ANNUAL REPORT 2021

ICT ZONE ASIA BERHAD

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VISION & MISSION

VISION

To be the leader in Technology Financing ("Techfin") business through ICT Everything as a Services ("XaaS") Solutions in the Asia Pacific region

MISSION

- Experiencing technology through ICT XaaS Solutions
- Bridging technology needs through Techfin business
- Generating wealth as a techfin company through ICT XaaS

"Beyond **Tech** and **Finance** @ **Techfin**"

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Ng Thien Phing
Non-Independent Non-Executive Chairman

Lim Kok Kwang
Managing Director and Chief Executive Officer

Vincent Ng Soon Kiat
Executive Director and Chief Operating Officer

REGISTERED OFFICE

Level 5, Block B, Dataran PHB,
Saujana Resort, Section U2,
40150 Shah Alam, Selangor.

Tel : **+603 7890 0638** *Fax :* **+603 7890 1032**

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55100 Ampang Kuala Lumpur,
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Tel : **+603 4289 5288** *Fax :* **+603 4289 5388**
www.ictzone.asia
info@ictzone.asia

COMPANY SECRETARIES

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Level 5, Block B, Dataran PHB,
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Tel : **+603 7890 0638** *Fax :* **+603 7890 1032**

Eng Khoon Hong (MAICSA 7031959 / SSM PC NO. 202008001890)
Ground Floor, Block H,
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Wilayah Persekutuan.

Tel : **+603 4289 5200** *Fax :* **+603 4289 5300**

CORPORATE INFORMATION

APPROVED ADVISER AND CONTINUING ADVISER	Mercury Securities Sdn Bhd L-7-2, No.2, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur, Wilayah Persekutuan. *Tel* : +603 6203 7727 *Fax* : +603 6207 7117
AUDITORS	PKF Level 33, Menara 1MK, Kompleks 1 Mont' Kiara, No. 1, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur, Wilayah Persekutuan. *Tel* : +603 6203 1888 *Fax* : +603 6201 8880
SHARE REGISTRAR	Boardroom.com Sdn Bhd Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor. *Tel* : +603 7890 0638 *Fax* : +603 7890 1032
STOCK EXCHANGE LISTING	LEAP Market of Bursa Malaysia Securities Berhad
STOCK SHORT NAME AND CODE	• ICTZONE (03038) • ICTZONE-PA (03038P)

GROUP STRUCTURE

ICT ZONE ASIA BERHAD

ICT ZONE
Trading, repairing and servicing of computers and related parts and accessories
100%

ICT ZONE VENTURES
Provision of ICT Solutions, management of investment schemes as well as leasing and factoring facilities services
100%

TECHFIN CAPITAL
Dormant. Intended to provide ICT financing services
100%

BOARD OF DIRECTORS' PROFILE

Datuk Ng Thien Phing
Non-Independent Non-Executive Chairman

Nationality :
Malaysian

Age :
46

Date of Appointment :
28 January 2019

Academic/Professional Qualifications:
- *Diploma Politeknik Kementerian Pendidikan Malaysia, Politeknik Kota Bharu, Kelantan, Malaysia (1997)*
- *Bachelor of Business Administration, Universiti Kebangsaan Malaysia, Malaysia (2004)*

Work Experience :

Datuk Ng Thien Phing joined Strategic Forum Expertise as a Conference Producer, after obtaining his Diploma, where he was responsible for organising and planning business conferences and events. He left Strategic Forum Expertise in 1999 and founded NTP World Forum Sdn Bhd where he was appointed as Managing Director in the same year. NTP World Forum Sdn Bhd is currently a corporate training service provider based in Malaysia, serving reputable multinational companies, large corporations and government associations. In 2006, Datuk Ng ventured into property development and founded NTP World Development Sdn Bhd (now known as Skyworld Development Sdn Bhd). He was appointed its Managing Director in the same year.

In 2000, Datuk Ng co-founded ICT Zone Holding Sdn Bhd (then known as NTP World Marketing Sdn Bhd) with Lim Kok Kwang, our Managing Director and Chief Executive Officer and subsequently ICT Zone in 2001.

BOARD OF DIRECTORS' PROFILE

Lim Kok Kwang
Managing Director and Chief Executive Officer

Nationality :
Malaysian

Age :
46

Date of Appointment :
28 January 2019

Academic/Professional Qualifications:
- *Diploma Politeknik Kementerian Pendidikan Malaysia, Politeknik Kota Bharu, Kelantan, Malaysia (1997)*
- *Bachelor of Business Administration, Universiti Kebangsaan Malaysia, Malaysia (2005)*

Work Experience :
Lim Kok Kwang began his career as a Business Development Executive with Mobil Oil Malaysia Sdn Bhd where he was responsible for the sale of the company's card program to companies. He left Mobil Oil Malaysia Sdn Bhd and co-founded ICT Zone Holding Sdn Bhd (then known as NTP World Marketing Sdn Bhd) with Datuk Ng in 2000 and was subsequently appointed as General Manager where he was involved in overseeing the business development of the company. In 2003, he was later appointed as General Manager of ICT Zone when it commenced operations in ICT solution trading and short-form rental. He was later redesignated as Chief Executive Officer of ICT Zone in 2010 and subsequently also appointed as Chief Executive Officer of ICT Zone Ventures in the same year.

He was appointed as our Managing Director and Chief Executive Officer in 2019 where he is responsible for overseeing our Group's strategic business direction and strategies.

BOARD OF DIRECTORS' PROFILE

Vincent Ng Soon Kiat
Executive Director and Chief Operating Officer

Nationality :
Malaysian

Age :
45

Date of Appointment :
13 January 2020

Academic/Professional Qualifications:
- *Higher School Certificate, Sekolah Menengah Gajah Berang, Melaka, Malaysia (1995)*

Work Experience :
Vincent joined Oto Bodycare Pte Ltd as a Retail Supervisor in 1996 after completing his education. There, he was responsible for leading a team in the sale of fitness and relaxation equipment. He later left Oto Bodycare Pte Ltd in 2001 and joined ICT Zone Holding Sdn Bhd as a Business Development Manager in the same year. During his tenure as Business Development Manager, he was responsible for overseeing the sale of audio-visual equipment. In 2006, Vincent joined ICT Zone as our Corporate and Rental Sales Manager and was subsequently promoted to Senior Sales Manager in 2008. In 2011, he was promoted to IT Management Senior Manager, Senior Sales and Commercial Manager and subsequently Sales and Marketing General Manager in 2012, and later Sales and Service General Manager in 2014. He was promoted to Chief Operating Officer of ICT Zone in 2018, where he is responsible for the overall operations of our Group.

KEY MANAGEMENT TEAM'S PROFILE

Kwan Thean Poh
General Manager
44, Male, Malaysian

Academic/Professional Qualification(s):

· Bachelor of Arts in Accounting and Finance, Oxford Brookes University, United Kingdom (1999)

· Diploma of the Malaysian Insurance Institute, The Malaysian Insurance Institute, Malaysia (2006)

· Associate Member, The Malaysian Insurance Institute, Malaysia (2008)

· Certified Insurance Professional, Australian and New Zealand Institute of Insurance and Finance, Australia (2017).

Work Experience:

Kwan Thean Poh began his career as an Audit Assistant at Tan Chuan Hock and Co in 1998, where he was responsible for the preparation of audit reports. He left Tan Chuan Hock and Co in 2000 and joined Mclaren Toplis (M) Sdn Bhd as an Executive Loss Adjuster in the same year. In 2002, he left Mclaren Toplis (M) Sdn Bhd and joined Zama Adjusters Sdn Bhd as an Assistant Manager. He joined Maphilindo International Sdn. Bhd. in 2003, after leaving Zama Adjusters Sdn. Bhd. in the same year. During his tenure in these companies, he was responsible for overseeing insurance and claim assessments. He later founded Risco Consulting Sdn Bhd in 2008 to manage insurance and claim assessments. He left Maphilindo International Sdn Bhd to join ICT Zone and ICT Zone Ventures as General Manager in 2008. In 2019, he assumed his present position as General Manager where he is responsible for overseeing credit risk assessment for our Group.

KEY MANAGEMENT TEAM'S PROFILE

Teh Siow Voon
Senior Manager – Corporate Finance
40, Female, Malaysian

Academic/Professional Qualification(s):

- Third Level Group Diploma in Accounting, London Chamber of Commerce and Industry Examinations Boards, Malaysia (2001)
- Advanced Diploma in Accounting and Finance, FTMS College (formerly known as Institute Latihan FTMS-ICL, Malaysia), Malaysia (2003)
- Bachelor of Arts in Accounting and Finance, University of East London, United Kingdom (2004)

Work Experience:

Teh Siow Voon began her career with Penerbitan Pelangi Sdn Bhd as an Account Officer in 2004. In 2007, she left Penerbitan Pelangi Sdn Bhd and joined TSM Global Berhad as an Account Executive. During her tenure in these companies, she was responsible for the preparation of financial statements.

She left TSM Global Berhad in 2011 and joined ICT Zone as our Senior Account Executive. She was later transferred to ICT Zone Ventures and appointed as Account and Finance Manager in 2011 where she was responsible for the preparation of financial statements, asset management as well as corporate finance activities. She was later promoted to Corporate Finance Senior Manager in 2017. She assumed her current position of Corporate Finance Senior Manager of our group in 2019 and is responsible for overseeing the Finance Department.

KEY MANAGEMENT TEAM'S PROFILE

Lau Yeo Chuan
Credit Controller
50, Male, Malaysian

Academic/Professional Qualification(s):

· Master of Business Administration, Universiti Tun Abdul Razak, Malaysia (2001)

Work Experience:

Lau Yeo Chuan began his career when he joined Ong Boon Bah & Co in 1995 as an Audit Supervisor, where he was responsible for the preparation of audit reports. He later joined Rimbaka Forestry Corporation Sdn Bhd as its Finance Manager in 2000, where he was in charge of the finance and business development functions of the company. In 2003, he joined Hebat Abadi Sdn Bhd as a Finance and Administration Manager, Hanna Instruments (M) Sdn Bhd as a Finance Manager in 2005, and subsequently Damai Service Hospital (Melawati) Sdn Bhd as its Finance Manager in 2007. A year later, he joined Asian Neuro & Cardiac Center Sdn Bhd as its Finance Manager and Acmar International Sdn Bhd as its Finance and Business Development Manager in 2009. In 2012, he joined Beverly Wilshire Medical Center Sdn Bhd as its Finance Manager on a project basis for 3 months. Later in the same year, he joined ICT Zone as Credit Controller. In 2016, he joined ICT Zone Holding Sdn Bhd and subsequently assumed his present position as our Group's Credit Controller in 2020, where he is responsible for customer collections, credit control and contract administration.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors **("Board")** of ICT Zone Asia Berhad (**"ICT Zone Asia"** or our **"Group"**), I am privileged to present to you our maiden Annual Report and audited financial statements for the financial year ended **("FYE")** 31 January 2021.

Highlights

We had set a new milestone in our corporate history following our successful listing on the LEAP Market of Bursa Malaysia Securities Berhad on 15 December 2020. Our listing exercise was implemented by way of introduction and entailed the listing of and quotation for 533,757,500 ordinary shares in ICT Zone Asia **("Shares")** and 75,320,000 irredeemable convertible preference shares **("ICPS")** in ICT Zone Asia on the LEAP Market of Bursa Securities.

Our listing was one more in a long line of corporate milestones we had charted throughout the years since our inception in 2000. In order to finance our rental and leasing business, we had launched our first ever shariah-compliant interest scheme under the Interest Scheme Act 2016 in 2011 and a second shariah-compliant interest scheme in 2014 (collectively referred to as the **"ICT Zone Ventures Scheme"**). As at 31 January 2019, the year-to-date cumulative investments of ICT Zone Ventures Scheme increased from RM2.2 million in the first year to RM34.1 million with 1,047 investors. As part of our initiatives to enable our investors to continue their participation in our Group after our listing, we completed the redemption and termination of ICT Zone Ventures Scheme on 13 August 2020 and redeemed approximately RM18.8 million of investments with 383 investors via issuance of Shares and ICPS.

We continued charting more growth with the launch of our own e-commerce platform, www.komputermurah.my, where we sell refurbished information and communication technologies **("ICT")** hardware to retail customers after the expiry of its leasing and rental contracts. The platform has been receiving great responses which is reflected in the growth in revenue from RM0.4 million for the financial period ended 31 October 2020 to RM1.3 million for the FYE 31 January 2021.

Performance review

For the FYE 31 January 2021, our Group recorded a revenue of approximately RM39.6 million, which translates into an increase of approximately RM0.7 million or 1.8% from the preceding financial year's revenue of RM38.9 million. The increase in revenue was mainly due to the increase in sales from leasing contract secured from the corporate sector as a result of increased demand.

In line with the increase in revenue as well as the redemption of ICT Zone Ventures Scheme, our Group also posted a relatively higher profit before tax for the FYE 31 January 2021 of approximately RM5.7 million as compared to approximately RM1.4 million reported for the preceding financial year representing an increase of approximately RM4.3 million.

Dividend

In accordance with the terms of ICPS as set out in our Information Memorandum dated 6 November 2020, we had paid a total amount of approximately RM1.5 million to our ICPS holders on 20 October 2020. Meanwhile, the Board did not declare any dividend for our shares in respect of the FYE 31 January 2021 as we intend to conserve our cash reserve for future growth plans.

CHAIRMAN'S STATEMENT

Prospects

The shocking outbreak of the COVID-19 pandemic forced a sudden, new way of life upon the world, which scrambled for practical ways to adapt. The pandemic affected global business sentiments as most countries around the world enforced lockdowns simultaneously crippling economic activity across the globe including Malaysia. This resulted in limited mobility as Malaysians were required to stay at home and businesses were forced to course-correct and adopt the work-from-home policy to ensure business continuity.

The enforcement of the work-from-home policy gave rise to the use of digital tools to enable file sharing, virtual video and audio teleconferencing as well as project management tools. The increasing demand for ICT solutions have benefitted our Group as ICT solutions becomes increasingly essential in carrying out daily operational tasks. As the world becomes accustomed to the new norm of remote learning and working arrangements, we are optimistic that the demand for ICT solutions will continue to grow over the long term. In fact, the anticipated growth is already reflected in our order book which stands at approximately RM57.2 million to date, a marked improvement of approximately RM11.3 million or 25% from the RM45.9 million reported in our Information Memorandum. On top of this, we have also secured project financing amounting to RM15.0 million to further grow our ICT business.

In line with the increasing demand, we are also optimistic that our e-commerce platform, www.komputermurah.my, will also experience similar growth trajectory as more people seek for ICT hardware to allow them to work or study remotely.

In line with our efforts to provide the highest quality products and services to our customers, we have also begun to implement digitalisation of inventory to improve service delivery efficiency and asset management efficiency. Simultaneously, we also aim to enhance our Service Level achievement as we more towards Digital Transformation.

Acknowledgements

As a group, our overarching long-term commitment is to continue executing our business strategies aimed to generate profitable growth for our Group, improve earnings resiliency and enhance shareholders' value. We are optimistic that we will be able to achieve these objectives largely attributable to the support and hard work of the various people around us

On behalf of the Board, I wish to record my heartfelt appreciation to our stakeholders and our business partners for their relentless support and confidence in our Group.

I would also like to extend my warmest gratitude to our Management team and staff for their unwavering commitment, diligence and perseverance especially during the past challenging year.

My gratitude also goes to my fellow members of the Board for their contribution and enlightened counsel in the pursuit of our goals. It has been a wonderful year for our company and I continue to hope for a better one next year.

