

IPO STATISTICS

IPO Price (RM)	0.52
Fund Raised (RM Million)	104.00 from new issue 52.00 from offer for sale TOTAL: 156.00
Enlarged issued share capital upon listing (million shares)	1,000.00
IPO Market Capitalisation (RM million)	520.00
Price Earnings Ratio (PER)	10.14 (based on FYE2023 PAT) 6.63x (based on FPE2024 annualised PAT)

Use of Proceed (RM104.00 million from new issue)

Proceed Utilisation	RM million
Business expansion	
- Expansion and establishment of fibre optic communication networks infrastructure	60.00
- Construction of telecommunications towers	25.00
- Enhancing its satellite-based communication networks and services capability	4.30
Repayment of bank borrowings	1.70
Working Capital	5.00
Estimated listing expenses	8.00
Total	104.00

FYE – Financial year ended/ending 31 December; FPE – 10-month financial period ended/ending 31 October; LPD – 10 March 2025, being the latest practicable date

BUSINESS OVERVIEW

Business Activities

Reach Ten Holdings Berhad ("Reach Ten" or the "Group") is a telecommunications service provider that specialises in satellite-based communication networks and services, fibre optic communication networks and services, as well as telecommunications infrastructure services and managed services. The Group's segmented business activities are as follows:

1) Satellite-based communication networks and services

- Designs, supplies, installs, configures, integrates, operates and maintains the components that are required to provide a working satellite-based communication networks and services to customers comprising government entities, enterprises and rural community users.
- Operates Very Small Aperture Terminal ("VSAT") infrastructure to provide reliable connectivity to remote and rural areas.
 - Purchases bandwidth from satellite operators and satellite service providers.
 - Has a teleport in Kuching that integrates with the Internet and manages the satellite-based network, including bandwidth allocation and signal routing.
 - Operates 1,215 VSATs, with 1,188 in Sarawak, 19 in Sabah, and 8 in Peninsular Malaysia for transmitting and receiving signals to and from the satellites.
 - The modem acts as the central processing unit, handling data transmission and reception.
 - Engineers and technicians ensure the network operates smoothly, handling troubleshooting and maintenance.



Teleport in Samajaya Industrial Zone, Kuching



VSAT dish ground installations

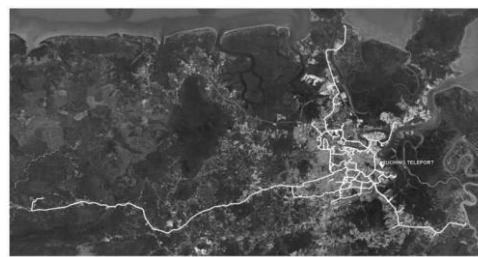


VSAT dish wall-mounted installations

- Resells Starlink services to enterprises and government entities, providing satellite-based connectivity in remote areas, supporting business continuity, and extending cellular coverage.

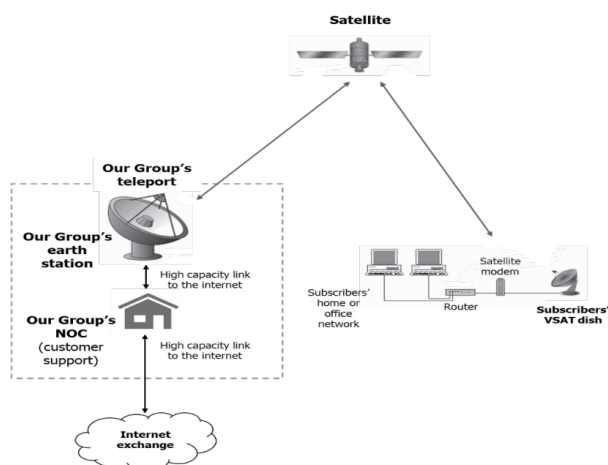
2) Fibre optic communication networks and services

- Designs, builds, owns and operates the fibre optic communication networks and services in Kuching and Samarahan, Sarawak.
- Services include (a) **Point-to-point leased lines**: Direct, dedicated connections linking specified locations with exclusive bandwidth and (b) **Broadband services**: Shared internet connections for multiple subscribers in high-rise buildings, with bandwidth divided among users.
- As at LPD, the Group owns 217 km of fibre optic duct infrastructure and 649 km of fibre optic cables, offering up to 40 gigabit per second bandwidth.






