iCT zone

ANNUAL REPORT

2022

Techfin | Beyond Tech & Finance

TABLE OF CONTENTS

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Seri 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

HEAD OFFICE

Ground Floor, Block H,
Excella Business Park,
Jalan Ampang Putra,
55100 Ampang Kuala Lumpur,
Wilayah Persekutuan.
Tel : +603 4289 5288 Fax : +603 4289 5388
www.ictzone.asia
info@ictzone.asia

COMPANY SECRETARIES

Tan Tong Lang (MAICSA 7045482 / SSM PC NO. 20220800250)
Level 5, Block B, Dataran PHB,
Saujana Resort, Section U2,
40150 Shah Alam, Selangor.
Tel : +603 7890 0638 Fax : +603 7890 1032

Eng Khoon Hong (MAICSA 7031959 / SSM PC NO. 202008001890)
Ground Floor, Block H,
Excella Business Park,
Jalan Ampang Putra,
55100 Ampang Kuala Lumpur,
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	**Aldpro Corporate Services 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

Trading, repairing and servicing of computers and related parts and accessories

ICT ZONE

100%

Provision of ICT Solutions, management of investment schemes as well as leasing and factoring facilities services

ICT ZONE VENTURES

100%

Dormant. Intended to provide ICT financing services

TECHFIN CAPITAL

100%

Engaged in the business of information technologies, cloud solutions and cloud consultancy

HAAS TECHNOLOGIES

58.25%

BOARD OF DIRECTORS' PROFILE

Datuk Seri Ng Thien Phing
Non-Independent Non-Executive Chairman

Age :
- 47

Date of Appointment :
- 28 January 2019

Nationality :
- Malaysian

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 Seri Ng Thien Phing started his career upon his graduation, with one of the largest conference providers in Malaysia before setting up NTP World Forum Sdn. Bhd in 1999 to provide training which include both local and international multinational companies.

In 2001, he ventured into the business of providing innovative solutions, introducing ICT rental businesses to support the ICT functions of both government and private sectors.

As Managing Director, Datuk Seri Ng role is vital in strategically steering the company in meeting its business objectives.

This include successfully initiating the company fund raising approval of a total fund size of RM110 million in 2010 and RM50 million in 2014 respectively to facilitate the company growth.

In 2019, Datuk Seri Ng was appointed as Non-Independent Non-Executive Chairman in ICT Zone Asia Berhad which is currently listed on the LEAP Market of Bursa Malaysia.

Among Datuk Seri Ng's other business include property development which has grown to be a renowned premier developer better known as SkyWorld Development Group which aims to provide ultimate Sky Living experience in a sustainable environment within the city centre.

BOARD OF DIRECTORS' PROFILE

Lim Kok Kwang
Managing Director and Chief Executive Officer

Age :
- *47*

Date of Appointment :
- *28 January 2019*

Nationality :
- *Malaysian*

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 with Datuk Seri 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

Age :
- 46

Date of Appointment :
- 13 January 2020

Nationality :
- Malaysian

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.

Vincent then 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
45 , Male, Malaysian

Academic/Professional Qualification(s):

- Diploma in Accountancy, Politeknik Kota Bharu, Kelantan, Malaysia (1997)
- 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 risk, insurance and claim assessments.

Kwan joined ICT Zone and ICT Zone Ventures as General Manager in 2008, to manage the back- end services namely, Accounts, Finance, Human Resources and Administration.

In 2019, he assumed his present position as our General Manager where he is responsible for overseeing Corporate Governance Risk for our Group.

KEY MANAGEMENT TEAM'S PROFILE

Teh Siow Voon
Assistant General Manager - Corporate Finance
41, 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 Senior Manager of Corporate Finance in 2017.

She assumed her current position of Assistant General Manager of Corporate Finance of our Group in 2019 and is responsible for overseeing the back-end operations namely, Accounts, Finance, Human Resources and Administration.

KEY MANAGEMENT TEAM'S PROFILE

Lau Yeo Chuan
Credit Controller
51, 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 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 **"Company"**), I am privileged to present to you our maiden Annual Report and audited financial statements for the financial year ended (**"FYE"**) 31 January 2022.

Highlights

Our listing on the LEAP Market of Bursa Securities in 2020 in the middle of a global-wide turbulence caused by the COVID-19 pandemic was challenging yet proved to be a fruitful one. Following the success of our listing, our Company and subsidiaries (**"Group"**) has seized the opportunities presented to us in the equity capital market to grow our business and ensure its sustainability.

In line with the vision to strengthen our growth roadmap, we embarked on a corporate rebranding exercise in 2021 which signaled the reinvention of ICT Zone Asia into a leading player in the Technology and Finance Sectors through the provision of a comprehensive Techfin ecosystem to our customers to bridge the gap between technology and finance.

In line with the circular economy framework, which promotes the optimisation of resources, the reduction in raw materials consumption, and the recovery of raw materials through recycling or repurposing to give old products a second life, we have established an Integrated Technology and Financing Framework. This framework consists of an all-inclusive Technology Lifecycle Management and sustainable disposal solutions as well as innovative financial solutions regulated by Financial Markets specifically tailored to each of our customer's needs. Thus, the creation of our "One Vendor, One Experience, One Price" philosophy, which advocates for the empowerment of individuals and businesses in seizing control of their business strategy through customizable technology and financing solutions, was born.