Datuk Ng Thien Phing
Non-Independent Non-Executive Chairman

MANAGEMENT'S DISCUSSION & ANALYSIS

Introduction

We were established in 2019 as an investment holding company to facilitate our listing on the Leading Entrepreneur Accelerator Platform (**"LEAP"**) Market of the Bursa Malaysia Securities Berhad (**"Bursa Securities"**). Our Group is principally involved in the rental, leasing, and trading of ICT solutions to private corporations, our Channel Partners (companies which market, distribute and install ICT solutions for our end-user customers) as well as Strategic Partners (companies which we have signed strategic partnerships agreements with to provide us with the exclusive rights to finance, supply and deliver ICT solutions to their customers) for their onward rental, lease or sale of ICT solutions to their customers in the government associations and private corporations. On top of that, our Group also provides maintenance and technical support services to our customers to support the use of our ICT solutions.

Our wholly-owned subsidiaries, namely ICT Zone, ICT Zone Ventures and Techfin Capital were consolidated under the Group on 22 November 2019. ICT Zone is involved in the trading, repairing and servicing of computers and related parts and accessories, ICT Zone Ventures is involved in the provision of ICT solutions, management of interest schemes as well as leasing and factoring facilities services while Techfin Capital was intended to provide ICT financing services and is currently dormant.

Business Overview

Our Group's principal activities are categorised as follows:

Leasing of ICT hardware and software

We lease our ICT hardware and software, excluding ICT services as well as disposal of assets returned at the end of the lease, on a monthly basis to our customers. The leasing fee imposed does not include provision of ICT services to our end-user customers. The tenure for these contracts is typically between 3 to 5 years. The leasing of ICT solutions does not include any ICT services which also includes disposal of assets returned upon expiry of the lease.

Trading of ICT solutions

We trade ICT solutions directly and through our e-commerce platform, www.komputermurah.my. These sales are transaction-based in nature and typically do not include ICT maintenance and technical support services. The product warranty for newly procured ICT solutions is provided by the Principals (ICT hardware manufacturers and software developers) while the one-month product warranty for refurbished ICT solutions are provided by our Group.

Rental of ICT solutions

We rent ICT hardware and software directly to our customers or to our Channel Partners or Strategic Partners for their onward rental to their customers. A rental fee based on either a short-term tenure (i.e., less than 6 months) or long-term tenure (i.e., between 6 months and 5 years) is imposed which includes provision of ICT services to our end-user customers.

Provision of ICT services

We provide ICT maintenance services, including corrective and preventive maintenance as well as technical support services to our customers to support their uses of ICT hardware and software.

Products and Services

Our Group's ICT solutions comprise ICT hardware and software as well as ICT services, as illustrated below:

ICT Hardware	ICT Software*	ICT Services
• Computers • Laptops • Printers • Projectors • Related peripheral devices (sourced from Principals)	• Operating system • Antivirus and other computer security software • Application software • Device management software	• Periodic and corrective maintenance services • Technical support in the case of technical issues

* Normally bundled with ICT hardware and are sourced from Principals

Business Developments

In 2019, the world was rocked by the outbreak of the deadly coronavirus which was characterised as a pandemic by the World Health Organisation **("WHO")** on 11 March 2020. The outbreak inadvertently changed the way we live, work, and interact with each other. Businesses were driven to expedite their migration to digital technologies as countries, including Malaysia, implemented national lockdown and subsequent work-from-home policies. This presented an opportunity for our Group to grow as we experienced an increase in the rental and leasing of ICT hardware and software from our customers. We also capitalised on this opportunity through the launch of our e-commerce platform www.komputermurah.my on 16 February 2020 which focuses on the refurbishment of ICT hardware after the expiry of the leasing and rental contracts.

Our growth was also manifested in our successful listing on the LEAP Market of Bursa Securities on 15 December 2020. Our listing exercise was implemented by way of introduction and entailed the listing of and quotation for 533,757,500 Shares in ICT Zone Asia at the listing reference price of RM0.16 per Share and 75,320,000 ICPS at the listing reference price of RM0.20 per ICPS. Our ICPS offers a 10% dividend rate on the ICPS' issue price of RM0.20 for a period of 5 years.

Prior to our listing, we had successfully completed the redemption and termination of ICT Zone Ventures Scheme on 13 August 2020 and redeemed approximately RM18.8 million of investments with 383 ICT Interest Holders via issuance of Shares and ICPS. Our ICT Zone Ventures Scheme is the first shariah-compliant scheme in Malaysia launched under the Interest Scheme Act 2016 of Registrar of Companies Malaysia in 2011 which was intended to finance our Group's rental and leasing business. As at 31 January 2019, the year-to-date cumulative investments increased from RM2.2 million in the first year to RM34.1 million with 1,047 ICT Interest Holders.

Review of financial results and financial condition

The segmental breakdown of our Group's revenue for the FYE 31 January 2021 and 2020 by business segments is illustrated below:

	FYE 31 January 2021 RM	FYE 31 January 2020 RM
Leasing of ICT hardware and software	19,831,390	19,307,347
Trading of ICT solutions	15,150,579	15,829,646
Rental of ICT solutions	4,504,820	3,644,016
Provision of ICT services	74,706	129,069
Total	**39,561,495**	**38,910,078**

The following table illustrates the comparison of financial highlights of our Group for the FYE 31 January 2021 and 2020:

	FYE 31 January 2021 RM	FYE 31 January 2020 RM
Revenue	39,561,495	38,910,078
Gross profit **("GP")**	9,761,802	8,888,204
Profit before taxation **("PBT")**	5,721,377	1,380,559
Profit after taxation **("PAT")**	3,876,209	1,048,971
Net assets **("NA")**	32,984,590	28,578,250
Total assets	62,642,552	87,064,085
Borrowings	10,830,887	21,602,839
Gearing (times)	0.33	0.76
Earnings per Share [(1)] (sen)	0.72	0.20
NA per Share[(1)] (sen)	6.18	5.36

Note:

(1) Calculated based on the assumptions that 532,782,500 and 533,757,500 ordinary shares were issued at the beginning of the FYE 31 January 2020 and 31 January 2021 respectively.

For the current financial year under review, our Group's revenue increased to approximately RM39.6 million from RM38.9 million in the FYE 31 January 2020, representing an increase of approximately RM0.7 million or 1.8%. The increase in our Group's revenue was mainly attributable to our ability to secure higher sales from leasing contracts secured from the corporate sector for the FYE 31 January 2021.

At the same time, our Group's PBT and PAT increased by approximately RM4.3 million and RM2.9 million respectively in the FYE 31 January 2021, which was mainly attributable to a fixed deposits interest recognised upon upliftment of capital reserve fund from the Islamic fixed deposit placed with a licensed financial institution following the redemption and termination of ICT Zone Ventures Scheme as well as lower amount of interim yield incurred as a result of the redemption of ICT Zone Ventures Scheme which took place in January 2020 as well as April 2020.

As at 31 January 2021, our Group's total assets had decreased to approximately RM62.7 million from approximately RM87.1 million as at 31 January 2020 which was mainly due to the absence of capital reserve fund following the redemption and termination of ICT Zone Ventures Scheme.

Meanwhile, our Group's total borrowings decrease from approximately RM21.6 million to approximately RM10.8 million, mainly due to the redemption and termination of ICT Interest Scheme. The management is of the opinion that a gearing ratio of 0.33 times as at 31 January 2021 is optimal for our business operation.

Prospects and outlook

Needless to say, 2020 was an extraordinary year. According to WHO, more than 100 countries went on lockdown creating a degree of social distancing the likes of which the world has never seen. This has had a huge impact on both our lives and the economy. Despite the chaos that rocked the world, we held strong in the face of adversity and we took this opportunity to further enhance our operation by maintaining provision of top-notch products and services to our customers.

In addition to this, the resurgence in number of new COVID-19 cases had led to the reimplementation of the Movement Control Order and the Conditional Movement Control Order as well as other precautionary measures by the Malaysian Government. This has resulted in an increase in the use of digital tools as work-from-home and online learning policies were imposed. This accelerated shift towards the Digital Economy has greatly benefitted our Group and we are optimistic that we will continue to benefit from this as ICT solutions become increasingly essential in carrying out daily operational tasks. To that end, we have successfully secured financing through a commercial bank for RM15.0 million to support the expansion of our business operations.

In fact, our optimism is consistent with the long-term growth prospects of the ICT solution industry which comprises both trading of ICT solution industry as well as rental and leasing of ICT solution industry as set out in the independent market research report on the ICT Solution Industry and E-commerce Malaysia prepared by Providence Strategic Partners Sdn Bhd. The trading of ICT solution industry in Malaysia grew from RM27.9 billion in 2016 to an estimated RM34.7 billion in 2019 at a compound annual growth rate **("CAGR")** of 7.5%. Moving forward, the ICT solution trading industry in Malaysia is anticipated to grow by a further CAGR of 7.0% from an estimated RM37.2 billion in 2020 to RM42.6 billion in 2022. Meanwhile, the rental and leasing of ICT solution industry in Malaysia grew from RM1.5 billion in 2016 to an estimated RM1.6 billion in 2019 at a CAGR of 2.2%. It is expected to grow further at a CAGR of 2.7% to reach an estimated RM1.9 billion in 2022.

The growth of the ICT solution industry in Malaysia is expected to be driven by several key factors such as digitalisation of the economy which increases the adoption and utilisation of ICT solutions in day-to-day operational tasks, the rapid pace of technological evolution such as big data, artificial intelligent and Internet of Things, the adoption of cloud computing as well as various government initiatives to encourage digitalisation amongst businesses. Not only that, the growing number of companies will also result in a constant increase in demand.

On top of that, our Group is also excited to continue growing our e-commerce platform, www.komputermurah.my, which has been receiving overwhelming responses from end users as reflected in the growing revenue of approximately RM1.3 million for FYE 31 January 2021 as compared to approximately RM0.4 million in FYE 31 January 2020. Following this, our Group is actively looking to expand the sales team responsible for the e-commerce platform as we anticipate continuously increasing demand for ICT solutions due to the enforcement of work-from-home policies and online learning.

In addition to improving on current operations, our Group is also vigilant in identifying new business opportunities that has the potential for continuous growth and expansion. Accordingly, our Group also has plans to expand our revenue stream by including device management software and computer security software into our range of products. We also intend to enable purchase of ICT solutions through factoring financing. We aim to increase awreness of users in the corporate sector and encourage the adoption through a marketing campaign via RinggitPlus in collaboration with HP and Dell. On a similar note, we will enroll DaaS.my into government tender specification in the near future to increase enrolment rate from the Malaysian goverment.

On top of this, we also intend to digitalise our service delivery operations to improve our service delivery efficiency and asset management efficiency as well as to enhance our Service Level achievement moving forward to Digital Transformation.

SUSTAINABILITY STATEMENT

We are pleased to report our sustainability journey, our first ever, encapsulating our commitment towards economic efficiency, environmental performance and social responsibility. The objective of our Sustainability Statement is to provide our shareholders with a holistic report on all aspects of our business. However, as this is our inaugural Sustainability Statement, there are certain areas which do not possess the level of data quality desired to form meaningful comparison. Nevertheless, we intend to improve the quality of our statement over time in respect to the quality of information disclosed and the authenticity of our future statements.

Governance Structure

In order to put in place effective sustainability strategies that can ultimately drive our organisation further forward as well as to ensure that these strategies are implemented, we have formed a Sustainability Committee comprising six Exco Members which is led by our Managing Director. As champions of sustainability within our Group, the Sustainability Committee does not only identify key sustainability matters and develop sustainability strategies but it also mobilises the support of the workforce to ensure all sustainability initiatives are implemented, and desired goals are achieved.

Sustainability Initiatives

Our Sustainability Initiatives are segmented into three pillars – Economic, Environmental and Social. These pillars have been instrumental in providing direction for the planning and imple mentation of sustainability initiatives within our Group.

Economic

Our Group is focused on building sustainable relationships with stakeholders and utilising our resources optimally to contribute to economic growth and bring value to all our stakeholders. We are committed to conducting business beyond ensuring profitability by supporting the local economy through the provision of opportunities to the local population. For that purpose, we ensure that we engage in responsible procurement practices which includes conducting our business with local suppliers with fairness, transparency and impartiality, as well as maintaining confidentiality while simultaneously observing proper business ethics.

The local community where we operate in remains one of our Group's key stakeholders. In the interest of uplifting the standards of living of the local community, we have been providing employment opportunities for the local members of the society as evidenced by our employee pool which is 100% Malaysian. Hiring from the local talent pool is important as these individuals are capable of building a local network and they understand the local culture and business practices.

On top of that, we also aim to impact the society by contributing towards the development of a well-rounded and stimulating community. As a result, we have offered 17 internship placements to university students which expose them to real-world experience while also developing and refining skills such as leadership, communication and time management amongst others. These students studying in areas of Computer Science, Electronic Engineering, Information Technology, Digital Technology, Investment as well as Economics and Business Management are from Polytechnics, Universiti Teknologi MARA, UNITAR International University, Tunku Abdul Rahman University College, GIATMARA, Universiti Malaysia Perlis, Universiti Kuala Lumpur and University of Nottingham.

At the same time, we also intend to give back to enrich the lives of people within our society. To that end, we will identify several beneficiaries whom we can provide support to, be it in cash or in kind in the future.

Environmental

We remain steadfast in our commitment to sustainable development and seek to operate in a way that minimises environmental harm. Although we do not have an internal control system in place to measure gas emissions as well as energy and waste consumption, we make it a priority to conduct environmentally friendly practices in our operations. For example, to ensure we comply to Malaysia's air emission standards, our vehicles are inspected regularly to meet relevant requirements

Waste Management

We have engaged a professional waste management service to assist in the disposal of waste. For the year under review, approximately between 100 kg to 120 kg of paper wastes were recycled through recycling vendors. We also embarked on a Group-wide recycling initiative where our employees were required to segregate waste according to type such as paper, plastic and others. Therefore, we have installed recycling bins within the office lobby area on our premises.

As we are in the business of leasing and rental of ICT solutions, we produce significant e-waste during the course of our operations hence managing e-waste responsibly and effectively is a major part of our waste management strategy. Through our business practice, every old ICT hardware returned to us are refurbished and remarketed to ensure the life cycle is optimised up to at least six years before they are sent for recycling. Our recycling process involves reusing all possible spare parts from the equipment before disposal to qualified e-waste recycler.

Water & Energy Conservation

We understand the importance of protecting the environment while operating our business, hence we are committed to protecting the future by making the right choices in an environment where water is increasingly scarce, natural resources are constrained and biodiversity is declining. Currently, we do not have an elaborate water-saving or energy-saving measures in place. However, this has not stopped us from adopting several initiatives to encourage water and energy conservation on our premises.

For example, we promote reduce wasteful paper use by discouraging printing unless absolutely necessary, using online or cloud storage for filing as well as reduced energy consumption by switching off devices and appliances not in use amongst others

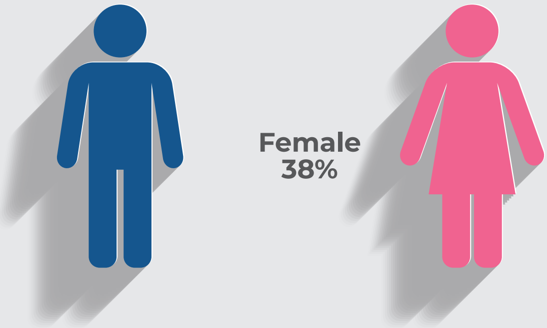
Moving forward, we intend to initiate a resource-saving campaign to increase awareness and educate our employees on the importance of water and energy conservation while simultaneously further reducing consumption.

Social

Workplace Diversity

We recognise our employees are our key assets, hence managing talent at all levels is a key priority. Our Human Resource policies and guidelines comply with all relevant legislations and have been designed to ensure that our workplace embraces diversity, inclusion and equality in our effort to be a progressive company. For the year under review, our workforce comprises a total of 26 people.

