CLOUDPOINT TECHNOLOGY BERHAD ("CLOUDPOINT" OR THE "COMPANY")

(I) PROPOSED ACQUISITION; AND

(II) PROPOSED VARIATION

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

1. INTRODUCTION

On behalf of the board of directors of Cloudpoint ("**Board**"), SCS Global Advisory (M) Sdn Bhd ("**SCS Global**") wishes to announce that the Company proposes to undertake the following:

(i) the proposed acquisition of 1,000,000 ordinary shares in CX One Sdn Bhd ("**CX One**") ("**CX One Shares**" or "**Sale Shares**") from Goh Poh Gan, Kursinah Binti Samat, Chee May Poh and Ng Siao Wei (collectively referred to as the "**Vendors**"), representing 100.00% equity interest in CX One for a cash consideration of RM16.80 million ("**Purchase Consideration**") ("**Proposed Acquisition**"); and

(ii) the proposed variation and extension of timeframe for the utilisation of proceeds raised from the public issue pursuant to the Company's initial public offering ("**IPO**") ("**Proposed Variation**").

Further details of the Proposals are set out in the ensuing sections of this announcement ("**Announcement**").

2. DETAILS OF THE PROPOSALS

2.1. Details of the Proposed Acquisition

On 6 May 2026, Cloudpoint entered into a share sale agreement ("**SSA**") with the Vendors for the Proposed Acquisition at a total cash consideration of RM16.80 million which will be satisfied in the following manner:

	Shareholding in CX One as at 17 April 2026 being the latest practicable date of this Announcement ("LPD")		Purchase Consideration	
Vendors	**No. of CX One Shares**	**%**	**RM'000**	**%**
Goh Poh Gan	640,000	64.00	10,752	64.00
Kursinah Binti Samat	160,000	16.00	2,688	16.00
Chee May Poh	100,000	10.00	1,680	10.00
Ng Siao Wei	100,000	10.00	1,680	10.00
Total	**1,000,000**	**100.00**	**16,800**	**100.00**

Subject to the terms and conditions of the SSA, the Sale Shares will be acquired by Cloudpoint free from all claims, charges, liens and encumbrances whatsoever together with all rights attached thereto. The salient terms of the SSA are set out in **Appendix I** of this Announcement.

Upon completion of the Proposed Acquisition, CX One will become a wholly-owned subsidiary of Cloudpoint, which allows Cloudpoint and its subsidiaries ("**Cloudpoint Group**" or the "**Group**") to fully consolidate the financials of CX One and strengthen its existing business in the provision of information technology ("**IT**") solutions and technology services. The IT solutions and technology services provided by the Group include enterprise and data centre networking solutions, cybersecurity solutions, digital applications and cloud services, as well as professional IT services.

2.1.1. Information on CX One

CX One was incorporated in Malaysia on 22 March 2021 under the Companies Act 2016 as a private limited company. As at the LPD, CX One has a total issued share capital of RM1,000,000 comprising 1,000,000 ordinary shares.

CX One is principally involved in trading, implementing and maintenance of IT, telecommunication and customer experience solution including software, hardware and peripherals.

As at the LPD, the directors and/or shareholders of CX One and their respective shareholdings in CX One are set out in the table below:

			Direct		Indirect	
Name	**Designation**	**Nationality**	**No. of CX One Shares**	**%**	**No. of CX One Shares**	**%**
Goh Poh Gan	Director and shareholder	Malaysian	640,000	64.00	-	-
Kursinah Binti Samat	Shareholder	Malaysian	160,000	16.00	-	-
Chee May Poh	Shareholder	Malaysian	100,000	10.00	-	-
Ng Siao Wei	Director and shareholder	Malaysian	100,000	10.00	-	-

As at the LPD, CX One has a 49.00%-owned associate, namely KBOFM 1Tech Sdn Bhd ("**KBOFM 1Tech**"). KBOFM 1Tech was incorporated in Malaysia on 14 April 2023 under the Companies Act 2016 as a private limited company. As at the LPD, KBOFM 1Tech has a total issued share capital of RM1,000.00 comprising 1,000 ordinary shares. KBOFM 1Tech is principally engaged in the provision of specialised telecommunication applications (for e.g. satellite tracking, communications telemetry and radar station operations), other information technology service activities and other business support service activities. As at the LPD, CX One holds a 49.00% equity interest in KBOFM 1Tech, while the remaining 51.00% equity interest is held by 2 other shareholders, namely Chan Fook Yee and Lee Fui Ling, who hold 30.60% and 20.40% in KBOFM 1Tech, respectively. Pursuant to the SSA, CX One will dispose of its 49.00% equity interest in KBOFM 1Tech before the completion of the Proposed Acquisition.

The historical financial performance of CX One for the financial year ended ("**FYE**") 31 December 2023, FYE 31 December 2024 and FYE 31 December 2025 are summarised below:

	Audited		
	FYE 31 December 2023	**FYE 31 December 2024**	**FYE 31 December 2025**
	RM	**RM**	**RM**
Revenue	5,798,886	10,728,795	19,114,490
Gross profit ("**GP**")	2,792,468	4,475,509	6,296,967
Profit before taxation ("**PBT**")	350,805	1,209,010	2,813,016
Profit after taxation ("**PAT**")	263,232	877,697	1,807,092
Share capital	1,000,000	1,000,000	1,000,000
Total equity/Net asset ("**NA**")	2,208,714	3,086,411	4,893,503
Current assets	3,179,562	5,021,561	9,415,849
Current liabilities	1,265,144	2,132,956	4,646,783
Total borrowings	-	-	-
GP margin (%)	48.16	41.71	32.94
PAT margin (%)	4.54	8.18	9.45
Number of shares in issue (unit)	1,000,000	1,000,000	1,000,000
Earnings per share ("**EPS**")	0.26	0.88	1.81
Current ratio (times)	2.51	2.35	2.03
Gearing ratio (times)	-	-	-
Cash flow from operating activities	775,908	1,789,317	2,760,070

The financial statements of CX One for the FYE 31 December 2023 and FYE 31 December 2024 have been prepared in accordance with the Malaysian Private Entities Reporting Standard, whereas the financial statements of CX One for the FYE 31 December 2025 have been prepared in accordance with the Malaysian Financial Reporting Standards ("**MFRS**").

(i) Commentary for the FYE 31 December 2023 vs FYE 31 December 2024

CX One recorded an increase in revenue by RM4.93 million or 85.00%, from RM5.80 million in the FYE 31 December 2023 to RM10.73 million in the FYE 31 December 2024. The higher revenue was mainly attributable to 3 new projects secured in the FYE 31 December 2024 involving the design, implementation and maintenance of telecommunication and customer experience solutions.

CX One's GP increased by RM1.69 million or 60.57% from RM2.79 million in the FYE 31 December 2023 to RM4.48 million in the FYE 31 December 2024, which was in tandem with the higher revenue in FYE 31 December 2024 as mentioned above.