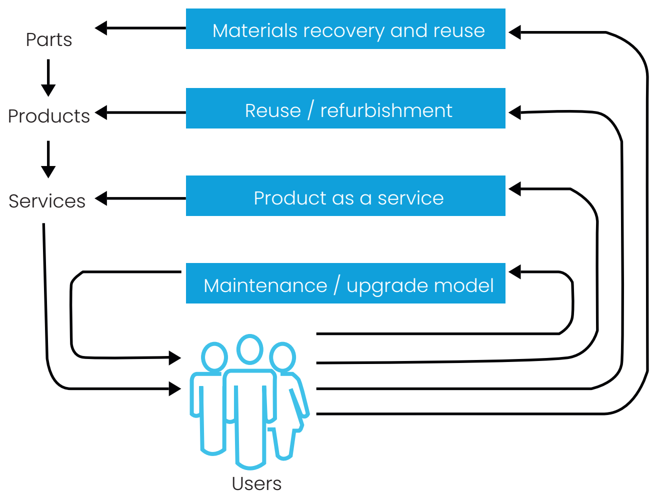


Diagram 1: Cicular Economy

Our efforts as a proponent of the circular economy framework have been recognised hence, we received a new mandate from our Principals namely Hewlett-Packard (M) Sdn. Bhd., Microsoft and Intel Malaysia to strategically collaborate to provide Device as a Service (**"DaaS"**) Solution which comprise life cycle management and device recovery services with financial solution.

CHAIRMAN'S STATEMENT

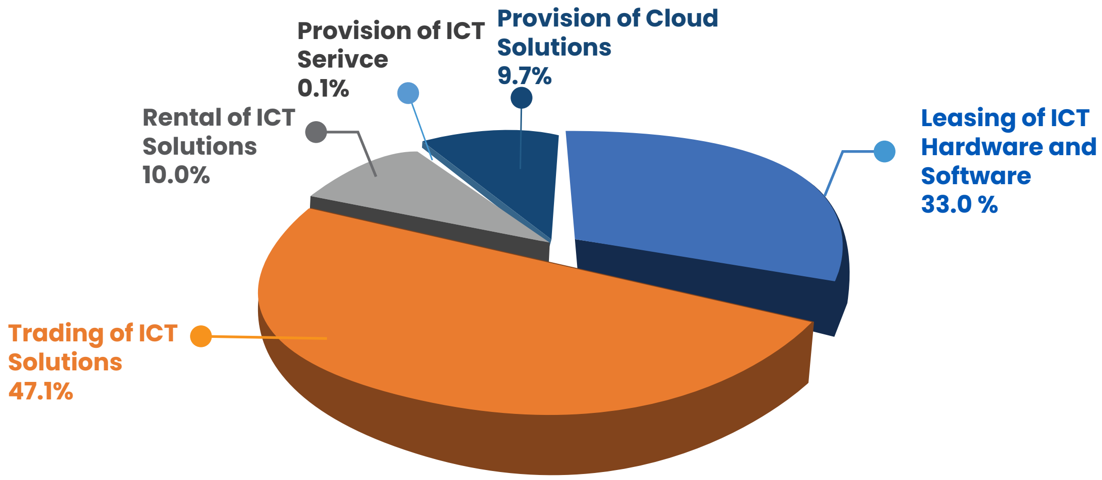
This allows us to expand our presence and reach into the corporate sector which will effectively result in a more balanced customer portfolio for our Group which had mostly been serving government clients previously.

Performance review

For the FYE 31 January 2022, our Group recorded a revenue of approximately RM52.0 million, which translates to an increase of approximately RM12.5 million or 31.5% from the preceding financial year's revenue of RM39.6 million. The increase in revenue can be attributed to the higher sales secured by our trading of ICT solutions segment as a result of a contract secured from the government sector during the financial year under review as well as the recognition of income from our new cloud solutions and services segment via CLOUDIFY.ASIA.

The bulk of our revenue was contributed by our trading of ICT solutions segment, which recorded approximately RM24.5 million or 47.1% of the total revenue. Meanwhile, the leasing of ICT hardware and software segment is our second largest revenue contributor, generating approximately RM17.2 million or 33.0% of our total revenue. The remaining segments, namely the rental of ICT solutions and the provision of ICT services contributed approximately RM5.2 million or 10.0% and RM0.6 million or 0.1% respectively while provision of cloud solution segment makes up the balance, contributing approximately RM5.1 million or 9.7% to our Group's total revenue.

REVENUE SEGMENTAL FYE 31 JANUARY 2022



In line with the increase in revenue, our Group also posted a relatively higher profit before tax for the FYE 31 January 2022 of approximately RM6.4 million as compared to approximately RM5.7 million reported for the preceding financial year, an increase of approximately RM0.7 million.