3) Telecommunications infrastructure services and managed services

- Constructs, operates, and maintains telecommunications infrastructure and leasing site space to Mobile network operator ("MNOs") for their equipment. The Group provides site-related operational support and generate revenue from one-off installation fees and recurring managed services.
- As at LPD, the Group owns 33 monopoles and three lattice towers in Sarawak.



Key components of VSAT infrastructure and their function

Business Model

Business segments	Telecommunication networks, services and infrastructure		
	Satellite-based communication networks and services	Fibre optic communication networks and services	Telecommunications infrastructure services and managed services
Trademark			
Infrastructures owned and deployed as at the LPD	Operate 1,215 VSAT infrastructure	Own approximately 217 km of fibre optic duct infrastructure and approximately 649 km of fibre optic cable link	<ul style="list-style-type: none">Own 33 monopoles and 3 lattice towersDeployed 29 lattice towers for customers
Principal locations	Sarawak	Sarawak	Sarawak
Customers / users	Government entities, enterprises and rural communities	Government entities, enterprises and individual consumers	Government entities, enterprises and rural communities
Suppliers	Local and foreign satellite operators, suppliers for hardware and software	Local and foreign Internet service providers, subcontractors, suppliers for fibre optic cable, hardware and software	Local subcontractors, local and foreign suppliers for cable and power equipment
Revenue model	<ul style="list-style-type: none">Supply and installation fees (one-off project based) (FYE 2023: 5.23%)Broadband services (recurring) (FYE 2023: 81.72%)	<ul style="list-style-type: none">Installation and activation fees (one-off project based) (FYE 2023: 6.34%)Point-to-point leased line services (recurring) (FYE 2023: 3.14%)Broadband services (recurring) (FYE 2023: 1.55%)	<ul style="list-style-type: none">Telecommunications infrastructure services (one-off project based) (FYE 2023: 1.41%)Managed services (recurring) (FYE 2023: 0.61%)
Revenue contribution in the FYE 2023	86.95%	11.03%	2.02%

Licences

NFP	NSP
<ul style="list-style-type: none">Earth stationsFixed links and cablesRadiocommunications transmitters and linksSatellite hubsTowers, poles, ducts and pits used in conjunction with other network facilities	<ul style="list-style-type: none">Bandwidth servicesAccess applications serviceSwitching servicesGateway services

Competitive Strengths

- Established telecommunications service provider in Sarawak** for 18 years, offering satellite and fibre optic services, owning extensive infrastructure and licenses to ensure reliable connectivity and service quality.
- Experienced technical personnel** with seven engineers and 43 technicians, stationed in Sarawak, Kota Kinabalu, and Kuala Lumpur.
- Holds various qualified registrations and certifications such as** Network Service Provider ("NSP") and Network Facilities Provider ("NFP") licenses from Malaysian Communications and Multimedia Commission ("MCMC"), Class A contractor registration with Unit Pendaftaran Kontraktor & Juruperunding ("UPKJ"), and Grade 7 contractor registration with Construction Industry Development Board ("CIDB").
- Demonstrated technical capabilities and ability** to deliver projects, backed by long-term contracts from government-owned or government-linked organisations.
- Experienced management team**, led by Managing Director Chin Yu Lay with 24 years of experience in the telecommunications industry, supported by Executive Director Lu Pak Lim, who has 21 years of experience in the in the satellite communications industry and broadband services. Additionally, the key senior management brings expertise in finance, project tendering, project management and implementations, procurement and human resources.