CX One's PAT increased by RM0.62 million or 238.46%, from RM0.26 million in the FYE 31 December 2023 to RM0.88 million in the FYE 31 December 2024, which was mainly due to an increase in GP by RM1.69 million in the FYE 31 December 2024. However, it was partially offset by higher administrative expenses of RM0.77 million which was mainly due to higher staff costs of RM0.79 million, as well as higher taxation of RM0.24 million.

The current ratio of CX One decreased from 2.51 times in the FYE 31 December 2023 to 2.35 times in the FYE 31 December 2024. This was mainly due to an increase in current liabilities of RM0.87 million, arising from higher contract liabilities, bonus and other expenses accruals. However, the increase in current liabilities was partially offset by an increase in current assets of RM1.84 million which was mainly due to higher bank balances.

(ii) Commentary for the FYE 31 December 2024 vs FYE 31 December 2025

CX One recorded an increase in revenue by RM8.38 million or 78.10%, from RM10.73 million in the FYE 31 December 2024 to RM19.11 million in the FYE 31 December 2025, which was mainly due to 2 new projects involving the design, implementation and maintenance of telecommunication and customer experience solutions, as well as an existing project with expanded scope of works relating to the delivery of additional software licensing subscriptions.

CX One's GP increased by RM1.82 million or 40.63% from RM4.48 million in the FYE 31 December 2024 to RM6.30 million in the FYE 31 December 2025, which was in tandem with the higher revenue in the FYE 31 December 2025 as mentioned above.

CX One's PAT increased by RM0.93 million or 105.68%, from RM0.88 million in the FYE 31 December 2024 to RM1.81 million in the FYE 31 December 2025, which was mainly due to an increase in GP of RM1.82 million as mentioned above, as well as higher other income of RM0.20 million. However, the improvement in PAT was partially offset by higher taxation of RM0.67 million and higher administrative expenses of RM0.42 million.

The current ratio of CX One decreased from 2.35 times in the FYE 31 December 2024 to 2.03 times in the FYE 31 December 2025. This was mainly due to an increase in current liabilities of RM2.51 million, arising from higher contract liabilities, trade payables and other payables, and current tax liabilities. However, the increase in current liabilities was partially offset by an increase in current assets of RM4.39 million due to higher bank balances, prepayments as well as trade and other receivables.

2.1.2. Profit Guarantee

In consideration of Cloudpoint acquiring 100.00% equity interest in CX One, the Vendors have provided a 3-year profit guarantee for the FYE 31 December 2026, FYE 31 December 2027 and FYE 31 December 2028 ("**Guaranteed Period**"). Under the terms of the profit guarantee, the Vendors guarantee that CX One shall achieve a PAT of not less than the amounts set out below for the respective FYE during the Guaranteed Period ("**Minimum PAT**") ("**Profit Guarantee**"):

Guaranteed Period	**Minimum PAT (RM'000)**	**Retention Sum (RM'000)**
FYE 31 December 2026	2,350	2,650
FYE 31 December 2027	2,400	2,750
FYE 31 December 2028	2,700	3,000
Total	**7,450**	**8,400**

The Profit Guarantee is subject to the following terms and conditions:

(i) Minimum PAT

(a) the computation of the total Minimum PAT for the Guaranteed Period of RM7.45 million ("**Total Minimum PAT**") shall be based on a cumulative basis. Any shortfall or surplus between the audited PAT of CX One and the respective Minimum PAT shall be carried forward to be aggregated with the audited PAT of CX One for the next FYE during the Guaranteed Period;

(b) all positive (or negative) variances arising from one-off gains, non-recurring gains or revaluation surplus shall be deducted and provisions made or adjusted accordingly and it shall not be taken into consideration in computing the Minimum PAT;

(c) all positive (or negative) variances arising from any gains in connection with transactions between CX One and its subsidiaries (or its associated companies) (if any) shall not be taken into consideration for the computation of Minimum PAT;

(d) the audited financial statements of CX One shall be prepared in accordance with MFRS whereby all costs and expenses arising for the computation of the Minimum PAT shall be fully borne by CX One; and

(e) all costs and expenses arising from internal restructuring and revaluation exercises directed by Cloudpoint, management fees imposed by Cloudpoint, and any other non-operational expenses or overhead allocations imposed by Cloudpoint that were not part of the CX One's historical cost base prior to the completion date, unless otherwise agreed in writing by the Vendors, incurred by CX One after the completion date shall not be taken into consideration as income and expenses when determining the Minimum PAT.

(ii) Retention Sum

(a) Subject to CX One achieving the Minimum PAT for the respective FYE, as illustrated in the table under the **Section 2.1.2** of this Annoucement, Cloudpoint shall pay to the Vendors the Retention Sum for the respective FYE, within 14 business days from the date of the audited financial account of the CX One for each respective FYE during the Guaranteed Period; or

(b) In the event that

(1) CX One is profit making but fails to achieve the Minimum PAT in the FYE 31 December 2026 or the FYE 31 December 2027, respectively, Cloudpoint shall pay to the Vendors an amount equivalent to the actual audited PAT achieved by CX One for the respective FYE within 14 business days from the date of the audited financial account of the CX One for the respective FYE. The respective balance Retention Sum shall be retained by Cloudpoint; or

(2) CX One is loss making in the FYE 31 December 2026 or the FYE 31 December 2027, respectively, the respective balance Retention Sum shall be retained by Cloudpoint; and/or

(c) If CX One fails to attain the Total Minimum PAT during the entire Guaranteed Period,

(1) the shortfall between the actual aggregate audited PAT for the Guaranteed Period and the Total Minimum PAT ("**Shortfall**") shall be deducted from the Retention Sum and retained by Cloudpoint; and

(2) Cloudpoint shall pay to the Vendors an amount equivalent to the balance Retention Sum less the Shortfall within 14 business days from the date of the audited financial account of CX One for the FYE 31 December 2028; and/or

(3) if any portion of the Retention Sum is released to the Vendors resulting the balance Retention Sum is insufficient to cover the Shortfall, the Vendors shall, jointly and severally, refund the shortfall between the balance Retention Sum and the Shortfall to Cloudpoint, in cash, within 14 business days from the date of the audited financial account of CX One for the FYE 31 December 2028, failing which, Cloudpoint shall be entitled to levy late payment interest of 8% per annum on the Vendors. The maximum liability under this provision (excluding the late payment interest) shall not exceed the amount equivalent to the Retention Sum; or

(d) If CX One achieves the Total Minimum PAT for the entire Guaranteed Period, the balance Retention Sum shall be released to the Vendors, within 14 business days from the date of the audited financial account of CX One for the FYE 31 December 2028; or

(e) If CX One records losses for the entire Guaranteed Period, the Retention Sum shall not be payable to the Vendors and shall instead be applied as a reduction of the Purchase Consideration and retained by Cloudpoint. If any portion of the Retention Sum is released to the Vendors, the Vendors shall, jointly and severally, refund the said sum to Cloudpoint, in cash, within 14 business days from the date of the audited financial account of CX One for the FYE 31 December 2028, failing which, Cloudpoint shall be entitled to levy late payment interest of 8% per annum on the Vendors. The maximum liability under this provision (excluding the late payment interest) shall not exceed the amount equivalent to the Retention Sum; and

(f) Notwithstanding early achievement of the Minimum PAT in aggregate in the FYE 31 December 2026 or the FYE 31 December 2027, the Retention Sum for the respective year shall only be released within 14 business days from the date of the audited financial account of CX One for each respective FYE during the Guaranteed Period.

