



INTEGRATED ANNUAL REPORT 2023

A large, abstract graphic on the left side of the page, composed of many small, colored squares (pixels) in shades of green, yellow, orange, and blue, creating a pixelated effect that resembles a stylized landscape or a digital forest.

Driving Sustainable Growth

for a better
financial future



Driving Sustainable Growth

Welcome to our first Integrated Annual Report ("IAR"), themed "Driving Sustainable Growth For A Better Financial Future." In 2023, our efforts were driven by a clear focus - to lead the way towards a future where financial health is a reality for all. Through innovation, collaboration, and steadfast integrity, we have taken significant strides towards this vision. From expanding access to our resources to implementing cutting-edge technologies, every endeavor has been guided by the principle of sustainable growth. In today's dynamic landscape, sustainability is not just a choice; it's an imperative. Join us as we share the accomplishments we have made in 2023, the challenges we have overcome, and the path ahead steering the community towards a brighter, more resilient financial future for everyone.

2024 ANNUAL GENERAL MEETING



DATE:
5 June 2024



TIME:
9.30am



Venue:
TIIH Online Meeting Platform
at <https://tiih.online> or <https://tiih.com.my>



Scan the QR code

Navigation Icons

Navigation icons can be found on page 18 of this IAR.



Web Refer
To find more information online via
www.ctosdigital.com



Page Refer
To find more related information inside this report



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PROXY FORM

ABOUT THIS REPORT

We are pleased to present CTOS Digital Berhad’s first Integrated Annual Report (“IAR”) for 2023, a comprehensive narrative of our journey, strategies, and its impacts on business and community. This year, we are focused on creating value for our shareholders and stakeholders through the adoption of integrated reporting. We align our future decisions with the well-being of all stakeholders and broader communities for a more sustainable and digital future. Through credit reporting solutions and impactful programmes, 2023 marks a significant milestone in fortifying our resilient business foundation.

SCOPE & BOUNDARIES

This report covers our financial and non-financial performance during the period 1 January 2023 to 31 December 2023. We cover all business operations and performance of the holding company, **CTOS Digital Berhad (“CTOS Digital” or “the Company”) and its subsidiaries (“CTOS” or “the Group”)** in this report. As we ensure transparency with stakeholders, this report showcases the financial performance, sustainability efforts, and business landscape throughout 2023. Tailored for stakeholders, our report is equally informative for a diverse global audience.

REPORTING FRAMEWORKS

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

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


REPORTING PRINCIPLES

To ensure the quality of our reporting disclosures, we adhere to the following principles:

- | | | |
|----------------------------------|---|---|
| Transparency | ➔ | Deliver precise and transparent information to stakeholders, empowering them to make accurate assessments of our performance. |
| <hr/> | | |
| Stakeholder Inclusiveness | ➔ | Highlight our robust engagement with key stakeholders, demonstrating a keen understanding and responsive action to their genuine needs and interests. |
| <hr/> | | |
| Materiality | ➔ | Prioritise CTOS’ economic, environmental, and social impacts, which are crucial for business sustainability and stakeholder value creation. |
| <hr/> | | |
| Connectivity | ➔ | Include a comprehensive picture of the intricate relationships, interdependencies, and factors shaping the organisation’s capacity to generate value over time. |
| <hr/> | | |
| Potential | ➔ | Communicate the business’s growth potential for stakeholders to comprehend the decision rationale. |

FEEDBACK

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

 contactus@ctos.com.my

 03-2722 8800

ABOUT THIS REPORT

MATERIALITY

Aligned with our vision of becoming ASEAN's centre of excellence for credit reporting, the material topics discussed in this report reflect the issues that could impact the role we play in society, as well as how our business deals with evolving market dynamics. In FY2023, we conducted a comprehensive materiality assessment as a best practice to determine the material matters that could, in our assessment, substantially impact the value we create for our stakeholders. The insights presented in this report are based on the outcomes of this evaluation.

ASSURANCE

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

- Internal Audit
- External auditor, PricewaterhouseCoopers PLT

FORWARD-LOOKING STATEMENTS

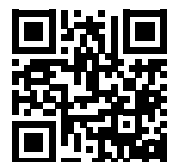
In this report, we present forward-looking insights into the challenges and opportunities integral to our business and stakeholders. We aim to outline their potential impact on our anticipated performance. However, it is essential to recognise that forward-looking statements are projections, involving and based on multiple factors and assumptions, hence outcomes may differ materially from those expressed or implied in such forward-looking statements and are not an implicit or explicit guarantee of our future performance.

STATEMENT FROM THE BOARD OF DIRECTORS

The Board acknowledges its responsibility for the integrity of this report, ensuring a fair presentation of CTOS' integrated performance, and addressing material issues affecting value. The Board confirms that this report was diligently prepared in accordance with the International <IR> Framework and received approval on 23 April 2024.



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



OVERVIEW OF CTOS

WHO WE ARE

CTOS Digital Berhad is the holding company of and holds interests in some of ASEAN's leading credit reporting agencies namely CTOS Data Systems Sdn Bhd and CTOS Basis Sdn Bhd in Malaysia. We also hold 24.83% stake in Business Online Public Company Limited ("BOL"), the leading credit information and risk management provider in Thailand, as well as 100% stake in Finscore, Inc. ("FinScore") and 80% in PT Prime Analytics Indonesia ("PT Prime Analytics") two fast-growing credit-scoring companies in the Philippines and Indonesia.

Since becoming publicly listed in 2021, we have focused on steering our growth and expansion, driven by a combination of both organic initiatives and strategic acquisitions. The Group offers a broad suite of innovative digital products and credit risk management solutions and services, providing a robust foundation for success not only in credit reporting but also in digital credit decisioning across ASEAN.

With over 30 years of continuous growth, our digital solutions have become integral to the operations of the region's banking and financial institutions, insurance and telecommunication companies, large corporations, Small and Medium Enterprises ("SMEs"), legal firms, statutory bodies, and individual consumers for self-checks. Leveraging our strong track record of growth, we are ready to drive a more sustainable future through innovative products, geographical expansion, and penetration in new verticals.



VISION

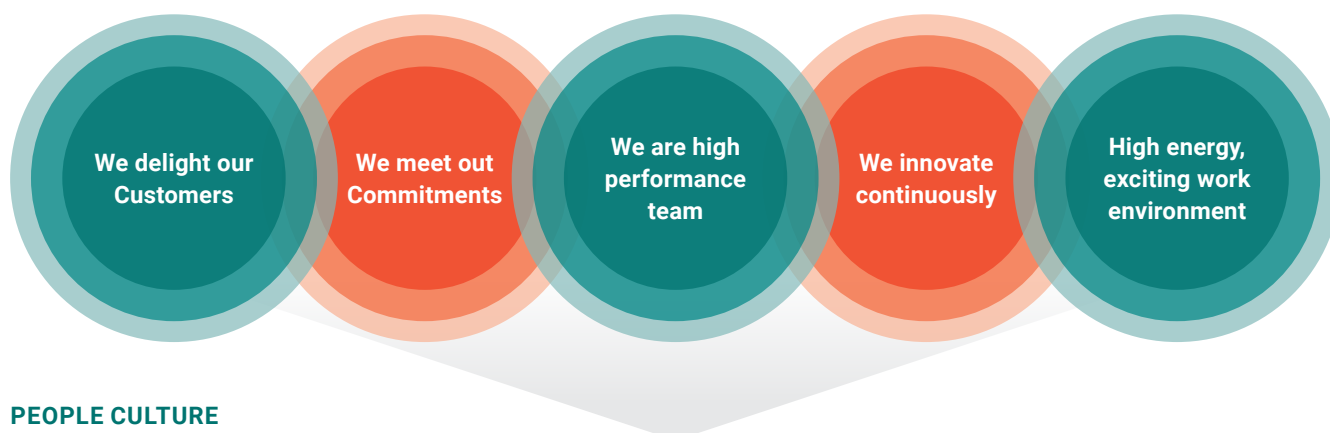
To make Malaysia a centre of excellence for credit reporting in ASEAN.



MISSION

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

GUIDING PRINCIPLES



PEOPLE CULTURE



Customer Focused



Collaborative and High-Performance Team



Accountability



Innovation and Digital Driven

OUR PRESENCE

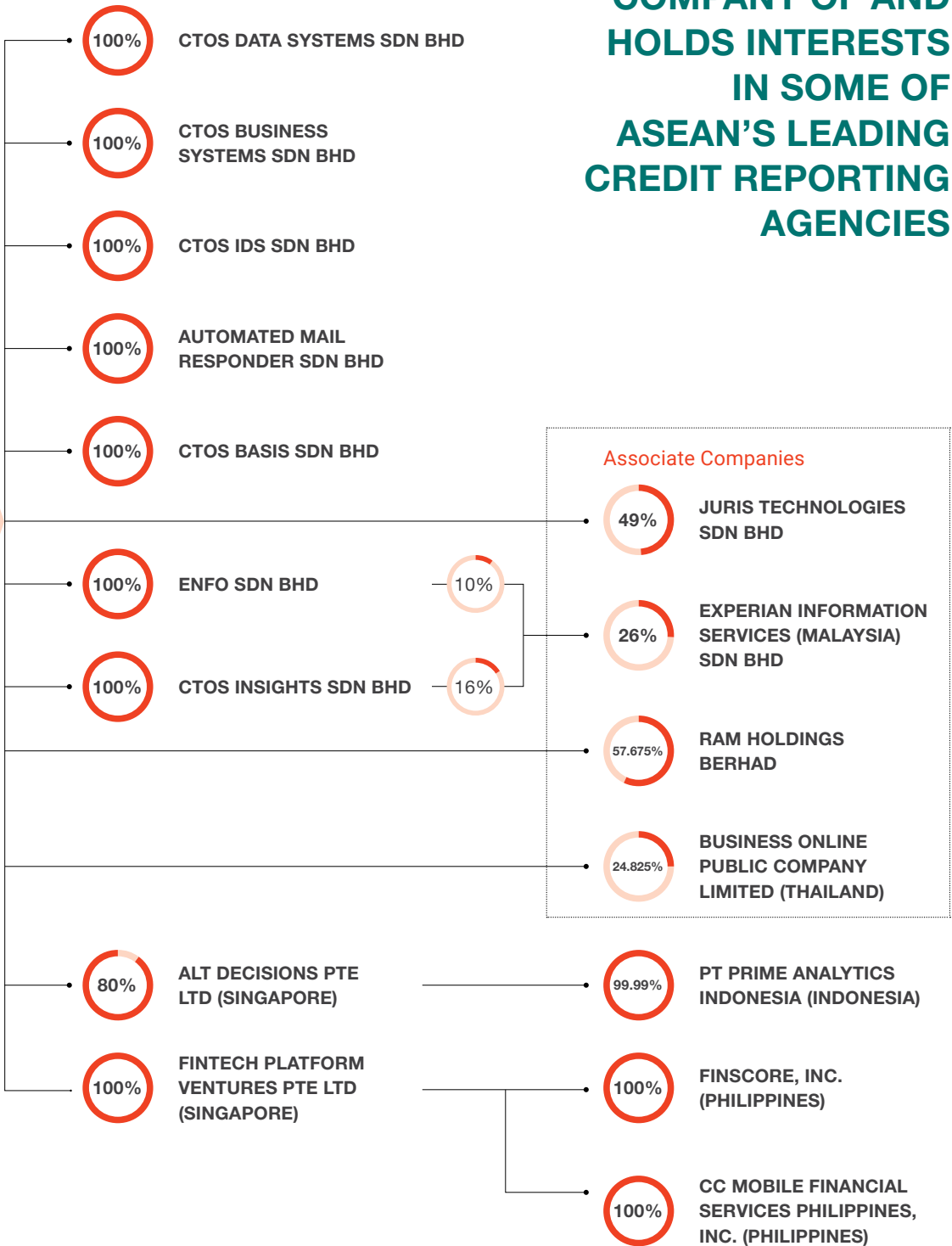
Commencing with a stronghold in Malaysia, where our operations and presence are firmly established, we have strategically expanded our footprint into other key ASEAN markets. We have a presence in the Philippines and Indonesia via our subsidiaries, FinScore and PT Prime Analytics and hold an associate stake in Business Online Public Company Limited in Thailand. As we expand our regional footprint, we align with the vision for sustained growth and impactful engagement in the region.



OVERVIEW OF CTOS

HOW WE ARE STRUCTURED

CTOS DIGITAL IS THE HOLDING COMPANY OF AND HOLDS INTERESTS IN SOME OF ASEAN'S LEADING CREDIT REPORTING AGENCIES



OVERVIEW OF CTOS

OUR ASSOCIATE COMPANIES

The Group strategically holds stakes in several associate companies which positions us favourably to capitalise on the vast opportunities in the new digital economy.



We maintain a 24.825% stake in BOL, a prominent player in business decision-making solutions within Thailand. BOL, a listed entity on the Stock Exchange of Thailand, offers a comprehensive online business information platform and various customer lifecycle, risk management, business intelligence, and data management solutions.



We hold 57.675% ownership of RAM Holdings Berhad, a leading provider of independent credit ratings, research, training, risk analysis, ESG analytics, and bond pricing.



We hold a 49% stake in Juris Technologies Sdn Bhd, a leading Malaysian-based fintech company that specialises in enterprise-class software solutions covering end-to-end credit lifecycle management.

WHAT WE DO

Driven by our mission, we offer a broad suite of innovative digital products and credit management solutions and services across every stage of the customer credit lifecycle. We serve four core business segments as summarised below.



KEY ACCOUNTS - MALAYSIA

- Serves 470 of our high revenue generating customers
- Our top contributors are banks, non-banking financial institutions ("NBFIs"), and telcommunication brands
- Digital reports, Comprehensive Portfolio Review and Analytics, Digital Solutions CTOS Application and Decisioning, eKYC, IDGuard, and electronic trade reference ("eTR")



COMMERCIAL

- Serves over 21,000 customers, including SMEs, and other than those in Key Accounts
- Top 5 industries include wholesale and retail trade, manufacturing, professional services, construction, finance, and insurance
- Credit Manager, Reports, Credit Monitoring, and eTR



KEY ACCOUNTS - INTERNATIONAL

- Newly acquired subsidiaries in Indonesia and the Philippines
- Alternative score platform as a building block for regional expansion



DIRECT-TO-CONSUMER ("D2C")

- Serves over 3.6 million registered users for CTOS ID
- CTOS Score, CTOS SecureID, Credit Finder, CTOS Tenant Screening, CTOS Vehicle Check, and CTOS Car Insurance

CHAIRMAN'S MESSAGE

DEAR STAKEHOLDERS,

"It is with great pleasure that I address you for the first time as Chairman of CTOS Digital, presenting our inaugural Integrated Annual Report for the year 2023. Committed to transparency, this report offers a comprehensive overview of how our business model, capitals, strategies, and risks converge to generate sustainable value for our stakeholders. It provides a concise and insightful perspective into our operations and its impact."

In 2023, we celebrated significant achievements, marked by record-breaking financial performance and an expanded presence across ASEAN. Despite facing external uncertainties and macroeconomic challenges, our business demonstrated resilience and continued relevance. This highlights the strategic importance of our products and services in an increasingly digitalised economy and our pivotal role in empowering businesses and individuals through innovative, data-driven solutions. Our comprehensive suite of products and solutions enables informed financial decisions, promotes responsible lending practices, and supports effective risk management, thereby contributing to overall financial stability.



CHAIRMAN'S MESSAGE

REVIEW OF THE YEAR

As we reflect on the economic landscape of 2023, it is evident that the year presented a myriad of challenges and opportunities. The economic landscape of 2023 unfolded against a backdrop of restrained growth, with the economy expanding by 3.7%, below initial projections.

We continued to focus on our purpose of creating a positive impact by harnessing the power of our data assets and integrating them into solutions that can benefit businesses, individuals, and society as a whole.

We drove product enhancements and invested in technology, successfully introducing new solutions, platforms, and interfaces for the Key Accounts and Commercial segments. These efforts are integral to supporting our enterprise customers in their digital transformation journey while further entrenching our position in the market. The year also highlighted a significant rise in credit score awareness among consumers, creating opportunities for us to address the vast population of credit-active consumers through targeted marketing efforts. This was evidenced by the significant increase in the number of registered users in our Direct-to-Consumer ("D2C") segment.

Digital innovation plays a critical role in our services, particularly in utilising data and analytics to drive financial inclusion. The increased accessibility to credit information is crucial, especially for promoting financial inclusion in underbanked countries within ASEAN, thus supporting our goals for regional expansion and diversification in data assets.

We concluded two regional acquisitions of alternative data companies to drive our regional expansion ambitions, aligning with our vision of establishing CTOS as the leading credit reporting agency in ASEAN and positioning Malaysia as the hub of excellence for credit reporting.

Aside from business expansion and considering the nature of our business, another key focus area this year has been data privacy and security. We have enhanced our data management strategies and invested in our Risk Management in Technology ("RMiT") and cyber security infrastructure to ensure data integrity and trust, affirming our commitment to safeguarding stakeholder information as well as our business operations.

**DATO' NOORAZMAN
BIN ABD AZIZ**
Independent
Non-Executive Chairman

CHAIRMAN'S MESSAGE

STRONG GOVERNANCE AND TRANSPARENCY

In our commitment to future-proof our Board members, CTOS Digital prioritises continuous learning and competency development. Through various tailored programmes, we provide Board members with ongoing opportunities to stay abreast of emerging trends and risks, particularly in sustainability and digitalisation.

Our Board remains steadfast in steering the Group, leveraging insights from comprehensive scenario planning to inform our risk management strategies. These strategies are adeptly crafted to navigate and capitalise on the challenges posed by emerging trends, such as digital transformation and climate change. The Board also incorporates stakeholder needs into decision-making, as we actively seek insights from our stakeholders through surveys, meetings, briefings, and town hall sessions, ensuring that their concerns, priorities, and expectations shape our governance practices. Furthermore, we conduct thorough audits and reviews, engaging independent auditors to assess and enhance the integrity and efficiency of our governance practices.

INTEGRATING SUSTAINABILITY INTO OUR GROWTH

In 2023, we reached significant milestones in our sustainability journey, a mere two years after becoming publicly listed. Our progress began with an in-depth

materiality assessment, engaging deeply with our critical stakeholders to refine our sustainability framework in alignment with the United Nations Sustainable Development Goals ("UNSDGs").

Following these assessments, we focused on reinforcing our foundation to address key stakeholder concerns, with social and governance issues emerging as the most material. We are leveraging our position to enhance credit decision-making and develop inclusive credit scoring models that incorporate diverse data sources. This initiative not only extends credit access to underserved communities but also promotes financial literacy, contributing to sustainable economic growth. At the same time, although environmental issues are less material for us due to our minimal direct impact, we remain dedicated to contributing positively through energy efficiency and resource optimisation efforts.

The Board plays a vital role in driving our ESG strategy, ensuring strategic oversight, diligent progress monitoring, and accountability for sustainable practices. Our governance extends to critical functions, including policy development and ESG risk management, reinforcing our commitment to sustainability.

We are proud of our achievements, notably our position in the Bursa Malaysia FTSE4GOOD Index. Achieving a 4-star rating in December 2022 and reaffirming it in December 2023 highlights our ongoing commitment to sustainability. We are focused on enhancing our FTSE4Good score and ensuring our continued alignment with relevant sustainability standards.



CHAIRMAN'S MESSAGE

CREATING SHARED STAKEHOLDER VALUE

CTOS is committed to fostering mutually beneficial growth for all stakeholders. We recognise that balancing their needs is fundamental to our enduring success. This principle underpins our strategy to address the varied interests of our stakeholders.

We remain dedicated to delivering efficient credit assessment solutions and comprehensive reports to help our clients drive their business growth and help consumers achieve greater financial confidence. For our shareholders, we are committed to providing sustainable financial returns and proactive communication. We prioritise openness and transparency by regularly sharing updates on our business strategies, financial outcomes, management objectives, and ESG initiatives. Engaging with our stakeholders is highly relevant to our decision-making process, ensuring it resonates with their evolving priorities and concerns. Internally, we demonstrate our dedication to accountability through detailed reports that articulate our achievements and challenges across Key Performance Indicators ("KPIs") including financial, social, and environmental aspects.

OUTLOOK AND ACKNOWLEDGEMENTS

As we reflect on a dynamic 2023, we anticipate sustained growth in 2024. Our strategy builds on last year's achievements, focusing on enhancing synergies across our group and with associate companies to explore new opportunities and enhance our product offerings. Strategic expansion in countries like Indonesia and the Philippines is pivotal as we aim to become the leading alternative data platform in the region, leveraging our diverse portfolio's strengths.

The Board is committed to positioning CTOS for enduring success, aiming to solidify our status as a leading credit reporting agency in Malaysia and ASEAN. We are also dedicated to enhancing our risk management practices, ensuring top-notch data security and privacy, and fostering a culture that prioritises sustainability and ESG principles. This strategy underscores our group-wide dedication to excellence and adaptability.

As we look forward, I extend profound thanks to our departing leaders, Chairman Tan Sri Izzuddin and Chief Operating Officer ("COO") of CTOS Data Systems Sdn Bhd ("CDS"), Tracy Gan, for their pivotal contributions. I warmly welcome our new COO for CDS, Lee Shin Mei and Chief Business Officer, Danny Fong. My gratitude also goes to our customers, shareholders, partners, and regulators for their continued trust. I commend our board members and employees for their dedication and achievements in 2023, which have been central to our success. These acknowledgements reflect the collaborative ethos and collective success at CTOS' core. We are excited to embark on another year of growth, resilience, and shared prosperity.

We see ample opportunities in 2024, driven by our scalable business model, expansion efforts and digital transformation. These elements underscore our growth potential, preparing us to seize upcoming opportunities.



DATO' NOORAZMAN BIN ABD AZIZ
Independent Non-Executive Chairman

VALUE CREATION BUSINESS MODEL

DRIVING SUSTAINABLE GROWTH FOR A BETTER FINANCIAL FUTURE

We harness resource efficiency.....

to drive

CAPITAL INPUTS



HUMAN

Our diverse workforce drives operational excellence and innovation, guided by strong governance and ethics.

- **569** total employees
- **RM664K** invested in learning & development programmes
- **20** employee engagement initiatives



FINANCIAL

We leverage diverse funding sources to fuel growth, targeting new markets, technology, and talent.

- **RM805.6 mil** Total Assets
- **RM594.4 mil** Shareholder's Equity
- **RM17.3 mil** Cash and bank balances



MANUFACTURED

Our physical and digital assets, including offices and digital infrastructure, drive efficiency in the digital financial inclusion sector.

- **7** Service Centres Nationwide



INTELLECTUAL

Our knowledge assets and Research and Development ("R&D") initiatives enable continuous learning and innovation to meet evolving customer needs.

- Investment in IT/Technology grew **113%** in the last 2 years
- **RM1.0 mil** invested in Data & Analytics Capabilities
- CTOS online self-check & mobile app



SOCIAL & RELATIONSHIP

We nurture trust and openness in our networks, promoting positive workplace culture and community well-being.

- **6,857** total consumers and SMEs customers supported via Financial Literacy
- **RM55K** donation for registered non-profit organisation in last 2 years
- Invested **RM222.1K** on financial literacy nationwide



NATURAL

We prioritise sustainable practices to minimise environmental impact and ensure ongoing resource availability.

- Total electricity usage of **634.24MWh**
- Total water consumption **34.51/m3**

STRATEGIC FOCUS AREAS

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



KEY RISKS

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

Read more on page 14 to 17

VALUE CREATION BUSINESS MODEL

our business...

...and deliver meaningful value.

ctos



CORE BUSINESS SEGMENTS

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

[Read more on page 46 to 48](#)

CAPITAL OUTPUT



HUMAN

- **77%** employees trained with future-ready skills
- **74%** employee engagement score
- **74.6%** employee retention rate
- Diversity of workforce: Male **47%**, Female **53%**



Employees



FINANCIAL

- **RM261.4mil** Revenue (2022: RM194.8 mil)
- **21.3%** Return-on-Equity ("ROE") (2022: 17.5%)
- **65.0%** dividend payout (2022: 60.5%)



Shareholders & Investors



MANUFACTURED

- **10,177** walk-in customers assisted



Shareholders & Investors



Customers



INTELLECTUAL

- **Zero** validated data breach
- Developed **3** innovative credit models and insights
- Onboarded **3.64 million** self-check users since launch



Shareholders & Investors



Customers



Government & Regulatory Bodies



SOCIAL & RELATIONSHIP

- **24.8** consumer Net Promoter Score ("NPS") scoring
- **2** total beneficiaries
- Average credit score increased to **678** (2022: 675)



Local Communities



NATURAL

- Scope 1 GHG emission reduced by **21%**
- Scope 2 GHG emission reduced by **9%**



Local Communities

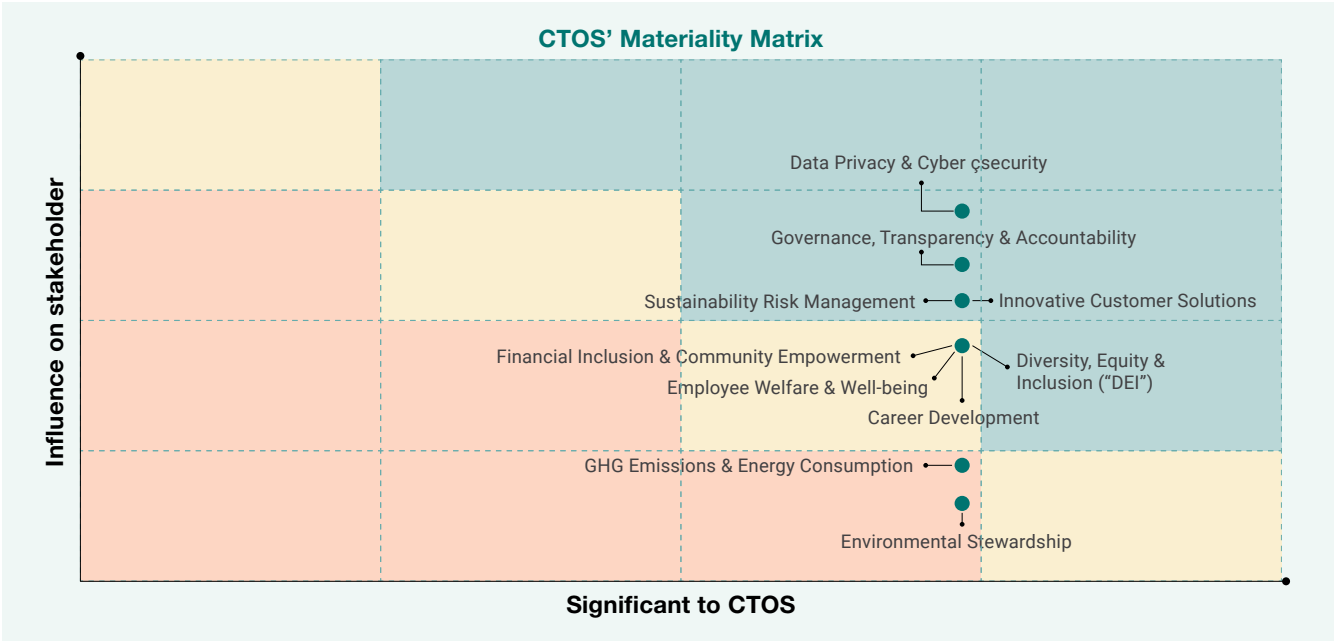


Shareholders & Investors

MATERIAL MATTERS

Materiality Process & Matrix

At CTOS, we keep the interests of our stakeholders, society, and the environment in mind when operating our business. This year, we conducted an inclusive materiality assessment involving both our shareholders and stakeholders. We also enhanced our approach by engaging with external stakeholders on relevant issues that will further navigate our strategic approach in the coming years. As a result of the materiality assessment, we identified ten key Economic, Environmental, Social and Governance (“EESG”) issues for our business and stakeholders. For more information on our materiality assessment and process, see page 14 of our Sustainability Report.



