					
FYE 2020 (Paid)						
Paul Raymond Raj A/L Davadass	-	421	-	51	-	472
Gan Jhia Jhia	-	-	-	-	-	-
Syed Izmi Syed Kamarul Bahrin	-	-	-	-	-	-
FYE 2021 (Paid)						
Paul Raymond Raj A/L Davadass	-	467	38	62	-	567
Gan Jhia Jhia	6	-	-	-	-	6
Syed Izmi Syed Kamarul Bahrin	6	-	-	-	-	6
FYE 2022 (Paid)						
Dato' Ting Heng Peng	36	-	-	8	-	44
Paul Raymond Raj A/L Davadass	-	492	-	65	-	557
Prabakaran A/L Chilatorai	-	312	-	42	-	354
Gan Jhia Jhia	20	-	-	-	-	20

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

	Directors' fees	Salaries	Bonuses	Other emoluments	Benefits-in-kind	Total
	RM'000					
Syed Izmi Bin Syed Kamarul Bahrin	20	-	-	-	-	20
Azlina Binti Abdullah	-	-	-	-	-	-
Leong Chooi Kuen	-	-	-	-	-	-
Woon Tai Hai	-	-	-	-	-	-
<u>FYE 2023 (Proposed)</u>						
Dato' Ting Heng Peng	44	-	-	5	-	49
Paul Raymond Raj A/L Davadass	33	492	(1)-	69	-	594
Prabakaran A/L Chilatorai	33	312	(1)-	46	-	391
Gan Jhia Jhia	44	-	-	4	-	48
Syed Izmi Bin Syed Kamarul Bahrin	44	-	-	4	-	48
Azlina Binti Abdullah	44	-	-	4	-	48
Leong Chooi Kuen	44	-	-	5	-	49
Woon Tai Hai	44	-	-	4	-	48

Note:

- (1) The bonuses for FYE 2023 are not included. Such bonuses, if any, will be determined at a later date based on our Group's and the individual's performance, and will be subject to recommendation of our Remuneration Committee and approval by our Board.

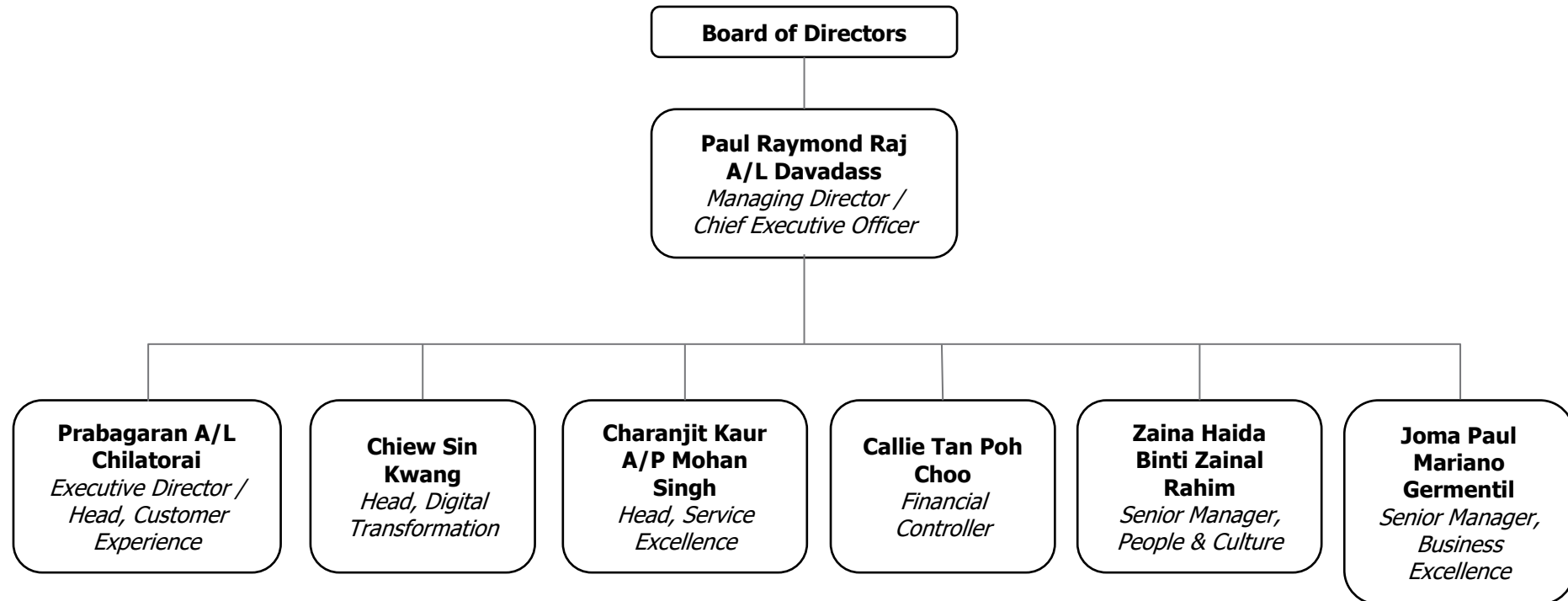
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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3 KEY SENIOR MANAGEMENT

5.3.1 Management structure

The management reporting structure of our Group is as follows:



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

5.3.2 Key senior management shareholdings

The shareholdings of our key senior management in our Company before and after IPO, save for our Executive Directors, which are disclosed in Section 5.2.1, assuming that they will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

Name	Designation / Nationality	⁽¹⁾ Before IPO				⁽²⁾ After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chiew Sin Kwang	Head, Digital Transformation / Malaysian	-	-	-	-	⁽³⁾ 2,000,000	⁽³⁾ 0.4	-	-
Charanjit Kaur A/P Mohan Singh	Head, Service Excellence / Malaysian	-	-	-	-	⁽³⁾ 2,000,000	⁽³⁾ 0.4	-	-
Callie Tan Poh Choo	Financial Controller / Malaysian	-	-	-	-	⁽³⁾ 1,000,000	⁽³⁾ 0.2	-	-
Zaina Haida Binti Zainal Rahim	Senior Manager, People & Culture / Malaysian	-	-	-	-	-	-	-	-
Joma Paul Mariano Germentil	Senior Manager, Business Excellence / Filipino	-	-	-	-	-	-	-	-

Notes:

- (1) Based on the share capital of 369,600,000 Shares before our IPO.
- (2) Based on the enlarged share capital of 480,000,000 Shares after our IPO.
- (3) Assuming they will fully subscribe for their entitlement under the Pink Form Allocations.

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

5.3.3 Profiles of key senior management

Save for the profiles of our Promoters, substantial shareholders and Directors which are set out in Section 5.1.2 and 5.2.2, the profiles of the other key senior management of our Group are as follows:

(a) Chiew Sin Kwang

Chiew Sin Kwang, a Malaysian male, aged 51, is our Head, Digital Transformation. He is responsible for the development and implementation of digital transformation solutions into our business processes. He has approximately 28 years of working experience in area of computing and IT and 11 years of work experience in the area of CX lifecycle management.

He graduated with a Diploma in Agriculture Engineering from Universiti Putra Malaysia in April 1994. He also obtained Advanced RPA Professional Certification from Automation Anywhere University, United State of America in November 2019.

He began his career with Meptech Sdn Bhd, a company involved in multimedia and 3D animation designing, in 1994 as a Multimedia Designer where he was responsible for developing 3D animation content and computer generated educational TV programmes. He left the company in 1995 and subsequently, he set up Innovations Lights & Magic (M) Sdn Bhd in February 1996, to provide multimedia and graphic design services. The company is in the process of striking off.

In 2002, he set up a sole proprietorship business, IImm Office Solutions Enterprise, a company involved in designing and development of police summon tracking application. The company was sold to a new investor in 2017. In April 2011, he joined Brandt International Sdn Bhd, a company involved in business process outsourcing and consultancy services, as a Contact Centre Officer where he was involved handling inbound and outbound calls to and from customers. He resigned from the company in January 2012 and immediately joined Sudong Sdn Bhd, a wholly owned subsidiary company of Singtel which is involved in providing voice and data services over fixed, wireless and Internet platforms. As an Operation Manager and Service Assurance Manager, he was involved in managing the contact centre operation while ensuring effective delivery of services.

Upon resigning from the company in January 2017, he immediately joined our Group as a Senior Operation Manager where he was responsible for setting up the CX operational site for clients in the travel, leisure and hospitality industries. He was subsequently promoted to his current position in January 2019.

He is an executive committee member of CCAM since April 2019 and an Adjunct Mentor at INTI International University & Colleges and a member of its Industry Advisory Board for Computing and IT.

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

(b) Charanjit Kaur A/P Mohan Singh

Charanjit Kaur A/P Mohan Singh, a Malaysian female, aged 43, is our Head, Service Excellence. She is responsible for the management of strategic client partnerships and overall operational excellence for the delivery of revenue generation business process services. She has approximately 20 years of working experience in the GBS industry.

She graduated with a Diploma in Business Studies from Politeknik Ungku Omar in May 2002.

Upon her graduation, she had a short stint with Scicom (MSC) Berhad from August 2002 to October 2002 as a Front Desk Executive, where she was involved in customer care services such as handling calls pertaining to pre and post sales enquiries. In November 2002, she resigned and immediately ventured into the business process management industry by joining Teledirect Telecommerce Sdn Bhd (currently known as TDCX (MY) Sdn Bhd), as a Business Analyst. She was involved in performing data analysis and reporting for a Financial Institution project. She was promoted to Project Executive in January 2005 where she was involved in campaign reporting, data analysis, capacity planning and resource optimisation for the Financial Institution project. She left the company in February 2010 with her last position as an Assistant Manager, Special Projects.

In March 2010, she joined Salesforce Contact Centres Sdn Bhd, a startup business process management service provider, as its Operations Support Manager where she was involved in overseeing daily operations and support functions for the company. She resigned from the company in August 2010 and immediately joined UTS Marketing Solutions Sdn Bhd, a company involved in the provision of contact centre outsourcing, as a Manager, Productivity and Operations, where she was involved in managing outbound sales operations. She was promoted to Account Director in January 2012 where she was responsible for managing the daily operation of outbound sales centres.

Upon resigning from the company in September 2014, she took 1 year career break and joined our Group in September 2015 in her current position.

She is also an executive committee member of CCAM since April 2019.

(c) Callie Tan Poh Choo

Callie Tan Poh Choo, a Malaysian female, aged 40, is our Financial Controller. She is responsible for overseeing the accounting and financial matters of our Group. She has approximately 15 years of working experience in the accounting field.

She graduated with Bachelor of Accountancy (Honours) from Universiti Utara Malaysia in September 2007. She is a member of ACCA since July 2015 and a member of MIA since July 2018.

She began her career in September 2007 as an Audit Associate in KPMG Malaysia PLT, where she was involved in audit of various private and public listed companies. She left KPMG Malaysia PLT in March 2010 with her last position as an Audit Senior.

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

In April 2010, she joined Waterco (Far East) Sdn Bhd, a company involved in the manufacturing and distribution of water filtration and sanitisation equipment. As its Internal Auditor, she was responsible for undertaking internal audits to ensure the company meets its financial, operational and compliance objectives. She left the company in March 2013 and subsequently joined Schlumberger Business Support Hub Sdn Bhd in April 2013, a finance shared service hub for Schlumberger Limited, as its Management Accountant where she was responsible for preparing monthly financial reporting.

Upon resigning from the company in March 2017, she joined Royal Lake Club Kuala Lumpur in April 2017, as its Finance Manager where she oversaw its finance department. In August 2017, she resigned and immediately joined Choizen Holdings Limited (formerly known as CSF Group plc, then listed on AIM of the London Stock Exchange) as Head of Department, Group Finance and Accounts.

In November 2017, she was transferred to CSF Advisers Sdn Bhd, a company principally involved in the provision of rental and design of premises with computer site facilities and provision of critical infrastructure services for computer site facilities and thereafter to Choizen Capital Advisory Sdn Bhd (formerly known as CSF Capital Advisory Sdn Bhd), a business management consultancy company in November 2020. As its Head of Department, Group Finance and Accounts, she was responsible for overseeing its finance department. She left the company in May 2022.

In June 2022, she joined our Group where she assumed her current position.

(d) Zaina Haida Binti Zainal Rahim

Zaina Haida Binti Zainal Rahim, a Malaysian female, aged 43, is our Senior Manager, People & Culture. She is responsible for overseeing the human resource and industrial relation matters. She has approximately 17 years of working experience in human resource management.

She obtained a Certificate in Information Technology from Cybernetics International College of Technology in 1999. She graduated with a Diploma in Computer Science from Universiti Putra Malaysia in July 2002.

During her tertiary studies, she worked as a part-time Barista in San Francisco Coffee Company. She was converted to full-time Barista in October 2001 and left the company in October 2003. She then joined Airzed Networks Sdn Bhd ("**Airzed**"), company involved in the provision of network services, as a Customer Service and Technical Support Associate in November 2003, where she handled general inquiries and technical troubleshooting for Airzed's WIFI users. She resigned from the company in February 2005 and immediately joined Millennium Consultants (M) Sdn Bhd, a recruitment agency, as its Staffing Consultant where she was involved in recruitment and job training for jobseekers and clients. Upon resigning from the company in March 2006, she joined Kelly Services Sdn Bhd in April 2006 as its Staffing Consultant for its client contact centre operation, where she handled recruitment and job training. She left the company in May 2013 with her last position as an Assistant Branch Manager. She subsequently joined CXL Executive Sdn Bhd, a subsidiary of CareerXcell Sdn Bhd in the same month, as its Head of Human Resource Business Partner. In March 2015, she was promoted to Head of Operations where she was involved in overseeing the recruitment operation. In June 2015, she was transferred to CareerXcell Sdn Bhd as its Team Lead, Technical Placement where she was involved in leading a team of placement consultants to conduct recruitment activities for clients under her care. She resigned from the company in December 2015.

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

In March 2016, she joined our Group as a Talent Acquisition Manager where she was responsible in driving end-to-end recruitment throughout the organisation. In November 2017, she was assigned to undertake Human Resource Business Partner role where she was involved in the development and implementation of human resource agenda, strategies and practices. She was promoted to her current position in September 2021.

(e) Joma Paul Mariano Germentil

Joma Paul Mariano Germentil, a Filipino male, aged 34, is our Senior Manager, Business Excellence. He is responsible for cybersecurity matters, overseeing the overall security landscape including the development of information security frameworks for business applications. He has approximately 11 years of working experience in the cybersecurity, IT risk management, IT audit, information security and business excellence consultation.

He graduated with Bachelor of Science in Computer Engineering from System Technology Institute (STI) College, Philippines in April 2011.

He began his career with Henann Group of Resorts, Philippines in 2011, as an IT Engineer where he was responsible for developing, maintaining and supporting IT infrastructure of the company. Upon resigning from the company in February 2012, he joined Equicom Shared Services Incorporated, Philippines, an outsourcing service provider specializing in the field of human capital management, commercial management, general services, finance and accounting, assurance and consulting services in March 2012, as an IT Audit Officer. During his tenure there, he was involved in complex IT audit and advisory engagement. He left the company in February 2013 and immediately joined RVO Capital Ventures Group ("**RVO**"), a venture capital firm. As its IT Audit Supervisor, he was involved in IT security audit review and advisory services for 44 companies of RVO. He resigned from the company in July 2014.

From July 2014 to December 2016, he joined B&M Global Services Manila, Incorporated., a subsidiary of Baker & McKenzie International B.V., as an Information Security Analyst, where he provided a range of IT governance, risk and compliance support to 77 offices of Baker McKenzie located across the globe. In February 2017, he came to Malaysia and joined Standard Chartered Bank Malaysia Berhad, as its Information Security Manager where he was responsible for overseeing information security related matters. He resigned from the bank in October 2019.

In November 2019, he joined our Group as a Business Excellence Lead (Head, Information Security and Risk Management), where he was responsible for managing the overall risk, compliance and security requirements of the company and ensure that security of clients' data and cybersecurity controls are in place. In November 2021, he was promoted to his current position.

5.3.4 Principal business performed outside our Group

None of our key senior management has any other principal directorship and/or principal business activities performed outside our Group as at LPD.

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

5.3.5 Key senior management remuneration and benefits

The remuneration of our key senior management including salaries, bonuses, other emoluments and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board.

The aggregate remuneration and material benefits-in-kind (in bands of RM50,000) paid and proposed to be paid to our key senior management (save for our Directors which are disclosed in Section 5.2.4) for services rendered in all capacities to our Group for FYE 2021 to 2023 are as follows:

	⁽¹⁾ Remuneration band		
	FYE 2021 (Paid)	FYE 2022 (Paid)	⁽²⁾ FYE 2023 (Proposed)
	RM'000		
Chiew Sin Kwang	200 – 250	250 – 300	250 – 300
Charanjit Kaur A/P Mohan Singh	200 – 250	250 – 300	250 – 300
Callie Tan Poh Choo	-	100 – 150	150 – 200
Zaina Haida Binti Zainal Rahim	100 – 150	100 – 150	100 – 150
Joma Paul Mariano Germentil	100 – 150	150 – 200	150 – 200

Notes:

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

5.4 BOARD PRACTICE

5.4.1 Board

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

- (a) setting the corporate values and promoting together with the senior management, good corporate governance culture within our Group which reinforces ethical, prudent and professional behaviour and ensure that its obligations to shareholders and other stakeholders are met.
- (b) reviewing and adopting a strategic plan for our Group:
- (i) review, challenge and decide on management's proposal on a strategic plan for our Group by bringing objectivity and breadth of judgment to the strategic planning process;
- (ii) review and oversee the implementation of the strategic business plan for our Group to ensure that it supports long-term value creation and includes strategies on economic, environmental, safety & health, social and governance considerations underpinning sustainability;

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

- (iii) together with management, take responsibility for the governance of sustainability in our Group including setting our Group's sustainability strategies, priorities and targets; and
 - (iv) monitor the implementation of the strategic plan by the management.
- (c) overseeing the conduct of our Group's business:
 - (i) oversee the conduct of our Group's business, including the formulation of strategy and performance objectives, control and accountability systems, corporate governance framework, risk management practices and human capital management;
 - (ii) approve and monitor progress of major capital expenditure, fund-raising, acquisitions and divestitures;
 - (iii) supervise and assess the performance of the management to determine whether the business is being properly managed and ensure that appropriate measures are in place against which the management's performance can be assessed;
 - (iv) review, challenge and decide on the management's proposals for our Group and monitor its implementation by the management; and
 - (v) monitor compliance with established policies and procedures.
- (d) identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures:
 - (i) understand the principal risks of our Group's businesses and recognise that business decisions involve the taking of appropriate risks;
 - (ii) fulfil statutory and fiduciary responsibilities by monitoring the operational, financial and risk management processes of our Group and ensuring that internal control procedures are in place;
 - (iii) set the risk appetite within which our Board expects the management to operate and ensure that there is a sound risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks; and
 - (iv) comply with environment, safety and health legislation by understanding the operations being carried out by employees and the hazards and risks associated with such operations.
- (e) succession planning:
 - (i) ensure the senior management has the necessary skills and experience; and
 - (ii) ensure measures are in place to provide for orderly succession planning of our Board and senior management, including appointing, training, fixing the compensation of and, where appropriate, replacing the senior management.

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

- (f) overseeing the development and implementation of a stakeholder communications policy for our Group:
- (i) ensure that our Group has in place a policy to enable effective communication with its stakeholders. This policy should include how feedback received from its stakeholders is considered by our Group when making business and other decisions; and
 - (ii) ensure that our Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.
- (g) reviewing the adequacy and the integrity of the management information and internal control systems of our Group, including systems for compliance with applicable laws, regulations, rules, directives and guidelines:
- (i) ensure that there is a sound framework of reporting on internal controls and regulatory compliance;
 - (ii) review the efficiency and quality of our Group's financial reporting process and systems of accounting and internal controls; and
 - (iii) ensure the integrity of our Group's financial and non-financial reporting and ensure that all our Directors are able to understand financial statements and form a view on the information presented.

In accordance with our Constitution, an election of Directors shall take place each year at the annual general meeting ("**AGM**") of our Company. At the first AGM of our Company, all our Directors shall retire from office, and at the AGM in every subsequent year, one-third of our Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to one-third, shall retire from office and be eligible for re-election. This is provided always that all Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

All our Directors were only appointed to our Board in August 2022, and have served for less than one year as at LPD. All our Directors will retire and be eligible for re-election at our forthcoming first AGM. Thereafter, at every subsequent annual general meeting, one-third of our Directors at that time, or, if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office and be eligible for re-election.

As at LPD, the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in office are as follows:

Name	Date of appointment as Director	Date of expiration of the current term in office	Approximate no. of months in office as at LPD
Dato' Ting Heng Peng	25 August 2022	At the 2023 AGM of our Company	Less than 9
Paul Raymond Raj A/L Davadass	25 August 2022	At the 2023 AGM of our Company	Less than 9
Prabakaran A/L Chilatorai	25 August 2022	At the 2023 AGM of our Company	Less than 9
Gan Jhia Jhia	25 August 2022	At the 2023 AGM of our Company	Less than 9

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

Name	Date of appointment as Director	Date of expiration of the current term in office	Approximate no. of months in office as at LPD
Syed Izmi Bin Syed Kamarul Bahrin	25 August 2022	At the 2023 AGM of our Company	Less than 9
Azlina Binti Abdullah	25 August 2022	At the 2023 AGM of our Company	Less than 9
Leong Chooi Kuen	25 August 2022	At the 2023 AGM of our Company	Less than 9
Woon Tai Hai	25 August 2022	At the 2023 AGM of our Company	Less than 9

The members of our Board are set out in Section 5.2.

5.4.2 Audit and Risk Management Committee

The main function of our Audit and Risk Management Committee is to assist our Board in fulfilling its responsibility on the oversight of the integrity of our Group's accounting and financial reporting matters. The Audit Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

- (a) to review the following and report the same to our Board with the external auditors:
 - (i) the audit plan and audit report and the extend of assistance rendered by the employees of our Company;
 - (ii) their evaluation of the system of internal controls;
 - (iii) the audit fee and on matter regarding their suitability for nomination, appointment and re-appointment and any issue regarding resignation or dismissal;
 - (iv) issues and matters arising from the audit;
 - (v) the management letter and the management's response; and
 - (vi) to perform annual assessment on their competencies, objectivity and independence.
- (b) to review the following and report the same to our Board with the internal auditors:
 - (i) to review the adequacy of the scope, the function, competency and resources of the internal audit functions and that it has the necessary authority to carry out the work;
 - (ii) the internal audit plan, processes, the results of the internal audit assessment including the recommendations and appropriateness of the actions taken;
 - (iii) the extend of assistance rendered by the employees of our Company; and
 - (iv) to review any appraisal or assessment of the performance of members of the internal audit function.
- (c) to review and approve our quarterly results and annual financial statements for recommendation to our Board, focusing in particular on:
 - (i) any changes in or implementation of major accounting policies;
 - (ii) significant and unusual events or transactions, significant adjustments arising from the audit and how these matters are addressed;
 - (iii) going concern assumption; and
 - (iv) compliance with accounting standards and other regulatory or legal requirements.

