

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.1 HISTORY AND MILESTONES

Our Company was incorporated in Malaysia on 22 November 2023 under the Act as a private limited company under the name of VETECE Holdings Sdn Bhd and was subsequently converted to a public limited company and assumed its present name on 8 December 2023 to facilitate our Listing.

Our Group is an investment holding company. Through our subsidiaries, VTCM and VTCS, we are principally an enterprise IT solutions provider, providing implementation services, maintenance, support and professional services as well as resale of hardware and software.

The history of our Group can be traced back to July 2003 with the incorporation of VTCM to serve as a local Siebel implementation subcontractor in Malaysia to provide Siebel CRM solution implementation services as well as Siebel CRM-related outsourcing services to large corporations and MNCs. In the same year, we secured our first Siebel CRM solution implementation project when we were appointed as a subcontractor for the implementation of a Siebel CRM system for a Malaysian financial services company. Subsequently, Siebel was acquired by Oracle Corporation in January 2006.

The key milestones and achievements of our Group since the commencement of our business are as follows:

<b><u>Year</u></b>	<b><u>Key milestones and achievements</u></b>
2003	<ul style="list-style-type: none"> <li>Appointed as a subcontractor to provide professional services to implement Siebel CRM solution for a company in the financial services industry.</li> </ul>
2005	<ul style="list-style-type: none"> <li>Appointed as a subcontractor for the implementation of Siebel Key Accounts Management system for a global Swiss pharmaceutical company's subsidiary which is located and operates in Taiwan.</li> </ul>
2006	<ul style="list-style-type: none"> <li>Secured offshore project through partnership with a foreign consulting firm to provide Oracle technology implementation service to an Indonesian telecommunications company.</li> <li>Appointed as principal contractor to a tobacco company in Malaysia for Oracle-related outsourcing services.</li> <li>Awarded MSC Malaysia status for Shared Services and Outsourcing from 2006 to 2011. Pursuant to the MSC Malaysia status, we were granted Pioneer Status which entitles us to a 100% exemption on taxable statutory income derived from approved activities. Our Pioneer Status was subsequently renewed from 2011 to 2016. We were subsequently rebranded as a Malaysia Digital Company pursuant to the Guidelines on Transition of MSC Malaysia Status Company to Malaysia Digital Status issued on 29 December 2022 (now renamed as Guidelines on Transition of MSC Malaysia to Malaysia Digital).</li> </ul>
2007	<ul style="list-style-type: none"> <li>Penetrated the financial services industry by being appointed as the principal contractor of a foreign bank's Singapore operations for the implementation of its Oracle technology implementation project.</li> <li>Appointed as the principal contractor for the provision of the development, integration, supply, deployment and maintenance of MyKad readers to our telecommunications client's CRM platform.</li> </ul>
2009	<ul style="list-style-type: none"> <li>Secured our first Oracle CRM maintenance and support services contract.</li> <li>Expanded our solution portfolio by securing our first enterprise application integration solution. We were appointed as a principal contractor for the implementation of a short messaging service (SMS) gateway project for a telecommunications company in Malaysia.</li> </ul>

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<u>Year</u>	<u>Key milestones and achievements</u>
2010	<ul style="list-style-type: none"> <li>Secured an Oracle technology implementation project from a Malaysian financial services company to implement Oracle Siebel CRM. This project included the implementation of an Oracle Business Intelligence (BI) package, which marked our first foray into this Oracle technology.</li> <li>Obtained the Oracle Gold Partner status <sup>(1)</sup>.</li> </ul>
2011	<ul style="list-style-type: none"> <li>Appointed as the principal contractor for the Oracle Siebel upgrade project from a foreign bank in Malaysia.</li> </ul>
2012	<ul style="list-style-type: none"> <li>Upgraded to Oracle Platinum Partner status <sup>(1)</sup>.</li> <li>Selected as one of the Entry Point Project (EPP) 2 Top Selected local outsourcers as recognised under the New Key Economic Area (NKEA) of Business Services.</li> </ul>
2013	<ul style="list-style-type: none"> <li>Secured our first enterprise data management project with a local telecommunications company.</li> </ul>
2014	<ul style="list-style-type: none"> <li>Secured our first maintenance and support contract for enterprise application integration services.</li> </ul>
2015	<ul style="list-style-type: none"> <li>Secured our first Technology Vendor B's data warehouse enhancement project with a foreign bank in Malaysia. This marks the first non-Oracle enterprise data engineering solution offered by our Group.</li> </ul>
2016	<ul style="list-style-type: none"> <li>Signed-up as Technology Vendor A's Delivery Services Vendor to deliver Technology Vendor A's solution services.</li> <li>Appointed as a Technology Vendor A's subcontractor to provide our first software testing services for a local telecommunications company.</li> </ul>
2017	<ul style="list-style-type: none"> <li>Appointed as Technology Vendor A's subcontractor to provide our first Technology Vendor A technology implementation and support services for a local communication company.</li> </ul>
2019	<ul style="list-style-type: none"> <li>Established business partnership with Salesforce to become a Salesforce partner.</li> <li>Secured the first software testing services project as a principal contractor with the local utility company.</li> </ul>
2020	<ul style="list-style-type: none"> <li>Became a WSO2 Integration Partner to deliver WSO2-related integration and SSO products and services.</li> <li>Secured our first WSO2 integration project with a telecommunications company. This marks the first non-Oracle enterprise application integration solution offered by our Group.</li> <li>Secured a Pegasystems CRM maintenance and support services with a foreign bank in Malaysia. This marks the first non-Oracle CRM solution offered by our Group.</li> </ul>
2021	<ul style="list-style-type: none"> <li>Became Technology Vendor B's services vendor to deliver Technology Vendor B and non-Technology Vendor B related technology solution services.</li> </ul>
2022	<ul style="list-style-type: none"> <li>Appointed as Technology Vendor B's subcontractor to provide our first Technology Vendor B technology implementation services for a local telecommunications company.</li> </ul>

## 7. BUSINESS OVERVIEW (CONT'D)

### Year      Key milestones and achievements

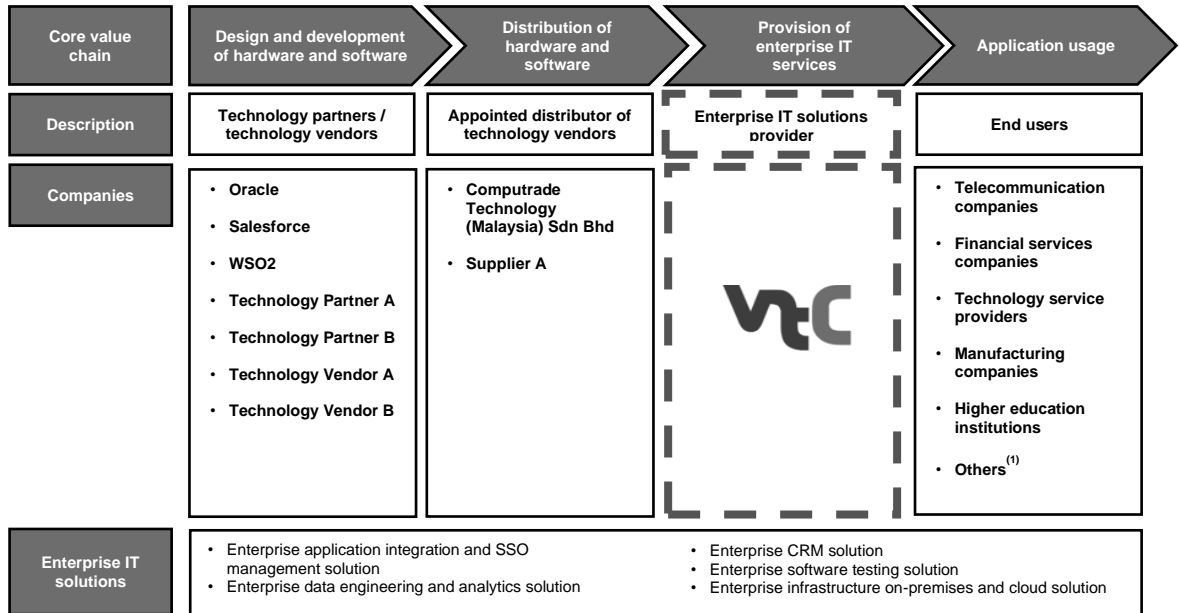
- 2023
- Awarded as the Best System Integrator 2022 by Telekom Malaysia Berhad.
  - Awarded as the Top Partner of Year for Asia Pacific Region 2022 by WSO2.
  - Recognised as the Preferred Supplier 2022 by Universiti Teknologi Petronas.
  - Established business partnership with Technology Partner A.

**Note:**


- (1) *The partnerships of gold level and platinum level are part of the Oracle's partnership programmes that provide partners with various range of benefits and rights to provide enterprise IT solutions using Oracle's software. In December 2019, Oracle revised their partnership structure and since then, the gold level and platinum level partnership has ceased, and launched the Oracle PartnerNetwork ("OPN") member partnership programme. Under Oracle' current partnership structure, which was effective since December 2019, the OPN members that our Group have registered allows our Group to purchase and resell Oracle's software licences to our clients, as well as allow our Group to provide implementation of enterprise IT solutions using Oracle's software directly to our clients.*

## 7.2 DESCRIPTION OF OUR BUSINESS

Our Group is principally an enterprise IT solutions provider, providing implementation services, as well as maintenance, support and professional services, as well as the resale of hardware and software. The value chain of the enterprise IT services industry is depicted as below:



**Notes:**

 VETECE Group's involvement as an enterprise IT solution provider in value chain of enterprise IT services industry.

- (1) *Others include companies involved in the automotive industry, distribution and public sectors.*

We work closely with our clients and together with our technology partners and vendors (including appointed distributor of technology partners), to deliver enterprise IT solutions which best suit the clients' operational requirements. We assist our clients in the implementation process involving design, installation, customisation and configuration, data integration, testing and deployment of the enterprise IT solutions to ensure that it seamlessly integrates with clients' systems. Post-implementation process, we will continue to provide

**7. BUSINESS OVERVIEW (CONT'D)**

ongoing support through maintenance, support and professional services which include maintenance and upgrades of the systems, as well as providing training to clients' employees. Our primary technology partners are Oracle and WSO2 whereby we provide their solutions to our clients. We participate in Oracle and WSO2 offered partner programs for various Oracle and WSO2 products and obtain the certification to specialise in the provision of various Oracle and WSO2 products. Some of our other technology partners and vendors include, amongst others, Salesforce, Technology Partner A, Technology Partner B, Technology Vendor A and Technology Vendor B.

In addition, we are involved in the resale of hardware and software products as part of the implementation of enterprise IT solutions, where we purchase the hardware and/or software from our technology partners and resell them to our clients.

The key distinctions between our technology partners and technology vendors are as follows:

<u>Description</u>	<u>Technology partners</u>	<u>Technology vendors</u>
Relationship type	: We act as a partner to our technology partners whereby we are certified to market, resell as well as provide implementation, maintenance, support and professional services using the said partners' products and platforms.	We act as a subcontractor to our technology vendors whereby we are engaged by the said vendor to provide services to end-clients.
Formal agreement	: Involves a formal partnership program.	May involve standard procurement or supply agreements.
Collaboration	: Joint initiatives including joint marketing and co-selling of products and services and integration.	Supply of services independently.
Certification	: Require to meet specific technical standards.	Not applicable.
Technology companies that we worked with	: Oracle, WSO2, Sales Force, Technology Partner A and Technology Partner C.	Technology Vendor A and Technology Vendor B.