GROWTH STRATEGIES AND FUTURE PLANS

Further expand and establish fibre optic communication networks infrastructure to other cities in Sarawak

- The Group intends to expand existing fibre optic communication networks infrastructure in Kuching and establish three new fibre optic communication networks infrastructure in Miri, Sibul and Bintulu, driven by population growth and increasing commercial activities.
- The expansion in Kuching will add an additional 255 km, while the new networks will cover 92 km in Miri, 87.3 km in Sibul, and 68.9 km in Bintulu.
- The estimated costs for Kuching, Miri, Sibul and Bintulu have been allocated with RM30.40 million, RM11.00 million, RM10.40 million and RM8.20 million respectively.
- The total cost is estimated at RM60.00 million, which will be funded through proceeds from the IPO Issue.

Construct more telecommunications towers to improve connectivity in Sarawak

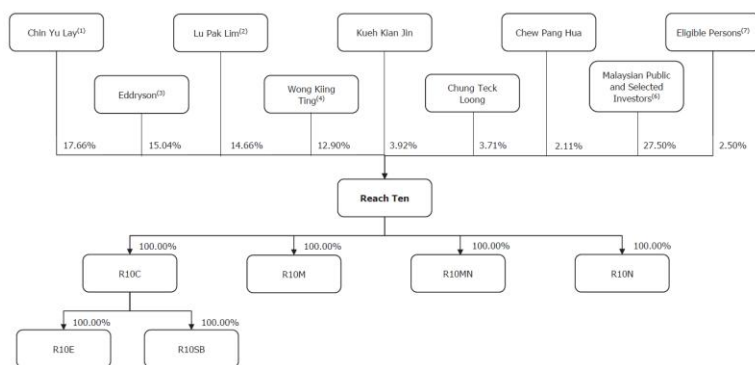
- The Group intends to construct 100 additional 4G/5G telecommunications towers in Sarawak over the next 36 months, focusing on Miri, Sibul, and Bintulu. This expansion supports the government initiatives like the Malaysia Digital Economy Blueprint ("MyDIGITAL") and the Sarawak Digital Economy Blueprint 2030, aiming to enhance connectivity and develop smart cities. The Group will approach MNOs for site approvals and managed services.
- The number of telecommunications towers to be constructed in Miri, Sibul and Bintulu is 40, 30 and 30 respectively.
- Target to construct 20, 40 and 40 telecommunications towers in 2025, 2026 and 2027 respectively.
- The total cost is estimated at RM25.00 million, which will be funded through IPO proceeds.

Enhance satellite-based communication networks and services capability

- The Group intends to acquire additional terminals, hardware, software, and enhance teleport facilities to expand the number of sites offering satellite-based services and incorporate IoT technology for mobile users in the logistics and transportation, maritime, and offshore oil and gas sectors.
- The total cost is estimated at RM4.30 million, which will be funded through proceeds from IPO.

GROUP STRUCTURE, PROMOTERS & SUBSTANTIAL SHAREHOLDERS

Group Structure upon Listing



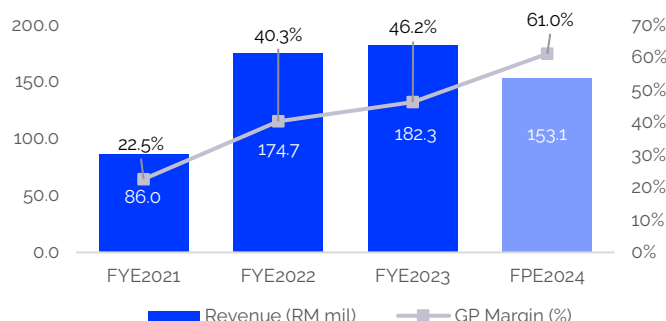
Subsidiary	Principal Activities
R10C	Provision of satellite and fibre optic communication networks and services, Telecommunication infrastructure services and managed services
R10M	Provision of fibre optic communication services
R10MN	Provision of leased fibre optic communication services
R10N	Supply of Information and Communication Technology ("ICT") hardware and software
R10E	Provision of telecommunication infrastructure services and managed services
R10SB	Investment holding