The Board is of the view that the Profit Guarantee is reasonable and realistic after taking into consideration the following:

(i) robust financial growth of CX One over the past 3 financial years from the FYE 31 December 2023 to the FYE 31 December 2025 as set out in **Section 2.1.1** of this Announcement. CX One’s revenue increased from RM5.80 million to RM19.11 million with a corresponding growth in PAT from RM0.26 million to RM1.81 million, reflecting strong earnings momentum and improving overall financial performance;

(ii) CX One’s growth prospects within the fast-growing information and communication industry, taking into account the future outlook of the information and communication as well as customer experience industry as set out in **Section 4** of this Announcement;

(iii) the Vendors and/or such other employees of CX One to be identified by the Company to ensure business sustainability and management continuity shall enter into management service agreement with CX One pursuant to the SSA; and

(iv) the enhanced competitiveness arising from the potential synergies from the Proposed Acquisition, including CX One’s ability to leverage the Group’s existing customer base to cross-sell its solutions.

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For illustration purposes only, summarised cases for the Profit Guarantee and the respective disbursements of the Retention Sum are set out in the table below.

	Actual Audited PAT of CX One (RM'000)				**Disbursement of the Retention Sum to the Vendors (RM'000)**				**Balance Retention Sum (RM'000)**			
Case	**FYE 31 December 2026**	**FYE 31 December 2027**	**FYE 31 December 2028**	**Aggregate**	**FYE 31 December 2026**	**FYE 31 December 2027**	**FYE 31 December 2028**	**Total**	**Initial**	**FYE 31 December 2026**	**FYE 31 December 2027**	**FYE 31 December 2028**
	(A)	**(B)**	**(C)**	**(A)+(B)+(C)**	**(D)**	**(E)**	**(F)**	**(D)+(E)+(F)**	**(G)**	**(H)=(G)-(D)**	**(I)=(H)-(E)**	**(I)-(F)**
1	2,350	2,400	2,700	7,450	2,650	2,750	3,000	8,400	8,400	5,750	3,000	-(1)
2	1,000	2,400	2,700	6,100	1,000(2)	1,050(3)	5,000(4)	7,050	8,400	7,400(2)	6,350	1,350(3)
3	2,350	(1,000)	8,000	9,350	2,650	-(5)	5,750(6)	8,400	8,400	5,750	5,750	-
4	2,350	2,400	(4,000)	750	2,650	2,750	(3,700)(7)	1,700	8,400	5,750	3,000	3,000
5	(1,000)	(1,000)	(1,000)	(3,000)	-	-	-	-	8,400	8,400	8,400	8,400(8)

Notes:

(1) For case 1, as CX One achieved all the Minimum PAT during the Guaranteed Period, the Retention Sum of RM8.40 million shall be fully disbursed to the Vendors accordingly.

(2) For case 2, as CX One's audited PAT for the FYE 31 December 2026 did not achieve the Minimum PAT of RM2.35 million, only RM1.00 million of the Retention Sum shall be disbursed to the Vendors accordingly, equivalent to the actual audited PAT for the FYE 31 December 2026. The remaining balance of the Retention Sum shall be retained by Cloudpoint.

(3) For case 2, as there is a shortfall of RM1.35 million between the actual audited PAT and the Minimum PAT for the FYE 31 December 2026, such shortfall shall be carried forward and aggregated with the actual audited PAT for the FYE 31 December 2027. In the FYE 31 December 2027, CX One achieved an actual audited PAT of RM2.40 million, and accordingly, the resultant adjusted PAT is RM1.05 million (being the actual audited PAT of RM2.40 million less the shortfall amounting to RM1.35 million). In view of this, Cloudpoint shall only be required to disburse RM1.05 million to the Vendors.

(4) For case 2, as CX One's aggregate audited PAT for the Guaranteed Period of RM6.10 million is less than the Total Minimum PAT of RM7.45 million, resulting in a Shortfall of RM1.35 million. Hence, Cloudpoint shall pay to the Vendors RM5.00 million (being the balance Retention Sum of RM6.35 million less the Shortfall).

(5) For case 3, as CX One recorded a loss in the FYE 31 December 2027, no disbursement shall be made to the Vendors for the FYE 31 December 2027 and the balance Retention Sum shall be retained.

(6) For case 3, notwithstanding the loss recorded in the FYE 31 December 2027, as CX One's aggregate audited PAT achieved the Total Minimum PAT of RM7.45 million for the Guaranteed Period, the remaining balance of the Retention Sum shall be fully released to the Vendors.

(7) For case 4, although CX One achieved the Minimum PAT and the Retention Sum was disbursed for the FYE 31 December 2026 and the FYE 31 December 2027, CX One recorded a loss in the FYE 31 December 2028. Consequently, the aggregate audited PAT for the Guaranteed Period of RM0.75 million is less than the Total Minimum PAT of RM7.45 million, resulting in a Shortfall of RM6.70 million. As the balance Retention Sum of RM3.00 million for the FYE 31 December 2028 is insufficient to cover the Shortfall, the balance Retention Sum shall be retained by Cloudpoint. In addition, the Vendors shall refund the Retention Sum being disbursed to cover the shortfall between the balance Retention Sum and the Shortfall, which is amounting to RM3.70 million.

(8) For case 5, as CX One recorded losses for the entire Guaranteed Period, the Retention Sum shall not be released to the Vendors and shall instead be applied as a reduction of the Purchase Consideration.

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2.1.3. Basis of and justification for the Purchase Consideration

The Purchase Consideration of RM16.80 million was arrived at a “willing buyer-willing seller” basis after taking into consideration, amongst others, the following:

(i) the Profit Guarantee provided by the Vendors as set out in **Section 2.1.2** of this Announcement;

(ii) the implied price-to-earnings (“**P/E**”) multiple of 7.15 times based on the Purchase Consideration and the Profit Guarantee for the FYE 31 December 2026;

(iii) the implied P/E multiple of CX One falls below both the range and the average of the adjusted P/E multiples of the selected comparable companies. The adjusted P/E multiples of the selected comparable companies of CX One as at the LPD is ranging between 7.51 times to 20.26 times with an average of 12.99 times, as set out below:

Comparable Companies(1)	Principal Activities	FYE	Market capitalisation as at the LPD (RM'000)	Latest audited PAT attributable to the owners of the company (RM'000)	P/E multiple(2) (times)	Adjusted P/E multiple(3) (times)
Divfex Berhad	Provision of computer networking, computer system integration, technology solutions, consultancy services, digital media solutions and services, maintenance of computer networking, network security, storage and network management solutions, computer distribution, as well as sales of consumable goods and electronics components	30 June 2025	67,116	5,414	12.40	11.19
IFCA MSC Berhad	Provision of turnkey solutions, installation and servicing of computer hardware and networks, property online marketplace and research and development	31 December 2025	125,962	5,942	21.20	20.26