Dividend

In accordance with the terms of irredeemable convertible preference shares (**"ICPS"**) as set out in our Information Memorandum dated 6 November 2020, we had paid a preference dividend of RM0.02 per ICPS on 15 October 2021. This amounted to a total of approximately RM1.5 million paid out to our ICPS holders for the financial year under review. Meanwhile, our Board did not declare any dividend pay-out to our ordinary shareholders for the FYE 31 January 2022 as we intend to conserve our cash reserve for future growth plans.

CHAIRMAN'S STATEMENT

Prospect

Today, the world is increasingly digitalised from the way societies interact, to how businesses operate and delivery of public service. The immense speed and reach of digitalisation in recent years have been unprecedented especially during the recent time of crisis as digital technologies were what kept people, governments and businesses connected. According to the World Bank, the digital economy is equivalent to 15.5% of global Gross Domestic Product (**"GDP"**), growing two and a half times faster than the global GDP over the past 15 years.

Countries are investing in the digital economy to ensure they become more inclusive, efficient and innovative by leveraging digital technologies. This includes Malaysia especially through the establishment of the Malaysian Digital Economy Blueprint, which aims to transform Malaysia into a digitally-driven, high-income nation and a regional leader in the digital economy.

Digital strategy and sustainability are increasingly important and increasingly intertwined. In a recent survey of 400 executives from various industries and regions conducted by Bain & Company and the World Economic Forum, 40% of respondents said they believe digital technologies are already having a positive impact on their sustainability goals. The increased adoption of digital technologies does not only make measuring and tracking of sustainability progress possible, but it also optimises the use of resources, reduces greenhouse gas emissions, and make possible a more circular economy. Consequently, there is an increased momentum in the adoption of environmental, social and governance (**"ESG"**) principles in a wide variety of business segments including the banking sector.

In Malaysia, this significant development is reflected in Bank Negara Malaysia's (**"BNM"**) recent launch of the Financial Sector Blueprint 2022-2026 which entails BNM's priorities including facilitating an orderly transition on the banking system into a greener economy. In support of this, local banks are taking efforts to integrate ESG considerations in their governance, business strategy, operations and risk management.

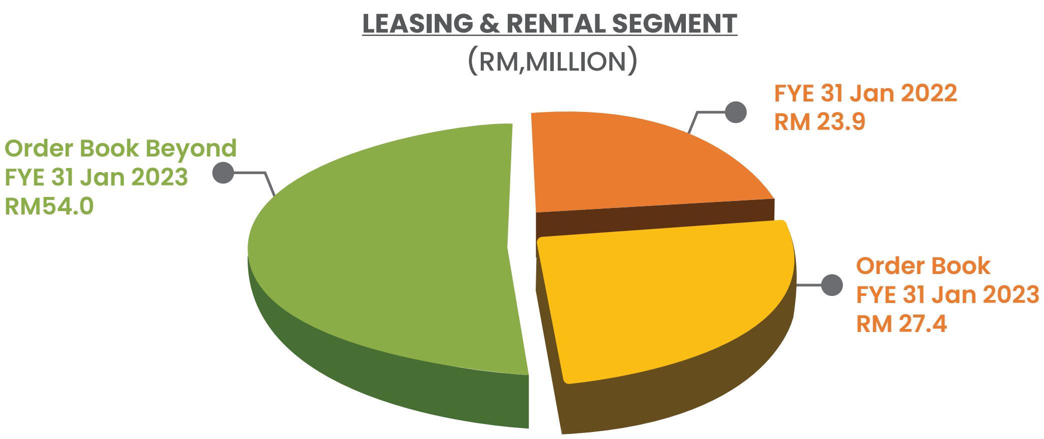
We believe that this encouraging backdrop will augur well with our future growth plans which focus on further expanding our business. As a responsible corporate citizen, we have continued to place more emphasis on our ESG initiatives by integrating it with our business strategy. As a result, we have begun to offer an all-inclusive Technology Lifecycle Management and sustainable disposal solutions which is in line with the Circular Economy. Consequently, this has strengthened our leasing business growth effort as BNM seeks to provide support to ESG-committed companies in line with its Financial Sector Blueprint 2022-2026.

Concurrently, we also intend to expand our revenue stream for device management software and computer security software. As a part of this expansion plan, we have been appointed by Hewlett-Packard (M) Sdn. Bhd. as the authorised master reseller for the subscription of its device management software and computer security software, HP Proactive Insights, in June 2021.

On top of that, we also intend to offer a new option for the financing of ICT solutions to our new and existing customers.

CHAIRMAN'S STATEMENT

At the same time, we will also maintain our focus on growing our leasing and rental segments which contributed approximately 43.0% to our total revenue for the FYE 31 January 2022. The anticipated growth of these two segments is reflected in our order book for the next three years, which stands at approximately RM81.4 million, of which RM27.4 million is expected to be recognised in the financial year ending 31 January 2023.



Last but not least, as ESG has gained a greater importance amongst investors, policymakers, and other key stakeholders, we aspire to increase our investment and commitment in ESG matters moving forward. We believe that with a deeper commitment into ESG and a ready attitude to adapt to changing socio-economic and environmental conditions, we would be better able to identify strategic opportunities and meet competitive challenges.