Breakdown of Employees by Gender



Male 62%

Female 38%

Breakdown of Employees by Age Range

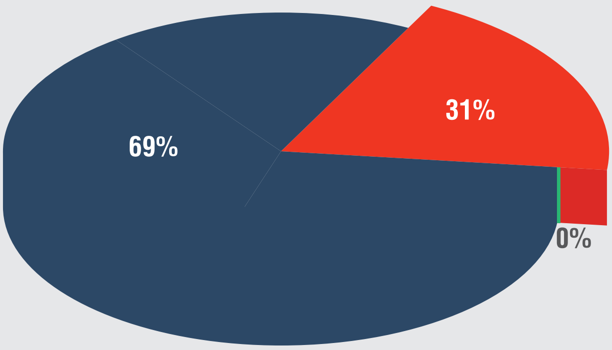
21 - 30 years old 35%

31 – 40 years old 27%

41 – 50 years old 31%

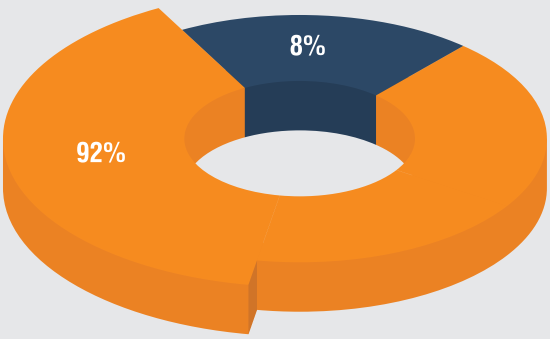
51 – 60 years old 7%

Breakdown of Employees by Race



Malay Chinese Indian

Breakdown of Employees by Race



Permanent Contract

The majority of our employees are between the ages of 21 to 30 years old and 41 to 50 years old, followed by employees who are between 31 and 40 years old. These two age groups consist of mainly those at the management level and executives. This indicates that our Group employs both experienced staff and the younger generation to provide them with a platform to start and grow their career.

Employee Engagement

We believe in engaging our employees proactively for various reasons such as to give them a much-needed break from a monotonous work schedule, simultaneously uplifting their morale and giving them an opportunity to bond with each other. As a result, we have over the past years organised sports competitions such as intra-departmental futsal, badminton and bowling competitions and monthly birthday celebrations at the group level. Not only that, we also organise celebrations during festive seasons such as Chinese New Year, Hari Raya and even Iftar sessions. All celebrations and gathering organised during the pandemic outbreak were in compliance with COVID-19 standard operating procedures. Annual company trips and dinners were also organised during pre-COVID-19 times to foster a closer bond between our employees.

Talent Attraction & Retention

We also work hard at maintaining our competitive advantage by creating a positive and empowering work environment in which employees feel valued for the work they do and the impact they make. We attract and retain great talent in our organisation by offering benefits which boost employees' morale, promote employee health and wellness and create loyalty.

Leave	Health & Insurance Coverage	Allowance	Claims	Others
• Annual • Medical • Compassionate • Marriage • Special • Maternity/Paternity • Examination	• Medical • Hospitalisation & Surgical • Group Personal Accident	• Fixed • Special • Acting	• Mileage • Toll & Parking • Accomodation • Food • Medical	• Overtime • Office season's • parking • Personal loan • Company product purchase

Furthermore, during the past year where most organisations had to embark on cost-saving measures which include layoffs and reduction of benefits, our Group maintained all employees benefits and salary with no cuts. In addition to that, we did not conduct any retrenchment exercise and in fact hired new talent and rewarded all employee with bonus and increments for both year 2020 and 2021. Staff benefits were also improved which included an increase in medical limit as well as the inclusion of spouse and children in the coverage plan.

Training & Development

The success of our growth depends on the quality of our workforce as having the right people with the right skills is essential for our continued growth. We acknowledge that it is crucial for our employees to undergo training programmes to enhance knowledge and skills in order to better perform at work while simultaneously leading to a boost in their self-confidence. To that end, three management level employees attended a few external professional training programmes such as "Elevate Program: Dynamic Marketing", "Introduction to Fundraising", and Design Thinking for Management". Internally, we conducted induction programmes for new employees which lasted for several hours.

In ensuring that the career development of our employees is monitored and gaps are addressed, we conduct yearly performance appraisals. The work performance of all employees from all employment levels are reviewed by their respective superiors. Any identified gaps in employees' career development are addressed and training plans are created for our employees.

Occupational Safety & Health

At ICT Zone Asia, the health and safety of our employees are also our top priority. We have stringent guidelines in place which are enforced across our employees pool. We are delighted to share that in the year under review, there were no work-related injuries reported.

In the past year, the world was rocked by the outbreak of the COVID-19 pandemic which resulted in the tightening of border controls, shutdown of economies and increased safety measures to prevent further outspread of the virus. In line with this, our Group has undertaken several key safety precautions such as mandatory registration via MySejahtera, one-metre physical distancing measure and temperature screening on all employees and visitors. Not only that, we have also made available free hand sanitisers and face masks to all employees.

Anti-Bribery & Anti-Corruption

Integrity and transparency are twin hallmarks of business at our Group with employees expected to uphold the highest degree of professional conduct throughout their employment with us. As such, we make it a point to ensure that all segments of our operations adhere to ethical and transparent means of business. In keeping with this effort, two members of our management staff attended anti-bribery and anti-corruption training programme organised by third-party vendors.

Products & Services Responsibility

Customer satisfaction is a given at our Group. Their support and loyalty are critical to the success of our business. Hence, we strive to put customers at the forefront of everything we do whilst we aim to provide quality products and premium, value-adding services to them. Product knowledge and service skills training are part of our routine training programmes to ensure that our employees provide excellent quality services to our customers. We place high priority on customer engagement and interaction via customer feedback form to further improve on our customer service and achieving customer satisfaction. For the year under review, we did not receive any customer complaints in relation to our products and services and we aim to maintain this achievement in the next year as well.

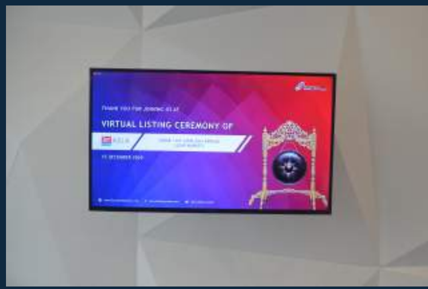
Moving Forward

As we close our inaugural sustainability chapter, we endeavour to enhance and integrate sustainable initiatives into our daily business operations, leveraging on the positive impacts of sustainability to achieve greater business growth in 2021. To that end, we have identified a few key performance indicators **("KPI")** which are to better effectively manage our e-waste and improve water and energy conservation measures. Our Group, led by the Sustainability Committee, have developed strategies and action plans and with the strength and determination of our whole workforce, we are confident of meeting these KPIs in the next year under review.

ADDITIONAL COMPLIANCE INFORMATION

Our Board is committed to high standards of compliance with the Standard Operating Procedures by supporting and implementing the prescriptions of the principles, practices and guidance set out in our Group.


VIRTUAL LISTING CEREMONY
WELCOME
ICT Zone Asia Berhad


VIRTUAL LISTING CEREMONY OF


15th Dec 2020
Bursa Malaysia Securities Berhad
LEAP MARKET
Listing Ceremony


15th Dec 2020
Bursa Malaysia Securities Berhad
LEAP MARKET
Listing Ceremony
www.ictzone.asia

DIRECTORS' REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED

31 JANUARY 2021 (In Ringgit Malaysia)

STATEMENT ON DIRECTORS' RESPONSIBILITY

The Companies Act 2016, ("the Act") requires our Board to prepare financial statements which give a true and fair view of the state of affairs together with the results and cash flows of our Group.

As required by the Act and the LEAP Market Listing Requirements of Bursa Securities, the audited financial statements for the financial year ended 31 January 2021 have been prepared in accordance with the applicable approved Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act.

In preparing the audited financial statements for the FYE 31 January 2021 set out in this Annual Report, the Directors consider that our Group has adopted appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates.

In order to ensure that the financial statements are in compliance with the Act, our Directors have the responsibilities in ensuring that our Group maintains accounting records that disclose the financial position of our Group with reasonable accuracy. The Directors also have the overall responsibility to take such steps that are reasonably available to them to safeguard the assets of our Group as well as to prevent any irregularities.

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 January 2021.

Principal activities

The Company is principally engaged to carry on the business of an investment holding company. The principal activities of the subsidiaries are as disclosed in Note 12 to the financial statements.

Results

	Group RM	Company RM
Profit for the financial year attributable to:		
Owners of the parent	3,876,209	995,876

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year.

Dividends

On 12 October 2020, the Directors declared a first single-tier a preference dividend of RM0.02 per Irredeemable Convertible Preference Shares ("ICPS") for the financial year ended 31 January 2021. The preference dividend amounting to a total of RM1,506,400 was paid on 20 October 2020.

The Directors do not recommend any final dividend to be paid in respect of the current financial year.

Directors

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

Datuk Ng Thien Phing
Lim Kok Kwang
Vincent Ng Soon Kiat

The name of the Director of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding those who are already listed above is:-

Kwan Thean Poh

Directors' interest

The directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and its related corporations during the financial year ended 31 January 2021 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of Ordinary Shares			
	Balance as at 1.2.2020	Bought	Sold	Balance as at 31.1.2021
Direct interest in the Company:				
Vincent Ng Soon Kiat	22,500,000	-	-	22,500,000
Indirect interest				
Datuk Ng Thien Phing	427,720,000	-	-	427,720,000
Lim Kok Kwang	428,020,000	-	-	428,020,000
Vincent Ng Soon Kiat	125,000	-	-	125,000
Direct interest in the holding company:				
Vincent Ng Soon Kiat	590,520	-	-	590,520
Datuk Ng Thien Phing	1,656,040	-	-	1,656,040
Lim Kok Kwang	4,675,520	-	-	4,675,520

Directors' benefits

Since the end of previous financial period, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in whichthe Director has a substantial financial interest.

There were no arrangements during or at the end of the financial year, which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Directors' remuneration and fee

Directors' remuneration of the Group is amounting to RM562,566 during the financial year as disclosed in Note 5 to the financial statements.

None of the directors received fee from the Group and the Company during the financial year.

Indemnity and insurance for directors, officers and auditors

There was no indemnity given to or insurance effected for any director, officer or auditor of the Company.

Issue of shares and debentures

On 10 April 2020, the Company increased its issued share capital from RM18,926,000 to RM19,082,000 by allotment of 975,000 ordinary shares of RM0.16 each for cash consideration for working capital purpose.

On 10 April 2020, the Company increased its issued ICPS from RM14,440,000 to RM15,064,000 by allotment of 3,120,000 ICPS of RM0.20 each for consideration other than cash for working capital purpose.

The ordinary shares issued during the financial year rank pari passu in all respects with the existing issued ordinary shares of the Company.

The features of the newly issued ICPS are disclosed in Note 19(b) to the financial statements.

There were no debentures issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

(i) proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts and that provision need not be made for doubtful debts; and

(ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

Other statutory information (continued)

At the date of this report, the Directors are not aware of any circumstances:

(i) which would necessitate the writing off of bad debts or the making of provision for doubtful debts; or

(ii) which would render the value attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 January 2021 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

Holding company

The Directors regard ICT Zone Holding Sdn. Bhd., a company incorporated in Malaysia, as the holding company.

Significant events during the financial year

Details of significant events during the financial year is disclosed in Note 31 to the financial statements.

Auditors

The auditors, Messrs PKF, have indicated their willingness to continue in office.

The auditors' remuneration of the Group and of the Company amounted to RM57,500 and RM20,000 respectively for the financial year ended 31 January 2021.

Signed on behalf of the Directors
in accordance with a resolution of the Board,

DATUK NG THIEN PHING	LIM KOK KWANG

Kuala Lumpur

Dated 27 May 2021

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016 IN MALAYSIA

In the opinion of the Directors, the accompanying financial statements as set out on pages 38 to 103 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2021 and of their financial performance and their cash flows for the financial year ended on that date.

Signed on behalf of the Directors
in accordance with a resolution of the Board,

DATUK NG THIEN PHING	LIM KOK KWANG

Kuala Lumpur

Dated 27 May 2021

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016 IN MALAYSIA

I, LIM KOK KWANG, being the Director primarily responsible for the financial management of ICT ZONE ASIA BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements as set out on pages 38 to 103 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
above-named at Kuala Lumpur in Wilayah)
Persekutuan on 27 May 2021)

LIM KOK KWANG

Before me,

COMMISSIONER FOR OATHS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ICT ZONE ASIA BERHAD, which comprise the statements of financial position as at 31 January 2021, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year ended, and notes to the financial statement, including a summary of significant accounting policies, as set out on pages 38 to 103.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 January 2021, and of their financial performance and their cash flows for the financial year ended 31 January 2021 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued)

Investment properties
(Refer to Notes 2(g) and 11 to the financial statements)

The Group's investment properties are measured at fair value subsequent to their initial recognition. The Directors estimated the fair value of the investment properties based on the market valuation performed by an external independent valuer. The valuation of properties requires significant judgement used in selection the appropriate valuation methods and the key assumptions made in determining the fair value of the properties.

Our procedures included:

(a) evaluating the competence, capabilities and objectivity of the external valuer which included consideration of their qualifications and experience;
(b) understanding the scope and purpose of the valuation by assessing whether any matters that might have affected their objectivity or limited the scope of their work; and
(c) reading the valuation reports for all significant properties and discussing with external valuer on their valuation approach and the significant judgements they made, including the selection of comparable properties and adjustments for differences in key attributes made to the transacted value of comparable properties.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors are responsible for the other information. The other information comprises the Chairman's Statement, Management Discussion and Analysis and Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PKF
AF 0911
CHARTERED ACCOUNTANTS

NGU SIOW PING
03033/ 11/ 2021 J
CHARTERED ACCOUNTANT

Kuala Lumpur

Dated 27 May 2021

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Revenue	3	39,561,495	38,910,078	2,400,000	-
Cost of goods sold		(29,799,693)	(30,021,874)	-	-
Gross profit		9,761,802	8,888,204	2,400,000	-
Other income	4	1,717,488	628,259	-	-
Net gain on impairment of financial assets measured at amortised cost		-	47,697	-	-
Other expenses		(3,978,798)	(3,695,464)	(927,210)	(169,455)
Profit/ (Loss) from operations		7,500,492	5,868,696	1,472,790	(169,455)
Finance cost	6	(1,779,115)	(4,488,137)	(476,914)	(459)
Profit/ (Loss) before tax	7	5,721,377	1,380,559	995,876	(169,914)
Tax expenses	8	(1,845,168)	(331,588)	-	-
Profit/ (Loss), representing total comprehensive income/ (loss), for the financial year		3,876,209	1,048,971	995,876	(169,914)

STATEMENTS OF FINANCIAL POSITION AS AT 31 JANUARY 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	9	41,721,771	38,032,003	5,109	-
Right-of-use assets	10	90,095	61,773	-	-
Investment properties	11	11,300,000	11,300,000	-	-
Investment in subsidiaries	12	-	-	33,406,000	30,306,000
Net investment in sub-lease	13	-	4,786	-	-
Capital reserve fund	14	-	1,003,000	-	-
		53,111,866	50,401,562	33,411,109	30,306,000
Current assets					
Inventories	15	322,196	433,755	-	-
Trade receivables	16	5,988,770	10,965,490	-	-
Non-trade receivables, deposits and prepayments	17	386,213	1,194,553	33,350	3,050,000
Tax recoverable		19,936	222,569	-	-
Fixed deposits with licensed banks	18	740,080	382,206	-	-
Net investment in sub-lease	13	4,785	540,935	-	-
Capital reserve fund	14	-	22,080,000	-	-
Cash and bank balances		2,068,706	843,015	537,494	19,541
		9,530,686	36,662,523	570,844	3,069,541
TOTAL ASSETS		62,642,552	87,064,085	33,981,953	33,375,541