Through our technology partners and vendors that specialise in their respective enterprise application integration, data engineering and analytics, CRM as well as infrastructure solutions, we are able to provide these enterprise IT solutions to help our clients to increase the quality of their products or services, which enable them to achieve the following:

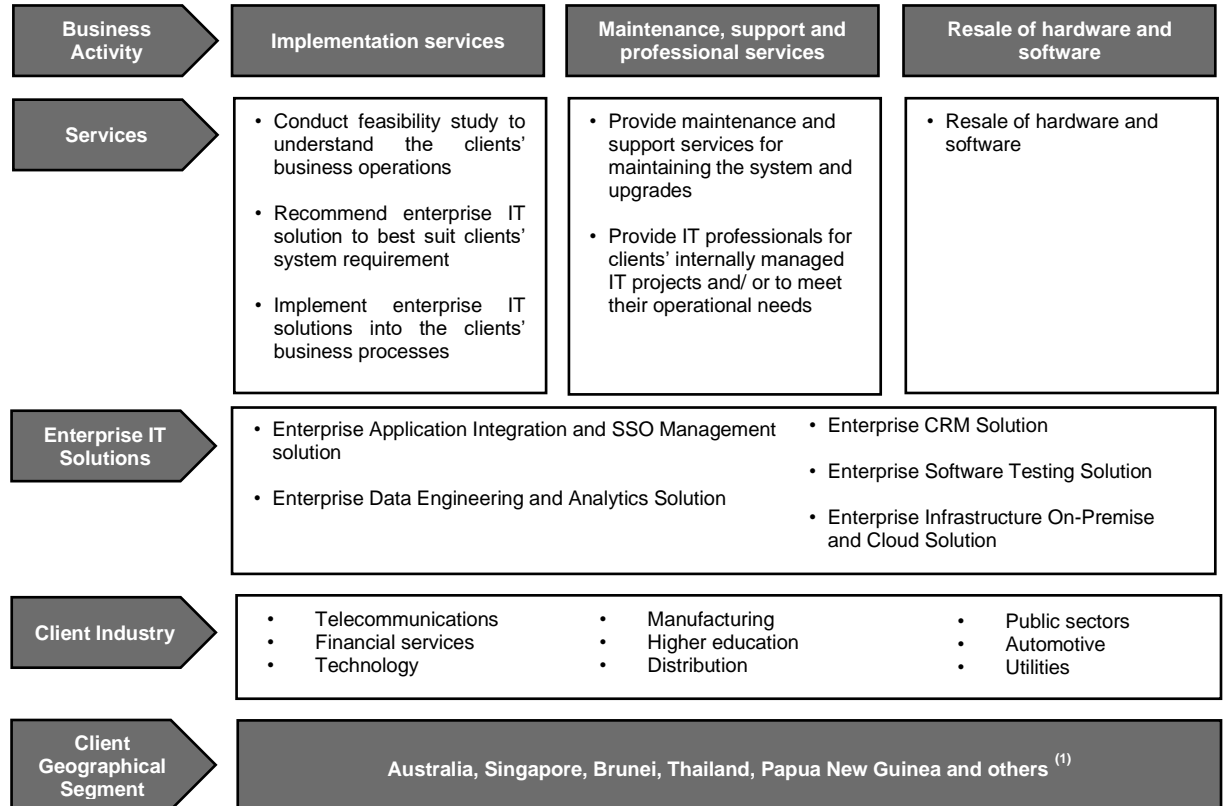
- (i) enhance their business performance (i.e. revenue) by improving the effectiveness of their business process via our services;
- (ii) reduce their total cost of ownership (i.e. implementation and maintenance cost) in the respective systems via our cost-effective services;
- (iii) streamlining and reducing redundancies by improving their business process and removing redundant or duplicate activities;
- (iv) reduce human capital expenditure in maintaining their system by outsourcing the maintenance activities to our Group; and

## 7. BUSINESS OVERVIEW (CONT'D)

- (v) facilitate a quicker introduction of our clients' new products or services to the market.

### 7.3 BUSINESS MODEL

Our business model is illustrated as follows:



**Note:**

- (1) Others include Vietnam, Fiji, Hong Kong, India, New Zealand, Japan and South Korea.

#### 7.3.1 Implementation services

We provide implementation of enterprise IT solutions using our technology partners' software. We have a portfolio of enterprise IT solutions as outlined in Section 7.3 to support our clients' business operations. Our enterprise IT solutions enable adoption of new business models, automate repetitive processes, reduce reliance on manual intervention. Additionally, it also enables major IT system upgrade which requires re-implementation, as well as continuous improvement and enhancement of our client's IT infrastructure.

We will assign a dedicated IT project manager to each client to oversee and supervise the overall management of the project. We will advise our clients on the selection of the most suitable enterprise IT solution through a feasibility study. Our business system analyst will conduct the feasibility study to understand the client's business operations, the technology issues and challenges faced by our clients in their daily business operations, as well as assessing the business digital needs of the client. We perform gap analysis focusing on our client's existing infrastructure and business processes against their business digital needs to identify their system requirements, and to provide our clients with an analysis on the potential benefits and improvements of implementing the recommended enterprise IT solutions.

## 7. BUSINESS OVERVIEW (CONT'D)

Accordingly, we will have our solution architect with domain expertise in the selected industry, to recommend suitable enterprise IT solutions for our client's system requirements.

Subsequently, we will assist the client in the implementation of the enterprise IT solutions into their business operations. The implementation process includes software design, installation, customisation and configuration, testing and data migration to ensure the operability of enterprise IT solutions and deployment. For implementation of our client's system, our scope of work is limited to the implementation of the enterprise IT solutions and does not encompass design of our clients' security infrastructure. Instead, we adhere to our clients' security protocols during the implementation of our enterprise IT solutions into their system. Subsequent to the implementation of the new solution, our Group provides training to our clients in respect of operating the new system before it is rolled out.

Our enterprise IT solutions are most suitable for large organisations for automation of business processes and management of large volumes of data generated by a large employee and end-customer base. Hence, our clients comprise large organisations which include large enterprises, government linked companies and MNCs, that are spread across different industries, including telecommunications, financial services, technology, manufacturing, higher education, distribution, public sector, automotive and utilities.

The tenure for our implementation contracts ranges between 3 months and 2 years, depending on the scope of work that we are engaged to perform. The fee for our implementation contract is generally a fixed fee, taking into account the costs for implementing the types of software and modules including the costs of procuring relevant hardware and/or software and the professional fees involved. Our fee is payable either in one lump sum for the sales of hardware and/or software after delivery, or by stages of completion of progress milestone set out in the contract.

For certain service contracts entered into with our clients, we are required to provide a performance guarantee in the form of a bank guarantee or contract deposit as a security sum to ensure our due performance during the contract period.

### 7.3.2 Maintenance, support and professional services

#### Maintenance and support services

Following the completion of implementation of enterprise IT solutions, our clients may engage us to provide maintenance and support services, either under the same implementation services engagement or a separate engagement specifically for maintenance and support services. We also provide maintenance and support services to companies who do not engage us for implementation of enterprise IT solutions.

The maintenance and support services are provided to our clients to ensure that their systems remain operational and responsive to changing user requirements. This includes continual minor system enhancements, such as performance tuning, functional configuration and necessary changes to meet our clients' requirements. This is to ensure that the clients' core operational system is functioning without any faults and issues that may disrupt its intended functionality and aims to make these systems adaptable to their changing strategic and tactical business needs.

The maintenance and support services provided by us involve patch upgrades for bug fixes and security updates, hardware support and maintenance, backup and recovery, as well as troubleshooting and rectification of faults and issues. We also provide training to our clients' employees following any minor enhancement or

## 7. BUSINESS OVERVIEW (CONT'D)

patch upgrades, so that the trained clients' employees are equipped to oversee their daily operational maintenance effectively.

The tenure of such maintenance and support contracts range between 6 months and 5 years, whereby the contracts stipulate details such as scope of work, types of support, number of IT professionals needed, support timeframe and fees schedule calculated by man-day rates.

### Professional services

We are also involved in the provision of professional services, where we supply IT professionals to our clients for their internally-managed IT projects and/ or to meet their IT operational needs, on fixed contractual periods. Our clients may require IT professionals with the relevant expertise for their internally-managed IT projects such as enterprise application integration and SSO management solutions and enterprise data engineering and analytic solution, enterprise CRM solution, enterprise software testing and enterprise infrastructure on-premises and cloud solution, on a short-term project basis.

In some instances, our technology partners and vendors as well as our clients (i.e. technology service providers) secure contracts from their clients but may lack the necessary IT professionals to fulfil these contracts. They will approach us for assistance in providing our professional services to complete the job.

In other instances, our clients may already have an in-house support and maintenance team to oversee the day-to-day maintenance of their system. However, when new applications and modules are added, they may require our services in maintenance and support for a period before their team can fully handle the new additions. In these cases, we will assign our IT professionals to our clients' sites and/or remotely for the modification, enhancement, optimisation and documentation of our clients' system as well as to train our clients' technical team.

The tenure of such professional services contracts range between 3 months and 1 year, whereby the contracts stipulate details such as scope of work, the number and type of IT professionals needed, period of engagement and price schedule of the IT professionals calculated by man-day rates.

Our professional services enable our clients to increase their human capital efficiency by engaging us on a contractual basis for specific projects or contracts. Hence, they will not need to increase their workforce upon the project or contract completion, providing a flexible and cost-effective solution.

For avoidance of doubt, some of our clients may engage us on a single contract that includes both maintenance and support services as well as professional services, that were needed for ongoing system needs and specific project requirement. For certain service contracts entered with our clients, we are required to provide performance guarantee in the form of bank guarantee or contract deposit as a security sum to ensure our due performance.

### **7.3.3 Resale of hardware and software**

We are involved in the resale of hardware and software as part of our implementation, maintenance and support services. We purchase the hardware such as servers and storage products as well as software licences from our technology partners and appointed distributors of technology vendors such as, amongst others, Oracle, WSO2, Computrade Technology (Malaysia) Sdn Bhd and Supplier A, and resell them to our clients, as and when required based on projects awarded.

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**7. BUSINESS OVERVIEW (CONT'D)**

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Following the sale of hardware and software licences to our clients, we carry out the implementation of the enterprise IT solutions for the clients' need. We also purchase and resell software licences to our existing clients as part of maintenance and support services for the purposes of licence renewal on an annual basis.

This approach enables our clients to benefit from a one-stop experience where they can acquire the required hardware and software from us and have the technical services expertise to design, configure, customise and deploy the specific solution that was integrated with our clients' systems to meet their specific requirements. Upon obtaining the order from our clients, we will place an order for the necessary hardware and software to be delivered directly to our clients.

**7.3.4 Our enterprise IT solutions**

Our enterprise IT solutions can be categorised into 5 different solutions which are as follows:

**(i) Enterprise Application Integration and SSO Management Solution**

Enterprise application integration solution enables seamless coordination and transmission of data across different application systems within internal and/or external organisation to streamline data flow and communication. Enterprise application integration solutions often use middleware, where the APIs within the middleware define the rules and protocols for the different applications, databases and services to access, request and share data as well as support process automation, resulting in improved business agility and interoperability.

SSO management solution is a security and authentication solution that enables users to access multiple applications, services or websites with a single set of login credentials. SSO simplifies the management of access credentials for users and administrator, particularly for large organisations with numerous applications where it improves security and system management efficiency.

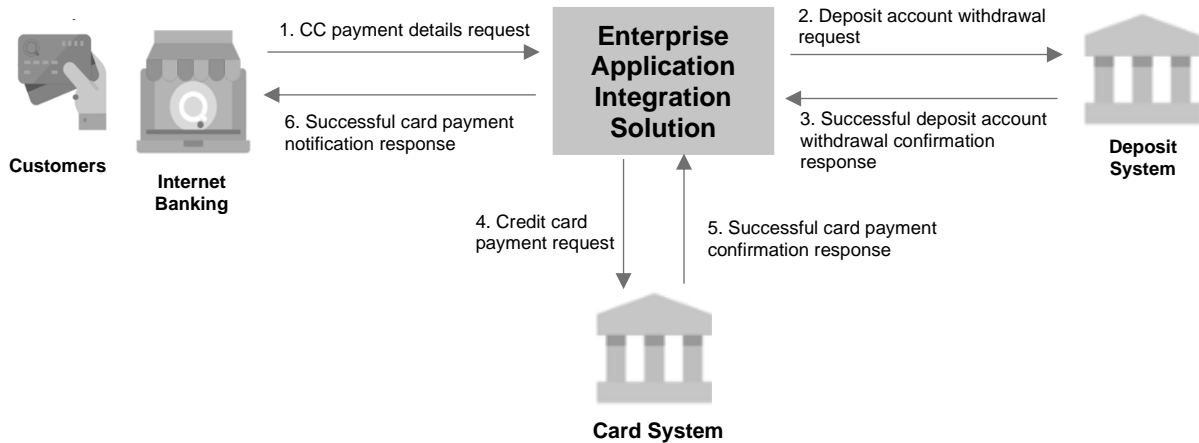
Enterprise application integration and SSO management solutions are able to streamline the integration of diverse systems within an organisation such as the following:

- integration of CRM, enterprise resource planning (ERP) and human capital management (HCM) solutions for collaboration and efficiency;
- integration of solutions tailored to the specific needs of the industry in which the company operates in;
- integration of internally developed or custom-built solutions within the company; and
- integration of LDAP for seamless access to more applications and/or portals with a single user login credentials.