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

- (d) the related party transaction and conflict of interest situation that may arise within our Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity and ensure that any such transaction is carried out at arm's length, on terms that are not detrimental to our Group and in the best interest of our Group and report the same to our Board.
- (e) to oversee and recommend the risk management policies and procedures of our Group.
- (f) to review the principal risks of our Group and recommend and ensure the implementation of an appropriate risk management framework and policies for our Group to mitigate/manage such risks.
- (g) to assess the quality, effectiveness and efficiency of our internal controls and advise our Board on setting appropriate policies on internal control.
- (h) to review and deliberate on reports on significant risk findings and recommendations.
- (i) to determine the level of risk tolerance and actively identify, assess and monitor key business risks to safeguard the shareholders' investments and our Company's assets.
- (j) to ensure that our Board conducts an annual review and periodic testing of our internal control and risk management.
- (k) to review the Audit and Risk Management Committee's reporting and the statement with regard to the state of internal controls and risk management of our Group for inclusion in the annual report for the relevant financial year and report the same to our Board.
- (l) to discuss problems and reservations arising from the interim and final audits, and any matter that the external auditor may wish to raise (in the absence of management, where necessary).
- (m) to review and recommend for our Board's approval, the provision of non-audit services by the external auditors and to ensure that adequate safeguard in place so that the provision for non-audit services does not create conflicts of interest with the independent judgement of the external auditors.

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

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

Name	Designation	Directorship
Leong Chooi Kuen	Chairwoman	Independent Non-Executive Director
Azlina Binti Abdullah	Member	Independent Non-Executive Director
Woon Tai Hai	Member	Independent Non-Executive Director

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

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

5.4.3 Nominating Committee

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

- (a) Assessment of board composition
 - (i) establish a policy formalising our Group's approach to boardroom diversity (including diversity in gender, nationality, age, culture and socio-economic backgrounds);
 - (ii) annually review and recommend to our Board the appropriate size, structure, balance and composition of our Board, required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors shall bring to our Board to ensure that they are in line with our Company and our Group's requirements and is in compliance with the Listing Requirements;
 - (iii) consider and recommend any policy regarding the period of service of Non-Executive Directors, and the term of office of Board Committee members, including Chairmen of Board Committees; and
 - (iv) ensure periodic reviews of the term of office, and terms of reference of all Board Committees assisted by our Company Secretary.
- (b) Appointments
 - (i) consider and recommend to the Board the selection criteria for new appointment as Directors of our Company which may include:
 - required skills, knowledge, expertise and experience;
 - time commitment, character, professionalism and integrity (probity, financial integrity and personal integrity);
 - ability to work cohesively with other members of our Board;
 - specialist knowledge or technical skills in line with our Group's strategy;
 - diversity in age, gender, skills, experience, cultural background and other factor(s) that will best qualify a nominee to serve on our Board;
 - number of directorships in companies outside our Group; and
 - ability to discharge such responsibilities/functions as expected, particularly for independent non-executive Directors.
 - (ii) consider and recommend to our Board the composition of our Board which must comprise at least 2 Directors or 1/3 of our Board, whichever is higher, are Independent Directors;
 - (iii) consider and recommend suitable persons to be appointed as Directors of our Company and members of the Board Committees;
 - (iv) appointment of key management positions:
 - review and if deemed appropriate, endorse for our Board's approval on the appointment, evaluation, promotion, resignation, disciplinary actions and termination of the key positions of our Company.

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

- (c) Retirement and re-election
 - (i) ensure that every Director, including the Executive Directors, shall be subject to retirement at least once every 3 years. A retiring Director shall be eligible for re-election; and
 - (ii) recommend to our Board, re-election of Directors by shareholders. In instances where an Independent Non-Executive Directors is to be retained beyond nine (9) years, the Nominating Committee shall conduct an assessment of the Independent Non-Executive Director(s) and recommend to the Board whether they shall remain Independent or be re-designated as a Non-Independent Non-Executive Director.
- (d) Succession planning
 - (i) our Chairman shall assist the Nominating Committee in ensuring that an appropriate succession planning framework, talent management and human capital development programme is in place for the position of the Chairman and key positions, and be appraised of the progress of the programme on a regular basis, and at least once a year; and
 - (ii) oversee succession planning for our Chairman and Directors.
- (e) Annual performance assessment
 - (i) assist our Board in establishing procedures and processes towards an annual assessment of the effectiveness of our Board as a whole and each Board Committee (including its size and composition), as well as the contribution of each individual Director. Results of evaluation shall be properly documented and disclosed in the annual report;
 - (ii) consider and recommend to our Board an annual assessment of the Independent Directors of our Company;
 - (iii) develop, maintain and review the criteria for evaluating Board and Board Committees' and each individual Director's performance; and
 - (iv) ensure that appropriate actions are taken based on the results of the annual assessments, to continuously enhance our Board's overall performance and identify opportunities for improvement.
- (f) Training and development
 - (i) recommend suitable orientation and training programmes to continuously train and equip existing Directors, where necessary;
 - (ii) arrange, with management, induction programmes for newly appointed Directors to familiarise themselves with the operations, products and services of our Group through briefings by the relevant management teams; and
 - (iii) ensure a statement is made by our Board in our Company's annual report, containing a brief description on the type of training attended by Directors during the financial year.

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

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

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

Name	Designation	Directorship
Azlina Binti Abdullah	Chairwoman	Independent Non-Executive Director
Woon Tai Hai	Member	Independent Non-Executive Director
Syed Izmi Bin Syed Kamarul Bahrin	Member	Non-Independent Non-Executive Director

5.4.4 Remuneration Committee

The main function of our Remuneration Committee is to assist our Board in fulfilling its responsibility on matters relating to our Group's compensation, bonuses, incentives and benefits. The Remuneration Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

- (a) to assist our Board in determining the remuneration of our Executive Directors and key senior management. In fulfilling this responsibility, the Remuneration Committee is to ensure that our Executive Directors and our key senior management:
 - (i) are fairly rewarded for their individual contributions to overall performance;
 - (ii) that the compensation is reasonable in light of our business strategy and long-term objectives; and
 - (iii) that the compensation is similar to other companies of similar size in the same industry.
- (b) to review and recommend on an annual basis, the performance of our Directors and our senior management, and recommend to our Board specific adjustments in remuneration and/or reward payments to be passed at a general meeting.
- (c) to establish our Executive Director's goals, objectives and key performance indicators.
- (d) to review our Executive Director's performance against the goals, objectives and key performance indicators set.
- (e) to ensure that the remuneration packages and benefits for Independent Non-Executive Directors do not conflict with their obligations to bring objective and independent judgement to our Board. Independent Non-Executive Directors should not be over-compensated to the extent that their independence may be compromised.
- (f) to assist our Board in discharging their responsibilities to, amongst others, compensation strategy, management development and other compensation arrangements.

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

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

Name	Designation	Directorship
Woon Tai Hai	Chairman	Independent Non-Executive Director
Azlina Binti Abdullah	Member	Independent Non-Executive Director
Gan Jhia Jhia	Member	Non-Independent Non-Executive Director

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

5.5 RELATIONSHIPS AND/OR ASSOCIATIONS

There are no family relationships (as defined under Section 197 of the Act) or association between or amongst our Promoters, substantial shareholders, Directors and key senior management as at LPD.

5.6 EXISTING OR PROPOSED SERVICE AGREEMENTS

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

5.7 DECLARATION FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at LPD, none of our Promoters, Directors or key senior management is or has been involved in any of the following (whether in or outside Malaysia):

- (a) in the last 10 years, a petition under any bankruptcy or insolvency laws that was filed (and not struck out) against him or any partnership in which he was a partner or any corporation of which he was a Director or a member of key senior management;
- (b) disqualified from acting as a Director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (c) in the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (d) in the last 10 years, any judgment that was entered against him, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (e) in the last 10 years, was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;
- (f) being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;
- (g) in the last 10 years has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (h) has any unsatisfied judgment against him.

6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON DAYTHREE

Our Company was incorporated in Malaysia under the Act on 11 August 2022 as a private limited company under the name of Daythree Digital Sdn Bhd. On 28 September 2022, it was converted into a public limited company and changed to our present name.

We were incorporated to facilitate the Listing and our Company is principally an investment holding company. There has not been any material change in the manner in which we conduct our business or activities since our incorporation and up to LPD.

Through our subsidiaries, we are a GBS service provider focusing on CX lifecycle management services enabled by in-house developed digital tools. Our services involve the setting up of contact centres to facilitate communications between our Clients and their Customers. These include acquisition of Customers (where the Client establishes contact with a new Customer with the hope of converting from a prospect into a paying Customer) to after-sales' customer support and care services such as responding to enquiries and technical support.

As at LPD, our share capital is RM20.1 million comprising 369,600,000 Shares, all of which have been issued and fully paid-up. The movements in our share capital since the date of our incorporation are set out below:

Date of allotment	No. of Shares allotted	Consideration / Types of issue	Cumulative share capital RM
11 August 2022	3	RM3 / Subscribers' shares	3
9 May 2023	369,599,997	RM20,143,200/ Acquisition of Daythree Services	20,143,203

As at LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Upon completion of our IPO, our enlarged share capital will increase to RM53.3 million comprising 480,000,000 Shares.

6.2 DETAILS OF ACQUISITIONS

In preparation of our Listing, we have undertaken the Acquisitions by entering into the following agreements:

- (a) a conditional share purchase agreement with the Daythree Services Vendors to acquire the entire equity interest in Daythree Services comprising 2,000,000 ordinary shares for a purchase consideration of RM20.1 million which was satisfied by the issuance of 369,599,997 new Shares to the Daythree Services Vendors at an issue price of RM0.0545 each;
- (b) a conditional share purchase agreement with the Daythree Services to acquire the entire equity interest in Daythree Services SG comprising 10,000 shares for a cash consideration of SGD1.00; and
- (c) a conditional share purchase agreement with the Daythree Services to acquire the entire equity interest in Daythree Solutions comprising 2 ordinary shares for a cash consideration of RM2.00.

6. INFORMATION ON OUR GROUP (Cont'd)

Details of the Vendors and the number of Shares issued to them under the Acquisitions are set out below.

(a) Daythree Services

Daythree Services Vendors	Shareholdings in Daythree Services		Purchase consideration	No. of Shares issued
	No. of shares acquired	% of share capital		
Dayspring Capital	1,000,000	50.0	10,071,600	184,799,999
Cloud Marshal	600,000	30.0	6,042,960	110,879,999
BLM Holdings ⁽¹⁾	400,000	20.0	4,032,640	73,919,999
	2,000,000	100.00	20,143,200	369,599,997

Note:

⁽¹⁾ Being the beneficial owner of the Shares held through Kenanga Investors Berhad-client's trust account in RHB Trustees.

The purchase consideration for the Acquisition of Daythree Services of RM20.1 million was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Daythree Services as at 31 December 2021 of RM28.2 million, less RM8.0 million dividend declared on 29 June 2022.

(b) Daythree Services SG

	Shareholdings in Daythree Services SG		Purchase consideration
	No. of shares acquired	% of share capital	
Daythree Services SG	10,000	100.0	1
	10,000	100.0	1

The purchase consideration for the Acquisition of Daythree Services SG of SGD1.00 was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the net liabilities of Daythree Services SG of SGD16,706 (equivalent to RM51,543 based on closing rate of approximately SGD1.00 : RM3.0853) as at 31 December 2021.

(c) Daythree Solutions

	Shareholdings in Daythree Solutions		Purchase consideration
	No. of shares acquired	% of share capital	
Daythree Solutions	2	100.0	2
	2	100.0	2

The purchase consideration for the Acquisition of Daythree Solutions of RM2.00 was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited net liabilities of Daythree Solutions as at 31 December 2021 of RM13,010.

6. INFORMATION ON OUR GROUP (Cont'd)

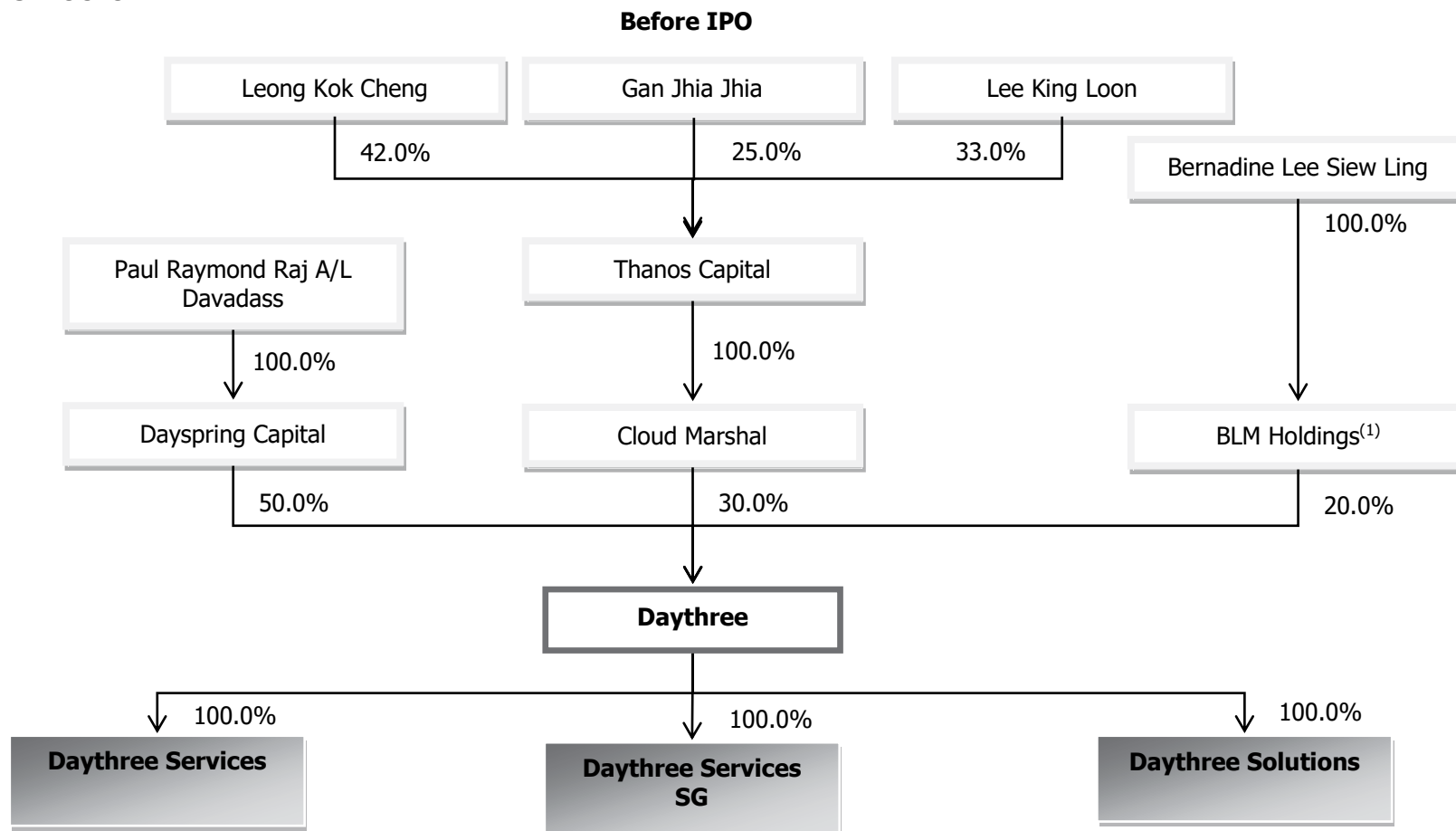
The Acquisitions were completed on 9 May 2023. Thereafter, Daythree Services, Daythree Services SG and Daythree Solutions became our wholly-owned direct subsidiaries.

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

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6. INFORMATION ON OUR GROUP (Cont'd)

6.3 GROUP STRUCTURE

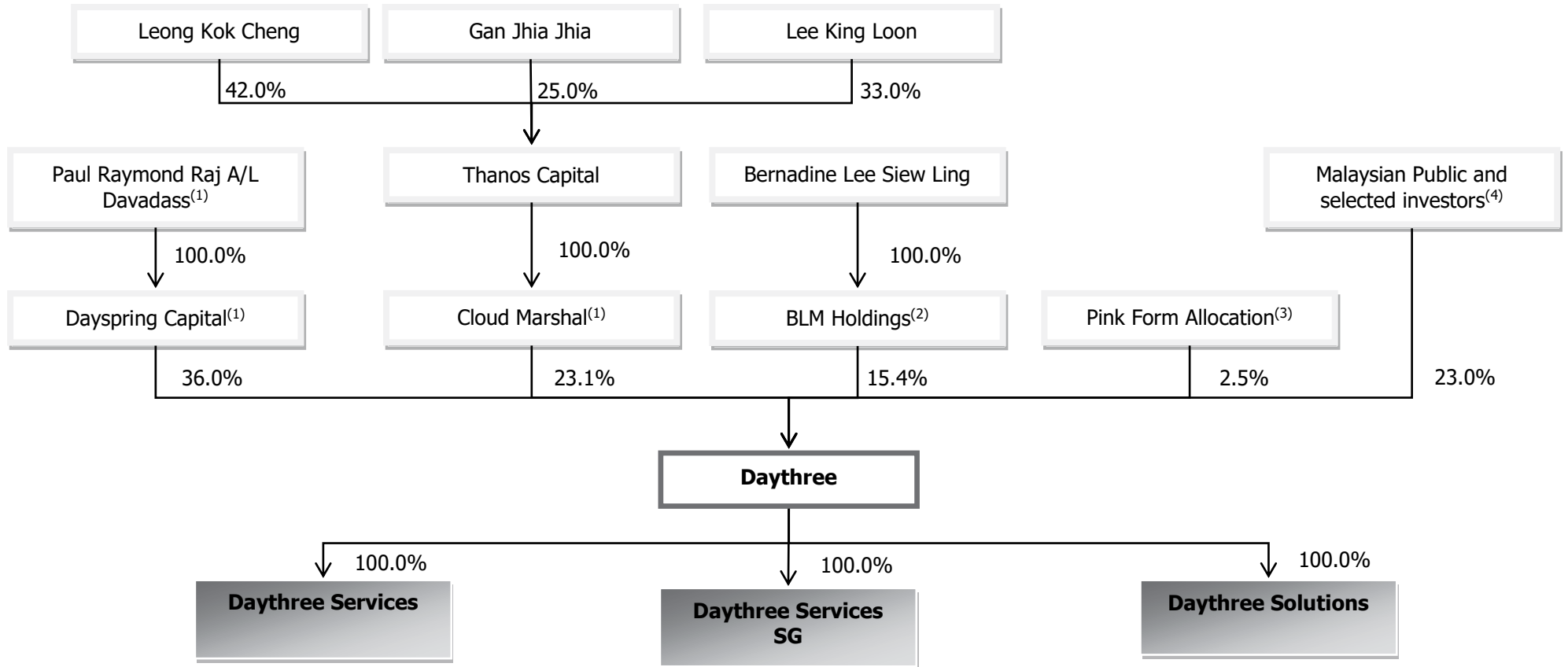


Note:

⁽¹⁾ Being the beneficial owner of the Shares held through Kenanga Investors Berhad-client's trust account in RHB Trustees.

6. INFORMATION ON OUR GROUP (Cont'd)

After IPO



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

Notes:

- (1) Promoters of Daythree Group.
- (2) Being the beneficial owner of the Shares held through Kenanga Investors Berhad-client's trust account in RHB Trustees.
- (3) Assuming that all our eligible Directors and employees of our Group will subscribe for the Pink Form Allocations.
- (4) Including Bumiputera investors approved by MITI.

6.4 SUBSIDIARIES AND ASSOCIATED COMPANIES

Details of our subsidiaries as at LPD are summarised as follows:

Company / Registration Number	Date / Place of incorporation	Principal place of business	Issued share capital	Effective equity interest	Principal activities
			RM	%	
Daythree Services / 200601015164 (734916-T)	24 May 2006 / Malaysia	Malaysia	2,000,000	100.0	Engaged in the business of operating a GBS centre; rendering business process, information technology, and knowledge process outsourcing services; and the provision of related services
Daythree Services SG / 201419051W	1 July 2014 / Singapore	Singapore	SGD10,000	100.0	Dormant. Intended for the provision of GBS services

6. INFORMATION ON OUR GROUP (Cont'd)

Company / Registration Number	Date / Place of incorporation	Principal place of business	Issued share capital	Effective equity interest	Principal activities
			RM	%	
Daythree Solutions / 201901024391 (1333720-X)	11 July 2019 / Malaysia	Malaysia	2	100.0	Dormant. Intended for the provision of design of digital and process automation software and solutions and the provision of related services including Artificial Intelligence, Robotic process automation and Big Data

As at LPD, Daythree Services SG and Daythree Solutions remained dormant due to changes in business plans arising from movement restrictions during the COVID-19 pandemic, and transition of MSC Malaysia Status into the new Malaysian Digital status by the Government, where it would be more optimal to channel our operations through Daythree Services, which holds the status.

Details of the share capital of our subsidiaries are set out in Section 15.2.

As at LPD, we do not have any associated company.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.5 MATERIAL CONTRACTS

Save as disclosed below, there were no contracts entered into by our Group which are or may be material (not being contracts entered into in the ordinary course of business) for FYE 2019 to 2022 and up to LPD:

- (a) Share purchase agreement dated 29 September 2022 between our Company and Daythree Services Vendors for the Acquisition of Daythree Services for a purchase consideration of RM20,143,200 which will be wholly satisfied by issuance of 369,599,997 new Shares at an issue price of RM0.0545 per Share, which was completed on 9 May 2023;
- (b) Share purchase agreement dated 27 September 2022 between our Company and Daythree Services for the Acquisition of Daythree Services SG for a purchase consideration of SGD1.00 which will be wholly satisfied by cash, which was completed on 9 May 2023;
- (c) Share purchase agreement dated 27 September 2022 between our Company and Daythree Services for the Acquisition of Daythree Solutions for a purchase consideration of RM2.00 which will be wholly satisfied by cash, which was completed on 9 May 2023; and
- (d) Underwriting agreement dated 31 May 2023 between our Company and M & A Securities for the underwriting of 36,000,000 Issue Shares for an underwriting commission of 3.0% of the IPO Price multiplied by the number of Issue Shares underwritten.