Promoter/ Substantial Shareholder	Nationality	Designation	Shareholding after IPO (%)	
			Direct ⁽²⁾	Indirect ⁽²⁾
Chin Yu Lay ⁽¹⁾	Malaysian	Promoter and substantial shareholder. Managing Director	17.66	-
Lu Pak Lim ⁽¹⁾	Malaysian	Promoter and substantial shareholder. Executive Director	14.66	-
Eddyson ⁽¹⁾	Malaysian	Promoter and substantial shareholder	15.04	-
Wong Kiing Ting ⁽¹⁾	Malaysian	Promoter and substantial shareholder	12.90	-

⁽¹⁾ Subject to moratorium to the entire shareholdings for a period of 6 months from the date of admission pursuant to Paragraph 5.29(a), Part II of the Equities Guidelines.
⁽²⁾ Based on the enlarged issued shares of 1,000,000,000 Shares upon the Listing.

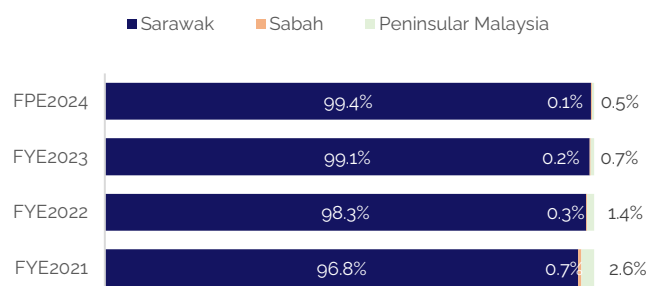
FINANCIAL PERFORMANCE

Revenue and GP Margin



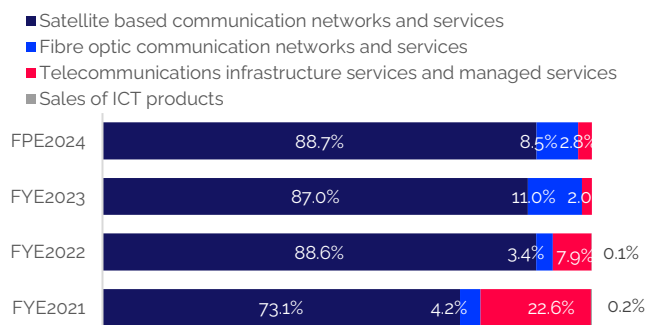
The higher revenue in FYE2022 was contributed by the higher revenue contribution from the provision of satellite-based communication networks and services as well as provision of fibre optic communication networks and services segments.

Revenue Breakdown by Geographical Location in Malaysia



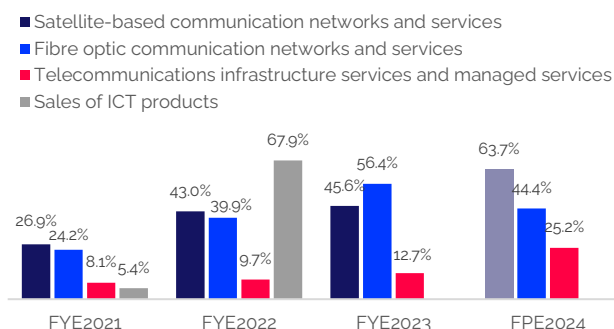
The Group's revenue is solely derived from Malaysia.

Revenue Breakdown by Business Segment



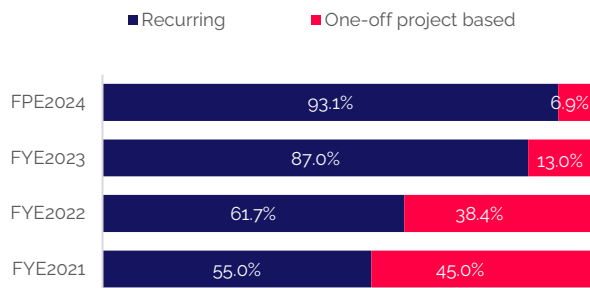
There were no sales of ICT products in FYE2023 and FPE2024 as the Group's subsidiary, R10N, did not receive any orders from customers.