## 7. BUSINESS OVERVIEW (CONT'D)

The diagram below depicts an example of a credit card payment transaction through online banking that is facilitated by our enterprise application integration solutions:



Steps	Description
1	The process begins when a customer enters the credit card payment details from their deposit account via their internet banking account.
2	The enterprise application integration solution then orchestrates the flow of information to external systems such as the deposit system and card system of the bank. This step involves the enterprise application integration solution which automatically creates and submits the deposit withdrawal to the deposit system.
3	Once the withdrawal request is processed successfully by the deposit system, the system will send a notification to the enterprise application integration solution.
4	The enterprise application solution will then automatically create and submit the credit card payment details to the card system.
5	Once the payment request is received by the card system, it will then send the successful “payment received” response to the enterprise application integration solution.
6	The enterprise application integration solution will then respond to the internet banking portal to notify the customer that the payment has been successfully performed.

### (ii) Enterprise Data Engineering and Analytics Solutions

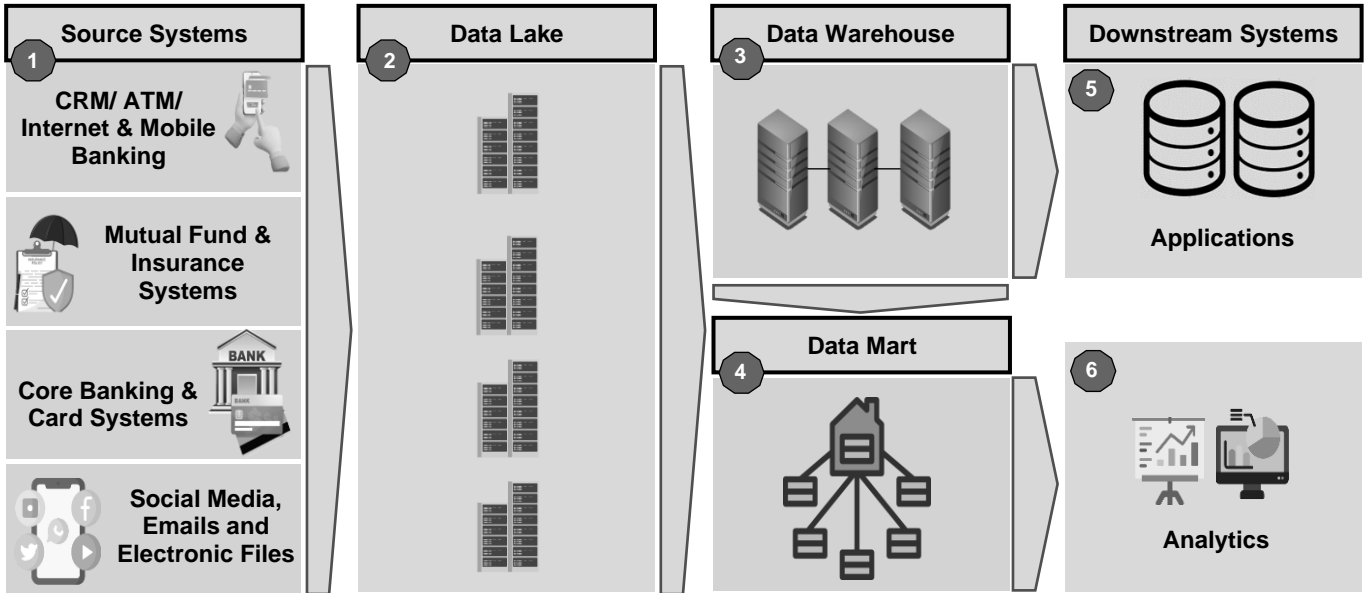
Enterprise data engineering and analytics solutions are used for collecting, processing, transforming and managing data efficiently from various data sources (e.g. operational databases, data warehouse, data lakes, cloud storage) to provide quality, reliable, and accessible data to be used in the analytics solution and informed decision-making.

The design and implementation of the enterprise data engineering and analytics solutions are based on the clients’ business objectives and reporting, as well as data analysis. Some of the benefits of enterprise data engineering and analytics solutions are, amongst others, up-to-the-minute data, compliant data, streamlined operations, improved client experience, improved competitive value, as well as improved data quality and reduced expenses.

**7. BUSINESS OVERVIEW (CONT'D)**

Some of the types of solutions under our enterprise data engineering and analytics solutions are, amongst others, data integration tools, operational data store and data warehousing solutions, big data platform, database performance tuning, migration and security services, business intelligence tools and real-time analytics solutions.

The diagram below depicts an example of a financial institution's process flow covering the key aspect of our enterprise data engineering and analytics solution encompassing data integration, transformation, storage and analysis:



Steps	Description
1	Data is collected from various data source systems such as CRM, ATM, Internet and mobile banking, mutual fund and insurance systems, core banking and card systems, social media, emails and electronic files and these data are deposited into the data lake.
2	A data lake is a repository that stores and secures large amounts of unprocessed data.
3	The collected data undergoes processing and transformation before being loaded into data warehouse for data consolidation across the source systems. Some of the data processing and transformation activities which are conducted include, amongst others, data cleansing, data format revision, data consolidation, data aggregation and splitting and data masking.
4	A data mart is a subset of the data warehouse which focuses on a specific business domain such as sales and marketing, which allows for faster access to domain-specific data, facilitating more targeted and efficient analysis.
5	The consolidated data from the data warehouse is shared with any application such as CRM which requires the data.
6	The consolidated data from the data marts are used for business intelligence and analytics tool for in-depth analysis, dashboard creation and reporting purposes.

## 7. BUSINESS OVERVIEW (CONT'D)

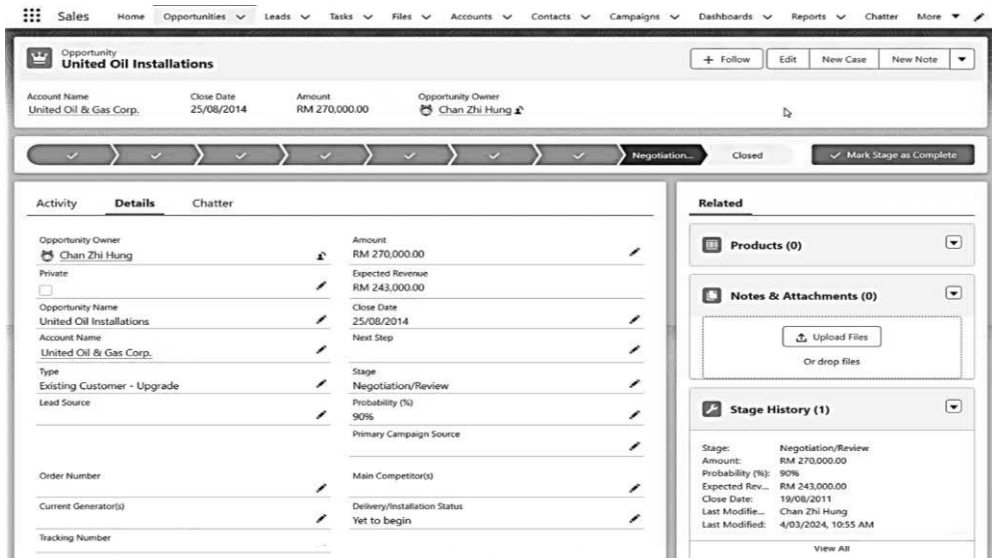
The diagram below is a sample screenshot of an enterprise analytics solution for users to have dashboards and reports to monitor their business performance.



### (iii) Enterprise CRM Solutions

Enterprise CRM solutions are used to manage and analyse client interactions through the entire client lifecycle, from acquisition, engagement, retention to feedback. We use these enterprise CRM solutions to customise, enhance, support and maintain our clients' CRM environment. They are designed to help our clients to identify and target their end-clients, manage marketing campaigns and generate sales leads; assist in improving communication channels such as voice call, text messaging and in-app messaging; sales management by optimising information shared by multiple employees; nurture end-client relationships, and enhance end-customer satisfaction, loyalty, and retention; providing our clients with data-driven insights and streamlined sales and marketing as well as service processes.

The diagrams below are sample screenshots of user interface of an enterprise CRM applications indicating a customer's service account, billing information and service ticket issued etc.:

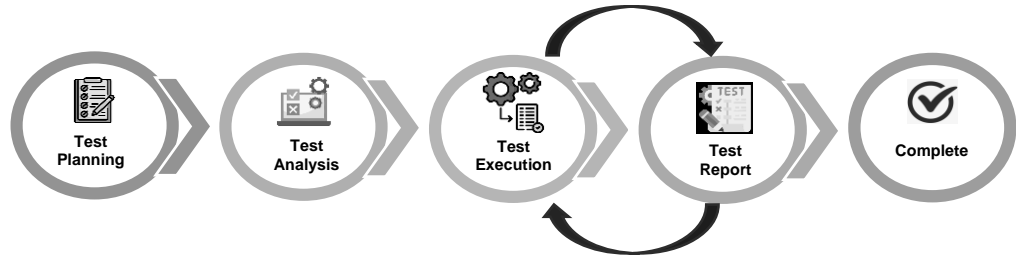


## 7. BUSINESS OVERVIEW (CONT'D)

### (iv) Enterprise Software Testing Solution

Enterprise software testing solutions are tools and practices undertaken to assure the quality, reliability and performance of software applications or systems, which will result in better business optimisation, less maintenance cost, increases reliability and enhances user experience.

The typical testing approach for our enterprise software testing solution is as follows:



- (i) Test planning involves determining the scope of testing, testing timeline, testing resources, as well as pass/fail conditions;
- (ii) Test analysis involves detailed review of requirements specifications to identify test conditions and create detailed test cases. This is to ensure that testing aligns with the software's intended functionality and user requirement. For example, for checkout process, we may design test cases to validate that users can add items to their cart, proceed to checkout, enter shipping information and complete the purchase;
- (iii) Test execution is the phase where the actual testing takes place. Testers execute the test cases, either manually or through automated testing tools, to validate the functionality of the software. During this phase, the system's behaviour is observed and recorded, and any deviations from testing are identified and reported to the technical team for resolution;
- (iv) Test reporting phase involves the documentation and communication of test results to our clients. Reports that include details about number of test cases executed, pass/fail status, and any defects identified are generated; and
- (v) Test complete phase marks the conclusion of the testing cycle. It includes activities such as summarising test results, conducting a meeting to discuss analysis of the testing results, and preparing for the sign-off of the software to the client.

Some of the types of testing under our enterprise software testing solutions are, amongst others, functional testing solutions, API testing solutions, mobile testing solutions, integration testing solutions, data migration testing solutions, performance testing solutions and stress testing solutions.

### (v) Enterprise Infrastructure On-Premises and Cloud Solution

Enterprise infrastructure on-premises involves managing physical servers and storage, and other hardware within our clients' physical data centre. We provide end-to-end services which include operating system and database installation, configuration, database performance tuning, database security implementation and data migration from on-premises environment to cloud environment or cloud-to-cloud environment.

## 7. BUSINESS OVERVIEW (CONT'D)

Enterprise infrastructure cloud solutions involves providing cloud platform that are hosted by our technology partners such as Oracle and Technology Partner A as an on-demand solution. This allows our clients to easily scale their computing resources up and down to meet changing demands, as well as pay based on the computing resources consumption which eliminate the need for significant upfront investments.

We provide a hybrid approach that involves combining on-premise infrastructure (physical services and data centres) with cloud-based services. The hybrid approach allows our clients to scale up their infrastructure by leveraging on cloud resources when needed, take advantage of pay-per-use model, as well as having robust disaster recovery and backup.

The type of solutions that we offer under enterprise infrastructure on-premises and cloud solutions are as follows:

<b>Solution</b>	<b>Description</b>
Engineered systems and IT infrastructure	<ul style="list-style-type: none"> <li>Engineered systems are integrated solutions combining hardware and software, specifically optimised for high performance and efficiency, primarily for Oracle database and applications;</li> <li>IT infrastructure include servers and storage, where servers process and manage data while storage securely retains data for future access and analysis.</li> </ul>
Operating systems	An operating system serves as a fundamental software infrastructure, to manage the hardware resources of a computing system and provide common services for proper functioning of programmes and applications.
Database management systems	A software that stores, retrieves and manages data in the database.
Cloud infrastructure	Cloud platforms that are hosted by our technology partners.
Cloud management and migration	Comprehensive cloud management services involve ongoing monitoring, optimisation, security management, cost control and performance tuning of cloud resources, and cloud migration for our client's needs.