Management Approach to Material Matters

For the icon navigation, please refer to page 18 of this report.













While all ten material matters will remain relevant to our business operation and strategic focus areas, four of the matters have been identified as very high importance.

Very High Importance













M1 Data Privacy & Cyber security		
Importance We ensure to promote data privacy best practices as an integral part of maintaining our stakeholders' trust and reputation in all business operations.		Risks <ul style="list-style-type: none">• Data breaches• Legal liabilities• Reputational damage
Key Priorities <ul style="list-style-type: none">• Robust security implementations• Security awareness programmes	Our Approach <ul style="list-style-type: none">• Implement a comprehensive three-year cyber security strategy.• Adhere to the Bank Negara Malaysia's Risk Management in Technology ("RMiT"), ISO 27001:2022, and the National Institute of Standards and Technology ("NIST") Cyber security Framework.	Opportunities <ul style="list-style-type: none">• Increase stakeholder trust• Competitive advantage• Compliance with regulations
Capitals:	Stakeholders:	Risks:

MATERIAL MATTERS








M2 Governance, Transparency & Accountability

Importance We form a vital framework to safeguard our business and stakeholders against any form of misconduct throughout the entire value chain.		Risks <ul style="list-style-type: none"> • Legal and regulatory non-compliance • Reputational damage
Key Priorities <ul style="list-style-type: none"> • Improvements in governance structure • Corruption and bribery mitigation actions • Transparency in stakeholder engagements 	Our Approach <ul style="list-style-type: none"> • Integrate Environmental, Social, and Governance ("ESG") considerations into corporate strategy and decision-making processes. • Uphold strong corporate governance practices. • Conduct leadership performance assessment. • Establish leadership remuneration guidelines. 	Opportunities <ul style="list-style-type: none"> • Improved stakeholder trust • Reputational branding • Sustainable growth
Capitals:   	Stakeholders:      	Risks:   

M3 Sustainability Risk Management

Importance We mitigate risks to foster trust and integrity that aligns with responsible practices for sustained success in the digital landscape.		Risks <ul style="list-style-type: none"> • Exposure to operational disruptions
Key Priorities <ul style="list-style-type: none"> • Risk Management Strategies • Procurement Risk Prevention 	Our Approach <ul style="list-style-type: none"> • Ensure ongoing Board oversight and operational integration. • Establish the Enterprise Risk Management ("ERM") Framework to manage EESG risks across our operations. • Conduct Third-Party Due Diligence initiatives. 	Opportunities <ul style="list-style-type: none"> • Cost savings through resource efficiency • Positive brand perception
Capitals:   	Stakeholders:      	Risks:   




M4 Innovative Customer Solutions

Importance We deliver top-notch products and services through cutting-edge technology and responsible practices for an equitable treatment for all customers.		Risks <ul style="list-style-type: none"> • Market adaptability challenges • Technological obsolescence
Key Priorities <ul style="list-style-type: none"> • Fraud prevention and identity resolution • New high-quality credit report products 	Our Approach <ul style="list-style-type: none"> • Provide effective monitoring service for customers to make informed financial decisions. • Enhance solution accessibility to SMEs through our Credit Manager solution. • Streamline digital onboarding, decision management, and automation through our CTOS Application and Decisioning ("CAD") solution. 	Opportunities <ul style="list-style-type: none"> • Market leadership • Increased customer loyalty • Swift revenue growth
Capitals:   	Stakeholders:  	Risks:  




MATERIAL MATTERS

High Importance




M5 Financial Inclusion & Community Empowerment

Importance We help individuals achieve their financial goals while fostering social and economic development, and addressing broader community challenges.		Risks <ul style="list-style-type: none"> • Social inequality • Reputational damage
Key Priorities <ul style="list-style-type: none"> • Nationwide education initiatives and strategic partnerships • Corporate Social Responsibility ("CSR") engagements 	Our Approach <ul style="list-style-type: none"> • Develop and implement programmes focusing on enhancing consumer financial literacy. • Forge strong partnerships to expand the reach of financial literacy initiatives. • Continuously enhance digital tools, including online tutorials, interactive websites, and mobile applications. 	Opportunities <ul style="list-style-type: none"> • Enhanced corporate social responsibility • Positive community relationships
Capitals: 	Stakeholders: 	Risks: 

M6 Diversity, Equity & Inclusion (DEI)





Importance We cultivate a culture valuing and respecting all employees regardless of our differences and backgrounds.		Risks <ul style="list-style-type: none"> • Workforce dissatisfaction • Negative public perception
Key Priorities <ul style="list-style-type: none"> • Diverse recruitment practices • Equitable performance management • Inclusive workplace developments 	Our Approach <ul style="list-style-type: none"> • Provide equal and fair access to opportunities for all employees. • Incorporate DEI guiding principles within our Code of Business Conduct and Ethics ("COBE"). • Implement anti-discrimination measures and whistleblowing mechanisms. 	Opportunities <ul style="list-style-type: none"> • Enhanced innovation • Broader talent pool • Improved employee morale
Capitals: 	Stakeholders: 	Risks: 

M7 Career Development

Importance We enhance individual and collective workforce growth with essential skills, knowledge, and capabilities coupled with competitive compensation and remuneration structures.		Risks <ul style="list-style-type: none"> • Employee dissatisfaction • Talent attrition
Key Priorities <ul style="list-style-type: none"> • Skill development and technical training programmes 	Our Approach <ul style="list-style-type: none"> • Provide equal learning opportunities to all employees. • Champion the professional development of our employees through the Learning and Development Training Policy. • Allocate resources to comprehensive training and development initiatives. 	Opportunities <ul style="list-style-type: none"> • Skilled and motivated workforce • Enhanced recruitment pipeline
Capitals: 	Stakeholders: 	Risks: 










MATERIAL MATTERS

M8 Employee Welfare & Well-being










Importance We foster trust, open communication, and robust employee engagement to build a supportive work environment.		Risks <ul style="list-style-type: none"> Reduced productivity Elevated absenteeism and turnover rates
Key Priorities <ul style="list-style-type: none"> Health and workplace initiatives Occupational safety training 	Our Approach <ul style="list-style-type: none"> Conduct continuous improvements to our workloads and efficiency management. Establish safety protocols through our Floor Marshal Committee. 	Opportunities <ul style="list-style-type: none"> Enhanced employee engagement Positive workplace culture
Capitals:  	Stakeholders: 	Risks: 

Important

M9 Environmental Stewardship

Importance We adopt sustainable and environmentally conscious digital operations with socially equitable and economic practices.		Risks <ul style="list-style-type: none"> Regulatory non-compliance Resource scarcity
Key Priorities <ul style="list-style-type: none"> Minimal environmental footprint 	Our Approach <ul style="list-style-type: none"> Promote awareness on responsible environmental management through our townhalls and regular employee communications. 	Opportunities <ul style="list-style-type: none"> Efficiency-driven cost savings Positive environmental impact
Capitals:  	Stakeholders:    	Risks:   

M10 GHG Emissions & Energy Consumption

Importance We consciously facilitate our day-to-day business operations towards the low-carbon economy shift in order to mitigate climate change.		Risks <ul style="list-style-type: none"> Regulatory non-compliance Resource scarcity
Key Priorities <ul style="list-style-type: none"> Emission reduction enhancements 	Our Approach <ul style="list-style-type: none"> Establish short to medium-term carbon reduction targets to support the transition towards a low carbon economy. 	Opportunities <ul style="list-style-type: none"> Savings through efficiency Positive environmental impact Compliance with regulations
Capitals:  	Stakeholders:    	Risks:   

NAVIGATE OUR REPORT

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

CAPITALS



Human



Financial



Intellectual



Natural



Manufactured



Social

STRATEGIC FOCUS AREAS

Business-as-Usual
GrowthProprietary
Databases

Digital Ecosystem



New Verticals

Harnessing
Synergies

STAKEHOLDERS



Employees



Customers

Government and
Regulatory BodiesShareholders and
InvestorsSuppliers and
Business PartnersLocal
Communities

MATERIAL MATTERS

Data Privacy &
Cyber securityGovernance,
Transparency &
AccountabilitySustainability Risk
ManagementInnovative Customer
SolutionsFinancial Inclusion
& Community
EmpowermentDiversity, Equity &
Inclusion ("DEI")Career
DevelopmentEmployee Welfare
& Well-beingEnvironmental
StewardshipGHG Emissions &
Energy Consumption

RISKS

Cyber security
Risks

Regulatory Risks

Human Capital
Risk

Operational Risk



Third Party Risk

Environmental, Social and
Governance ("ESG") Risk

STAKEHOLDER ENGAGEMENT

Our strategic direction is driven by our commitment to creating positive social, environmental, and economic impact for our stakeholders. By staying attuned to their needs through consistent engagement, we aim to cultivate long-term, mutually beneficial relationships.

Frequency of Engagement

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

Employees



Why We Engage

Our employees are a vital stakeholder group, as they not only contribute to the well-being of CTOS' workforce but also play a fundamental role in the overall success, sustainability, and growth of the business. At the same time, we are responsible for fostering a culture of continuous improvement that will contribute to our employees' well-being and performance.

Channel & Frequency of Engagement

- T** Employee engagement survey
- O** "WE CARE" activities
- Q** Townhalls

Key Concerns Raised

- Fair and inclusive communication
- Work-life Balance
- Strategic Task Alignment

Our Response

- Embed DEI guiding principles within our Code of Business Conduct and Ethics ("COBE").
- Conduct monthly engagement programme and welfare and safety initiatives.
- Improve workloads and efficiency management.

Value Created for Employees

- Career growth prospects**
Achieved new opportunities for learning development and growth.
- Work Satisfaction**
Increased motivation in a positive work environment.
- Healthy work-life balance**
Improved overall quality of life and well-being.

Value Created for CTOS Digital

- Cohesive and Unified Culture**
Engaged workplace culture where employees feel valued, supported, and motivated.
- Productivity and Innovation**
Increased talent pool of diverse skills and expertise within the workforce.
- Alignment with Ethical Compliance**
Promoted ethical and responsible operations by addressing concerns related to workplace practices.

Map to

Risks:



Material Matters:



Strategic Focus Area:



Capitals:



STAKEHOLDER ENGAGEMENT

Frequency of Engagement

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

Government and Regulatory Bodies



Why We Engage

As a newly listed Public Listed Company (“PLC”) in Malaysia, we need to ensure that CTOS remains compliant with legal requirements, avoiding potential fines and regulatory risks. When we are informed about regulatory developments, we can anticipate shifts in the business landscape and contribute to the development of regulations that are fair, transparent, and conducive to industry growth.

Channel & Frequency of Engagement

- O Continuous active engagement and consultations
A Independent audit

Key Concerns Raised

- Reporting oversight
- Strategic ESG communication
- Informed decision-making and reporting adherence

Our Response

- Verify our reporting disclosures with internal and external auditors.
- Set clear expectations through a sustainability roadmap.
- Monitor changes in law and regulations consistently.

Value Created for Government and Regulatory Bodies:

- **Market Stability and Oversight**
Maintained a balanced and well-functioning industry.
- **Enhanced Regulatory Compliance**
Remained informed about industry-specific laws and regulations.
- **Resource Allocation for Support Programmes**
Achieved effective resource allocation for grants, subsidies and collaboration opportunities.

Value Created for CTOS Digital

- **Policy Advocacy for Business Support**
Provided a conducive regulatory environment for business growth.
- **Transparency and Trust**
Created positive public perception and increase investors’ confidence.
- **Access to Resources and Incentives**
Received better opportunities arise to enhance business performance and operations.

Map to

Risks:



Material Matters:



Strategic Focus Area:



Capitals:



STAKEHOLDER ENGAGEMENT

Frequency of Engagement

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

Shareholders and Investors



Why We Engage

We focus on building long-term partnerships with our investors and shareholders, who secure the financial resources for business operations and growth. Communication with our investors helps us align their expectations with CTOS' strategic goals. This transparency also builds trust and confidence among them, which is essential for maintaining a positive relationship.

Channel & Frequency of Engagement

- A** Annual General Meetings ("AGMs")
- AR** **O** Website
- M** **Q** Investors and analyst briefings, roadshows, group meetings, private sessions, and forums

Key Concerns Raised

- Strategies and growth plans
- Financial performance and resilience
- ESG-centric risk management

Our Response

- Conduct various investor engagement meetings.
- Implement a three-part risk management strategy.
- Establish CTOS ERM Framework to manage and control the Group's risk-taking activities.

Value Created for Shareholders and Investors

- Strategic Alignment**
Fostered shared vision for strategic success towards the business direction.
- Market Perception**
Strengthened position in the financial market to attract additional investors.
- Long-Term Partnerships**
Remained committed through market fluctuations to ensure business stability.

Value Created for CTOS Digital

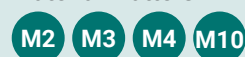
- Financial Stability and Growth**
Sustained and expanded company's operations through financial support.
- Corporate Governance Excellence**
Enhanced business standing and attractiveness to institutional investors.
- Access to Capital for Initiatives**
Achieved common business goals and capitalise on market opportunities.

Map to

Risks:



Material Matters:



Strategic Focus Area:



Capitals:



STAKEHOLDER ENGAGEMENT

Frequency of Engagement

W Weekly	M Monthly	E Every 2 Months	Q Quarterly	BA Bi-Annually
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Customers



Why We Engage

Our products and services are driven by a customer-centric decision-making approach that enhances the overall customer experience. Through our efforts to identify areas for enhancement in new solutions to better meet customer needs, we adapt to emerging market trends. It also enables us to refine our strategies and offerings to remain competitive.

Channel & Frequency of Engagement

- D** **M** **Q** Checkpoint call/face-to-face appointment
- D** Multi-channel touchpoints
- D** Customer Onboarding
- D** Regular meetings and day-to-day interactions
- BA** Net Promoter Score ("NPS") Survey
- O** Response to customers from SLA Management
- M** Product and Solution Training

Key Concerns Raised

- ESG metrics in credit assessment
- Accessible and affordable services
- Cyber security and data privacy

Our Response

- Introduce the Portfolio Benchmark Report to advance our financial services.
- Enhance our flagship Credit Manager product to cater to a mass-market segment.
- Implement a three-part risk management strategy.

Value Created for Customers

- **Customer-Centric Experience**
Addressed the needs, preferences, and expectations of our customers.
- **Long-term Customer Loyalty**
Cultivated a stronger relationship, increasing the likelihood of repeat business.
- **Enhanced Quality**
Improved quality of products and services.

Value Created for CTOS Digital

- **Market Adaptation and Innovation**
Provided insights into emerging trends to stay ahead of market demands.
- **Brand Reputation**
Contributed to a positive, favourable brand image to attract new customers.
- **Compliance and Trust**
Aligned with customer expectations, industry standards, and regulatory requirements.

Map to

Risks:



Material Matters:



Strategic Focus Area:



Capitals:



STAKEHOLDER ENGAGEMENT

Frequency of Engagement

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Suppliers and Business Partners



Why We Engage

CTOS' suppliers hold a valuable position in our business operations that creates a robust foundation for sustained growth. Our operational effectiveness highly depends on the reliability and quality of our supply chain. Ultimately, we establish a network of supportive partners integral to the company's success and continued expansion.

Channel & Frequency of Engagement

- A** Audit
- O** Regular meetings
- O** Strategic dialogues

Key Concerns Raised

- ESG excellence advocacy
- Clear environmental impact communication
- Coordination through open communication

Our Response

- Incorporate the Anti Bribery and Corruption questionnaire and Vendor Code of Conduct ("VCOC") in our Vendor Registration Form.
- Ensure compliance with environmental laws and regulations under the VCOC.

Value Created for Suppliers and Business Partners

- Stable Demand Flow**
Optimised production planning and business operations efficiently.
- Sustainable Practices**
Contributed to the broader goal of an environmentally conscious supply chain.
- Flexibility and Adaptability**
Adapted to evolving business environments to ensure flexibility in business operations.

Value Created for CTOS Digital

- Risk Mitigation**
Identified and mitigated potential risks in the supply chain.
- Supply Chain Resilience**
Enhanced overall supply chain reliability for delivery of goods and services.
- Quality Assurance**
Ensured inputs and materials meet the required standards for the company's products or services.

Map to

Risks:



Material Matters:



Strategic Focus Area:



Capitals:



STAKEHOLDER ENGAGEMENT

Frequency of Engagement

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Local Communities



Why We Engage

We see the value of digital financial inclusion development within the communities we build. Our active commitment to social responsibility means that we take initiatives to address social and environmental concerns. These engagements go beyond business transactions and emphasise the sustainable development of the communities we serve.

Channel & Frequency of Engagement

- A Independent stakeholder engagement survey
- W Webinars, roadshow, social media, and emails
- Q Online survey

Key Concerns Raised

- SME-friendly credit reporting access
- Data integrity and transparency assurance
- Regulatory compliance oversight

Our Response

- Conduct financial education roadshows and webinars nationwide to raise awareness about credit health.
- Host SME networking events.
- Offer complimentary credit reports for users overview of their credit health.
- Offer extensive educational content through our Knowledge Base.

Value Created for Local Communities

- Long-term Relationship Building**
Promoted a sense of partnership and mutual understanding towards community initiatives.
- Sustainable Development**
Participated in improving long term quality of life for local populace.
- Cultural Alignment**
Navigated business goals with alignment of diverse societal cultures and norms.

Value Created for CTOS Digital

- Community-Driven Innovation**
Discovered new market opportunities and approaches aligned with local preferences.
- Employee Morale and Productivity**
Developed a sense of purpose in contributing to the well-being of their surroundings.
- Long-Term Business Success**
Enhanced ability to grow and be a valued member of the community.

Map to

Risks:



Material Matters:



Strategic Focus Area:



Capitals:



MANAGEMENT DISCUSSION AND ANALYSIS

Chief Executive Officer's Message
Operating Environment
Key Risks and Mitigation
Group Strategy and Performance Review



CHIEF EXECUTIVE OFFICER'S MESSAGE

DEAR STAKEHOLDERS,

"The year 2023 marked a pivotal milestone for us at CTOS. We continued our growth trajectory with record-breaking performance fuelled by surging demand for data-driven insights and digitalisation. Our investments in data, technology, new products, client service, and talent have strengthened our competitive position, leading to substantial success in securing new business opportunities. This transformative year sets the stage for our future expansion and reaffirms our aspiration to establish CTOS as the leading credit reporting platform in ASEAN."

Our products and solutions are designed to empower our customers with the insights they need for sound financial decisions, both personally and professionally. In the face of diverse economic landscapes, we are resolute in our commitment to grow and prosper alongside our esteemed stakeholders, whose unwavering support has been instrumental in our journey.



CHIEF EXECUTIVE OFFICER'S MESSAGE

2023 HIGHLIGHTS AND ACHIEVEMENTS

**CONTINUING GROWTH MOMENTUM**

- Achieved high end of internal management profit target
- FY2023 revenue RM261.4 million (+34%) and normalised PATAMI RM104.0m (+22%)

**BROAD-BASED ORGANIC GROWTH**

- All business units recorded a double-digit growth in FY2023
- Highest growth from Key Accounts (+59%) and Comprehensive Portfolio Review and Analytics (+81%)

**COLLABORATION WINS**

- Jointly secured multi-year key credit transformation and Retail Loan Origination System contracts
- Launched CTOS Application & Decisioning ("CAD") for licensed moneylenders together with Juris Technologies Sdn Bhd ("JurisTech")

**DIGITAL SOLUTIONS ADOPTION**

- Increased adoption of Digital Solutions (eKYC, CAD and IDGuard)
- Total 142 clients onboarded in FY2023

**TAX STATUS APPROVAL**

- CTOS Data Systems received the Ministry of Finance's approval for a five-year extension of tax exemption period up to 8 November 2026

**REGIONAL EXPANSION**

- Acquisition of FinScore and PT Prime Analytics
- To build a leading alternative data platform in the region



FTSE4Good

SUSTAINABILITY

- CTOS maintains position as a constituent of the FTSE4Good Index Series for 2024
- Achieved four-star rating, i.e. top 25% among Malaysian public listed companies

ERICK HAMBURGERExecutive Director and
Group Chief Executive Officer

CHIEF EXECUTIVE OFFICER’S MESSAGE

MARKET LANDSCAPE

Digitalisation as a Driving Force

In light of the current economic landscape, characterised by subdued Gross Domestic Product growth at 3.7% in 2023, businesses and consumers are placing a premium on well-informed credit decisions to fortify risk management strategies amid market fluctuations. Loan growth during the year was healthy at 5.3% and this has resulted in increased volume of credit worthiness assessments which contributed to our performance.

CTOS’ strategic alignment with the emerging digital economy, including digital banks and licensed moneylenders, positions the company for sustained growth. The incorporation of digital banking capabilities tailored to the evolving needs of the credit reporting industry underscores CTOS’ commitment to innovation and adaptability. Additionally, efforts to expand accessibility to credit data through the integration of alternative sources reflect CTOS’ dedication to promoting financial inclusion, particularly in emerging economies with sizable underbanked populations.

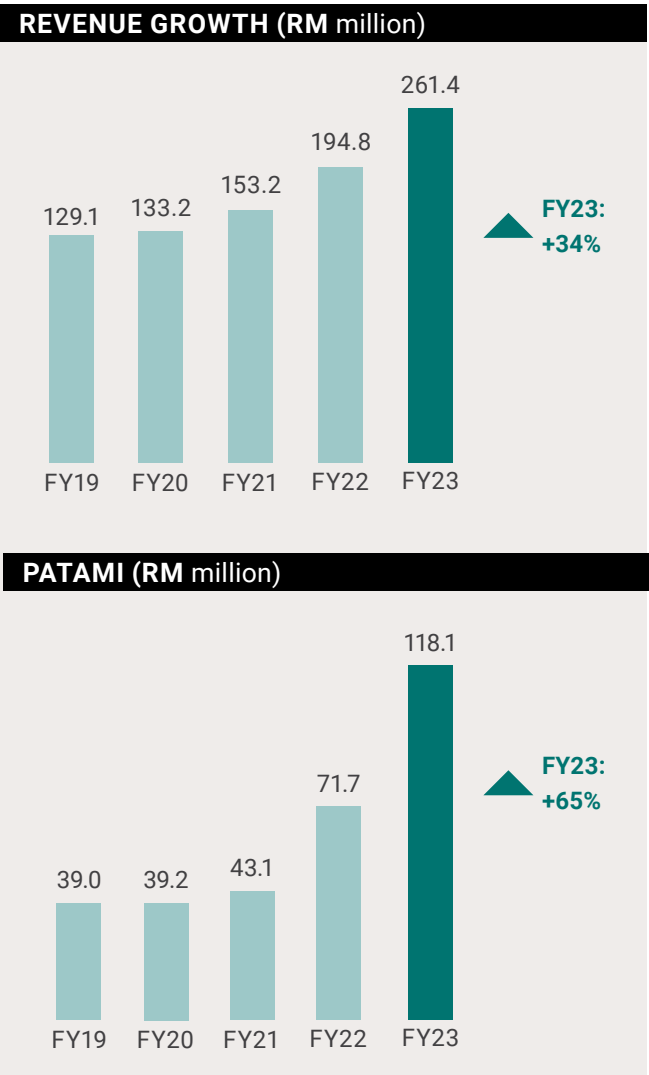
Our proactive approach is evident in the strong demand traction observed from licensed digital moneylenders, along with the provision of high-value-added products and services to corporate, small and medium enterprises (“SMEs”), and consumer clients alike. Notably, CTOS has successfully onboarded three out of the five digital bank licensees through its digital-ready platform, with anticipated positive contributions from 2024 onwards. Furthermore, the expansion of alternative proprietary databases and the launch of a CAD for licensed moneylenders, platform in collaboration with JurisTech demonstrate CTOS’ commitment to enhancing the comprehensiveness and quality of its reports while catering to evolving market needs.

The World Bank has forecasted a 4.3% growth for Malaysia’s economy in 2024, driven by accelerating household spending amidst moderate inflation. The acceleration of the economy and heightened activities will bode well for CTOS, with increased credit activities expected as businesses expand and consumers exhibit heightened confidence and optimism. These conditions open up avenues for us to extend credit information and risk assessment services to a broader spectrum of businesses and individuals seeking financing.