Comparable Companies[(1)]	Principal Activities	FYE	Market capitalisation as at the LPD (RM'000)	Latest audited PAT attributable to the owners of the company (RM'000)	P/E multiple[(2)] (times)	Adjusted P/E multiple[(3)] (times)
Kronology Asia Berhad	Provisions of business consulting, designing of solutions and research and development relating to new and emerging information technology software, applications, multimedia development, information systems, data management software, data protection solutions and processes, system back-up and disaster recovery systems and related businesses, provision of hybrid and cloud enterprise data management technology and solutions	31 January 2025	84,589	11,029	7.67	7.51
				Minimum	7.67	7.51
				Maximum	21.20	20.26
				Average	13.76	12.99

Notes:

(1) The comparable companies are selected based on the following criteria:

(a) listed on Bursa Malaysia Securities Berhad, and principally involved in the integration and provision of IT-related solutions, incorporating applications, platforms and/or software sourced from third-party providers;

(b) market capitalisation of less than RM150.00 million; and

(c) recorded PAT attributable to the owners of the company based on latest audited financial statements.

There is no publicly listed company which may be considered to be identical to CX One in terms of, amongst others, composition of business activities, scale of business operation, risks, profile, capital structure, accounting and tax policies, track records, future prospects, competitiveness and/or financial positions. It should be noted that any comparison made with respect to the comparable companies is merely to provide a comparison to the market value of the entire equity interest of CX One, the selection of comparable companies is highly subjective and judgemental, and the selected comparable companies may not be entirely comparable due to various factors.

(2) The P/E multiple is computed based on the market capitalisation as at the LPD divided by the latest audited PAT attributable to the owners of the company.

(3) The adjusted P/E multiple is computed based on the market capitalisation as at the LPD divided by the adjusted latest audited PAT attributable to the owners of the company, which the one-off and non-recurring items are being excluded.

The Board has taken into consideration CX One's consistent improvement in financial performance, as presented by the steady growth in its PAT over the 3 latest financial years from the FYE 31 December 2023 to the FYE 31 December 2025, as detailed in **Section 2.1.1** of this Announcement. This upward trend demonstrates the company's ability to sustain and progressively enhance its earnings. In addition, the guaranteed amounts as set out in **Section 2.1.2** in this Announcement represent a gradual and reasonable increase from the latest recorded PAT of RM1.81 million for the FYE 31 December 2025. This progression reflects a prudent and reasonable projection on CX One's earning performance. Based on the above, the Board is of the view that the applied P/E multiple is appropriate and the Purchase Consideration for the Proposed Acquisition to be reasonable;

(iv) the rationale and benefits of the Proposed Acquisition as set out in **Section 3.1** of this Announcement; and

(v) the prospects of CX One and the enlarged Cloudpoint Group upon completion of the Proposed Acquisition as set out in **Section 4.4** of this Announcement.

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2.1.4. Mode of settlement of the Purchase Consideration

In accordance with the terms of the SSA, the Purchase Consideration of RM16.80 million shall be satisfied entirely in cash by the Company to the Vendors in the following manner:

		Purchase Consideration	
Payment terms	**Timeframe**	**RM'000**	**%**
Deposit[1]	Upon execution of the SSA	1,680	10.00
Balance purchase consideration[2]	Payable in 6 equal monthly instalments, not later than the last business day of each month, from the date on which all conditions precedents under the SSA set out in **Section 5 of Appendix I** of this Announcement ("**Conditions Precedent**") have been fulfilled or waived ("**Unconditional Date**")	6,720	40.00
Retention Sum[3]	Payable within 14 business days from the date of the audited financial account of CX One for each respective FYE during the Guaranteed Period as follows:	8,400	50.00
	- *Achievement of the Minimum PAT for the FYE 31 December 2026*	*2,650*	*15.77*
	- *Achievement of the Minimum PAT for the FYE 31 December 2027*	*2,750*	*16.37*
	- *Achievement of the Minimum PAT for the FYE 31 December 2028*	*3,000*	*17.86*
Total		**16,800**	**100.00**

Notes:

(1) The deposit shall be paid to Cloudpoint's solicitors, who shall act as stakeholders and are authorised to release the said deposit to the Vendors on the Unconditional Date in accordance with the Vendors' respective proportions as set out in **Section 2.1.1** of this Announcement, or refund the said deposit to Cloudpoint, free of interest, in the event the Conditions Precedent are not fulfilled or waived by Cloudpoint and Vendors (collectively, the "**Parties**") within the 3 months from the date of SSA.

(2) The balance purchase consideration shall be paid to the Vendors in accordance with their respective proportions as set out in **Section 2.1.1** of this Announcement.

(3) The release of Retention Sum is subject to the achievement of the Minimum PAT as disclosed in **Section 2.1.2** of this Announcement as well as the terms and conditions as set out in **Appendix I** of this Announcement.

2.1.5. Source of funding

An amount of RM8.40 million which forms part of the Purchase Consideration, comprising the deposit and the balance purchase consideration payable in 6 equal monthly instalments as set out in **Section 2.1.4** of this Announcement shall be satisfied via the reallocation of the utilisation of IPO Proceeds (as defined herein) towards the Proposed Acquisition, the Company's internal generated funds and/or bank borrowings.

The remaining RM8.40 million of the Purchase Consideration, being the Retention Sum, shall be satisfied via the Company's internal generated funds and/or bank borrowings, the exact quantum of which will be determined by the Board at a later stage depending on funding requirements of the Group at the relevant point in time.

2.1.6. Liabilities to be assumed

As at the LPD, save for the obligations and liabilities stated in and arising from, pursuant to or in connection with the SSA, there are no other liabilities, including contingent liabilities and/or guarantees to be assumed by Cloudpoint pursuant to the Proposed Acquisition.

2.1.7. Additional financial commitment

Save for the Purchase Consideration, there is no additional financial commitment required to put the operations of CX One on-stream subsequent to the completion of the Proposed Acquisition.

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2.2. Details of the Proposed Variation

Pursuant to the Company's listing on 29 May 2023, the Company raised gross proceeds of approximately RM40.40 million from the Company's public issue ("**IPO Proceeds**"). Following the Company's listing on 29 May 2023, and based on the Group's ongoing engagement with customers, demand trends have evolved with a growing preference for Security Operations Centre ("**SOC**") and Network Operations Centre ("**NOC**") deployments within customers' own environments. This has correspondingly reduced the immediate requirements for a centralised facility. In addition, the Group's planned relocation to a new office in 2027 provides an opportunity to reassess the timing, scale and specifications for the new SOC, which can be partially funded through internally generated funds and/or bank borrowings, if required.