Additionally, our Group is not materially dependent on any contracts including commercial or financial contracts.

6.6 PUBLIC TAKE-OVERS

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

- (a) No public take-over offers by third parties in respect of our Shares; and
- (b) No public take-over offers by our Company in respect of other companies' shares.

6.7 MAJOR APPROVALS AND LICENCES





As at LPD, there are no other major approvals, major licences and permits required for us to carry out our operations.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.8 INTELLECTUAL PROPERTIES

As at LPD, our Group does not own and has not applied for the registration of any other intellectual properties other than those disclosed below:

No.	Trademark	Applicant(s) / Registered owner(s)	Trademark application no.	Class	Approving authority / Place of application or registration	Status / Registration validity
(a)		Daythree Services	TM2017056661	35 ⁽¹⁾	MyIPO / Malaysia	Registered / 17 April 2017 to 17 April 2027
(b)		Daythree Services	TM2022022843	9 ⁽²⁾	MyIPO / Malaysia	-(4)
(c)		Daythree Services	TM2022022844	9 ⁽²⁾	MyIPO / Malaysia	-(5)
(c)		Daythree Services6	(i) TM2022022845 (ii) TM2022022846	(i) 9 ⁽²⁾ (ii) 35 ⁽³⁾	MyIPO / Malaysia	Registered / 1 September 2022 to 1 September 2032

Notes:

⁽¹⁾ Advertising; business management; business administration; office functions; all included in Class 35.

6. INFORMATION ON OUR GROUP (Cont'd)

- (2) Application software; artificial intelligence software; artificial intelligence software for analysis; computer software; computer software designed to estimate resource requirements; computer software for business purposes; computer software for project management; computer software products.
- (3) Human resources management; human resources management services; business advisory and information services; collection, systematisation, compilation and analysis of business data and information stored in computer databases; systemisation of information into computer databases; office functions; corporate communications services; business management consultancy in the field of leadership development; business organisation and management consultancy in the field of personnel management.
- (4) MyIPO has objected to the registration of the trademark on the grounds that a similar trademark is registered. Our Group has submitted an appeal on 8 January 2023 and the appeal application is still pending review by MyIPO. Assuming the appeal is successful and there is no opposition from any third party thereafter, the estimated timeframe for registration of the trademark will be approximately 24 to 36 months from our submission of the appeal to MyIPO's objection to the registration of the trademark.
- (5) MyIPO has approved the registration of the trademark on 27 September 2022 and gazetted on 29 September 2022. Subsequently, it was opposed by a third party who deemed our trademark to be similar to its trademark. Our Group is in the midst of submitting a counter statement against the opposition and expected to submit by end of June 2023. It will take between 24 to 36 months for the opposition to be addressed and decided by MyIPO. Once the opposition has been addressed and there is no opposition from other third party, the trademark will be registered.

Our Group's business and profitability are not materially dependent on the trademarks listed above. For avoidance of doubt, in the event that the appeals mentioned above are not successful, our business and profitability will not be materially affected as the digital tools we have developed are proprietary.

6.9 PROPERTY, PLANT AND EQUIPMENT

6.9.1 Properties owned by our Group

As at LPD, we do not own any properties.

6. INFORMATION ON OUR GROUP (Cont'd)

6.9.2 Properties rented by our Group

The summary of the material properties rented by our Group as at LPD are set out below:

No.	Postal address	Landlord / Tenant	Description / Existing use	Land area / Built-up area	Period of tenancy / Rental per annum
(a)	Unit 3B-05-01, Level 5, Tower 3B UOA Business Park 1, Jalan Pengaturcara U1/51A Seksyen U1, 40150 Shah Alam Selangor	Kaginic Assets Holdings Sdn Bhd / Daythree Services	1 unit of office located on the 5th floor of a 14-storey corporate building / CX delivery office	Not applicable / 6,717	1 July 2021 to 30 June 2024 (with the option to renew for another 3 years) / RM362,718
(b)	Unit 3A-09-01, Level 9, Tower 3A UOA Business Park 1, Jalan Pengaturcara U1/51A Seksyen U1, 40150 Shah Alam Selangor	Kaginic Assets Holdings Sdn Bhd / Daythree Services	1 unit of office located on the 9th floor of a 14-storey corporate building / CX delivery office	Not applicable / 6,695	1 January 2023 to 31 December 2025 (with the option to renew for another 3 years) / RM361,530
(c)	Unit 7-03A-01, Level 3A, Tower 7 UOA Business Park 1, Jalan Pengaturcara U1/51A Seksyen U1, 40150 Shah Alam Selangor	Kaginic Corporation Sdn Bhd / Daythree Services	1 unit of office located on the 4th floor of a 14-storey corporate building / CX delivery office	Not applicable / 6,045	1 February 2023 to 31 January 2026/ RM340,213
(d)	Unit 7-06-01, Level 6, Tower 7 UOA Business Park 1, Jalan Pengaturcara U1/51A Seksyen U1, 40150 Shah Alam Selangor	Kaginic Corporation Sdn Bhd / Daythree Services	1 unit of office located on the 6th floor of a 14-storey corporate building / CX delivery office	Not applicable / 6,045	1 August 2022 to 31 July 2025 (with an option to renew for another 3 years) / RM317,725

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Postal address	Landlord / Tenant	Description / Existing use	Land area / Built-up area	Period of tenancy / Rental per annum
(e)	Unit 7-07-01 & 7-08-01 Levels 7 & 8, Tower 7 UOA Business Park 1, Jalan Pengaturcara U1/51A Seksyen U1, 40150 Shah Alam Selangor	Kaginic Corporation Sdn Bhd / Daythree Services	2 units of office located on the 7th and 8th floor of a 14- storey corporate building / Headquarters and CX delivery office	Not applicable / 12,090	1 January 2021 to 31 December 2023 (with an option to renew for another 3 years) / RM565,812
(f)	Unit 9-13A-01, Level 13A, Tower 9 UOA Business Park 1, Jalan Pengaturcara U1/51A Seksyen U1, 40150 Shah Alam Selangor	Everise Project Sdn Bhd / Daythree Services	1 unit of office located on the 14th floor of a 14-storey corporate building / CX delivery office	Not applicable / 12,454	1 May 2023 to 30 April 2026 (with an option to renew for another 3 years) / RM821,964
(g)	Unit 9-02-01, Level 2, Tower 9 UOA Business Park 1, Jalan Pengaturcara U1/51A Seksyen U1, 40150 Shah Alam Selangor	Everise Project Sdn Bhd / Daythree Services	1 unit of office located on the 2nd floor of a 14-storey corporate building / Training rooms	Not applicable / 2,558	1 October 2022 to 30 September 2025 (with an option to renew for another 3 years) / RM131,993
(h)	Unit 213, Block A, Level 2 Kelana Centre Point Jalan SS7/19, Kelana Jaya 47301 Petaling Jaya Selangor	Wong Vee Fah / Daythree Services	1 unit of office located on the 2nd floor of a commercial office / Business continuity site and CX delivery office	Not applicable / 1,000	1 August 2022 to 31 July 2023 (with an option to renew for another 1 year) ⁽¹⁾ / RM28,800

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Postal address	Landlord / Tenant	Description / Existing use	Land area / Built-up area	Period of tenancy / Rental per annum
(i)	Unit 215, Block A, Level 2, Kelana Centre Point Jalan SS7/19, Kelana Jaya 47301 Petaling Jaya Selangor	Istaka Sinar Sdn Bhd / Daythree Services	1 unit of office located on the 2nd floor of a commercial office / Business continuity site and CX delivery office	Not applicable / 1,000	1 August 2022 to 31 December 2024 (with an option to renew for another 1 year) / RM19,800
(j)	Unit 217 & 219, Block A, Level 2 Kelana Centre Point Jalan SS7/19, Kelana Jaya 47301 Petaling Jaya Selangor	Rela Menang Sdn Bhd / Daythree Services	2 units of office located on the 2nd floor of a commercial office / Business continuity site and CX delivery office	Not applicable / 2,400	1 August 2022 to 31 December 2024 (with an option to renew for another 1 year) / RM48,600
(k)	Unit 3A19, Block A, Level 3A Kelana Centre Point Jalan SS7/19, Kelana Jaya 47301 Petaling Jaya Selangor	Koh Kian Boo / Daythree Services	1 unit of office located on the 4th floor of a commercial office / Training rooms	Not applicable / 2,500	1 August 2022 to 31 December 2024 (with an option to renew for another 1 year) / RM38,400
(l)	Unit 533 & 535, Block A, Level 5 Kelana Centre Point Jalan SS7/19, Kelana Jaya 47301 Petaling Jaya Selangor	Management Training Trust of IPM / Daythree Services	2 units of office located on the 5th floor of a commercial office / Business continuity site and CX delivery office	Not applicable / 3,261	1 September 2022 to 31 December 2024 / RM78,264

6. INFORMATION ON OUR GROUP (Cont'd)

Note:

(1) Our Group had on 2 June 2023 written to the landlord to exercise the option for renewing our tenancy upon its expiry.

All floor space of our Group in UOA Business Park from (a) to (g) are fully utilised, save for (f) above, which is currently under renovation.

The business continuity sites in (h), (i), (j) and (l) serve as business continuity sites to conduct our Group's operations if we encounter disruptions in our primary locations at UOA Business Park, such as prolonged power failure of at least 4 hours or outbreak of COVID-19. These sites can accommodate up to approximately 200 CX executives at one time. As at LPD, 80 CX executives occupy the business continuity sites for our CX operations and the remaining space is reserved for business continuity purposes. For avoidance of doubt, the training rooms mentioned in (k) above are used regularly, and are not backup training rooms.

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

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6. INFORMATION ON OUR GROUP (Cont'd)**6.9.3 Acquisition of properties**

We have not acquired nor entered into any agreements to acquire any properties during FYE 2019 to 2022 and up to LPD.

6.9.4 Material capital expenditures and divestitures**(a) Material capital expenditures**

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

Capital expenditures	At cost				1 January
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	2023 up to
	RM'000	RM'000	RM'000	RM'000	LPD
Computer and software	383	168	268	182	262
Office equipment	139	26	261	61	152
Furniture and fittings	36	22	6	87	10
Renovation	-	-	(2)818	119	-
Construction in progress	(1)1,112	(1)123	-	(3)1,478	(3)305
	1,670	339	1,353	1,927	729

Notes:

- (1) Being the renovation works in progress for our office premises in Level 3A, 6, 7 and 8, Tower 7, UOA Business Park, Shah Alam, Selangor.
- (2) Being the renovation costs for Level 5, Tower 3B, UOA Business Park, Shah Alam, Selangor.
- (3) Being the renovation works in progress for our office premises in Level 2, Tower 9 and Level 9, Tower 3A, UOA Business Park, Shah Alam, Selangor.

The above capital expenditures were financed by internally generated funds. Our capital expenditures are mainly driven by our business growth as well as for replacement purposes.

(b) Material capital divestitures

There were no other capital divestitures (including interests in other corporations) made by us for FYE 2019 to 2022 and up to LPD.

Moving forward, other than the proposed utilisation of proceeds from our Public Issue for our capital expenditure as disclosed in Section 4.9.1, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia.

6.9.5 Material plans to construct, expand or improve our facilities

Save for the proposed utilisation of proceeds from our IPO to finance the capital expenditure as set out in Section 4.9.1 and the capital commitment as set out in Section 12.6, our Group does not have any other immediate plans to construct, expand and improve our facilities as at LPD.

6. INFORMATION ON OUR GROUP (Cont'd)

6.10 RELEVANT LAWS, REGULATIONS, RULES OR REQUIREMENTS

As at LPD, there are no material laws, regulations, rules or requirements governing the conduct of our business and/or major environmental issue which may materially affect our operations.

6.11 ESG PRACTICES

Daythree is dedicated to being proactive in the face of disruptive events and sees them as opportunities to create value for stakeholders.

Our ESG Integrated Policy and Framework has been established as we prioritise the identification and management of sustainability risks, integrating them into all aspects of our decision-making and throughout our entire value chain. Our main objective is to foster sustainable development among our stakeholders by providing accessible and renewable energy, fostering innovation, and empowering our employees and the community. As a responsible public governance organisation, we are fully committed to promoting sustainability and actively leading positive change as a global citizen.

Daythree holds a dedication to establishing an organisation that prioritises sustainable development for the betterment of both the community and stakeholders. This statement emphasises our unwavering commitment to adopting impactful practices, initiatives, and endeavours that address the impact of our operations on the local economy, environment, society, and governance. We persistently strive to enhance our performance in these domains, ensuring that our actions contribute positively to a sustainable future.

We are steadfast in our commitment to generating sustainable value for our stakeholders, and we will continue to deliver balanced, comparable, and meaningful reports through our ongoing reporting initiatives in accordance with Bursa Securities Sustainability Reporting Guide, Integrated Reporting framework, and aligned with the Sustainable Development Goals by the United Nations.

(a) Environmental

We strive to improve our environment by utilising greener alternatives

- We aim to minimise our energy consumption and carbon footprint by making investments in enhancing our energy efficiency measures.
- Despite the absence of substantial water usage, we are still dedicated to decreasing the overall water consumption by promoting water conservation practices.
- We promote efficient waste management practices such as reducing, reusing, and recycling in our office premises.

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

(b) Social

We strive to build a safe, harmonious and supportive working environment and work hand-in-hand contributing to the local community development.

- We are committed to defending against cybercrime, adhering to cyber-related regulations, and securely transforming their operations through the use of cyber services related to data centres, internet of things and web monitoring. Regular IT risk assessments are conducted to ensure that customer and organisational data is not compromised or destroyed.
- We have implemented stringent standard operating procedures to enable our employees to carry out their work while simultaneously protecting the interests of our shareholders.
- The Group places significant emphasis on the health and safety of our employees, especially in the current pandemic situation. In response, we have implemented several measures to foster a safe and healthy work environment. These measures encompass the provision of Personal Protective Equipment to our employees, regular cleaning and sanitisation of our workplaces and equipment, and strict adherence to government guidelines and regulations to prevent the spread of COVID-19.
- We are committed to providing our employees with a working environment that aligns with the International Labour Organisation's Fair Recruitment Initiative. We ensure that recruitment practices, whether national or international, are based on labour standards, developed through social dialogue, and promote gender equality.
- We are committed to maintaining a discrimination-free workplace, where individuals are treated fairly and equitably, irrespective of their race, colour, gender, religion, national origin, age, disability, genetic information, marital status, or any other legally protected classification.
- We are dedicated to empowering every employee to pursue their career aspirations, regardless of their personal characteristics or backgrounds.
- We ensure that all our employees are recruited based on their skills and experience, following a fair and unbiased selection process.
- To assess employee performance, we conduct transparent and objective annual performance reviews, providing valuable feedback to our staff.
- We offer a range of learning opportunities to our employees throughout their careers to ensure they acquire the necessary skills to excel in their roles.
- We are committed to give back to the community through various initiatives, including donations and sponsorships via charity organisations.

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

(c) Governance

- At Daythree, we acknowledge and understand the significance of good governance. Our Board recognises the value of a robust risk management framework and internal control system in promoting good corporate governance, as stated in the Malaysian Code on Corporate Governance 2021. By disclosing pertinent information related to sustainability, we aim to enhance the transparency of our management practices. This will instil greater confidence in our organisation among our customers, stakeholders, communities, and the general public.
- We have a zero-tolerance policy towards fraud, bribery, corruption, money laundering and the financing of terrorism. Therefore, we have implemented an Anti-Bribery and Corruption Policy and Whistle-blowing policy, to enhance the transparency of the Group and provide a better governance environment.
- We have also adopted a Personal Data Protection Act Policy, which complies with the Personal Data Protection Act, 2010 in order to protect the personal data that we obtain from our customers, vendors, suppliers, service providers and/or employees.
- Our top priority lies in assessing quality and safety from a technical standpoint and had obtained the following certifications:

Certificate

ISO 18295-1:2017

ISO / IEC 27001:2013

ISO 9001:2015

PCI-DSS

Certificate of Merit for Best Practices in Information Technology

Certificate of Merit for Best Practices in Business Continuity Plan

Award Body

SIRIM QAS International

QRC Assurance and Solutions Pvt Ltd

SIRIM QAS International

Payment Card Industry Data Security Standard

GBS Asia Awards 2020 organised by GBS Malaysia and PIKOM

6. INFORMATION ON OUR GROUP (Cont'd)

6.12 EMPLOYEES

The breakdown of our Group's employees for the FYE 2019 to 2022 and up to LPD is as follows:

Department / Division	Number of employees				
	As at 31 December 2019	As at 31 December 2020	As at 31 December 2021	As at 31 December 2022	As at LPD
Management level employees					
- Key senior management team (including Executive Directors)	6	6	6	7	7
- Finance, human resources and administration	11	11	13	20	21
- Business excellence and corporate office	1	1	2	5	5
- Digital transformation and information technology	8	10	12	10	17
CX executive	1,092	1,182	1,427	1,472	1,800
Total	1,118	1,210	1,460	1,514	1,850

The following sets out the categories of our CX executives:

Category of CX executive:

Operation manager and assistant manager	7	8	11	18	16
Team leader	49	68	75	84	93
Quality assurance	37	58	58	43	48
Work force management	5	11	13	15	20
Trainer	9	13	16	13	11
Administrative	7	9	8	12	9
Agent	978	1,015	1,246	1,287	1,603
Total	1,092	1,182	1,427	1,472	1,800

6. INFORMATION ON OUR GROUP (Cont'd)

Department / Division	Number of employees				
	As at 31 December 2019	As at 31 December 2020	As at 31 December 2021	As at 31 December 2022	As at LPD
By nationality					
Malaysian	1,116	1,208	1,459	1,513	1,846
Filipino ⁽¹⁾	1	1	1	1	1
Indian	1	1	-	-	-
Burmese	-	-	-	-	2
Korean	-	-	-	-	1
Total	1,118	1,210	1,460	1,514	1,850
Permanent	15	15	15	65	512
Contractual ⁽²⁾	1,103	1,195	1,445	1,449	1,338
Total	1,118	1,210	1,460	1,514	1,850

Notes:

(1) Being Joma Paul Mariano Germentil, our Senior Manager, Business Excellence, who has a valid working permit.

(2) The contract between the Company and its contractual employees is subject to yearly renewal and the contract may be terminated by either party with 1 month written notice.

As at LPD, we have 6 certified RPA professionals and 3 certified RPA trainers under the digital transformation and information technology department, and 4 managerial-level employees that are certified with COPC, 2 of whom are under the key senior management team, 1 in human resources team, and 1 CX executive (Operation Manager).

There were no significant changes in the number of employees of our Group for FYE 2019 to 2022 and up to LPD.

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

None of our employees belong to any labour union and over FYE 2019 to 2022 and up to LPD, there is no labour dispute between our management and our employees. Additionally, over FYE 2019 to 2022 and up to LPD, there has not been any incident of work stoppage that has materially affected our operations. For the avoidance of doubt, during the first MCO, our CX operations for Client E was suspended for 2 weeks, as the line of business provided for Client E was not deemed as an essential service initially. Additionally, during the MCO periods, our CX operations for a project from Client A in Iskandar Puteri was temporarily suspended. Nevertheless, our business, financial position and financial performance were not materially affected by these incidences. Please refer to Section 7.8.1 for the details of these incidences. Our Group has not encountered difficulties in recruiting CX executives nor any mass resignation of CX executives over FYE 2019 to FYE 2022 and up to LPD that has materially affected our operations.

Further, we have put strong emphasis on the development of our people. We are dedicated to fostering a collaborative, employee-focused culture at Daythree to deliver the high value services to our Clients. Some employee retention initiatives we have implemented include:

- **Onboarding, learning and development perspective**

Our new employees including CX executives will undergo 2 weeks of comprehensive induction session that are designed to instil our corporate culture. The induction session promotes new friendship among the new hire, which helps increase employee engagement and retention. Our Group believes that personal growth and career development opportunities is crucial, hence, we also conduct internal and external training programmes such as functional and leadership skills training, data analytic programmes, and COPC compliance programmes to enable our CX executives to better handle customers interactions which in turn provide a better quality of customer experience.

- **Employee engagement**

We conduct periodic company-wide employee satisfaction surveys to gauge and understand that employee sentiment and concerns. This helps us develop action plans to address any gaps. We also plan employee engagement events and activities throughout for the year, to foster sense of community among our employees.

- **Operational governance**

Our retention measures also seep in to our operational governance approach. We conduct constant coaching and feedback sessions to improve operational outcomes and drive performance-based incentives. Our operations adopt a mentor-mentee concept and open-door policies, promoting growth and innovation and a stronger sense of belonging.

We have continuous hiring on a weekly basis, which may increase in frequency depending on the need for projects. In terms of recruitment, we source talent primarily through our digital marketing activities. In this regard, we utilise various social media platforms (such as Facebook, Instagram and TikTok) to attract talents to submit their resumes and applications as these are platforms that are more relevant and appeal more to our target talent pool.

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

Additionally, we use online job portals to advertise vacancies available and participate in job career fairs organised by universities and other educational institutions, as well as events organised by the government and government agencies such as Social Security Organisation (SOCSO). Further, the involvement of our leadership team members in the Industry Advisory Board as well as Adjunct Mentors at educational institutions helps us with gaining brand visibility with our potential hires.

Our talent screening practices involve a methodical approach with hiring assessments and interviews as an integral part of our talent screening process. Talents are rated and profiled during this phase enabling us to identify not just the best, but also the most suitable candidates who will support our respective line of business that we are hiring for.

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7. BUSINESS OVERVIEW

7.1 INCORPORATION AND HISTORY

Our Company was incorporated in Malaysia under the Act as a private limited company on 11 August 2022, under the name of Daythree Digital Sdn Bhd, as a special purpose vehicle to facilitate the listing of our subsidiaries, Daythree Services, Daythree Services SG and Daythree Solutions on the ACE Market. Our Company was converted to a public limited company on 28 September 2022 and changed to our present name. Our Group is principally a GBS service provider focusing on CX lifecycle management services enabled by in-house developed digital tools.