Acknowledgements

As ever, our success is built on the stability and effectiveness of our employees across our Group who has shown stellar performance and unwavering dedication despite challenging economic conditions. For this exemplary show of commitment to our Group and our business, I express my heartfelt thank you and utmost appreciation to each and every one of you.

On behalf of our Board, I also wish to record my heartfelt appreciation to our shareholders, Channel Partners, Strategic Partners and other business associates as well as our customers for their relentless support and confidence in our Group.

Last but not least, my utmost gratitude also goes to my fellow colleagues on our Board for their active participation, contribution and wise counsel. I look forward to their continuous support in the next financial year.

Datuk Seri Ng Thien Phing
Non-Independent Non-Executive Chairman

MANAGEMENT'S DISCUSSION & ANALYSIS

Introduction

ICT Zone Asia Berhad ("**ICT Zone Asia**" or "**Company**") was established in 2019 as an investment holding company to facilitate our listing on the Leading Entrepreneur Accelerator Platform (**"LEAP"**) Market of Bursa Malaysia Securities Berhad (**"Bursa Malaysia"**). Our Company and subsidiaries (**"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 Sdn. Bhd. (**"ICT Zone"**), ICT Zone Ventures Berhad (**"ICT Zone Ventures"**) and Techfin Capital Sdn. Bhd. (**"Techfin Capital"**), which is currently dormant, 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.

On 18 November 2021, our Group entered into a share sale and purchase agreement with ICT Zone Holding Sdn. Bhd. to acquire 255,000 ordinary shares in HaaS Techologies Sdn. Bhd. (**"HaaS"**), a company which is principally engaged in cloud solutions and cloud consultancy services under the CLOUDIFY.ASIA brand for a total cash consideration of RM204,000. At the same time, our Group had also entered into a share subscription agreement with HaaS for a total subscription sum of RM276,000. Following this, on 22 November 2021, HaaS became a 58.3% owned subsidiary of our Group.

Business Overview

Our Group's principal activities are categorised as follows:.

Products and Services

Our Group's ICT solutions comprise ICT hardware and software as well as Cloud Solutions and Services as illustrated below.

ICT Hardware	ICT Software*	ICT Services	Cloud Solutions & 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	• Cloud Solutions • Cloud consultancy service

* Normally bundled with ICT hardware and are sourced from Principals .

MANAGEMENT'S DISCUSSION & ANALYSIS

Products and Services and Solutions Segment

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.

DaaS 360

Device as a Service (DaaS) delivers a modern Device & Service by subscription model which is designed to simplify how commercial organisations receive their financing services. Internal users are equipped with the right hardware through Proactive & Analytical Services, Remote-Managed & Device Recovery Services.

We offer complete device lifecycle management to get the job done – improving company cash flow, end user productivity, IT efficiency & cost predictability.

i-Leasing

We provide leasing for technology equipment as well as solutions that are adherent to Islamic concepts and regulations.

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. We also offer new ICT equipment which consists of our key brands such as Hewlett-Packard, Dell and Lenovo amongst others.

EZ Tech

We offer trading solutions where products are procured from our Principals and are then sold to end-users.

Komputer Murah

We offer a complete spectrum of refurbished products ranging from computer, projector and printer to peripheral devices and other accessories.

MANAGEMENT'S DISCUSSION & ANALYSIS

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.

EZ Rental (Long-term Rental)

We specialise in the long-term rentals of various IT equipment which includes computers, laptops, projectors, printers, scanners, display screens, tech devices and more. We offer additional services including maintenance, warranties and insurance regardless if they are new or pre-owned tech devices.

Rentit.my (Flexible Rent)

For short-term and long-term usage, we also offer rental on equipment such as computers, laptops, projectors, printers, scanners, display screens, tech devices and more. Our solutions do not have a binding contract, yet still come equipped with warranty and insurance, providing more flexibility for smaller scale businesses and end-users.

Provision of ICT services and Cloud solution and 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.

Cloudify.Asia

Cloudify.Asia is a hybrid multi cloud infrastructure and architecture solution, complete with additional services and consultancy. Cloudify is a non-traditional cloud service provider that allows users to choose and customise their cloud services.

MANAGEMENT'S DISCUSSION & ANALYSIS

Business Developments

Our listing on the LEAP Market of Bursa Malaysia in 2020 had been a catalyst for change for ICT Zone Asia. A year after our successful listing ceremony, our Group has grown and evolved within the marketplace to offer a comprehensive techfin ecosystem to create a simplified, inclusive and flexible technology financing, connecting people with technology through our "One Vendor, One Experience, One Price" philosophy.

In line with this newly minted philosophy, we now provide customisable technology and financing solutions to our clients that allows them complete control of their business strategy, through a more transparent, flexible and personalised approach. Since its introduction, we have garnered favourable support from our clients. This has also resulted in our Group receiving new mandate from our Principals which are Hewlett-Packard (M) Sdn. Bhd., Microsoft Corporation and Intel Malaysia to provide Device as a Service (**"DaaS"**) to their clients. The provision of DaaS has allowed us to penetrate into the corporate sector such as to small and medium enterprises hence resulting in a more balanced client portfolio for our Group which had mostly been serving government clients previously.