As we look ahead, our successful onboarding of new customers within the emerging digital economy, including digital banks and licensed moneylenders, positions us for continued growth momentum. With a promising trajectory of growth, driven by the improving economic landscape, we are poised for expansion across all segments in the coming year.

PERFORMANCE HIGHLIGHTS

In 2023, we demonstrated strong financial growth, operational advancements, and a focused approach to sustainability. Our pathway to innovation, digital solutions, and deepening client penetration drove impressive results.



We achieved robust revenue growth, with figures rising notably by 34% to RM261.4 million from RM194.8 million in 2022. This exceptional achievement was underscored by double-digit increases across all business segments (Key Accounts, Commercial, and Direct-to-Consumer), with growing revenue contribution from all service offerings. Our reported profit after tax and minority interest (“PATAMI”) was RM118.1 million. The financial achievements for FY2023 marked a significant milestone, with net profit surpassing the RM100 million mark for the first time. Additionally, our wholly-owned major subsidiary, CTOS Data Systems Sdn Bhd (“CDS”), received approval from the Ministry of Finance

CHIEF EXECUTIVE OFFICER'S MESSAGE

Malaysia for a second five-year tax exemption extension from 9 November 2021 to 8 November 2026. Operationally, our performance was strong across various business segments. We maintained a high customer retention rate in Key Accounts, serving over 470 customers, deepening our wallet share and securing joint wins in collaboration with JurisTech. In our Commercial segment, we supported over 21,000 SMEs and launched CM Xpress to enhance our service accessibility. The Direct-to-Consumer segment saw substantial growth in registered users to over 3.6 million registered users, confirming its status as a fast-growing segment in tandem with rising financial literacy. Our international acquisitions, PT Prime Analytics in Indonesia and FinScore in the Philippines, marked key milestones in our regional expansion strategy.

STRATEGY AND TRANSFORMATION

In the context of an ever-evolving digital economy, we have made significant strides in executing our business strategy, which has been instrumental in laying a strong foundation for our growth and resilience. Throughout the year, we progressed in the following strategic focus areas:

- **Business-as-Usual ("BAU") Growth:** CTOS has excelled by innovating across the credit lifecycle, introducing solutions like CTOS eKYC and CTOS SME Score, fueling differentiation and growth. Strategic focus on maximising wallet share through upselling, cross-selling, and customer acquisition has yielded significant results.



Key Achievement: Achieving double-digit year-on-year growth across all business units, demonstrating the long runway for continued organic growth.

- **Digital Ecosystem:** CTOS' credit management tools are pivotal for Malaysia's digital finance sector, serving licensed digital moneylenders, Peer-to-Peer ("P2P") lenders, Buy Now Pay Later ("BNPL") services, and e-wallet providers. As digital banking expands and traditional providers enhance digital capabilities, CTOS' solutions play a critical role, positioning the company as a key partner in the digital finance landscape.



Key Achievement: A 69% year-on-year increase in the revenue from our digital solutions, reflecting our central role in the sector's digital transformation.

- **Proprietary Databases:** CTOS has differentiated itself through a comprehensive database built over three decades, providing deep financial and trade credit history. This establishes a significant market barrier, ensuring delivery of comprehensive information, reinforcing CTOS' market leadership.



Key Achievement: Enhanced alternative proprietary database for more comprehensive resources and improved reports.

- **New Verticals:** CTOS' strategic diversification targets growth in sectors like automotive, real estate, and insurance, expanding its product portfolio for sustained growth. This reflects CTOS' commitment to seizing higher growth opportunities and entering new segments.



Key Achievement: Ramped up adoption of products relevant to new verticals (eKYC, comprehensive portfolio review and analysis) and complementary D2C services, demonstrating successful market penetration and product relevance.

- **Harnessing Synergies:** Collaborative efforts with associate companies intensify strategic initiatives, expanding market presence through resource pooling and expertise sharing. This enhances efficiency, innovation, and overall performance.



Key Achievement: Implementation and success of various strategic initiatives, particularly with JurisTech. This includes joint product development and account planning, underlining our proactive approach to providing end-to-end digital lending solutions.

CHIEF EXECUTIVE OFFICER'S MESSAGE

FUTURE-PROOFING OUR PEOPLE

We champion the professional development of CTOS' workforce through our Learning and Development Training Policy. Our employees have gained better proficiencies in key areas such as programming languages, leadership, design thinking, negotiation techniques and Lean Six Sigma principles, as well as gaining technical expertise in Amazon Web Services ("AWS").

Conducting a thorough Competency Mapping based on Training Needs Analysis enabled us to efficiently address skill gaps within our workforce. Our training approach integrated technical expertise, industry knowledge, problem-solving, and communication skills, adapting to the evolving needs of our workforce across various modules and syllabi.

In 2023, we strategically pivoted towards targeted training programmes tailored to address specific organisational needs, expanding our repertoire to encompass various programmes catering to various stakeholders. This deliberate shift in focus marked the launch of the ESG programme from our 2022 initiative. Given this trajectory, we kickstarted a series of Mandatory ESG Awareness sessions to engage with all employees across our entities.

Our commitment to building a diverse workforce in the future expanded through strategic initiatives. We overhauled our recruitment practices, which led to the successful onboarding of talent from various backgrounds, both locally and globally.

EMBEDDING SUSTAINABILITY INTO OUR CORE

Sustainability has become a business mainstream, and our responsibility extends beyond profit margins. The transition into Integrated Reporting, including ESG disclosures in our reports, reflects our belief that financial success should be inseparable from the positive impact we make on our diverse range of stakeholders. This new shift has prompted us to proactively implement ESG capacity-building workshops specifically tailored for the working groups within CTOS. Subsequently, our materiality assessment also emphasises the socio-economic perspective, particularly on financial inclusion.

CTOS' partnership with the Ministry of Finance and Bank Negara Malaysia within the National Strategy for Financial Literacy 2019-2023 showcases our dedication to leveraging our resources and expertise to address financial access disparities in Malaysia. In line with our drive to increase financial literacy, we completed 510 financial education roadshows and webinars nationwide as of 2023. We

recorded 2.29 million average monthly visitors to Knowledge Base, an education platform hosted on our website to provide information about credit health and credit reports. Beyond that, we took strides towards fostering SME growth with the 'SME Biz Day,' our largest networking event to date. These initiatives are integral to our broader corporate responsibility and market engagement strategy.

Although our materiality assessment rated environmental impact as low, given the nature of our business, we still take a proactive approach to actively minimise our emissions. CTOS has instituted short to medium-term carbon reduction targets strategically designed to propel us toward a low-carbon economy:

A 15% reduction in Scope 2 emissions by 2025, measured against 2022 levels

Carbon offsets for Scope 1 and 2 emissions will be gradually implemented over the next five years, restricted to operational activities.

A targeted 15% reduction in Scope 3 emissions by 2030.

Within our Sustainability Roadmap, we will take proactive steps in 2024 to build momentum in our sustainability journey. We aim to strengthen our sustainability governance and communication initiatives laying the groundwork for responsible and ethical business practices that will guide all our decisions.

CHIEF EXECUTIVE OFFICER'S MESSAGE

FUTURE OUTLOOK

Looking ahead, CTOS is poised for sustained performance, underpinned by the increasing adoption of our innovative digital solutions and advanced analytical insights. The ongoing digital transformation within the financial services industry, coupled with rising financial literacy among consumers, provides a solid foundation for our sustained growth trajectory. We remain committed to growing our core business by optimising wallet share, capitalising on opportunities within the thriving digital economy, and fostering synergies across all companies within our group. With large and growing addressable markets, we have many opportunities for long-term growth.

Furthermore, our strategic acquisitions of PT Prime Analytics and FinScore in Indonesia and the Philippines signal our determination to expand CTOS' regional footprint. These acquisitions offer substantial potential, with positive financial contributions already evident. We are excited about the prospect of leveraging our expertise alongside theirs to develop a top-tier portfolio of credit-centric solutions for the ASEAN region. This strategic move aligns with our vision of establishing CTOS as the premier credit reporting agency in ASEAN and positioning Malaysia as the hub of excellence for credit reporting.

Central to our strategic agenda is the enhancement of our services and solutions. We are dedicated to advancing our capabilities in data analytics, fraud prevention, and platform functionality to support the operational efficiency and strategic decision-making that underpin our competitive edge. The expansion of our proprietary databases and the integration of synergies across our operations are crucial for maintaining our leadership and fostering innovation, especially in emerging markets like the Philippines and Indonesia. Here, partnerships and technology adoption will drive our progress in credit scoring and service diversification.

Amidst these technological and operational advancements, we are also preparing for a significant transition to a new office in the second quarter of 2024. This move symbolises more than just a change of location as it also represents our responsibility to foster a work environment that bolsters productivity and embodies our company's culture and values.

We are dedicated to advancing our capabilities in data analytics, fraud prevention, and platform functionality to support the operational efficiency and strategic decision-making that underpin our competitive edge.

ACKNOWLEDGEMENTS

On behalf of CTOS, I would like to extend our heartfelt appreciation to Tan Sri Izzuddin Bin Dali for his dedicated service as our former Chairman until his retirement on 26 May 2023. I would also like to acknowledge Tracy Gan, the former Chief Operating Officer ("COO") of CTOS Data Systems Sdn Bhd ("CDS"), for her contributions throughout her tenure.

We congratulate Dato' Noorazman Bin Abd Aziz on his appointment as our new Chairman, and we look forward to his continued leadership. On that note, I extend a warm welcome to our newest additions to the Senior Management Team: Lee Shin Mei, and Danny Fong Kok Weng. Each of them has played a pivotal role in steering CTOS towards greater heights.

We thank the Board for their unwavering guidance and our dedicated team for their hard work and continuous support. To all our stakeholders, we sincerely thank you for your trust. It has been the bedrock of our success, and we will continue to shape a prosperous future together.



ERICK HAMBURGER

Executive Director and
Group Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING ENVIRONMENT

Despite the sizeable population within the ASEAN region, credit reporting penetration and per capita revenue in ASEAN countries, including Malaysia, is significantly lower than those in established markets like the US and the UK, with substantial potential for revenue growth lying ahead. This potential is underpinned by the increasing penetration and utilisation of credit reporting services, as well as the prospect of expanding into additional services such as analytics and application automation. Due to the relatively limited range of products and services adopted as compared to developed countries, there exists an opportunity for Credit Reporting Agencies (“CRAs”) to further develop and diversify their suite of offerings.

In Malaysia, there are eight licensed CRAs, and this industry is characterised by high barriers to entry as it operates in a highly regulated environment subject to regulatory oversight by the CRA Registrar, which is under the purview of the Ministry of Finance, Malaysia. A comprehensive database is also a key differentiating factor. For a CRA to report on consumer and business credit behaviour, it is necessary to have access to a comprehensive database of credit, demographic and other consumer and business information. The incumbent players in the industry have a distinct advantage due to their access to databases that date back longer, providing deeper insights into credit histories. It is also challenging to obtain access and approval from the necessary governmental agencies and other data sources. For example, CRAs require approval from Bank Negara Malaysia (“BNM”) in order to access Central Credit Reference Information System (“CCRIS”) information. Stemming from this high entry barrier, there has been only two new entrants to the industry over the last ten years.

Key Market Trend	Potential Impact	How We Responded	Outlook
Advancing the Digitalisation of the Financial Sector <i>The widespread adoption and integration of digital technologies, such as online banking, mobile payments, and blockchain technology.</i>	<ul style="list-style-type: none"> Enhance customer experience. Improve operational efficiency. Expand market reach. 	<ul style="list-style-type: none"> Integrated cutting-edge technologies and data analytics into our operations to drive digital transformation. Offered intuitive digital interfaces, personalised services, and proactive support. Collaborated with strong fintech firms, technology providers, and other industries to share expertise and leverage complementary strengths. 	<p>The growing demand for digital financial services, fueled by changing consumer preferences and market dynamics, will drive further innovation and competition in the financial sector.</p>
Adoption of Artificial Intelligence <i>AI-powered platforms for credit screening and financial advice.</i>	<ul style="list-style-type: none"> Enhance data analysis. Efficient matching of credit seekers with credit providers. Improved ID verification and eligibility screening. 	<ul style="list-style-type: none"> Increased deployment of AI into analytics platforms for better customer experience. Integrated AI algorithms for credit risk assessment, fraud detection, and enhancing data analytics capabilities. Implemented internal and external initiatives, including sourcing suitable algorithms from potential partners, to tap into the power of AI. 	<p>We will strive for improvements in efficiency via advanced analytics, predictive modelling, real-time monitoring, customisation of solutions, and potential cost reduction through automation of repetitive processes.</p>

MANAGEMENT DISCUSSION AND ANALYSIS



Key Market Trend	Potential Impact	How We Responded	Outlook
Financial Inclusion and Literacy <i>Governments and regulatory bodies are directing their efforts towards initiatives aimed at widening access to financial services and enhancing financial literacy.</i>	<ul style="list-style-type: none"> • More regular self-checks by consumers. • Improved credit behaviour. • Greater demand for credit products. 	<ul style="list-style-type: none"> • Pursued collaborative efforts with government bodies, financial institutions, NGOs, and community organisations. • As of end 2023, we have executed 510 financial education roadshows and webinars nationwide to empower communities and improve their credit health and personal finances. 	<p>With 3.6 million registered users out of 16 million credit active consumers in Malaysia, this segment represents significant growth opportunities for CTOS in the coming years.</p>
Regulations for fair and responsible consumer financing <i>The imminent enactment of the new Consumer Credit Act ("CCA").</i>	<ul style="list-style-type: none"> • Enforcing minimum conduct standards on credit assessments for consumer lending. • Promotes responsible lending. • Encourages consumers to understand the importance of credit history and scores. 	<ul style="list-style-type: none"> • Onboarded customers regulated under the CCA, such as BNPL lenders and licensed moneylenders. • Rolled out digital products such as CAD for licensed moneylenders together with JurisTech. • Enhanced our database and solutions to ensure compliance with new and evolving regulations. 	<p>We anticipate an increase in report volume and greater adoption of our services as minimum conduct standards are enforced and consumer lending becomes more regulated.</p>
Regulatory Compliance and Data Security <i>The emphasis on the evolving regulatory landscape impacting the credit reporting industry and robust cyber security measures to safeguard the sensitive information of our stakeholders.</i>	<ul style="list-style-type: none"> • Increase scrutiny and new requirements in the credit reporting industry. • Proliferation of cyberattacks. 	<ul style="list-style-type: none"> • Conducted regular monitoring to stay abreast of changes in laws and regulations. • Ensured compliance with relevant regulations, including adherence to the CRA Act in Malaysia. • Invested in cyber security measures to fortify our systems and data against potential threats. 	<p>We will remain vigilant in adapting to new requirements and investing in robust cyber security measures to mitigate risks and ensure compliance.</p>
Climate Change & Sustainability <i>The growing recognition of our responsibility to minimise their environmental footprint and contribute positively to society, beyond solely focusing on profit margins.</i>	<ul style="list-style-type: none"> • Enhance sustainability practices within the organisation. • Conform to the objectives of Malaysia's national low-carbon economy agenda. 	<ul style="list-style-type: none"> • Established carbon reduction targets with a 15% reduction in Scope 2 emissions by 2025 and a 15% reduction in Scope 3 emissions by 2030. • Achieved a 9% improvement of Year-on-Year ("YoY") reduction in emissions. • Maintained 4 stars rating for FTSE4Good Bursa Malaysia. 	<p>We commit to instituting robust data collection systems and establishing initial targets informed by insights gathered in the first year, encompassing Scope 3 emissions. Furthermore, we will initiate a strategic plan aimed at effectively reducing carbon emissions as we transition into our new office.</p>

MANAGEMENT DISCUSSION AND ANALYSIS





KEY RISKS AND MITIGATION





For more information on our Risk Management, see page 96-98.

Cyber security Risks	Risk Trend : Stable 	Risk Impact : Moderate 
<p>Description and Implication for Value Creation</p> <p>Cyber-attacks leading to infrastructure and system failures or data loss can harm our operations in various ways, including:</p> <ul style="list-style-type: none"> • Operational disruption. • Regulatory penalties or legal actions by third parties. • Loss of proprietary and business data. • Loss of stakeholders' trust. • Potential reputational damage. 		
<p>Mitigation Strategies</p> <ul style="list-style-type: none"> • Implemented a robust infrastructure security solution, including an Intrusion Prevention System for Internet and web security oversight. • Conducted regular penetration tests to proactively assess IT system security, identify vulnerabilities, and evaluate the effectiveness of existing security measures. • Deployed multi-layered security measures, such as web application firewalls, multi-tiered firewalls, anti-spam/virus software, and a security operations center to safeguard corporate networks, data centers, and user computers. • Deployed a comprehensive suite of security controls to enable timely detection, response, and containment of malicious activities in endpoint protection. • Implemented Multi-Factor Authentication for business applications to prevent unauthorised access to the internal system. • Conducted routine access reviews for internal users and enterprise customer accounts to verify validity and activity. • Engaged in continuous improvement through Project Elevate, a three-year Cyber security and Resilience roadmap. • Established the Cyber Security and IT Governance Committee to reinforce CTOS' Cyber security governance structure. • Conducted cyber security e-learning and e-assessment programmes to enhance awareness and empower employees to identify and address cyber threats effectively. • Secured cyber insurance to provide coverage for potential losses resulting from data breaches or cyber-attacks. • Continuously monitored emerging cyber threats through the Security Operations Center. • Ongoing implementation and monitoring of cyber security enhancement programmes identified during the Cyber security Maturity Assessment. 		
<p>Opportunities</p> <ul style="list-style-type: none"> • Attain and maintain industry-recognised certifications, such as ISO 27001. • Align with frameworks such as NIST and BNM's RMIT to position CTOS Digital as a leader in cyber security and data protection. • Enhance innovation in product and service offerings through cloud security, identity and access management. • Create opportunities for more secure partnerships. • Expand our talent pool with top talents within the IT and cyber security industry. • Withstand and quickly recover from cyber incidents. 		

MANAGEMENT DISCUSSION AND ANALYSIS

Regulatory Risk	Risk Trend : Stable 	Risk Impact : Moderate 
<p>Description and Implication for Value Creation</p> <p>Our operations, alongside those of our associates, are subject to diverse governmental regulations, including the CRA Act in Malaysia. These laws are intricate, subject to change, and non-compliance may result in several adverse effects:</p> <ul style="list-style-type: none"> • Operational disruptions and business license revocation. • Regulatory penalties. • Loss of access to critical data for product and service delivery. • Loss of stakeholders' trust. • Potential reputational damage. • Incurrence of additional compliance and legal costs. <p>Mitigation Strategies</p> <ul style="list-style-type: none"> • Established appropriate policies, processes and controls to ensure adherence to laws and regulations. • Conducted regularly review and monitored compliance levels of the business operations, aligning to the risk appetite set for critical laws and anti-corruption measures. • Established zero tolerance for non-compliance with legal and regulatory standards, as part of the Risk Appetite to address acts of bribery and corruption. • Conducted regular audits by Group Internal Audit and external auditors to promptly address any identified gaps. • Maintained open communication with regulators to seek guidance on compliance matters. • Enhanced compliance awareness among both internal and external stakeholders. <p>Opportunities</p> <ul style="list-style-type: none"> • Build reputation, trust, and loyalty among stakeholders to support the Group's objectives. • Gain access to markets and business opportunities. • Establish a competitive advantage. • Offer timely updates on industry developments and regulations for effective decision-making. • Leverage deep insights and industry knowledge to adopt best practices and facilitate strategic collaborations. 		
Human Capital Risk	Risk Trend : Stable 	Risk Impact : Low 
<p>Description and Implication for Value Creation</p> <p>Challenges in attracting, retaining, and nurturing skilled talent for sustainable growth pose several risks:</p> <ul style="list-style-type: none"> • Adverse impact on our talent pipeline and competitiveness. • Insufficient skills and competencies for implementing the Group's strategies and delivering expected performance. <p>Mitigation Strategies</p> <ul style="list-style-type: none"> • Conducted salary benchmarking exercises to align remuneration packages with industry norms. • Established a well-defined strategy, target setting, and performance management system for effective oversight of performance and objectives. • Developed leadership succession plans. • Proactively reviewed talent retention strategies. • Regularly assessed competency and training needs, and support to cultivate essential expertise in key growth areas. • Maintained open communication through town hall meetings and intranet updates to ensure employee engagement and alignment with the Group's direction. • Performed periodic employee surveys to collect feedback. • Continuously built capabilities by upskilling the existing workforce, recruiting new talents, and engaging in strategic mergers and acquisitions. <p>Opportunities</p> <ul style="list-style-type: none"> • Promote talent diversity through innovative approaches to attracting and retaining talent. • Encourage a workforce that is healthy, safe, and highly engaged. • Develop robust talent development programmes and attractive performance-based rewards. 		

MANAGEMENT DISCUSSION AND ANALYSIS

Operational RiskRisk Trend : **Stable** Risk Impact : **Moderate** **Description and Implication for Value Creation**

We face operational risks that could undermine our ability to serve customers and meet stakeholder obligations:



- Service outage from external data providers may impact the Group's ability to provide products and services.
- Breach of contract/Service Level Agreement ("SLA") due to service inability.
- Higher costs incurred to obtain alternative supply.
- Impede project progress and completion.
- Potential reputational damage.
- Loss of customer confidence.

Mitigation Strategies

- Established alternative solutions/suppliers.
- Reduced internal operational dependency on suppliers.
- Established regular engagement sessions with key suppliers.

Opportunities

- Enhance business stability and continuity.
- Initiate new technologies and products with reduced reliance on limited materials.
- Enhance customer experience and corporate reputational status.

Third Party RiskRisk Trend : **Stable** Risk Impact : **Moderate** **Description and Implication for Value Creation**

Neglecting third-party risk management poses severe consequences for CTOS, including:

- Potential financial losses.
- Data breaches, unauthorised access, and data loss.
- Non-compliance and regulatory scrutiny.
- Legal disputes.
- Customer attrition.
- Damage to reputation.

Mitigation Strategies

- Conducted robust assessments and due diligence on third-party vendors/suppliers.
- Evaluated vendor performance periodically as a crucial aspect of supply chain risk management.
- Monitored critical supplier performance and establishing new relationships to reduce dependency on single-source suppliers.
- Implemented security controls to protect sensitive data and mitigate cyber security risks associated with third-party relationships.
- Maintained ongoing engagement with third-party vendors/suppliers.

Opportunities

- Pursue strategic partnerships, collaborations, and innovation initiatives with external parties.
- Reduce the likelihood of security breaches, compliance violations, legal disputes, and operational disruptions associated with third-party relationships.
- Foster a culture of risk innovation and resilience to anticipate and respond effectively to emerging threats.
- Strengthen trust and drive competitive advantage.

MANAGEMENT DISCUSSION AND ANALYSIS

Environmental, Social and Governance (“ESG”) Risk	Risk Trend : Stable	Risk Impact : Low
Description and Implication for Value Creation <p>Failure to address ESG concerns could impact our long-term business viability, deterring socially responsible investors and limiting access to capital and growth opportunities. This is evidenced by:</p> <ul style="list-style-type: none">• Unfavourable ESG rating resulting in negative reputation.• Negative exposure in the media.• Poor company’s profitability and returns.• Low institutional investors’ attraction may result in exclusion.		
Mitigation Strategies <ul style="list-style-type: none">• Established and disclosed our ESG Vision and Commitment, focusing on carbon emission reduction, renewable energy sourcing, and energy optimisation.• Provided board oversight on ESG related matters, with regular updates to the Audit and Risk Committee (“ARC”).• Monitored the progress in achieving ESG requirements periodically.		
Opportunities <ul style="list-style-type: none">• Elevate corporate reputation and stature through improved ESG rating.• Integrate ESG as a key agenda item in the boardroom.• Enhance CTOS’ presence and recognition in the ESG sphere and community.• Foster a highly productive and motivated workforce.		



MANAGEMENT DISCUSSION AND ANALYSIS

OUR GROUP'S STRATEGIES AND PERFORMANCE REVIEW

With a strong starting position in 2023, our established Group strategies and focus areas aim to deliver sustainable profit growth. The outline of our strategic focus areas is set out below:



BAU Growth:

Large addressable market in our key business segments with upselling and cross selling opportunities.

At CTOS, our primary focus remains on delivering end-to-end credit management and digital solutions, setting us apart with a distinctive competitive edge. We are committed to market expansion through continuous refinement of development initiatives, aiming to broaden our reach and solidify our presence in key sectors. Moreover, we are dedicated to enhancing wallet share opportunities and overall business performance to drive revenue growth across product segments.

Achievements/ Developments:

- Achieved double-digit year-on-year growth across all business segments.
- Demonstrated strong growth propelled by both Digital Reports and Comprehensive Portfolio Review and Analytics (Scrubs).
- Secured a pivotal credit transformation project for a financial institution.
- Achieved the high-end of our Internal Management Target profit numbers for FY2023.

Outlook:

- **Revenue Growth**
We anticipate an increased revenue contribution across all business segments as the runway for organic growth is still substantial and CTOS' highly scalable business proliferates coverage expansion.
- **Market Leadership**
We will strengthen our commitment to maintaining market share leadership in Malaysia through ongoing ecosystem development and integrated credit management solutions.
- **Upselling and Cross-Selling Impact**
We foresee significant opportunities from upselling and cross-selling strategies, deepening wallet share within business units and related companies.
- **Service Penetration and Customer Base Expansion**
We anticipate heightened service penetration and expansion of the customer base, driven by the increasing application of analytics insights and digital solutions.



Digital Ecosystem:

Deep insights and automation through fortifying data analytics, fraud and ID and platform capabilities.

Leveraging our comprehensive suite of credit management solutions, we aim to serve as vital partners to key players in the Malaysian financial landscape. Additionally, we aim to capitalise on the burgeoning wave of digital banking, collaborating with traditional banks and fintech entities to seize opportunities in this rapidly evolving sector. Furthermore, we are committed to forging partnerships with digital bank licensees to enhance efficiency and accessibility in financial services.

Achievements/ Developments:

- Achieved a 69% YoY growth in digital solutions revenue with 142 clients onboarded in 2023.
- Appointed by three out of five digital bank licensees for e-onboarding systems.
- Increased brand awareness through digital channels and impactful marketing through financial literacy programmes.