For the purposes of our Listing and to achieve our current Group structure, on 27 September 2022, we entered into a conditional share purchase agreement with Daythree Services for the Acquisition of Daythree Services SG for a cash consideration of SGD1.00 and the Acquisition of Daythree Solutions for a cash consideration of RM2.00. Subsequently on 29 September 2022, we entered into a conditional share purchase agreement with Daythree Services Vendors for the Acquisition of Daythree Services for a purchase consideration of RM20,143,200 which was wholly satisfied by issuance of 369,599,997 new Shares at an issue price of RM0.0545 per Share. Please refer to Section 6.2 for the details of Acquisitions, all of which were completed on 9 May 2023. Thereafter, Daythree Services, Daythree Services SG and Daythree Solutions became our wholly-owned direct subsidiaries.

The history of our Group can be traced back to April 2016 when Dayspring Capital, a company co-owned by Paul Raymond Raj A/L Davadass holding 50.0% and Datuk Maglin A/L Dennis D'Cruz ("**Datuk Maglin**") holding 50.0% entered into an agreement with Kannal Services (then a dormant company owned by Kannaltec Berhad, then listed on ACE Market) to subscribe for 200 new ordinary shares for a cash consideration of RM200 and purchase the remaining 100 existing ordinary shares in Kannal Services for a cash consideration of RM100. At the point in time, Datuk Maglin was a non-executive director and was a silent investor. For information, the subscriber shareholders of Dayspring Capital upon its incorporation are Shairah Begum Binti Kadar Bashah and Fatimah Binti Sulaiman holding 1 ordinary share each.

Subsequently, Paul Raymond Raj A/L Davadass used Kannal Services as a vehicle for a management buyout by arranging for Kannal Services to purchase the business from Kannal Solutions (a subsidiary of Kannaltec Berhad that was involved in the provision of telemarketing contact centre services) by way of a management buyout agreement. The following transactions were undertaken for the management buyout:

- (a) a total cash consideration of RM200 was paid to Kannal Services for the subscription of 200 new ordinary shares in Kannal Services;
- (b) a total cash consideration of RM100 was paid to acquire their remaining 100 ordinary shares in Kannal Services; and
- (c) subsequently, a total cash consideration of RM2.1 million was paid to Kannal Solutions for the business of Kannal Solutions to Kannal Services based on a business valuation conducted by an independent adviser, who assessed the business of Kannal Solutions using an income approach, which arrived at a range of values of up to approximately RM2.2 million.

7. BUSINESS OVERVIEW (Cont'd)

Prior to the management buyout, Paul Raymond Raj A/L Davadass, had joined Kannal Solutions in June 2009 as the Chief Executive Officer. He tendered his resignation in February 2016 to undertake the management buyout. As part of the terms of the management buyout, 5 existing contact centre services contracts were novated to Kannal Services. Upon the completion of the management buyout on 1 June 2016, Kannal Services assumed its current name, Daythree Services.

Concurrently with the management buyout, Paul Raymond Raj A/L Davadass also required financing for the working capital of Daythree Services, and had obtained the participation of other passive investors in Dayspring Capital, namely Datuk Maglin, Villakanu A/L Alagesan ("**Villakanu**") and Marina Binti Abu Bakar ("**Marina**") to provide financial help to Daythree Services via shareholders' loans over the years. These passive investors joined Dayspring Capital as shareholders between 2016 to 2019.

Particularly, on 17 November 2016, Paul Raymond Raj A/L Davadass, Datuk Maglin and Villakanu subscribed for 29, 39 and 30 ordinary shares in Dayspring Capital respectively at RM1 per ordinary share. For avoidance of doubt, this subscription of share was undertaken not to raise capital but for Datuk Maglin to reduce his shareholdings in Dayspring Capital from 50% to 40% and at the same time allow for Villakanu and Marina to acquire interest in the company. On 5 April 2019, Datuk Maglin then sold his entire shareholdings to Marina Binti Abu Bakar ("**Marina**") for a total cash consideration of RM40, resulting in Paul Raymond Raj A/L Davadass holding 30.0% and 2 passive investors, namely Villakanu holding 30.0% and Marina holding 40.0%. Both Villakanu and Marina later divested their shareholdings in 2021, the details of which are set out below.

Shareholders' reorganisation

In 2021, the shareholdings in Daythree Services were restructured with the following acquisitions:

- (a) On 8 October 2021, Cloud Marshal, one of our Specified Shareholders acquired 70.0% equity interest of Daythree Services from Dayspring Capital via cash consideration of RM25.0 million. The purchase consideration was based on PE Multiple of 6.3 times, based on the estimated PAT of Daythree Services of RM5.6 million for FYE 2020. The resulting shareholders of Daythree Services was Dayspring Capital (30.0%) and Cloud Marshal (70.0%).
- (b) As part of Cloud Marshal's investment in Daythree Services, it was agreed that the existing shareholders of Daythree Services would commit to spearhead the future business growth of Daythree Services. As Villakanu and Marina were passive shareholders and did not wish to further participate in the future growth of Daythree Services, they agreed to exit in the following manner:
 - (i) RM22.7 million of the RM25.0 million sale proceeds received by Dayspring Capital were distributed by way of dividend to the shareholders of Dayspring Capital at the time, namely Villakanu (30.0% or RM6.8 million), Marina (40.0% or RM9.1 million) and Paul Raymond Raj A/L Davadass (30.0% or RM6.8 million) which was fully renounced in proportion to Villakanu (RM2.9 million) and Marina (RM3.9 million);
 - (ii) The remaining amounts from the sale proceeds were used to pay RM1.4 million of amounts owing to Villakanu and Marina and professional fees of RM0.9 million; and

7. BUSINESS OVERVIEW (Cont'd)

- (iii) Thereafter, on 20 October 2021, Paul Raymond Raj A/L Davadass (30.0%) acquired 30 ordinary shares and 40 ordinary shares which are the remaining 70.0% equity interest of Dayspring Capital from Villakanu (30.0%) and Marina (40.0%) respectively via cash consideration of RM10 each shareholder. The purchase consideration was arrived based on "willing-buyer willing seller" basis after taking into consideration the net asset position of Dayspring Capital of approximately RM100 after accounting for the events of the shareholders' reorganisation. Thereafter, he became the sole shareholder of Dayspring Capital.
- (c) It is Cloud Marshal's policy not to hold controlling stakes in its investments and instead, have the shareholders who are managing the business operations hold the controlling stake. As such, Cloud Marshal undertook the following steps to divest 40.0% of its equity interest in Daythree Services:
- (i) On 30 December 2021, Dayspring Capital acquired 20.0% equity interest of Daythree Services from Cloud Marshal via cash consideration of RM7.2 million (on the same basis as its original cost of investment). The resulting shareholders of Daythree Services was Dayspring Capital (50.0%) and Cloud Marshal (50.0%).
- (ii) On 7 January 2022, BLM Holdings, our Pre-IPO Investor acquired 20.0% equity interest of Daythree Services from Cloud Marshal via cash consideration of RM7.5 million. The purchase consideration was based on PE Multiple of 6.7 times, based on the audited PAT of Daythree Services of RM5.6 million for FYE 2020. The resulting shareholders of Daythree Services was Dayspring Capital (50.0%), Cloud Marshal (30.0%) and BLM Holdings (20.0%). BLM Holdings holds its investment in Daythree Services through Kenanga Investors Berhad-client's trust account in RHB Trustees. Kenanga Investors Berhad had assisted to source for and eventually identified BLM Holdings for Cloud Marshal. Kenanga Investors Berhad is a discretionary fund, who does not have any other role with our Group apart from facilitating the investment by BLM Holdings.

7.2 KEY MILESTONES AND ACHIVEMENTS

7.2.1 Key milestones

Since our establishment in 2016, Daythree Services has been involved in the provision of CX lifecycle management services. The table below sets out the key events and milestones in the history and development of our business:

Year	Key milestones
2017	In January 2017, we secured our outsourced management services contract from Client G, to provide customer care support for its customer care line, and related supporting functions such as recruitment, training, quality and performance monitoring. Client G had continued to renew its contract with us over the years. Following an open tender exercise in 2020, Client G had awarded a new contract to us in 2021.

7. BUSINESS OVERVIEW (Cont'd)

Year	Key milestones
	<p>We tapped into opportunities to undertake complex outsourced process to enhance our CX operation's knowledge.</p> <ul style="list-style-type: none"> We partnered with an Indian international GBS service provider to manage CX projects for the international travel and hospitality industry where we consulted, streamlined and managed the airlines flights booking and rescheduling operations. In December 2017, we expanded into telecommunications & media segment when we secured a contract from Client E to provide revenue generation services which include telesales for converged telecommunications and digital services.
2019	<p>We expanded into e-commerce & retail and fintech & financial services segments.</p> <ul style="list-style-type: none"> In September 2019, we secured a contract from an e-commerce platform provider to provide customer care support services. In November 2019, we secure a contract from a digital financial service provider to provide customer care support services which include handling inquiries received from primarily non-voice channels.
2021	<ul style="list-style-type: none"> We secured a contract from Client F, a Client in the energy & utilities segment, to provide customer care support services. In line with technology advancement, we enhanced our C-LOG (Case Logger) with RPA and subsequently, rebranded and first implemented it as DAISY, an AI digital assistant tool with RPA and SAIGE, an analytical and reporting platform, in our CX operations.
2022	<ul style="list-style-type: none"> In August 2022, we secured a contract from an e-commerce platform provider to provide customer care support services. In November 2022, we secured a contract from a new client in travel and hospitality segment to provide customer care support services. We also secured a contract from a financial service provider to provide revenue generation services.

7.2.2 Key achievements

Since our establishment in 2016, we have received a number of awards in recognitions of our digital, operational and people excellence, as summarised in the table below:

DIGITAL EXCELLENCE

Year	Key achievements
2017	<ul style="list-style-type: none"> Top 10 APAC Robotic Process Automation Companies recognised by CIO Advisor APAC for excellence in delivery of RPA solutions in the Asia Pacific region

Nomination fee: USD2,000 per entry for nomination of the award

7. BUSINESS OVERVIEW (Cont'd)

Year	Key achievements
2019	<ul style="list-style-type: none"> Best Digital Innovation Award, awarded by CCAM for delivering digital innovation to enhance CX and agent efficiency Nomination fee: RM1,000 per entry for nomination of the award Gold Award of the Contact Centre Asia Pacific Innovations Award 2019, awarded by Contact Centre Association of Asia Pacific, for delivery of innovation to our Clients Nomination fee: None Malaysian Global Digital Icons Award at Asian-Oceanian Computing Industry Organisation ("ASOCIO") ICT Awards 2019, by PIKOM and ASOCIO for demonstrating excellence in digital transformation Nomination fee: None
2020	<ul style="list-style-type: none"> Winner Award for the Contact Centre Best Practices Business Process Transformation; and Certificate of Merit for Best Practices in Information Technology and Best Practices in Business Continuity Plan at GBS Asia Awards 2020 organised by GBS Malaysia and PIKOM Nomination fee: RM1,200 per entry for nomination of the award
2021	<ul style="list-style-type: none"> Winner Award for the Best Practices in Business Process Transformation at GBS Asia Awards 2021 organised by GBS Malaysia and PIKOM Nomination fee: RM1,200 per entry for nomination of the award
2023	<ul style="list-style-type: none"> Winner Award for the Best Automation Organisation of the Year at GBS Asia Awards 2022/23 organised by GBS Malaysia and PIKOM Nomination fee: RM1,500 per entry for nomination of the award Winner Award for the Best Digital GBS Provider of the Year at GBS Asia Awards 2022/23 organised by GBS Malaysia and PIKOM Nomination fee: RM1,500 per entry for nomination of the award Winner Award for the Best Digital Transformation Provider of the Year at GBS Asia Awards 2022/23 organised by GBS Malaysia and PIKOM Nomination fee: RM1,500 per entry for nomination of the award

7. BUSINESS OVERVIEW (Cont'd)**OPERATIONAL EXCELLENCE**

Year	Key achievements
2018	<ul style="list-style-type: none"> GBS Iskandar Avant-Garde Award, awarded by i2M Ventures Sdn Bhd (a wholly-owned subsidiary of Iskandar Investment Berhad) for outstanding business achievement <p>Nomination fee: None</p>
2019	<ul style="list-style-type: none"> Winner Award for Operational Excellence in Contact Centre at GBS Asia Awards 2019, organised by PIKOM <p>Nomination fee: RM1,200 per entry for nomination of the award</p>
2020	<ul style="list-style-type: none"> Winner Award for the Contact Centre Operational Excellence at GBS Asia Awards 2020 organised by GBS Malaysia and PIKOM <p>Nomination fee: RM1,200 per entry for nomination of the award</p>
2021	<ul style="list-style-type: none"> Winner Award for the Best Practices in Business Process Transformation at GBS Asia Awards 2021 organised by GBS Malaysia and PIKOM <p>Nomination fee: RM1,200 per entry for nomination of the award</p>
2022	<ul style="list-style-type: none"> Gold Award for the Best New Contact Centre Project (Outsourced Inbound) awarded by CCAM for demonstrating best in class process, resource management and has implemented strategies that are centric to the needs of Customer / Clients <p>Nomination fee: RM1,000 per entry for nomination of the award</p> <ul style="list-style-type: none"> Silver Award for the Best Use of Data Analytics in a Contact Centre awarded by CCAM for implementing the best data mining, process in collecting, measuring, and optimising data and KPI metrics resulting in operational and business excellence <p>Nomination fee: RM1,000 per entry for nomination of the award</p> <ul style="list-style-type: none"> Gold Award for the Best Data Security Practices in a Contact Centre, awarded by CCAM for placing effective data security practices in safeguarding customers / employee information <p>Nomination fee: RM1,000 per entry for nomination of the award</p> <ul style="list-style-type: none"> Silver Award for the Best Outbound Contact Centre (Outsourced Outbound), awarded by CCAM for delivering best in class process, resource management and implemented strategies that are centric to the needs of Customer / Clients <p>Nomination fee: RM1,000 per entry for nomination of the award</p>

7. BUSINESS OVERVIEW (Cont'd)

PEOPLE EXCELLENCE

Year	Key achievements
2018	<ul style="list-style-type: none"> Employer of Choice Award at the Malaysia International HR Awards, awarded by the Malaysian Institute of Human Resource Management for the development of our human capital talent <p>Nomination fee: None</p>
2019	<ul style="list-style-type: none"> Life at Work Awards by Talent Corporation Malaysia Berhad for diversity and inclusion of our employees <p>Nomination fee: None</p>

The organisations that grant the awards comprises reputable government agencies or industry associations such as PIKOM (including GBS Malaysia), CCAM, ASOCIO, and Talent Corporation Malaysia Berhad.

Some of the awards listed above require a nomination fee to be paid. However, notwithstanding the nominal fees paid, our Group is still subject to a selection processes, which involves review and screening by an independent panel of judges.

7.3 PRINCIPAL ACTIVITIES

We are a GBS service provider focusing on CX lifecycle management services enabled by our in-house developed digital tools. GBS is the evolution of the shared services model and service outsourcing model. The shared services model and service outsourcing model mainly deliver traditional transaction functions (such as payroll and accounting) that focus on process efficiency improvement and cost reduction, whereas GBS provides services beyond traditional transaction functions and has a wider scope and expertise to deliver high-value generating functions such as consulting and business analytics.

The CX lifecycle is a series of steps that a Customer completes throughout its process of being a customer. We depict it in 4 stages: acquisition, engagement, retention and feedback. Our Group offers a range of services at all stages of the CX lifecycle, as a GBS service provider. These CX lifecycle management services are further detailed in Section 7.3.1.

Our CX lifecycle management services involve the setting up of CX delivery offices at either our premises or at our Clients' premises, which will house the CX executives that we employ to provide all our CX services.

For most of our CX services, our CX delivery office primarily functions as a contact centre that facilitates communications between our Clients and their Customers, such as providing customer care support and/or facilitating the acquisition of Customers (where the Client establishes contact with a new Customer with the hope of converting from a prospect into a paying Customer), and providing after-sales customer support and care services such as responding to enquiries and technical support.

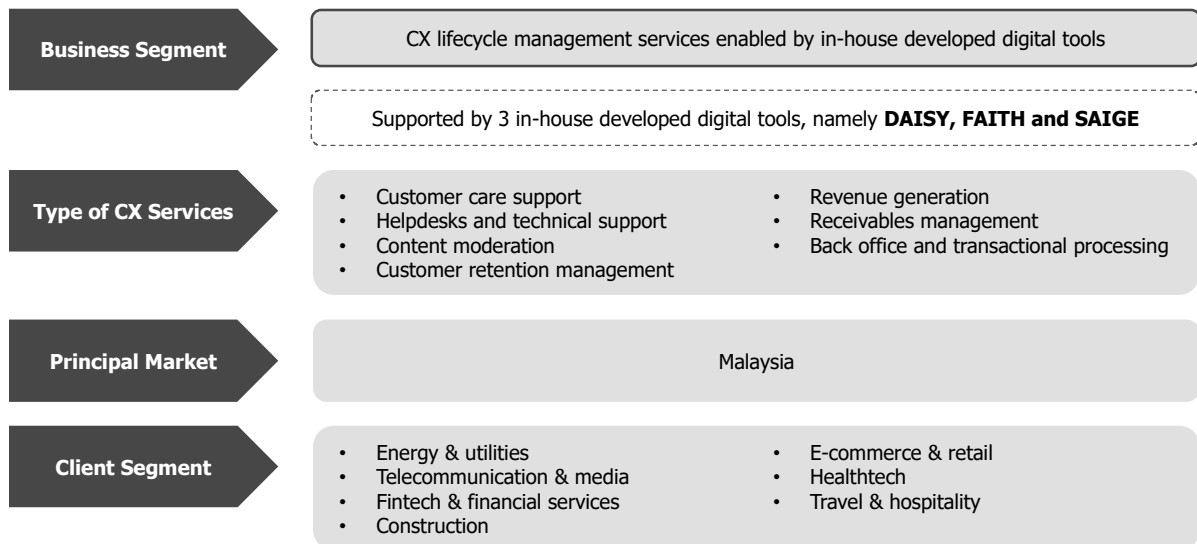
Our CX delivery offices also facilitate the provision of our other CX lifecycle management services (where communications between Client and Customer is not a primary function, but are required from time to time), namely receivables management, content moderation, back office and transactional processing. For the avoidance of doubt, all our CX services may be offered on a standalone basis.

7. BUSINESS OVERVIEW (Cont'd)

We manage both voice and non-voice communication channels such as calls, emails, chat messaging, social media platform, AI-powered chat bots and in-app interactions to engage with the Customers.

We provide our CX lifecycle management services to Clients across diverse industries such as energy & utilities, telecommunications & media, fintech & financial services, construction, e-commerce & retail, healthtech and travel & hospitality.

Our Group's business segment is summarised in the following diagram:



7.3.1 CX lifecycle management services

We formulate strategic CX lifecycle management services to assist our Clients on the following:

(a) Customer care support

We provide 24/7 customer care support in multiple languages, which involves responding to Customers' general enquiries and concerns as well as to inquire more information thereafter in order to further assist on the Customers' needs.

(b) Helpdesks and technical support

We provide helpdesks and technical support, available 24/7 and in multiple languages, namely English, Bahasa Malaysia, Mandarin and local Chinese dialects (i.e. Cantonese and Hokkien), which involves providing more specialised assistance with technical issues that Customers may encounter. This includes troubleshooting software or hardware problems, resolving connectivity issues, and providing guidance on how to set up systems or equipment.

(c) Content moderation

We assist Clients to monitor and filter the social media content for compliance which may affect the CX. We perform assessment and screening of user-generated content that are uploaded to our Clients' or social media platforms such as Facebook and Instagram, ensuring that the information published are correct and ensure they are free from errors and any illegal or copyrighted content.

7. BUSINESS OVERVIEW (Cont'd)

(d) Customer retention management

We assist Clients in managing their customer's loyalty and satisfaction to improve the customer retention rates. We implement strategies such as offering personalised messages, rewards and discounts, and loyalty programme benefits to build customer loyalty among existing Customers and improve their experiences with our Clients' products or services.

(e) Revenue generation

We assist Clients to manage and improve their sales cycles, such as telesales to the Customers to inform and update on Clients' new products and promotions launch.

(f) Receivables management

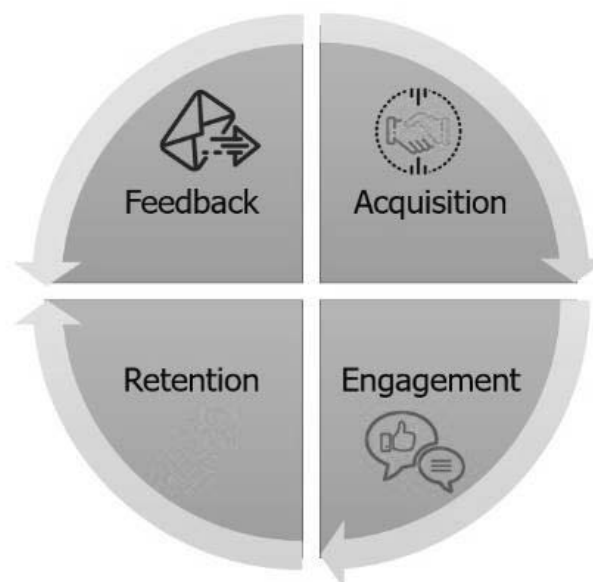
We perform debt monitoring, handles remittance and credit collection processes on behalf of our Clients.

(g) Back office and transactional processing

We provide administrative and support function services such as order fulfillment, application processing and validation, billing and collection, and payroll, all of which can increase the efficiency and effectiveness of our Clients' operations.

Our services are managed and operated by trained CX executives, and we employ in-house developed digital tools in facilitating their tasks to increase efficiencies and improve response time, thereby offering a unique brand experience.

