

### 3. PROSPECTUS SUMMARY

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

#### 3.1 PRINCIPAL DETAILS OF OUR IPO

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

##### 3.1.1 Institutional Offering

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

##### 3.1.2 Retail Offering

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

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

##### 3.1.3 Moratorium on our Shares

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

The Public Issue and Offer for Sale will raise gross proceeds of RM[●] million and RM[●] million, respectively. For detailed information relating to our IPO and moratorium on our Shares, see Sections 4.2 and 2.2 of this Prospectus, respectively.

#### 3.2 HISTORY AND BUSINESS

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

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

### 3. PROSPECTUS SUMMARY (Cont'd)

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

#### 3.3 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

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

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

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

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

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

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

### 3. PROSPECTUS SUMMARY (Cont'd)

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

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

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

With over 30 years in operation, we have developed long-standing relationships with a number of our customers, including our banking, telecommunications and other corporate customers who use our digital solutions. As at the LPD, each of our top five major customers has been our customer for an extended duration of time, ranging from eight to 19 years.

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

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

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

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

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

### 3.4 IMPACT OF THE COVID-19 PANDEMIC

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

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

### 3. PROSPECTUS SUMMARY *(Cont'd)*

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#### 3.5 FUTURE PLANS AND STRATEGIES

Our future plans and strategies are as follows:

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

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

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

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

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

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

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

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

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

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

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

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

### 3. PROSPECTUS SUMMARY

#### 3.6 PROMOTER AND SUBSTANTIAL SHAREHOLDERS

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

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

**Notes:**

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

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

### 3. PROSPECTUS SUMMARY (Cont'd)

#### 3.7 DIRECTORS AND KEY SENIOR MANAGEMENT

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

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

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

#### 3.8 RISK FACTORS

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

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

We derive substantially all of our revenue from our credit reporting business in Malaysia, which is governed by the CRA Act. Pursuant to the CRA Act, we are required to have a CRA Certificate issued by the CRA Registrar to operate our credit reporting business. Our current CRA Certificates held under our subsidiaries, CTOS Data Systems and Basis, both of which will expire in September 2021. Failure to renew our CRA Certificates in a timely manner or at all would negatively impact our business, financial condition and results of operations.

While we are primarily subject to data collection and protection provisions under the CRA Act, for similar aspects of our business that are not regulated by the CRA Act, we remain subject to the PDPA in Malaysia. Our associate, Experian, is also subject to the PDPA in Malaysia for the processing of personal data not related to credit information. In addition, from time to time, our customers require us to adhere to certain data collection and protection requirements, which in turn are driven by their own data collection and protection obligations under the PDPA. The operations of our associate, BOL, are subject to the Thai PDPA. Our or BOL's inability to comply with applicable laws, regulations or customer requirements with regard to personal data protection may result in legal, regulatory or contractual liabilities to us or BOL, which could have a material adverse effect on our or BOL's business, financial condition and results of operations.

### 3. PROSPECTUS SUMMARY (Cont'd)

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

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

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

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

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

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

The integrity and reliability of our information databases are critical to our financial condition, results of operations, brand and reputation. There can be no assurance that we will be able to identify and update stale or inaccurate information in our information databases in a timely manner or at all.

### 3. PROSPECTUS SUMMARY (Cont'd)

Any staleness or inaccuracy of information in our databases, if not rectified by us in a timely manner, may result in enforcement actions from our regulators. Further, there can be no assurance that the quality and accuracy of data or databases that we acquire or have access to, including data that we obtain from our customers and data and databases of companies that we acquire.

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

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

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

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

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

We believe that CTOS Data Systems' pioneer status will be renewed in 2021. If the pioneer status of CTOS Data Systems is revoked or not renewed, CTOS Data Systems' statutory income would be subject to the prevailing statutory tax rate of 24.0%, resulting in an increase of the effective tax rate of our Group for the FYE 31 December 2021 from 5.8% for the FYE 31 December 2020.

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

For further details on our risk factors, see Section 5 of this Prospectus.

### 3. PROSPECTUS SUMMARY (Cont'd)

#### 3.9 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The following table sets out information derived from our consolidated statements of comprehensive income for the financial years indicated.

	<b>FYE 31 December</b>		
	<b>Audited</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	110,465	129,141	140,496
Cost of sales	(17,526)	(21,599)	(19,056)
<b>GP</b>	<b>92,939</b>	<b>107,542</b>	<b>121,440</b>
PBT	31,791	41,246	40,332
Profit/(loss) for the financial year attributable to:			
Owners of the Company	29,656	39,009	39,187
Non-controlling interests	-	-	(1,210)
<b>Profit for the financial year</b>	<b>29,656</b>	<b>39,009</b>	<b>37,977</b>
Total equity	60,034	78,948	115,728
Total borrowings	11,535	27,628	132,320
	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Supplementary financial information</b>			
GP margin <sup>(1)</sup> (%)	84.1	83.3	86.4
PBT margin <sup>(2)</sup> (%)	28.8	31.9	28.7
Effective tax rate <sup>(3)</sup> (%)	6.7	5.4	5.8
PATAMI margin <sup>(4)</sup> (%)	26.8	30.2	27.9
Current ratio <sup>(5)</sup> (times)	1.5	0.5	0.3
Gearing ratio <sup>(6)</sup> (times)	0.2	0.3	1.1

**Notes:**

- (1) Computed based on GP divided by revenue.
- (2) Computed based on PBT divided by revenue.
- (3) Our subsidiary, CTOS Data Systems, the main contributor to our Group's income, is entitled to pioneer status incentives under the PIA 1986 for MSC Malaysia Qualifying Activities. As a result, our effective tax rate has been significantly lower than the statutory tax rate of 24.0% in Malaysia. The tax relief period under CTOS Data Systems' MSC Pioneer Certificate is from 9 November 2016 to 8 November 2021. However, pursuant to the Grandfathering and Transitional Guidelines which became effective on 1 January 2019, such tax relief period will be until 30 June 2021. For more information, see Section 12.2.2 of this Prospectus and Note 2.9 of the Accountants' Report in Section 13 of this Prospectus.
- (4) Computed based on PATAMI divided by revenue.
- (5) Computed based on current assets divided by current liabilities as at the end of the financial year.
- (6) Computed based on total borrowings divided by total equity as at the end of the financial year.

### 3. PROSPECTUS SUMMARY (Cont'd)

#### 3.10 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to RM[●] million<sup>(1)</sup> in the following manner:

<b>Details of use of proceeds</b>	<b>Estimated timeframe for use from the date of our Listing</b>	<b>RM'000</b>	<b>%</b>
Repayment of our bank borrowings	Within three months	[●]	[●]
Defray fees and expenses for our IPO and Listing <sup>(2)</sup>	Within six months	[●]	[●]
Acquisitions to be identified <sup>(3)</sup>	Within 36 months	[●]	[●]
<b>Total</b>		<b>[●]</b>	<b>100.0</b>

**Notes:**

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

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

#### 3.11 DIVIDEND POLICY

The following table sets out the dividends declared and paid by our Company in respect of the financial years indicated:

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

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

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

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