Outlook:

- **Positive Contributions from Digital Banks**
We anticipate a significant headway in implementation progress with digital bank licensees in the next financial year.
- **Continued Expansion of Digital Services**
We aim to expand our digital services with a focus on real-time credit decisioning and innovative solutions tailored to the changing landscape of online financial services.
- **Enhanced Customer Engagement**
Digitalising financial platforms will lead to better customer engagements and more efficient portfolio management for financial institutions and other credit providers.

MANAGEMENT DISCUSSION AND ANALYSIS

**Proprietary Databases:**

Enhance coverage of alternative proprietary databases for more comprehensive resources and improved quality of reports.

We are committed to offering extensive insights and maintaining an up-to-date credit database to provide our clients with the most accurate and comprehensive information available. Additionally, we aim to enhance the depth and diversity of information within alternative data sources to ensure a broader spectrum of data to better serve our clients' needs. Furthermore, we conduct regular updates of the CTOS Enhanced Database ("CED"), incorporating litigation and bankruptcy data from diverse subscribers to ensure the information we provide remains current and reliable.

Achievements/ Developments:

- Achieved 46% year-on-year growth in Digital Reports.
- Achieved an 81% year-on-year Comprehensive Portfolio Review and Analytics.
- Acquired alternative data companies in Indonesia and the Philippines.

Outlook:

- **Enhanced Credit Assessment**

We aim to utilise enhanced data and analytics to provide more accurate and relevant credit data.

- **Greater Value Delivery**

We want to provide high-quality information and leverage the extended suite of digital solutions through the higher barrier to entry.

**New Verticals:**

Expanding into new industries such as Automotive, Fintech, Insurance, Real Estate with refined products and services.

We have identified key priority areas to drive our strategic growth initiatives. Firstly, we are dedicated to continuously expanding into sectors with significant growth potential, focusing particularly on automotive, real estate, and insurance industries. Additionally, we aim to expand our digital solutions presence to diversify and bolster our revenue base, leveraging technology to meet evolving market demands effectively. Furthermore, we prioritise utilising insights from market and industry research companies to strategically align our operations and offerings with market forecasts, ensuring our strategies are well-informed and poised for success in dynamic market conditions.

Achievements/ Developments:

- Increased adoption of Digital Solutions (eKYC, CAD and IDGuard) and complementary D2C services.
- Increased our presence in identified verticals via strategic partnerships for product offering and penetration.

Outlook:

- **Strategic Growth Capitalisation**

We will leverage our position as market leader to venture into high-value sectors.

- **Continued Focus on Unique Market Niches**

The adoption of credit data and analytics outside of the financial sector is still low and represents a potentially large market over time with the development of risk-based pricing.

**Harnessing Synergies:**

To realise each company's growth potential and maximise synergies.

We are actively pursuing strategic acquisitions to integrate value chain capabilities, strengthening our offerings for both existing segments and new customers. Furthermore, we are focused on seamlessly integrating acquisitions, particularly those executed with JurisTech, into the digital money lending space to broaden our market presence and capitalise on emerging opportunities. Additionally, we are committed to maintaining robust financial strength to effectively balance shareholder returns, foster innovation, and support strategic investments, ensuring long-term sustainability and success for CTOS and our stakeholders.

Achievements/ Developments:

- Achieved increased client onboarding for the CAD for Money Lenders platform launched collaboratively with JurisTech.
- Successfully executed joint product and account planning initiatives, enhancing collaborative efforts and synergy between entities.
- Launched the RAM-CTOS Business Confidence Index ("BCI"), a monthly publication, adding a valuable asset to the portfolio and enhancing market visibility.
- Ongoing collaborative initiative on ESG Ratings and SME Credit Ratings with RAM.

Outlook:

- **Integrated Execution**

We will continue to focus on integrating the 49% acquisition of JurisTech and RAM synergies through joint product development and account planning, providing our customer with end-to-end solutions across the credit lifecycle.

CHIEF FINANCIAL OFFICER'S REVIEW

DEAR STAKEHOLDERS,

"In the financial year ended 31 December 2023 ("FY2023"), the Group delivered our best performance to-date, achieving substantial growth across all business segments, reinforcing the strength and diversity of our operations. Our focus on digital innovation and data analytics significantly contributed to our achievements, emphasising our commitment to both operational and strategic excellence. Notably, we widened our footprint further into the ASEAN market with the acquisition of subsidiaries in Indonesia and the Philippines, highlighting our dynamic regional expansion."



CHIEF FINANCIAL OFFICER'S REVIEW

OVERVIEW OF FINANCIAL PERFORMANCE

This year saw us achieve RM261.4 million in revenue, a substantial 34% increase from the RM194.8 million in the previous year. Growth was notably widespread across the Key Accounts, Commercial, and Direct-to-Consumer ("D2C") segments, as detailed in the segmental performance analysis below.

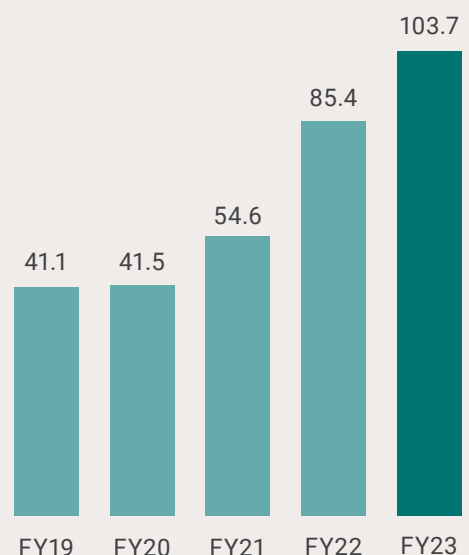
Enhancements in the depth and breadth of our products and services range, especially in digital solutions and analytics, continued to be crucial growth drivers as the irrevocable push towards digitalisation accelerated across both financial and non-financial sectors.

We witnessed an increase in gross profit to RM200.9 million, up 22% from last year. The gross profit margin remained robust at 77%, reflecting our efficiency and consistent operational performance. Our profit before tax rose by 26%, exceeding the increase in gross profit despite a slight uptick in interest expenses related to the funding of our acquisitions.

Our Profit After Tax and Minority Interests ("PATAMI") reached a new high of RM118.1 million after including a tax write-back of RM14.6 million as the Ministry of Finance extended CTOS Data Systems Sdn Bhd's tax exemption status to 8 November 2026. After adjusting for acquisition costs and normalising for tax, our normalised PATAMI for the year was RM103.7 million, which was at the high end of our internal management targets. We maintained a healthy normalised PATAMI margin of 40% supported by effective operational strategies.

CTOS has demonstrated significant earnings growth, with our normalised PATAMI increasing by 152% since 2019 to reach RM103.7 million in 2023

NORMALISED PATAMI (RM MIL)



CHIAM HSING CHEE
Group Chief Financial
Officer

CHIEF FINANCIAL OFFICER'S REVIEW

SEGMENTAL PERFORMANCE

The segmental performance of CTOS in FY2023 underscores our robust growth across different business segments, each benefiting from strategic initiatives and market dynamics.

REVENUE SEGMENTATION

KEY ACCOUNTS - MALAYSIA

2023: RM112.9 million

2022: 74.8

YoY Change: +51% ▲

COMMERCIAL

2023: RM120.2 million

2022: 104.7

YoY Change: +15% ▲

DIRECT-TO-CONSUMER

2023: RM22.4 million

2022: 15.3

YoY Change: +46% ▲

KEY ACCOUNTS - INTERNATIONAL

2023: RM6.0 million

2022: N/A

YoY Change: N/A

TOTAL REVENUE

2023: RM261.4 million

2022: 194.8

YoY Change: +34% ▲

- **Key Accounts - Malaysia:** This was our fastest-growing segment, reporting a remarkable 51% year-over-year revenue growth, from RM74.8 million in FY2022 to RM112.9 million in FY2023. This segment, serving 470 high-revenue-generating customers, saw significant contributions from banks, non-banking financial institutions ("NBFIs"), and telecommunications companies. The growth in this segment was driven by a higher adoption rate of our digital offerings like Digital Reports, Comprehensive Portfolio Review and Analytics, and various Digital Solutions such as CTOS Application and Decisioning ("CAD"), electronic Know Your Customer ("eKYC") and our fraud bureau ("IDGuard"). Notably, we secured multi-year key credit transformation

contracts with financial institutions and effectively onboarded licensed digital moneylenders, thanks to the collaboration and synergy with our associate company, JurisTech. During the year, we also acquired new clients and enhanced our product penetration and wallet share through upselling and cross-selling.

- **Commercial:** The Commercial segment serves around 21,000 customers from key industries such as wholesale and retail trade, manufacturing, professional services, construction, and finance and insurance. This segment grew its revenue by 15% year-on-year to RM120.2 million. Supported by targeted marketing activities and new offerings like Credit Manager Xpress—a user-friendly, mobile-optimised version of our Credit Manager designed to enhance accessibility and user experience. The segment's growth was also supported by increased usage of our digital reports and services. Furthermore, our commercial segment also caters to international clients, where we continued to acquire new customers, increased report consumption, and successfully implemented cross-selling initiatives.
- **Direct-to-Consumer ("D2C"):** Our D2C segment posted a 46% revenue increase to RM22.4 million in FY2023. The growth was fuelled by strategic partnerships, digital marketing, tactical campaigns, and efforts to enhance financial literacy. Key products contributing to this segment include CTOS Score, CTOS SecureID, Credit Finder, CTOS Tenant Screening, CTOS Vehicle Check, and CTOS Car Insurance. The segment benefitted from a rising awareness of credit scoring and the importance of financial literacy, as indicated by the substantial growth in our registered users—from approximately 2.5 million in FY2022 to over 3.6 million in FY2023. This expansion was supported by various partnership programmes and financial literacy initiatives aimed at enhancing financial understanding among consumers.
- **Key Accounts - International:** This segment commenced in FY2023 with the acquisition of leading telco-scoring companies in Indonesia and the Philippines. We acquired an 80% equity interest in PT Prime Analytics and a 100% equity interest in FinScore, completing the transactions on 1 September 2023 and 26 October 2023, respectively. The new subsidiaries have demonstrated positive momentum, contributing RM6.0 million to group revenue during the financial year, driven by enhanced product penetration within the banking sector in the Philippines and continued expansion into the Fintech sector in Indonesia. Throughout FY2023, we observed encouraging traction from increased transactions among existing clients and successful cross-selling of new products.

CHIEF FINANCIAL OFFICER'S REVIEW

STRONG FINANCIAL POSITION

As of 31 December 2023, our total assets reached RM805.6 million, up from RM735.2 million the previous year. This increase is primarily attributed to greater intangible assets arising from our regional acquisitions and product development investments. Our borrowings remained at RM149.5 million (excluding lease liabilities) at year-end, relatively similar to last year. With a net gearing ratio of 0.23 times, we maintain considerable flexibility for future investments, planning any acquisitions with a prudent mix of internal cash flows and external borrowings. This strategy ensures that CTOS continues to operate from a position of financial strength, ready to capitalise on new opportunities while maintaining a solid financial foundation. Our financial stability is further evidenced by a robust operating cash inflow of RM112.2 million in FY2023, reinforcing our strong financial position.

DELIVERING SHAREHOLDER RETURNS

CTOS remains dedicated to balancing strong growth prospects with our commitment to delivering shareholder value, particularly through consistent and rewarding dividend payments. We target to distribute at least 60% of our PATAMI in dividends, choosing to do so every quarter. This approach aligns with our strategy to provide continuous returns to our shareholders while maintaining the financial health and growth trajectory of the company. In FY2023, CTOS declared total dividends of 3.329 sen per share, disbursed through four interim dividends:

- A first interim dividend of 0.433 sen per share was paid on 30 May 2023.
- A second interim dividend of 0.550 sen per share was paid on 21 September 2023.
- A third interim dividend of 0.640 sen per share was paid on 22 December 2023.
- A fourth interim dividend of 1.706 sen per share was paid on 27 March 2024.

These distributions culminated in a total dividend payout of RM76.9 million for FY2023, achieving a payout ratio of 65%. This figure surpassed our targeted payout ratio, demonstrating our ongoing commitment to returning value to our shareholders and expressing our appreciation for their continued support and investment in CTOS.

CTOS embodies the best of both worlds, combining robust growth prospects with a commitment to rewarding shareholders through consistent dividends.

OUTLOOK

As we look toward 2024, we anticipate a year filled with dynamic growth and new opportunities, driven by the increasing adoption of digital solutions across our customer base and the continual acquisition of new customers. Our focus will remain on maximising wallet share and capitalising on the expanding digital economy within our key markets of Malaysia, Indonesia, and the Philippines. Additionally, we aim to enhance synergies across all entities within our group, ensuring cohesive progress and efficiency.

For the upcoming year, we have set an internal target for our normalised PATAMI, aiming to reach between RM125 million and RM130 million, a substantial growth of 20% to 25% from our FY2023 achievements. Our strategies to achieve this include:



Continuing to focus on growing our core business in Malaysia while seeking to broaden our reach in ASEAN markets;



Enhancing the customer journey and increasing customer lifetime value through improved engagement and service offerings;



Committing to ongoing innovation to further refine our products and services, ensuring they remain competitive and relevant; and



Embracing and integrating artificial intelligence ("AI") into our operations to drive efficiency and develop new capabilities.

These strategic directions are designed to position CTOS for sustained growth and success, building on our achievements in 2023 and adapting to the evolving demands of the digital landscape.

CHIAM HSING CHEE

Group Chief Financial Officer

FINANCIAL REVIEW

5 YEARS FINANCIAL HIGHLIGHTS

FINANCIAL SUMMARY (RM'000)	2019	2020	2021	2022	2023
Revenue	129,141	133,225	153,166	194,781	261,437
Gross Profit	107,542	115,716	133,976	164,627	200,893
EBITDA	48,537	53,652	66,434	97,997	124,894
Share of Profits of Associates	761	1,785	7,217	23,274	26,182

* Includes discontinued operations

** Normalised PATAMI is calculated as profit for the financial year attributable to Shareholders plus/less, where applicable

(i) losses from CIBI Philippines, Inc ("CIBI") and CIBI Holdings Pte Ltd;

(ii) costs related to our acquisitions of Experian Information Services (Malaysia) Sdn Bhd, CIBI, CTOS Basis, Business Online Public Company Limited, RAM Holdings Berhad, Juris Technologies Sdn Bhd, PT Prime Analytics and FinScore;

REVENUE



RM261.4
million

YoY growth

+34%

PROFIT BEFORE TAX



RM108.3
million

YoY growth

+26%

DIVIDEND PER SHARE



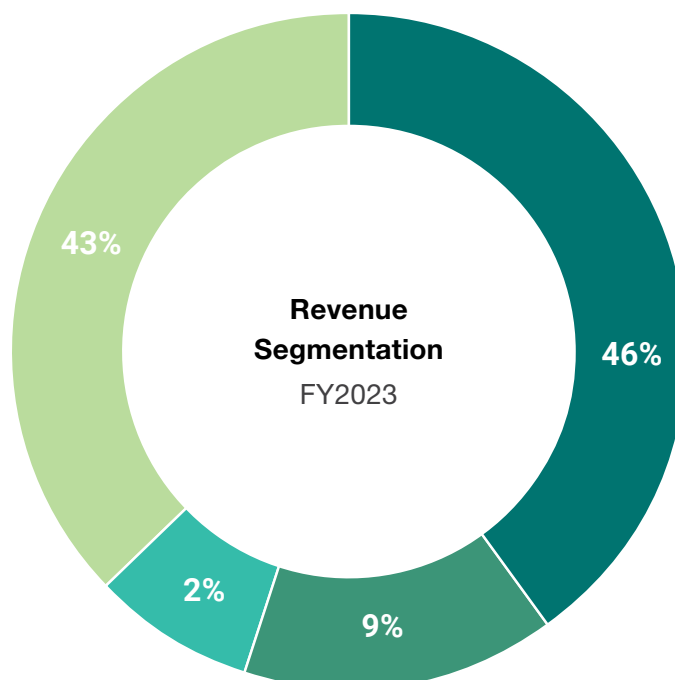
3.329
sen

Key Accounts - Malaysia

Commercial banks and leading large corporation within financial institutions, insurance, e-commerce and others

Commercial

Small-medium enterprises in Malaysia and international customers via CTOS Basis Sdn Bhd



Key Accounts - International

Financial institutions served by newly acquired subsidiaries in Indonesia and the Philippines

Direct-to-Consumer

Individual customer

FINANCIAL REVIEW

FINANCIAL SUMMARY (RM'000)	2019	2020	2021	2022	2023
PBT	41,246	42,796	53,043	85,681	108,323
PATAMI*	39,009	39,187	43,122	71,718	118,109
Normalised PATAMI**	41,120	41,464	54,602	85,360	103,746
Basic Earnings per Share (sen)	2.0	2.0	2.1	3.1	5.1

(iii) share-based payment expense;

(iv) realised and unrealised foreign exchange losses/(gains) on USD borrowings; and

(v) incremental income tax expense of CDS recognised based on the statutory tax rate of 24% as compared to the tax payable by CDS in accordance with the tax exemption granted for the tax relief period under the Pioneer Status incentives

REVENUE

(RM'000)

FY 19	129,141
FY 20	133,225
FY 21	153,166
FY 22	194,781
FY 23	261,437

PROFIT BEFORE TAX ("PBT")

(RM'000)

FY 19	41,246
FY 20	42,796
FY 21	53,043
FY 22	85,681
FY 23	108,323

Normalised Net Profit Attributable to Shareholders

("Normalised PATAMI")

(RM'000)

FY 19	41,120
FY 20	41,464
FY 21	54,602
FY 22	85,360
FY 23	103,746

EBITDA



YoY growth

+27%

RM124.9
million

NORMALISED PATAMI



YoY growth

+22%

RM103.7
million

DIVIDEND PAYOUT



65% of PATAMI
RM76.9 million





BUSINESS REVIEW

In 2023, CTOS demonstrated robust growth across all its business segments, achieving strong financial performance despite prevailing macroeconomic challenges. This highlights the strategic importance of our products and services in an increasingly digitalising economy. CTOS remains at the forefront of this, playing a crucial role as individuals and businesses prioritise making swift and well-informed credit decisions, especially amidst the surge in online transactions. CTOS' comprehensive database and suite of digital solutions empower stakeholders throughout the entire credit lifecycle which allows for informed decision-making and efficient processes, benefitting both credit seekers and providers.

What We Do

CTOS plays a pivotal role in driving the digital economy forward, empowering individuals and businesses to make informed credit decisions swiftly and confidently. We operate across four key business segments: Key Accounts (Malaysia), Key Accounts (International), Commercial and Direct-to-Consumer ("D2C"). While the first three segments have established a strong presence over the years, our International segment commenced in FY2023 following the acquisitions of FinScore in the Philippines and PT Prime Analytics in Indonesia.

With a broad suite of innovative products and services developed over three decades, our digital reports and solutions have become integral to the operations of various entities, including banking and financial institutions, insurance and telecommunication companies, large corporations, SMEs, legal firms, statutory bodies, and individual consumers for self-assessment purposes. Some of our key products in each segment are as follows:

 Key Accounts - Malaysia	 Key Accounts - International	 Commercial	 Direct-To-Consumer
<ul style="list-style-type: none"> Digital reports Comprehensive Portfolio Review and Analytics Digital Solutions CTOS Application and Decisioning (CAD) electronic Know Your Customer (eKYC) IDGuard e-Trade Reference (eTR) 	<ul style="list-style-type: none"> Alternative Score Platforms using telco data 	<ul style="list-style-type: none"> Credit Manager Reports Credit Monitoring eTR 	<ul style="list-style-type: none"> CTOS Score CTOS SecureID Credit Finder CTOS Tenant Screening CTOS Vehicle Check CTOS Car Insurance

Creating Stakeholder Value

Stakeholder Expectations

- Large corporations and SMEs:** Reliable credit reports and efficient risk assessment solutions to enable informed lending decisions and effective mitigation of credit risks.
- Consumers:** Access to accurate credit information and scores for self-assessment purposes, along with educational resources aimed at enhancing financial literacy.
- Government and Regulatory Authorities:** Compliance with laws and regulations, engage in collaborative efforts on emerging issues, and contribute to the development of industry standards.
- Shareholders:** Commitment to delivering sustainable financial returns, maintaining transparent reporting practices, implementing effective risk management strategies, and fostering proactive communication to ensure confidence and trust in our operations.

What We Did In 2023

- Strengthened our digital solutions through advancements in data analytics, fraud detection, and digital footprint capabilities, leveraging automation to achieve deeper insights.
- Expanded our proprietary database by integrating additional alternative sources, thereby enriching our resources and enhancing the quality of our reports.
- Engaged in ongoing dialogues with regulators and industry associations to exchange insights, remain abreast of regulatory changes, and contribute to the development of transparent and accountable frameworks within the credit reporting ecosystem.
- Conducted 58 briefings, investor engagement events, and meetings in FY2023 to actively communicate our progress and gather stakeholder feedback and incorporate these insights into our long-term business strategies.

Key Highlights

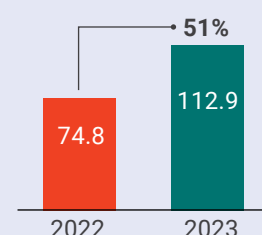
Key Financial & Business Highlights



Key Accounts - Malaysia

- Serves **470 high-revenue-generating** customers in banking, Non-Banking Financial Institutions (NBFIs), and telecommunications.
- This was our fastest-growing segment in FY2023, with revenue surging **51% YoY**, driven by demand for Digital Reports, Solutions, and Analytics.
- Increased adoption of Digital Solutions such as (CAD, eKYC, IDGuard) across Key Account customers.
- Intensified our efforts in upselling and cross-selling across the credit lifecycle, which has been successful, as our average revenue per customer has been growing.
- Secured multi-year credit transformation and RLOS (Retail Loan Origination System) contracts with financial institutions, marking significant collaborative victories with JurisTech.
- Launched CTOS Application and Decisioning, a digital moneylending solution, together with JurisTech and successfully onboarded **12 licensed moneylenders** with more potential in the pipeline.

Revenue RM'mil



Key Accounts - International

- Acquired an 80% equity interest in PT Prime Analytics and a 100% equity interest in FinScore, finalising the transactions on 1 September 2023 and 26 October 2023, respectively.
- Addressed the challenges faced by traditional credit scoring models with alternative data platform, which often overlook individuals without a substantial credit history.
- Enhanced product penetration in the banking sector in the Philippines, with further expansion into the Fintech sector in Indonesia.

Figures RM'mil

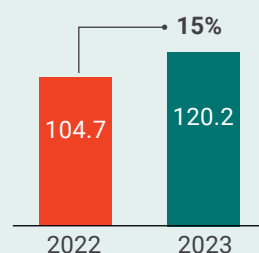
* 4 months contribution from PT Prime Analytics and 2 months from FinScore



Commercial

- Serves approximately **21,000 clients** across key industries including wholesale and retail trade, manufacturing, professional services, construction, finance, and insurance.
- Catered to international clients, where we continued to acquire new customers, increased report consumption, and successfully implemented cross-selling initiatives.
- Revenue grew **15% YoY** driven by higher ARPU and increased usage spurred by upselling and cross-selling initiatives.
- Introduced new offerings such as Credit Manager Xpress—a user-friendly, mobile-optimised version of our Credit Manager designed to enhance accessibility and user experience.
- Hosted a total of **26 events** that cater to SMEs, including CTOS SME Biz Day, Malaysia's largest SME networking event.

Revenue RM'mil



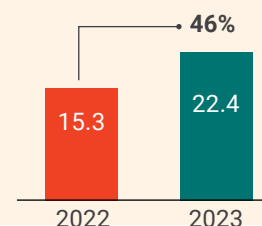
BUSINESS REVIEW



Direct-To-Consumer

- Our registered user for self-check account increased from **2.5 million** last year to over **3.6 million** in FY2023.
- Revenue grew by a significant **46% YoY** supported by various partnership programmes and educational initiatives aimed at enhancing financial understanding among consumers.
- Conducted a total of **510 awareness** campaigns, webinars, and roadshows aimed at educating and empowering individuals and businesses with valuable financial insights.
- Increased rate of subscription model with products bundling from one time purchase of report, contributing to higher retention of revenue.

Revenue RM'mil



Outlook And Prospects

In the forthcoming years, we aim to propel sustained value creation for all stakeholders across our business segments.



Key Accounts - Malaysia

- Expect an upward trend driven by continuous upselling and cross-selling strategies, enhancing our market share and optimising wallet share.
- Anticipate increasing momentum with positive contributions expected from the three digital banks onboarded in 2024.
- Enhanced revenue driven by expansions into new verticals such as the insurance industry, and credit providers under the emerging digital economy such as BNPL, P2P and licensed digital moneylenders.



Commercial

- Seize opportunities for deeper market penetration with the expansion of SMEs which serve as the cornerstone of the Malaysian economy, constituting over 97% of the nation's businesses.
- CTOS has identified 100,000 addressable SMEs sharing similar profiles to its current clientele, which it aims to pursue as potential customers.
- As the economy reopens and more international businesses invest in Malaysia, our commercial international division, specialising in business intelligence reports for global clients, is poised for significant growth.



Key Accounts - International

- The market in Indonesia and the Philippines is largely unbanked, making alternative data a key enabler for financial inclusion.
- The International operations represent a platform for expansion in the form of leads generation, additional analytics and to cross-sell our existing products into these markets.
- Blending our Malaysian expertise with the new subsidiaries, to create a top-tier portfolio of credit-centric solutions for the ASEAN region, aligning with our vision of establishing CTOS as a leading credit reporting agency in ASEAN.



Direct-To-Consumer

- 16 million credit active consumers form a sizable prospective market for this segment.
- Increasing financial literacy will drive more consumers to manage their credit score and perform self-check on a regular basis.
- Continue to broaden our partnership ecosystem to increase visibility and penetrate new verticals.