The CX services which we offer may span across all customer lifecycle stages from customer acquisition, engagement, retention to feedback. The following depicts the four 4 stages in a CX lifecycle and our corresponding services:



7. BUSINESS OVERVIEW (Cont'd)

CX lifecycle management process	Description	Examples of CX lifecycle management service
Stage 1 – Customer acquisition	This is the primary stage where our Clients establishes contact with a new Customer with the hope of converting from a prospect into a paying Customer.	We assist our Client with customer acquisition through customer care support and revenue generation services, to increase our Client's customer base and revenue.
Stage 2 – Customer engagement	After acquiring the Customer, Clients require increased customer engagement with their brand. Customer engagement ensures a Customer's loyalty to the brand.	We handle customer engagement by solving or troubleshooting any issues the Customer may experience and also reaching out to Customers and informing them of new features and offers related to our Client's services.
Stage 3 – Customer retention	Retaining existing Customers is an important part of CX lifecycle management as it ensures continuous business growth and stronger brand loyalty.	When there are Customers that wish to terminate our Client's products or services, they will be contacted by us to understand the root cause and to provide those Customers with the required incentives to continue with our Client's services.
Stage 4 – Customer feedback	This stage allows Clients to gain Customers' insights and assess loyalty to their brand.	We handle Customers' feedback and satisfaction through surveys during the Customers' interactions.

Through our services' offering, our Clients engage us to acquire, engage, retain and obtain feedback and insights from the Customers to improve business performance, identify and implement customer-facing and back-office process improvements.

7.3.2 In-house developed digital tools

To deliver our CX lifecycle management services efficiently, we utilise in-house developed digital tools in our operations, that are designed to optimise CX while improving our Clients' operational performance. We identify the key areas of Clients' operations that are suitable for adoption and integration of emerging technologies in their business processes which streamline workflow and improve efficiency, thereby creating added value for our Clients.

We use emerging technologies such as RPA that automate and simplify complex business processes to focus on more specific and targeted areas; mobile applications to create new channels of communication; AI technology that can respond automatically to enable customers' self-service; data analytics that enable our Clients to assess their business performance based on the key metrics (such as customer satisfaction score, first response time and percentage of complaints) as well as discover actionable insight to improve operational performance.

We currently own and utilise 3 in-house developed digital tools, namely, DAISY, SAIGE and FAITH to facilitate and support our CX operations.

7. BUSINESS OVERVIEW (Cont'd)



- DAISY is an AI associate assistant tool with RPA that enables our CX executives to handle Customer's interactions more efficiently across all channels of communication. When a CX executive handles a Customer's interaction, DAISY automatically identifies and tracks the customer information (i.e., the customer data, product/service information) from associated system, and assist to fill in the enquiries/issues lodged into the system. DAISY also disseminates the customer information, enquires/issue to the associated systems to ensure data is captured accurately and consistently across the Client's associated systems.
- DAISY is not designed to collect or store personal data (as defined by Personal Data Protection Act 2010 (PDPA)). It merely stores certain customer data such as name and address, so as to assist our CX executive with a view of expediting the resolution to the Customer. Therefore, we collect no personal data from any data subject.

The Customer has, as a data subject, consented in favour of our Client, as the data user, for such data to be processed in accordance with the PDPA pursuant to the contract made between the data subject and our Client.

Our Clients allow us to process the data using DAISY in reliance on the confidentiality obligations imposed on us pursuant to contracts with our Clients. We return all data shared by Customers on expiration or termination of contracts made with our Clients. In this respect, we have put in place adequate security measures which include, amongst others:

- (a) implementation of technology risk management framework that governs technical and organisational security measures such as penetration testing, vulnerability testing and risk assessment policies;
- (b) all employees are required to sign a confidentiality agreement;
- (c) ISO/IEC 27001:2013 certified to implement best practice and compliance procedures for data security;
- (d) access control to ensure that employees are unable to access Universal Serial Bus (USB) ports, websites not relevant to project requirements as well as removing access to print function;
- (e) imposition of stringent clean desk policies. For example, our CX executive's mobile devices are deposited in lockers and prohibited in the operational areas of our CX delivery office;
- (f) conduct data confidentiality awareness training session during employees' onboarding session and periodic PDPA refresher training; and
- (g) limiting the handling of personal data to authorised personnel only.

7. BUSINESS OVERVIEW (Cont'd)

The abovementioned security measures enable us to protect against unauthorised access of confidential information that may arise from security breaches and cyber-attacks.



- SAIGE is our integrated data analytics and reporting platform, embedded with AI digital assistant tool, that gathers data from every Customer's interactions and captures into one analytics platform for analysis, interpretation and recommendations for improvement. SAIGE includes key features such as data visualisation, visual analytics, interactive dashboarding and Key Performance Indicator ("KPI") scorecards. It also provides analytical insights incorporating descriptive analytics, which enable us to forecast future operational performance requirements based on current and historical data.
- It is also a real-time visualisation dashboard that enables Clients to assess their business performance based on the on-going key performance measures such as customer satisfaction score, first contact resolution, average handling time, the number of calls answered within a certain number of seconds and abandoned call rate.



- FAITH is our employee engagement web-based application that streamlines scheduling, payroll, communication, and performance feedback regardless of our employees are working from office or remotely. FAITH is equipped with real-time push notification for work-shifts and attendance records, CX executive's mood tracker for employee's engagement and satisfaction and performance evaluation reports. These features enable our Group to identify targeted areas for improvement and employees' training and coaching. As our Group's CX executives do not have access to communication tools such as emails for security reasons, FAITH acts as the primary tool of communication. To FAITH, performance indicators and feedback are used to measure employee performance and satisfaction, and allows us to help sustain positive levels of employee satisfaction and promotes transparency across all stakeholders.

The deployment of DAISY and SAIGE into our operations helps to handle mundane and repetitive tasks while our CX executives can focus on delivering a personalised CX services, whilst FAITH helps in improving employee performance, satisfaction, and in turn, retention. Please refer to Section 7.7 of this Prospectus for details on the technologies used.

7. BUSINESS OVERVIEW (Cont'd)

7.3.3 Revenue model

Our contracts are typically structured as a master service agreement that embodies the key terms of our engagement with our Clients. Revenue of our Group is calculated based on the terms of the contract with our Client. The general pricing models for our contracts consists of the following:

- (a) Transaction / Outcome based model – Fee charged based on per Customer’s interactions and/or sales conversion in which fees are charged for every sale closed and successfully activated;
- (b) Full time equivalent (FTE) model – Fixed fee calculated based on total number of CX executives; and
- (c) Productive hours model – Fee charged on the actual productive hours of the CX executives.

For avoidance of doubt, our contract with our Clients may consist of one or more of the abovementioned pricing models. In addition, the various types of CX services offered including receivable management, back office and transactional processing may also form part of the scope of works that are outlined in the contracts with our Clients.

The same pricing models apply to receivable management and back office and transactional processing. Specifically, the transaction / outcome based model may be applied to receivables management, where revenue is calculated per interaction, which is measured per outbound call. Back office and transactional processing are generally priced on the full time equivalent (FTE) or productive / billable hours basis.

Our Group negotiates the revenue model with our Client based on the predictability of CX services interaction volume. For example, a contract which CX service volume is predictably low or unpredictable may be negotiated on a full time equivalent (FTE) model or a productive hours basis, as both models will result in more consistent revenue, whereas a contract with higher volumes are more likely to be negotiated under a transaction / outcome based model.

Selected CX projects

Our past and ongoing CX projects for the FYE 2019 to FYE 2022 and up to LPD are as follows:

Client	Scope of work	Contract/ Service period	Revenue model
Client A	Hiring and payroll services	• 1 April 2016 to 31 March 2023 (renewed for an additional year to 31 March 2024)	Combination of transaction / Outcome-based model and full time equivalent (FTE) model
		• 1 April 2016 to 31 December 2021	
	Revenue generation	• 1 April 2016 to 31 December 2021	
		• 1 April 2016 to 14 June 2021	

7. BUSINESS OVERVIEW (Cont'd)

Client	Scope of work	Contract/ Service period	Revenue model
Client B	Hiring and payroll services	1 April 2016 to 24 November 2020	Full time equivalent (FTE) model
Client C	Customer care support	1 March 2019 to 28 February 2024 (with an option to renew for an additional year to 28 February 2025)	Transaction / Outcome-based model
Client D	Customer care support	1 October 2019 to 31 December 2022 (automatically renewed for an additional year to 31 December 2023)	Full time equivalent (FTE) model
Client E	Revenue generation	1 December 2017 to 30 November 2023	Combination of transaction / Outcome-based model and full time equivalent (FTE) model
Client F	Customer care support	1 July 2021 to 30 June 2024	Full time equivalent (FTE) model
Client G	Customer care support	<ul style="list-style-type: none"> 1 November 2017 to 31 May 2023 (with option to renew for a further 2 years)* 	Combination of transaction / Outcome-based model and full time equivalent (FTE) model
		<ul style="list-style-type: none"> 26 November 2018 to 31 May 2024* 	Combination of transaction / Outcome-based model and full time equivalent (FTE) model
	Back office and transactional processing	<ul style="list-style-type: none"> 1 January 2023 to 31 December 2024 (with option to renew for a further 1 year) 1 January 2023 to 31 December 2023 (with option to renew for a further 1 year) 	Combination of transaction / Outcome-based model and full time equivalent (FTE) model

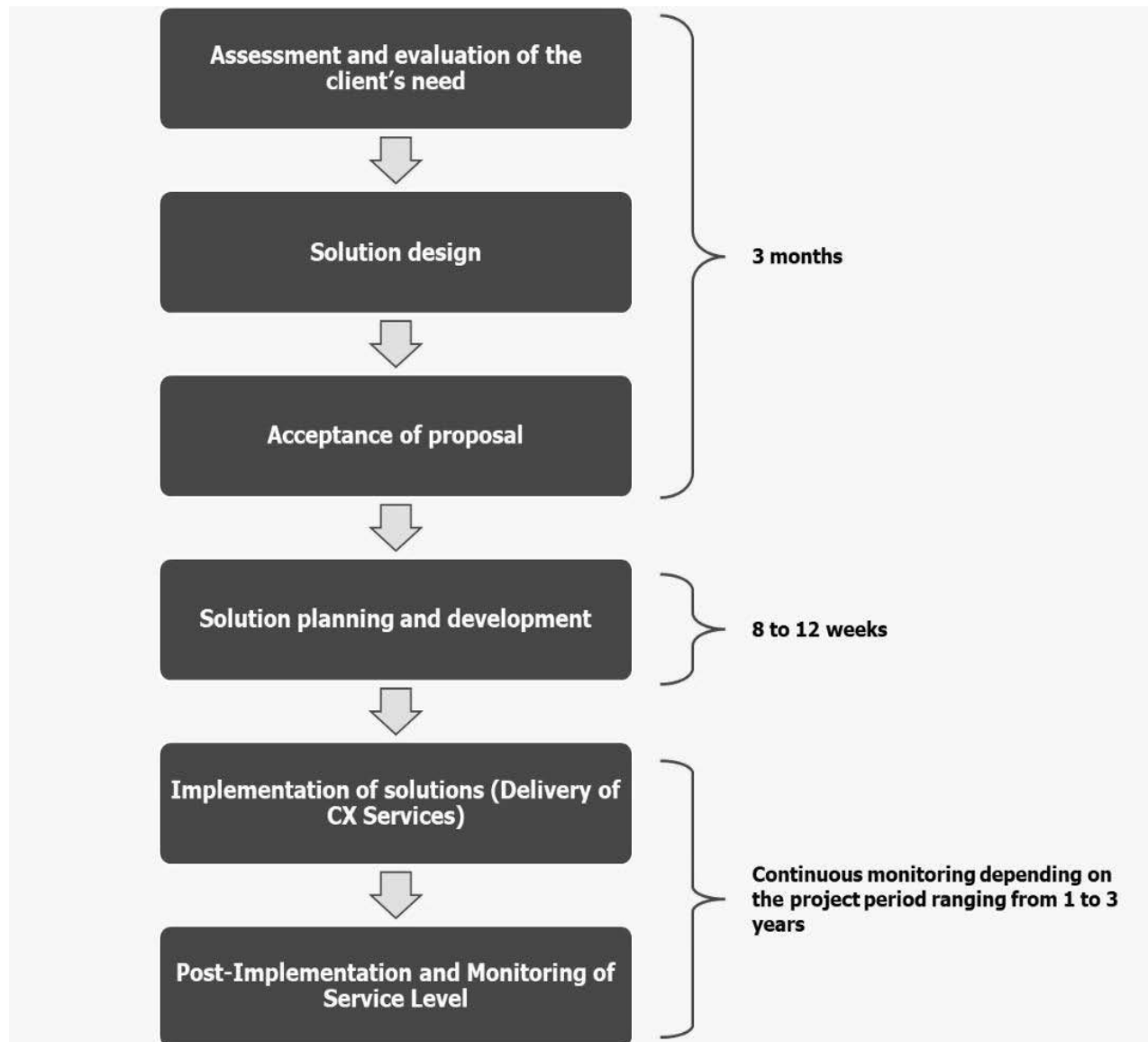
Note:

* We may negotiate and subsequently enter into contracts with different subsidiaries / business arms, or for different scopes of work for the same Client. As such, these contracts have different contract / service periods.

7. BUSINESS OVERVIEW (Cont'd)

7.4 BUSINESS PROCESS

The diagram below represents our business process, which applies to all the services we provide:



(a) Assessment and evaluation of Client's need

We initiate each project with an assessment and evaluation of the current and existing state of operations of our Client and/or prospective Client to determine their requirement and needs. We will meet with the Client to understand their requirements and budget, assess their current customer service journey (that is the accumulated experiences a Customer undergoes when they decide to interact with a brand, or purchase a service or product), roles and reporting relationships, technology infrastructure, identifying weakness and gaps in their operational workflow, evaluating areas for improvement and processes to be redesigned and re-engineered.

7. BUSINESS OVERVIEW (Cont'd)

We will conduct an assessment to identify process gaps, provide our proposal to optimise workflows and identify tasks that can be automated with the deployment of our in-house developed digital tools.

Based on these factors, we will propose a high level CX strategy that is mapped to the prospective Client's overall vision and mission; and determine the type of services required to support the Client's business needs.

(b) Solution design

With the information gathered through the assessment and evaluation of the needs of our Client and/or prospective Client, we will then propose options for a total solution design by piecing together the number of CX executives with the right skills to deliver an improved process by optimising workflows, together with a proof of concept on our in-house developed digital tools. After a period of consultation and if our Client and/or prospective Client agrees with the proposed solution and timeline, we will then provide a detailed design plan of the solution, which includes, amongst others, the related tools and software required as well as setting out the timelines for all deliverables and resource allocation.

(c) Acceptance of proposal

We will liaise with our Client and/or prospective Client to finalise the proposed solution design. A proposal detailing the costing, project scope, timeline, deliverables, and payment terms will be submitted to our Client for approval and signed by our Client as a proof of acceptance of the solution design. We are then formally engaged by our Client as a service provider to deliver the solution.

Generally, it takes up to 3 months from the assessment and evaluation of Client's needs up to the acceptance of proposal by our Client.

(d) Solution planning and development

Upon acceptance of the proposal, we will then undergo planning and development of the solution, generally including recruitment, onboarding and training of CX executives, preparation of CX delivery office, system design and development.

The development of the solution begins with the recruitment of CX executives, where we will formulate a hiring plan and initiate our recruitment activities based on the resources needed. Our Client will generally provide its pre-existing training module and initiate a training session with our internal training specialist to attain a better understanding and knowledge of our Client's products and services, procedures and systems. In the event of the pre-existing training learning module is not provided by our Client, our learning and development team will normally prepare the training modules deemed necessary. Our aforesaid internal training specialist will then provide the project-specific training programmes to our recruited CX executives. It takes 8 to 12 weeks to recruit the required number of CX executives and generally takes up to 2 weeks to train our recruited CX executives.

We will optimise the scheduling of our CX executives based on the historical and forecasted interaction volumes to ensure adequacy of our CX executives to handle the Customer's interactions.

7. BUSINESS OVERVIEW (Cont'd)

The preparation of CX delivery office involves the setting up of infrastructures as pre-agreed by our Client during the solution design stage, which includes the purchase of software, hardware and telecommunication network components.

Further, we will undertake system design and development based on the solution's specification, which includes customisation of the CRM system and reporting tools, which will undergo user acceptance testing (UAT) upon completion.

Upon the completion of solution development, we will then deploy the solution into use (i.e. go live) and operate the solution for our Client which we will start billing our Client at this stage.

Generally, it takes 8 to 12 weeks for solution planning and development up to the deployment of the solutions. For the avoidance of doubt, there are generally no charges upfront for the development of the solutions or for any tasks which are automated with the deployment of in-house developed digital tools as the costs incurred are amortised in the revenue model. We price our contracts and revenue model accordingly when including such solutions or in-house developed digital tools as mentioned in Section 7.3.3.

(e) Implementation / Operation of solutions (Delivery of CX services)

The contract period with Clients commences at the stage of implementation / operation of solutions. At this stage, we will start billing our Clients based on the pricing model as agreed in the contracts.

The implementation and monitoring of our CX services are continuous throughout the project period. Our CX executives generally operate our solutions for our Clients in the following manner:

(i) Receiving Customer's enquiries / request / feedback

Our CX executives receive customers' enquiries/request/feedback through both voice and non-voice communication channels such as email and digital communication and technology platforms such as messaging and social media, AI-powered chat bots and in-app interactions.

(ii) Communicating and Understanding Customer's request / feedback

Generally, we use DAISY and/or our Client's CRM systems such as Salesforce, Freshworks and Zendesk which contain information of the Customer such as their name, telephone number, product or services subscribed, billing and payment information. Based on the customer's voice/text input, our CX executives will proceed to identify the category of the enquiries/request/feedback such as enquiry, service request, complaint and provide suggestion to assist the Customer.

(iii) Resolving Customer's request / feedback

For customer enquiries, our CX executives will attempt to resolve it during the first interaction with the Customer. Our CX executives will respond accordingly with a structured script as a guide.

7. BUSINESS OVERVIEW (Cont'd)

For customer complaints, our CX executives will generate a service ticket and when needed, may escalate it to our Group and/or the client's department, depending on the severity of the complaints. Where the complaint is escalated, the said department will then handle the complaint accordingly and update our CX executives, who will then reach out to the Customer to resolve the enquiry or complaint.

If a follow-up is required, our CX executives will obtain more detailed information from the Customer and transfer the Customer to a supervisor to assist the Customer, where the said supervisor will respond to the respective Customer for more detail information within a specified time (as agreed with our Clients based on an agreed service level guarantee) and resolve the issue. At the same time, our CX executives will maintain and update all required back office systems such as application processing and validation, billing and collection.

There is no separate billing for the implementation of a solution. We charge based on our revenue model as provided in the contracts with our Clients as abovementioned in Section 7.3.3.

Our contacts with our Clients are typically for terms of 1 to 3 years terms, and with renewal terms of up to 2 years. The notice period for renewal of our contracts with Client generally ranges between 30 to 90 days.

It should be also noted that our Clients have the right to terminate their agreements with us for convenience and for other reasons by giving advanced written notice under the contracts, with the period of written notice ranging from 30 days to 60 days. Additionally, there will be no penalty charges as terminations are allowed by either party giving written notice.

(f) Post-implementation and monitoring of service level

We are required to provide a certain minimum level of service quality under our Client's contracts. Our performance tracking is aided by our real-time data reporting and analysis, which helps us to identify issues with individual level and project level performance. Generally, we track metrics over 4 key performance measures.

Category of performance measures	Description
Quality	We measure the quality of service delivered by CX executive and, these scores are typically subjective. Some examples are customer satisfaction score which rate customer happiness with a given interaction, first contact resolution which measures whether or not a problem was resolved in the Customer's first interaction with us.
Efficiency	We measure resource redundancy and the productivity of our CX executive. Some examples are forecast accuracy which measures how call and interaction load compare to the forecasted load, average handling time which measures how long it takes on average to resolve a Customer's interactions, the utilisation rate of the CX executive which measures total calls, chat and email handled per hour.

7. BUSINESS OVERVIEW (Cont'd)

Category of performance measures	Description
Speed	We measure the speed and convenience for a Customer to reach us and these measures are typically objective. Some examples are the number of calls answered within a certain number of seconds (i.e., 80.0% of all calls answered within 30 seconds), abandoned call rate which is the number of callers who hung up the phone before the call is answered, and turnaround time which measures the speed in which we complete a service ticket or close an issue lodged by the Customer.
People	We measure the ability of our operations to deliver consistent performance and include measures such as employee engagement scores and attrition rate.

A quality performance report will be submitted to our Client on a monthly basis. We conduct a monthly meeting with our Client for performance review and improvement.

We may be awarded with a bonus if we exceed a certain performance level of service or may be imposed with a penalty if we fail to meet the minimum level of service and performance obligations stipulated in the terms of our contracts with Client. For FYE 2019, FYE 2020, FYE 2021 and FYE 2022, the service penalty imposed on us amounted to RM0.9 million, RM0.03 million, RM0.3 million and RM0.2 million, which represented approximately 2.5%, 0.1%, 0.5% and 0.4% of our revenue for FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively.

Penalties for our services are typically outlined in contracts with clients, based on agreed service level guarantees tied to customer interactions (volume), interaction quality, and handling time efficiency. However, during periods of mass hiring for new and ongoing projects, our service level guarantees may be impacted as new hires acclimate to their work. A penalty is typically imposed as a percentage of the revenue earned if certain service level guarantees are not achieved.

7.5 PRINCIPAL MARKETS

Our revenue is solely generated from Malaysia. As of LPD, we are engaged by 22 Clients from various industry segments as set out in the table below. The revenue contributions from the client segment for FYE 2019 to 2022 are set out as follows:

Client segment	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Energy & utilities	14,623	39.0	19,606	41.1	24,471	42.1	31,840	48.9
Telecommunications & media	17,592	47.0	16,203	34.0	18,568	31.9	15,236	23.4
Fintech & financial services	2,202	5.9	6,842	14.3	7,906	13.6	10,003	15.4
Construction	1,891	5.0	2,264	4.7	2,475	4.3	2,474	3.8
Others ⁽¹⁾	1,155	3.1	2,798	5.9	4,713	8.1	5,552	8.5
Total	37,463	100.0	47,713	100.0	58,133	100.0	65,105	100.0

7. BUSINESS OVERVIEW (Cont'd)

Note:

(1) Others consist of e-commerce & retail, healthtech and travel & hospitality.

7.6 SALES AND MARKETING STRATEGIES

We employ a consultative approach where the nature of our services requires close working arrangements with our Clients. We initiate each project with an assessment and evaluation of their business and operations before providing services to address the gaps and issues to enhance the process.

Based on our sales and marketing strategies, below are the sales and marketing efforts that we have undertaken:

(a) Direct consultative approach

Our prospective Clients are generally MNCs and large corporations that have unique needs for business process outsourcing and/or improvement, and brand engagement with their customers. Our sales efforts may come directly through a request for proposal from prospective Clients or through a referral from an existing Client.