GP Margin by Product



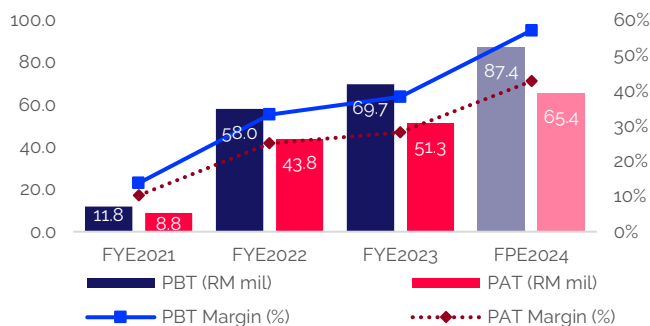
The Group's project pricing is based on initial cost estimates, revised at project end, with GP margins varying by project scope and duration.

Revenue Breakdown by Nature of Revenue



Recurring revenue includes broadband services, point-to-point leased line services and provision of managed services while **one-off project-based revenue** includes installation of VSAT infrastructure, installation and activation of fibre optic infrastructure, provision of telecommunication infrastructure services and sales of ICT products.

Profit and Margin



Key Financial Ratios

	FYE2021	FYE2022	FYE2023	FPE2024
Average trade receivable turnover period (days)	57	58	58	51
Average trade payable turnover period (days)	109	92	77	74
Average inventory turnover period (days)	46	32	224	194
Current ratio (times)	1.24	2.05	1.66	2.72
Gearing ratio (times)	0.41	0.11	0.05	0.03

The higher current ratio in FPE2024 was mainly due to the decrease in current liabilities mainly from the payment made for the dividend payables of RM21.00 million.

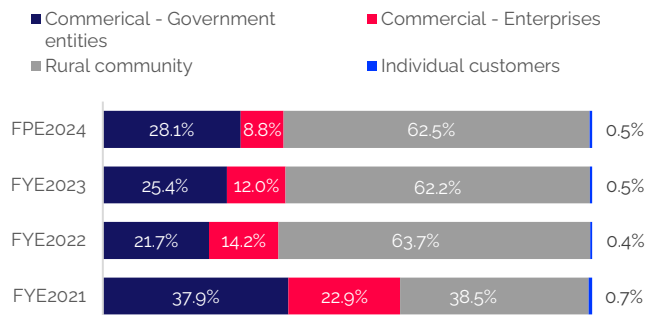
Orderbook

As at LPD, the Group's order book stands at RM175.61 million and is expected to be realised over the following financial years:

RM'mil	LPD to FYE2025	FYE2026	FYE2027
Satellite-based communication networks and services	52.57	51.09	2.35
Fibre optic communication networks and services	25.00	12.39	10.32
Telecommunications infrastructure services and managed services	7.09	5.25	5.25
Total	84.66	68.73	17.92

The remaining order book amount of RM2.22 million and RM2.07 million from 2 projects is expected to be realised after FYE2027.

Revenue Breakdown by User Segments



Commercial refers to government entities and enterprises with the total contribution sum of 60.78%, 35.88%, 37.32% and 36.95% for FYE2021, FYE2022, FYE2023 and FPE2024 respectively while **rural community** refers to users in rural areas as part of the rural connectivity initiatives in Sarawak, namely Jalanan Digital Negara ("JENDELA") and Sarawak Linking Urban, Rural and Nation ("SALURAN") initiatives.

Cash Flow Statement

RM'mil	FYE2021	FYE2022	FYE2023	FPE2024
Opening cash balance	0.5	14.9	19.4	38.5
Net operating cash flow	21.6	29.1	69.9	58.4
Net investing cash flow	(4.9)	(15.3)	(26.0)	1.2
Net financing cash flow	(2.3)	(9.3)	(24.8)	(50.5)
Closing cash balance	14.9	19.4	38.5	47.6

- In FPE2024, higher net cash from investing activities was mainly due to withdrawal of fixed deposits with licensed banks of RM5.66 million and proceeds of RM3.21 million from disposal of five units of investment properties.
- In FPE2024, higher net cash used in financing activities was mainly due to payment of dividends of RM49.00 million.