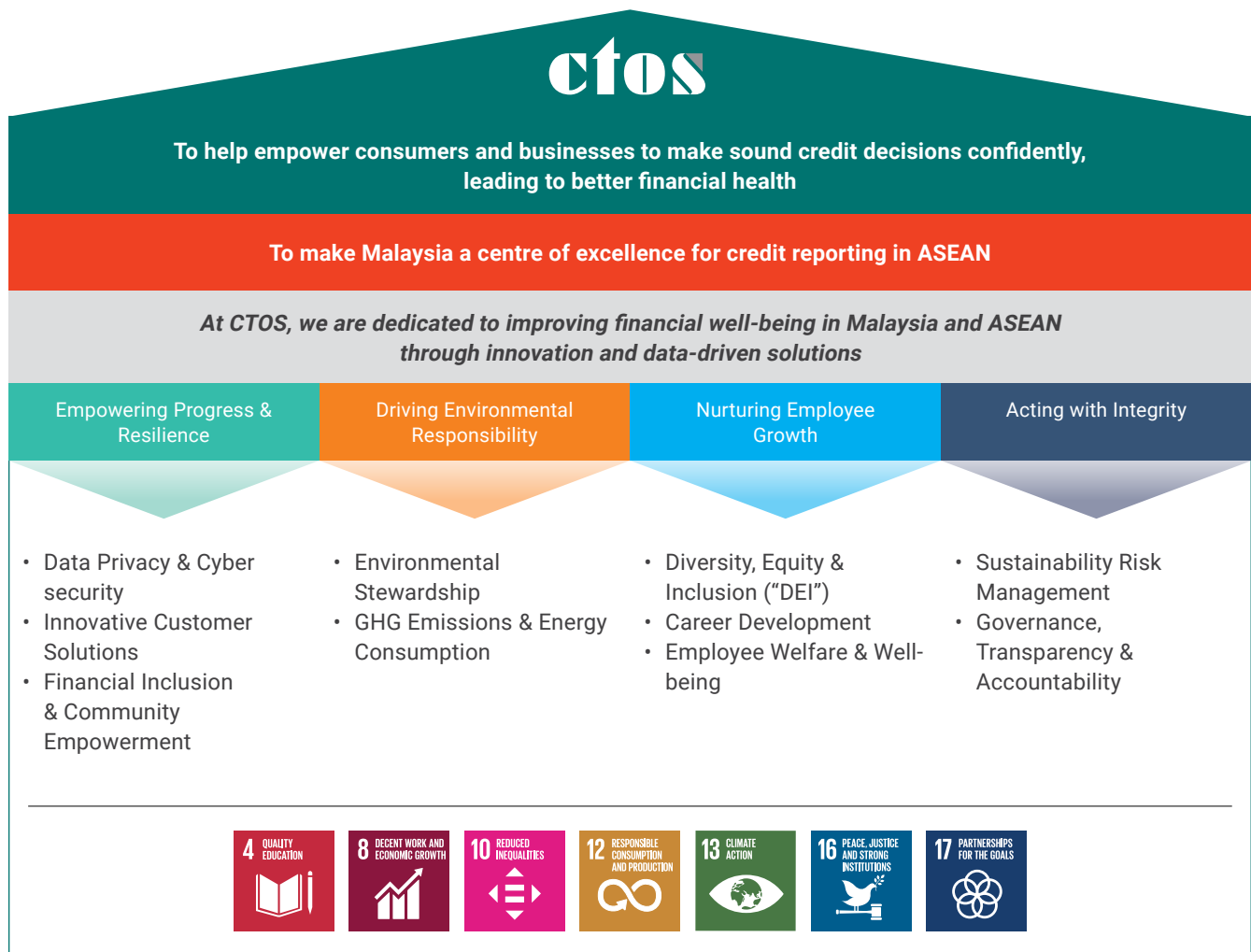
SUSTAINABILITY STATEMENT

At CTOS, embracing sustainability is a core principle of our operations. We are committed to operating in a manner that promotes the prosperity of our communities, the trust of our stakeholders, and the well-being of our planet. By integrating sustainability into our business, we strive to create value not only for the Group but also for society as a whole.

Central to our sustainability agenda, we spearhead impactful initiatives aimed at enhancing financial literacy and expanding financing opportunities for broader communities. Through targeted initiatives, we empower individuals and businesses alike, driving economic growth and social progress. Thus, our efforts are focused on fostering tangible change within the financial literacy sector, ensuring a sustainable future for generations to come.

SUSTAINABILITY BLUEPRINT AND ROADMAP

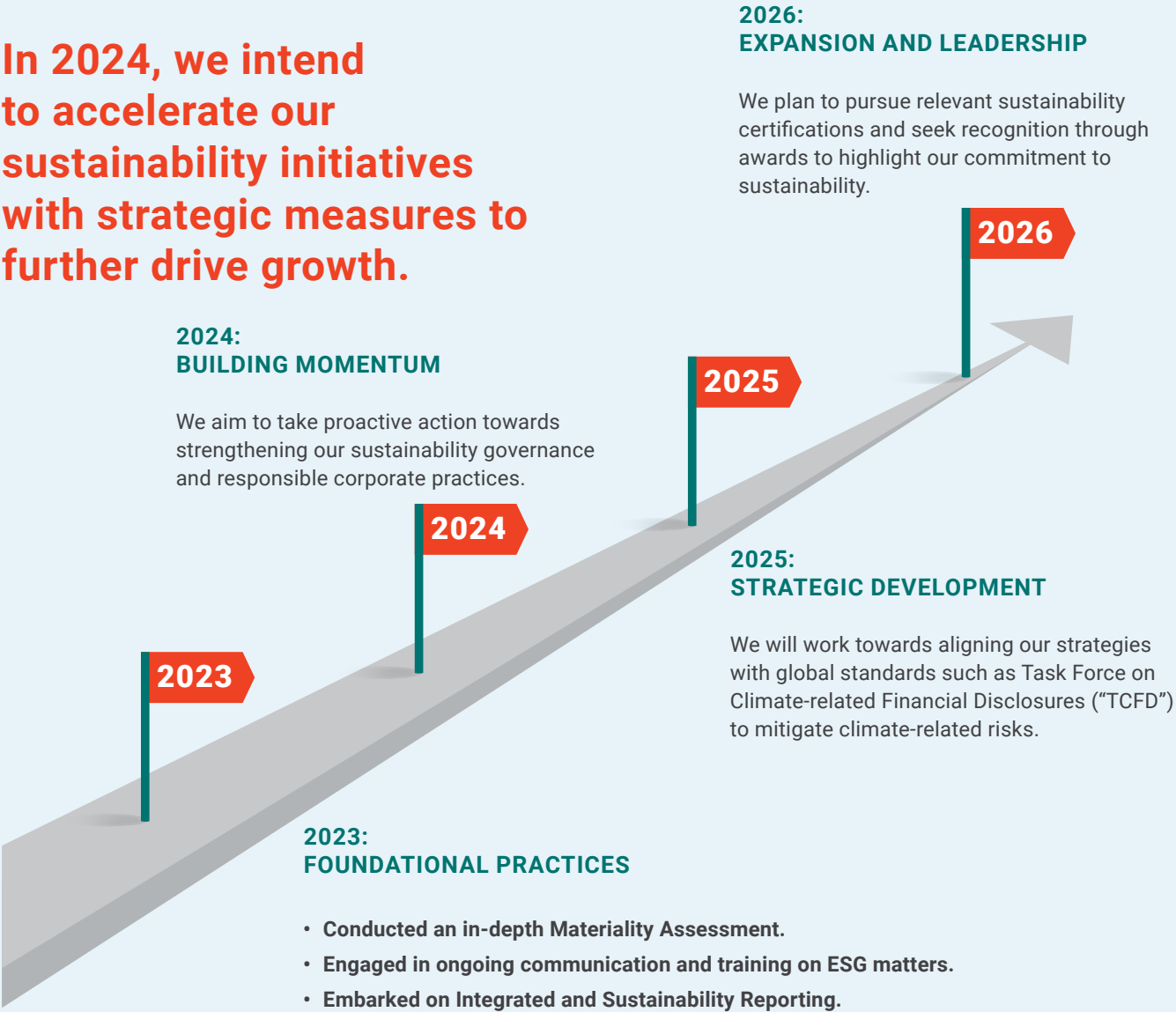
This year signifies a pivotal step in CTOS' sustainability journey, characterised by the refinement of our Sustainability Blueprint to better align with the dynamic landscape of material matters and stakeholder expectations. Building on our progress in sustainability, the materiality assessment conducted in 2023 has underpinned the revision of our Blueprint. This updated Blueprint reinforces the alignment between our sustainability initiatives and broader business objectives, marking a significant step forward in our continuous efforts to create lasting value for all stakeholders.



SUSTAINABILITY STATEMENT

CTOS' SUSTAINABILITY ROADMAP

In 2024, we intend to accelerate our sustainability initiatives with strategic measures to further drive growth.



Implementation of capacity building initiatives will be a focused throughout 2023 to 2026.

Awards and Recognitions	
• Malaysia Technology Excellence Awards - RegTech - Financial Technology 2023	• Golden Bull Awards - Official Credit Reporting Agency 2023
• Malaysia Sustainability Excellence Awards - ESG Impact Awards 2023	• Platinum Business Awards - Official Credit Reporting Agency 2023
• PwC Malaysia's Building Trust Awards - Top 20 FBM Mid 70 Index 2023	• Secured a 4-Star ESG rating, placing CTOS among the Top 25% of publicly listed companies in the FTSE4Good Bursa Malaysia Index
• SME100 Awards - Official Credit Reporting Agency 2023	

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE

A robust governance is imperative for the effective implementation of our Sustainability Blueprint and Roadmap, as well as for managing stakeholders' expectations. We prioritise enhancing our organisational capabilities to capitalise on growth opportunities amidst the transition to a low-carbon sustainable economy. Our Sustainability Governance structure undergoes continuous refinement to align with international best practices and meet the escalating expectations of investors, customers, and other stakeholders amidst the growing prioritisation and complexity of sustainability integration.

Roles and Responsibilities

The Board holds ultimate responsibility for managing all risks and opportunities, including those related to ESG factors such as climate change. As a result, ESG-based Key Performance Indicators ("KPIs") are assigned to the leadership team by our GCEO and Head of Corporate Strategy and Planning. Additionally, department heads are delegated specific sustainability responsibilities to drive ESG implementation throughout the organisation, ensuring comprehensive coverage across all levels.

Roles	Responsibility
Board	<ul style="list-style-type: none"> Oversee CTOS' sustainability plan to ensure alignment into overall business strategy. Approve CTOS' sustainability blueprint and roadmap.
Audit and Risk Committee ("ARC")	<ul style="list-style-type: none"> Deliberate and recommend to the Board for approval on the action plan related to sustainability matters. Oversee the development and execution of CTOS' sustainability framework, in line with the strategic outcomes that have been previously set by the Board. Provide a forum for discussion and communication on sustainability progress and key highlights. Receive quarterly update from the Group.
Group CEO	<ul style="list-style-type: none"> Deliberate and approve all key sustainability-related matters and decisions. Spearhead sustainability strategic plans that approved by the Board. Engage with stakeholders to grasp their expectations and apprehensions concerning sustainability matters and potential avenues. Conduct monthly review with Group Head of Corporate Strategy and Planning.
Group Head of Corporate Strategy and Planning	<ul style="list-style-type: none"> Propose CTOS' sustainability strategy and plan to Group CEO and ARC. Align and implement sustainability plans to various business and operational departments, prioritising key ESG material issues.
Senior Management ("C-Level Team") and Head of Departments	<ul style="list-style-type: none"> Operationalise CTOS' sustainability plans and update to Group Head of Corporate Strategy and Planning.

We manage decision-making processes, formulation and implementation of sustainable actions, targets and strategies across the entire Group.

SUSTAINABILITY STATEMENT



SUSTAINABILITY RISK MANAGEMENT

We acknowledge the potential impact of sustainability risks on financial performance and business continuity, addressing sustainability and climate risks at both the Group and business levels. The Group sets the overall risk appetite, formulates action plans, and establishes targets, while granting regional teams and business segments flexibility to customise approaches as needed. Moreover, regular quarterly risk management reporting is conducted in collaboration with our ARC. Both the ARC and the Risk Management Committee ("RMC") review progress on key sustainability matters each quarter, ensuring ongoing alignment with our strategic objectives.

Our sustainability risk management aligns with global standards such as Sustainability Accounting Standards Board Standards ("SASBS"), FTSE4Good, and the United Nations Global Compact ("UNGC"), ensuring harmonised approaches to ESG matters. Through this approach, we strengthen our capacity to preserve stakeholder value and ensure long-term business performance.

Board Oversight and Operational Integration

Our management rigorously identifies, assesses, and mitigates sustainability risks, including climate-related factors, through regular assessments and materiality exercises. The ARC ensures comprehensive evaluation and timely mitigation of material risks, while integrating sustainability considerations into senior management's performance metrics.

Enterprise Risk Management ("ERM") Framework

CTOS' ERM Framework establishes our risk appetite and guides strategic planning, aligned with ISO 31000 Risk Management guidelines, to manage ESG risks across our operations effectively.

Third-Party Due Diligence

We extend due diligence to vendors and partners, conducting reviews against regulatory databases to minimise legal and compliance risks, safeguarding CTOS' reputation and ethical standards.

SUSTAINABILITY STATEMENT

OUR RISK MANAGEMENT STRATEGY

Zero Non-Compliances

- Our commitment to compliance ensures that we adhere to relevant regulations, industry standards and best practices.
- Achieving zero non-compliances demonstrates our dedication to ethical conduct and responsible business practices.

Maintaining Trust in Data

- As a credit reporting agency, CTOS handles sensitive financial information diligently.
- Our focus on maintaining zero breaches is crucial for ensuring data privacy and security.
- By safeguarding data integrity, we build trust with customers, partners, and stakeholders.

Three-Year Cyber security Strategy

- CTOS proactive approach involves planning ahead.
- Our three-Year cyber security strategy, set to enhance security by 2025, reflects our commitment to staying ahead of cyber threats.
- This strategy likely includes measures such as robust encryption, regular security audits, employee training, and incident responses protocols.

In our procurement practices, we have embedded the Anti Bribery and Corruption questionnaire and the Vendor Code of Conduct ("VCOC") directly into our Vendor Registration Form. This strategic integration includes specific criteria aimed at addressing and mitigating potential sustainability risks within our supply chain.



For more information on our Sustainability Risk Management approach and initiatives, see page 52 of CTOS' Sustainability Report 2023.

SUSTAINABILITY-RELATED POLICIES, GUIDELINES, AND COMMITMENTS

Sustainability Pillars	Policies, Guidelines, and Commitments
Empowering Progress and Resilience	<ul style="list-style-type: none"> • Financial Literacy 2019-2023 under the National Strategy • Project Elevate • Bank Negara Malaysia's Risk Management in Technology ("RMiT") • ISO 27001 Information Security Risks • National Institute of Standards and Technology ("NIST") Cyber security Framework
Driving Environmental Responsibility	<ul style="list-style-type: none"> • Short and Medium-term carbon reduction targets • Workplace Green Culture
Nurturing Employee Growth	<ul style="list-style-type: none"> • Code of Business Conduct and Ethics ("COBE") • Learning and Development Training Policy • Corporate Governance Practices Pursuant Corporate Governance Guidelines issued by Bank Negara Malaysia ("BNM") • ISO 26000 Guidance on Social Responsibility
Acting with Integrity	<ul style="list-style-type: none"> • Board Charter • Code of Conduct and Business Ethics • Anti-Bribery and Anti-Corruption ("ABC") Policy • Fit and Proper Policy • Whistleblowing Policy • Terms of Reference • Directors' Performance Assessment Framework ("the Framework") • Directors' Remuneration Policy • Senior Management Remuneration and Assessment Framework • ISO 31000 Risk Management Guidelines • Enterprise Risk Management ("ERM") Framework • Corporate Governance Practices Pursuant Corporate Governance Guidelines Issued by Bank Negara Malaysia ("BNM")

SUSTAINABILITY STATEMENT

CREATING VALUE BY..

CTOS creates value through the four fundamental sustainability core pillars. These pillars serve as the foundation for managing our material matters, ensuring sustainable returns for the Group and our stakeholders. Our focus on the ten material matters reflects our business priorities, aimed at mitigating risks and leveraging commercial opportunities across various Economic, Environment, Social, and Governance (“EESG”) aspects.

Pillar One: Empowering Progress and Resilience

We believe that delivering these solutions establishes meaningful connections with our users and fosters trust in our brand. Addressing our customer needs and ensuring fair practices are foundational to building this trust, which is essential for our long-term sustainability.

Our Material Matters

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

Our Focus Areas

- Robust Security Implementations
- Security Awareness Programmes
- Fraud Prevention and Identity Resolution
- New Credit Report Products
- Nationwide Education Initiatives and Strategic Partnerships
- Financial Education Awareness Programmes

Key Highlights

- Maintained zero validated security breaches record.
- 3.64 million number of self-check users as of 2023.
- 2.11 million average monthly visitors to Knowledge Base hosted on CTOS website.
- Prevented a cumulative RM439 million worth of fraudulent credit applications for the members of CTOS IDGuard.
- Completed 510 financial education roadshows and webinars nationwide as of 2023.
- Honoured 30 top SME subscribers with the CTOS Golden Subscriber Awards.

Pillar Two: Driving Environmental Responsibility

We adopt a proactive approach to monitoring and reporting our Greenhouse gas (“GHG”) emissions, encompassing both mandatory scope 1 and 2 emissions as well as voluntary scope 3 emissions. Our strategies are geared towards continuous improvement in efficiency while expanding our operations sustainably.

Our Material Matters

- GHG Emissions and Energy Consumption
- Environmental Stewardship

Our Focus Areas

- Emission Reduction Enhancements

Key Highlights

- Achieved a 9% year-over-year reduction in emissions, surpassing the initial 4% target.
- Initiated an energy efficiency campaign across our organisation.

SUSTAINABILITY STATEMENT

Pillar Three: Nurturing Employee Growth

We are committed to fostering a culture of equality and diversity where employees are acknowledged and valued for their contributions, regardless of their backgrounds or experiences. Through these efforts, we aspire to advance our workplace culture and contribute to a sustainable, responsible future.

Our Material Matters

- Diversity, Equity, and Inclusion ("DEI")
- Career Development
- Employee Welfare and Well-Being

Our Focus Areas

- Diverse Recruitment Practices
- Equitable Performance Management
- Inclusive Workplace Developments
- Leadership Training Programmes
- Technical Skills Development Strategies
- Health and Workplace Initiatives
- Occupational Safety Training

Key Highlights

- **Zero** discrimination complaints reported to Human Resources ("HR").
- **74%** Employee Satisfaction Score.
- **15,407.5** total employee training hours.

Pillar Four: Acting with Integrity

As Malaysia's leading credit reporting agency, CTOS places paramount importance on earning and maintaining the trust of our customers. Transparency is key to demonstrating our commitment to ethical practices, enabling us to openly share our strategies, outcomes, and overall effectiveness with stakeholders.

Our Material Matters

- Governance, Transparency, and Accountability
- Sustainability Risk Management

Our Focus Areas

- Improvements in Governance Structure
- Corruption and Bribery Mitigation Actions
- Transparency in Stakeholder Engagements
- Risk Management Strategies
- Procurement Risk Prevention

Key Highlights

- **73%** of employees were in favour of the existing communication management.
- **Zero** reports on misconduct and malpractice.

BURSA MALAYSIA ESG REPORT

Indicator	Measurement Unit	2021	2022	2023
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	100.00	100.00	100.00
Middle Management	Percentage	100.00	100.00	100.00
Executive	Percentage	100.00	100.00	100.00
Non-Executive	Percentage	100.00	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	75.00	75.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00	30,000.00	25,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	1	1
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	-	12	9
Middle Management	Hours	-	39	26
Executive	Hours	-	17	33
Non-Executive	Hours	-	11	21
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	2.00	12.00	8.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	3	1	1
Middle Management	Number	10 *	17 *	9 *
Executive	Number	128 *	164 *	118 *
Non-Executive	Number	7	9 *	4 *
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	65.00	73.00	73.00
Senior Management Above 50	Percentage	35.00	27.00	27.00
Middle Management Under 30	Percentage	7.80	9.40	7.00
Middle Management Between 30-50	Percentage	90.90	89.40	89.00
Middle Management Above 50	Percentage	1.30	1.20	4.00
Executive Under 30	Percentage	51.50	45.50	46.40
Executive Between 30-50	Percentage	47.50	53.90	53.00
Executive Above 50	Percentage	1.00	0.60	0.60
Non-Executive Under 30	Percentage	46.60	68.80	61.00
Non-Executive Between 30-50	Percentage	52.10	30.40	39.00
Non-Executive Above 50	Percentage	1.40	0.80	0.00
Gender Group by Employee Category				
Senior Management Male	Percentage	71.00	73.00	77.00
Senior Management Female	Percentage	29.00	27.00	23.00
Middle Management Male	Percentage	55.00	53.00	55.00
Middle Management Female	Percentage	45.00	47.00	45.00
Executive Male	Percentage	51.00	48.00	49.00
Executive Female	Percentage	49.00	52.00	51.00
Non-Executive Male	Percentage	8.00	8.00	25.00
Non-Executive Female	Percentage	92.00	92.00	75.00

Internal assurance External assurance No assurance

(*)Restated

BURSA MALAYSIA ESG REPORT

Indicator	Measurement Unit	2021	2022	2023
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	47.00	47.00	50.00
Female	Percentage	43.00	43.00	50.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	14.00	0.00	0.00
Above 50	Percentage	86.00	100.00	100.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	553.18	696.70	634.24
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	90.00	90.00	90.00
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	27.060000	32.890000	37.500000
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	0	21	351

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Noorazman Bin Abd Aziz
Independent Non-Executive Chairman

Loh Kok Leong
Non-Independent Non-Executive Director

Erick Hamburger Barraza
Executive Director and
Group Chief Executive Officer

Su Puay Leng
Independent Non-Executive Director

Lynette Yeow Su-Yin
Independent Non-Executive Director

Nirmala A/P Doraisamy
Independent Non-Executive Director

Wong Pau Min
Alternate Director to Loh Kok Leong

AUDIT & RISK COMMITTEE

Nirmala A/P Doraisamy
Chairperson
Lynette Yeow Su-Yin
Member
Su Puay Leng
Member

NOMINATION & REMUNERATION COMMITTEE

Lynette Yeow Su-Yin
Chairperson
Nirmala A/P Doraisamy
Member
Loh Kok Leong
Member

BOARD INVESTMENT COMMITTEE

Su Puay Leng
Chairperson
Dato' Noorazman Bin Abd Aziz
Member
Loh Kok Leong
Member

COMPANY SECRETARIES

Joanne Toh Joo Ann
[SSM PC No. 202008001119]
(LS 0008574)

Saw Hui Ying
[SSM PC No. 202108000465]
(MAICSA 7065214)

AUDITORS

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

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan
Kerinci,
59200 Kuala Lumpur
Tel. No.: +603 2783 9191
Fax: +603 2783 9111
E-mail: info@my.tricorglobal.com

CORPORATE OFFICE

Unit 01-12, Level 8, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan
Kerinci,
59200 Kuala Lumpur
Tel. No.: +603 2722 8888
Website: www.ctosdigital.com
E-mail: info@ctosdigital.com

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinci,
59200 Kuala Lumpur
Tel. No.: +603 2783 9299
Fax: +603 2783 9222
E-mail: is.enquiry@my.tricorglobal.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad (5301)

BOARD OF DIRECTORS' PROFILE

AS AT APRIL 2024



7

2

3

1

6

4

5

1 Dato' Noorazman Bin Abd Aziz

2 Loh Kok Leong

3 Lynette Yeow Su-Yin

4 Nirmala A/P Doraisamy

5 Su Puay Leng

6 Erick Hamburger

7 Wong Pau Min

BOARD OF DIRECTORS' PROFILE

AS AT APRIL 2024

**DATO' NOORAZMAN BIN ABD AZIZ**

Independent
Non- Executive Chairman

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M

**BOARD MEETING ATTENDANCE**

7/8

ARC

2/2

NRC

1/1

BIC

2/2

DATE OF APPOINTMENT

24 February 2020

ACADEMIC/QUALIFICATIONS/MEMBERSHIP(S)

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

RELEVANT WORKING EXPERIENCE

Over 38 years of experience in banking and finance, investments, and capital markets.

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

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC OR LISTED COMPANIES

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

ADVISORY

- Advisor, Vynn Capital Sdn Bhd

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

BOARD COMMITTEE MEMBERSHIP

Audit & Risk
Committee



Nomination & Remuneration
Committee



Board Investment
Committee



Chairman

BOARD OF DIRECTORS' PROFILE

AS AT APRIL 2024



LOH KOK LEONG

Non-Independent
Non-Executive Director

52 M 

BOARD MEETING ATTENDANCE

 6/8

 3/3  1/2

DATE OF APPOINTMENT

15 August 2014

ACADEMIC/QUALIFICATIONS/MEMBERSHIP(S)

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

RELEVANT WORKING EXPERIENCE

Over 28 years of experience in consulting, specialising in strategy development and execution and private equity.

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

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC OR LISTED COMPANIES

Nil

He does not have any family relationship with any of the other Directors and/or major shareholders of the Company. He has no conflict of interest with the Group other than that which has been disclosed to the Board of Directors (if any) and that he shall be deemed interested in the recurrent related party transactions of a revenue or trading nature to be entered into with the related parties by virtue of the nature of interest as disclosed in the Circular to Shareholders dated 30 April 2024. He has not been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanctions or penalty by the relevant regulatory bodies during the financial year.