As at the LPD, the Group has utilised approximately RM22.60 million from the IPO Proceeds, with a remaining balance of RM17.80 million which has yet to be utilised. After due consideration on the rationale and benefits for the Proposals detailed in **Section 3** of this Announcement, the Board wishes to propose a variation on the utilisation of IPO Proceeds amounting to RM9.90 million, representing approximately 24.50% of the total IPO Proceeds, to re-allocate the said amount towards partially funding the Proposed Acquisition and the Group's working capital requirement.

In conjunction with the Proposed Variation, the Board also proposes to extend the timeframe for the utilisation of IPO Proceeds pursuant to the revised allocation in order to facilitate the implementation of the revised utilisation in accordance with the Group's current operational and strategic requirements.

The details of the Proposed Variation is set out as below:

Purposes	**Proposed utilisation RM'000**	**Reallocation RM'000**	**Actual utilisation as at the LPD RM'000**	**Proposed Variation RM'000**	**Revised utilisation after Proposed Variation RM'000**	**(1)Original timeframe for utilisation**	**Revised timeframe for utilisation**
Business expansion(2)	13,300	-	-	(9,900)	3,400	Within 36 months	(1)Within 60 months
Reallocation of corporate office	7,800	-	(3,295)	-	4,505	Within 48 months	-
Working capital requirements	15,802	(3)132	(15,934)	(4)1,500	1,500	Within 24 months	(1)Within 48 months
Estimated listing expenses	3,500	(3)(132)	(3,368)	-	-	Within 1 month	-
Proposed Acquisition(5)	-	-	-	8,400	8,400	-	Within 6 months from the Unconditional Date of the SSA
Total	**40,402**	**-**	**(22,597)**	**-**	**17,805**		

Notes:

(1) From the date of the Company's listing, which is on 29 May 2023.

(2) As disclosed in the Company's IPO prospectus dated 9 May 2023, the Group intends to utilise the IPO Proceeds on business expansion for the establishment of new SOC, enhancement of existing NOC and establishment of new public cloud infrastructure. The detailed breakdown of the utilisation, estimated cost and the revised cost are set out in the table below:

Purpose	Description	Estimated cost	Revised cost
		RM'000	RM'000
Establishment of new SOC			
IT software	Software such as Security Information and Event Management (SIEM) and Security Orchestration, Automation and Response (SOAR)	3,487	952
Staff cost	Recruitment of IT staff:		
	- 1 SOC Manager	234	-
	- 2 Senior Security Analysts	312	-
	- 8 Security Analysts	749	-
	Staff training cost including courses for SOC operations, incident response, network forensics, malware analysis and threat intelligence analysis	170	-
	Subtotal	**4,952**	**952**
Enhancement of existing NOC			
IT software	Networking management and monitoring, network performance monitoring, network configuration management, endpoint management and traffic analysis software	1,394	1,394
Staff cost	Recruitment of IT staff		
	- 1 NOC Manager	187	187
	- 2 Network Analysts	499	499
	Subtotal	**2,080**	**2,080**
Facilities enhancement	Setup cost such as power conditioning system, air conditioning systems and electrical cabling works for the new SOC and existing NOC	100	100
	Hardware required for the new SOC and existing NOC:	150	150
	- 2 sets of routers, firewalls, switches and racks each;		
	- 1 set of server system;		

Purpose	Description	Estimated cost RM'000	Revised cost RM'000
	- 2 sets of video wall display solutions;		
	- 1 set of uninterrupted power supply system;		
	- 1 set of phone system;		
	- 1 set of help desk system; and		
	- 3 sets of computers		
Other ancillary expenses	Utilities, transportation cost, other miscellaneous expenses and contingencies	118	118
	Subtotal	**368**	**368**
<u>Establishment of new public cloud infrastructure</u>			
IT infrastructure	IT hardware and software:	3,468	-
	- Management cluster infrastructure for the management of cloud computing environment;		
	- Compute cluster infrastructure for the running of the workloads; and		
	- Network and security infrastructures such as switches and firewalls		
Staff cost	Recruitment of IT staff:	749	-
	- 4 Cloud Engineers		
Other expenses	Hosting infrastructure, utilities, professional setup fees, other miscellaneous expenses and contingencies	1,683	-
	Subtotal	**5,900**	**-**
	Total	**13,300**	**3,400**

(3) The surplus of RM0.13 million arising from the RM3.50 million originally earmarked for the estimated listing expenses was re-allocated towards the Group's working capital requirements in the second quarter of 2024.

(4) Cloudpoint intends to vary RM1.50 million from the utilisation allocated for business expansion to working capital requirements for the purchase of hardware and software for the implementation of solutions and services.

(5) Having considered the rationale and benefits for the Proposals as highlighted in **Section 3** of this Announcement, Cloudpoint intends to re-allocate approximately RM8.40 million to partially settle the Purchase Consideration in relation to the Proposed Acquisition.

The IPO Proceeds amounting to RM8.40 million earmarked for the Proposed Acquisition is expected to be fully utilised within 6 months from the Unconditional Date of the SSA, in accordance with the payment schedule stipulated therein.

The Proposed Variation involves an amount of RM9.90 million, representing approximately 24.50% of the total IPO Proceeds. In this regard, the Proposed Variation is not deemed to be a material change to the utilisation of proceeds as it involves less than 25.00% of the total proceeds raised pursuant to Paragraph 8.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**"). Accordingly, shareholders' approval is not required for the Proposed Variation.

3. RATIONALE AND BENEFITS FOR THE PROPOSALS

3.1. Proposed Acquisition

The Proposed Acquisition represents a strategic opportunity for the Group to expand and strengthen its IT solutions and service offerings. As mentioned in **Section 2.1.1** of this Announcement, CX One is principally engaged in trading, implementing and maintenance of IT, telecommunication and customer experience solution including software, hardware and peripherals, which complement the Group's existing business activities.

The Board envisages that the Proposed Acquisition will enable the Group to broaden its capabilities beyond its existing enterprise and data centre networking solutions, cybersecurity solutions, digital applications and cloud services, as well as professional IT services into a new product segment encompassing unified communications technology, contact centre solutions and customer engagement platforms. The Group is able to leverage its expanded capabilities to pursue cross-selling opportunities across its broader customer base, thereby enhancing its value proposition, strengthening long-term customer relationships and deepening the Group's market penetration within the IT industry.

Further, the Proposed Acquisition is expected to enhance the Group's revenue base by increasing its project-based income from implementation and integration services, and its recurring income from maintenance and support services as well as subscription-based contact centre software solutions. This is anticipated to improve the Group's earnings visibility and contribute positively to the Group's long-term financial performance.

The Board is also of the view that the Proposed Acquisition will position the Group to capitalise on the growing demand for digital transformation initiatives among enterprises, particularly in enhancing operational efficiency and customer engagement capabilities through the adoption of artificial intelligence technologies.

Premised on the above, the Board is of the opinion that the Proposed Acquisition is in the best interest of the Group and is expected to contribute positively to the Group's financial performance and offer long-term business viability and growth to the Group.