**7. BUSINESS OVERVIEW (CONT'D)****7.4 BUSINESS SEGMENT AND PRINCIPAL MARKETS**

The breakdown of our revenue by business segment for the Financial Years Under Review are as follows:

	<b>Audited</b>					
	<b>FYE 2021</b>		<b>FYE 2022</b>		<b>FYE 2023</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
Implementation services	5,390	26.89	6,514	31.25	10,328	44.65
Maintenance, support and professional services	11,583	57.78	8,640	41.46	9,862	42.63
Resale of hardware and software	3,072	15.33	5,688	27.29	2,943	12.72
<b>Total</b>	<b>20,045</b>	<b>100.00</b>	<b>20,842</b>	<b>100.00</b>	<b>23,133</b>	<b>100.00</b>

The breakdown of our revenue by clients' geographical location for the Financial Years Under Review are as follows:

	<b>Audited</b>					
	<b>FYE 2021</b>		<b>FYE 2022</b>		<b>FYE 2023</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
Malaysia	15,408	76.87	18,480	88.67	22,300	96.40
Australia	2,259	11.27	1,338	6.42	304	1.31
Singapore	163	0.81	187	0.90	204	0.88
Brunei	638	3.18	173	0.83	-	-
Thailand	583	2.91	28	0.13	-	-
Papua New Guinea	471	2.35	541	2.59	-	-
Others <sup>(1)</sup>	523	2.61	95	0.46	325	1.41
<b>Total</b>	<b>20,045</b>	<b>100.00</b>	<b>20,842</b>	<b>100.00</b>	<b>23,133</b>	<b>100.00</b>

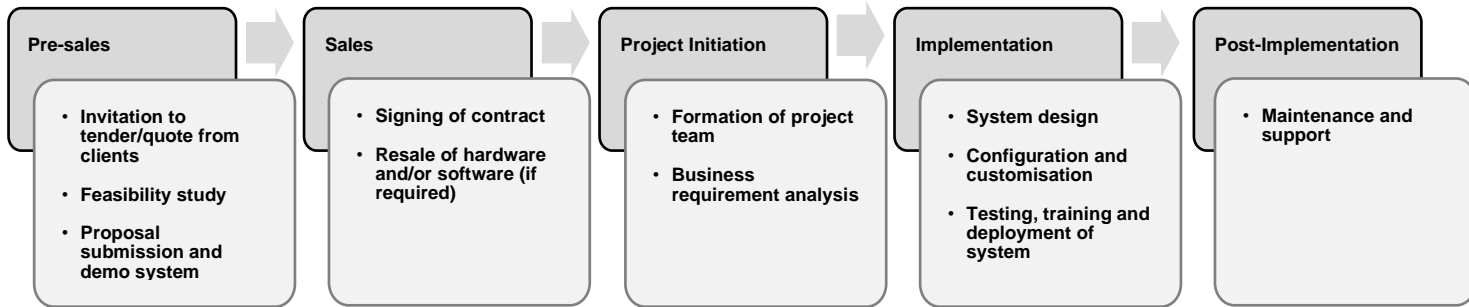
**Note:**

(1) Others include Vietnam, Fiji, Hong Kong, India, New Zealand, Japan and South Korea.

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.5 BUSINESS PROCESS

The typical process flow of our enterprise IT solutions business is depicted below:



#### Pre-sales

##### (i) Invitation to tender / quote from clients

We participate in tenders (including open tender and closed tender) or quotations after receiving invitations to tender or to quote directly from our clients.

At this stage, we receive brief description on the project requirements and specifications such as the enterprise IT solution required, operating system and the existing software (where applicable), contract period, which allow us to evaluate the feasibility of the project.

##### (ii) Feasibility study

For implementation services, we will conduct the feasibility study at the client's office premise and/or remotely to understand their business operations, the technology issues and challenges faced by our clients in their daily business operations, as well as assessing the business digital needs of the client. The feasibility study includes conceptualisation of an idea and gap analysis to ascertain the specific enterprise IT solution requirements and an analysis on the potential benefits and improvements of implementing the recommended enterprise IT solutions. Accordingly, our solution architect with domain expertise in the selected industry, will recommend the suitable enterprise IT solutions for our client's system requirements.

Following the feasibility study and after gaining a better understanding of the client's requirements, our business system analyst will proceed with the requirements planning whereby we will identify and ascertain the specific requirements of the enterprise IT solution. Our solution architect will then assess specific requirements of the enterprise IT solution to determine the suitable enterprise IT solutions from our technology partners that are closely aligned with our client's intended use.

For maintenance and support services, our Group will understand the client's systems which involves understanding the architecture, components, modules and any customisations or integration that have been implemented, scope of support required for their systems such as support team availability, response times and communication protocols. As for professional services, our Group generally obtains a brief description of the client's internal managed IT project and specification of the professional services required.

## **7. BUSINESS OVERVIEW (CONT'D)**

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### **(iii) Proposal submission and demo system**

If the project is feasible, we will prepare a proposal comprising, amongst others, the type of enterprise IT solutions provided by our Group, hardware and software requirement, manpower estimation, cost breakdown in terms of estimated IT professionals required and payment schedule. If required, we will also prepare a demo system according to the brief description of the project requirements provided, for presentation to our client.

A letter of award or purchase order will be issued if our proposal is accepted.

### **Sales**

#### **(i) Issuance of letter of award/purchase order and/ or signing of contract**

This stage involves the issuance of a letter of award or a signing of contract which contains details such as the scope of our works, the payment schedule and other terms and conditions. If the projects are relatively straightforward, our client will issue us a purchase order for confirmation of our proposal.

For certain service contracts entered with our clients, we are required to provide a performance guarantee in the form of a bank guarantee or contract deposit as a security sum to ensure our due performance during the contract period.

#### **(ii) Resale of hardware and/ or software (if required)**

When we secure implementation or maintenance and support projects which includes the provision of hardware and/ or software licences, we will source the hardware and/ or software licences from our technology partners or appointed distributor of technology partners to be resold to our client.

### **Project Initiation**

#### **(i) Formation of Project Team**

We will assemble an internal project team comprising IT project manager, business system analysts, solution architect, software developers, software testers, server administrator and/or database administrator for project planning and implementation. The size of a project team varies depending on the complexity, skill required and scale of the project.

The project team will be responsible for the project from design to delivery, based on the scope of the project. Depending on the requirement of our projects, we may outsource some specialised implementation works which we may not have the expertise to carry out, to other third-party enterprise IT solution providers.

#### **(ii) Business requirement analysis**

We will conduct business requirements discovery workshops with the client's key stakeholders to understand their detailed business requirements, the existing 'As-Is' processes and current difficulties and challenges faced. These workshops will bring about a comprehensive understanding of the client's operational landscape.

Following the workshops, we will prepare a detailed business requirements specifications known as the "To-be" processes for the client's system, which is the future state of the client's processes after incorporating the identified improvements and solutions. To ensure accuracy and alignment with the client's expectation, we will conduct future-state workshops to confirm and finalise the business requirements specifications.



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**7. BUSINESS OVERVIEW (CONT'D)**

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**Implementation****(i) System design**

After obtaining the confirmation of the business requirements specifications, we will proceed to the design stage involving the following:

- Functional design specification blueprint involving visual presentation and layout of user interface design, screen navigation flows to describe how users move through different screen within the applications, detailed field description that provides information such as data type, validation rules and any specific requirements for each field.
- Interface agreement blueprint involving defining the specifications for information exchange between the enterprise IT solutions and external systems, to ensure inter-operability across various interfaces. The interface agreement includes a detailed interface specification outlining information to be sent and received between the enterprise IT solutions and external systems within the client's organisation and/ or third-party system provider. The agreement also incorporate the data flow relationship diagram illustrating the flow of data from one system to another system;
- System design architecture blueprint covering application architecture, integration architecture, data architecture, server architecture and security architecture; and
- Data migration design (applicable when client is implementing new system) blueprint involving specifying details for the migration of historical data to the new system, addressing aspects such as the identification of historical data to be migrated, migration methods, archival duration for the historical data, as well as identifying inconsistencies or discrepancies in the data.

Thereafter, we will present our proposed design of the system to the client for discussion and confirmation to finalise all the design details of the enterprise IT solutions.

**(ii) Configuration and customisation**

Once the design details of the enterprise IT solutions are approved by our client, we will proceed to customise the solution according to the requirement of the project, which includes configuration and customisation of the modules needed into one platform, linking the modules, building the user interface and integrating the solution with other business operations software used by the customer, where applicable, on a development environment.

The configuration and customisation of the enterprise IT solutions do not encompass the design of our client's security infrastructure. Instead, we adhere to our clients' security protocols during the implementation of our enterprise IT solutions into their system.

**(iii) Testings, training and deployment of system**

Upon completion of the configuration and customisation, we will perform checks on the system to ensure it meets the specifications stipulated in the contract. Various testings such as functional testing, integration testing, regression testing, system performance testing and stress testing are carried out to evaluate the functional and performance aspect of the system.

## 7. BUSINESS OVERVIEW (CONT'D)

Thereafter, we conduct user acceptance testing with the presence of the representative of the client. All the function within the enterprise IT solution will be tested to determine whether it can handle the required tasks in their real-world business scenarios according to its specifications. The user acceptance test may need to be performed multiple times to ensure that the enterprise IT solution provided by us performs correctly as per the requirements before the solution is deployed. Once the user acceptance test is completed, it will be signed off by us and a representative from our client.

We will conduct user training sessions for our client's employees in terms of practical applications in using the system in real-world scenarios. We further provide system operation and maintenance training to the client's internal IT support, focusing on system start-up and shutdown procedures and routine maintenance tasks, monitoring and troubleshooting, patch management as well as backup and recovery. The client's new software system is then rolled-out and goes live.

### **Post-implementation**

#### **(i) Maintenance and support**

Following the deployment of the enterprise IT solutions, we may provide maintenance and support services ranging between 6 months and 5 years, under the same implementation contract or separate engagement to ensure smooth transition.

Under our maintenance and support contract, we may also provide periodic system operation support training as a refresher course to our client. The refresher course serves to maintain continuity in operational expertise and proficiency among our client's employees.

## 7.6 COMPETITIVE STRENGTH

### 7.6.1 Established track record in the enterprise IT services industry

We have a track record of over 20 years in the enterprise IT services industry. Since commencing operations in July 2003, we have been providing IT solutions to our clients, initially with Siebel CRM technology which was subsequently acquired by Oracle. We further expanded our IT solution offerings by partnering with technology partners and vendors such as, amongst others, WSO2, Salesforce, Technology Partner A, Technology Partner B, Technology Vendor A, Technology Vendor B. As at the LPD, we have a total of 7 technology partners and/or vendors.

We have provided our IT solutions to large organisations, including large enterprises, government-linked companies and MNCs that are across diverse industries such as telecommunications, financial services, technology, manufacturing, higher education, distribution, public sector, automotive and utilities. Our domain expertise caters to the telecommunications and financial services industries as we have been serving those industries since the beginning of our operations, resulting in the majority of our clients being in the telecommunications and financial services industries.

Our ability in delivering projects to numerous large organisations demonstrates our capabilities in implementing large-scale and centralised IT solutions, standardising and streamlining processes across subsidiaries and branches in different locations. We prioritise providing high quality services and establishing strong, long-term working relationships with our clients. With an established client portfolio from various industries, we have built a track record in the enterprise IT solutions

## 7. BUSINESS OVERVIEW (CONT'D)

industry in Malaysia. This positions our Group with the credentials to attract and secure more projects and business opportunities from both existing and prospective clients, which will contribute positively to our business expansion and financial performance.

### 7.6.2 Experienced management team

We have a dedicated and experienced management team in their respective fields. Our Non-Independent Executive Vice Chairman, Tee Chee Chiang, and our Non-Independent Executive Director and CEO, Chan Wai Hoong, have 25 years and 29 years of experience in the enterprise IT services industry, respectively. They are supported by our other Key Senior Management which are as follows:

<u>Name</u>	<u>Designation</u>	<u>Years of relevant working experience</u>
Yeoh Kim Kooi	Chief Financial Officer	20
Fon Wai Kein	Head of Enterprise Application Integration and SSO Management	20
Goh Yeh Hwang	Head of Enterprise Infrastructure On-Premises and Cloud	21
Wong Thean Chee	Head of Enterprise Data Engineering, Analytics and CRM	23

Our experienced management team comprises of a team of individuals with different working experiences which allows us to continuously cater and adapt to the changes in the enterprise IT services industry, as well as seamlessly broadening our solution offerings and extending our capabilities to deliver solutions successfully. Hence, we are of the opinion that our experienced management team will help sustain our business and provide the platform for our future growth.

Kindly refer to Section 5 of this Prospectus for further information on the details of our Non-Independent Executive Vice Chairman, Non-Independent Executive Director and CEO and Key Senior Management.