BOARD OF DIRECTORS' PROFILE

AS AT APRIL 2024



LYNETTE YEOW SU-YIN

Independent
Non-Executive Director

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BOARD MEETING ATTENDANCE

 7/8

 3/3  4/4

DATE OF APPOINTMENT

1 October 2020

ACADEMIC/QUALIFICATIONS/MEMBERSHIP(S)

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

RELEVANT WORKING EXPERIENCE

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

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

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC OR LISTED COMPANIES

- Independent Non-Executive Director of Malaysia Building Society Berhad


OTHER APPOINTMENTS

- Independent Non-Executive Director of TNB Power Generation Sdn Bhd
- Trustee of The Datai Pledge

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


BOARD OF DIRECTORS' PROFILE

AS AT APRIL 2024





NIRMALA A/P DORAISAMY

Independent
Non-Executive Director

57 F 

BOARD MEETING ATTENDANCE

 8/8

 6/6  2/2

DATE OF APPOINTMENT

1 April 2021

ACADEMIC/QUALIFICATIONS/MEMBERSHIP(S)

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

RELEVANT WORKING EXPERIENCE

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

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

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC OR LISTED COMPANIES

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

OTHER APPOINTMENTS

- Member of Auditing and Assurance Standards Board, Malaysia Institute of Accountants

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

BOARD OF DIRECTORS' PROFILE

AS AT APRIL 2024



SU PUAY LENG
Independent
Non-Executive Director

54

F



BOARD MEETING ATTENDANCE
8/8

BIC

2/2

ARC

6/6

DATE OF APPOINTMENT

27 May 2021

ACADEMIC/QUALIFICATIONS/MEMBERSHIP(S)

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

RELEVANT WORKING EXPERIENCE

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

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

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC OR LISTED COMPANIES

Nil

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

BOARD OF DIRECTORS' PROFILE

AS AT APRIL 2024



ERICK HAMBURGER

Non-Independent Executive Director
and Group Chief Executive Officer

55 M 

BOARD MEETING ATTENDANCE

 8/8

DATE OF APPOINTMENT

30 September 2022

ACADEMIC/QUALIFICATIONS/MEMBERSHIP(S)

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

RELEVANT WORKING EXPERIENCE

Over 30 years of vast experience incorporate strategy and international credit reporting sector.

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

He does not have any family relationship with any of the other Directors and/or major shareholders of the Company. He has no conflict of interest with the Group other than that which has been disclosed to the Board of Directors (if any) and that he shall be deemed interested in the recurrent related party transactions of a revenue or trading nature to be entered into with the related parties by virtue of the nature of interest as disclosed in the Circular to Shareholders dated 30 April 2024. He has not been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanctions or penalty by the relevant regulatory bodies during the financial year.

BOARD OF DIRECTORS' PROFILE

AS AT APRIL 2024



WONG PAU MIN

Alternate Director
to Loh Kok Leong

42
M


BOARD MEETING ATTENDANCE

2/8

DATE OF APPOINTMENT

15 February 2021

ACADEMIC/QUALIFICATIONS/MEMBERSHIP(S)

- First class honours in Master of Engineering - Electrical & Information Sciences (University of Cambridge, United Kingdom)
- MBA from Haas School of Business (University of California Berkeley, USA)

RELEVANT WORKING EXPERIENCE

Over 20 years of experience in strategic and operational expertise across Southeast Asia primarily in industrial goods, financial services and the public sector.

- Executive Director of Creador Sdn Bhd
- Principal at Boston Consulting Group
- Associate at Boston Consulting Group

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC OR LISTED COMPANIES

Nil

He does not have any family relationship with any of the other Directors and/or major shareholders of the Company. He has no conflict of interest with the Group other than that which has been disclosed to the Board of Directors (if any) and that he shall be deemed interested in the recurrent related party transactions of a revenue or trading nature to be entered into with the related parties by virtue of the nature of interest as disclosed in the Circular to Shareholders dated 30 April 2024. He has not been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanctions or penalty by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGERMENTS' PROFILE

AS AT APRIL 2024

1 Erick Hamburger Barraza

2 Chin Kuan Weng, Eric

3 Chiam Hsing Chee

4 James Fancourt Mitchell

5 Kolev Ivaylo Venkov, Ivo

6 Lee Shin Mei

7 Fong Kok Weng, Danny

8 Lim Sue Ling



KEY SENIOR MANAGERMENTS' PROFILE

AS AT APRIL 2024

**ERICK HAMBURGER BARRAZA**

Non-Independent Executive Director
and Group Chief Executive Officer

For details on Erick's profile, refer to Directors' profiles in page 65 of CTOS 2023 Integrated Annual Report

**CHIN KUAN WENG, ERIC**

Chief Executive Officer of CTOS Data Systems Sdn Bhd



Join Date: 18 November 2014

DATE OF APPOINTMENT OF CURRENT POSITION

18 November 2014

ACADEMIC/QUALIFICATION(S)

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

RELEVANT WORKING EXPERIENCE

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

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

KEY SENIOR MANagements' PROFILE

AS AT APRIL 2024

**CHIAM HSING CHEE**

Group Chief Financial Officer



Join Date: 16 January 2023

DATE OF APPOINTMENT OF CURRENT POSITION

16 January 2023

ACADEMIC/QUALIFICATION(S)

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

RELEVANT WORKING EXPERIENCE

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

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

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

**JAMES FANCOURT MITCHELL**

Group Chief Technology Office



Join Date: 17 May 2022

DATE OF APPOINTMENT OF CURRENT POSITION

17 May 2022

ACADEMIC/QUALIFICATION(S)

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

RELEVANT WORKING EXPERIENCE

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

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

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

KEY SENIOR MANAGERMENTS' PROFILE

AS AT APRIL 2024



KOLEV IVAYLO VENKOV, IVO

Group Chief Data and Product Officer



Join Date: 8 March 2023

DATE OF APPOINTMENT OF CURRENT POSITION

8 March 2023

ACADEMIC/QUALIFICATION(S)

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

RELEVANT WORKING EXPERIENCE

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

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



LEE SHIN MEI

Chief Operating Officer of CTOS Data Systems Sdn Bhd



Join Date: 1 November 2023

DATE OF APPOINTMENT OF CURRENT POSITION

1 November 2023

ACADEMIC/QUALIFICATION(S)

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

RELEVANT WORKING EXPERIENCE

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

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

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

KEY SENIOR MANAGERMENTS' PROFILE

AS AT APRIL 2024

**FONG KOK WENG, DANNY**

Chief Business Officer of CTOS Data Systems Sdn Bhd
Chief Executive Officer of CTOS IDS Sdn Bhd



Join Date: 3 September 2019

DATE OF APPOINTMENT OF CURRENT POSITION AS CHIEF BUSINESS OFFICER OF CTOS DATA SYSTEMS

1 January 2024

DATE OF APPOINTMENT OF CHIEF EXECUTIVE OFFICER OF CTOS IDS

1 April 2023

ACADEMIC/QUALIFICATION(S)

- Master of Business Administration (University of the West of Scotland)
- Bachelor of Science, Mechanical Engineering (Iowa State University)

RELEVANT WORKING EXPERIENCE

Danny joined CTOS on 3 September 2019 as the Senior General Manager overseeing the Key Accounts Management Business for CTOS. He is tasked to create and grow a sustainable business in the CTOS' Key Accounts Management Business Segment which has grown tremendously for these past few years.

He has been appointed as the Chief Executive Officer ("CEO") of CTOS IDS in April 2023. This dual role appointment will allow Danny to leverage his extensive expertise in CTOS business development and his deep understanding of the industry.

Danny draws upon 28 years of experience in the enterprise and SME business in Malaysia and throughout the ASEAN Region. He headed the acquisition business for Dell in Malaysia, then was the Country Manager leading the Fusion Middleware team for Oracle in Malaysia and Vietnam, where he led his team to be one of the best performing team in Oracle worldwide. Subsequently, he was the Director of Enterprise and Public Sector for Cisco Systems in Malaysia. NCR Corporation then made him the Country Managing Director for Malaysia. Then he became the Regional Director for Blue Coat Systems responsible for Malaysia and Indonesia. Prior joining CTOS, he was the Regional Director for Crayon, based in Singapore where he was responsible for the Enterprise Business across the ASEAN Region.

**LIM SUE LING**

Group General Manager of Risk and Business Compliance



Join Date: 6 March 2006

DATE OF APPOINTMENT OF CURRENT POSITION

1 June 2023

ACADEMIC/QUALIFICATION(S)

- Diploma in Information Technology (Informatics College, Malaysia)

RELEVANT WORKING EXPERIENCE

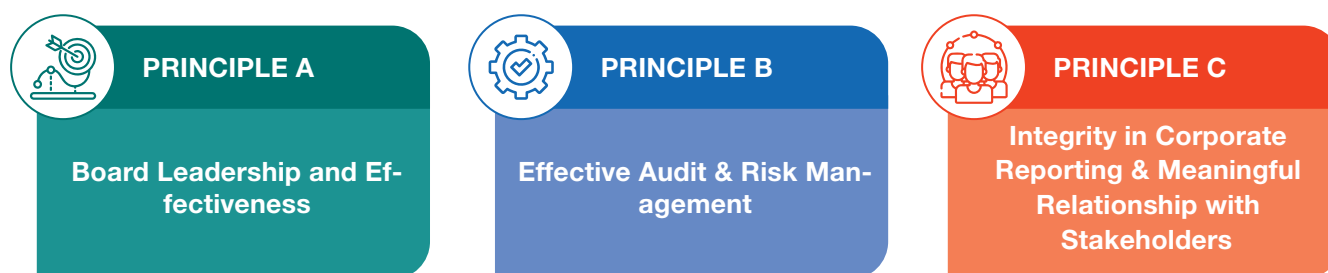
Sue Ling joined CTOS since 2006 and has acquired over 17 years of experience in regulatory compliance and risk management of the credit bureau business and currently, oversees all compliance related matters of our Group.

Before she was redesignated as Group General Manager of Risk and Business Compliance in June 2023, she held Group Senior Head of Risk and Business Compliance position, where she was responsible for developing and overseeing Group's enterprise risk governance framework. Her primary responsibilities include developing annual regulatory and compliance work plan and overseeing consumer redress mechanism. She has rose through the ranks from Customer Service Officer to the current position as Group General Manager of Risk and Business Compliance. She held several roles including Special Project Officer, Assistant Manager of the Settlement and Record Update, Manager of Business Compliance and Head of Business Compliance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

The Board of Directors (“**Board**”), Management, and employees are constantly working to improve the Group’s CG practices and processes and strive to uphold the CG principles. The Board is pleased to, present this CG Overview Statement for the financial year ended 31 December 2023 (“**FY2023**”) based on the following statutory provisions: (i) Companies Act, 2016; (ii) Malaysian Code on Corporate Governance 2021 (“**MCCG 2021**”); and (iii) Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) based on the following MCCG 2021 principles:-



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

The CG Overview Statement shall be read together with the CG Report 2023 (“**CG Report**”), available on the Company’s website at www.ctosdigital.com. The comprehensive details of the Company’s overall approach and specific practices pertaining to CG detailing on how the Company has applied each of the practices set out in the MCCG 2021 are disclosed in the CG Report.



I. BOARD RESPONSIBILITIES

(A) Board of Directors

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

In order to discharge of its stewardship role effectively, the Board has delegated its authority and specific duties and responsibilities to the following Board Committees to carry out the Board’s oversight functions, each of which is explained further in details under item E, Board Committees of this section of the CG Overview Statement.



All the Board Committees are actively engaged and act as oversight committees. They contemplate and recommend matters under their purview for the Board to consider, to approve and make final decision. The Board also receives updates from the respective Chairman of the Board Committees on matters that have been discussed and deliberated at the respective meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE A

Board Leadership and Effectiveness

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

(B) Chairman and the GCEO

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

The Chairman of the Company is Dato’ Noorazman Bin Abd Aziz, an Independent Non-Executive Chairman who is primarily responsible for the stewardship and smooth functioning of the Board especially taking a leading role in establishing effective CG system and practices. The Chairman also leads the Board meetings by encouraging active participation and allowing dissenting views to be expressed freely to ensure that discussions and contributions from all Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion.

The GCEO of the Company, Erick Hamburger Barraza is primarily responsible for the execution of business plans in line with the Board’s direction and drives the business and performance towards achieving the Group’s vision and goals as well as the day-to-day management of the Group, within the authorities as delegated by the Board. He also acts as the conduit between the Board and Management in ensuring the success of the Group’s governance and management functions.

(C) Board Meeting and Access to Information and Advice

The Board is required to meet quarterly with additional meetings being convened as and when necessary to consider urgent proposals or matters that require that Board’s consideration. To facilitate the Directors’ time planning, an annual meeting calendar will be prepared and circulated before the beginning of each year. Where appropriate, the Board may also resolve and approve various matters by way of written resolutions.

The Board held eight (8) Board Meetings during the FY2023 and the attendance record is as follows:-

Directors / Designation	Total Number of Board Meetings Attended during FY2023
Dato’ Noorazman Bin Abd Aziz ² (Independent Non-Executive Chairman)	7/8
Loh Kok Leong (Non-Independent Non-Executive Director) (Alternate Director: Wong Pau Min) <i>Note: Mr Wong Pau Min attended two (2) out of the eight (8) meetings as Alternate Director.</i>	6/8
Wong Pau Min (Alternate Director to Loh Kok Leong)	2/8
Erick Hamburger Barraza (Executive Director/ GCEO)	8/8
Lynette Yeow Su-Yin (Independent Non-Executive Director)	7/8
Nirmala A/P Doraisamy (Independent Non-Executive Director)	8/8
Su Puay Leng (Independent Non-Executive Director)	8/8
Tan Sri Izzuddin Bin Dali ¹ (Independent Non-Executive Chairman)	1/2

¹ retired as Independent Non-Executive Chairman on 26 May 2023.

² redesignated as Independent Non-Executive Chairman on 26 May 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE A

Board Leadership and Effectiveness

The Board recognises the importance of timely dissemination of Board and Board Committee papers as well as minutes of meeting to all Directors within a reasonable period prior to the Board and Board Committee meetings to enable them to receive the information in a timely manner and facilitate decision making by the Board and to deal with matters arising from such meetings. Upon the conclusion of the meeting, the minutes will be circulated to the Board for review and comments within a reasonable timeframe prior to the Chairman's confirmation at the following Board meeting. In ensuring the effective functioning of the Board, all Directors have individual and unrestricted access to the advice and support services of the Company Secretaries, Internal Auditors, External Auditors and Independent Advisers, if deemed necessary and may seek advice from the Management on issues under their respective purview.

(D) Board Charter, Codes and Policies

The Board has the following in place:-

Board Charter

The Board Charter clearly sets out the key values, principles and ethos of the Company, as policy delineates the roles of the Board (including matters reserved for the Board), the Chairman, the GCEO, the Independent Director, the Board Committees and individual Directors. It provides structure guidance and ethical standards for Directors and Management in discharging their duties towards the Company as well as the Board's operating practices. The Board will review the Board Charter once every two (2) years or as and when is deemed necessary and make any necessary amendments to ensure that they remain consistent and relevant with the Board's objectives, operating environment, current law and practices.

Code of Business Conduct and Ethics ("Code")

The Code sets out the minimum standards which require all employees to comply with areas and situations where public trust and confidence might be compromised, or a law might be violated. The Code serves as a guide for conflict of interest situations, as well as proper standards of business ethics and conduct for the Group and the same shall not derogate, replace, or restrict the matured judgement of the employees in conducting their daily activities.

Whistleblowing Policy

CTOS has established a Whistleblowing Policy and it embodies the Group's commitment to promote and maintain high standards of transparency, accountability, ethics and integrity at the workplace. This policy provides an avenue for employees and third parties (includes external agencies and any parties with a business relationship with the Group) to disclose cases of improper conduct which include criminal offences, fraud, corruption, non-compliance to laws and regulations, breach of Group's policies and the Code or other malpractices without the fear of reprisal.

Anti-Bribery and Corruption Policy

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

The Group has adopted a zero-tolerance approach against all forms of bribery and corruption. Employees who refuse to pay bribes or participate in acts of corruption will not be penalised even if such refusal may result in losing business.

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

Directors' Remuneration Policy

This policy serves as a guidance to set an appropriate level of remuneration that allows the Company to attract and retain talented and well-qualified Directors for the long-term business strategies of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE A

Board Leadership and Effectiveness

Directors' Qualification, Fit and Proper Policy

CTOS has established a Directors' Qualification, Fit and Proper Policy which sets out the standards and expectations on the suitability of all candidates and the current Directors of CTOS. The policy shall provide transparency on the selection for the Board composition in order to ensure that the Directors of CTOS have the character, integrity and competence required to perform the roles and responsibilities of a Director of a public listed company.

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

(E) Board Committees

The Board Committees are to examine specific issues within their respective approved terms of reference ("TOR") and report to the Board with their recommendations. However, the ultimate responsibility for decision making remains with the Board. The TOR of the Board Committees are available for reference on the Group's website at <https://ctosdigital.com/corporate-governance/>.

The Audit and Risk Committee

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

A full ARC report is set out on pages 93 to 97 of this Integrated Annual Report.

The Nomination and Remuneration Committee

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

The NRC comprises entirely Non-Executive Directors, majority of whom are independent. During FY2023, there were three (3) meetings held. The details of members of the NRC and the attendance record of meetings are as follows:-

NRC Members	Designation	Total Number of NRC Meetings Attended during FY2023
Lynette Yeow Su-Yin (Independent Non-Executive Director)	Chairperson	3/3
Nirmala A/P Doraisamy¹ (Independent Non-Executive Director)	Member	2/2
Loh Kok Leong (Non-Independent Non-Executive Director) (Alternate Director: Wong Pau Min)	Member	3/3
Dato' Noorazman Bin Abd Aziz² (Independent Non-Executive Director)	Member	1/1

¹ appointed as member of the NRC on 26 May 2023.

² ceased as member of the NRC on 26 May 2023, following his redesignation to Independent Non-Executive Chairman of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE A

Board Leadership and Effectiveness

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

The NRC had carried out the following activities in discharging its duties for FY2023, inter alia:-

1. Reviewed the Board composition of the Company and its subsidiaries.
2. Reviewed Directors' Fees and Benefits for recommendation to the Board for the Board's further recommendation to the Shareholders for approval at AGM.
3. Reviewed and endorsed the 2023 Key Performance Indicators ("KPIs") for the C-Level executives.
4. Reviewed the trainings undertaken and the trainings recommended for Directors to attend in 2023.
5. Reviewed the 2023 Human Resources (HR) Strategy.
6. Reviewed and recommended to the Board, the re-election and retirement by rotation of Directors at the 2023 Annual General Meeting ("AGM").
7. Reviewed the result/summary of the 2022 Performance Assessment of the Board, the Board Committees and the individual Directors.
8. Reviewed terms of office of ARC and each ARC member.
9. Reviewed the independence of Independent Directors.
10. Reviewed the FY2023 performance bonus and 2024 salary increase for GCEO, C-Level executives and overall FY2023 bonus pay-outs.
11. Reviewed the redesignation of Dato' Noorazman Bin Abd Aziz as Independent Non-Executive Chairman of the Company following the retirement of Tan Sri Izzudin Bin Dali as Independent Non-Executive Chairman for recommendation to the Board.
12. Reviewed the cessation of Dato' Noorazman Bin Abd Aziz as a member of the ARC and NRC following his redesignation as Independent Non-Executive Chairman of the Company for recommendation to the Board.
13. Reviewed the appointment of Madam Nirmala A/P Doraisamy as a member of NRC for recommendation to the Board.
14. Reviewed the appointment of Madam Lynette Yeow Su-Yin as a member of the ARC for recommendation to the Board.
15. Reviewed the redesignation of Dato' Noorazman Bin Abd Aziz from Chairman to a member of the Board Investment Committee for recommendation to the Board.
16. Reviewed the redesignation of Madam Su Puay Leng from member to the Chairperson of the Board Investment Committee for recommendation to the Board.
17. Reviewed the confirmation of Mr Chiam Hsing Chee as the Group Chief Financial Officer for recommendation to the Board.
18. Reviewed Employee Share Option Scheme ("ESOS") for recommendation to the Board.
19. Reviewed ESOS Committee Composition, Compensation, and Terms of Reference for recommendation to the Board.

In addition to the nomination matters, the NRC is also responsible for providing oversight on the remuneration matters of the Company. A more detailed description on the remuneration matters is provided in Remuneration Section of this CG Overview Statement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE A

Board Leadership and Effectiveness

The Board Investment Committee

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

The BIC comprises entirely of Non-Executive Directors who are majority independent. During the year under review, there were two (2) meetings held. The details of each BIC's members and their respective attendance record of meetings are as follows:-

BIC Members	Designation	Total Number of BIC Meetings Attended during FY2023
Su Puay Leng¹ (Independent Non-Executive Director)	Chairperson	2/2
Dato' Noorazman Bin Abd Aziz² (Independent Non-Executive Chairman)	Member	2/2
Loh Kok Leong (Non-Independent Non-Executive Director) (Alternate Director: Wong Pau Min) <i>Note: Mr Wong Pau Min attended one (1) out of the two (2) meetings as Alternate Director.</i>	Member	1/2
Wong Pau Min (Alternate Director to Loh Kok Leong)	Member	1/2

1 redesignated from member to Chairperson of the BIC on 26 May 2023.

2 redesignated from Chairman to member of the BIC on 26 May 2023.

During the FY2023, the BIC had undertaken the following activities in discharging its duties:-

1. Reviewed the acquisition of 100% stakes in Fintech Platform Ventures Pte Ltd, the holding company of FinScore Inc, and reviewed the potential conflict of interest in the said transaction.
2. Reviewed the related party transaction for the acquisition of 80% stakes in Alt Decisions Pte Ltd, the holding company of PT Prime Analytics Indonesia.
3. Reviewed the acquisition of FICO Score contracts in Thailand

Company Secretaries

The Board is supported by competent and qualified Company Secretaries who play a vital role in advising the Board in relation to the Company's Constitution, the Board policies and procedures and compliance with the applicable laws and regulations, to ensure the Board's application of the corporate governance practices to meet the Board's needs and stakeholders' expectations. The Company Secretaries also assist the Board in its leadership role, fiduciary duties and governance stewardship. All Directors have unrestricted access to the advice and services of the Company Secretaries for the purpose of the conduct of the Board's affairs and the business.

Ms. Joanne Toh Joo Ann and Ms. Saw Hui Ying are the Company Secretaries of CTOS Digital and its subsidiaries.

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

During the FY2023, the Company Secretaries had undertaken various activities in discharging their duties, details of which are outlined in the CG Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE A

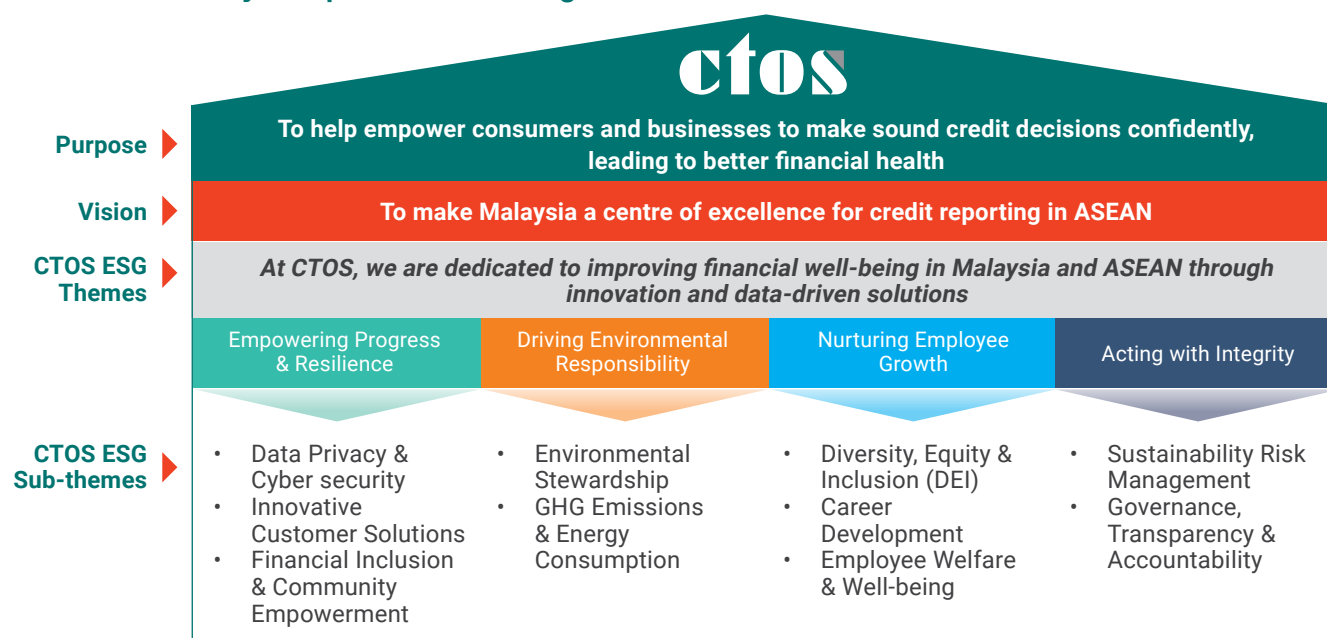
Board Leadership and Effectiveness

Sustainability

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

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

Sustainability Blueprint for CTOS Digital



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

The Company's efforts in this regard have been set out in the Sustainability Statement on pages 49 to 55 of this Integrated Annual Report.

II BOARD COMPOSITION

(A) Board Composition and Boardroom Diversity

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

As at 31 December 2023, the Board consists of six (6) members, comprising four (4) Independent Non-Executive Directors (including one (1) Independent Non-Executive Chairman), one (1) Executive Director and one (1) Non-Independent Non-Executive Director, along with one (1) Alternate Director to the Non-Independent Non-Executive Director. A brief profile of each Director is presented on pages 60 to 66 of this Integrated Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE A

Board Leadership and Effectiveness

CTOS Digital believes that having a diverse Board provides a compelling competitive advantage. The Directors collectively bring with them diverse knowledge, skill, extensive experience and expertise in areas such as corporate strategy, corporate governance, accounting, financial Reporting and Taxation, Board experience, mergers and acquisitions and securities regulations. These enable them to discharge their duties and responsibilities effectively and objectively on the Company's strategies, compliance and business operations. By combining contributions of a group of people with different skills, backgrounds and experiences, the Board is able to approach problems from a greater range of perspectives, to raise challenging questions and to debate more vigorously. Multiple-perspective analysis of problems can change the boardroom dynamics and is more likely to be of higher quality than decisions made under a 'groupthink' environment.

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

The Board also acknowledges the need to promote gender diversity within its composition and endeavour to increase female participation in the Board and Senior Management. Currently, there are three (3) women serving as members of the Board, representing 50% of female representation on the Board.