3.2. Proposed Variation

The Proposed Variation is intended to re-allocate a portion of the unutilised IPO Proceeds to partially settle the Purchase Consideration for the Proposed Acquisition and to fund the Group's working capital requirements.

The Board is of the view that the re-allocation of the unutilised IPO Proceeds towards the Proposed Acquisition is in line with the Group's strategic plan in expanding its IT solutions and service offerings as well as enhancing its long-term growth prospects. The Proposed Acquisition is expected to consolidate CX One's earnings into the Group and strengthen its competitive positioning in the IT industry. Accordingly, the re-allocation of the unutilised IPO Proceeds towards the Proposed Acquisition would enable the Group to preserve its internal generated funds for other operational requirements and to pursue additional large-value projects as and when opportunities arise.

In addition, the re-allocation of the unutilised IPO Proceeds towards the Group's working capital requirements, particularly for the purchase of hardware and software for the implementation of solutions and services, is expected to enhance the Group's financial flexibility to undertake additional projects.

Premised on the above, the Board is of the view that the Proposed Variation is in the best interests of the Group.

4. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS

4.1. Overview and outlook of the Malaysian economy

In 2025, the economy is expected to grow between 4% and 4.8%, underpinned by firm domestic demand. From the demand perspective, private consumption is anticipated to remain resilient, supported by higher disposable income, favourable labour market conditions, targeted assistance programmes and vibrant tourism activities. Investment momentum will be sustained by the realisation of multi-year projects and strong inflows into high-growth segments such as semiconductors. and data centres. From a supply perspective, the services and manufacturing sectors will continue to lead growth. The services sector will be driven by robust tourism activities, dynamic retail trade and increased demand for business-related services. Meanwhile, the manufacturing sector will benefit from growing semiconductor demand due to the expansion of the digital economy and the increasing use of AI edge applications as well as strong performance in domestic-oriented industries.

In 2026, Malaysia's economy is projected to expand between 4% and 4.5%, supported by resilient domestic demand and a steady external sector. Growth will be anchored by private consumption, boosted by the implementation of the salary adjustment under Phase 2 of the Public Service Remuneration System (SSPA), continuation of targeted assistance programmes and robust tourism activities in conjunction with Visit Malaysia 2026 (VM2026). In addition, strong investment performance will be supported by higher capital expenditures, particularly in high-impact strategic sectors. The services and manufacturing will remain key drivers of growth, complemented by sustained construction and agriculture sectors.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

4.2. Overview and outlook of the information and communication industry in Malaysia

The information and communication subsector expanded by 3.5% in the first half of 2025 attributed to increasing demand for digital connectivity and data services in the telecommunication segment. The subsector's growth is projected to increase by 3.6% in the second half of the year, leading to an overall growth of 3.6% in 2025.

In 2026, the information and communication subsector is expected to grow 4.3%, mainly driven by expansion in AI technologies, data centre and cloud computing capacities as well as continued government support through comprehensive digital policies and infrastructure upgrades. In addition, the subsector will be fuelled by higher social commerce activities via various social platforms as well as subscriptions of over-the-top (OTT) media services for e-sports and entertainment.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

4.3. Overview and outlook of the customer experience industry in Malaysia

Malaysia has made remarkable progress in embedding customer experience into its business DNA. In just a year, the nation's Customer Experience Index (CX Index) rose from 3.61 to 3.78, signalling that Malaysian enterprises are not only digitising but humanising their digital transformation. This 3.78 reflects diverse industry progress, highlighting innovation in the experience economy as of 11 November 2025.

Across Malaysia's business landscape, a transformation is unfolding. AI and machine learning have moved from future concepts to present reality. Digital experience is now the frontline of brand perception; it's where customers form their first and most lasting impressions. This year, digital banks & financial services and digital e-commerce continue to lead in customer experience excellence, while telco, insurance, and healthcare maintain steady growth. However, the elusive Exceptional Customer Experience mastery level remains unclaimed. True excellence emerges when Digital, Service, Brand, and Employee Experience move in harmony. Behind every delighted customer is an empowered employee, as culture, not code, drives consistency.

From 2026 to 2027, the National Customer Experience Roadmap is expected to enter the acceleration phase, during which Malaysia will focus on scaling innovation and strengthening international collaboration. This may include the establishment of customer experience innovation centres, providing physical or virtual platforms for companies to share best practices, learn from industry peers and experiment with new experience designs. Malaysia may also expand its global partnership network by building strategic alliances with global customer experience leaders, enabling knowledge exchange and sharing of Malaysia's perspective on experience excellence. In addition, an Experience Export Program may be developed to package and promote Malaysian customer experience expertise internationally.

Over the longer term, from 2028 to 2030, further initiatives are expected to position Malaysia on the global stage as a customer experience leader. Such efforts may include promoting a distinct Malaysian customer experience philosophy, positioning the country as an experience economy hub, and exporting Malaysia's cultural expertise in service excellence to international markets.

The world is entering what we called "The Age of Anticipation." In this era, success means knowing what customers need before they ask and delivering it effortlessly across channels. The next chapter for Malaysia is to evolve from Customer Experience excellence to Customer Experience leadership, making experience the defining competitive advantage of Malaysian enterprises and the country's digital economy.

(Source: The State of CX in Malaysia 2025, CX Malaysia; Twimbit; and Malaysia Digital Economy Corporation)

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4.4. Prospect of CX One and the enlarged Cloudpoint Group

CX One was founded by a team of seasoned professionals with over 10 years of experience in the enterprise communications and contact centre industry, where it specialises in the implementation and integration of unified communications and customer experience solutions tailored to their clients' requirements. CX One recorded an increase in revenue from RM5.80 million in the FYE 31 December 2023 to RM19.11 million in the FYE 31 December 2025. Correspondingly, the PAT of CX One had also increased from RM0.26 million to RM1.81 million over the same period. The Vendors have provided a Profit Guarantee of RM7.45 million in cumulative PAT for the FYE 31 December 2026 to the FYE 31 December 2028. Upon completion of the Proposed Acquisition, the Group is expected to realise the benefits as set out in **Section 3.1** of this Announcement, which include, amongst others, expansion of the Group's service and product offerings to include implementation and integration of unified communications, contact centre and customer experience solutions, as well as the enhancement of the Group's financial performance.

The Proposed Acquisition is also expected to position the Group to capitalise on the Malaysian government's digital transformation initiatives to encourage the adoption of advanced digital technologies, cloud computing, cybersecurity frameworks and AI solutions across both public and private sectors. In line with the national initiatives to accelerate digitalisation and strengthen Malaysia's digital economy ecosystem, the enlarged Group's capabilities in unified communications and customer experience solutions allow the Group to leverage combined capabilities and customer base to support cross selling initiatives as well as to support enterprises in modernising their operational infrastructure and enhancing service delivery standards.

Accordingly, taking into consideration the rationale and benefits for the Proposals as set out in **Section 3** of this Announcement as well as the overview and outlook of the information and communication technology and customer experience industries as set out in **Sections 4.2 and 4.3** of this Announcement, the Board is of the view that the Proposed Acquisition will enable the Group to capture growth opportunities arising from the national digital transformation priorities, thereby strengthening its long-term growth prospects and competitive positioning within the IT industry.