As a firm that is an advocate of highly advanced information and communication technology (**"ICT"**) solutions, our goal is to bridge the gap between digital transformation, finance and sustainability while simultaneously empowering individuals and businesses alike to take charge of their business strategy to ensure business sustainability.

In line with this, we ventured into the provision of cloud services through our acquisition of CLOUDIFY.ASIA in 2021. Through this acquisition, we will be able to serve our customers better by providing cloud solutions and cloud consultancy services.

Review of financial results and financial condition

The segmental breakdown of our Group's revenue for the FYE 31 January 2022 and 31 January 2021 by business segments is illustrated below:

	FYE 31 January 2022	**FYE 31 January 2021**
	RM	**RM**
Leasing of ICT hardware and software	17,192,224	19,831,390
Trading of ICT solutions	24,531,687	15,150,079
Rental of ICT solutions	5,191,086	4,504,820
Provision of ICT services	57,435	74,706
Provision of Cloud solutions	5,061,006	-
Total	**52,033,438**	**39,561,495**

MANAGEMENT'S DISCUSSION & ANALYSIS

Review of financial results and financial condition (Continued)

The following table illustrates the comparison of financial highlights of our Group for the FYE 31 January 2022 and 31 January 2021::

	FYE 31 January 2022	FYE 31 January 2021
	RM	RM
Revenue	52,033,438	39,561,495
Gross profit ("**GP**")	12,136,006	9,761,802
Profit before taxation ("**PBT**")	6,428,895	5,721,377
Profit after taxation ("**PAT**")	4,369,726	3,876,209
Net assets ("**NA**")	37,230,100	32,984,590
Total assets	76,134,949	62,642,552
Borrowings	18,786,958	10,830,887
Gearing (times)	0.25	0.28
Earnings per Share [(1)] (sen)	0.82	0.72
NA per Share [(1)] (sen)	6.98	6.18

Note:

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

For the current financial year under review, our Group's revenue increased to approximately RM52.0 million from RM39.6 million in the FYE 31 January 2021, representing an increase of approximately RM12.5 million or 31.5%. The increase in our Group's revenue was mainly attributable to higher sales for our trading of ICT solutions segment as a result of a contract secured from the government sector during the financial year under review. On top of this, the significant increase in our revenue can also be attributed to the recognition of income from our new cloud solutions and services segment via HaaS.

At the same time, our Group's PBT and PAT increased by approximately RM0.7 million and RM0.5 million respectively in the FYE 31 January 2022, which was mainly attributable to higher gross profit contributed from the rental of ICT solutions segment mainly as a result of lower cost of ICT solutions attributable to the extension of expired rental contracts under the leasing segment. In addition to this, the increase in our PBT and PAT was also due to lower finance costs as a result of the redemption of ICT Zone Ventures Scheme in January 2020 and April 2020.

As at 31 January 2022, our Group's total assets had increased to approximately RM76.1 million from approximately RM62.6 million as at 31 January 2021 which was mainly due to the increase in trade receivables, non-trade receivables, deposits and prepayments, tax recoverable, fixed deposits with licensed banks and cash and bank balances.

MANAGEMENT'S DISCUSSION & ANALYSIS

Review of financial results and financial condition (Continued)

In the same period, our Group's total borrowings had also increased from approximately RM10.8 million to approximately RM18.8 million, mainly due to secured contract financing for awarded contracts. This has affected our gearing ratio which is now recorded at 0.25 times which is a reduction from last year's 0.28 times. The management notes that our current gearing ratio is still within the optimal range for our business operations.

Prospects and outlook

Two years after the onset of the COVID-19 pandemic, the global and local economies have reopened and several countries began to lift restrictions as reported cases and deaths began to decline. In line with this, Malaysia has announced a relaxation of its standard operating procedures and reopened its borders as it transitions into endemicity.

Despite this, many corporations are still maintaining its work-from-home policy, while some have instituted a hybrid working policy, which gave rise to the use of digital tools to establish online presence and the availability of digital infrastructure to enable remote working. Much like at the beginning of the pandemic, our Group has continued to benefit from this situation. This has also accelerated the country's shift towards the Digital Economy and we continue to expect the demand of ICT solutions to become increasingly essential in carrying out daily operational tasks which will bode well for the long-term sustainability of our Group's business.

Our optimism on the long-term prospects of the industry is further substantiated by the Government's establishment of the Digital Economy Blueprint which aims to transform Malaysia into a high-value-added economy and a net exporter of homegrown technologies and digital solutions. The digital economy, which has been growing by leaps and bounds, is expected to make up approximately 23% of Malaysia's gross domestic product and create 500,000 jobs by 2025. In order to achieve this, the Malaysian government intends to invest RM21 billion in the National Digital Network (Jendela) over the next five years, RM1.65 billion in the telecommunications companies to strengthen connectivity to the international submarine cable network until 2023, RM15 billion to roll out 5G connectivity nationwide over a period of 10 years, and between RM12 billion and RM15 billion will be invested by cloud service provider companies over the next five years.