The Board is satisfied with the current composition as this size is optimal and would enable effective oversight and delegation of responsibilities. The summary of the Board composition of the Company as of 31 December 2023 is set out below:-

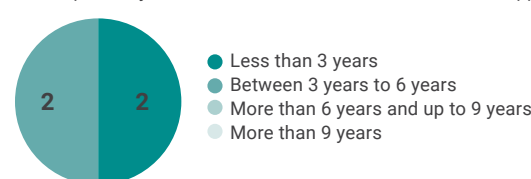
MCCG Practice 5.2

(At least half of the Board comprises Independent Directors)



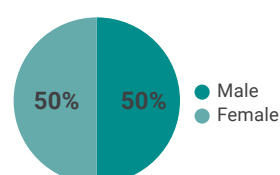
MCCG Practice 5.3

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

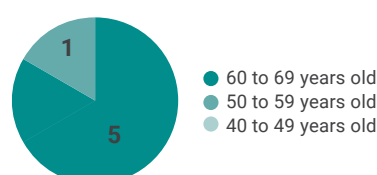


MCCG Practice 5.9

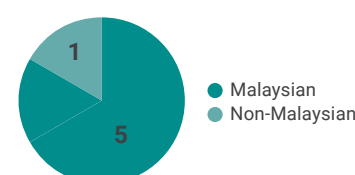
(The Board comprises at least 30% female Directors)



Age



Nationality



In addition, diversity in Senior Management facilitates constructive debates, which lead to better decisions and enabling discussion in an ever-changing environment. The Board also values the diversity of perspectives and experience at Senior Management level for better decision making and competitive advantage. As at 31 December 2023, 29% of the Senior Management positions of the Company are held by women.

The criteria, processes and requirements in terms of nomination, assessment, and re-election of Board members are outlined in the Company's NRC's TOR and Directors' Selection Policy. In addition, the Board Charter of the Company outlining the approach to diversity for the Board, including gender, age, and ethnic diversity. Read about our diversity policy for Board members in our Board Charter at <https://ctosdigital.com/corporate-governance/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE A

Board Leadership and Effectiveness

(B) Board Independence

Under CTOS Digital's current Board composition, there are six (6) Directors (excludes one alternate director), out of which four (4) Directors are Independent Non-Executive Director, including the Chairman of the Company. The present Board composition complies with Paragraph 15.02 of the MMLR of Bursa Securities, which requires at least two (2) or one-third (1/3) of the Board of the Company, whichever is higher, are Independent Directors.

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

In line with the MCCG 2021 and the Board Charter, the tenure of an Independent Non-Executive Director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as Non-Independent Director. If the Board intends to retain an Independent Non-Executive Director who has served a cumulative term of nine (9) years in the Company, the Board must provide a strong justification and obtain the approval of the shareholders. As at the date of this CG Overview Statement, none of the Independent Non-Executive Director has reached nine (9) years of service since their appointment. The tenure of the respective Independent Non-Executive Director as at 31 December 2023 are as follows:

Name of Directors	Tenure
Dato' Noorazman Bin Abd Aziz	3 years, 10 months
Lynette Yeow Su-Yin	3 years, 3 months
Nirmala A/P Doraisamy	2 year, 9 months
Su Puay Leng	2 year, 7 months

(C) Appointment and Re-appointment of Directors

Appointment of Board member and Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. Directors appointed should be able to devote sufficient time to serve the Board effectively. The Board should consider the existing Board positions held by a Director, including his/her directorships in non-listed companies. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided.

In identifying candidates for appointment of Directors, the Board does not solely rely on recommendations from existing directors, Management or major shareholders. The Board may utilise independent sources to identify suitably qualified candidates, when necessary.

If the selection of candidates was based on recommendations made by existing Directors, Management or major shareholders, the NRC will explain why these source(s) suffice and other sources were not used.

Pursuant to the NRC's TOR, the NRC may utilise independent sources and a variety of approaches to identify suitably qualified candidates. The NRC would disclose the source, including whether such candidates were recommended by the existing Directors, members of Senior Management or major shareholders.

In addition, the Board had established the Directors' Selection Policy to capture the selection process for the appointment of Directors. Under the said policy, the NRC shall proactively exchange views with Board members to study and identify the needs of the Company for new Directors and would request nominations from the Board, as well as actively seek suggestions for possible nominees from other sources. The NRC may consider using executive search firms to assist with the sourcing of candidates with the required skills and background.

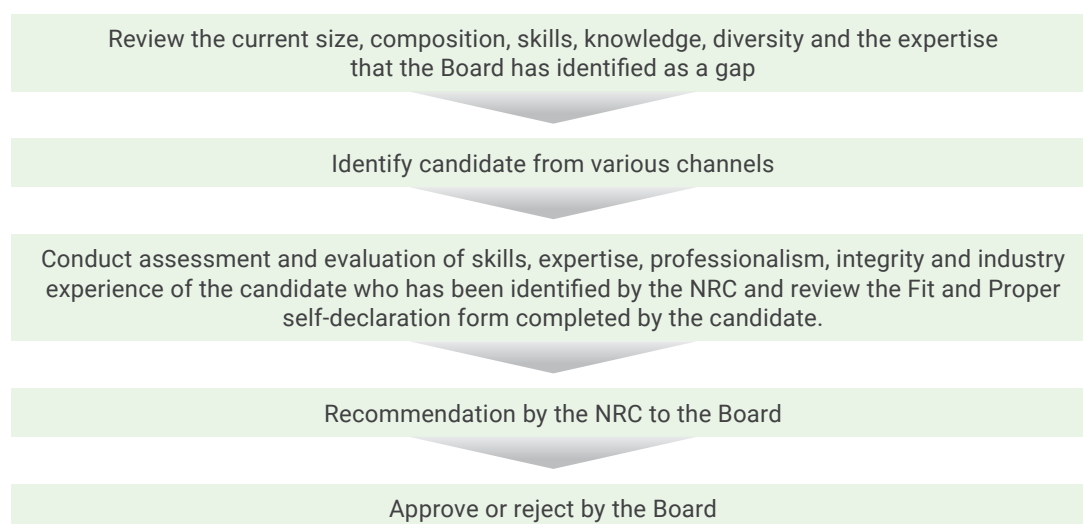
CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE A

Board Leadership and Effectiveness

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



The Board has adopted a Directors' Qualification, Fit and Proper Policy which sets out the approach, guidelines and procedures to ensure that a formal, rigorous and transparent process is adhered to for the appointment, re-appointment and/or re-election of the Directors of the Group in 2022. The said policy is available on the Company's corporate website.

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

Upon the recommendation of the NRC based on the satisfactory assessment results on the qualification, fitness and propriety of Directors, the Board has confirmed that the following Directors who are retiring and standing for re-election at the 2024 AGM are able to continue to perform effectively and demonstrate commitment:-

Name of Directors	Designation
Nirmala A/P Doraisamy	Independent Non-Executive Director
Su Puay Leng	Independent Non-Executive Director

Profiles of the Directors standing for re-election are set out on pages 63 and 64 of this Integrated Annual Report.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE A

Board Leadership and Effectiveness

(D) Annual Evaluation

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

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

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

Based on the recent assessment, the NRC was satisfied that the Board size and its composition are optimum as the Board comprises individuals with the requisite skills, knowledge, experience, characteristics and competencies to effectively discharge their roles. The Directors had discharged their responsibilities in a commendable manner and contributed to the overall effectiveness of the Board and Board Committees of the Company. The

Directors had committed the time necessary to responsibly fulfil their commitment to the Company during the year. In addition, all the Directors had completed the Director's Qualification Declaration as well as Director's Fit and Proper Criteria Declaration in accordance with the Directors' Qualification, Fit and Proper Policy. Based on the declarations received, all the Directors met the fit and proper criteria.

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

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

(E) Directors' Training

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE A

Board Leadership and Effectiveness

The training programmes, conferences and seminars, etc attended by the Directors during the FY2023 are as follows:-

1. Dato' Noorazman Bin Abd Aziz

No	Seminars/Conferences/Training Programmes Attended
1.	Integrity, Governance and Anti-Corruption Training – Ethics in Leadership, Overcoming Abuse of Position and Conflict of Interest for KWAP
2.	Eminent Talk Series – INCEIF
3.	ESG-Emerging Risk and Climate Change for Board of Directors of CTOS
4.	Climate Change and Environmental Impact
5.	Islamic Finance in Malaysia: Going Forward – INCEIF
6.	Financial Crime Compliance Training – Annual FCC Awareness Session for the Board of Directors of MUFG
7.	FIDE Forum Understanding the Impact of Digital Transformation in the Financial Industry: What Board Members Need to Know
8.	Task Force on Climate-Related Financial Disclosures for Board of Directors of KPS
9.	Scaling Up the Circular Economy for Audit Oversight Members of Securities Commission
10.	The Grand Design of Islamic Finance, The Tone at the top – INCEIF
11.	Cyber security and Cyber Drill Exercise
12.	Public Lecture on Islam and Inequality – What Economics and Finance from an Islamic Perspective Can Do – INCEIF
13.	Board & Investment Panel Training on Sustainability Governance & Reporting Implications of ESG for KWAP
14.	Board & Investment Panel Training on Cyber Security for KWAP
15.	Fiduciary Duty on Climate Risk Management by KPMG
16.	Islamic Finance for Board of Directors Training Programme – INCEIF
17.	Competition Act & Personal Data Protection Act for Board of Directors of CTOS
18.	Product Deep Dive Session
19.	Cyber Threat Intelligence – Dark Web and the Digital Underground
20.	Board Sustainability for Board of Directors of CTOS
21.	CRA Training for Board of Directors of CTOS

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE A

Board Leadership and Effectiveness

2. Lynette Yeow Su-Yin

No	Seminars/Conferences/Training Programmes Attended
1.	CTOS Cyber Security Awareness Training
2.	ESG-Emerging Risk and Climate Change for Board of Directors of CTOS
3.	From Carbon to Clean: Opportunities & Benefits by Dr Matthew Bell, EY Global Climate Change & Sustainability Services Leader – Malaysia Building Society Berhad “MBSB”
4.	Remaking Corporate Governance for an ESG World by Professor Mak Yuen Teen – Asia School of Business
5.	MIDF Green Conference 2023
6.	ESG/Sustainability training for MBSB Group – IBFIM
7.	Bursa Malaysia: Advocacy session for Main Market Listed Issuers – Corporate Disclosure Policy
8.	Competition Act & Personal Data Protection Act for Board of Directors of CTOS
9.	Islamic Social Finance training for MBSB Group by Prof Dr Aznan Hasan – IIUM Institute of Islamic Banking and Finance
10.	CRA Training for Board of Directors of CTOS
11.	Cyber security training for MBSB Group – Cybertrinium
12.	MAP Part 2 Lead for Impact – Sustainability training by ICDM
13.	Board Sustainability for Board of Directors of CTOS
14.	Advocacy session for Main Market Listed Issuers on Corporate Disclosure Policy - Bursa Malaysia

3. Nirmala A/P Doraisamy

No	Seminars/Conferences/Training Programmes Attended
1.	What amount to a COI by director by Asia School of Business – Asia School of Business
2.	Fintech, Technology Commercialisation & Challenges – CIMA
3.	Board Sustainability Dialogue & Networking: The ABC soup of ESG and Boards – ICDM
4.	Charting Pathways for a Sustainable Asia – Energy Asia
5.	Audit Committee Conference 2023 – IIA Malaysia & MIA
6.	MIA Conference 2023
7.	SC Malaysia's AOB conversation with Audit Committee members
8.	ESG-Emerging Risk and Climate Change for Board of Directors of CTOS
9.	Finding your North Star – Managing Supply Chain ESG Risk
10.	CRA Training for Board of Directors of CTOS
11.	MAP Part 2 Lead for Impact – Sustainability training by ICDM
12.	Competition Act & Personal Data Protection Act for Board of Directors of CTOS
13.	Board Sustainability for Board of Directors of CTOS
14.	CTOS Cyber Security Awareness Training

CORPORATE GOVERNANCE OVERVIEW STATEMENT

**PRINCIPLE A****Board Leadership and Effectiveness****4. Su Puay Leng**

No	Seminars/Conferences/Training Programmes Attended
1.	CTOS Cyber Security Awareness Training
2.	ESG-Emerging Risk and Climate Change for Board of Directors of CTOS
3.	CRA Training for Board of Directors of CTOS
4.	Competition Act & Personal Data Protection Act for Board of Directors of CTOS
5.	MAP Part 2 Lead for Impact – Sustainability training by ICDM
6.	Board Sustainability for Board of Directors of CTOS

5. Loh Kok Leong

No	Seminars/Conferences/Training Programmes Attended
1.	ESG-Emerging Risk and Climate Change for Board of Directors of CTOS
2.	CRA Training for Board of Directors of CTOS
3.	Competition Act & Personal Data Protection Act for Board of Directors of CTOS
4.	Board Sustainability for Board of Directors of CTOS
5.	CTOS Cyber Security Awareness Training

6. Erick Hamburger Barraza

No	Seminars/Conferences/Training Programmes Attended
1.	ESG-Emerging Risk and Climate Change for Board of Directors of CTOS
2.	CRA Training for Board of Directors of CTOS
3.	Competition Act & Personal Data Protection Act for Board of Directors of CTOS
4.	Board Sustainability for Board of Directors of CTOS
5.	CTOS Cyber Security Awareness Training

7. Wong Pau Min

No	Seminars/Conferences/Training Programmes Attended
1.	ESG-Emerging Risk and Climate Change for Board of Directors of CTOS
2.	CRA Training for Board of Directors of CTOS
3.	Competition Act & Personal Data Protection Act for Board of Directors of CTOS
4.	Board Sustainability for Board of Directors of CTOS
5.	CTOS Cyber Security Awareness Training

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE A

Board Leadership and Effectiveness

III. REMUNERATION

(A) Remuneration Policies and Procedures

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

The NRC is responsible for reviewing and recommending the remuneration package for all Directors, GCEO and Senior Management to the Board; whilst the Board has the overall responsibility to determine the remuneration of respective Directors and recommend the Directors' Fees and Benefits for the shareholders' approval at the AGM. For Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken. Each Non-Executive Director receives a base fixed fee.

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

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

These policies and procedures are periodically reviewed by the NRC to ensure its continued relevance including salaries, benefits-in-kind, other emoluments and annual performance bonus in detail, ensuring the remuneration is attractive to motivate and retain them in the Group.

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

(B) Remuneration of Directors

The remuneration package for Non-Executive Directors reflects the individual's merits, valuable contribution and level of responsibilities. The fees payable to Non-Executive Directors are set by the Board, with individual Director(s) abstaining from discussion of their own remuneration package. The details of the aggregate remuneration of Directors on the named basis for the FY2023 (*Company and Group basis*) are disclosed as below:-

The Company

Name	Fees (RM)	Allowance (RM)	Salaries (RM)	Bonus (RM)	Other emoluments (RM)	Total (RM)
Dato' Noorazman Bin Abd Aziz	98,387	1,600	0	0	0	99,987
Lynette Yeow Su-Yin	90,000	0	0	0	0	90,000
Nirmala A/P Doraisamy	96,000	0	0	0	0	96,000
Su Puay Leng	84,000	2,000	0	0	0	86,000
Loh Kok Leong	0	0	0	0	0	0
Erick Hamburger Barraza	0	0	0	0	0	0
Wong Pau Min (Alternate Director to Loh Kok Leong)	0	0	0	0	0	0
Tan Sri Izzuddin Bin Dali (Retired on 26 May 2023)	43,548	0	0	0	0	43,548

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE A

Board Leadership and Effectiveness

The Group

Name	Fees (RM)	Allowance (RM)	Salaries (RM)	Bonus (RM)	Other emoluments (RM)	Total (RM)
Dato' Noorazman Bin Abd Aziz	98,387	1,600	0	0	0	99,987
Lynette Yeow Su-Yin	90,000	0	0	0	0	90,000
Nirmala A/P Doraisamy	96,000	0	0	0	0	96,000
Su Puay Leng	84,000	2,000	0	0	0	86,000
Loh Kok Leong	0	0	0	0	0	0
Erick Hamburger Barraza	0	50,000	2,185,423	1,040,136	0	3,275,559
Wong Pau Min (Alternate Director to Loh Kok Leong)	0	0	0	0	0	0
Tan Sri Izzuddin Bin Dali (Retired on 26 May 2023)	43,548	0	0	0	0	43,548

(C) Remuneration of Group's Senior Management

The Group's remuneration policy takes into account the various levels of Senior Management based on job grade structure, roles and responsibilities and levels of accountability. This ensure that remuneration packages are fair. For Senior Management of the Company, all bonuses are determined by the Board based on the recommendation of the NRC after reviewing the individual performance appraisals and achievements. The details of the total remuneration of top five Senior Management of the Company for the FY2023 (*in the bands of RM50,000*) are disclosed as below:-

Name / Position	Salaries (RM)	Allowance (RM)	Bonus (RM)	Benefits (RM)	Other emoluments (RM)	Total (RM)
Erick Hamburger Barraza (GCEO)	2,150,001- 2,200,000	0- 50,000	1,000,000- 1,050,000	0- 50,000	0- 50,000	3,250,001- 3,300,000
Chin Kuan Weng (CEO of CTOS Data Systems Sdn Bhd)	600,001- 650,000	100,001- 150,000	100,001- 150,000	0- 50,000	0- 50,000	850,001- 900,000
Chiam Hsing Chee (Group Chief Financial Officer)	800,001- 850,000	100,001- 150,000	200,001- 250,000	0- 50,000	0- 50,000	1,150,001- 1,200,000
Ivaylo Venkov Kolev (Group Chief Data and Product Officer)	1,400,001- 1,450,000	0- 50,000	0- 50,000	0- 50,000	0- 50,000	1,400,001- 1,450,000
James Fancourt Mitchell (Group Chief Technology Officer)	800,001- 850,000	100,001- 150,000	100,001- 150,000	0- 50,000	0- 50,000	1,050,001 -1,100,000

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE B

Effective Audit & Risk Management

I. AUDIT AND RISK COMMITTEE

(A) ARC's Composition

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

The Chairman of ARC is not the Chairman of the Board, ensuring that the impartiality and objectivity of the Board's review on the ARC's findings and recommendations remain intact. The ARC consists of three (3) members, all of which are Independent Directors with extensive experience in finance, legal, banking and consulting industry contributing to business strategy and CG. The composition of the ARC, including its number of meetings and attendance of ARC, summary of ARC activities and Internal Auditors' function during the financial year under review are set out on pages 93 to 97 under ARC Report of this Integrated Annual Report

The composition of the ARC

Name of Director	Designation
Nirmala A/P Doraisamy	Chairperson, Independent Non-Executive Director
Su Puay Leng	Member, Independent Non-Executive Director
Lynette Yeow Su-Yin ¹	Member, Independent Non-Executive Director
Dato' Noorazman Bin Abd Aziz ²	Member, Independent Non-Executive Director

¹ Appointed as member of the ARC Member on 26 May 2023.

² Ceased as member of the ARC on 26 May 2023, following his redesignation to Independent Non-Executive Chairman of the Board.

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

The ARC also recognises the importance of upholding independence of its External Auditors and that no possible conflict of interest whatsoever should arise. The TOR of the ARC stated that no former key audit partner shall be appointed as a member of the ARC before observing a cooling-off period of at least three (3) years in line with the Practice 9.2 of MCCG 2021. Presently, none of the ARC member is a former key audit partner involved in auditing of the Group.

(B) External Auditors

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

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

1. the competency, audit quality, experience and resource capacity of the External Auditors in relation to the audit;
2. the persons assigned to the audit;
3. other audit engagements of the audit firm;
4. the External Auditors' ability to meet deadlines in providing services and responding timely to issues as outlined in the external audit plan;

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE B

Effective Audit & Risk Management

5. the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and
6. obtaining written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The assessment also considers the information presented in the Annual Transparency Report ("ATR"). The audit firm, PricewaterhouseCoopers PLT issued its ATR in 2022 on matters typically covered in the ATR including the firm's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks.

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

Being satisfied with the External Auditors' performance, technical competence and independence, the ARC recommended the re-appointment of PricewaterhouseCoopers PLT as External Auditors for the financial year ending 31 December 2024. In view thereof, the Board has recommended the re-appointment of the External Auditors for the approval of shareholders at the forthcoming 2024 AGM.

(C) Financial Reporting

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

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

The ARC reviews the Company's quarterly financial results and annual audited financial statements to ensure accuracy, adequacy and completeness prior to presentation to the Board for its approval.

The Statement of Directors' Responsibility in respect of the preparation of the annual audited financial statements is set out on page 91 of this Integrated Annual Report.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

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

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

The Statement on Risk Management and Internal Control as set out in this Integrated Annual Report provides an overview of the state of the Group's risk management and internal controls framework within the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE C

Integrity in Corporate Reporting & Meaningful Relationship with Stakeholders

I. ENGAGEMENT WITH STAKEHOLDERS

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

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

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

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

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

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

- Corporate Website – provides an essential platform for investors and other stakeholders to access information periodically through the Investor Relations section at www.ctosdigital.com;

- Annual/Extraordinary General Meeting ("EGM") – offers an opportunity to our shareholders to raise their questions and concerns on the Group's performance directly to our Board and Management;
- One-on-One and Group Meetings/Investor Conferences/Roadshows – throughout the period, we held meetings with major institutional investors, individual shareholder groups and financial analysts to share and discuss the Group's business performance and its strategic plan; and
- Annual Reports – our Integrated Annual Report provides a comprehensive report on the Group's financial results, business operations and strategic direction.

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

During the year under review, we increased our engagements with the investment community and conducted 58 one-to-one and group meetings. During these engagements, the Group would address their concerns, where possible, to deliver sustainable value to its shareholders. In 2023, there were increased engagements with the Environmental, Social and Governance investors due to the higher focus on sustainability matters. Additionally, we remain actively engaged with other investor relations stakeholders such as Bursa Securities, Malaysia Investor Relations Association, and other investor relations service providers to ensure the Group practices the highest standards of transparency and disclosure.

II CONDUCT OF GENERAL MEETINGS

The Board regards general meetings as the principal forum for dialogue and interaction with shareholders for an effective two-way communication between the shareholders and Management. The shareholders are encouraged to participate in the general meetings and they are given opportunity to enquire and comment on the Group's performance and operations and the Board may clarify issues pertaining to the Group's business activities, performance and other related matters. All Directors (save for Mr Loh Kok Leong, who was represented by his Alternate Director, Mr Wong Pau Min) together with the Senior Management team and the External Auditors attended the 2023 AGM held on 26 May 2023 to provide meaningful responses to the questions raised by shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE C

Integrity in Corporate Reporting & Meaningful Relationship with Stakeholders

The notice convening the 2023 AGM held on 26 May 2023 was circulated to the shareholders on 26 April 2023, i.e. more than twenty-eight (28) days before the AGM, which gives shareholders sufficient time to prepare themselves to attend the AGM or to appoint proxy(ies) to attend and vote on their behalf. The notice included details of the resolutions to be tabled and detailed explanations on the resolutions. Details of the resolutions proposed along with background information and reports or recommendations that are relevant were also provided in the notice of AGM.

In addition to the 2023 AGM, the Company had also held an EGM on 11 December 2023 to seek the shareholders' approval on the proposed establishment of Employees' Share Option Scheme ("ESOS") and proposed allocation of ESOS Options to the Executive Director and GCEO of CTOS Digital. The aforesaid EGM was attended by all Directors together with the Senior Management team and the Advisers of the aforesaid proposals.

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

Shareholders who were unable to attend the AGM/EGM were encouraged to vote on the proposed motions by appointing a proxy. For the 2023 AGM and EGM, submission of e-Proxy Form was available on the RPV facilities for shareholders who were unable to attend to the AGM/EGM to appoint a proxy.

In compliance with the MMLR of the Bursa Securities, the Company has implemented poll voting for all resolutions set out in the Notice of AGM/EGM to be voted via electronic means using RPV facilities as well as to expedite verification and counting of votes. The Company has also appointed an independent scrutineer to validate the votes cast at the AGM/EGM. All resolutions tabled during the 2023 AGM and EGM were duly passed. Thereafter, the outcome of the meetings together with the verified poll results were announced to Bursa Securities on the same day for the information of shareholders.

The Minutes of the 2023 AGM and EGM (including all the questions raised during the meetings) were published on the Company's corporate website no later than 30 business days after the 2023 AGM and EGM held on 26 May 2023 and 11 December 2023 respectively.

COMPLIANCE STATEMENT BY THE BOARD ON THE CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

This statement has been presented and approved by the Board at its meeting held on 23 April 2024.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT



PRINCIPLE C

Integrity in Corporate Reporting & Meaningful Relationship with Stakeholders

In preparing the financial statements, the Directors have:

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

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

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

ADDITIONAL COMPLIANCE

Material Contracts

There were no material contracts entered into by the Group involving the interests of the Director, Chief Executive Officer and/or major shareholders during the financial year ended 31 December 2023 ("FY2023") or still subsisting at the end of the FY2023.

Recurrent Related Party Transactions

The Company is seeking shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature ("RRPT") at the forthcoming Annual General Meeting of the Company which to be held on 5 June 2024. Details of which are set out in the Circular to Shareholders dated 30 April 2024.

List of Properties

The Group does not have any properties as at the end of the FY2023.

Employees' Share Option Scheme

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

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

There were no ESOS Options granted, exercised and outstanding since its commencement up to the FY2023.

Notes:

The following documents mentioned in the above context are available on the Company's corporate website at www.ctosdigital.com:

- (1) Anti-Bribery and Anti-Corruption Policy
- (2) Board Charter and the Terms of Reference of the respective Board Committees, namely Audit and Risk Management Committee, Nomination & Remuneration Committee and Board Investment Committee
- (3) Code of Business Conduct and Ethics
- (4) Corporate Governance Report 2023
- (5) Directors' Qualification, Fit & Proper Policy
- (6) Directors' Remuneration Policy
- (7) Whistleblowing Policy

AUDIT AND RISK COMMITTEE REPORT

The Board presents the Audit and Risk Committee (“ARC”) Report, which provides insights into the manner in which the ARC discharged its functions for the Company in 2023.