### 7.6.3 Internationally accredited quality services

We place importance in providing our clients with satisfactory quality services and offering guidance on the IT solutions in which we offer. Consequently, we have obtained international quality standard certifications as a testament of the quality of our services. We have been certified with the ISO 9001:2015 Quality Management System for software design and installation by KVQA Assessment Pvt Ltd and TMMi Level 3 by Malaysia Software Testing Board for ensuring high-quality software testing and quality assurance practices. Kindly refer to Section 7.14 of this Prospectus for further information on the quality control and assurances certificates obtained by our Group.

### 7.6.4 We have a network of technology partners and vendors

As at the LPD, we have 7 technology partners and/or vendors. We have established business relationships with our technology partners and/or vendors over the years of working together as well as collaborating in developing solutions which best suit our clients' requirements. The collaborative framework enables our Group to deliver customised solutions and enhance efficiency in our clients' business operations.

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**7. BUSINESS OVERVIEW (CONT'D)**

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To establish technology partnerships, we will be assessed based on certain criteria which include, amongst others, our reputation and track record in the enterprise IT services industry, financial and manpower resources, annual sales volume, competency assessment, as well as meeting technical qualification and accreditation requirement for specific IT solutions. For reference, Oracle requires its technology partners to have employees who have obtained specific accreditations which are developed and offered by Oracle.

Subsequently, our partnership agreements are subject to annual renewal by our technology partners and/or vendors to maintain our technology partnerships and to continue to be a partner or vendor. Some of the renewal assessment criteria of our technology partners and/or vendors are as follows:

- (i) yearly requirement of employees to obtain product training and accreditation of their IT solutions;
- (ii) actively perform joint sales activities with the respective technology partners;
- (iii) track record of successful delivery of their IT solutions; and
- (iv) financial stability to ensure sufficient resources are available to grow our business and partnership with them, as well as to invest in technical training for our IT solution delivery employees to provide support to the clients.

In addition to being able to deliver customised solutions from our technology partners and vendors, our established long-term relationships with our technology partners and vendors provides us with credentials to attract and secure more projects and business opportunities from our existing and prospective clients.

**7.6.5 Established software tools dedicated for enterprise application integration frameworks in the telecommunications industry and enterprise data engineering frameworks for the financial services industry**

Through our collaborations with our technology partners and vendors, as well as the customisation and configuration of enterprise IT solutions for our clients, we have developed established software tools designed for reusability, catering to the telecommunications and financial services industry. These tools include, amongst others, project document templates and software adapters, which will be fine-tuned to meet the unique requirements of each industry.

We offer tools such as enterprise application integration framework and programs customised for clients in the telecommunications industry and enterprise data engineering frameworks customised for clients in the financial services industry. These tools are not only customisable but also allow for further enhancements, providing our clients with the flexibility to seamlessly implement the tools in their business operations.

These tools are designed to expedite the development and deployment process, as well as enhancing efficiency in the client's business operations. In the ever-changing technological landscape of the enterprise IT services industry, we constantly improve these tools with the latest technological trends.

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.7 TYPES, SOURCES AND AVAILABILITY OF INPUTS

The main inputs for our business are:

- (i) Hardware;
- (ii) Software and corresponding software licences; and
- (iii) Third party contractors that we engage to perform implementation, maintenance and support of software where we do not have the technical skills and experience such as enterprise resource planning and supply chain management software.

The following are the breakdown of the inputs purchased/ sourced by our Group for the Financial Years Under Review:

Inputs	FYE 2021		FYE 2022		FYE 2023	
	RM'000	%	RM'000	%	RM'000	%
Hardware	895	27.67	277	4.80	413	12.01
Software and licences	1,892	58.49	5,166	89.58	2,356	68.49
Third party contractors	448	13.84	324	5.62	671	19.50
<b>Total purchases</b>	<b>3,235</b>	<b>100.00</b>	<b>5,767</b>	<b>100.00</b>	<b>3,440</b>	<b>100.00</b>

### 7.8 OPERATING CAPACITY AND OUTPUT

Our Group is an enterprise IT solutions provider involved in the provision of implementation services, maintenance, support and professional services and the reselling of hardware and software. As such, the calculations of operating capacity and output are not relevant to our business.

### 7.9 SALES AND MARKETING

The sales and marketing strategies of our Group are as follows:

#### 7.9.1 Direct marketing to our clients

Our sales and marketing efforts are driven by our Key Senior Management who are responsible for attending inquiries from potential clients and preparation of proposals and presentation to clients as well as preparation of scope of projects and quotations.

In addition, our Group is registered in various tendering platforms whereby we can access to the tenders posted on the platforms. We will review the tenders and participate in tenders that we are interested in and qualified in. Apart from tendering platform, we also participate in closed tenders when we are invited by the clients directly.

#### 7.9.2 Referrals from our technology partners and vendors, as well as existing clients

Our track record in providing enterprise IT solutions to large organisations has brought in project referrals and enquiries through recommendations by our technology partners and vendors as well as our clients. We work with our clients to optimise their operations through our implementation, maintenance and support as well as professional services. Our previous and existing clients (who have first hand experience) typically refer our Group and solutions to potential clients.

**7. BUSINESS OVERVIEW (CONT'D)****7.9.3 Corporate website and social media**

We have established our corporate website at [www.vtcholding.com](http://www.vtcholding.com) which provides information on our Group and our offerings. We also leverage on social media platforms such as Facebook and LinkedIn to update our company activities to increase our exposure and market our enterprise IT solutions offerings. The use of the Internet as a source of information enables us to cross geographical boundaries and facilitates access to any part of the world, enhancing our potential market reach and exposure.

**7.10 MAJOR CLIENTS**

Our major clients for the Financial Years Under Review are as follows:

**FYE 2021**

<u>No.</u>	<u>Client</u>	<u>Country of origin</u>	<u>Type of products / services sold</u>	<u>Approximate length of relationship (years)<sup>(1)</sup></u>	<u>Revenue</u>	
					<u>RM'000</u>	<u>%</u>
1.	Telekom Malaysia Berhad	Malaysia	Implementation, support, maintenance and professional services – enterprise application integration and SSO management solution	14	3,156	15.74
2.	Client A Group	Malaysia	Professional services for enterprise CRM solution	9	2,821	14.07
3.	Telstra Corporation Limited	Australia	Professional services for enterprise data engineering	3	2,259	11.27
4.	Client E	Malaysia	Implementation for enterprise data engineering, support and maintenance, professional services for enterprise CRM	14	1,774	8.85
5.	Client D	Malaysia	Implementation services for software testing solution  Support and maintenance services for CRM solution	6	1,387	6.92
<b>Sub-total</b>					<b>11,397</b>	<b>56.85</b>
<b>Total</b>					<b>20,045</b>	<b>100.00</b>

**7. BUSINESS OVERVIEW (CONT'D)****FYE 2022**

<b>No.</b>	<b>Client</b>	<b>Country of origin</b>	<b>Type of products / services sold</b>	<b>Approximate length of relationship (years)<sup>(1)</sup></b>	<b>Revenue</b>	
					<b>RM'000</b>	<b>%</b>
1.	Telekom Malaysia Berhad	Malaysia	Implementation, support and maintenances, professional services – enterprise application integration and SSO management solution	15	4,754	22.81
2.	Client F	Malaysia	Implementation, support and maintenance for on enterprise IT infrastructure on-premises solution	1	4,162	19.97
3.	Client A	Malaysia	Professional services for enterprise CRM solution	10	2,577	12.36
4.	Client E	Malaysia	Implementation for enterprise data engineering, support and maintenance, professional services for enterprise CRM	15	1,552	7.45
5.	Telstra Corporation Limited	Australia	Professional services for enterprise data engineering	4	1,338	6.42
				<b>Sub-total</b>	<b>14,383</b>	<b>69.01</b>
				<b>Total</b>	<b>20,842</b>	<b>100.00</b>

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**7. BUSINESS OVERVIEW (CONT'D)****FYE 2023**

<b>No.</b>	<b>Client</b>	<b>Country of origin</b>	<b>Type of products / services sold</b>	<b>Approximate length of relationship (years)<sup>(1)</sup></b>	<b>Revenue</b>	
					<b>RM'000</b>	<b>%</b>
1.	Telekom Malaysia Berhad Group <sup>(2)</sup>	Malaysia	Implementation, support and maintenances, professional services – enterprise application integration and SSO management solution	16	10,550	45.60
2.	Client E	Malaysia	Implementation for enterprise data engineering, support and maintenance, professional services for enterprise CRM	16	1,888	8.16
3.	Client H	Malaysia	Implementation, support and maintenance services for enterprise data engineering and analytic solution	2	1,772	7.66
4.	Client A	Malaysia	Professional services for enterprise CRM solution  Implementation services for enterprise IT infrastructure on-premises solution	11	1,729	7.48
5.	Client G	Malaysia	Implementation services for software testing solution	1	1,459	6.31
				<b>Sub-total</b>	<b>17,398</b>	<b>75.21</b>
				<b>Total</b>	<b>23,133</b>	<b>100.00</b>

**Notes:**

(1) Length of relationship as at respective financial year.

(2) Include Telekom Malaysia Berhad and TM Technology Services Sdn Bhd.

Revenue from our major clients collectively contributed 56.95%, 69.01% and 75.21% of our revenue for the Financial Years Under Review, respectively. In particular, Telekom Malaysia Berhad Group has been contributing substantially to our Group's revenue, accounting for 15.74%, 22.81% and 45.60% for the Financial Years Under Review, respectively. We have had projects with Telekom Malaysia Berhad Group which have commenced since 2007. Their significant contribution to our revenue for the Financial Years Under Review may be considered a risk factor to our Group as we will continue to tender for new contracts from Telekom Malaysia Berhad Group should the opportunity arise. Due to their significant revenue contribution, terminations and loss of future opportunities with Telekom Malaysia



**7. BUSINESS OVERVIEW (CONT'D)**

Berhad Group without timely replacement may adversely impact our Group. Please refer to Section 9.1.4 of this Prospectus for further details.

**During this time, our Group has also been securing contracts from different clients and industry segments which have also increasingly contributed to our Group's revenue. We expect to continue diversifying our customer base in future to replenish our order book.**

**7.11 MAJOR SUPPLIERS**

Our major suppliers for the Financial Years Under Review are as follows:

**FYE 2021**

<b>No.</b>	<b>Supplier</b>	<b>Country of origin</b>	<b>Type of products and services</b>	<b>Approximate length of relationship (years)<sup>(1)</sup></b>	<b>Purchase value</b>	
					<b>RM'000</b>	<b>%</b>
1.	Computrade Technology (Malaysia) Sdn Bhd	Malaysia	Enterprise IT infrastructure on premise hardware and software	2	1,476	45.63
2.	WSO2 Inc	United States of America	Enterprise application integration and SSO solution software	1	820	25.35
3.	Germain Software LLC	United States of America	Enterprise IT infrastructure cloud solution software	1	576	17.79
4.	Supplier A	Malaysia	Enterprise IT infrastructure cloud and on-premise solution software	2	155	4.79
5.	Olivestouch Technologies Sdn Bhd	Malaysia	Subcontracting work for ERP system	2	36	1.12
<b>Sub-total</b>					<b>3,063</b>	<b>94.69</b>
<b>Total</b>					<b>3,235</b>	<b>100.00</b>

**FYE 2022**

<b>No.</b>	<b>Supplier</b>	<b>Country of origin</b>	<b>Type of products and services</b>	<b>Approximate length of relationship (years)<sup>(1)</sup></b>	<b>Purchase value</b>	
					<b>RM'000</b>	<b>%</b>
1.	Computrade Technology (Malaysia) Sdn Bhd	Malaysia	Enterprise IT infrastructure on premise hardware and software	3	3,840	66.59
2.	WSO2 Inc	United States of America	Enterprise application integration software	2	1,234	21.40

**7. BUSINESS OVERVIEW (CONT'D)**

<u>No.</u>	<u>Supplier</u>	<u>Country of origin</u>	<u>Type of products and services</u>	<u>Approximate length of relationship (years)<sup>(1)</sup></u>	<u>Purchase value</u>	
					<u>RM'000</u>	<u>%</u>
3.	Supplier B	Malaysia	Enterprise application integration software	12	366	6.35
4.	Software One Experts Sdn Bhd	Malaysia	Subcontracting work for ERP system	1	120	2.08
5.	Supplier C	Malaysia	Subcontracting work for enterprise IT infrastructure on-premise hardware and software	1	95	1.65
				<b>Sub-total</b>	<b>5,655</b>	<b>98.07</b>
				<b>Total</b>	<b>5,767</b>	<b>100.00</b>

**FYE 2023**

<u>No.</u>	<u>Supplier</u>	<u>Country of origin</u>	<u>Type of products and services</u>	<u>Approximate length of relationship (years)<sup>(1)</sup></u>	<u>Purchase value</u>	
					<u>RM'000</u>	<u>%</u>
1.	WSO2 Inc	United States of America	Enterprise application integration software	3	1,713	49.79
2.	Computrade Technology (Malaysia) Sdn Bhd	Malaysia	Enterprise IT infrastructure on-premise hardware and software	4	566	16.45
3.	Supplier B	Malaysia	Enterprise application integration software	13	366	10.64
4.	Software One Experts Sdn Bhd	Malaysia	Subcontracting work for ERP system	2	237	6.89
5.	Strateq Systems Sdn Bhd	Malaysia	Subcontracting work for enterprise data analytic solution	2	188	5.48
				<b>Sub-total</b>	<b>3,070</b>	<b>89.25</b>
				<b>Total</b>	<b>3,440</b>	<b>100.00</b>

**Note:**

(1) Length of relationship as at respective financial year.