Dividend Policy

The Group targets a payout ratio of at least 30% of net profit attributable to the owners of the Company for each financial year on a consolidated basis after considering working capital, maintenance capital and committed capital requirements of the Group. Dividend declared and paid in the past financial years are as follow:

RM'000	FYE2021	FYE2022	FYE2023	FPE2024
Dividends declared (RM'000)	2,000	7,000	51,000	23,000
Dividends paid (RM'000)	2,000	7,000	25,000	49,000
Dividend payout ratio (%)	22.61%	16.00%	48.71%	74.96%

The remaining balance of RM26.00 million in dividends for FYE2023 was paid in FPE2024

Net Gain / Loss on Foreign Exchange

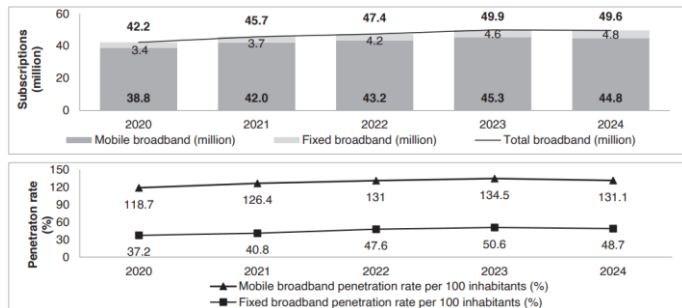
The Group does not adopt a hedging policy.

RM'000	FYE2021	FYE2022	FYE2023	FPE2024
Net unrealised foreign currency exchange gain/(loss)	(62)	55	12	-
Net realised foreign currency exchange (loss)/gain	9	-	136	95
Net (loss)/gain on foreign exchange	(53)	55	148	95

INDUSTRY DYNAMICS AND MARKET SHARE

Extracted from the Independent Market Research (IMR) report prepared by Providence Strategic Partners Sdn Bhd

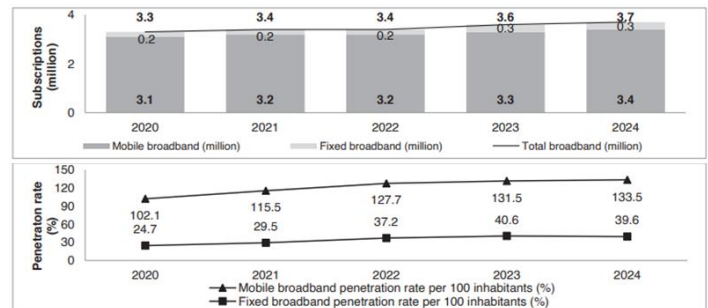
Broadband subscriptions and penetration rates in Malaysia



Subscription compound annual growth rate ("CAGR") (2020-2024): Mobile broadband 3.7%, fixed broadband 3.9%, total 4.1%

Source: MCMC & IMR report

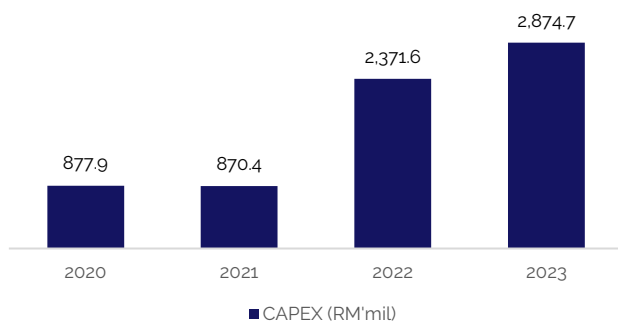
Broadband subscriptions and penetration rates in Sarawak



Subscription CAGR (2020-2024): Mobile broadband 2.3%, fixed broadband 10.7%, total 2.9%.