STATEMENTS OF FINANCIAL POSITION AS AT 31 JANUARY 2021 (CONTINUED)

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	19	28,123,904	27,593,773	28,123,904	27,593,773
Retained earnings/ (Accumulated losses)	20	12,966,686	9,090,477	825,962	(169,914)
Merger reserve	21	(8,106,000)	(8,106,000)	-	-
Total equity		32,984,590	28,578,250	28,949,866	27,423,859
Non-current liabilities					
Irredeemable Convertible Preference Shares	19	5,001,628	5,782,227	5,001,628	5,782,227
ICT Interest Value	22	-	1,350,609	-	-
Deferred tax liabilities	23	4,655,204	3,468,366	-	-
Lease liabilities	24	42,934	51,191	-	-
Borrowings	25	5,403,632	1,656,162	-	-
		15,103,398	12,308,555	5,001,628	5,782,227
Current liabilities					
ICT Interest Value	22	-	14,979,818	-	-
Trade payables	26	7,593,567	18,668,150	-	-
Non-trade payables and accruals	27	1,369,434	8,284,059	30,459	169,455
Borrowings	25	5,427,255	3,616,250	-	-
Tax payable		51,101	99,234	-	-
Lease liabilities	24	113,207	529,769	-	-
		14,554,564	46,177,280	30,459	169,455
Total liabilities		29,657,962	58,485,835	5,032,087	5,951,682
TOTAL EQUITY AND LIABILITIES		62,642,552	87,064,085	33,981,953	33,375,541

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021

	Share capital RM	Retained earnings RM	Merger reserve RM	Total RM
Group				
At 28 January 2019 (date of incorporation)	7,210,000	8,041,506	-	15,251,506
Acquisition of interests in common entities	(7,200,000)	-	(8,106,000)	(15,306,000)
Issuance of ordinary shares	18,926,000	-	-	18,926,000
Issuance of ICPS	8,657,773	-	-	8,657,773
Profit, representing total comprehensive income, for the financial period	-	1,048,971	-	1,048,971
At 31 January 2020	27,593,773	9,090,477	(8,106,000)	28,578,250
Issuance of ordinary shares	156,000	-	-	156,000
Issuance of ICPS	374,131	-	-	374,131
Profit, representing total comprehensive income, for the financial year	-	3,876,209	-	3,876,209
At 31 January 2021	28,123,904	12,966,686	(8,106,000)	32,984,590

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021 (CONTINUED)

	Share capital RM	(Accumulated losses)/ Retained earnings RM	Total RM
Company			
At 28 January 2019 (date of incorporation)	10,000	-	10,000
Issuance of ordinary shares	18,926,000	-	18,926,000
Issuance of ICPS	8,657,773	-	8,657,773
Loss, representing total comprehensive loss, for the financial period	-	(169,914)	(169,914)
At 31 January 2020	27,593,773	(169,914)	27,423,859
Issuance of ordinary shares	156,000	-	156,000
Issuance of ICPS	374,131	-	374,131
Profit, representing total comprehensive income, for the financial year	-	995,876	995,876
At 31 January 2021	28,123,904	825,962	28,949,866

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash flows from operating activities				
Profit/(Loss) before tax	5,721,377	1,380,559	995,876	(169,914)
Adjustments for:				
Depreciation of property, plant and equipment	13,862,847	13,680,447	91	-
Depreciation of right-of-use assets	69,450	110,551	-	-
Effective interim nett yield on ICT Interest Value	656,076	3,926,999	-	-
Interest expenses	1,109,886	544,228	475,932	-
Reversal of impairment loss on:			-	-
- trade receivables	-	(24,050)	-	-
- related party	-	(23,647)	-	-
Loss on lease modification	4,772	-	-	-
Interest income from net investment in sub-lease	(4,265)	(40,680)	-	-
Gain on disposal of property, plant and equipment	(663,612)	(1,828,469)	-	-
Operating profit/(loss) before working capital changes	20,756,531	17,725,938	1,471,899	(169,914)
Decrease in inventories	111,559	1,007,924	-	-
Decrease in amount due from related parties	-	84,468	-	-
Decrease in net investment in sub-lease	540,935	1,222,681	-	-
Decrease/(Increase) in receivables	8,924,982	(3,548,694)	3,016,650	-
Decrease/(Increase) in capital reserve fund	23,083,000	(5,990,500)	-	-
(Decrease)/Increase in payables	(21,129,128)	6,656,850	(138,996)	20,000
Cash generated from/(used in) operations	32,287,879	17,158,667	4,349,553	(149,914)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021 (CONTINUED)

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash generated from/(used in) operations	32,287,879	17,158,667	4,349,553	(149,914)
Interest received from net investment in sub-lease	4,265	40,680	-	-
Tax paid	(503,831)	(168,273)	-	-
Tax refunded	-	13,650	-	-
Net cash from/(used in) operating activities	31,788,313	17,044,724	4,349,553	(149,914)
Cash flows from investing activities				
Net cash outflows on acquisition of subsidiaries	-	(15,306,000)	(3,100,000)	(30,306,000)
Advance to a subsidiary	-	-	-	(2,900,545)
Net changes in fixed deposits with licensed banks	(517,544)	(222,536)	-	-
Proceeds from disposal of property, plant and equipment	1,328,933	4,094,436	-	-
Acquisition of property, plant and equipment	(18,217,936)	(23,384,789)	(5,200)	-
Net cash used in investing activities	(17,406,547)	(34,818,889)	(3,105,200)	(33,206,545)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021 (CONTINUED)

		Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Cash flows from financing activities					
Drawdown of term loan	(ii)	7,710,000	4,600,000	-	-
Repayment of term loan	(ii)	(2,840,729)	(1,492,416)	-	-
Dividend paid to ICPS holders		(1,506,400)	-	(1,506,400)	-
Repayment of lease liabilities	(ii)	(527,363)	(1,120,008)	-	-
Interest paid - others		(617,638)	(498,048)	-	-
Interest paid - lease liabilities		(16,316)	(46,180)	-	-
Net changes in short-term borrowings	(ii)	689,204	(530,981)	-	-
Payment of ICT Interest Value	(ii)	(16,330,427)	(13,330,973)	-	-
Proceeds from issuance of ordinary shares		156,000	18,926,000	156,000	18,926,000
Proceeds from issuance of ICPS		624,000	14,440,000	624,000	14,440,000
Interim nett yield on ICT Interest Value		(656,076)	(3,926,999)	-	-
Net cash (used in)/from financing activities		(13,315,745)	17,020,395	(726,400)	33,366,000
Net Increase/ (Decrease) in cash and cash equivalents		1,066,021	(753,770)	517,953	9,541
Cash and cash equivalents at 1 February 2020		1,002,685	1,756,455	19,541	10,000
Cash and cash equivalents at 31 January	(i)	2,068,706	1,002,685	537,494	19,541

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021 (CONTINUED)

Notes:

(i) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Cash and bank balances	2,068,706	843,015	537,494	19,541
Fixed deposits with original maturity less than 3 months	-	159,670	-	-
Total cash and cash equivalents	2,068,706	1,002,685	537,494	19,541

(ii) Reconciliation of liabilities arising from financing activities

	1 February 2020 RM	Lease modification RM	Cash flows RM	31 January 2021 RM
Group				
ICT Interest Value	16,330,427	-	(16,330,427)	-
Term loan	4,133,155	-	4,869,271	9,002,426
Bankers' acceptance and trust receipts	1,139,257	-	689,204	1,828,461
Lease liabilities	580,960	102,544	(527,363)	156,141
ICPS	5,782,227	-	(780,599)	5,001,628

	28 January 2019 (date of incorporation) RM	Initial recognition of lease liabilities RM	Cash flows RM	31 January 2020 RM
ICT Interest Value	29,661,400	-	(13,330,973)	16,330,427
Term loan	1,025,571	-	3,107,584	4,133,155
Bankers' acceptance and trust receipts	1,670,238	-	(530,981)	1,139,257
Lease liabilities	1,646,936	54,032	(1,120,008)	580,960
ICPS	-	-	5,782,227	5,782,227

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021 (CONTINUED)

Notes:

(ii) Reconciliation of liabilities arising from financing activities (continued)

	1 February 2020 RM	Lease modification RM	Cash flows RM	31 January 2021 RM
Company				
ICPS	5,782,227	-	(780,599)	5,001,628

	28 January 2019 (date of incorporation) RM	Initial recognition of lease liabilities RM	Cash flows RM	31 January 2020 RM
ICPS	-	-	5,782,227	5,782,227

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

1. Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The accompanying financial statements have been prepared assuming that the Group and the Company will continue as a going concern which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

The financial statements are presented in the Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(a) Standards issued but not yet effective

On 1 February 2020, the Group and the Company have adopted the following accounting standards, amendments and interpretations which ar mandatory for annual financial periods beginning on or after 1 January 2020:

Description

- Amendments to MFRS 3, *Business Combinations*: Definition of Business
- Amendments to MFRS 4, *Insurance Contracts*: Extension of the Temporary Exemption from Applying MFRS 9
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures*: Interest Rate Benchmark Reform
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Material
- Amendments from other Standards:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 3, *Business Combinations*
  - Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 15, Revenue *from Contracts with Customers*
  - Amendments to MFRS 101, *Presentation of Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*
  - Amendments to MFRS 110, *Events after the Reporting Period*
  - Amendments to MFRS 116, *Property, Plant and Equipment*
  - Amendments to MFRS 119, *Employee Benefits*
  - Amendments to MFRS 128, *Investments in Associates and Joint Ventures*
  - Amendments to MFRS 132, *Financial instruments: Presentation*

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

1. Basis of preparation (continued)

(a) Standards issued but not yet effective (continued)

On 1 February 2020, the Group and the Company have adopted the following accounting standards, amendment and interpretations which are mandatory for annual financial periods beginning on or after 1 January 2020: (continued)

Description

- Amendments to MFRS 134, *Interim Financial Reporting*
- Amendments to MFRS 136, *Impairment of Assets*
- Amendments to MFRS 137, *Provision, Contingent Liabilities and Contingent Assets*
- Amendments to MFRS 138, *Intangible Assets*
- Amendments to MFRS 140, *Investment Property*

The directors expect that the adoption of the new and amended MFRS above will have no impact on the financial statements of the Company.

(b) Standards issued but not yet effective

The Group and Company have not adopted the following standards and interpretations that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
• Amendments to MFRS 16, *Leases*: Covid-19-Related Rent Concessions	1 June 2020
• Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases*: Interest Rate Benchmark Reform - Phase 2	1 January 2021
• Amendments to MFRS 3, *Business Combinations*: Reference to the Conceptual Framework	1 January 2022
• Amendments to MFRS 116, *Property, Plant and Equipment*: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
• Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
• Amendments to MFRS 16 Leases: *Covid-19-Related Rent Concessions beyond 30 June 2021*	1 April 2021
• Annual improvements to MFRSs 2018 - 2020 cycle	

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

1. Basis of preparation (continued)

(b) Standards issued but not yet effective (continued)

The Group and Company have not adopted the following standards and interpretations that have been issued but not yet effective: (continued)

Description	**Effective for annual periods beginning on or after**
• Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*	1 January 2022
• Amendments to MFRS 9, *Financial Instruments*	1 January 2022
• Annual improvements to MFRSs 2018 - 2020 cycle	
- Amendments to MFRS 16, *Leases*	1 January 2022
- Amendments to MFRS 141, *Agriculture*	1 January 2022
• MFRS 17, *Insurance Contracts*	1 January 2023
• Amendments to MFRS 17, *Insurance Contracts*	1 January 2023
• Amendments to MFRS 101, *Presentation of Financial Statements*: Classifications of Liabilities as Current or Non-current	1 January 2023
• Amendments to MFRS 101, *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates	1 January 2023
• Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128 *Investment in Associate and Joint Ventures*: Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material impact to the financial statements of the Company.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise as indicated in the significant accounting policies.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

1. Basis of preparation (continued)

(d) Significant accounting estimates and judgements

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

(i) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(ii) Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

1. Basis of preparation (continued)

(d) Significant accounting estimates and judgements (continued)

(iv) Provision for expected credit losses ("ECLs") of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on the payment profiles of sales over a period of 36 months before the end of the reporting period and the corresponding historical credit losses experienced within this period.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The historical observed default rates are updated and changes in the forward-looking estimates are analysed at every end of the reporting period.

(v) Deferred tax assets and liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

(vi) Classification between Investment Properties

The Group determines whether a property qualifies as an investment property and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

1. Basis of preparation (continued)

(d) Significant accounting estimates and judgements (continued)

(vi) Classification between Investment Properties (continued)

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(vii) Revaluation of Investment Properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the profit or loss. The valuation of these properties are carried out by independent professional property valuers by reference to open market values using the comparison method as disclosed in Note 11 to the financial statements.

2. Summary of significant accounting policies

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Control is achieved when the Group has:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the Group's return.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Subsidiaries (continued)

Inter-company transactions, balances and unrealised gains on transaction between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Common control entities

Business combination involving entities under common control are accounted for by applying the merger accounting principles. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the combined financial statements.

In a business combination involving entities under common control, any difference between the cost of the merger and the share capital of the "acquired" entity is reflected within equity as merger reserve.

The combined financial statements of profit or loss and other comprehensive income reflects the results of the combining entities for the full year and the comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

(iii) Loss of control

Upon loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iii) Loss of control (continued)

In the previous years, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and their carrying amount would be regarded as cost on initial measurement of the investment.

(iv) Transaction eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gain arising from transactions with equity accounted associates are eliminated against the investments to the extent of the Group's interest in the associates and jointly controlled entities, Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(i) Sales of goods

The Group sells a range of computer hardware to local customers. Revenue are recognised at a point in time when control of the asset is transferred, being when the products are delivered to the customer. The contract price is variable for different contracts as the revenue is recognised based on the assets price. The normal credit term is 60 days upon delivery.

Trade receivables are recognised when the goods are delivered as this is the point in time that consideration is unconditional because only the passage of time required before the payment is due.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(b) Revenue (continued)

(i) Sales of goods (continued)

To determine the point in time at which the customer obtain control of a promised asset and satisfies the performance obligation, the Group has considered indicators of the transfer of control, which include, but are not limited to, the following:

(a) The Group has present right to payment for the asset;
(b) The customer had legal title to the assets;
(c) The Group has transferred physical possession of the asset;
(d) The customer has the significant risks and rewards of ownership of the asset; and
(e) The customer has accepted the asset.

(ii) Rental income

Rental income from the rental asset is recognised in profit or loss on a straight-line basis over the term of the lease.

(iii) Services

Services is the provision of ICT services that comprise of corrective and preventative maintenance.

(iii) Dividend income

Dividend income is recognised in profit or loss only when:

(a) the Group's or the Company's right to receive payment of the dividend is established;
(b) it is probable that the economic benefits associated with the dividend will flow to the Group or the Company; and
(c) the amount of the dividend can be measured reliably.

(c) Employee benefits expense

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group.

Short term accumulating compensated absences, such as paid annual leave, are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(c) Employee benefits expense (continued)

(ii) Defined contribution plans

The Group's contribution to defined contribution plans is charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(d) Tax expense

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(d) Tax expense (continued)

(ii) Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(e) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

The Group and the Company measure loss allowances at an amount When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(e) Impairment (continued)

(i) Financial assets (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, which 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12-months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance amount.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

(ii) Non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that a non-financial asset may be impaired. If any such indication exists or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(e) Impairment (continued)

(ii) Non-financial assets (continued)

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(f) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Motor vehicle	20%
Office equipment	20%
Furniture and fittings	10%
Computer and software	20%
Signboard	10%
Renovation	20%
Rental equipment	20% - 33%

The carrying amount of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(g) Investment properties

Investment properties are properties held to earn rentals or for capital appreciation or both, but not use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably.