In the Financial Years Under Review, our Group's top 5 major suppliers collectively contributed 94.69%, 98.07% and 89.25% to our Group's total purchases respectively. The largest contributors for our Group's purchases were Computrade Technology (Malaysia) Sdn Bhd and WSO2 Inc which collectively contributed 70.98%, 87.99% and 66.24% during the Financial Years Under Review. Notwithstanding this, our Group is not dependent on its major suppliers.

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.12 SEASONALITY OF BUSINESS

Our Group's operation is not subject to seasonal trends.

### 7.13 TECHNOLOGY USED

The technology used in our daily operations are as follows:

<b>Technology</b>	<b>Description</b>
Microsoft Project	A project management software designed to assist in developing a schedule, assigning resources to tasks, tracking progress, managing budget and analysing workloads
Microsoft Visio	A software for drawing diagrams which includes, amongst others, flowcharts, organisational charts, building plans, floor plans, data flow diagrams, process flow diagrams, business process modelling, swimlane diagrams, and 3-dimensional maps
Microsoft Office	A family of client software, server software and services which includes Microsoft Outlook, Microsoft OneDrive, Microsoft Word, Microsoft Excel, Microsoft PowerPoint, Microsoft OneNote, Microsoft SharePoint, Microsoft Teams and Yammer
Symantec Endpoint Protection	Symantec Endpoint Protection is a security software suite that consists of anti-malware, intrusion prevention and firewall features

Kindly refer to Section 7.2 and Section 7.3 of this Prospectus for further information on our technology partners and vendors, as well as enterprise IT solutions provided by our Group, respectively.

### 7.14 QUALITY CONTROL AND ASSURANCE

We place great emphasis on providing our clients with satisfactory and quality service and advise on the enterprise IT solutions in which we offer. As a testament to our commitment to quality, we have been accredited with the following:

<b>Company</b>	<b>Standard</b>	<b>Certificate No.</b>	<b>Scope</b>	<b>Issuing party</b>	<b>Validity period</b>
VTCM	ISO 9001:2015	KAQM202307044	Provision of Design & Installation of Software	KVQA Assessment Pvt Ltd	28 July 2023 – 28 July 2024
VTCM	TMMi Certified Level 3	HWSA-553904-210426-5484202370	Test Policy & Strategy, Test Planning, Test Monitoring & Control, Test Design & Execution, Test Environment, Test Organization, Test Training, Test Life Cycle & Integration, Non-Functional Testing & Peer Reviews	Malaysian Software Testing Board	26 April 2021 – 30 April 2024

**7. BUSINESS OVERVIEW (CONT'D)**

Some of our technology partners and vendors may require our software development and business system analyst employees to obtain specific accreditations, as well as attend product training in respect to their enterprise IT solutions offered.

In addition to our software development and business system analyst employees attending training on a specific enterprise IT solution in which they specialise in, we may conduct ad-hoc training for them to educate them on the products of all our technology partners and vendors for them to better advise our clients on enterprise IT solutions which best suits their business operations.

**7.15 EMPLOYEES**

The breakdown of our employees as at 31 August 2023 and at LPD:

Category	Number of employees					
	As at 31 August 2023			As at the LPD		
	Local	Foreign	Total	Local	Foreign	Total
Directors	2	-	2	2	-	2
Key Senior Managements	4	-	4	4	-	4
IT Solutions						
- Permanent	75	2	77	69	3	72
- Contractual	18	7	25	16	7	23
Human Resource, Finance, Admin and IT Support	3	-	3	3	-	3
<b>Total</b>	<b>102</b>	<b>9</b>	<b>111</b>	<b>94</b>	<b>10</b>	<b>104</b>

None of our employees belong to any labour union and as at the LPD, there is no material dispute between our management and our employees.

**7.16 RESEARCH AND DEVELOPMENT**

Due to the nature of our business, we do not carry out research and development activities.

We conduct feasibility studies on the business operations of our clients to ascertain the necessary usage of the enterprise IT solutions. Subsequent thereto, we will provide customisations to the enterprise IT solutions based on the requirements of the client to best suit the usage of their business operations.

**7.17 MATERIAL DEPENDENCY ON CONTRACTS, AGREEMENTS, DOCUMENTS OR OTHER ARRANGEMENTS**

As at the LPD, save for the licenses disclosed in Section 7.18 of this Prospectus, our Group is not materially dependent on any contracts, arrangements or any matters that could affect our business or profitability.

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.18 APPROVALS, MAJOR LICENCES, PERMITS AND REGISTRATIONS

Save as disclosed below, there are no other major licences, permits and registrations which our Group is materially dependent on for our business as at the LPD:

No.	Approving authority / Issuer	Type of approvals / licences / permits	Licence / Permit / Account / Reference no.	Date of issuance / Validity	Major conditions imposed	Status of compliance
1.	DBKL	Trade, business and industries licence for business office and advertising sign at E-32-03 & E-32-3A, Jalan Kerinchi Bangsar South, 59200 Kuala Lumpur	File No. DBKL.JPPP/02615/05/ 2023/KM01	31 May 2023 / 1 June 2023 to 31 May 2024	<ol style="list-style-type: none"> <li>The mayor of Kuala Lumpur has the right to impose additional conditions as a business control measure from time to time as well as take action based on laws and acts of external departments / agencies related to business activities.</li> <li>License is to be renewed every year 60 days prior to license expiration without notice from the Mayor of Kuala Lumpur.</li> <li>Workers on the premise should be 50% citizens of Malaysia and 50% non-citizens with a valid work permit.</li> </ol>	Complied
2.	MBPJ	Trade, business and industries licence for management office at A4-1119, Leisure Commerce Square, Pusat Dagang Setia Jaya, No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor	Account No. L2540000662166  Reference No. EL2540000674308	4 December 2023 / 1 January 2024 to 31 December 2024	None noted.	Complied
3.	Tenaga Nasional Berhad	Certificate of registration of VTCM as Service Provider and Contractor for the following categories:  (i) 210101: Hardware (low end technology) - Supply all types of computer hardware including personal computer, notebook, printer, document scanner, peripherals and maintenance;  (ii) 210102: Hardware (high end technology) - All types of server, mainframe, high end printers, storage area network (SAN, NAS) including maintenance;  (iii) 210103: Software – Supply all computer software, operating	Certificate Number: K60661130423368088	6 April 2023 / Until 1 November 2025	None noted.	Not applicable

**7. BUSINESS OVERVIEW (CONT'D)**

No.	Approving authority / Issuer	Type of approvals / licences / permits	Licence / Permit / Account / Reference no.	Date of issuance / Validity	Major conditions imposed	Status of compliance
		<p>system, database, off-the-shelf packages including maintenance;</p> <p>(iv) 210104: Software / System Development / Customization and Maintenance including data entry, data processing;</p> <p>(v) 210105: Telecommunication/networking-supply product, infrastructure, services including maintenance (LAN/WAN/Internet/wireless/satellite);</p> <p>(vi) 210106: Data management – Provide services including Disaster;</p> <p>(vii) 210107: ICT security and firewall, Encryption, Public Key Infrastructure (PKI), Anti Virus;</p> <p>(viii) 210108: Multimedia-products, services and maintenance (video conferencing, web cast, Graphic design, animation); and</p> <p>(ix) 210109: Hardware and Software leasing/renting.</p>				
4.	Malaysia Digital Economy Corporation	Registration of VTCM as Malaysian Digital Company	Certificate Number: 1444	Effective Date: 6 July 2006	<p>The Malaysian Digital Company hereby agrees to:</p> <p>(i) complete business registration of the proposed entity as a locally incorporated company under the Companies Act 1965 within one (1) month from the date of its letter, commence operations of the proposed entity within six (6) months from the date of this letter, and undertake such activities specified in the MSC Malaysia-Status Company's business plan ("<b>Business Plan</b>") as approved by MDEC below ("<b>MSC Malaysia-Qualifying Activities</b>") within six (6) months from the date of this letter or by such date(s) as may be specified in the Business Plan (which date(s) may be extended or modified with the</p>	To be complied

## 7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Issuer	Type of approvals / licences / permits	Licence / Permit / Account / Reference no.	Date of issuance / Validity	Major conditions imposed	Status of compliance
					<p>written consent of MDEC) and thereafter continue with such business and activities unless otherwise approved by MDEC.</p> <p>(a) Research, development and commercialisation of the following Shared Services Outsourcing activities:</p> <ul style="list-style-type: none"> <li>• Technical account management</li> <li>• Technical professional management</li> <li>• IT outsourcing</li> <li>• Application management</li> <li>• Infrastructure management</li> <li>• Business process outsourcing</li> <li>• Export sourcing</li> </ul> <p>(b) Provision of technical support, maintenance and Shared Services Outsourcing services related to the above.</p> <p>Any changes proposed to the above MSC Malaysia-Qualifying Activities as detailed in the Business Plan must receive the prior written consent of MDEC.</p> <p>(ii) <i>No longer applicable <sup>(1)</sup></i></p> <p>(iii) Ensure that at all times at least fifteen percent (15%) of the total number of employees (excluding support staff) of the Malaysian Digital Company shall be "knowledge workers" (as defined by MDEC). Knowledge Workers shall be recruited, employed and/or appointed solely for the purpose of undertaking the MSC Malaysia Qualifying Activities. The recruitment, employment and/or appointment of foreign "knowledge workers" (if any) shall be the sole responsibility of the Malaysian Digital Company and MDEC shall not be held responsible for any liability arising from such recruitment, employment and/or appointment;</p> <p>(iv) ensure that any products produced pursuant to the MSC Malaysia-Qualifying Activities are original, and that no part or portion of such product is an infringement or violation of any intellectual property or any proprietary rights of any third party, or constitutes</p>	

**7. BUSINESS OVERVIEW (CONT'D)**

No.	Approving authority / Issuer	Type of approvals / licences / permits	Licence / Permit / Account / Reference no.	Date of issuance / Validity	Major conditions imposed	Status of compliance
5.	Ministry of Finance	Certificate of registration – Provision of supply and service under the following codes:  (i) 210101: ICT / Equipment and computer accessories, hardware and components / Hardware (low end technology)  (ii) 210102: ICT / Equipment and computer accessories,	Certificate Number: K60661130423368088	28 October 2022 / 28 October 2022 to 1 November 2025	<p>a misappropriation of know-how belonging to any third party;</p> <p>(iv) submit to MDEC a copy of the Malaysian Digital Company Annual Report and Audited Statements in parallel with submission to the Companies Commission of Malaysia;</p> <p>(v) ensure that all information and/or documents furnished by the Malaysian Digital Company to MDEC or any other authority or agency do not contain any false, untrue or inaccurate statements or omit to state any facts, the omission of which would make any statements made therein in the light of the circumstances under which they are made, misleading;</p> <p>(vi) inform and obtain the prior approval of MDEC for any proposed change in the name of the Malaysian Digital Company;</p> <p>(vii) inform MDEC of any change in the equity structure or shareholding structure of the Malaysian Digital Company, or such other changes that may affect the direction or operation of the Malaysian Digital Company. MDEC must be informed of any change before steps are taken to effect such change<sup>(1)</sup>; and</p> <p>(viii) comply with all such statutory, regulatory and/or licensing requirements as may be applicable, including but not limited to the Transfer Pricing Guidelines issued by the Inland Revenue Board of Malaysia on 2 July 2003, and such other amendments as may be applicable from time to time.</p> <p><u>General Conditions</u></p> <ol style="list-style-type: none"> <li>1. This approval is given based on the information provided by VTCM.</li> <li>2. Any changes to the said information should be updated online in the Profile Update Module at <a href="http://www.eperolehan.gov.my">www.eperolehan.gov.my</a> within twenty-one (21) days from the date of such change and failure to do so may result in action being taken as described in paragraph 5 below.</li> <li>3. VTCM must submit all such information within the stipulated time as requested by the Ministry of</li> </ol>	Complied