Composition And Meeting Attendance

The ARC comprises of members who are all Independent Non-Executive Directors (“INEDs”). These INEDs satisfy the test of independence under the Main Market Listing Requirements (“MMLR”). The ARC meets the requirements of paragraph 15.09(1)(a) and (b) of the MMLR and Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance (“MCCG”).

The ARC Chairperson, Ms. Nirmala Doraisamy, is a member of the Malaysian Institute of Accountants (“MIA”) and is a Fellow of the Chartered Institute of Management Accountants in the United Kingdom. Accordingly, the Company complies with paragraph 15.09(1)(c)(i) of the MMLR.

The composition and the attendance record of the Committee members are as follows:

No	Name	Appointment	Meetings Attendance
1	Nirmala Doraisamy (Chairperson)	Appointed as member on 1 April 2021 and redesignated as Chairperson on 7 March 2022	6 of 6
2	Su Puay Leng	Appointed as member on 7 March 2022	6 of 6
3	Lynette Yeow Su-Yin	Appointed as member on 26 May 2023	4 of 4
4	Dato’ Noorazman Abd Aziz	Ceased as member on 26 May 2023	2 of 2

There were six (6) ARC meetings held during the financial year ended 31 December 2023. These meetings were attended by the Group Chief Executive Officer (“GCEO”), Group General Manager of Risk and Business Compliance (“RBC”), Group Head of Internal Audit and the Company Secretaries as invitees. Other management representatives were also invited to the meetings where required to provide updates and explanations to the ARC.

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

Summary of activities undertaken by the ARC during the financial year

1. Financial performance reporting

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

AUDIT AND RISK COMMITTEE REPORT

2. External audit

- a. Reviewed the results of the annual audit and deliberated on the audit findings and internal controls recommendations, including Management's response to the audit findings.
- b. Reviewed the independence and effectiveness of the external auditors and recommend to the Board to propose to shareholders the re-appointment of the external auditors at the Annual General Meeting of the Company. In relation to independence of external auditors, the ARC received formal written statement from the external auditors, re-affirming the following:
 - they have maintained their independence in accordance with the firm's requirements, with the provisions of the By-Laws on Professional Independence of the MIA and with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).
 - the non-audit services provided to the Group during the financial year were in accordance with the independence requirements and that there are no services provided that have compromised their independence as external auditors of the Group.
- c. Reviewed the external auditors' audit plan for the financial year ended 31 December 2023, which outlined the audit scope, key areas of audit emphasis and the audit approach.
- d. Considered in consultation with Management the proposed audit fees of the external auditors for financial year ended 31 December 2023 for recommendation to the Board for approval. The breakdown of fees for the services provided by the external auditors are as follows:

Description	Fee (RM)	Fee percentage
Statutory audit	455,000	77%
Audit related services (<i>review of employee share option scheme services and agreed upon procedures</i>)	19,000	3%
Non-audit related services (<i>tax compliance and advisory</i>)	116,500	20%
Total	590,500	100%

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

- e. Held one (1) private session with the external auditors without Management's presence during the financial year.
- f. Reviewed the policy on provision of non-assurance services by the external auditors and recommended the same to the Board for approval.
- g. Reviewed the Statement on Risk Management and Internal Control ("SORMIC") and recommended the same for Board approval, prior to its publication in the Integrated Annual Report.

AUDIT AND RISK COMMITTEE REPORT

3. Internal audit ("IA")

- a. Reviewed the IA reports presented by the Group Head of IA and assessed IA's observations, recommendations and Management's corrective actions to address IA's recommendations.
- b. Reviewed the adequacy and performance of the IA function and its comprehensiveness of the coverage of activities within the Group, including adequacy of resources for the IA function.
- c. Carried out an assessment of the performance of the Group Head of IA for the period under review, in accordance with the Company's *Performance Evaluation Framework for External Audit and Internal Audit Function*.
- d. Held one (1) private meeting with the Group Head of IA without the presence of Management.

4. Risk management

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

- a. Reviewed the key risks as reported by Group General Manager of RBC across the wide spectrum of risks facing the businesses and operations, which included strategic, business cyber security and operational risks. The ARC has also assessed the adequacy and effectiveness of controls and/or mitigation actions identified and/or implemented by the respective business units in addressing the identified risks.
- b. Received updates on half-yearly enterprise-wide and emerging risk assessments to ensure additional mitigations to strengthen the management of existing and emerging risks were undertaken.
- c. Reviewed the *Enterprise-wide Risk Management Policy and Framework* to incorporate updates such as Key Risk Indicators, alignment of roles and responsibilities of the ARC with the requirements under the MCGG and inclusion of new risk category and impact parameters to meet ISO/IEC 27001:2022 requirements.

- d. On quarterly basis, the ARC received updates on risk management activities held within the Group including but not limited the following:
 - i. Report of risk activities adherence with the Risk Appetite Statement (i.e, monitoring of breaches).
 - ii. Status of the Business Continuity Plan ("BCP") formalisation within the Group.
 - iii. Report of BCP and IT Disaster Recovery Plan ("DRP") full simulation exercise.
 - iv. Trainings and awareness sessions conducted to increase employee knowledge of risk management.
- e. Reviewed the Key Risk Indicators to enable the Group to proactively identify, monitor and mitigate risks, ultimately enhancing the Group's risk management capabilities and supporting informed decision making for Board approval.
- f. Discussed and received updates on the adequacy of resources for the risk management function.

5. Compliance

Received updates from Group Senior Head, Risk and Business Compliance on the compliance status of the Group, which include the following:

- Reviewed the audit results carried out by the Registrar Office of Credit Reporting Agencies ("**Registrar Office**") to assess the compliance status of both CTOS Data Systems Sdn Bhd (a Credit Reporting Agency and the Company's main subsidiary) and CTOS Basis Sdn. Bhd. (a Credit Reporting Agency and the Company's another subsidiary) with the Credit Reporting Agencies Act ("**CRA Act**") 2010.
- Status of the ISO27001 (the international standard on information security management) implementation to ensure both subsidiaries, CTOS Data Systems Sdn Bhd and CTOS Basis Sdn Bhd are able to fulfil the new regulatory requirement to be ISO 27001 certified by 2024.
- Reviewed the requirements of the Guidelines on Technology Risk Management issued by the Securities Commission Malaysia to confirm its applicability to any of the subsidiaries and/or associates under the Group.

AUDIT AND RISK COMMITTEE REPORT

6. Environmental, Social and Governance (“ESG”)

- a. Reviewed the Company’s Sustainability Statement and recommended the same for Board approval, prior to its publication in the 2023 Integrated Annual Report.
- b. Received quarterly updates on ESG initiatives.
- c. Received ESG training as part of the Company’s commitment to raise ESG awareness for both Board members and the Company’s employees.

7. Cyber security

- a. Reviewed the efficacy and the state of the Group’s current cyber security posture, including efforts to remedy existing vulnerabilities, minimise future potential vulnerabilities and enhance the overall cyber resilience of the Group.
- b. Received quarterly updates on Cyber Security initiatives where the ARC:
 - i. Discussed the cyber threat landscape that the Group is exposed to and operating in including the most recent updates on cyber incidents or threat intelligence identified within Malaysia.
 - ii. Reviewed and deliberated the adequacy of existing resources to support the efforts to enhance cyber resilience in line with Management’s plans.
 - iii. Discussed ongoing projects to strengthen the Group’s cyber security posture to ensure that project risks are effectively managed.

Discussed the progress or any updates in enhancing the Group’s internal cyber security governance and processes.

8. Related party transactions

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

9. Other matters

- a. Reviewed and endorsed the ARC Report, Corporate Governance Overview Statement and SORMIC for Board approval, for the inclusion of these documents in the Integrated Annual Report.
- b. Received quarterly updates on the management of litigation cases from Corporate Legal Affairs.
- c. Received updates on the status of accounting and reporting system improvement initiative for better management of accounting records, as recommended by the external auditors. These include vendor appointment status, estimated timeline to complete this initiative and progress updates.
- d. Reviewed the conflict of interest in the acquisition of Fintech Platform Ventures Pte. Ltd. and the related party transaction on the acquisition of Alt Decisions Pte. Ltd.

AUDIT AND RISK COMMITTEE REPORT

Internal Audit ("IA") Function

IA's mission is to enhance and protect the organisational value of the Group by providing risk-based and objective assurance, advice and insight. IA helps the Group to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal controls, and governance processes.

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

Further information on the resources, objectivity and independence of the Group Head of IA and the internal auditors are provided in the Corporate Governance Report in accordance with Practice 11.2 of the MCCG.

The following IA engagements were carried out during 2023:

1. Review of fee waiver activities in relation to CCRIS report extractions, to ensure that cost savings were fully passed on to CTOS Data Systems Sdn Bhd's customers.
2. Review to assess the compliance of both CTOS Data Systems Sdn Bhd and CTOS Basis Sdn Bhd with Sections 22 to 27 and Sections 29 to 31 of the CRA Act 2010.
3. Review of the payroll processes for the Company, CTOS Data Systems Sdn Bhd, CTOS Basis Sdn Bhd, CTOS Business Systems Sdn Bhd and CTOS IDS Sdn Bhd to assess the effectiveness of the internal controls surrounding payroll processing, computation, disbursements and recording.
4. Review of the contract management procedures for sourcing, appointment and performance evaluation of vendors for CTOS Data Systems Sdn Bhd.
5. Review of the Company's sustainability practices and disclosures.
6. Review to assess CTOS Data Systems Sdn Bhd's compliance with Section 47(2) of the Central Bank of Malaysia Act 2009.

These IA engagements were carried out based on the annual audit plan approved by the ARC and the results of the audits were reviewed by the ARC. The relevant Management members were made responsible for ensuring that corrective actions on reported IA observations were taken within the required timeframes. On a quarterly basis, IA tracked and reported the implementation of such corrective action plans to ensure that these were implemented timely and appropriately.

As part of its control assessment activities, IA also leverages on the following, and communicates and engages with these independent parties for further information if necessary:

- a. Report received annually from Crowe Governance Sdn Bhd on its assessment of the compliance of CTOS Data Systems Sdn Bhd with BNM's requirement to enable it to access to CCRIS.
- b. Report received annually from the Registrar Office on its assessment of the compliance of CTOS Data Systems Sdn Bhd and CTOS Basis Sdn Bhd with CRA Act 2010 and relevant guidelines issued by the Registrar Office.

The Group Head of IA is also appointed as the Secretariat of the Whistleblowing Committee. Further information on the Group's whistleblowing policies and procedures are provided in the Corporate Governance Report in accordance with Practice 3.2 of the MCCG.

The total costs incurred by IA in discharging its functions and responsibilities in 2023 amounted to RM258,365, as compared to RM269,452 in 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control has been prepared in line with paragraph 15.26(b) of Bursa Malaysia's Main Market Listing Requirements, which requires a listed issuer to ensure that its Board of Directors makes a statement in its annual report about the state of risk management and internal control of the listed issuer as a group. The Board is committed to maintaining a strong internal control and risk management system. Under the leadership of the GCEO, who is responsible for good business and regulatory governance, each business / functional unit has implemented its own control processes. The following statement describes the nature and scope of internal control and risk management at the Company and its subsidiaries ("CTOS" or "the Group") in 2023.

BOARD RESPONSIBILITY

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

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

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

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

In 2023, the adequacy and effectiveness of internal controls were reviewed by the ARC in relation to the audits conducted by Internal Audit ("IA") during the year. Audit issues and actions taken by Management to address the issues tabled by IA were deliberated on during the ARC meetings. Minutes of the ARC meetings which recorded these deliberations were presented to the Board.

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

MANAGEMENT RESPONSIBILITY

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

RISK MANAGEMENT

A. Risk Management Framework

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

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

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

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

B. Risk Appetite

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

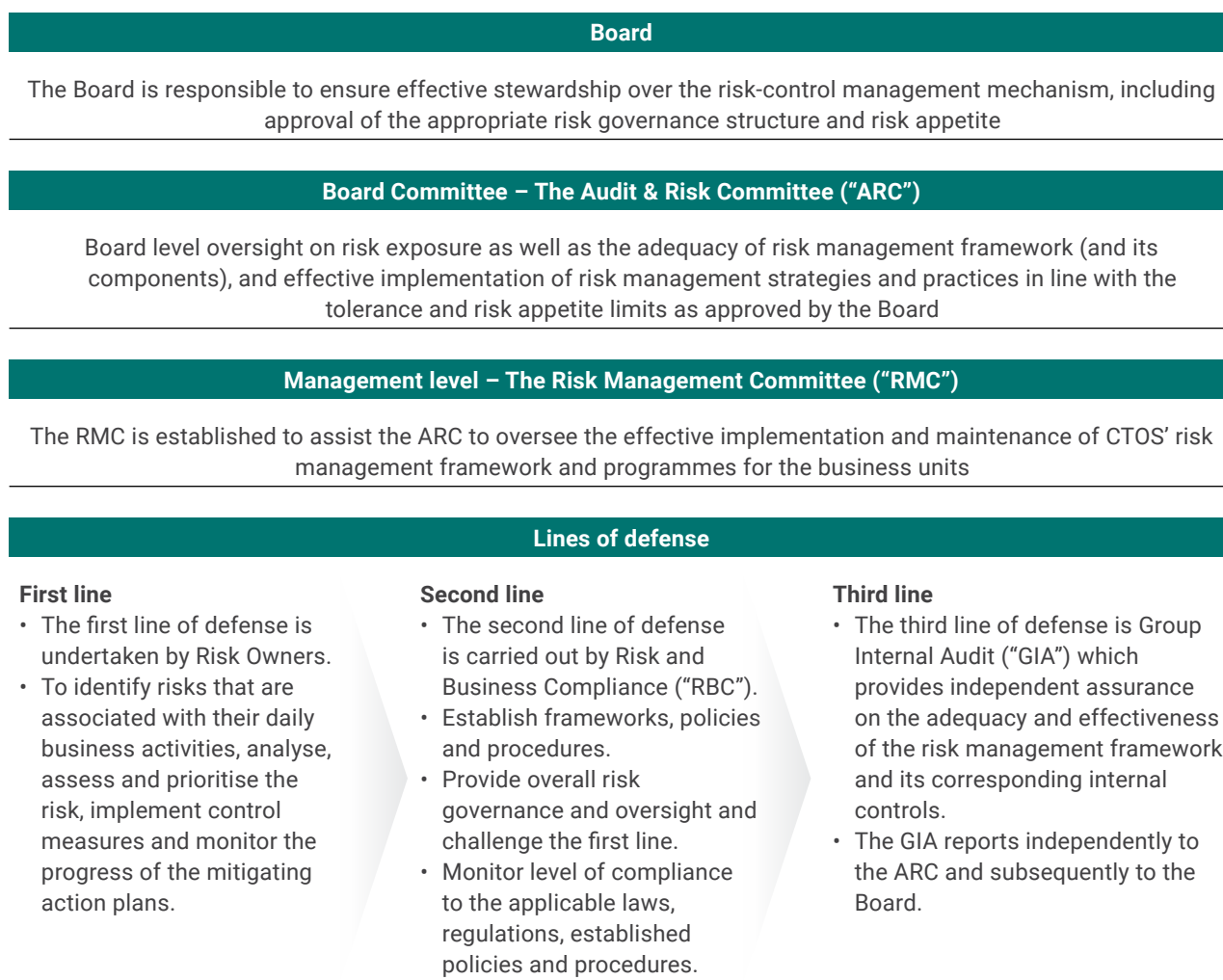
The risk appetite is integrated into the strategic planning process and remains dynamic and responsive to the changing internal and external drivers such as market conditions, stakeholders’ expectations and internal capabilities. In addition, it also provides a consistent structure in understanding risk and is embedded in the Group’s day-to-day business activities and decision-making.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

C. Risk Governance and Oversight

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

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



D. Risk and Compliance Culture

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

E. Risk Management Processes

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



F. Risk Assessment

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

(Key risks and their mitigation measures for the FY2023 are outlined in Risks and Opportunities at pages 34 to 37)

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL PROCESSES

A. Authority and Responsibility

The following are in place:

- (a) Selected Board responsibilities are delegated to the ARC, the Nomination and Remuneration Committee, and the Board Investment Committee via clearly defined Terms of Reference ("TOR") that are reviewed periodically.
- (b) The Delegation of Authority is in place to manage the Board Committees' and Management's authority and authorisation limits in all aspects of the Group major business operations and regulatory functions. This includes guidance for entering into contracts, commitments and appropriating assets in the course of conducting the Company's business.
- (c) Senior Management is accountable for the comprehensiveness of the risk identified, their assessment and their bottom-up reporting as well as ensuring appropriate risk management is being demonstrated. Their principal roles and responsibilities are as follows:
 - Provide executive leadership in the management of risk within their work responsibilities.
 - Review, update and approve their respective divisional risk profile as registered by each business units.
 - Report risk exposures and status of action plans to the RMC.
 - Ensuring significant risks are considered and assessed during business planning.
 - Ensuring significant risks are mitigated by appropriate mitigation actions.
- (d) As of 31 December 2023, there are three management committees, namely the RMC, Cyber Security and the IT Governance Committee and the ISO27001 Committee. Each of these committees has clearly defined TOR to enable effective business and regulatory governance.

B. Planning, Monitoring and Reporting

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

Periodic management review meeting, at both Group level (between Group Senior Management and subsidiary) and at subsidiary level.

C. Policies and Procedures

To promote better compliance with internal controls and relevant laws and regulations, the Company has developed clear, formalised, and documented internal policies and procedures for key activities. These control documents are reviewed on a regular basis to ensure that they remain current and relevant. Employees can easily access common Group policies through the Company's intranet.

D. Compliance Management

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

E. Ethics and Integrity

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

(a) Anti-Bribery and Anti-Corruption

The Group adopts a zero-tolerance approach against all forms of bribery and corruption in all its business dealings. Policies and procedures related to Anti-Bribery and Anti-Corruption Policy ("ABC") have been enhanced in FY2023 to further promote the highest levels of integrity and ethics amongst the Company's employees.

(b) Code of Business Conduct and Ethics

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(c) Whistleblowing Policy

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

(d) Awareness Sessions

Regular awareness sessions on Business Conduct and Ethics and ABC are crucial to ensure employees have sufficient knowledge and understanding. By having these sessions, employees are equipped acceptable and unacceptable business conduct and zero tolerance against all forms of corruption.

F. Business Continuity Management ("BCM")

The BCM Steering Committee chaired by the GCEO is committed to enhancing service liability and resilience via an enhanced BCM programme implementation. The programme serves as guidance to identify potential adversities to the Group and its impact on daily operations and customer experience. Subsequently, an overall Business Continuity Plan was established to build organisational resilience with an adequate response capability mechanism to safeguard CTOS' key stakeholders' interests, brand reputation and value-creating activities.

G. Cyber Security Management

(a) Information Security Strategy and Certifications

The Group sets a comprehensive approach to information security governance, emphasising resilience and proactive measures to safeguard its digital assets. Regular assessments are conducted to verify the implementation of essential security controls for critical services, ensuring that the Group meets compliance security requirements and aligns with industry best practices.

i. Cyber Security Strategy

To ensure continuous improvement and readiness, the Group has set a comprehensive 3-year cyber security strategy, Project Elevate, endorsed by the Board in January 2023. Throughout 2023, guided by Project Elevate, many initiatives and security controls have been implemented, leading to a notable improvement in the Group's cyber maturity level.

ii. Improved Governance

To ensure cyber security is sufficiently deliberated and informed decisions are made, various platforms have been established, among others, working committee, management level committee and weekly GCEO for consistency engagements. This shows the Group's commitment to positioning cyber security as a key enabler in its operations.

(b) Cyber security Programme Management ("CPM") Maturity

The Group's CPM are the action plans to achieve and realise the objectives of Project Elevate. The CPM has three main factors; i.e. people, process and technology.

i. Enhanced Cyber Security Process

To enhance organizational cyber risk management, the Group's main subsidiaries have embarked on a project to implement Information Security Management System ("ISMS") and pursue ISO/IEC 27001:2022 certification in FY2024. The main objectives to implement ISMS are to ensure compliance, boost operational efficiency, foster continuous improvement and streamline incident management, all aimed at securing the Group's information assets and building trust. In addition, the Group is actively aligning its cyber security implementation with industry best practices such as the Bank Negara Malaysia's Risk Management in Technology ("RMiT") and the NIST Cyber security Framework.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ii. Technology Advancement

The Group adopts a defense-in-depth approach to mitigate security risk at networks, endpoints and databases, prioritising critical assets and business data. Among others, the following security controls are implemented:

- 24/7 security operations centre ("SOC") monitoring for security event detections and alerting.
- Managed Detection & Response ("MDR") service for endpoints to ensure continuous monitoring, quick detection, containment and remediation.
- Multi-Factor Authentication ("MFA") control to manage access to critical systems and Privileged Access Management ("PAM") to manage highly privileged access.
- Secure Web Gateway to provide more secure Internet connection for staff.
- Mobile Application Management ("MAM") for personal mobile devices to ensure CTOS' corporate data is protected and safeguarded.

iii. Cyber security Focused People Development

To ensure comprehensive outreach to all employees and leverage technology to raise cyber security awareness and culture, as well as to assess the Group's cyber capacity in detecting and responding to security incidents, the following activities have been conducted:

- **Email Phishing Simulation**
In addressing phishing threats within the organization, monthly phishing simulation exercises have been conducted in FY2023. There has been a positive trend throughout 2023, Supporting data has been provided to PwC for review. This is also demonstrated by a steady improvement in the global phish-prone benchmark compared to peers in similar companies. This ongoing initiative will continue to strengthen the Group's cyber security posture by

raising awareness for staff to spot common phishing email red flags and increase staff readiness as the first line of defence.

- **Engaging cyber security awareness program**

Recognising the challenge and importance to obtain full participation from staff, the cyber security awareness program introduces different type of contents and modules, including videos, quizzes and short series. The program leverages email, online training platform and community page to release frequent content without overwhelming the staff. Moreover, the first CTOS cyber security awareness month was successfully conducted in October 2023.

iv. Cyber Human Capital Investment

To ensure adequate resources to effectively run the cyber security program, the Group has intensified its efforts to strengthen human capital by expanding the cyber security team in 2023.

v. Third Party Information Security Requirements

To enhance security requirements in managing third-party risks, minimum information security requirements are imposed to the third parties. Given the increase in dependency and connectivity with third parties, CTOS ensures that all third parties maintain proper security hygiene to safeguard CTOS' information asset.

H. Insurance

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

I. Internal Audit Function

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

Where significant gaps in the governance, risk management, and internal control processes are identified during the engagements, GIA makes recommendations to Senior Management on potential improvements in the design and effectiveness of existing processes. The ARC takes note of the review results (which include the state of internal controls and control improvements required), and these results are then shared with Senior Management to ensure the Group's internal controls are continuously improved. Follow-up assessments are carried out to determine the status of management's implementation of the GIA recommendations; these are also reported to the ARC.

Additionally, GIA reviews reports prepared by external consultants, if any.

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

REVIEW BY EXTERNAL AUDITORS

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

CONCLUSION

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

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

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

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

This statement is made in accordance with a resolution of the Board dated 23 April 2024.

FINANCIAL STATEMENTS

Directors' Report
Statements of Comprehensive Income
Statements of Financial Position
Statements of Changes in Equity
Statements of Cash Flows
Notes to the Financial Statements
Statement By Directors
Statutory Declaration
Independent Auditors' Report



DIRECTORS' REPORTS

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

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

Other than the addition of provision of alternative data credit scoring activities during the financial year, there have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit/(loss) for the financial year attributable to:		
Owner of the Company	118,109	84,566
Non-controlling interest	(134)	-
	117,975	84,566

DIVIDENDS

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

	RM'000
In respect of the financial year ended 31 December 2022:	
- Single-tier tax exempt fourth interim dividend of 0.360 sen per share on 2,310,000,000 ordinary shares, paid on 15 March 2023	8,316
In respect of the financial year ended 31 December 2023:	
- Single-tier tax exempt first interim dividend of 0.433 sen per share on 2,310,000,000 ordinary shares, paid on 30 May 2023	10,002
- Single-tier tax exempt second interim dividend of 0.550 sen per share on 2,310,000,000 ordinary shares, paid on 21 September 2023	12,705
- Single-tier tax exempt third interim dividend of 0.640 sen per share on 2,310,000,000 ordinary shares, paid on 22 December 2023	14,784
	45,807

Subsequent to the financial year on 31 January 2024, the Company declared a fourth interim single-tier tax-exempt dividend of 1.706 sen per ordinary share amounting to RM39.4 million in respect of the financial year ended 31 December 2023 which was paid on 27 March 2024. The financial statements for the financial year ended 31 December 2023 do not reflect these dividends. Upon declaration, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2024.

DIRECTORS' REPORTS

RESERVES AND PROVISIONS

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

SHARE CAPITAL

In the previous financial year, the issued and paid-up ordinary share capital of the Company was increased from RM412.5 million to RM584.0 million by way of issuance of 110,000,000 new ordinary shares at an issue price of RM1.58 per share pursuant to the private placement exercise which was completed on 3 March 2022. Following the allotment of new shares, the Company's total number of share capital has increased to 2,310,000,000 shares.

Other than the above, there were no changes in the issued and paid-up capital of the Company during the financial year.

DIRECTORS

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

Dato' Noorazman bin Abd Aziz
 Erick Hamburger Barraza
 Loh Kok Leong
 Lynette Yeow Su-Yin
 Nirmala A/P Doraisamy
 Su Puay Leng
 Wong Pau Min (alternate director to Loh Kok Leong)
 Tan Sri Izzuddin bin Dali (retired on 26 May 2023)

DIRECTORS OF SUBSIDIARIES

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

Chin Kuan Weng
 Wong Pau Min
 Omar Mahmoud
 Chiam Hsing Chee (appointed on 14 August 2023)
 Puvendran A/L Sangaran (appointed on 15 April 2023)
 Alan John Thornton
 Ivaylo Venkov Kolev
 Djati Prabowo
 Chan Chee Hoo (resigned on 15 April 2023)