Investment properties are measured initially at cost including transaction costs. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure.

Subsequent to initial recognition, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

The gain or loss arising from derecognition of the asset is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in profit or loss in the year the asset is derecognised.

(h) Capital reserve fund

The capital reserve fund is set up for the purpose towards the refund of the ICT Interest Value to, and redemption of each ICT Interest from, the ICT Interest Holders after the maturity date.

Upon each anniversary of the initial launch date of the ICT Zone Ventures Scheme 1 (“the Scheme 1”) and the ICT Zone Ventures Scheme 2 (“the Scheme 2”, and collectively, “the Schemes”), ICT Zone Ventures Berhad (“ICTZV”) is obliged to make an annual contribution to the Capital Reserve Fund from the net annual revenue received by ICTZV from the ICT equipment rental operations and the amount of such contribution shall be calculated based on the following table where the monetary value of the annual contribution is shown as percentage of the ICT Interest Value received by the Schemes from the holders of ICT interest (“ICT Interest Holders”):

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(h) Capital reserve fund (continued)

Year	Annual contribution to Capital Reserve Fund by ICTZV as a percentage of the ICT Interest Value received by the Schemes from the ICT Interest Holder
1	5%
2	5%
3	5%
4	10%
5	10%
6	10%
7	15%
8	20%
9	20%

ICTZV shall within seven (7) days from the date of receipt of any ICT Interest Value remit such ICT Interest Value to the Trustee and, upon receipt of such ICT Interest Value the Trustee shall forthwith deposit such ICT Interest Value into the Trust Account.

Upon expiry of the Cooling-Off Period, which is ten (10) working days (from the day the application for the subscription of an ICT Interest is lodged with the Company), the Trustee shall release to ICTZV all and any ICT Interest Value received and deposited in the Trust Account.

Any ICT Interest Value deposited into the Trust Account by the Management Company prior to the expiry of the Cooling-Off Period shall be held in trust by the Trustee for the Applicant until the expiry of the Cooling-Off Period and in the event that any Applicant is withdrawn by an Applicant during the Cooling-Off Period, the Trustee shall release such ICT Interest Value to the Applicant.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(i) Financial assets

(i) Initial recognition and measurement

Financial assets are recognised when, and only when, the Group and the Company become party to the contractual provision of the instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Subsequent measurement

The Group and the Company classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group and the Company reclassified debt investments when and only when its business model for managing those asset changes.

(a) Amortised cost

Financial asset is measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(i) Financial assets (continued)

(ii) Subsequent measurement (continued)

(a) Amortised cost (continued)

Interest income from financial asset measured at amortised cost is recognised in profit or loss using the effective interest method. Any gain or loss on derecognition is recognised directly in profit or loss and presented in other gains/ (losses) together with foreign exchange gain and losses.

(b) Fair value through other comprehensive income ("FVOCI") – debt investment

Debt investment, which is not designated as at fair value through profit or loss, is measured at FVOCI when the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and its contractual terms give rise on specified dates to cash flows that are solely payments to principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income calculated using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Impairment expenses are presented as a separate line item in the statement of profit or loss.

(c) FVOCI – equity investment

Equity investment is measured at FVOCI when the Group and the Company made an irrevocable election to present changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(i) Financial assets (continued)

(ii) Subsequent measurement (continued)

(d) Fair value through profit or loss ("FVTPL")

All financial assets not measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument).

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

(iii) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risk and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) shall be recognised in profit or loss.

Any cumulative gain or loss arise from fair value changes in equity investment that had been recognised in other comprehensive income is transferred within equity when the equity investment is derecognised whereas any cumulative gain or loss arise from fair value changes in debt investment that had been recognised in other comprehensive income is transferred to profit or loss when the debt investment is derecognised.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, deposits with financial institution with maturities of less than 3 months, and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(k) Financial Liablilities

(i) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group and the Company become party to the contractual provision of the instrument.

At initial recognition, the Group and the Company measure a financial liability at its fair value plus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue of the financial liability.

(ii) Subsequent measurement

The categories of financial liabilities at initial recognition are as follows:

(a) Amortised cost

All financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities where it is designated as FVTPL.

Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(b) FVTPL

Financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition are measured at FVTPL.

Financial liabilities may be designated upon initial recognition at FVTPL only if the criteria in MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014) are satisfied. The Company has not designated any financial liability as at FVTPL. .

Financial liabilities categorised at FVTPL are subsequently carried at fair value with the gain or losses recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(k) Financial Liabilities (Continued)

(ii) Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liability assumed, is recognised in profit or loss.

(l) Leases

(i) Initial recognition and measurement

(a) As a lessee

The Group recognises right-of-use asset and lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises as follows:

- the initial amount of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(l) Leases (continued)

(i) Initial recognition and measurement (continued)

(a) As a lessee (continued)

Variable lease payments that do not depends on an index or a rate are excluded from lease liability and right-of-use asset and recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(a) As a lessor

Leases for which the Group is a lessor are classified as finance or operating leases.

Leases which transfer substantially all of the risks and rewards incidental to ownership of the underlying asset is a finance lease; if not, then it is an operating lease.

The Group recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. Initial direct costs, other than those incurred by manufacturer or dealer lessors, are included in the initial measurement of the investment in the lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right- of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(l) Leases (continued)

(ii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses determined in accordance with Note 2(e)(ii) to the financial statements, if any, and adjusted for certain remeasurements of the lease liability.

The carrying amount of lease liability is subsequently increased by interest on the lease liability and reduced by lease payments made. It is remeasured when there is a change in lease term, assessment of an option to purchase the underlying asset, future lease payments arising from the change in an index or rate, the Group's estimate of the amount expected to be payable under a residual value guarantee or in-substance fixed lease payments.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

Finance income from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease whereas lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(m) Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised from equity in the period in which they are distributed.

(ii) Irredeemable Convertible Preference Shares ("ICPS")

The Group evaluates the terms of an issued financial instrument to determine whether it contains both a liability and an equity component. The proceeds of a Irredeemable Convertible Preference Shares ("ICPS") are allocated to the liability component measured at fair value, using the discounted cash flow method, and balance to the equity component.

(n) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market which must be accessible to by the Group and the Company.

For non-financial asset, the fair value measurement considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

2. Summary of significant accounting policies (continued)

(o) Fair value measurements (continued)

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value are categories into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer.

3. Revenue

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Revenue from contract customers				
At point in time				
Sales of assets	15,150,579	15,829,646	-	-
IT Services	74,706	129,069	-	-
	15,225,285	15,958,715	-	-
Other source of income				
Dividend income	-	-	2,400,000	-
Rental income from:				
- Computer hardware	4,504,820	3,644,016	-	-
- ICT Equipment	19,831,390	19,307,347	-	-
	24,336,210	22,951,363	2,400,000	-
	39,561,495	38,910,078	2,400,000	-

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

4. Other income

	Group 2021 RM	Group 2020 RM
Gain on disposal of property, plant and equipment	-	109
Government grant	73,200	-
Interest income from:		
- fixed deposits	1,037,313	-
- net investment in sub-lease	4,265	40,680
Lease income	574,008	578,040
Others	28,702	9,430
	1,717,488	628,259

5. Employee benefits expense

	Group 2021 RM	Group 2020 RM
(a) Staff cost:		
Salaries, allowances and bonus	1,331,022	1,207,149
Contributions to defined contribution plan	145,200	133,943
Social security contributions	13,795	14,206
Other short-term employee benefits	59,493	70,741
	1,549,510	1,426,039
(b) Directors' remuneration:		
Salary and other emoluments	503,600	364,600
Contributions to defined contribution plan	57,120	36,000
Social security contributions	1,846	923
	562,566	401,523
	2,112,076	1,827,562

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

6. Finance costs

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Interest expense on:				
- ICT Interest Value	656,076	3,926,999	-	-
- lease liabilities	16,316	46,180	-	-
- ICPS	475,932	-	475,932	-
- term loans	439,522	203,292	-	-
- bank overdraft	1,854	6,758	-	-
- bankers' acceptance and trust receipts	176,262	287,998	-	-
Others	13,153	16,910	982	459
	1,779,115	4,488,137	476,914	459

7. Profit before tax

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Profit for the year is arrived at after charging:				
Auditors' remunerations				
Audit fees	57,500	55,500	20,000	20,000
Material expenses				
Depreciation of				
- property, plant and equipment	13,862,847	13,680,447	91	-
- right-of-use assets	69,450	110,551	-	-
	13,989,797	13,846,498	20,091	20,000

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

8. Tax expense

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Current tax				
- current year	655,390	238,698	-	-
- under/(over) provision in prior year	2,940	(34,038)	-	-
	658,330	204,660	-	-
Deferred tax (Note 23)				
- current year	1,066,067	126,928	-	-
- underprovision in prior year	120,771	-		
	1,186,838	126,928	-	-
	1,845,168	331,588	-	-

Reconciliation of tax expense

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Profit/(Loss) before tax	5,721,377	1,380,559	995,876	(169,914)
Tax calculated using statutory tax rate at 24%	1,373,130	331,334	239,010	(40,779)
Reduction in statutory tax rate on first RM500,000	-	(30,000)	-	-
Non-deductible expenses	358,817	136,957	336,990	40,779
Non-taxable income	(10,490)	(72,665)	(576,000)	-
	1,721,457	365,626	-	-
Under/(over) provision of income tax in prior year	2,940	(34,038)	-	-
Underprovision of deferred tax in prior year	120,771	-	-	-
	1,845,168	331,588	-	-

The Group has unabsorbed capital allowance amounting to RMNil (2020: RM1,900,542) available of offsetting against future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

9. Property, plant and equipment

Group	Motor vehicles RM	Office equipment RM	Furniture and fittings RM	Computer and software RM	Signboard RM	Renovation RM	Rental equipment RM	Total RM
2021								
Cost								
At 1 February 2020	526,287	703,603	456,991	425,265	72,000	163,273	71,175,194	73,522,613
Additions	-	22,735	7,009	29,438	5,200	23,580	18,129,974	18,217,936
Disposals/ Written off	-	-	-	-	-	-	(11,349,765)	(11,349,765)
At 31 January	526,287	726,338	464,000	454,703	77,200	186,853	77,955,403	80,390,784
Accumulated depreciation								
At 1 February 2020	494,287	697,597	414,207	396,894	60,036	108,706	33,318,883	35,490,610
Depreciation charge	16,000	5,224	20,440	9,191	3,289	10,001	13,798,702	13,862,847
Disposals/ Written off	-	-	-	-	-	-	(10,684,444)	(10,684,444)
At 31 January	510,287	702,821	434,647	406,085	63,325	118,707	36,433,141	38,669,013
Carrying amount								
At 31 January	16,000	23,517	29,353	48,618	13,875	68,146	41,522,262	41,721,771

Group	Motor vehicles RM	Office equipment RM	Furniture and fittings RM	Computer and software RM	Signboard RM	Renovation RM	Rental equipment RM	Total RM
2020								
Cost								
At 28 January 2019 (date of incorporation)	526,287	741,218	457,126	423,548	72,000	163,273	71,712,140	74,095,592
Additions	-	1,620	245	1,940	-	-	23,380,984	23,384,789
Disposals/ Written off	-	(39,235)	(380)	(223)	-	-	(23,917,930)	(23,957,768)
At 31 January	526,287	703,603	456,991	425,265	72,000	163,273	71,175,194	73,522,613
Accumulated depreciation								
At 28 January 2019 (date of incorporation)	438,287	734,504	389,786	381,219	56,671	99,298	41,402,199	43,501,964
Depreciation charge	56,000	2,327	24,639	15,892	3,365	9,408	13,568,816	13,680,447
Disposals/ Written off	-	(39,234)	(218)	(217)	-	-	(21,652,132)	(21,691,801)
At 31 January	494,287	697,597	414,207	396,894	60,036	108,706	33,318,883	35,490,610
Carrying amount								
At 31 January	32,000	6,006	42,784	28,371	11,964	54,567	37,856,311	38,032,003

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

9. Property, plant and equipment (continued)

	Signboard RM
Company	
2021	
Cost	
At 1 February 2020	-
Additions	5,200
At 31 January	5,200
Accumulated depreciation	
At 1 February 2020	-
Depreciation charge	91
At 31 January	91
Carrying amount	
At 31 January	5,109

10. Right-of-use assets

	Group	
	2021 RM	2020 RM
Carrying amount		
At 1 February 2020/28 January 2019 (date of incorporation)	61,773	149,810
Addition	-	22,514
Lease modification	97,772	-
Depreciation charge	(69,450)	(110,551)
At 31 January	90,095	61,773

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

11. Investment properties

	Freehold property RM	Leasehold properties RM	Total RM
Group			
Fair value			
2021			
At 1 February 2020/31 January	1,800,000	9,500,000	11,300,000
2020			
At 28 January 2019 (date of incorporation)/31 January	1,800,000	9,500,000	11,300,000

	Group	
	2021 RM	**2020 RM**
Recognised in profit or loss:		
Rental income	574,008	574,040
Direct operating expenses arising from investment property that generated rental income during the financial year	28,650	27,034

The fair value of the investment properties of the Group at 31 January 2021 is determined by a valuation carried out by Messrs. Knight Frank Malaysia Sdn. Bhd., an independent professional valuer, based on the open market values on comparison approach.

The Group has pledged investment properties with carrying amount of RM11,300,000 to licensed bank to secure banking facilities granted to the Group as disclosed in Note 25 to the financial statements.

Fair value measurement of the investment properties were categorised as follows:

	Level 2	
	2021 RM	**2020 RM**
Leasehold building	1,800,000	1,800,000
Office building	9,500,000	9,500,000
	11,300,000	11,300,000

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

11. Investment properties (continued)

Level 2 Fair Value

Level 2 fair values of land and buildings have been generally derived during sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property site. The most significant input into this valuation approach is price per square foot of comparable properties.

12. Investment in subsidiaries

	Company	
	2021 RM	2020 RM
At 1 February 2020/28 January 2019 (date of incorporation)	30,306,000	-
Additions	3,100,000	30,306,000
At 31 January	33,406,000	30,306,000

The details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of company:	Effective equity interest 2021	Effective equity interest 2020	Principal activities
ICT Zone Ventures Bhd.	100%	100%	Information and communication technology, investment schemes and leasing and factoring facilities
ICT Zone Sdn. Bhd.	100%	100%	Trading, repairing and servicing of computers and related parts and accessories.
Techfin Capital Sdn. Bhd.	100%	100%	Yet to commence its operation.

13. Net investment in sub-lease

	Group	
	2021 RM	2020 RM
At 1 February 2020/28 January 2019 (date of incorporation)	545,721	1,714,369
Additions	-	54,032
Finance income	4,265	40,680
Lease payment received	(545,201)	(1,263,360)
At 31 January	4,785	545,721

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

13. Net investment in sub-lease (continued)

	Group 2021 RM	Group 2020 RM
Minimum lease payments receivable:		
Within one (1) year	4,800	545,199
Between one (1) to two (2) years	-	4,800
Undiscounted lease payments	4,800	549,999
Unearned finance income	(15)	(4,278)
Net investment in sub-lease	4,785	545,721
Recognised in profit or loss:		
Finance income	4,265	40,680

14. Capital reserve fund

Capital reserve funds was set up for the purpose towards the refund of the ICT Interest Value to, and redemption of each ICT Interest from, the ICT Interest holders after the maturity date.

15. Inventories

Inventories comprised of ICT hardware and software to be consumed in the rendering for leasing services.