Our Corporate Strategy team handles and manages all new sales lead together with our Managing Director, Paul Raymond Raj A/L Davadass. The team comprising of Prabakaran A/L Chilatorai, Chiew Sin Kwang, Charanjit Kaur A/P Mohan Singh, Zaina Haida binti Rahim, Callie Tan Poh Choo and Joma Paul Mariano Germentil ensure that the optimum total solution is provided to our Clients. Callie Tan Poh Choo provides her expertise from the commercial aspect of the business proposal. Upon the assessment and evaluation of the prospective Client's operational needs, she gathers the relevant information for the IT and talent specifications required from the various related departments. By relying on the said information, she prepares the estimated costing needed to execute the CX operation for the prospective Client and thereafter determine the pricing to be charged to our Client.

We engage in discussions directly with our prospective Clients to understand their needs and requirements. We typically assess and evaluate a Client's environment from various aspects, which include its current customer service journey, roles and reporting relationships and technology infrastructure to prepare a proposed solution design. This approach provides us with the opportunity to gain understanding of the required operational processes and allows us to provide suitable and tailored recommendations relating to our services. This approach has been most effective as it enables us to demonstrate our understanding of our Clients' businesses and our expertise effectively.

(b) Corporate websites and social media platforms

Our official corporate website, www.daythree.co has comprehensive and up-to-date information such as our services, awards, case studies, and thought leadership articles and, providing our prospective Clients with convenience access to information which will potentially enhance our market reach and exposure.

We regularly post updates such as our employees' engagement activities, recruitment drives and current trends and news on social media platforms such as Facebook, Instagram, Twitter and TikTok, to increase our interaction with our employees, Clients as well as the general public.

7. BUSINESS OVERVIEW (Cont'd)



(c) Network and association

We gained our public exposure and visibility in the GBS industry through the appointment as a MD status company by MDEC since February 2017. We are also involved in the Global Acceleration and Innovation Network (“GAIN”) programme by MDEC to increase our profile in the global market.

In addition, we are committed to giving back to communities and in view of corporate social responsibilities as an extension of our culture. We were appointed as MDEC’s Data Technology Partners since October 2019 to help empower more Malaysian businesses to embrace digital transformation and strengthen the nation’s position as the region’s technology and digital hub.

Further, we have participated in conferences, seminars and virtual events organised by the global and/or national industry associations. As a member in these associations, such participation is significant as we are able to enhance our Group’s visibility and expand our network of industry stakeholders. We are also able to gain feedback and insight on latest GBS industry development to continuously enhance our CX lifecycle management services and to generate new sales lead.

Our membership in various associations is listed as follows:

Membership Year (since)	Association / Network	Description of the association
March 2018	CCAM	CCAM was established with the objective to promote globally Malaysia as the preferred hub for the contact centre industry.
February 2018	GBS Malaysia (formerly known as Outsourcing Malaysia)	GBS Malaysia was founded in 2006 with the aim to develop and promote Malaysia as a high-value digital GBS hub.
November 2019	Global BPO Alliance	Global BPO Alliance consists of 17 companies globally which collectively offer a variety of BPO multilingual contact centre services with a single point of contact.

7. BUSINESS OVERVIEW (Cont'd)

Membership Year (since)	Association / Network	Description of the association
December 2020	PIKOM	PIKOM consists of 1,000 active members with the aim to improve business climate in the interest of all of its member companies and promote industry growth.

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7. BUSINESS OVERVIEW (Cont'd)

7.7 TECHNOLOGY USED AND TO BE USED

Our Group utilises and leverages on software technology to operate and execute specific tasks on the computer. We use both open source and commercially off-the-shelf software. We have developed 3 of our in-house developed digital tools, DAISY, FAITH and SAIGE, all of which are currently used to facilitate and support our CX operations.

In-house developed digital tool

Description

DAISY



- Daisy is an AI associate assistant tool with RPA that enables our CX executives to handle Customer’s interactions more efficiently across all channels of communication.
- When a CX executive handles a Customer’s interactions, DAISY automatically identifies and tracks the Customer data. For example, product/service information from associated system, and assist to fill in the enquiries/issues lodged in the form of CRM into the system. DAISY also disseminates the Customer data, enquires/issue to the associated systems to ensure data is captured accurately and consistently across the Client’s associated systems.
- It reduces the time required to identify the Customer’s data in the system and able to display all necessary details associated with them in one screen. As a result of the deployment of DAISY into our CX operation, our Clients’ Customers do not have to wait for our CX executives to deal with data and to load all the details. This improves CX while reducing the average interaction duration.

As at LPD, we have 6 certified RPA professionals and 3 certified RPA trainers. The role of our certified RPA professionals is to identify opportunities in process automation within our CX services to our Clients. Our certified RPA professionals are equipped with the knowledge, expertise and skills to develop an RPA solution that reduce the need for human interaction and possibility of data inaccuracy. As part of our continuous improvement, our RPA professionals collect and analyse data to identify areas of improvement in process automation in order to enhance our CX services to our Clients.

Our certified RPA trainers are responsible for developing an effective RPA learning plan and conducting training sessions within our Group. Our certified RPA trainers combine a range of RPA topics as part of the learning content, including the use of RPA to automate entire workflows of data entries, from data gathering to logging, updating, processing, and validating data, enabling our employees to learn and build the RPA skillsets. The RPA certification validates our level of RPA expertise which helps deliver the value proposition of our CX services to our Clients.

7. BUSINESS OVERVIEW (Cont'd)

In-house developed digital tool

Description

Currently, we in need of at least 12 RPA professionals and 5 RPA trainers to achieve sufficiency in these roles. Our Group's strategy is to identify and upskill existing employees as a way to increase the number of RPA professionals. Further, we plan to assign those employees to ongoing RPA projects, allowing them to gain practical experience and learn from experienced professionals. After completion of the RPA projects, we will evaluate the employees' performance and send them for RPA certification course. Upon the RPA certification, we will consider them as full-time RPA professionals.

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7. BUSINESS OVERVIEW (Cont'd)

The following is a screenshot of DAISY's user interface, which illustrates the processing of a case with assistance of RPA.

The screenshot displays the DAISY user interface. At the top, there is a navigation bar with the DAISY logo, a greeting 'Good Afternoon', the date and time 'Thursday 29th of September 2022 02:46:25 PM', and a 'Knowledge Based Portal' link. Below the navigation bar are several menu items: Dashboard, New Cases/Interaction, Contact Management, Cases/Interaction Management, Voicemail, Abandoned Calls, Quality Monitoring Form, Knowledge Based, Administrator, and Reporting Dashboard. The main content area is divided into several sections. On the left, there are tabs for 'Cases/Interaction Form', 'Caller History', 'Account History', 'OneScreen', and 'Water Usage'. The 'Cases/Interaction Form' section contains a form with fields for 'Does the caller want to remain anonymous?' (No), 'Does the caller name is' (Yes), 'Account No.' (5843930000), and 'Scenario' (Please choose..). On the right, there are sections for 'Caller Information' and 'Additional Information'. The 'Caller Information' section includes fields for 'Salutation' (MR.), 'Full Name', 'Caller Type' (Owner), 'Caller Line Identification/Contact No.', and 'Email'. Below this is the 'ACCOUNT INFORMATION' section, which includes fields for 'Account No.' (KLANG), 'Name', 'Address', 'Customer Class' (Domestic), 'JomPay Code: 3', and 'Account Status' (Active). A 'NOTEPAD FOR USE DURING NEW AIS ACCOUNT MIGRATION TO DAISY:' section is also visible, containing a list of steps for 'NEW AIS CREATION STATUS': 1. Checking DAISY Database, 2. Account Not Found, 3. Launch CCB, 4. Login To CCB, 5. Search Account In CCB, 6. Extract Account Information, and 7. Account Created. The text 'RPA Assistant' is overlaid on this section. At the bottom of the interface, there are buttons for 'CALL DISCONNECTED', 'CANCEL', and 'SUBMIT'.

7. BUSINESS OVERVIEW (Cont'd)

In-house developed digital tool

Description

SAIGE

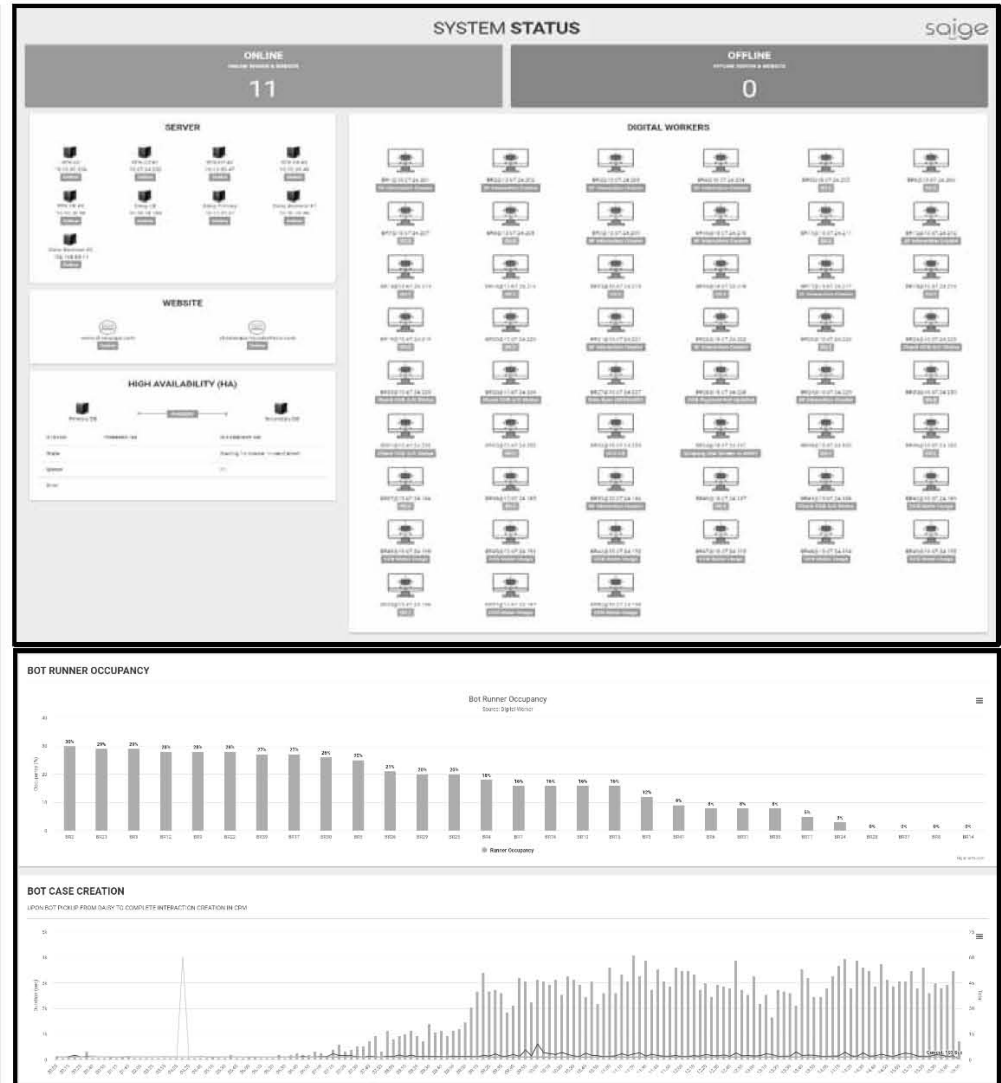
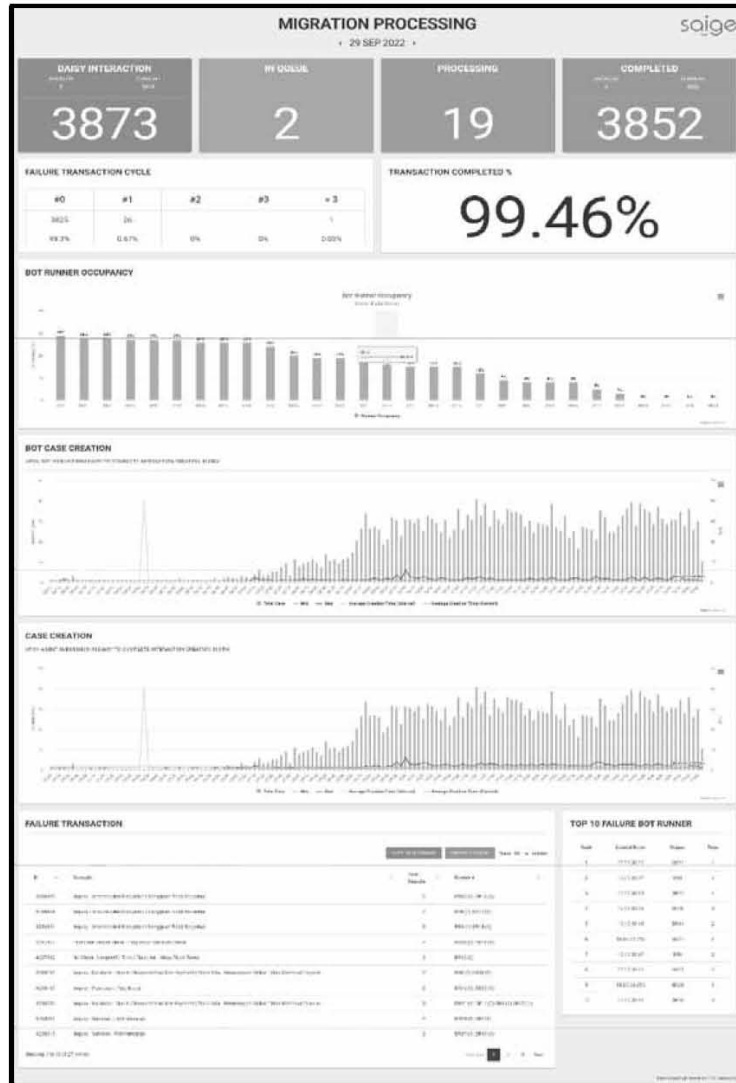


- SAIGE is our integrated analytics and reporting platform, embedded with AI digital assistant tool, that gathers data from every Customer's interactions and captures into one analytics platform for analysis, interpretation, and recommendations for improvement.
- SAIGE includes key features such as data visualisation, visual analytics, interactive dashboarding and KPI scorecards. It also provides analytical insights incorporating descriptive analytics, which enable us to forecast future operational performance requirements based on current and historical data.
- It is a real-time visualisation dashboard enables our Clients to assess their business performance based on the on-going key performance measures. The dashboards can produce charts that can be customized by various type of performance metrics and date and time stamp view and assess individual or team performance.

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7. BUSINESS OVERVIEW (Cont'd)

The following is a sample screenshot of SAIGE, displaying various statistics and parameters for analysis and/or monitoring.



7. BUSINESS OVERVIEW (Cont'd)

In-house developed digital tool

FAITH



Description

- FAITH is our employee engagement web-based application that streamlines scheduling, payroll, communication, and performance feedback.
- FAITH is equipped with real-time push notifications and work schedule visibility, where it allows shift notifications to be customised to each CX executive based on their attendance records.
- FAITH also provides instant performance management feedback. It enables the recording, review and evaluation of our CX executives' performance during Customer's interactions. It has a built-in mood tracker which enables us to review and understand our employee engagement and satisfaction.
- It contains features of the QA module which include calibration of quality reviews with our Clients, evaluation of our CX executives' strengths and weaknesses, scheduled evaluation reports sent to leaders at regular intervals and QA dashboard that shows all assigned, completed, and unassigned evaluations to manage workload.
- FAITH allows our managers and CX executives to regularly discuss and identify areas of improvement and employees' training and coaching.
- FAITH helps to sustain positive levels of employee satisfaction and promotes transparency across all stakeholders.

RPA bots

We use a combination of secure enterprise automation software (software that focused on improving the security and compliance of operations), and process intelligent automation platform (software that focused on improving efficiency and effectiveness of business processes) that are available in the market, for the development of RPA bots. The RPA bots are then customised in-house by our RPA certified employees to execute specific rules-based business processes.

7. BUSINESS OVERVIEW (Cont'd)

The following is a screenshot of the FAITH user interface, displaying an attendance summary.

Attendance Summary 2022-09-01 - 2022-09-30

Your daily attendance

Date	1/m Thu	2/m Fri	3/m Sat	4/m Sun	5/m Mon	6/m Tue	7/m Wed	8/m Thu	9/m Fri	10/m Sat	11/m Sun	12/m Mon	13/m Tue	14/m Wed	15/m Thu	16/m Fri	17/m Sat	18/m Sun	19/m Mon	20/m Tue	21/m Wed	22/m Thu	23/m Fri	24/m Sat	25/m Sun	26/m Mon	27/m Tue	28/m Wed	29/m Thu	30/m Fri
Status	Work	Work	OD	RD	Work	Work	Work	Work	Work	OD	RD	Work	Work	EL	UL	PH	OD	RD	Work	Work	Work	Work	Work	OD	RD	Work	Work	Work	Work	Work
Lateness (minute)																							5							
Shift	M	M			M	M	M	M	M			M	M						M	M	M	M	M			M	M	M	M	M
Leave Application														EL	UL	PH														
Action From Your Supervisor																														

Any pending action must be closed/complete before salary cut-off to avoid any salary deduction.

Newsflash

Acceptable Usage Policy

Acceptable use policy contains policy regarding the usage of Daythree's resources which includes but not limited to Internet, E-mail systems, Laptops/ Desktops, and other IT assets. Users of Daythree information assets are responsible for understanding an

Publish By: Publish Date/Time: Expired Date/Time:

Our Approach to Environmental, Social & Governance (ESG)

Publish By: Publish Date/Time: Expired Date/Time:

7. BUSINESS OVERVIEW (Cont'd)

7.8 INTERRUPTIONS TO BUSINESS AND OPERATIONS

Save for the interruption in our operations arising from the declaration of the movement restrictions in Malaysia following the outbreak of COVID-19, our Group has not experienced any interruption which has significantly affected our business during the past 12 months preceding LPD.

7.8.1 Impact of COVID-19 on our Group

Our business and operations faced temporary interruption from the outbreak of the COVID-19. The imposition of the first MCO effective from 18 March 2020 to 3 May 2020 by the Government to contain the spread of the virus resulted in mandatory closure of all Government and private premises, except those involved in essential services, unless written permission was obtained from the relevant governmental departments/agencies.

Subsequent to that, the Government had implemented different forms of MCO from 4 May 2020 to 31 May 2021. Following the resurgence of COVID-19 cases in first half of 2021, the Government implemented a four-phase recovery, known as NRP, whereby the Phase 1 NRP is re-imposition of a nationwide lockdown beginning 1 June 2021. The phases of NRP vary from one state to another, depending on the improvement of COVID-19 cases in each state and the announcement by the Government. From 17 July 2021, the Government gradually announced the transition of phases for states with lower record of COVID-19 cases, whereby further relaxation of economic activities was granted to the respective states. Beginning 1 April 2022, Malaysia entered into the 'Transition to Endemic' phase whereby restrictions have been further eased, which includes the removing limits on workforce capacity and restrictions on business hours as well as allowing interstate travels.

Most of our Clients operate in the essential services sectors such as energy & utilities, telecommunications & media and fintech & financial services. As such, our services were deemed essential to support our Clients' operations. We received approvals from MITI to continue operating with specified guidelines and SOPs by the Government during various MCO and NRP stages.

During the first MCO, our CX operations for Client E was suspended for 2 weeks, as the Client was not an essential service provider. Additionally, during the MCO periods, our CX operations for a project from Client A in Iskandar Puteri was temporarily suspended. Following the MCO, our Group decided to cease the operation in Iskandar Puteri as it was no longer commercially viable to operate from the said location. Accordingly, the contract with Client A was not renewed upon expiry. Nevertheless, our business, financial position and financial performance were not materially affected by these incidences.

In response to the COVID-19 pandemic, we have implemented a number of procedures and strategies. We had implemented hybrid-work model for our employees, where our employees are split into teams to work-from-home and at our offices in 2 separate locations. In addition, we provided the necessary equipment to our employees that work from home in order to support their work. We have also restructured and reorganised our management team into 5 teams where each team was responsible for different aspects of safeguarding the business namely, preserved cash, revenue, customers, people and communication, and risk; and conduct remote meetings twice daily to manage the critical situation and safeguard the overall business operation.

7. BUSINESS OVERVIEW (Cont'd)

Although our Group did not experience reduced workforce during the different stages of MCO and NRP, remote management of employees' engagement poised to be one of the biggest challenges during these uncertain times. In view of this, our Group took initiative to conduct daily online meetings, constant communication on the latest happenings as well as virtual social activities such as 'Buka Puasa' gathering to encourage our employees' engagement and motivation.

In order to maintain the confidentiality of our Clients' information during COVID-19, we have established the following, which include amongst others:

(a) Deployment of CX operation

The criteria of allow CX executives to work from home are as follows:

- (i) CX executives that has a stable internet at home;
- (ii) CX executives' location is more than 10 kilometres away from the office premise;
- (iii) selected senior CX executives only may work from home; and
- (iv) work from home channel of interaction supports non-voice services.

(b) Virtual private network ("VPN")

VPN licenses are established for all CX operations used for work-from-home situations to allow access to our internal network. The CX operations at home have access to CRM with end-to-end network encryption.

(c) Pre-requisite control measures configured for CX operations

Below are the security hardening and control measures set for each CX operation:

- (i) access control (e.g. usage of two-factor authorisation and restricted internet sites);
- (ii) encryption of data at rest;
- (iii) personal email is not accessible;
- (iv) disabled printer access;
- (v) USB ports disabled;
- (vi) disabling print screen capabilities;
- (vii) up to date operating system;
- (viii) up to date anti-malware/antivirus signature;
- (ix) all application and settings installed as per business requirement;
- (x) security awareness training program;
- (xi) signed data protection acknowledgement form;
- (xii) CX executives under work from home status must fill in the work-from-home form and obtain the approval from the operations manager before working from home;
- (xiii) asset management form signed by the operations manager and the CX executives; and
- (xiv) CX executives are not allowed to use their personal laptop.

Additionally, the following soft measures are also taken:

- (a) brief on the importance of protecting Client's data and the Personal Data Protection Act (PDPA) and its implication;
- (b) all CX executives have signed a non-disclosure agreement to reduce the risk of security breach;

7. BUSINESS OVERVIEW (Cont'd)

- (c) all CX executives are obliged to adhere and sign the data protection acknowledgement form;
- (d) monitoring of the CX operation, especially from those CX operation assigned to CX executives who are working from home;
- (e) performing security awareness training programs via video conference; and
- (f) broadcast data security information via our internal portal and tracked CX executives' acknowledgment for each broadcast.