Meanwhile, on the home front, we intend to offer a new option for the financing of ICT solutions to our new and existing customers while also focusing on growing our leasing and rental segments which contributed approximately 42% to our total revenue for the financial year ended 31 January 2022. The anticipated growth of these two segments is reflected in our order book for the next three years, which stands at approximately RM81.4 million, of which RM27.4 million is expected to be recognised in the financial year ending 31 January 2023.


iCT
zone


LEAP MARKET
Listing Ceremony

SUSTAINABILITY STATEMENT

At ICT Zone Asia, we understand the importance of maintaining a balance between our interests as well as the interests of the society. Social and environmental sustainability concerns remain as important drivers of our business' longevity and our role as a member of the society.

Our sustainability strategy was developed after identifying areas where we are able to implement our skills, experience and financial ability to make a positive difference. The foundation of our approach includes having global standards, processes and tools in place to manage the safety of our people, the surrounding community and the environment. In the long run, we aim to continuously improve the way we operate to prevent incidents and identify, avoid where possible and minimise adverse environmental and social impacts across our facilities.

Our business is planned for the long term, which means we can be part of a community for decades. For this reason, our Group has implemented several sustainability initiatives that aim to not only drive growth but also furthering our sustainability journey in the longer term.

Our business is planned for the long term, which means we can be part of a community for decades. For this reason, our Group has implemented several sustainability initiatives that aim to not only drive growth but also furthering our sustainability journey in the longer term.

Governance Structure

Our sustainability initiatives are led by a six-member Sustainability Committee which is helmed by our Group Managing Director. Their roles include identifying and approving sustainability targets, developing sustainability strategies, overseeing implementation of sustainability strategies and evaluating them as well as new sustainability opportunities at the end of the year. These initiatives are supported by each level of our organisation. Not only that, they also ensure processes and controls are in place within respective departments as well as report on performance and targets 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 implementation of sustainability initiatives within our Group.

Economic

As a part of the global community, we have an obligation to bring about positive change to the community we operate in through the optimal and responsible use of our resources. In this respect, 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. As a result, we hope to not only uplift their living standards but also provide support through the provision of employment opportunities to the local population. We have continued to employ local talents as we believe in the value they bring to our Group especially their ability to build a local network and their understanding of the local culture and business practices which allow our operations to proceed smoothly.

SUSTAINABILITY STATEMENT

Economic (Countinued)

In line with this, we are also an advocate of ensuring a steady pipeline of talents for the workforce. To achieve this, we have offered 10 internship placements to university students to 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.

Environmental

We continue to demonstrate commitment to environmental stewardship through a heightened focus on managing our resources such as reducing waste, practising energy efficiency and implementing initiatives to reduce emissions throughout our operations.

Waste Management

We ensure strict compliance with the environmental laws and regulations put in place by the Department of Environment through constant monitoring. To ensure our waste are disposed of in compliance with the proper laws and regulations, we have engaged a professional waste management service to assist in the disposal of waste. For the financial year under review, approximately 100 kg to 120 kg of paper wastes were recycled through recycling vendors. Our Group-wide recycling initiative has also continued to receive support throughout the year as evidenced by our employees who continue to make recycling a top priority as we work collectively towards reducing our environmental footprints and fostering sustainable growth.

As we are in the business of leasing ICT equipment, 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 equipment 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 believe that we can contribute directly to the conservation of natural resources such as water and energy by enhancing the efficiency of water and energy use in our operations. Although we do not have an elaborated water-saving or energy-saving measures in place, this has not stopped us from adopting several initiatives to encourage water and energy conservation on our premises.

Several initiative undertaken by our Group include actively reducing paper consumption, and reducing power consumption through the use of more environmentally friendly batteries, lights, and cleaning detergents.

SUSTAINABILITY STATEMENT

Social

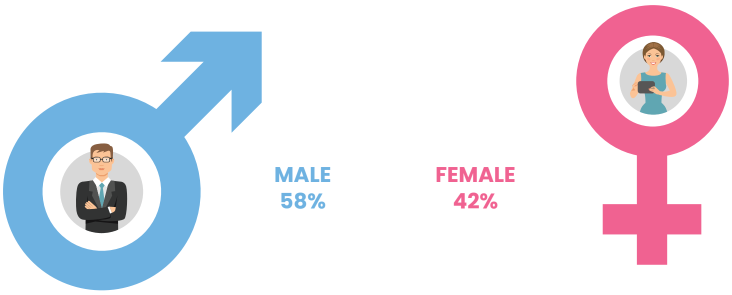
Workplace Diversity

It is intrinsic to our Company's values to respect and to safeguard the welfare of our most valuable asset and a crucial aspect of our continued success, our people. We are well aware of the importance of nurturing a harmonious and fulfilling work environment for our people, most of whom have been with us since day one, that provides equal opportunities for all and ensuring that everyone is treated with dignity and respect.

We strongly believe that a multicultural workforce provides broader exposure for our people and encourages them to embrace different perspective. Therefore, our workforce is well represented by people of all races, ages, religions and gender.

For the financial year under review, our workforce comprises a total of 48 people.