	Group 2021 RM	Group 2020 RM
At cost:		
Finished goods	322,137	433,754
Recognised in profit or loss		
Inventories recognised as cost of sales	14,747,093	23,093,854

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

16. Trade receivables

	Group 2021 RM	Group 2020 RM
Trade receivables	5,988,770	10,965,490
Less: Impairment		
At 1 February 2020/28 January 2019 (date of incorporation)	-	(24,050)
Reversal	-	24,050
At 31 January	-	-
	5,988,770	10,965,490
Related party (gross)	-	217,859
Less: Impairment		
At 1 February 2020/28 January 2019 (date of incorporation)	-	(61,884)
Reversal	-	23,647
At 31 January	-	(38,237)
	-	179,622

The normal trade credit terms of the Group are 60 days. Other credit terms are assessed and approved on a case-by-case basis.

17. Non-trade receivables, deposits and prepayments

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Amount due from a subsidiary	-	-	-	3,050,000
Non-trade receivables	40,612	642,330	-	-
Deposits	106,348	106,692	-	-
Prepayments	239,253	445,531	33,350	-
	386,213	1,194,553	33,350	3,050,000

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

18. Fixed deposits with licensed banks

The amount was deposited with a licensed bank as the Islamic fixed deposit for interest income purpose. The effective profit rate of the Islamic fixed deposit is between 3.05% to 3.25% per annum. The maturity of Islamic deposit as at the end of the financial year is between 3 months to 11 months.

19. Share capital

		Group and Company	
	Note	**2021 Number of shares**	**2021 RM**
Issued and fully paid:			
- ordinary shares	(a)	533,757,500	19,092,000
- ICPS	(b)	75,320,000	9,031,904
Total share capital		609,077,500	28,123,904

	Note	**2020 Number of shares**	**2020 RM**
Issued and fully paid:			
- ordinary shares	(a)	532,782,500	18,936,000
- ICPS	(b)	72,200,000	8,657,773
Total share capital		604,982,500	27,593,773

(a) Issued and fully paid ordinary shares

	Group and Company			
	2021 Number of shares	**2021 RM**	**2020 Number of shares**	**2020 RM**
At 1 February 2020/28 January 2019 (date of incorpration)	532,782,500	18,936,000	10,000	10,000
Issuance of ordinary shares	975,000	156,000	532,772,500	18,926,000
At 31 January 2021	533,757,500	19,092,000	532,782,500	18,936,000

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

19. Share capital (continued)

(a) Issued and fully paid ordinary shares (continued)

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one (1) vote per share without restriction and rank equally with regards to the Company's residual interests.

(b) Irredeemable Convertible Preference Shares ("ICPS")

	Group and Company			
	2021 Number of ICPS	**2021 RM**	**2020 Number of ICPS**	**2020 RM**
At 1 February 2020/28 January 2019 (date of incorporation)	72,200,000	14,440,000	-	-
Issuance of ICPS	3,120,000	624,000	72,200,000	14,440,000
At 31 January 2021	75,320,000	15,064,000	72,200,000	14,440,000
Less: Liabilities component		(6,032,096)		(5,782,227)
		9,031,904		8,657,773

	Group and Company	
ICPS – Liabilities Component	**2021 RM**	**2020 RM**
At 1 February 2020/28 January 2019 (date of incorporation)	5,782,227	-
Addition	249,869	5,782,227
Accrued interest	475,932	-
Less: Dividend	(1,506,400)	-
	5,001,628	5,782,227

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

19. Share capital (continued)

(b) Irredeemable Convertible Preference Shares ("ICPS") (continued)

The salient features of the ICPS are as follows:

(i) A cumulative preference dividend rate of 10% per annum of the ICPS issue price shall be paid annually in arrears after 31 July each calendar year out of the distributable profits of the Company.

(ii) One (1) ICPS can be converted into one (1) new ordinary share of the Company at a price of RM0.20.

(iii) The ICPS may be converted at any time within 5 years commencing on and including 22 January 2020 ("Issue Date") up to and including 22 January 2025 ("Maturity Date"). Any remaining ICPS that are not converted by Maturity Date shall be automatically converted into new ordinary shares of the Company.

(iv) The ICPS holders have the same rights as ordinary shareholders as regards to receiving notices, reports and audited financial statements and attending general meetings. They are however not entitled to any voting rights or participation in any rights, allotments and/ or other distribution in the Company until and unless such holders convert their ICPS into new shares of the Company except in the following circumstances:

- On a proposal to reduce the Company's share capital;
- On a proposal for the disposal of the whole of the Company's property, business and undertaking;
- On a proposal that affects their rights and privileges attached to the ICPS;
- On a proposal to wind up the Company; and
- During the winding up of the Company.

20. Retained earnings

Under the single tier system introduced by the Finance Act, 2007 in Malaysia which came into effect from the year of assessment 2008, dividends paid under this system are tax exempt in the hands of shareholders. As such, the whole retained earnings may be distributed to shareholders as tax exempt dividends.

21. Merger reserve

This arose from the merger of ICT Zone Ventures Bhd. ("ICT Zone Ventures"), ICT Zone Sdn. Bhd. ("ICT Zone") and Techfin Capital Sdn. Bhd. ("Techfin") and is based on the difference between the amounts recorded as cost of merger, which comprised the share capitals issued by the Company and the nominal value of ICTZone Venture's, ICT Zone's and Techfin's share capitals that merged under pooling of interest method of accounting.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

22. ICT Interest Value

	Group 2021 RM	Group 2020 RM
ICT Interest Value		
- Scheme 1	-	17,510,000
- Scheme 2	-	1,370,000
ICT Interest Value	-	18,880,000
Less: Transaction cost up incurred to date	-	(2,549,573)
	-	16,330,427

The subsidiary, ICT Zone Ventures has offered the ICT interest under ICT Zone Venturers Scheme 1 and ICT Zone Ventures Scheme 2 launched in 28 March 2011 and 20 October 2014 respectively. During the financial year, the Company and ICT Zone Ventures had entered into Deeds of Novation and Settlement with certain ICT Interest Holders to redeem their investments in ICT Zone Ventures Scheme 1 and ICT Zone Ventures Scheme 2 via ordinary shares and ICPS in the Company. Any balance ICT Interest were redeemed through the Company's capital reserve funds.

23. Deferred tax liabilities

	Group 2021 RM	Group 2020 RM
At 1 February 2020/28 January 2019 (date of incorporation)	3,468,366	3,341,438
Recognised in profit or loss (Note 8)	1,186,838	126,928
At 31 January	4,655,204	3,468,366

Deferred tax liabilities of the Group	**Right-of-use asset RM**	**Property, plant and equipment RM**	**Net investment in sublease RM**	**Total RM**
At 1 February 2020	14,825	4,005,084	1,009,191	5,029,100
Recognised in profit or loss	9,499	(432,157)	71,869	(350,789)
At 31 January 2021	24,324	3,572,927	1,081,060	4,678,311

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

23. Deferred tax liabilities (continued)

The components and movements of deferred tax liabilities and assets prior to offsetting are as follows:

	Right-of-use asset RM	Property, plant and equipment RM	Net investment in sub-lease RM	Total RM
Deferred tax liabilities of the Group				
At 1 February 2020	14,825	4,005,084	1,009,191	5,029,100
Recognised in profit or loss	9,499	(432,157)	71,869	(350,789)
At 31 January 2021	24,324	3,572,927	1,081,060	4,678,311

	Unabsorbed capital allowance RM	Lease liabilities RM	Total RM
Deferred tax assets of the Group:			
At 1 February 2020	(772,604)	(788,130)	(1,560,734)
Recognised in profit or loss	772,604	765,023	1,537,627
At 31 January 2021	-	(23,107)	(23,107)

	Right-of-use asset RM	Property, plant and equipment RM	Net investment in sub-lease RM	Total RM
Deferred tax liabilities of the Group				
At 28 January 2019 (date of incorporation)	35,955	3,196,356	1,491,310	4,723,621
Recognised in profit or loss	(21,130)	808,728	(482,119)	305,479
At 31 January 2020	14,825	4,005,084	1,009,191	5,029,100

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

23. Deferred tax liabilities (continued)

The components and movements of deferred tax liabilities and assets prior to offsetting are as follows: (continued)

	Unutilised tax losses RM	Unabsorbed capital allowance RM	Lease liabilities RM	Total RM
Deferred tax assets of the Group:				
At 28 January 2019 (date of incorporation)	(77,587)	(123,090)	(1,181,506)	(1,382,183)
Recognised in profit or loss	77,587	(649,514)	393,376	(178,551)
At 31 January 2020	-	(772,604)	(788,130)	(1,560,734)

24. Lease liabilities

	Group 2021 RM	2020 RM
Representing:		
Non-current liabilities	42,934	51,191
Current liabilities	113,207	529,769
	156,141	580,960
Recognised in profit or loss:		
Interest expense on lease liabilities	16,316	46,180

The Group's lease liabilities bear interest at the rate of 3.60% to 8.11% (2020: 3.60% to 8.11%)

The total cash outflow for leases for the financial year ended 31 January 2021 is RM543,679 (2020: RM1,166,188)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

25. Borrowings

	Note	Group 2021 RM	Group 2020 RM
Non-current			
Term loans	(a)	5,403,632	1,656,162
Current			
Term loans	(a)	3,598,794	2,476,993
Bankers' acceptance and trust receipts	(b)	1,828,461	1,139,257
		5,427,255	3,616,250
		10,830,887	5,272,412

(a) Term loans

The maturity structure of the term loans can be analysed as follows:

	Group 2021 RM	Group 2020 RM
Repayable within one (1) year	3,598,794	2,476,993
Repayable between two (2) to five (5) years	5,403,632	1,656,162
	9,002,426	4,133,155

The term loans are secured by the following:

(i) Multiple charges over the Investment Properties of the Company as disclosed in Note 11 to the financial statements;

(ii) Jointly and severally guaranteed by certain Directors of the Company;

(iii) Rental proceed over the property;

(iv) Guarantee from strategic partners;

(v) Tripartite Deed of Assignment over the contract proceeds between the Company, strategic partners and the bank;

(vi) Upfront three (3) months instalments are maintained with the bank at all times; and

(vii) Charge over Company's and strategic partners' escrow account and all monies standing to the credit of the account.

The effective interest rate of the bank borrowings at the end of the reporting period is range from 5.36% to 8.06% (2020: 5.36% to 8.06%).

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

25. Borrowings (continued)

(b) Bankers' acceptance and trust receipts

The Group has bank loan and other trade finance facilities amounting to RM7,739,000 secured from certain local licensed bank. The facilities bear interest at 8.07% per annum (2020: 8.07% per annum) and are secured by the following:

(i) Multiple charges over the Investment Properties of the Company as disclosed in Note 11 to the financial statements;

(ii) Rental proceed over the property;

(iii) Jointly and severally guaranteed by certain Directors of the Company; and

(iv) Guarantee from holding company.

26. Trade payables

The normal trade credit term granted to the Group is 60 days (2020: 60 days).

27. Non-trade payables and accruals

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-trade payables	288,047	4,882,965	-	-
Accruals	80,407	2,443,691	30,459	20,000
Deposits received	1,000,980	957,403	-	-
Amount due to a subsidiary	-	-	-	149,455
	1,369,434	8,284,059	30,459	169,455

The amount due to a subsidiary represents expenses paid on behalf and is unsecured, interest-free, and repayable on demand.

28. Significant related party's transactions

Related party transactions

The Group's related party transactions for the financial years ended 31 January 2021 and 31 January 2020 are as follows:

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

28. Significant related party's transactions (continued)

Name of company With related parties	Type of transaction	2021 RM	2020 RM
Skyworld Development Sdn. Bhd.	Rental received	472,088	-
Risco Consulting Sdn. Bhd.	Insurance premium	(389,124)	(378,946)
	Reimbursement	-	(487)
	Subscription fee	-	(652)

Key management personnel compensation

The key management personnel are defined as directors of the Group and the Company. The remuneration of key management personnel during the financial year is as disclosed in Note 5 to the financial statements.

29. Operating segments

Operating segments are presented in respect of the Group's business segments. The primary format, business segment, is based on the Group's management and internal reporting structure. Inter-segment transactions were carried out on terms and conditions not materially different from those obtainable in transactions with independent third parties.

(a) Business segments

The Group comprises the following main business segments:

(i) Leasing - Leasing involves operating lease of ICT hardware and software without services as well as disposal of assets returned at the end of the operating lease

(ii) Trading - Outright sales of ICT hardware and software

(iii) Service - Provision of ICT services that comprise of corrective and preventative maintenance

(iv) Rental - Rental of ICT hardware and software inclusive of corrective and preventative maintenance

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss for the financial year, in certain respects as set out below, is measured differently from operating profit or loss in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

29. Operating segments (continued)

Business segments

	Leasing RM	Trading RM	Service RM	Rental RM	Others RM	Total RM
Group						
2021						
Revenue						
Revenue	23,091,065	17,467,906	74,706	1,734,858	2,400,000	44,768,535
Consolidation adjustments						(5,207,040)
Consolidated revenue						39,561,495
Results						
Segment profit/ (loss) before interest and taxation	7,328,959	544,722	35,571	534,209	1,463,254	9,906,715
Interest expense						(1,988,177)
Tax expense						(1,845,169)
Consolidation adjustments						(2,197,160)
Consolidated profit for the financial year						3,876,209

Segment profit before interest and taxation includes the following expenses/ (income):

	Leasing RM	Trading RM	Service RM	Rental RM	Others RM	Total RM
Group						
2021						
Depreciation of property, plant and equipment	13,819,697	39,108	167	3,875	-	13,862,847
Depreciation of right-of-use assets	58,193	10,200	44	1,013	-	69,450
ASSETS						
Segment assets	45,199,997	18,492,835	170,207	1,836,651	33,981,953	99,681,643
Consolidation adjustments						(37,039,091)
Consolidated total assets						62,642,552
LIABILITIES						
Segment liabilities	16,801,098	9,477,844	43,104	941,310	5,032,087	32,295,443
Consolidation adjustments						(2,637,481)
Consolidated total liabilities						29,657,962

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

29. Operating segments (continued)

Business segments

	Leasing RM	Trading RM	Service RM	Rental RM	Others RM	Total RM
Group						
2020						
Revenue						
Revenue	23,401,660	23,920,624	134,219	1,287,800	-	48,744,303
Combination adjustments						(9,834,225)
Combined revenue						38,910,078
Results						
Segment profit/ (loss) before interest and taxation	4,180,814	1,358,770	63,152	253,181	(177,241)	5,678,676
Interest expense						(4,712,374)
Tax expense						(331,588)
Combination adjustments						414,257
Combined profit for the financial year						1,048,971

Segment loss before interest and taxation includes the following expenses/ (income):

	Leasing RM	Trading RM	Service RM	Rental RM	Others RM	Total RM
Group						
2020						
Reversal of impairment loss	-	(47,697)	-	-	-	(47,697)
Depreciation of property, plant and equipment	13,592,116	83,375	468	4,488	-	13,680,447
Depreciation of right-of-use assets	101,170	8,855	50	476	-	110,551
Gain on disposal of property, plant and equipment	-	(109)	-	-	-	(109)
ASSETS						
Segment assets	66,720,171	23,142,449	130,507	1,245,906	33,375,541	124,614,574
Combination adjustments						(37,550,489)
Combined total assets						87,064,085
LIABILITIES						
Segment liabilities	43,498,726	14,232,792	82,431	766,243	5,951,682	64,531,874
Combination adjustments						(6,046,039)
Combined total liabilities						58,485,835

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

30. Financial instruments

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities measured at amortised cost ("AC").