(Source: The Board)

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5. RISK FACTORS

The risk factors associated with the Proposed Acquisition include, but are not limited to the following:

5.1. Non-completion of the Proposed Acquisition

The Proposed Acquisition is conditional upon the fulfilment of the Conditions Precedent as prescribed in the SSA. In the event that the Conditions Precedent, or any other terms and conditions as stipulated in the SSA, are not fulfilled, waived or satisfied within the stipulated timeframe, the SSA shall be rescinded and the Company will not be able to complete the Proposed Acquisition.

Notwithstanding the above, the Board and the management of the Company will use its best endeavours to take all reasonable steps to satisfy the Conditions Precedent in order to facilitate the completion of Proposed Acquisition in a timely manner.

5.2. Non-fulfilment of the Profit Guarantee

The Vendors have provided a Profit Guarantee in respect of the CX One for the Guaranteed Period as stipulated in the SSA. However, there can be no assurance that the Profit Guarantee will be achieved. As a mitigating measure, Cloudpoint will retain the Retention Sum, which exceeds the value of the Profit Guarantee, to secure the Vendors' obligations in relation to the Profit Guarantee during the Guaranteed Period.

In the event that CX One fails to achieve the Profit Guarantee during the Guaranteed Period, Cloudpoint shall be entitled to recover the Shortfall from the Vendors in accordance with the terms and conditions as set out in the SSA, including by way of set-off against the Retention Sum.

5.3. Investment risk

The Proposed Acquisition is expected to contribute positively to the future financial performance of the enlarged Group. However, there is no assurance that the anticipated synergies and benefits will be fully realised following the completion of the Proposed Acquisition.

Nevertheless, after due consideration of the potential risks and benefits associated with the Proposed Acquisition, the Board is of the view that the Proposed Acquisition provides an avenue for the Group to expand its business portfolio and enhance its market presence.

5.4. Dependency on key personnel of CX One

The continued success and performance of CX One are dependent, to a certain extent, on the experience, expertise and continued services of its key management personnel. The loss of any key personnel without suitable and timely replacement may have an adverse effect on the business operations and financial performance of CX One. To mitigate this risk, CX One will enter into management service agreement with the Vendors and/or such other employees of CX One to be identified by the Company to ensure business sustainability and management continuity.

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6. EFFECTS OF THE PROPOSALS

The Proposed Variation will not have any significant effects on the issued share capital, substantial shareholders' shareholdings, NA per Share, gearing, earnings and EPS of the Group.

The effects of the Proposed Acquisition on the issued share capital, substantial shareholders' shareholdings, NA per Share, gearing, earnings and EPS of the Group are set out below:

6.1. Issued share capital and substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the issued share capital and substantial shareholders' shareholdings of Cloudpoint as it does not involve the issuance of new Cloudpoint Shares.

6.2. NA per Share and gearing

For illustrative purposes, based on the latest audited consolidated statement of financial position of the Group as at 31 December 2025, assuming the Proposed Acquisition had been effected on 31 December 2025, the pro forma effects of the Proposed Acquisition on the NA per Share and gearing of the Group are as follows:

	Audited as at 31 December 2025	**After the Proposed Acquisition**
	RM'000	**RM'000**
Share capital	54,944	54,944
Merger deficit	(14,150)	(14,150)
Retained earnings	49,937	(5)49,776
Shareholders' fund/NA	**90,731**	**90,570**
Non-controlling interest	5,093	5,093
Total equity	**95,824**	**95,663**
Number of Shares in issue ('000)	531,600	531,600
NA per Share (RM)(1)	**0.17**	**0.18**
Total borrowings (RM'000)(2)	121	121
Gearing (times)(3)	(4)	(4)

Notes:

(1) Calculated as NA divided by the total number of Cloudpoint Shares in issue.

(2) Includes hire purchase payables only and excludes lease liabilities. The Company does not have any bank borrowings as at 31 December 2025.

(3) Calculated as total borrowings divided by the NA.

(4) Less than 0.01 times.

(5) After deducting the estimated expenses in relation to the Proposals of approximately RM0.16 million.

6.3. Earnings and EPS

The Proposed Acquisition will not have any immediate effect on the consolidated earnings and EPS of the Group for the FYE 31 December 2025. However, the Proposed Acquisition is expected to contribute positively to the future earnings and EPS of the Group.

Pursuant to the Proposed Acquisition, the Vendors covenant and undertake to Cloudpoint that CX One shall achieve an aggregate audited PAT for the Guaranteed Period of not less than RM7.45 million as set out in **Section 2.1.2** of this Announcement.

For illustrative purpose, assuming the Proposed Acquisition had been effected on 1 January 2025, being the beginning of the FYE 31 December 2025, the pro forma effects of the Proposed Acquisition on the earnings and EPS of the Group are as follows:

	Audited FYE 31 December 2025	**After the Proposed Acquisition**
PAT attributable to the owners of the Company (RM'000)	21,680	(2)23,999
Number of Shares in issue ('000)	531,600	531,600
EPS (RM)(1)	**0.04**	**0.05**

Notes:

(1) Calculated as PAT attributable to the owners of the Company divided by the total number of Cloudpoint Shares in issue.

(2) Assuming the Minimum PAT of RM2.48 million (being the average Minimum PAT to be attained during the Guaranteed Period) is achieved and recognised in the FYE 31 December 2025 and after setting off the estimated expenses in relation to the Proposals of approximately RM0.16 million.

7. HIGHEST PERCENTAGE RATIO APPLICABLE

Based on the latest audited consolidated financial statements of the Group for the FYE 31 December 2025, the highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements is 18.52% which is calculated based on the Purchase Consideration in relation to the Proposed Acquisition over the NA of Cloudpoint as at 31 December 2025.

8. APPROVALS REQUIRED

The Proposals are not subject to the approval of shareholders of Cloudpoint.

The Proposed Variation is conditional upon the Proposed Acquisition, but not vice versa.

The Proposals are not conditional upon any other corporate exercises undertaken or to be undertaken by the Company.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders and/or persons connected with them has interest, direct or indirect, in the Proposals.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposals, including but not limited to the rationale and benefits, as well as the effects of the Proposals, is of the opinion that the Proposals are in the best interest of Cloudpoint.

11. ADVISER

SCS Global has been appointed as the Adviser to the Company for the Proposals.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposals are expected to be completed by the 3rd quarter of 2026.

13. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SSA is available for inspection at the registered office of Cloudpoint at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan during normal business hours from Monday to Friday (except for public holidays) for a period of 3 months from the date of this Announcement.

This Announcement is dated 6 May 2026.