Breakdown of Employees by Gender



Breakdown of Employees by Age Range

21 - 30
years old
35%

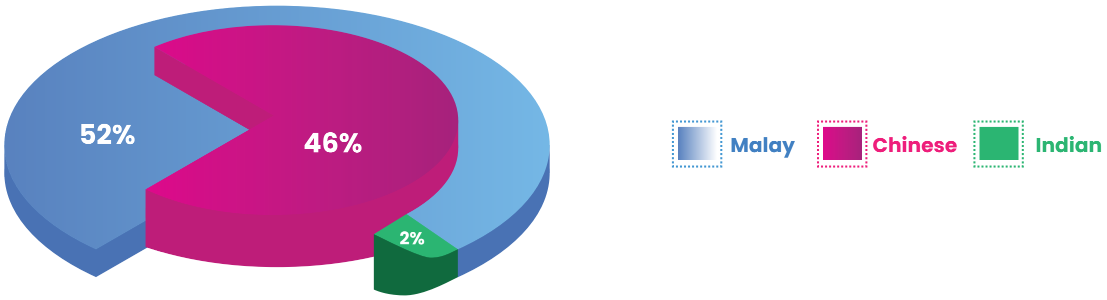
31 – 40
years old
25%

41 – 50
years old
31%

51 – 60
years old
9%

SUSTAINABILITY STATEMENT

Breakdown of Employees by Race



Breakdown of Employees by Employment Type

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 of 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

As a multicultural company, embracing and understanding an eclectic mix of cultures is a part of our effort to create a cohesive and respectful workforce while also helping them sustain morale and improve interpersonal relationships. In order to achieve this, we had throughout the years hosted employee engagement activities including sports competitions specifically intra-departmental futsal, badminton and bowling competitions and monthly birthday celebrations at our Group level. We had also organised festivities to celebrate the respective religious and cultural festivals in Malaysia such as Chinese New Year and Raya Aidilfitri Open House, Iftar sessions, company trips, team building sessions and virtual meetings during the enforced lockdown periods throughout the past two years.

SUSTAINABILITY STATEMENT

Talent Attraction & Retention

In order to achieve this, 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

Despite our best efforts, a total of 6 employees left the Group in the financial year under review to pursue other career advancement opportunities.

Training & Development

We future proof our team by heavily investing in the development and management of our talent to ensure the continuation of critical competencies for succession planning. We ensure talents with the right skills, capabilities and experience are identified and developed through mentoring and training programmes to maintain a sustainable pipeline of talents.

For the financial year under review, 5 employees attended external professional training programmes such as the Elevate Program: Dynamic Marketing, Introduction to Fundraising, and How to Set Relevant Goals/KPI. We also conduct onboarding programme for new employees to help them get acquainted with their roles, their team and our Group to make an active shift towards the contribution to organisational goals.

We also have in place a comprehensive employee evaluation system that measures the hard skills as well as the soft skills of our employees such as relationship building and charisma, to build them to be highly marketable in the industry. In that sense, we conduct annual performance appraisals where employees from all employment levels are reviewed by their respective superiors. The performance appraisals also serve to ensure alignment to our Group's key performance metrics and values, to provide career path guidance and to obtain feedback from employees on their view of our Group.

SUSTAINABILITY STATEMENT

Occupational Safety & Health

We are committed, based on our philosophy of respecting people, to creating a physically and mentally safe workplace through consistent effort and appropriate and careful attention. Hence, we have instituted an Occupational Safety, Health & Environment Policy which promotes a comfortable, safe and healthy working environment for our employees and those who may be affected by our activities. For the financial year under review, only 1 work related injury incident was reported.

While the world continues to adjust and navigate a post-pandemic situation and Malaysia navigates our transition into endemicity, we have maintained key safety COVID-19 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

Our Code of Conduct outlines our Group's tolerance policy towards bribery and corruption. We provide guidance to our employees on conducting business while complying with our Group's policies and applicable laws. Our policy prohibits the offer, promise or giving of any payment or benefit at any time to an individual or entity for the purpose of improperly influencing decisions or actions with respect to our business. This applies to direct engagements as well as to indirect engagements.

Products & Services Responsibility

The quality of our products and services, as well as the security of any information of our clients are held to the highest regard by us at ICT Zone Asia. With our customer satisfaction survey, we are able to provide not only the best products and services to our customers, but also implement improvements to any shortcomings that we may have. For the financial 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

Our success as an organisation depends on the strong and continuing support of our employees, shareholders, consumers, suppliers, local communities, government and relevant authorities, industry and trade associations, media, as well as academia. We believe that being an outstanding corporate citizen and contributing to the vitality of our marketplace are the best ways to command our stakeholders' respect and confidence. One of the ways to achieve this is continuing to improve our sustainability initiatives. Therefore, as we look forward to more growth, we vow to continue embracing and prioritising sustainability initiatives in our core strategies to ensure that we operate safely, efficiently and responsibly while bringing wider benefits to the environment we operate in.

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 the Group.

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED

31 JANUARY 2022 (In Ringgit Malaysia)

STATEMENT ON DIRECTOR 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 the Group.