## 7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Issuer	Type of approvals / licences / permits	Licence / Permit / Account / Reference no.	Date of issuance / Validity	Major conditions imposed	Status of compliance
		hardware and components / Hardware (high end technology)			Finance. Failure to do so will result in action being taken as described in paragraph 5 below.	
		(iii) 210103: ICT / Equipment and computer accessories, hardware and components / Computer software, operating system, database, off-the-shelf packages including maintenance			4. VTCM must ensure that the fields registered in the certificate do not overlap with the fields approved on any of the companies as follows: 4.1 has the same owner or board of directors, directors, management and employees; or 4.2 operating on the same premises.	
		(iv) 210104: ICT / Equipment and computer accessories, hardware and components / System development / Customization and maintenance			5. The Ministry of Finance reserves the right to visit or perform audit inspection at any time without prior notice. Failure to comply with the conditions of registration, field code and/or registration may result in suspension/revocation of registration and VTCM, the owner as well as the board of directors/director are subject to disciplinary action including being blacklisted without any notice if any information provided is found to be incorrect.	
		(v) 210105: ICT / Equipment and computer accessories, hardware and components / Telecommunication / Networking - supply product, infrastructure, services including maintenance			6. A newly registered company is not allowed to make any changes to the owner or director during the period of six (6) months from the date the company is registered.	
		(vi) 210106: ICT / Equipment and computer accessories, hardware and components / Data management – Provide services including disaster			7. Failure of VTCM to apply for renewal of registration after one (1) year from the expiry date of the registration may result in the registration of VTCM with the Ministry of Finance to be automatically cancelled and withdrawn from e-Perolehan system. VTCM must then make a new application.	
		(vii) 210107: ICT / Equipment and computer accessories, hardware and components / ICT security and firewall, encryption, PKI, anti virus				
		(viii) 210108: ICT / Equipment and computer accessories, hardware and components / Multimedia - products, services and maintenance				
		(ix) 210109: ICT / Equipment and computer accessories, hardware and components /				
					<u>Suspension / revocation of registration</u>	
					1. VTCM's registration will be suspended/revoked in the event that VTCM commits the following offences: 1.1 Company/ owner/ partnership/ director/ any of the management team commits a crime and is found guilty by the court in Malaysia or overseas or undertaking civil liability. 1.2 VTCM withdraws its offer before the tender is considered or rejects once offer is made.	

## 7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Issuer	Type of approvals / licences / permits	Licence / Permit / Account / Reference no.	Date of issuance / Validity	Major conditions imposed	Status of compliance
		Hardware and software leasing / Renting			<p>1.3 VTCM fails to fulfil its contractual obligations signed with the Government.</p> <p>1.4 VTCM is found to amend the Certificate of Registration of Company for the purpose of fraud or other purposes.</p> <p>1.5 VTCM allows its Certificate of Registration of Company to be misused by another individual/company.</p> <p>1.6 VTCM is found to have entered into price fixing arrangements with other companies upon entering into a Government tender or subcontract without prior consent of the Government agency involved.</p>	
					<p><u>Renewal</u></p> <p>1. VTCM must submit the renewal application three (3) months prior to the expiry date.</p> <p>2. Applications received after the expiry date are considered renewal registration.</p>	

**Note:**

- (1) Pursuant to the Guidelines on Transition of MSC Malaysia to Malaysia Digital issued on 29 December 2022 ("**Guidelines**"), MSC Malaysia Status Company has been rebranded as Malaysian Digital Company. As such, Malaysian Digital Company is to adhere to the Guidelines and to the existing conditions for the MSC Malaysia status as stated in the approval letter dated 6 July 2006 ("**Approval Letter**"). The new conditions set out in the Guidelines which supersedes the Approval Letter is as follows:

Condition in the Approval Letter	Condition in the Guidelines
<p><u>Clause A(1)(ii) – Conditions of MSC Malaysia-Status</u></p> <p>The MSC Malaysia-Status Company hereby agrees to:</p> <p>(ii) locate the implementation and operation of the MSC Malaysia Qualifying Activities in a Designated Zone in Cyberjaya with an office space requirement of 750 sq ft within six (6) months from the date of this letter, and will seek MDEC's prior written approval in the event of any changes in the location or address of the company;</p>	<p><u>Clause 3 – Expansion of location and removal of minimum office space requirement</u></p> <p>3.1 The Company is allowed to operate and undertake its approved activities in any location within Malaysia.</p> <p>3.2 Following the above, the minimum office space requirement is no longer applicable for the Company.</p> <p>3.3 Item 3.1 and 3.2 take effect from 25 March 2022 as approved by the Government.</p>

Further, the Guidelines sets out a new method for VTCM to update and notify MDEC in situations where there is a change in the equity structure, name of VTCM and name of the product or services stated under the Approval Letter. The Company has been informed by MDEC that notifications are generally to be made in the Malaysian Digital Portal within one month from the date of change through MDEC's website. Clause 8.2 of the Guidelines states as follows:-

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**7. BUSINESS OVERVIEW (CONT'D)**

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**“8.2 Post Approval Changes**

(a) *The company is required to notify MDEC for the following:*

1. *Change in the equity structure (paid-up capital and/or shareholder) of the company;*
2. *Change in the name of the company;*
3. *Change in the name of the product or services (re-branding) stated under the Approved Activity in the Approval Letter;*

*by completing, signing and submitting the necessary form in the system, available at MDEC website together with the required supporting documents.*

(b) *The company is required to notify MDEC in the event the company has changed its business operating address, contact person(s) and/or contact details.*

(c) *The company will receive an acknowledgement letter once the changes are accepted by MDEC, the Approval Committee and/or National Committee of Investment.*


(d) *Any variation to the conditions specified in the Approval Letter will require the approval from the Approval Committee and/or National Committee of Investment.”*

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## 7. BUSINESS OVERVIEW (CONT'D)

### 7.19 INTELLECTUAL PROPERTY RIGHTS

As at the LPD, the registered trademark of our Group is set out as below:

No	Trademark	Name of applicant / Trademark no. / Application no.	Jurisdiction	Class / Description	Application Date / Registration Date / Validity period
1.		VTCM / 2012056516	Malaysia	Class 42 – Advisory services relating to computer software; Computer software advisory services; Computer software consultancy; Computer software design; Computer software development; Computer software engineering; Computer software programming services; Computer support services (programming and software installation, repair and maintenance services); Consultancy in the design and development of computer software; Design and development of computer software (for others); Design of computer software; Development of computer software; Development of computer software application solutions; Development of software; Maintenance of computer software; Online provision of web-based software; Providing information, including online, about design and development of computer hardware and software; Software creation; Software engineering, All included in Class 42.	24 August 2012 / 24 August 2012 / Renewed for a period of 10 years until 24 August 2032

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## 7. BUSINESS OVERVIEW (CONT'D)

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### 7.20 REGULATORY REQUIREMENTS INCLUDING ENVIRONMENTAL CONCERNS

As at the LPD, there are no major environmental issues which may materially affect our operations and enterprise IT solutions offered.

Our Group's business operations are subject to the following key governing laws and regulations.

#### **Local Government Act 1976 ("LGA")**

Section 102 of the LGA provides that local authorities are empowered to make, amend and revoke the by-laws.

Our Group's business office and management office are located in Bangsar, Kuala Lumpur and Petaling Jaya, Selangor respectively. As such, our Group is under the jurisdiction of the DBKL and the MBPJ. The relevant by-laws governing the conduct of our Group's business would be the DBKL Licensing By-Laws and the MBPJ Licensing By-Laws.

By virtue of the DBKL Licensing By-Laws, any person who may use any premise for operating any business activity when a planning approval, if necessary, for that purpose has been obtained under the relevant planning law and a business premise license has been issued pertaining to the said premise by the Commissioner under these by-laws.

In respect of VTCM's trade, business and industries licence with DBKL, there was a short gap from 7 April 2023 to 31 May 2023 where VTCM was operating without a valid licence. VTCM has obtained its trade, business and industries licence with DBKL on 31 May 2023, with a validity period of 1 June 2023 until 31 May 2024. Moving forward, we will task the administration department to monitor and procure all renewals of licences prior to their expiry.

The MBPJ Licensing By-Laws provide that no person shall carry out any trading, business and industrial activities or use any place or premise located within the jurisdiction of MBPJ for any trading, business and industrial activities without a licence issued by the licensing authority of MBPJ.

VTCM had previously occupied the A4-1119 Setia Jaya Property as a meeting room and storage without a trade, business and industries licence from MBPJ for the period approximately from 1 June 2006 to 4 September 2023. VTCM has obtained its trade, business and industries licence with DBKL on 5 September 2023, with a validity period of 5 September 2023 until 31 December 2023. VTCM had also renewed said licence for the period of 1 January 2024 to 31 December 2024. The administration department monitors and procures all renewals of licences prior to their expiry.

A contravention of the by-laws would result in an offence, which upon conviction, would result in a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or to both and in the case of a continuing offence to a fine not exceeding RM200 for each day during which such offence is continued after conviction.

As at the LPD, our Group holds and maintains valid business licences issued by DBKL and MBPJ.

#### **Street, Drainage and Building Act 1974**

Section 79(1) of the Street, Drainage and Building Act 1974 provides that no person shall erect or cause or permit to be erected any building any partition, compartment, gallery, loft, roof, ceiling or other structure without having the prior written permission of the local authority. Any person who fails to do so shall be liable on conviction to a fine not exceeding RM500 and shall also be liable to a further fine not exceeding RM100 for every day during which the offence is continued after conviction.

## 7. BUSINESS OVERVIEW (CONT'D)

Our Group had previously carried out internal renovations on its properties, namely CBD Perdana Property, A4-1119 Setia Jaya Property, B2-1007 and B2-1009 Setia Jaya Property and Block E KL Gateway Property without renovation permits from the respective local authorities. Our Group has since obtained renovation permits for all the aforementioned properties from the local authorities without any fines or penalties imposed save for CBD Perdana Property, which is currently pending the issuance of the CCC as disclosed in Section 6.8.1 Note (3) of this Prospectus.

By-law 28 of the Uniform Building By-laws 1984 (“**UBB**”) provides that no person shall occupy or permit to be occupied any building or any part thereof unless a CCC, a partial CCC or a temporary CCC has been issued under these UBB for such building and any failure to comply with this by-law shall render such person liable to prosecution under the Street, Drainage and Building Act 1974 (“**SDBA**”).

Sections 70(27)(f) and 72 of the SDBA as amended by the Street, Drainage and Building (Amendment) Act 2007 provides that our Group may be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years for occupying or permits to be occupied the CBD Perdana Property without a CCC. The CBD Perdana Property is currently tenanted to a third party as disclosed in Section 6.8.1 of this Prospectus. Our Group had obtained a special permission notice dated 28 November 2023 issued by the relevant local authority for the renovations carried out on CBD Perdana Property. Currently, the official approval and inspections from the relevant local authorities and the fire and rescue department are pending prior to the issuance of the CCC in connection with the renovations. The Group expects to obtain the approvals in relation to the CBD Perdana Property by end of July 2024. As at the LPD, no fine has been imposed on our Group nor has any order been issued by the regulatory authority in relation to the renovations on CBD Perdana Property.

### 7.21 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Our Board is aware of the sustainability governance as set out in the Listing Requirements in Relation to Sustainability Reporting Framework, Bursa Securities' Sustainability Reporting Guide (3rd Edition) and Malaysian Code on Corporate Governance 2021. As such, our Group has adopted several Environment, Social and Governance (ESG) practices in our operations to minimise our environmental impact, conduct business ethically, and create positive social outcomes.

We are committed to sustainability and have implemented the following:

#### **Environmental Practices**

- Environmental stewardship: Designing and committing to protect the environment in daily operations.
- Waste management: Implementing practices to minimise consumable waste and ensure proper disposal methods.
- Regulatory compliance: Assessing and ensuring our Group's adherence to environmental regulations and legal requirements.

#### **Social Practices**

- Employee health and safety: Enforcing and maintaining a safe, healthy, and conducive work environment for employees.
- Diversity and inclusion: Fostering a diverse and inclusive culture that appreciates and values individual differences.
- Equal opportunities: Developing and implementing measures that ensures fair and equal opportunities regardless of age, gender, ethnicity, religion, and other relevant characteristics.

## 7. BUSINESS OVERVIEW (CONT'D)

- Eliminating improper conduct: Introducing measures to eradicate inappropriate behaviour and practices such as discrimination, workplace bullying, and harassment of any form.
- Empowerment and growth: Cultivating employee growth by supporting their personal and professional development.
- Upholding workers' rights: Respecting and safeguarding fundamental workers' rights, including the elimination of forced labour.
- Community engagement: Contributing to the well-being and advancement of the surrounding community through corporate social responsibility programs, employee volunteerism, and job creation.