	Carrying amount	AC
Group		
2021		
Financial assets		
Trade receivables	5,988,770	5,988,770
Non-trade receivables and deposits	146,960	146,960
Fixed deposits with licensed banks	740,080	740,080
Cash and bank balances	2,068,706	2,068,706
	8,944,516	8,944,516
Financial liabilities		
Trade payables	7,593,567	7,593,567
Borrowings	10,830,887	10,830,887
Non-trade payables and accruals	1,369,434	1,369,434
Irredeemable Convertible Preference Shares ("ICPS")	5,001,628	5,001,628
	24,795,516	24,795,516
2020		
Financial assets		
Trade receivables	10,965,490	10,965,490
Non-trade receivables and deposits	749,022	749,022
Fixed deposits with licensed banks	382,206	382,206
Cash and bank balances	843,015	843,015
	12,939,733	12,939,733
Financial liabilities		
Trade payables	18,668,150	18,668,150
Borrowings	5,272,412	5,272,412
Non-trade payables and accruals	8,284,059	8,284,059
ICT Interest Value	16,330,427	16,330,427
Irredeemable Convertible Preference Shares ("ICPS")	5,782,227	5,782,227
	54,337,275	54,337,275

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

30. Financial instruments (continued)

Categories of financial instruments (continued)

	Carrying amount	AC
Company		
2021		
Financial assets		
Cash and bank balances	537,494	537,494
Financial liabilities		
Non-trade payables and accruals	30,459	30,459
Irredeemable Convertible Preference Shares ("ICPS")	5,001,628	5,001,628
	5,032,087	5,032,087
2020		
Financial assets		
Non-trade receivables and deposits	3,050,000	3,050,000
Cash and bank balances	19,541	19,541
	3,069,541	3,069,541
Financial liabilities		
Non-trade payables and accruals	169,455	169,455
Irredeemable Convertible Preference Shares ("ICPS")	5,782,227	5,782,227
	5,951,682	5,951,682

Net gains and losses arising from financial instruments

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Net losses arising from:				
Financial assets measured at amortised cost				
Fixed deposits interest income	1,037,313	-	-	-
Reversal of impairment loss	-	47,697	-	-
	1,037,313	47,697	-	-

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

30. Financial instruments (continued)

Categories of financial instruments (continued)

Net gains and losses arising from financial instruments (continued)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Net losses arising from:				
Financial liabilities measured at amortised cost				
Interest expenses on:				
- ICT Interest Value	656,076	3,926,999	-	-
- term loans	439,522	203,292	-	-
- bankers' acceptance and trust receipts	176,262	287,998	-	-
- bank overdraft	1,854	6,758	-	-
- ICPS	475,932	-	475,932	-
	1,749,646	4,425,047	475,932	-

Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk and liquidity risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing its credit risk, interest rate risk and liquidity risk.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

30. Financial instruments (continued)

Financial risk management objectives and policies (continued)

(a) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost and deposits with banks and institutions, as well as credit exposures to the Group's customers, including outstanding receivables.

Risk management

The Group and the Company manage their exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by 3 (2020: 2) major customers which constituted approximately 87% (2020: 73%) of its trade receivables for the trade in nature transaction as at the end of the reporting period.

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

Impairment of financial assets

The Group's trade receivables are subject to expected credit loss model.

While cash and cash equivalents, refundable deposits and loans and advances to subsidiaries are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

30. Financial instruments (continued)

Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

Impairment of financial assets (continued)

Trade receivables

On the basis as disclosed in Note 1(d)(iv) to the financial statements, the loss allowance as at 31 January 2021 was determined as follows for trade receivables:

	Gross amount RM	Loss allowances RM	Carrying amount RM
Group			
2021			
Not past due	5,753,685	-	5,753,685
Past due:			
- more than 60 days	141,736	-	141,736
- more than 90 days	18,134	-	18,134
- more than 120 days	75,215	-	75,215
	5,988,770	-	5,988,770
2020			
Not past due	10,843,598	-	10,843,598
Past due:			
- 1 to 30 days	61,873	-	61,873
- 31 to 60 days	48,937	-	48,937
- more than 60 days	11,082	-	11,082
	10,965,490	-	10,965,490

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

30. Financial instruments (continued)

Financial risk management objectives and policies (continued)

(b) Interest risk

The Group's fixed deposits with licensed banks and fixed rate borrowings are exposed to fair value interest rate risk. The Group's variable rate borrowings are exposed to cash flows interest rate risk.

Risk management

The Group's policy is to obtain the most favourable rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	Group	
	2021 RM	2020 RM
Fixed rate instruments		
Fixed deposits with licensed banks	740,080	382,206
Borrowings		
- bankers' acceptance and trust receipts	1,828,461	1,139,257
	2,568,541	1,521,463
Floating rate instruments		
Borrowings		
- term loans	9,002,426	4,133,155

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and financial liabilities at FVTPL. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of debt investments at FVOCI. This analysis assumes that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

30. Financial instruments (continued)

Financial risk management objectives and policies (continued)

(b) Interest risk (continued)

Interest rate risk sensitivity analysis (continued)

Cash flow sensitivity analysis for variable rate instruments (continued)

	Group	
	2021	**2020**
	RM	**RM**
Effect on profit after tax		
Increase of 100 basis points	(68,418)	(31,412)
Decrease of 100 basis points	68,418	31,412

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

Risk management

The Group and the Company practice prudent risk management by maintaining sufficient cash balances.

Maturity analysis

The table below analyse the Company' financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

30. Financial instruments (continued)

Financial risk management objectives and policies (continued)

(c) Liquidity risk (continued)

Maturity analysis (continued)

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	Between 2 to 5 years RM
Group				
2021				
Lease liabilities	156,141	169,623	126,689	42,934
Bankers' acceptance and trust receipts	1,828,461	1,846,746	1,846,746	-
Term loan	9,002,426	9,441,948	4,038,316	5,403,632
Trade payables	7,593,567	7,593,567	7,593,567	-
ICPS	5,001,628	5,001,628	5,001,628	-
Non-trade payables and accruals	1,369,434	1,369,434	1,369,434	-
	24,951,657	25,422,946	18,316,380	5,446,566
Company				
2021				
ICPS	5,001,628	5,001,628	5,001,628	-
Non-trade payables and accruals	30,459	30,459	30,459	-
	5,032,087	5,032,087	5,032,087	-

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

30. Financial instruments (continued)

Financial risk management objectives and policies (continued)

(c) Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	Between 2 to 5 years RM
Group				
2020				
ICT Interest Value	16,330,427	18,880,000	17,510,000	1,370,000
Lease liabilities	580,960	602,154	597,954	4,200
Bankers' acceptance and trust receipts	1,139,257	1,151,387	1,151,387	-
Term loan	4,133,155	4,313,057	2,656,532	1,656,525
Trade payables	18,668,150	18,668,150	18,668,150	-
ICPS	5,782,227	5,782,227	5,782,227	-
Non-trade payables and accruals	8,284,059	8,284,059	8,284,059	-
	54,918,235	57,681,034	54,650,309	3,030,725
Company				
2020				
Amount due to a subsidiary	149,455	149,455	149,455	-
ICPS	5,782,227	5,782,227	5,782,227	-
Non-trade payables and accruals	20,000	20,000	20,000	-
	5,951,682	5,951,682	5,951,682	-

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

30. Financial instruments (continued)

Fair values

The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments. The Directors are at the opinion that the carrying amounts recorded at the reporting date do not differ significantly from the values that would eventually be recovered.

31. Significant events during the financial year

The Directors have closely monitored the development of the outbreak of coronavirus pandemic ("COVID-19") infection in Malaysia. The resurgence in number of new COVID-19 cases has led to the implementation of the Movement Control Order ("MCO"), Conditional Movement Control Order ("CMCO") and other precautionary measures imposed by the Malaysian Government. The COVID-19 pandemic played a part in driving the Digital Economy. Many corporations have implemented work-from-home policies during the MCO implemented by the Malaysian Government, which gave rise to the use of digital tools to enable file sharing, virtual video and audio teleconferencing as well as project management tools. The Group benefitted from the accelerated shift towards the Digital Economy and is expected to continue benefiting as ICT solutions become increasingly essential in carrying out daily operational tasks. Barring any unforeseen circumstances, the Board is of the opinion that the prospects of the Group's financial performance for the financial year ending 31 January 2022 will remain favourable.

32. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 January 2021 and 31 January 2020.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2021

32. Capital management (continued)

The gearing ratio of the Group as at the end of the reporting period was a follows:

	Group	
	2021	**2020**
	RM	**RM**
Borrowings	10,830,887	5,272,412
Add: ICT Interest Value	-	16,330,427
Add: Irredeemable Convertible Preference Shares	5,001,628	5,782,227
Less: Fixed deposits with licensed banks	(740,080)	(382,206)
Less: Cash and bank balances	(2,068,706)	(843,015)
Net debt	13,023,729	26,159,845
Total equity	32,984,590	28,578,250
Total capital	46,008,319	38,407,668
Gearing ratio (times)	0.28	0.68

33. General information

The Company is a public limited company limited by shares that is incorporated and domiciled in Malaysia.

The Company is principally engaged to carry on the business of an investment and holding company. The principal activities of the subsidiaries are as disclosed in Note 12 to the financial statements.

The registered office of the Company is located at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor.

The principal place of business of the Company is located at Ground Floor, Block H, Excella Business Park, Jalan Ampang Putra, 55100 Kuala Lumpur.

The financial statements were approved and authorised for issue by the Board of Directors on 27 May 2021.

ANALYSIS OF SHAREHOLDINGS AS AT 17 MAY 2021

SHARES CAPITAL

Total Number of Issued Shares	: 533,757,500
Class of Shares	: Ordinary Shares
Voting Rights	: One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 17 MAY 2021

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES HELD	% OF SHARES HELD
1 – 99	0	0.00	0	0.00
100 - 1,000	1	0.26	1,000	0.00
1,001 - 10,000	90	22.96	557,800	0.10
10,001 - 100,000	251	64.03	7,353,700	1.39
100,001 to less than 5% of issued shares	49	12.50	98,125,000	18.38
5% and above of issued shares	1	0.25	427,720,000	80.13
Total	392	100.00	533,757,500	100.00

DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company as at 17 May 2021 are as follows:

NO	NAME OF DIRECTORS	NO. OF SHARES HELD			
		DIRECT INTEREST	%	INDIRECT INTEREST	%
1	Datuk Ng Thien Phing	-	-	427,720,000[1]	80.13
2	Lim Kok Kwang	-	-	428,020,000[2]	80.19
3	Vincent Ng Soon Kiat	22,500,000	4.22	125,000[3]	0.02

1 *Deemed interested by virtue of his shareholdings held through ICT Zone Holding Sdn Bhd pursuant to Section 8 of the Companies Act 2016 ("Act").*

2 *Deemed interested by virtue of his shareholdings held through ICT Zone Holding Sdn Bhd, as well as his spouse pursuant to Section 8 and Section 59(11) of the Act.*

3 *Deemed interested by virtue of his spouse pursuant to Section 59(11) of the Act.*

ANALYSIS OF SHAREHOLDINGS AS AT 17 MAY 2021 (CONTINUED)

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders (holding 5% or more of the issued capital) based on the Register of Substantial Shareholders of the Company as at 17 May 2021 and their shareholdings are as follows: -

NO	NAME OF SHAREHOLDERS	NO. OF SHARES HELD			
		DIRECT INTEREST	%	INDIRECT INTEREST	%
1	ICT Zone Holdings Sdn Bhd	427,720,000	80.13	-	-
2	Datuk Ng Thien Phing	-	-	427,720,000[1]	80.13
3	Lim Kok Kwang	-	-	428,020,000[2]	80.19

1 *Deemed interested by virtue of his shareholdings held through ICT Zone Holding Sdn Bhd pursuant to Section 8 of the Act.*
2 *Deemed interested by virtue of his shareholdings held through ICT Zone Holding Sdn Bhd, as well as his spouse pursuant to Section 8 and Section59(11) of the Act.*

ANALYSIS OF SHAREHOLDINGS AS AT 17 MAY 2021 (CONTINUED)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS

NO	NAME OF SHAREHOLDERS	NO OF SHARES	%
1	ICT ZONE HOLDING SDN BHD	427,720,000	80.13
2	CHOO CHIN THYE	25,150,000	4.71
3	VINCENT NG SOON KIAT	22,500,000	4.21
4	ZAFIDI BIN MOHAMAD	22,225,000	4.16
5	KWAN THEAN POH	14,375,000	2.69
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD MEGAT NAJMUDDIN BIN HAJI MEGAT KHAS (PW-M00635)	2,750,000	0.52
7	FAKHRUR RAZI BIN MOHAMAD UNOSE	693,750	0.13
8	TEOH CHEE CHAI	675,000	0.13
9	LAU TIAM WAH	656,250	0.12
10	TEH SIOW VOON	631,250	0.12
11	JUNAIDI BIN ARFANDI	531,250	0.10
12	BOO SOK HUANG	500,000	0.09
13	TAN KIM HOOK	468,750	0.09
14	CHEONG CHOON CHOY	375,000	0.07
15	LIEW SIAW CHUI	375,000	0.07

ANALYSIS OF SHAREHOLDINGS AS AT 17 MAY 2021 (CONTINUED)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS

NO	NAME OF SHAREHOLDERS	NO OF SHARES	%
16	PHANG MANG KAM	312,500	0.06
17	SANDRA TIOE	300,000	0.06
18	NOR SALILA BINTI JALIL	300,000	0.06
19	CHOW WAY KIT	293,750	0.05
20	TAN SIEW KHIM	287,500	0.05
21	LIM BEE LAN	275,000	0.05
22	CHAN SWEE BEE	250,000	0.05
23	TAN PEE CHEE	250,000	0.05
24	CHEAM JIA WEN	250,000	0.05
25	KARTINI SULROLDO	243,750	0.05
26	KHOR LI LUANG	200,000	0.04
27	MOHAMMAD SYAHRIL BIN WILSON	200,000	0.04
28	LAU YEO CHUAN	200,000	0.04
29	ALICIA CHOW LI XIA	187,500	0.03
30	FELICIA CHOW LI YEE	187,500	0.03

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") HOLDINGS AS AT 17 MAY 2021

Total Number of Issued ICPS : 75,320,000
Class of Shares : ICPS

DISTRIBUTION OF ICPS HOLDINGS AS AT 17 MAY 2021

SIZE OF HOLDINGS	NO. OF ICPS HOLDERS	% OF ICPS HOLDERS	NO. OF ICPS HELD	% OF ICPS HELD
1 – 99	0	0.00	0	0.00
100 - 1,000	0	0.00	0	0.00
1,001 - 10,000	0	0.00	0	0.00
10,001 - 100,000	268	70.34	11,740,000	15.59
100,001 to less than 5% of issued ICPS	111	29.13	40,300,000	53.50
5% and above of issued ICPS	2	0.53	23,280,000	30.91
Total	381	100.00	75,320,000	100.00

DIRECTORS' ICPS HOLDINGS

The Directors' ICPS holdings based on the Register of Directors' ICPS holdings of the Company as at 17 May 2021 are as follows: -

NO	NAME OF DIRECTORS	NO. OF SHARES ICPS HELD			
		DIRECT INTEREST	%	INDIRECT INTEREST	%
1	Datuk Ng Thien Phing	-	-	-	-
2	Lim Kok Kwang	40,000	0.05	960,000[1]	1.28
3	Vincent Ng Soon Kiat	-	-	400,000[1]	0.53

[1] *Deemed interested by virtue of his spouse pursuant to Section 59(11) of the Companies Act 2016.*

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") HOLDINGS AS AT 17 MAY 2021 (CONTINUED)

LIST OF TOP 30 LARGEST ICPS HOLDERS

NO	NAME OF ICPS HOLDERS	NO OF ICPS	%
1	CHOO CHIN THYE	14,480,000	19.22
2	MAYBANK NOMINEES (TEMPATAN) SDN BHD MEGAT NAJMUDDIN BIN HAJI MEGAT KHAS (PW-M00635)	8,800,000	11.68
3	TEOH CHEE CHAI	2,160,000	2.87
4	LAU TIAM WAH	1,780,000	2.36
5	BOO SOK HUANG	1,600,000	2.12
6	TAN KIM HOOK	1,500,000	1.99
7	CHEONG CHOON CHOY	1,200,000	1.60
8	LIEW SIAW CHUI	1,200,000	1.60
9	PHANG MANG KAM	1,000,000	1.33
10	SANDRA TIOE	960,000	1.27
11	CHOW WAY KIT	940,000	1.25
12	TAN SIEW KHIM	920,000	1.22
13	LIM BEE LAN	880,000	1.17
14	CHAN SWEE BEE	800,000	1.06
15	TAN PEE CHEE	800,000	1.06