We do not expect any material impact to our CX operations from the impact of COVID-19 and MCO.

In the event of any other outbreaks of contagious diseases in the future, we do not foresee that this will materially affect our operation as we anticipate that the implementation of a continuity of operation plans which include work from home policies may remain in place after the pandemic as part of our continuity of operation procedures going forward.

7.8.2 Measures to commence and continue business operations

In response to the COVID-19 pandemic, our Group has established an emergency response team to oversee the adherence of infection control measures to protect our employees and Clients against potential COVID-19 infection. The infection control measures are in line with the Government SOPs, which include amongst others:

- (a) wearing of face masks in our offices;
- (b) taking and recording of body temperature before entering our premise and their temperature are updated into our in-house developed employee management system;
- (c) frequent sanitising and washing of hands prior to entering our premise;
- (d) ensuring no physical contact amongst employees, encouraging personal hygiene and minimum 1 metre physical distancing while communicating or seating with each other;
- (e) encouraging employees to restrict social meetings between our employees from different projects and external social events;
- (f) encouraging virtual meeting via Microsoft Teams, GoogleMeet and Zoom; and
- (g) maximum 4 persons are allowed to be in the passenger lift while 6 persons in the evacuation lift at all times.

For employee that have been tested positive for COVID-19, that particular employee will be required to provide a copy of test result and a screenshot of home isolation or surveillance order to our superior. The said employee will be required to undergo self-quarantine for a period of 7 or 10 days, depending on the vaccination status and symptoms shown (asymptomatic or symptomatic). Employee who has been identified as close contact will be granted close contact quarantine leave or work from home arrangement (depending on respective project's feasibility or Client's approval). For close contact employee who has received booster shot and does not show any symptoms, with negative self-test result on first day and third day will be resume working as normal. For fully vaccinated close contact employees who had a COVID-19 infection within the last 60 days will not be required to undergo self-quarantine.

7. BUSINESS OVERVIEW (Cont'd)

To comply with the SOPs imposed since 18 March 2020 and up until LPD, our Group has incurred expenses of approximately RM191,000 in aggregate which includes the purchase of sanitizers, disinfectants, facial recognition and temperature checking equipment, and personal protective equipment as well as COVID-19 testing costs. We have received government incentives of RM2.0 million in aggregate in relation to the wage subsidy programs. Despite the stringent measures undertaken by our Group to contain the spread of COVID-19 in the workplace, our Group was issued summonses by relevant authorities. The inconsistent interpretation and implementation of various COVID-19 and MCO guidelines caused our Group to be issued summonses totalling RM20,000 between June 2021 to July 2022. Following the clarification of the guidelines with the relevant authorities, our Group obtained approval to operate without further disruptions.

7.8.3 Impact of COVID-19 on our financial performance

The social restriction and lockdown measures in response to the COVID-19 have resulted in the increased in volume of Customer's interactions, particularly for our Clients from energy & utilities and telecommunications & media segments, which have resulted in higher demand for our services.

We did not experience any major difficulties in the collection of our trade receivables arising from business interruptions faced by our Clients. Our cash flow from operations remained positive during FYE 2019 to 2022.

Based on the above, our Board is of the view that there is no material impact of the COVID-19 pandemic on our cash flows, liquidity, financial position and financial performance.

Notwithstanding the short-term impacts of COVID-19 and MCO on our Group's business operations, we currently do not expect any material impact to the sustainability of our business operations in the foreseeable future as:

- (a) our business operations resumed to full capacity upon obtaining MITI approval and complying with the SOPs and other rules and guidelines imposed by MITI, and upon lifting of the MCO;
- (b) we did not experience any termination in contract during MCO as it has since been resolved with the resumption of business activities by our Clients; and
- (c) our Group has cash and cash equivalent of approximately RM7.1 million (of which RM2.0 million is pledged to financial institutions) and credit facilities limit of approximately RM24.3 million (of which RM6.1 million has been utilised for the issuance of bank guarantees and trade financing) as at LPD.

We do not expect any material impact to our liquidity, financial position and financial performance from the impact of COVID-19 and MCO.

We do not anticipate any financial difficulties in meeting our obligations to sustain our business operations in the near future.

7. BUSINESS OVERVIEW (Cont'd)

7.8.4 COVID-19 incidents in our business premises

In June 2021, we had a COVID-19 super spreader case which led to a temporary suspension on our operation for 10 days from 4 June 2021 to 13 June 2021, following a shutdown notice received from the Ministry of Health. In response, we engaged an external healthcare service provider to perform PCR tests for our employees who were close contacts within the same working environment. We have also undertaken disinfection and sanitisation activities in our affected CX delivery offices. As part of our business continuity procedures, the said operation for a Client's project was split into 3 teams of employees during the pandemic. Therefore, only 1 team of 62 employees were affected or confirmed positive from the super spreader case. We did not experience adverse material financial impact from this incident. Save for the above, there was no other interruption or suspension in our operation for the said Client's project.

We continue to implement stringent SOPs as precautionary measures at our CX delivery office.

7.8.5 Impact of COVID-19 on our Group under the endemic phase of COVID-19

There is no material impact on our Group under the endemic phase of COVID-19 and we do not expect any material impact on our Group during this period. Notwithstanding, we continue to implement stringent SOPs as precautionary measures to avoid the spread of COVID-19 in our premises.

7.9 SEASONAL OR CYCLICAL EFFECTS

Our Group's revenue is not subject to cyclical and seasonal trend.

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7. BUSINESS OVERVIEW (Cont'd)

7.10 MAJOR CLIENTS

Our revenue from Clients varies from year to year. Our top 5 major Clients for FYE 2019 to FYE 2022 are as follows:

FYE 2019

No.	Client	Client segment / Scope of work	Revenue model	Revenue contribution in FYE 2019		Length of relationship (²)Years
				RM'000	(¹)%	
1.	Client G	Energy & utilities / Customer care support	Combination of transaction / Outcome-based model and full time equivalent (FTE) model	14,623	39.0	3
2.	Client E	Telecommunications & media / Revenue generation services	Combination of transaction / Outcome-based model and full time equivalent (FTE) model	7,925	21.2	3
3.	Client A	Telecommunications & media / Hiring and revenue generation services	Combination of transaction / Outcome-based model and full time equivalent (FTE) model	5,955	15.9	4
4.	Client B	Telecommunications & media / Hiring and customer care support	Full time equivalent (FTE) model	3,186	8.5	4
5.	Client C	Construction / Customer care support	Transaction / Outcome-based model	1,891	5.0	1
Total revenue contribution				33,580	89.6	

7. BUSINESS OVERVIEW (Cont'd)

FYE 2020

No.	Client	Client segment / Scope of work	Revenue model	Revenue contribution in FYE 2020		Length of relationship
				RM'000	(1)%	(2)Years
1.	Client G	Energy & utilities services / Customer care support	Combination of transaction / Outcome-based model and full time equivalent (FTE) model	19,606	41.1	4
2.	Client E	Telecommunications & media / Revenue generation services	Combination of transaction / Outcome-based model and full time equivalent (FTE) model	10,581	22.2	4
3.	Client A	Telecommunications & media / Hiring and revenue generation services	Combination of transaction / Outcome-based model and full time equivalent (FTE) model	4,811	10.1	5
4.	Client D	Fintech & financial services / Customer care support	Full time equivalent (FTE) model	4,677	9.8	2
5.	Client C	Construction / Customer care support	Transaction / Outcome-based model	2,264	4.7	2
Total revenue contribution				41,939	87.9	

7. BUSINESS OVERVIEW (Cont'd)

FYE 2021

No.	Client	Client segment / Scope of work	Revenue model	Revenue contribution in FYE 2021		Length of relationship
				RM'000	(1)%	(2)Years
1.	Client G	Energy & utilities services / Customer care support	Combination of transaction / Outcome-based model and full time equivalent (FTE) model	18,017	31.0	5
2.	Client E	Telecommunications & media / Revenue generation services	Combination of transaction / Outcome-based model and full time equivalent (FTE) model	12,792	22.0	5
3.	Client F	Energy & utilities services / Customer care support	Full time equivalent (FTE) model	6,454	11.1	<1
4.	Client A	Telecommunications & media / Hiring and revenue generation services	Combination of transaction / Outcome-based model and full time equivalent (FTE) model	5,663	9.7	6
5.	Client D	Fintech & financial services / Customer care support	Full time equivalent (FTE) model	5,645	9.7	3
Total revenue contribution				48,571	83.5	

7. BUSINESS OVERVIEW (Cont'd)

FYE 2022

No.	Client	Client segment / Scope of work	Revenue model	Revenue contribution in FYE 2022		Length of relationship (²)Years
				RM'000	(¹)%	
1.	Client G	Energy & utilities services / Customer care support	Combination of transaction / Outcome-based model and full time equivalent (FTE) model	18,882	29.0	6
2.	Client F	Energy & utilities services / Customer care support	Full time equivalent (FTE) model	12,958	19.9	1
3.	Client E	Telecommunications & media / Revenue generation services	Combination of transaction / Outcome-based model and full time equivalent (FTE) model	11,958	18.4	6
4.	Client D	Fintech & financial services / Customer care support	Full time equivalent (FTE) model	6,700	10.3	4
5.	Client A	Telecommunications & media / Hiring and revenue generation services	Combination of transaction / Outcome-based model and full time equivalent (FTE) model	3,178	4.9	7
Total revenue contribution				53,676	82.5	

Notes:

- (1) Divided by total revenue of the respective financial year.
- (2) The length of the relationship as at the respective financial year.

7. BUSINESS OVERVIEW (Cont'd)

We are unable to disclose the identity of our major Clients above by virtue of agreements executed with them. The following are details of our major Clients whose name have been redacted for confidentiality.

- "Client A" : A company based in Malaysia which is principally provides television services. It is a subsidiary of a company listed on the Main Market of Bursa Securities with companies primarily engaged in the provision of television services and other related activities.
- "Client B" : A company based in Malaysia which principally involved in the provision of home shopping business and is a related company of Client A.
- "Client C" : A Government agency established to regulate, develop and facilitate the construction industry in Malaysia.
- "Client D" : A company based in Malaysia that is principally an issuer of electronic money (e-money).
- "Client E" : A company based in Malaysia which is principally a converged telecommunications and digital services operator. It is a subsidiary of a company listed on the Main Market of Bursa Securities with companies involved in the telecommunications industry in Malaysia.
- "Client F" : A company based in Malaysia held under a Malaysian state Government that is principally involved in the provision of utilities.
- "Client G" : A company based in Malaysia and listed on the Main Market of Bursa Securities. Its group of companies is principally involved in the provision of utilities.

We have multiple contracts / projects with our major Clients who are multinational or GLC companies that have different business units / subsidiaries which require different CX lifecycle management services for its business. Contracts may be secured at holding company or subsidiary / business unit level, depending on the Client's preferences.

7. BUSINESS OVERVIEW (Cont'd)

Collectively, Clients G, E and F contributed approximately 60.2%, 63.3%, 64.1% and 67.3% to our Group's revenue in FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

We expect that these major Clients will continue to contribute to our Group's revenue in the future and as such, we are dependent on these 3 major Clients and such dependency is considered as a risk factor to our Group. This concentration of revenue is due to the nature of our business being conducted on a contract basis. The contracts typically range between 1 to 3 years. We may not secure similar contracts in terms of size and scope with the same Clients every year. Please refer to Section 9.1.1 for further details regarding this risk factor. In mitigating concentration risks from these clients, we have been negotiating for contracts from different Clients and industry segments who have also increasingly contributed to our Group's revenue. For example, in FYE 2021, we secured a contract from Client F, a new Client in the energy & utilities segment to provide customer care support services in FYE 2021. Contributions from new and different Clients such as Client F (who is a new major Client in FYE 2021) will reduce concentration of revenue in other major Clients such as Clients G and E, as can be seen in FYE 2021. As such, we expect to continue diversifying our Client base in future, and reduce our dependency on existing Clients G and E as well as the new major Client F, which contributions are expected to be diluted by other new Clients in future.

Notwithstanding our efforts to diversify our Client base, the concentration of revenue contribution by Clients G, E and F to our Group's revenue from FYE 2019 to 2022 is considered as a risk factor as our Group will continue to tender for new contracts from these Clients given the opportunity. Due to their significant revenue contributions, terminations and loss of future opportunities with these major Clients without timely replacement may adversely impact our Group. For perspective, during FYE 2019, 2020, 2021, 2022 and as at LPD, our Group had 18, 17, 19, 20 and 22 Clients respectively. Please refer to Section 9.1.2 for further details regarding this risk factor.

During FYE 2020, the decrease in number of Client from 18 as at FYE 2019 to 17 as at FYE 2020 was mainly due to 4 existing Clients (not major Clients) completed their contracts with us of which 2 contracts were not subject to renewal and 2 contracts were not renewed. Additionally, we also secured 3 new Clients (Client G, Client D and a new Client in the e-commerce & retail segment (not major Client)) during FYE 2020.

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7. BUSINESS OVERVIEW (Cont'd)

7.11 TYPES, SOURCES AND AVAILABILITY OF MATERIALS

Our cost of sales comprise mainly people cost, which accounted for 93.4%, 94.5%, 93.2% and 92.7% for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively. People cost is our major source of input for the delivery of GBS services. Please refer to the Section 6.11 for the measures implemented by our Group to control / mitigate employee attrition rate.

7.12 MAJOR SUPPLIERS

We incurred technology and premise costs such as the rental of CX delivery offices, depreciation of computer and equipment as well as licensing fee for software that are used by our CX executives to facilitate the delivery of our services. These operational costs are not directly used as inputs to sell our services to Clients, are readily available in the market, and are not a major component of our cost of sales. As such, our Group does not have major suppliers.

7.13 QUALITY CONTROL PROCEDURES

We employ quality control procedures throughout our Group. Our quality management system has been certified with the following standards, as detailed below:

Standard	Certification body	Current validity period	Scope of certification
ISO 18295-1:2017	SIRIM QAS International	23 February 2023 – 22 February 2026	Provision of outsource contact centre covering outbound operations and related support functions.
ISO/IEC 27001:2013	QRC Assurance and Solutions Pvt Ltd	17 November 2021 – 16 November 2024	Provision of contact centre services and business process automation services applicable to operations (call centre services – inbound & outbound), digital transformation (business process automation) and support processes such as human resource, information technology and business excellence, as well as control and compliance procedures for data security.
ISO 9001:2015	SIRIM QAS International	15 April 2022 – 14 April 2025	(i) Provision of outsource contact centre covering inbound and outbound operation and related support function; and (ii) Provision of web application development.

Our internal quality assurance procedure adhered to best practices such as COPC standard, which provides a set of management practices and key metrics / measurements for our CX operations. We also facilitate our Clients' operation to be COPC certified. The COPC standard provides guidelines and best practices for managing and improving the performance of CX operations. Our adherence to the COPC standards reflects the quality of our services and the credentials of our Group, which in turn will be reflected in Client's operations, and resulting in improved Customer satisfaction for the Client.

7. BUSINESS OVERVIEW (Cont'd)

At the initial stage of a new CX operations setup, the quality parameters are identified and agreed upon with our Clients based on Customer's handling journey map. Our QA team within our CX operations will review samples of interactions, ensuring that all interactions managed by our CX executives are of agreed standards. Our QA team will then collate the data monthly and identify areas of improvement to enhance our overall CX lifecycle management performance.

In addition, our CX executives also undergo internal and external trainings and certifications such as COPC. These training and upskilling enable our employees to acquire the necessary knowledge (i.e. interpersonal skills as well as our in-house developed digital tools application skills) to deliver a personalised CX to the Customers. As at LPD, we have 4 managerial-level employees that are certified with COPC, 2 of whom are under the key senior management team, 1 in Human Resources, and 1 CX executive (Operation Manager) who are responsible for our Group's implementation of the best practices under COPC. In tandem with our business expansion, we plan to increase the number of COPC certified employees up to 20 employees and obtain COPC certification for one of our projects within the next 12 months. There is no known industry practice that measures or benchmarks a ratio of COPC certified employees to total CX executives. Employees are generally certified to add credence to the organisation's operation. As at LPD, we are working with one of our energy and utilities client to have its operations certified by COPC.

7.14 HEALTH, SAFETY, ENVIRONMENTAL MANAGEMENT SYSTEMS

We value the health and safety of our employees. We ensure that new employees are advised of our safety and health policy, and we provide them with in-house training. Each employee is briefed and provided with our employee handbook (which describes our and the employee's responsibilities for employee health and safety), through our FAITH application.

As at LPD, there is no environmental issues which may materially affect our Group's operations.

7.15 DESIGN AND DEVELOPMENT

Our Group conducts D&D activities as part of our efforts to improve our productivity and the delivery of CX lifecycle management services. Our D&D activities are managed by our digital transformation team comprises of 8 employees and is led by Chiew Sin Kwang, our Head, Digital Transformation.

Throughout FYE 2019 to 2022, our D&D expenses amounted to approximately RM510,000, RM500,000, RM600,000 and RM72,000 respectively, which constitute approximately 1.4%, 1.1%, 1.0% and 1.1%, respectively, over our revenue.

7. BUSINESS OVERVIEW (Cont'd)

7.15.1 D&D achievements

The table below lists our past D&D achievement.

Year	Description
2017	Commenced the development of Secured Transaction And Reporting (STAR) application to track billable hours and mitigate payroll inaccuracy, to bridge communication gap in our CX operations. We implemented it as a pilot project in our travel & hospitality operations in 2017. In 2019, STAR was deployed across our Clients' projects.
2018	<ul style="list-style-type: none"> Commenced the development of C-LOG application to enable our CX executive to process data from Customer's interactions via email. The project was initiated to identify the root cause of over 3,000 back logs of emails. The business insights gained from C-LOG helped the Client to mitigate service delivery failure and identify root cause of the backlogs of emails. Upon implementation of C-LOG, we were able to identify spam emails and notify the Client to take the necessary actions to filter the spam emails thus improving our CX executive focus on quality emails. Enhancement of STAR to include human resources and finance processes such as performance management reviews, quality scoring and receiving feedback and insights. It also included heatmaps that show vital information about the health of our Group, and dashboards that show relevant metrics and analytical insights incorporating descriptive analytics.
2019	<p>We began researching on process automation tool, specifically RPA. We invested in 5 employees for RPA certification and began development of RPA bots for our operations i.e. data collection and report generation.</p> <p>RPA bots are software programmes that are programmed to mimic human actions. They are designed to automate repetitive, manual and time-consuming tasks such as data entry, form filling and other routine processes. They are typically used to automate back-office tasks such as data entry, data validation and data reconciliation. RPA bots can also be configured to process data according to specific rules and algorithms, making them capable of performing complex tasks such as automated decision-making, document processing and data analysis. RPA bots can also work with other automation tools such as process mapping, workflow automation and process automation intelligent platforms.</p> <p>We use a combination of secure enterprise automation software (software that focused on improving the security and compliance of operations), and process intelligent automation platform (software that focused on improving efficiency and effectiveness of business processes) that are available in the market, for the development of RPA bots. The RPA bots are then customised in-house by its RPA certified employees, to execute specific rules-based business processes.</p>
2020	<p>We explored on how to reduce the workload of our CX executives leveraging on RPA to monitor pending escalations. To achieve this, we enhanced C-LOG by embedding AI digital assistant tool and a workflow system.</p> <p>In March 2020, we developed RPA bots to perform payroll submission.</p>

7. BUSINESS OVERVIEW (Cont'd)

Year	Description
2021	<p>In August 2021, we developed RPA bots to update the web portal of MITI as part of the COVID-19 requirements to update employee listing and subsequently email to all stakeholders on the latest MITI letter to be printed and pasted at the entrance.</p> <p>The bots essentially are able to emulate human action in a faster, more accurate, and consistent manner. For example, if a particular business process takes 10 minutes to complete by humans, a single bot may complete it within 2 minutes. The bots improves accuracy and processes up to five times faster. The 51 bots are essentially assisting the CX executives with information consolidation and escalations, hence allowing our CX executive to focus on a more connected experience with the customers.</p> <p>The bots limitation is subjected to the processing time for the business processes and it can only perform 1 business process at a time. For example, if a business process takes 2 minutes to complete, it can process 30 transactions an hour or up to 720 transactions a day.</p> <p>We enhanced C-LOG with RPA to assist the CX executives in their works. As a result, C-LOG was subsequently rebranded to DAISY. We deployed this solution for one of our energy & utilities Client where all the CX executives will focus on Customer's interactions while DAISY focuses on processing the information and escalating to the relevant stakeholder without the human intervention. To date, we have built 51 RPA bots to manage our business processes.</p>
2022	<ul style="list-style-type: none"> • As part of our plans to provide deeper focus in areas that matter most to our Clients and their Customers, we decided to restructure and modularised our in-house developed digital tools, namely DAISY, SAIGE and FAITH to facilitate and support our CX lifecycle management operations. • Our STAR system was rebranded to FAITH. All features to improve employee engagement and enhance our culture would be housed in FAITH. • The business intelligence and analytics features in DAISY was separated and rebranded as SAIGE. • DAISY remains as our CRM system embedded with RPA to assist our CX executives.

7.15.2 Ongoing and future D&D

Our digital transformation team is currently working on the following:

(a) Blockchain software digital identification

We recognise that remote working has become the new normal and application login solely based on username and password does not provide an effective authentication process. In view of this, we will introduce blockchain software enabled digital identification system to reduce security risk, which includes the sharing of CX executive and/or our Client's username and password or granting web browsers to save their username and password.

7. BUSINESS OVERVIEW (Cont'd)

We are currently working on the incorporation of an open source blockchain software into our existing in-house developed digital tools to authenticate the identity of the CX executive and/or our Clients via a digital identification on their mobile phone. The authentication of the digital identification through the mobile phone does not require the CX executive and/or our Clients to be assigned with any username or password. Upon implementation of this digital identification, it will enhance authenticity and security while facilitate speedier identification process. The integration of the blockchain software enabled digital identification into our existing in-house developed digital tools is currently undergoing user acceptance testing to assess its functionality and performance. We anticipate that the completion of the integration across our CX delivery centres by second quarter of 2023.