Sections	Terms		Details
1	Sale and purchase	:	The Vendors agree to sell and the Company agrees to purchase the Sale Shares free from claim, charges, liens, encumbrances whatsoever together with all interest and rights attached thereto at the Purchase Consideration.
2	Profit Guarantee	:	The Vendors guarantee that the PAT of CX One in accordance with MFRS for the Guaranteed Period shall not less than the following amounts:

RM'000			
FYE 31 December 2026	**FYE 31 December 2027**	**FYE 31 December 2028**	**Total**
2,350	2,400	2,700	7,450

For the avoidance of doubt, the achievement of the Minimum PAT shall be determined on a cumulative basis and any shortfall or surplus between the PAT for any FYE during the Guaranteed Period and the Minimum PAT for the respective FYE shall be brought forward to be aggregated with the PAT for the subsequent FYE during the Guaranteed Period.

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3	Purchase Consideration	:	The Purchase Consideration shall be paid in the following manner: (a) **<u>Deposit</u>**: upon execution of the SSA, the Company shall pay RM1,680,000.00, being 10% of the Purchase Consideration to the Company's solicitor whom is authorised to:- (i) release the same to the Vendors on the Unconditional Date; or (ii) refund the same to the Company, free of interest, if the Conditions Precedent cannot be fulfilled or waived within 3 months from the date of the SSA ("**Conditional Period**"). (b) **<u>Balance Purchase Consideration</u>**: Subject to CX One ceasing to hold any equity interest in KBOFM 1Tech or KBOFM 1Tech has filed the requisite statutory documents for its striking off, the Company shall pay the Vendors sum of RM6,720,000.00, being 40% of the Purchase Consideration payable in 6 equal monthly instalments of RM1,120,000.00 not later than the last business day of each month commencing from the Unconditional Date; (c) **<u>Retention Sum</u>**: Subject to CX One attaining the Minimum PAT for the respective FYE during the Guaranteed Period, the respective Retention Sum set out in Section 2.1.2 of this Announcement totaling RM8,400,000.00 shall be paid to the Vendors within 14 business days from the date of the audited financial statements of CX One for the respective FYE during the Guaranteed Period. In the event:- (i) CX One records profit but fails to achieve the Minimum PAT for FYE 31 December 2026 or FYE 31 December 2027, then the Company shall pay to the Vendors the actual audited PAT achieved by CX One for the respective FYE within 14 business days from the date of the respective audited financial statement of CX One and; and if CX One records profit for FYE 31 December 2028, the Company shall release an amount equivalent to the balance Retention Sum less the Shortfall (if any) within 14 business days from the date of the audited financial statement of CX One for FYE 2028; or (ii) CX One is loss making in FYE 31 December 2026 or FYE 31 December 2027, respectively, the respective balance Retention Sum shall be retained by the Company. The Company shall release to the Vendors an amount equivalent to the balance Retention Sum less the Shortfall (if any) within 14 business days from the date of the audited financial account of CX One for FYE 31 December 2028 provided that CX One is profit making in FYE 31 December 2028; or (iii) CX One records losses for the entire Guaranteed Period, the Retention Sum shall not be payable to the Vendors and shall instead be applied as a reduction of the Purchase Consideration and retained by the Company; or

(iv) CX One fails to attain the Total Minimum PAT during the Guaranteed Period, the Shortfall shall be deducted from the Retention Sum and retained by the Company and the Purchase Consideration shall be adjusted downwards by an amount equivalent to the Shortfall.

In respect of Sections 3(c)(iii) and (iv) of Appendix I, if any portion of the Retention Sum is released to the Vendors resulting the balance Retention Sum is insufficient to cover the Shortfall, the Vendors shall jointly and severally refund the said sum to the Company within 14 business days from the date of the audited financial account of CX One for FYE 31 December 2028, failing which, the Company shall be entitled to levy late payment interest of 8% per annum on the Vendors. For the avoidance of doubt, the maximum liability of the Vendors under these clauses shall not exceed the amount equivalent to the Retention Sum.

4	Minimum Working Capital	:	The Vendors represent and warrant that the cash and bank balances of CX One as at the completion of the SSA shall not be less than RM1,000,000.00 plus the PAT of CX One recorded from 1 January 2026 until the completion of the SSA.
5	Conditions Precedent	:	The SSA shall be conditional upon the consent and/or approval from the existing financier of CX One and/or all appropriate authorities in relation to the change in control or directorships of CX One (if applicable) being obtained, procured and/or fulfilled or being waived within the Conditional Period.
6	Termination Events	:	If any of the following events occurs before the completion date, the other non-defaulting party may (but is not obliged to) give notice in writing to the defaulting party, requiring the defaulting party to remedy the said default or breach.

(a) **<u>Breach:</u>** breach of any material or fundamental terms or conditions of the SSA or a failure to perform or observe any material or fundamental undertaking, obligation or agreement expressed or implied in the SSA including the breach of any material warranties; or

(b) **<u>Receiver:</u>** a receiver, receiver and manager, trustee or similar official is appointed over any of the assets or undertaking of the defaulting party; or

(c) **<u>Arrangements:</u>** the defaulting party enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, the defaulting party's creditors or any class of them; or

(d) **<u>Winding-Up:</u>** an application, petition or order is made for the winding-up or dissolution of the defaulting party, or a resolution is passed or any steps taken to pass a resolution for the winding-up or dissolution of the defaulting party, otherwise than for the purpose of an amalgamation or reconstruction which has prior written consent of the non-defaulting party; or

		(e) **<u>Cessation of Business:</u>** the defaulting party ceases or threatens to cease carrying on a substantial portion of the defaulting party's business other than in compliance with the defaulting party's obligations under the SSA; or (f) **<u>Events of Default</u>**: the defaulting party commits any act or omits to do an act which results in the breach or non-fulfillment of any term or condition of any banking, finance or credit facility which has the effect of causing the events specified in sub-clauses (b), (c), (d) and (e) above to occur; or (g) **<u>Misrepresentation:</u>** any material representation, warranty or statement which is made (or acknowledged to have been made) by the Parties in the SSA or which is contained in any certificate, statement, legal opinion, notice, replies made in the course of the due diligence review or information furnished in the due diligence review or provided under or in connection herewith or therewith proves to be incorrect in any material respect.
7	Termination	If the defaulting party fails to remedy the relevant default or breach, the non-defaulting party may elect to terminate the SSA and claim damages. (a) **<u>Company's default:</u>** In the event of termination due to the default or breach of the Company, the Vendors shall have the option to either claim for specific performance and seek for other remedies available to the Vendors; and/or to terminate the SSA and forfeit the Deposit as liquidated damages. (b) **<u>Vendors' default:</u>** In the event of termination due to the default or breach of the Vendors, the Company shall have the option to either claim for specific performance and seek for other remedies available to the Company; and/or to terminate the SSA whereby the Vendors shall refund all the monies, free of interest, that have been paid by the Company towards the Purchase Consideration together with an additional sum equivalent to the Deposit as liquated damages. Upon such termination:- (i) the SSA shall become null and void and be no further effect; (ii) neither party shall have any claim whatsoever against the other or in respect of the SSA; and (iii) The Vendors shall have the right to demand the Sale Shares to be re-transferred to the Vendors at RM1.00 or sell the Sale Shares to such person in such manner at such price and on such terms as the Vendors may think fit.