Source: MCMC & IMR report

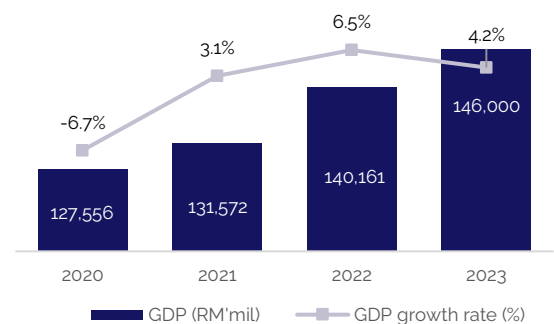
CAPEX incurred for the implementation of network facilities, network services, and applications services in underserved areas and communities in Malaysia



- The growth above was primarily attributable to initiatives by mobile network operators to improve their telecommunication networks, Broadband Wireless Access ("BWA") initiatives and JENDELA Phase One.
- In 2023, Reach Ten commended a 3.9% market share in the said industry above.

Source: MCMC, Universal Service Provision Fund & IMR report

Economic growth in Sarawak



- Sarawak's economic growth is expected to range between 5.0% and 6.0% in 2025, driven by favourable domestic economic conditions and a recovery in global trade.

Source: Department of Statistics Malaysia, Ministry of Finance & IMR report

Key Growth Drivers

- Long term economic growth drives development in telecommunications.** Sarawak's growth is projected at 5.0%-6.0% in 2025, supported by robust external demand, increased domestic activity and gradually easing inflationary pressure. This will encourage investments in telecommunications infrastructure, which is crucial for economic activities and attracting investments.
- Foreign investment and domestic investment growth drive demand for telecommunications services and infrastructure.** Sarawak attracted RM16.1 billion in investments in 2024, driven by initiatives like the Post COVID-19 Development Strategy 2030. Investments in sectors such as manufacturing, green hydrogen, and oil and gas highlight Sarawak's economic growth, which creates opportunities and demand for telecommunications services and infrastructure to support enterprise users and individuals.
- Population growth and urbanisation promote investments in telecommunication infrastructure.** Malaysia's population is projected to reach 41.4 million by 2040 and 44.2 million by 2050, with urbanisation rates of 85.0% and 87.3%, respectively. Robust telecommunications infrastructure is essential to support this growth, benefiting industry players involved in providing telecommunication services.
- Growing demand for telecommunication services stimulates investments in telecommunications infrastructure.** Telecommunications are crucial for development and economic growth. Consumption of telecommunications packages drives industry growth and infrastructure investments. Long-term demand is expected to grow due to future economic growth, supportive government policies, and population growth.

KEY RISK FACTORS

- Dependent on a few key customers** with top five major customers contributing over 90% of the Group's revenue from FYE2021 to FPE2024.
- Dependent on a few major suppliers** for the Group's satellite-based communication networks and services. MEASAT Global Berhad contributed 22.78%, 25.14%, 29.84% and 46.73% of the Group's total purchases in FYE2021, FYE2022, FYE2023 and FPE2024 respectively; and Supplier A contributed 15.85%, 30.77%, 32.34% and 16.53% of the Group's total purchases in FYE2021, FYE2022, FYE2023 and FPE2024 respectively.
- Subject to obtaining or renewing licences and approvals** with operations depending on Sarawak state authorities (Sarawak Multimedia Authority, UPKJ) and other licences (MCMC, CIDB).
- High investment and operating costs** due to owning assets for fibre optic communication networks and telecommunications infrastructure. As at the LPD, the Group invested RM30.88 million in telecommunication network and equipment, namely fibre optic network and associated hardware, telecommunication monopolies, towers and passive infrastructure
- Exposed to foreign exchange fluctuation** with significant costs denominated in USD. The Group's USD-denominated costs constituted 67.29%, 86.98%, 96.65%, and 78.97% of total costs. The Group does not adopt a hedging policy and relies on spot rates for payments.
- Technological innovations** could make existing telecom infrastructure obsolete, requiring costly adaptations. Changes in VSAT, fiber optic, and wireless networks, along with spectrum efficiency technologies, may reduce site demand.

ESG PRACTISES

The Group has implemented, and are in the midst of implementing, the following practices:

Environmental Practices

- Encourages energy conservation through responsible habits and energy-efficient equipment.
- Reduces vehicle emissions with regular maintenance, carpooling, and hybrid vehicles.
- Implements waste management strategies, including recycling and e-waste disposal.
- Establishes a comprehensive electronic waste recycling program.
- Promotes water conservation through employee habits and routine maintenance.