### Governance Practices

- Ethical business practices: Upholding high standards of business ethics, corporate governance, and integrity.
- Enhanced corporate governance: Instituting and continuously refining suitable governance structures and processes.
- Legal compliance: Ensuring adherence to all relevant laws and regulations concerning corporate governance.
- Transparent complaint handling: Addressing credible complaints, grievances, and conflicts through a transparent, open, and consultative resolution process.
- Robust internal controls: Implementing policies and procedures that ensures the adequacy and integrity of our Group's internal control system.

## 7.22 INTERRUPTIONS TO BUSINESS AND OPERATIONS

### Malaysia

On 11 March 2020, the World Health Organisation declared COVID-19 a pandemic. As part of efforts to reduce and control the spread of COVID-19 in the country, the Government implemented several restrictive measures known as the MCO, commencing on 18 March 2020. These measures included restrictions on the movement of people within Malaysia and internationally, and restrictions on business, economic, cultural as well as recreational activities. Subsequent thereto, the Government implemented the conditional MCO, recovery MCO, enhanced MCO where restrictions were either relaxed and/or tightened for certain areas, based on the number of daily and active COVID-19 cases in the respective areas. On 15 June 2021, the Government announced the National Recovery Plan, a phased exit strategy from the COVID-19 crisis which consisted of 4 phases where the restrictions were gradually eased in each phase.

On 1 April 2022, Malaysia entered the endemic phase whereby all economic sectors were allowed to operate, and interstate and international travel were allowed, subject to adherence to the relevant SOP and guidelines.

During the MCOs and lockdowns implemented throughout 2020 and 2021, all government and private premises were required to close, except those involved in essential services. As our Group serves mainly companies involved in essential services, i.e. telecommunications and financial services industries, we were able to resume operations. Our Group continued to carry out implementation services, maintenance and support as well as professional services remotely as well as at clients' premises in Malaysia (when it was allowed to do so). However, due to operating restrictions during certain MCO periods and strict standard operating procedures were imposed by some of our clients, our Group took longer to deliver/complete certain projects. Nonetheless, there were no project cancellations or penalties imposed by our Group's clients for any of these delays.

## 7. BUSINESS OVERVIEW (CONT'D)

### Overseas

Due to the border closures as well as travel restrictions that were imposed by various countries during the COVID-19 pandemic, we were unable to travel to our clients' premises located overseas. While we were able to provide our services remotely, the quality of services delivery was affected as certain project milestones required physical engagement at our clients' premises. Our Group's ability to resolve more complex issues were also affected as our employees were unable to troubleshoot the issues on-site. Furthermore, we were unable to travel to meet the clients and technology partners and vendors at their overseas location, which resulted in a lack of opportunities to secure projects from overseas clients. Whilst the travel restrictions were relaxed in the year 2022, our Group's revenue for overseas clients continued to reduce from RM4.64 million in FYE 2021 to RM2.36 million in FYE 2022 and to RM0.83 million in FYE 2023 as our Group focused on growing our business in Malaysia. As at the LPD, our Group has recommenced efforts into marketing our services in overseas markets.

### 7.23 FUTURE PLANS AND BUSINESS STRATEGIES

#### 7.23.1 Expansion of our enterprise IT solutions portfolio to include AI-driven data handling and analytic solutions

Given the impact of AI bringing improvements in efficiency, decision-making and innovation across various industries, our Group intends to introduce AI-driven data handling and analytic solutions to complement our existing enterprise application integration and data engineering solutions. Among the features of the AI-driven data handling and analytic solutions that we intend to introduce include:

- (i) AI-driven segmentation facilitated ML algorithms categorises customers by identifying patterns and behaviours based on extensive customer datasets.

The segmentation goes beyond customers' demographics, incorporating factors such as purchase history, online behaviour and preference. By understanding the specifics among different group of customers, AI empowers marketers to improve their marketing strategies, by optimising content of messaging, the channels through which messages are delivered, and the timing of campaigns for each segment of customers. The AI segmentation approach ensures that marketing efforts resonate more effectively with diverse audience segments, leading to improved engagement, higher conversion rates, and a more efficient allocation of resources.

- (ii) AI-driven recommendation engines and ML capabilities that learn, analyse and provide personalised recommendation based on collected data.

For example, in the financial services industry, the integration of AI-driven recommendation engines and ML capabilities can assist to enhance credit risk assessment processes, by analysing client's data encompassing internal data i.e. customer demographics and historical transaction records, and external data i.e. economic indicators and to provide personalised insight on the loan applicant's credit worthiness, to assist in client's decision on whether to approve or reject loan application. This can contribute to a more accurate evaluation of credit risk and a reduction in number of loan default cases.



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**7. BUSINESS OVERVIEW (CONT'D)**


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- (iii) AI-driven identity and access management tool that enhances system access security.

For example, AI-driven biometric authentication tools such as facial recognition, voice recognition and fingerprint scanning provide heightened security parameters compared to conventional username and password authentication. In addition, AI-driven anomaly detection identifies unusual patterns or behaviours such as suspicious login attempts and access from unfamiliar locations that may indicate a security threat. Any deviations from the established login patterns can trigger alerts or prompts additional authentication steps to identify and prevent unauthorised access.

- (iv) AI-driven analytics tools to analyse large datasets, which aim to automatically identify patterns, trends, and anomalies in the dataset, to provide valuable insights.

For example, AI-driven analytic tools facilitate the automation of financial data analysis with interactive explanation using graphical charts and/or tables in response to questions raised by its users.

We intend to establish partnerships with 2 new and/ or existing technology partners with expertise in AI-driven data handling and analytic solutions, to secure access to the essential software and resources including the base software for the AI-driven data handling and analytic solutions, training materials and user guides. Additionally, these technology partners offer expertise through dedicated technical support portals, which enable our IT technical team to gain in depth knowledge of the base software for seamless configuration and integration. As at the LPD, our Group is in the midst of identifying these suitable technology partners.

In anticipation of the introduction of AI-driven data handling and analytic solutions, we intend to expand our workforce, focusing on recruiting new IT professionals and sales and marketing personnel. The recruitment of new IT professionals facilitates technology partners' requirements and criteria (i.e. number of certified IT professionals with the specific skills) while allowing us to accelerate our expansion of AI-driven data handling and analytic solutions to new and existing clients. The recruitment of new sales and marketing personnel on the other hand, will enable us to increase our efforts in promoting and driving the sales of new AI-driven data handling and analytic solutions.

We intend to participate in tradeshows and events held by government agency such as MDEC or private sector such as the National Tech Association of Malaysia (PIKOM) or our technology partners to drive the awareness of AI and ML and to promote and showcase our portfolio of enterprise IT solutions including the new AI-driven data handling and analytic solutions.

We intend to allocate approximately RM[●] million from proceeds from our Public Issue for the roll out of the new AI-driven data handling and analytic solutions, of which breakdown of the proceeds to be incurred are set out in Section 4.7(a) of this Prospectus.

**7.23.2 Continuous strengthening of our Group's enterprise application integration and enterprise data engineering and analytics solutions**

Our Group intends to continue to strengthen its offering of enterprise application integration and enterprise data engineering and analytics solutions by expanding its client base upon our establishment of COE for software solutions and the strengthening of our Singapore operations to pursue opportunities overseas. Additionally, our Group is actively exploring products with new technology partners

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**7. BUSINESS OVERVIEW (CONT'D)**

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and continuously bidding for projects to further expand our product offerings aiming to broaden our client base both locally and overseas.

We also recognise that AI and ML are among the future technologies that companies are expected to adopt in the ongoing digital transformation of the economy to stay competitive and relevant in their respective markets. With the introduction of AI data handling and analytic solutions, our Group anticipates an increase in demand for enterprise application integration solution and enterprise data engineering and analytics solutions to increase accordingly. The enterprise application integration and data engineering solutions are fundamental to ensuring seamless connectivity across diverse systems facilitating the flow of data needed for AI and ML algorithms.

**7.23.3 Establishment of a COE for software solutions**

Our Group intends to establish a COE for software solutions which allows us to undertake projects for overseas clients remotely from our base of operation in Malaysia. By establishing a COE that adheres to international IT security standards, this is expected to address the requirement of our overseas clients who are seeking for cost-effective enterprise IT solutions without compromising data security, as well as for overseas clients that do not have their internal IT offices in Malaysia to accommodate our IT professionals to work in their premises. The establishment of a COE further enhances our competitive edge by reducing project cost, the travel, accommodation and operational expenses for our IT professionals during the course of the projects. This allows us to provide more competitive pricing to our prospective clients.

Furthermore, our COE will act as a demonstration centre to showcase our enterprise IT solutions to existing and prospective clients in meeting their business and IT requirements as well as showcase the enhanced capabilities whenever new versions are released to the market.

We intend to renovate 2 of our existing properties located at D-07-03 KL Gateway Property and D-07-3A KL Gateway Property, for the purpose of the establishment of our COE. The renovation works will include installation of partitions, fixtures and fittings to create designated secured rooms for different project teams, as well as set up and implementation of IT security infrastructure that will conform with the requirement for ISO 27001 Information Security Certification.

We will engage ISO 27001 consultants to assist us to develop comprehensive security policies that align with ISO 27001 standards covering security management, risk assessment and incident response, as well as audits and assessments with a view to apply for the ISO 27001 certification.

The set up and implementation of a secure IT infrastructure is an important aspect of the establishment of a COE and the ISO 27001 certification as it encompasses the following:

- (i) Physical access controls – installation of physical security measures such as secure access points, CCTV surveillance system and controlled entry to restricted areas. Our Group will carry out live monitoring to ensure that we can promptly detect and prevent any potential data leakages;
- (ii) Security protocols – implementation of access controls which include user authentication and special authorisation for access to client information on the network as well as regular reviews of access control. We will maintain logs documenting user activities, exceptions, faults and information security events, to facilitate timely response to potential security incidents;

## 7. BUSINESS OVERVIEW (CONT'D)

- (iii) Data access and encryption solutions – implementation of encryption system to secure the data while being transferred as well as protecting data that are stored. We will set up a virtual desktop infrastructure enablement that will be hosted on our IT infrastructure that is equipped with cryptography capabilities rather than on our individual devices for enhanced data security;

These measures are implemented not only to safeguard sensitive information and meet the stringent standards set by ISO 27001 but also aligns with international best practices in information security that may be required by our overseas clients.

With the establishment of our COE, we intend to recruit up to 10 IT professionals to be actively engaged in projects or services at our COE. Further, our Group will recruit a dedicated marketing manager to drive sales for our new COE as well as invest in advertising and marketing expenditures to promote our COE capabilities to prospective clients. The advertising and marketing expenditures will be utilised for various advertising and marketing tools and platforms as well as to carry out site visits to our client's premises to understand and analyse their requirement and their current operating environments in order to propose a suitable solution for our clients prior to the engagement.

We have earmarked approximately RM[●] million from proceeds from our Public Issue for the establishment of our COE, of which breakdown of the proceeds to be incurred are set out in Section 4.7(c) of this Prospectus.

### 7.23.4 Strengthening of our Singapore operations

Our Group through our subsidiary, VTCS maintains a presence in Singapore because of its role as a gateway to the Asia Pacific region, especially with the presence of many MNCs' regional offices in Singapore. The operations in Singapore have historically relied on our Group's Malaysia-based IT professionals who travel to Singapore for implementation, maintenance and support services. The COVID-19 pandemic disrupted our Group's business, impeding our Group's ability to identify sales opportunities and implement solutions in Singapore. Recognising the potential for expansion in the Singapore market, our Group's business strategy is to strengthen our Group's Singapore operation by focusing on key areas such as marketing and client relations.

As such, we intend to strengthen our Singapore operations through talent acquisition and establishing a Singapore office. At this early stage, we will focus on building relationship and exploring sales avenues. In terms of talent acquisition, we intend to recruit a country manager that will be responsible for managing the sales and accounts operations in Singapore. He/ she will be supported by a pre-sales consultant tasked with presentation of product demo to our prospective clients as well as a solutions architect that is tasked with designing and recommending suitable enterprise IT solutions to prospective clients. In terms of establishing a Singapore office, we intend to rent a coworking office to provide our new Singapore-based personnel with a base of operations as well as providing us with the flexibility to scale up when we receive more sales opportunities.

We have earmarked approximately RM[●] million from the proceeds of our Public Issue for the strengthening of our Singapore operations through talent acquisition and establishing a Singapore office, of which the breakdown of the proceeds to be incurred are set out in Section 4.7(b) of this Prospectus.