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") HOLDINGS AS AT 17 MAY 2021 (CONTINUED)

LIST OF TOP 30 LARGEST ICPS HOLDERS

NO	NAME OF ICPS HOLDERS	NO OF ICPS	%
16	CHEAM JIA WEN	800,000	1.06
17	KARTINI SULROLDO	780,000	1.03
18	KHOR LI LUANG	640,000	0.85
19	FELICIA CHOW LI YEE	600,000	0.80
20	ALICIA CHOW LI XIA	600,000	0.80
21	NG LENG HOOI	460,000	0.61
22	TING ING SUN	400,000	0.53
23	CHONG LEN OI	400,000	0.53
24	TEN KIM FOONG	400,000	0.53
25	LIEW PEK HIN	400,000	0.53
26	LOH HUEY SHI	400,000	0.53
27	LEE PHAIK BOK	400,000	0.53
28	WONG MING YEOK	400,000	0.53
29	TAN SWEE LIN	400,000	0.53
30	LOO CHEE KIAN	400,000	0.53

NOTICE OF SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Second (2nd) Annual General Meeting **("AGM")** of ICT Zone Asia Berhad (the **"Company"**) will be conducted fully virtual through live streaming via remote participation and online voting from the broadcast venue at Ground Floor, Block C, Excella Business Park, Jalan Ampang Putra, 55100 Kuala Lumpur (**"Broadcast Venue"**) on Thursday, 15 July 2021 at 4.00 p.m. or at any adjournment thereof for the following purposes:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 January 2021 together with the Reports of the Directors and Auditors thereon. — *Please refer to Explanatory Note 1*

2. To approve the payment of Directors' fees and other benefits payable up to RM150,000.00 to be divided amongst the Directors in such manner as the Directors may determine from the conclusion of the 2nd AGM until the conclusion of the 3rd AGM of the Company. — *Ordinary Resolution 1*

3. To re-elect Mr Lim Kok Kwang who is retiring by rotation in accordance with Clause 105(1) of the Company's Constitution. — *Ordinary Resolution 2*

4. To re-appoint Messrs. PKF as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. — *Ordinary Resolution 3*

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution: -

5. AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 75 AND SECTION 76 OF THE COMPANIES ACT 2016 — *Ordinary Resolution 4*

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to Rule 5.04 of the LEAP Market Listing Requirements of Bursa Malaysia Securities Berhad **("Bursa Securities")** and approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue and allot shares of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares issued pursuant to this resolution must be not more than 100% of the total number of issued shares, of which the aggregate number of shares issued other than on pro rata basis to existing shareholders must be not more than 50% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

AND THAT such authority shall continue in force until the conclusion of the 3rd AGM of the Company."

NOTICE OF SECOND ANNUAL GENERAL MEETING (CONTINUED)

6. To transact any other ordinary business for which due notice have been given.

By Order of the Board,

TAN TONG LANG (MAICSA 7045482 / SSM PC NO. 201908002253)
ENG KHOON HONG (MAICSA 7031959 / SSM PC NO. 202008001890)
Company Secretaries

Selangor Darul Ehsan
31 May 2021

Notes :

1. *Please refer to the Administrative Guide for the procedures to register and participate in the virtual meeting. Shareholders will not be allowed to attend the 2nd AGM in person at the Broadcast Venue on the day of the meeting.*
2. *A member of the Company entitled to attend and vote at this meeting may appoint proxy(ies) (or in case of a corporation, a duly authorised representative) to attend and vote on his stead. A proxy may but need not be a member of the Company.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the proxy form shall be executed either under its common seal or under the hand of an officer or attorney duly authorised.*
4. *Where a member appoints one (1) or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.*
5. *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account* ***("Omnibus Account"),*** *there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
6. *The proxy form must be duly completed and deposited at the office of the Share Registrar of the Company, Boardroom.com Sdn. Bhd. at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.*
7. *Only the member whose names appear on the Record of Depositors as at 9 July 2021 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.*

NOTICE OF SECOND ANNUAL GENERAL MEETING (CONTINUED)

Explanatory Notes:

1. Audited Financial Statements for the Financial Year Ended 31 January 2021

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the audited financial statements. As such, this item is not put forward for voting.

2. Ordinary Resolution 1
To approve the payment of Directors' fees and other benefits

Section 230(1) of the Companies Act 2016 provides that the fees and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting.

Pursuant thereto, the total estimated amount of Directors' benefit payable is calculated based on the number of scheduled meetings of the Board and other benefits from the conclusion of 2nd AGM or at any adjournment thereof until the conclusion of the next AGM of the Company.

In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged board composition size), approval will be sought at the next AGM of the Company for additional fees to meet the shortfall.

3. Ordinary Resolution 2
Re-election of Director under Clause 105(1) of the Company's Constitution

Clause 105(1) of the Company's Constitution provides that an election of Directors shall take place each year at the annual general meeting of the Company, where one-third 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 shall retire from office and be eligible for re-election, PROVIDED ALWAYS that Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Mr. Lim Kok Kwang is standing for re-election as Director of the Company and being eligible, has offered himself for re-election.

4. Ordinary Resolution 3
Re-appointment of Auditors

Pursuant to Section 271(3)(b) of the Companies Act 2016, the shareholders shall appoint auditors who shall hold office until the conclusion of the next AGM in year 2022. The current auditors, Messrs. PKF has expressed their willingness to continue in office.

The Board of Directors of the Company have considered the re-appointment of Messrs. PKF as the auditors of the Company and recommends the re-appointment of Messrs. PKF as external auditors of the Company to hold the office until the conclusion of the next AGM.

NOTICE OF SECOND ANNUAL GENERAL MEETING (CONTINUED)

Explanatory Notes:

5. Ordinary Resolution 4

Authority to Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution 4, if passed, will grant the Company a renewed general mandate **("General Mandate")** under Sections 75 and 76 of the Companies Act 2016 and subject to Rule 5.04 of the LEAP Market Listing Requirements of Bursa Securities.

The Ordinary Resolution 4, if passed, will give the Directors of the Company authority to issue ordinary shares in the Company at any time in their absolute discretion without convening a general meeting. The authorisation, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company, or during the expiration of period within which the next AGM is required by law to be held, whichever is earlier.

The General Mandate, if granted, will provide flexibility to the Company for any possible fund-raising activities, including but not limited to, further placing of shares, for the purpose of funding investment project(s), working capital and/or acquisitions.

As at the date of this Notice, the Company has not issued any ordinary shares pursuant to the general mandate that granted by the shareholders at the 1st AGM of the Company held on 27 October 2020 and hence, no proceeds were raised therefrom.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

ICT ZONE ASIA BERHAD – Annual General Meeting

Date	:	Thursday, 15 July 2021
Time	:	4.00 p.m.
Broadcast Venue	:	Ground Floor, Block C, Excella Business Park, Jalan Ampang Putra, 55100 Kuala Lumpur.
Virtual Meeting accessible at	:	https://web.vote2u.app

In light of the coronavirus (COVID-19) outbreak, governmental decrees, and the encouragement of the Securities Commission Malaysia, as well as in the best interest of public health and the health and safety of our Board of Directors, employees and shareholders, the Annual General Meeting **("AGM")** will be held virtually and online remote voting using the Remote Participation and Voting Facilities **("RPV").**

We strongly encourage our shareholders whose names appear on the Record of Depositors as at 9 July 2021 and holders of proxy for those shareholders to participate in the virtual AGM and vote remotely at this AGM. In line with the Malaysian Code on Corporate Governance Practice 12.3, this virtual AGM will facilitate greater shareholder's participation (including posting questions to the Board of Directors and/or Management of the Company) and vote at the AGM without being physically present at the venue. For shareholders who are unable to participate in this virtual AGM, you may appoint proxy(ies) or the Chairman of the Meeting as your proxy to attend and vote on your behalf at the AGM.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of the participants (shareholders and proxies). Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained while using RPV provided by Agmo Digital Solutions Sdn. Bhd. **("AGMO")** via its **Vote2U Online** website at https://web.vote2u.app

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONTINUED)

PROCEDURES TO PARTICIPATE IN RPV

Please follow the Procedure to Participate in RPV as summarized below:

BEFORE AGM DAY

A: REGISTRATION

Individual Shareholders

	Description	Procedure
i.	Shareholders to register with Vote2U online	The registration will open from the day of notice a. Access website at https://web.vote2u.app b. Click "***Sign Up***" to sign up as a user. c. Read the 'Privacy Policy' and 'Terms & Conditions' and indicate your acceptance of the 'Privacy Policy' and 'Terms & Conditions' on a small box ☐. Then click "***Next***". d. *Fill-in your details (note: create your own password). Then click "***Continue***". e. Upload softcopy of your identification card (MYKAD) (front only) (for Malaysian) or Passport (for non-Malaysian). f. Log in as user completed. g. Your registration will be verified and an email notification will be sent to you. Please check your email. Note: If you have registered as a user with Vote2U Online previously, you are not required to register again. *Check your email address is keyed in correctly. *Remember the password you have keyed-in.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONTINUED)

B: REGISTER PROXY

Individual Shareholder / Corporate Shareholder / Nominees Company

	Description	Procedure
i.	Submit Form of Proxy (hardcopy)	The closing time to submit your hardcopy Form of Proxy is at **4.00 p.m., Tuesday, 13 July 2021.** a. *Fill-in details on the hardcopy Form of Proxy and ensure to provide the following information: o MYKAD (for Malaysian) / Passport (for non-Malaysian) number of the Proxy o *Email address of the Proxy Submit/Deposit the hardcopy Form of Proxy to office of the Share Registrar of the Company at **Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor.** Note: After verification, an email notification will be sent to the Proxy and will be given a temporary password. The Proxy could use the temporary password to log in to Vote2U. *Check the email address of Proxy is written down correctly.

Shareholders who appoint Proxy(ies) to participate the virtual AGM must ensure that the e-Proxy form and/or hardcopy Form of Proxy is submitted not less than 48 hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

ON AGM DAY

A : WATCH LIVE STREAMING

Individual Shareholders & Proxies

	Description	Procedures
i.	Login to virtual meeting portal - Vote2U online & watch Live Streaming.	The Vote2U online portal will open for log in starting from **3.00 p.m., Thursday, 15 July 2021**, one (1) hour before the commencement of the AGM. a. Login with your email and password b. Select the General Meeting event (for example, "_____ AGM"). c. Check your details. d. Click "***Watch Live***" button to view the live streaming.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONTINUED)

B: ASK QUESTION

Individual Shareholders & Proxies

	Description	Procedures
i.	Ask Question during AGM (real-time)	Questions submitted online using typed text will be moderated before being forwarded to the Chairman to avoid repetition. Every question and message will be presented with the full name of the shareholder or proxy raising the question. a. Click "***Ask Question***" button to post question(s). b. Type in your question and click "***Submit***". The Chairperson / Board of Director will endeavor to respond to questions submitted by remote shareholders and proxies during the AGM.

C: VOTING REMOTELY

Individual Shareholders & Proxies

	Description	Procedures
i.	Online Remote Voting	Once the Chairman announces the opening of remote voting: a. Click "***Confirm Details & Start Voting***". b. To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Click "***Next***" to continue voting for all resolutions. c. To change your vote, click "***Back***" and select another voting choice. d. After you have completed voting, a Voting Summary page appears to show all the resolutions with your voting choices. Click "***Confirm***" to submit your vote. **[**Please note that you are not able to change your voting choices after you have confirmed and submitted your votes.**]**

ADDITIONAL INFORMATION

Voting Procedure

The voting at the AGM will be conducted by poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONTINUED)

Broadcast Venue

Broadcast Venue means the place where the broadcasting is taking place to transmit or air the meeting online. It could be a studio or a meeting room.

Shareholders and proxies are not advisable to go to the broadcast venue as it is only a place where the meeting is broadcast for transmission online in the present of Chairman, Directors, Chief Executive Officer, Auditors, Company Secretary and senior management. No seating and refreshment will be arranged for shareholders and proxies at the broadcast venue when it is a fully virtual meeting.

If shareholders and proxies arrive at the broadcast venue, the management has the right to ask you to leave the broadcast venue in order to comply with the government decrees and S.O.Ps.

Enquiry

a. If you have enquiry relating to the AGM Administrative Guide for Shareholders, please contact our Investor Relation during office hours:

   Email: admin.registrar@boardroom.com.my

b. If you have enquir relating to the RPV or encounters issues with the log in, steps to connect to live streaming and online voting:

   Email: vote2u@agmostudio.com

ICT ZONE ASIA BERHAD
Registration No. 201901003459 (1312785-X)
(Incorporated in Malaysia)

PROXY FORM

No. of shares held	
CDS Account No	

I/We...I.C./Passport/Company No. ....
of ....
contact number...and email address...
being a member/members of ICT ZONE ASIA BERHAD hereby appoint
....I.C./Passport/Company No..
of ....
contact number..and email address ....
and/ or failing him/her, ...I.C./Passport/Company No. ....
of ....
contact number..email address..

or* the CHAIRMAN OF THE MEETING* as *my/our Proxy(ies) to vote for *me/us and act on *my/our behalf at the Second (2nd) Annual General Meeting ("AGM") of the Company to be conducted fully virtual through live streamingvia remote participation and online voting from the Broadcast Venue at Ground Floor, Block C, Excella Business Park, Jalan Ampang Putra, 55100 Kuala Lumpur on Thursday, 15 July 2021 at 4.00 p.m. or at any adjournment thereof in the manner as indicated below:-

No.	Ordinary Resolutions	*For	*Against
1.	To approve the payment of Directors' fees and other benefits payable up to RM150,000.00 to be divided amongst the Directors in such manner as the Directors may determine from the conclusion of the 2nd AGM until the conclusion of the 3rd AGM of the Company.		
2.	To re-elect Mr. Lim Kok Kwang as Director.		
3.	To re-appoint Messrs. PKF as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
4.	Authority to allot shares pursuant to Section 75 and Section 76 of the Companies Act 2016.		

*** Strike out whichever not applicable.*

[Please indicate with (X) in the space provided how you wish your vote to be casted. If no specific direction as to voting is given, the Proxy will vote or abstain at his(her) discretion.]

Dated this....................day of................................2021

Name of Proxy	Proportion of Shares Held
1.	
2.	
Total Number of Shares Held	

....
(Signature(s)/Common Seal of Shareholder)

Fold this flap for sealing

Notes :

(1) Please refer to the Administrative Guide for the procedures to register and participate in the virtual meeting. Shareholders will not be allowed to attend the 2nd AGM in person at the Broadcast Venue on the day of the meeting.

(2) A member of the Company entitled to attend and vote at this meeting may appoint proxy(ies) (or in case of a corporation, a duly authorised representative) to attend and vote on his stead. A proxy may but need not be a member of the Company.

(3) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the proxy form shall be executed either under its common seal or under the hand of an officer or attorney duly authorised.

(4) Where a member appoints one (1) or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.

(5) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ***("Omnibus Account")****, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*

(6) The proxy form must be duly completed and deposited at the office of the Share Registrar of the Company, Boardroom.com Sdn. Bhd. at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

(7) Only the member whose names appear on the Record of Depositors as at 9 July 2021 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.

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AFFIX
STAMP

The Share Registrar of
ICT ZONE ASIA BERHAD
Registration No. 201901003459 (1312785-X)
Level 5, Block B, Dataran PHB,
Saujana Resort, Section U2,
40150 Shah Alam, Selangor

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