Social Practices

- Prioritises safety with regular training, ergonomic equipment, and emergency response plans. Promotes a clean, hazard-free workplace and work-life balance.
- Fosters diversity through inclusive hiring, safe spaces for feedback, and celebrating cultural events.
- Organises volunteer days, environmental projects, and donates electronic gadgets to schools. Supports community well-being.
- Adheres to Personal Data Protection Act ("PDPA") regulations, and ensures secure data storage, and raises employee awareness on data security threats.
- Ensures timely resolution of complaints through various channels and proactive monitoring.
- Manages concerns about telecommunication infrastructure through surveys, townhall sessions, and proactive engagement with authorities.
- Provides free WiFi to rural communities, donates laptops and tablets to schools, and supports gardening projects at community centers as part of CSR activities.
- Offers fitness programs, in-house training, mentorship opportunities, and company trips to promote employee well-being and development.

Governance Practices

- Adopts a zero-tolerance policy towards bribery and corruption.
- Implements key recommendations from the Malaysian Code on Corporate Governance.
- Ensures compliance with the Malaysian Anti-Corruption Commission Act 2009, the Whistleblower Protection Act 2010, and the Personal Data Protection Act 2010 to uphold integrity, protect whistleblowers, and safeguard customers' personal data.
- Establishes a comprehensive code of ethics and conduct for Directors, key senior management, and employees to ensure ethical performance of duties.
- Implements a conflict of interest policy to identify, manage, and minimise conflicts arising from personal and financial interests.

PEER COMPARISON

Company	Market Capitalisation (RM mil)	Revenue (RM mil)	PAT (RM mil)	PAT Margin (%)	PER (x)	Forward PER (x)
Reach Ten Holdings Berhad	520.00	182.26	51.33	28.16	10.14	-
OCK Group Berhad	404.64	650.42	32.99	5.07	12.38	-
Privasia Technology Berhad	50.66	73.82	3.71	5.02	13.39	-
Redtone Digital Berhad	386.48	342.17	59.81	17.48	6.02	-
Binasat Communications Berhad	61.93	111.91	1.92	1.72	30.21	-

The industry's forward PER for FYE2025 stands at 18.04x

Financial data from the latest available FYE at the time of research.

Market capitalisation and PER at the time of research. Forward PER based on Bloomberg estimates.

PAT refers to either PAT or PATAMI, depending on the presence of non-controlling interest in the respective company.

Source: Bloomberg, company information

APPENDIX

List of on-going projects

The Group's on-going projects with contract values of RM1.00 million and above:

Satellite-based communication networks and services segment:

No	Customer	Contract Period	Contract Value (RM million)	Completion Stage (%)	Balance Contract Value (RM million)
1	Customer A	April 2021/ December 2026	222.40	67.55%	72.17
2	Sarawak Digital Economy Corporation Berhad ("SDEC")	October 2022/ October 2025	4.41	93.65%	0.28
3	Customer C	October 2023/ June 2026	45.36	54.45%	20.66
4	Customer C	December 2024/ March 2026	5.24	0.00%	5.24

Fibre optic communication networks and services segment:

No	Customer	Contract Period	Contract Value (RM million)	Completion Stage (%)	Balance Contract Value (RM million)
1	Customer D	November 2022/ October 2027	24.10	32.95%	16.16
2	Sri Melawati Holdings Sdn Bhd	August 2022/ September 2028	11.41	83.35%	1.90
3	SDEC	March 2023/ January 2029	1.97	38.07%	1.22

Telecommunications infrastructure services and managed services segment:

No	Customer	Contract Period	Contract Value (RM million)	Completion Stage (%)	Balance Contract Value (RM million)
1	Subsidiary of Customer B	January 2021/ December 2027	25.49	88.43%	2.95
2	Impact Business Solutions Sdn Bhd	July 2022/ December 2025	8.80	40.00%	5.28
3	Customer E	September 2022/ September 2027	11.51	32.84%	7.73
4	Customer C	December 2024/ January 2028	2.19	0.00%	2.19

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