Upon the successful implementation of blockchain software digital identification system to our in-house developed digital tools, we will also adopt the digital identification approach to all transactional approval such as claims, payroll summary or leave application. This will further improve the efficiency in transaction approval process, enforce compliance to digital governance and ease of audit. The development of this enhancement is expected to be completed by third quarter of 2023.

(b) Supervisory bot

Our Group owns a collective of RPA bots that managed nearly thousands of business processes. Therefore, it is crucial to monitor every business process in real-time performed by the RPA bots to ensure smooth service delivery. Currently, we have 6 RPA professionals who perform 24/7 bots' performance monitoring to ensure the business processes are executed successfully on a daily basis.

If any of the RPA bots encountered software failure / disruption issue, our RPA professionals will repair the RPA bot and the failed business process will be resumed manually. These tasks can be digitised by incorporating a supervisory bot to take over the tasks from our RPA professionals, which in turn will enable our RPA professionals to focus on more high value tasks such as RPA bot development.

We are currently working on incorporating our self-developed supervisory bot. The supervisory bot will monitor the performance of a collective of bots in real-time, and to assign task from a malfunction bot to another bot without human intervention, to ensure business continuity. The development of the supervisory bot is expected to be completed by fourth quarter of 2023.

7.16 COMPETITIVE STRENGTHS**7.16.1 We place strong focus on human capital development to deliver quality CX.**

Our Group's workforce is our key asset. As such, our Group places strong focus on human capital development to deliver quality CX. Our average CX executive headcount by client segment for FYE 2019 to 2022 are set out as follows:

Client segment	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Energy & utilities	378	486	584	687
Telecommunications & media	452	400	379	326
Fintech & financial services	37	145	152	189
Construction	27	42	54	60
Others ⁽¹⁾	27	94	98	115
	921	1,167	1,267	1,377

7. BUSINESS OVERVIEW (Cont'd)

Note:

(1) Others consist of e-commerce & retail, healthtech and travel & hospitality.

Our Group's business activities of providing CX lifecycle management services are centred around the engagement of CX executives and Customers. Therefore, our Group requires to provide satisfactory services to ensure the smooth operations in support of our Clients' processes.

The increasingly competitive business environments have led to Clients looking for CX services that reflect their values and strategies. CX services have evolved, from providing advice or assistance to a personalised CX that expands throughout the CX lifecycle management process. This has led to increased minimum skill requirement, such as college and university graduate qualifications, problem-solving skills and being technologically savvy, amongst other requirements. In order to provide excellent service to our Clients, we have identified the importance of continuously improving the quality of our workforce through our commitment to providing conducive work environment and necessary trainings.

Additionally, our Group's CX executive workforce are employed on a contract basis, and headcount is normally employed in line with the tenures of the contracts secured by our Group.

In order to provide satisfactory service to Customers, our Group has identified the key measures in improving and maintaining the performance of our workforce. In general, quality CX executives are able to: (i) achieve high customer satisfaction scores; (ii) handle interactions quickly; (iii) resolve more Customer's interactions; and (iv) perform consistently.

To instil such qualities in our growing and adaptive workforce, our Group commits to investing in our employees by providing a conducive work environment and necessary trainings. New employees also undergo up to 2 weeks induction programme that are designed to instil our corporate culture known as the '**Daythree Way – Service from the Heart**'. This culture and its core values emphasise on a team collaborative approach in our operations.

In addition, project-specific training programmes that provide CX executives with knowledge of the Clients' products, services, procedures and systems are developed together with the Clients during project development and planning stages. Our Group's employees also have access to internal and external training programmes such as functional and leadership skills training, data analytic programmes, and COPC compliance programmes.

7.16.2 We leverage on in-house developed digital tools in delivering our CX lifecycle management services

Over the past decade, technology is driving change within the GBS industry and shaping the demands of our Clients. In line with technological advancement in areas including RPA, AI, data analytics and business intelligence, our Group leverages on our in-house developed digital tools DAISY, SAIGE and FAITH to facilitate and support our CX operations. The deployment of these in-house developed digital tools into the CX operations enables our CX executives to focus on delivering a personalised CX while in-house developed digital tools handle more mundane and repetitive tasks. For example, DAISY is embedded with RPA bots to assist CX executives in their daily tasks in CX operations. RPA bots are used to extract data such as demographics data from different systems such as databases and spreadsheets, and to consolidate data from multiple systems for CX executives. DAISY will combine the data into a single, unified view for the CX executives. This saves a significant amount of time and effort that would otherwise be spent manually consolidating data from multiple systems.

7. BUSINESS OVERVIEW (Cont'd)

The use of RPA bots within SAIGE allows for the automation of data gathering, consolidation, and analysis, which streamlines the process of creating meaningful reports and dashboards. The RPA bots within SAIGE can be used to automate the collection and consolidation of data from multiple sources, such as databases, spreadsheets, and external systems. This can help to ensure that the data used to create reports and dashboards is accurate, up-to-date, and consistent.

Once the data is collected and consolidated, the RPA bots can then be used to analyse it, looking for patterns and trends. This can help to identify areas for improvement or opportunities for improving our services and to predict future trends such as changes in customer behaviours. The bots can also be programmed to automatically create visualisations such as charts and graphs, which can be used to present the data in an easy-to-understand format.

Our Group monitors technological advancements and trends and also uses our in-house developed digital tools for review, evaluation and analysis of performance, which will allow our Group to better propose and incorporate newer and improved technologies in our services. This is ultimately aimed at supporting the modernisation of business processes of our Clients.

An example is how SAIGE is used for performance evaluation is through the use of analytics and reporting. SAIGE can collect and analyse data on customer interactions, staff scheduling, leave management and other key performance indicators. This data can then be used with analytical software to identify areas for improvement, such as low scheduling accuracy, high absenteeism rate or high overtime claims.

7.16.3 We have a diverse client segment base

Since our inception, we have grown our client segment base operating in diverse industries which include but are not limited to energy & utilities, telecommunications & media, fintech & financial services, construction, e-commerce & retail, healthtech, and travel & hospitality. The nature of our services, which is often integral to our Client's operations, enables us to gain industry experience and insights and a better understanding of our Clients' unique, industry-specific challenges.

We leverage on this experience to continue building our capabilities to serve new clientele, and combine it with improvements in operational processes augmented by the adoption of advanced technologies. We will continue to enhance our capabilities to offer a more connected and personalised engagement in all Customer's interactions to enhance personalised CX and promote brand loyalty for our Clients' customers.

7.16.4 We are led by experienced management team

Our management team is led by our founder and Managing Director, Paul Raymond Raj A/L Davadass who has more than 10 years of working experience within the GBS industry. As the Managing Director, Paul Raymond Raj A/L Davadass has been instrumental to the growth and development of our Group. He possesses strong industry knowledge with a deep understanding of Clients' needs as well as vast experience in the field of strategic management, CX and digital transformation management.

Prabakaran A/L Chilatorai, our Executive Director and Head, Customer Experience, has approximately 21 years of experience in managing CX lifecycle business processes. He is responsible for overseeing strategic client partnerships and operational excellence for CX lifecycle business process services that are focused on delivering a positive CX and to connect with our Clients' Customers.

7. BUSINESS OVERVIEW (Cont'd)

The management is supported by a team of experienced key senior management as follows:

- (a) Chiew Sin Kwang, our Head, Digital Transformation, has been with our Group since 2017. He has approximately 29 years of working experience in area of computing and IT and 12 years of working experience in the area of CX lifecycle management. He is responsible for the development and implementation of digital transformation solutions into business processes;
- (b) Charanjit Kaur A/P Mohan Singh, our Head, Service Excellence, has approximately 21 years of working experience in the GBS industry. She is responsible for management of strategic client partnerships and overall operational excellence for the delivery of revenue generation business process services;
- (c) Callie Tan Poh Choo, our Financial Controller, has approximately 16 years of working experience in accounting field, is responsible for overseeing the accounts and financial matters of our Group;
- (d) Zaina Haida Binti Zainal Rahim, our Senior Manager, People & Culture, has approximately 18 years of working experience in human resources management, is responsible for overseeing the human resource and industrial relation matters; and
- (e) Joma Paul Mariano Germentil, our Senior Manager, Business Excellence, has approximately 12 years of workings experience in cybersecurity, IT risk management, IT audit, information security and business excellence consultation. He is responsible for cybersecurity matters, overseeing the overall security landscape including the development of information security frameworks for business applications as well as audit and risk assessment of the operations.

Our management team has substantial experience in their respective fields, contributing valuable new perspectives and insights to our Group's business operations. They have played a vital role in our Group's development, and will continue to contribute to our growth in the future.

7.17 OPERATING CAPACITIES AND OUTPUT

We do not adopt calculation of operating capacity on a group level basis, as our operating capacity varies, based on the headcount of CX executives that we allocate to each of our Clients' projects. As at LPD, all floor space of our Group in UOA Business Park is fully utilised, save for the eighth CX delivery office space located at Level 13A, Tower 9 of UOA Business Park, which is currently under renovation. The eighth CX delivery office is expected to accommodate approximately 200 staff, and is expected to commence operations by August 2023, and be fully occupied by second quarter of 2024.

There are 3 stages namely, forecasting, capacity planning model and scheduling that we adopt to allocate our headcount capacity for each of our Clients' projects.

- (a) Forecasting stage – We review historical customer interaction volumes and trends (such as call / interaction arrival patterns, average handling time and attrition rate) to forecast daily, weekly, and monthly customer interaction volumes.

7. BUSINESS OVERVIEW (Cont'd)

- (b) Capacity planning model stage – We use these forecasted customer interaction volumes to estimate the estimated time taken and number of CX executives required to answer Customer’s interactions. By factoring in the historical performance measures, we determine the required headcount, CX executive-to-customer ratio, and man hours, broken down by the required shifts, to meet the forecasted customer interaction volumes.
- (c) Scheduling stage – After determining the required monthly headcount, we will schedule the required headcount to be fulfilled on a daily and weekly basis. The scheduling process takes account of short breaks, meal breaks, off days and rest days for each CX executive tied to our Client’s project.

7.18 BUSINESS STRATEGIES AND PROSPECTS

Moving forward, we will continue to leverage from our core competencies and strengths in the CX lifecycle management services by embarking on the following strategies to strengthen our position in the market as well as expand our business operations.

7.18.1 We plan to expand our office space

Presently, we occupy the following units in UOA Business Park in Shah Alam:

Tower	Unit	Built-up area (sq ft)
3B	3B-05-01, Level 5	6,717
3A	3A-09-01, Level 9	6,695
7	(i) 7-03A-01, Level 3A	6,045
	(ii) 7-06-01, Level 6	6,045
	(iii) 7-07-01, Level 7	6,045
	(iv) 7-08-01, Level 8 (Headquarters) ⁽¹⁾	4,000
9	(i) 9-02-01, Level 2	2,558
	(ii) 9-13A-01, Level 13A	12,454
Total		50,559

Note:

- ⁽¹⁾ The remaining 2,045 sq ft area of this floor is occupied as a CX delivery office.

The expansion of our office space comprises 3 parts, namely headquarters expansion, setting up 2 new CX delivery offices, and setting up of a multipurpose facility. Details of the offices, including its expansion costs, funding plans as well as for these offices are set out in Section 4.9.1.

Headquarters expansion and renovation

Our existing headquarters located at Level 8, Tower 7, UOA Business Park has a built-up area of approximately 6,045 sq ft, of which approximately 4,000 sq ft being occupied by our management level employees, being all non-CX executive staff of all ranks, comprising the key senior management team, and the departments of finance, human resources, administration, business excellence, corporate office, digital transformation, and information technology, who are responsible for supporting and guiding CX executives.

7. BUSINESS OVERVIEW (Cont'd)

The remaining 2,045 sq ft is occupied as a CX delivery office. We intend to take over the remaining 2,045 sq ft to expand our current headquarters space, and convert the entire Level 8 as our headquarters to accommodate the current and additional management team. The renovation of the expanded headquarters is anticipated to take up to 3 months and to be completed by second quarter of 2024. Meanwhile, 62 of our existing CX executives will be relocated to new CX delivery offices as detailed below. The total cost of headquarters expansion and renovation is estimated at RM1.8 million, which comprises renovation cost, purchase of furniture and equipment, and rental expenses for 2 years. We intended to allocate RM1.2 million of the proceeds from our Public Issue for the headquarters expansion and renovation and the balance of RM0.6 million will be funded through internally generated funds.

Setting up of 2 new CX delivery offices

We currently fully occupy 7 office units as CX delivery offices. Given the space constraints of our existing CX delivery offices, we intend to set up 2 new CX delivery offices in order to cater for our Group's growing client base and number of employees. The new CX delivery offices are set up for new Clients expected to be secured. The total cost of setting up of 2 new CX delivery offices is estimated at RM5.8 million which comprises rental expenses for 2 years, renovation cost and fittings, including purchase of office furniture and hardware equipment.

Specifically, we have leased an eighth unit located at Level 13A, Tower 9 in UOA Business Park for expansion of our CX delivery office. The expansion was funded via internally generated funds and the eighth office is expected to commence operations in August 2023. Additionally, RM2.9 million of proceeds from the Public Issue is allocated towards the renovation, rental, furniture and fittings as well as IT hardware and software for a ninth CX delivery office, to be located at UOA Business Park. These 2 new CX delivery offices are expected to accommodate up to 350 CX executives (200 CX executives for eighth office and 150 CX executives for the ninth office). We expect to identify the required ninth office unit and commence the renovation process by fourth quarter of 2023, which will take up to 3 months to complete.

As at LPD, our Group has occupied 7 of the 8 delivery offices for CX delivery operations, where the remaining unoccupied office is currently under renovation. The 7 offices being occupied are sufficient for our Group's 1,800 CX executives, as some of the employees carry out their services at Clients' premises. As such, we will need to establish an additional CX delivery office to accommodate the remaining CX executives (142 CX executives including 62 CX executives to be relocated to new offices). As at LPD, a ninth CX delivery office has yet to be secured, and we are still identifying offices in UOA Business Park to be rented, and expect to be able to secure an office in time for the hiring of CX executives as there is ample supply of available units for rent in UOA Business Park. The ninth CX delivery office will be entirely funded from our utilisation proceeds.

Setting up of a multipurpose facility

We intend to lease a new office unit with a built-up area of approximately 6,000 sq ft located at UOA Business Park to be used as multipurpose facility for internal training, meeting, rest and recreational purposes.

Our GBS industry demands pragmatic business skills such as CRM and problem solving from our employees. This high level of expectation and time pressure from our Client results in a stressful work environment and the feeling of being overwhelmed and negativity is the reason many CX executives face burnout in the GBS industry. Burnout is a syndrome that consist of feeling exhaustion, negativism and reduced professional efficacy. Employees with burnout are far less productive and they are more likely to take a sick day, be less confident in their work performance and actively seeking a different job.

7. BUSINESS OVERVIEW (Cont'd)

The new internal working space will serve as our Group's investment in employee development and wellbeing. Our Group intends to set up a new space within the multipurpose facility as a training ground to focus on hard skill, technical training as well as soft skill training in the areas of customer care and experience, fostering effective communication. It can be a place for employees to meet our Clients, have meeting or brainstorm events, as a less formal atmosphere can help drive the creative process and enable the exchange of ideas.

We have found through our experience that, by providing a rest and recreational space away from the stress and noise of the office, it can help to reduce stress at work whilst increasing productivity, creativity and happiness in the workplace throughout our Group. We expect to secure the space by fourth quarter of 2023 and commence renovation by second quarter of 2024. The total cost of setting up the multipurpose facility is estimated at RM3.4 million, which comprises the rental expenses for 2 years, building planning, renovation cost, third-party consultancy fees and fittings, including purchase of office furniture. We intend to allocate RM3.0 million of the proceeds from our Public Issue for the setting up of a multipurpose facility and the balance of RM0.4 million will be funded through internally generated funds.

Overall, the office expansion is expected to cost a total of RM8.1 million. A total of RM7.1 million from the IPO proceeds is allocated to partially fund the aforementioned expansion of our office space and the balance of RM1.0 million will be funded through internally generated funds, as set out in the table below.

	Tower	Unit	Expansion plan	Expansion cost RM'000	Allocation from Public Issue proceeds RM'000
(i)	7	7-08-01, Level 8	Headquarters expansion of 2,045 sq ft and renovation at Level 8 totalling approximately 6,045 sq ft	1,774	1,200
(ii)	To be identified at UOA Business Park	To be identified at UOA Business Park	Expansion of ninth CX delivery office totalling approximately 6,000 sq ft	2,900	2,900
(iii)	To be identified at UOA Business Park	To be identified at UOA Business Park	Multipurpose facility for internal training, meeting, rest and recreation totalling approximately 6,000 sq ft	3,424	3,000
Total				8,098	7,100

Please refer to Section 4.9.1 (a) of this Prospectus for further details.

7. BUSINESS OVERVIEW (Cont'd)

7.18.2 We intend to recruit industry experts to capture growth opportunities

Our Group believes that the quality of our employee is a key differentiator in securing and retaining business, as well as in delivering superior CX. Strengthening our workforce is fundamental for our continued business growth and as such we intend to expand our management team by recruiting a Chief People Officer, Director of learning and development and Chief Customer Officer (which detailed as below), together with 12 executive personnel to support our expanding management team.

Personnel	Job description
Chief People Officer	<ul style="list-style-type: none"> Leads the human resource department Develop and implement strategies relating to employee recruitment and retention Optimise the use of people analytics software to manage talent Lead benefits and retirement plan administration Develop and implement employee compensation strategy Develop and enhance diversity, equity, and inclusion programs Ensuring employees have a smooth onboarding process
Director of learning and development	<ul style="list-style-type: none"> Develop and implement a learning strategy that can improve overall CX Forming, implementing, and overseeing learning curriculum Making decisions on learning management systems, a software platform designed to manage, distribute and track employee trainings Develop and/or enhancing a new or existing learning strategy for our Group Fostering a healthy work environment for employees such as creating a collaborative and inspiring work offices
Chief Customer Officer	<ul style="list-style-type: none"> Lead the company into international expansion Focus on revenue generation services and strengthen client relationship and report to our Managing Director Responsible for the entire information management scope of the company

We recognise the technological change within the GBS industry that is shaping demand for CX lifecycle management services. In order to maintain our competitiveness, we intend to expand our digital transformation team by hiring a project manager, a team lead, RPA engineers and web engineers, to develop and enhance our in-house developed digital tools. Our digital transformation team focus on the development of RPA, web development, as well as improving technology standards for our Clients.

We intend to allocate approximately RM3.0 million from the IPO proceeds to fully fund the total recruitment costs of these industry experts. Please refer to Section 4.9.1 (b) of this Prospectus for further information on the costs of our recruitment plans above.

7. BUSINESS OVERVIEW (Cont'd)

7.18.3 We intend to purchase networking infrastructure, IT hardware and software to support our IT business requirements

We intend to set up a network monitoring centre to facilitate the monitoring of our network performance and potential cyber threats. Through the network monitoring centre, we can detect network anomalies and address any cyber-attacks and/or network disruptions and thus ensuring our operational continuity. With the growth in business, the new set of servers will better manage the load of the call process and network performance. The setting up of a network monitoring centre will involve the setting up of networking infrastructure, purchasing of IT software and hardware such as networking, security and recovery software, servers, power supply, communication and storage equipment.

The purchase of the networking infrastructure, IT software and hardware are estimated at approximately RM3.0 million are expected to be fully funded via our IPO proceeds. Please refer to Section 4.9.1 (c) of this Prospectus for further information on the costs for setting up the network monitoring centre and purchase of hardware and software.

7.18.4 We intend to strengthen our branding, marketing and promotional activities to capture more growth opportunities

To enhance awareness and recognition of our Group and our services, we intend to allocate resources to strengthen our branding efforts. We intend to increase our market visibility and brand recognition by participating in more educational exhibitions and forums and placing of thought leadership articles, advertisements on various platforms such as digital publications, websites, in-application advertisements and social media platforms. We also plan to redesign our Group's website layout to improve user experience.

We intend to allocate approximately RM1.5 million from our IPO proceeds for the branding, marketing and promotional activities. Please refer to Section 4.9.1 (d) of this Prospectus for further information.

7.18.5 Prospects of our Group

We believe that our prospects in the GBS services industry are favourable, taking into account our competitive strengths set out in Section 7.16, our business strategies as set out above as well as the industry outlook as set out in the IMR Report as set out below.

The global economic recovery, driven in part by widespread vaccination efforts, has also resulted in Malaysia's economy maintaining its growth momentum. In 2022, the Malaysia economy expanded by 8.7%, following a growth rate of 3.1% in the previous year. Additionally, the local GBS industry saw growth, increasing from RM22.06 billion in 2021 to RM23.41 billion in 2022.

Additionally, the local GBS industry saw growth, increasing from RM22.1 billion in 2021 to RM23.4 billion in 2022.

Factors boosting the growth within the GBS industry is likely to come from businesses pursuing a leaner capital structure and outsourcing more and more business supporting processes and activities to GBS providers. Malaysia's aspiration to attain a digital economy is also expected to lead to more businesses adopting digitisation in their operations, and thus leading to increased demand for GBS services. At the same time, by having customers from a broad range of end-user markets, which each customer potentially having several business units, the local GBS industry stands to benefit from a large pool of potential demand for GBS services.

7. BUSINESS OVERVIEW (Cont'd)

In particular, as more businesses move towards digitisation and adopt GBS, providers of contact centre as a service are expected to be key beneficiaries due to its relatively low cost investment as well as scalability as businesses grow and expand operations. On the flip side, the geopolitical tension between economic superpowers namely China and the United States of America, as well as the war between Russia and Ukraine is expected to negatively impact global economic activities. As an industry also serving the global community, any developments that may hinder economic growth is expected to dampen the growth of the Malaysian GBS industry.

From the supply side, growth of the local GBS industry is expected to be supported by the Government's aspiration to attain a digital economy, of which more demand from GBS is expected to help businesses digitise. At the same time, Malaysia has a mature technology infrastructure and is complemented by a steady pool of qualified and quality workforce that is expected to accelerate the development of the nation into a leading digital hub in the region. Furthermore, Malaysia is among one of the preferred locations for business services support due to the country's ability to provide cost effectiveness to both local and foreign businesses, as well as having only limited natural disasters which translates to fewer business disruptions.

The Malaysian GBS industry is projected to maintain its growth trajectory and is expected grow from RM24.8 billion in 2023 to reach RM31.7 billion in 2027, representing a CAGR of 6.3% during this period.

(Source: IMR Report by Protégé)

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