As required by the Act and the LEAP Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements for the financial year ended 31 January 2022 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 financial statements for the FYE 31 January 2022 set out in this Annual Report, the Directors consider that the Group has adopted appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates.

The Directors have the responsibility in ensuring that the Group maintains accounting records that disclose the financial position of the Group with reasonable accuracy to ensure that the financial statements are in compliance with the Act. The Directors also have the overall responsibility to take such steps that are reasonably available to them to safeguard the assets of the 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 2022.

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	4,369,726	1,557,103
Profit for the financial year attributable to:		
Owners of the parent	4,282,772	1,557,103
Non-controlling interest	86,954	-
	4,369,726	1,557,103

Reserves and provisions

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

Dividends

On 24 September 2021, the Directors declared a first single-tier preference dividend of RM0.02 per Irredeemable Convertible Preference Shares ("ICPS") for the financial year ended 31 January 2022. The preference dividend amounting to a total of RM1,506,400 was paid on 15 October 2021.

The Directors do not recommend any final dividend for the financial year ended 31 January 2022.

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 Seri Ng Thien Phing
Lim Kok Kwang
Vincent Ng Soon Kiat

Directors (continued)

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
Loh Kuo Hsiung
Lee Reng Kwan

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 2022 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 1.2.2021	**Bought**	**Sold**	**Balance as at 31.1.2022**
Direct interest in the Company:				
Vincent Ng Soon Kiat	22,500,000	-	-	22,500,000
Indirect interest				
Datuk Seri 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:				
Datuk Seri Ng Thien Phing	4,675,520	-	-	4,675,520
Lim Kok Kwang	1,656,040	-	-	1,656,040
Vincent Ng Soon Kiat	590,520	-	-	590,520

	Number of Irredeemable Convertible Preference Shares ("ICPS")			
	Balance as at 1.2.2021	**Bought**	**Sold**	**Balance as at 31.1.2022**
Direct interest in the Company:				
Lim Kok Kwang	140,000	-	-	140,000
Indirect interest				
Lim Kok Kwang	960,000	-	-	960,000
Vincent Ng Soon Kiat	400,000	-	-	400,000

Directors' benefits

Since the end of previous financial year, 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 which the 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 RM897,487 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

There were no changes in the shares of the Company during the financial year.

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 2022 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 28 to the financial statements.

Auditors

The auditors, Messrs PKF PLT (202206000012 (LLP0030836-LCA) & AF0911), have indicated their willingness to continue in office.

PKF PLT (202206000012 (LLP0030836-LCA) & AF0911) have been converted from a conventional partnership, PKF (AF0911), to a limited liability partnership on 28 February 2022.

The auditors' remuneration of the Group and of the Company amounted to RM83,500 and RM24,000 respectively for the financial year ended 31 January 2022.

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

DATUK SERI NG THIEN PHING	LIM KOK KWANG

Kuala Lumpur

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 43 to 104 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 2022 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 SERI NG THIEN PHING	LIM KOK KWANG

Kuala Lumpur

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 43 to 104 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)

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 2022, 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 43 to 104.

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 2022, and of their financial performance and their cash flows for the financial year ended 31 January 2022 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 these properties requires the use of significant judgement in selecting the appropriate valuation methods and applying key assumptions in determining the fair value of the properties.

Our procedures included:

(a) evaluating the competence, capabilities and objectivity of the external valuer which includes 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 limiting their scope of work; and
(c) reading the valuation reports for all significant properties and discussing with external valuer on their valuation approach and significant judgements used, including the selection of comparable properties and adjustments for differences in the key attributes of the transacted value of comparable properties.

Restructuring of Subsidiary
(Refer to Notes 2(a) and 12 to the financial statements)

On 18 November 2021, the Company have entered into a share sale and purchase agreement with ICT Zone Holding Sdn. Bhd. ("the holding company") to acquire 255,000 ordinary shares in HaaS Technologies Sdn. Bhd. ("HaaS"), for a total cash consideration of RM204,000. On the same date the Company entered into a share subscription agreement to subscribe for 345,000 new ordinary shares in HaaS for a total subscription sum of RM276,000.

Therefore, the Company had held 600,000 ordinary shares with paid-up capital of RM480,000 and representing 58.25% of total shareholdings or total paid-up capital. HaaS has become a subsidiary of the Company from that date onwards.

The Directors viewed that the shareholders collectively have the power to govern its financial and operating policies as to obtain benefits from its activities and such control has not changed in HaaS despite the change in the shareholdings. Therefore, merger accounting principle are applied for the business combination under the common control.

Our procedures included:

(a) obtained and reviewed the share sales and purchase agreement and share subscription agreement;
(b) discussed with the Directors with regard to their opinion on assessment of controls under business combination; and
(c) review the appropriateness of the merger accounting which was applied in the consolidation adjustments and inter-company adjustment elimination.

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.

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

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.

- 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.

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

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 PLT
202206000012 (LLP0030836-LCA) & AF0911
CHARTERED ACCOUNTANTS

NGU SIOW PING
03033/11/2023 J
CHARTERED ACCOUNTANT

Kuala Lumpur

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022**

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Revenue	3	52,033,438	39,561,495	2,150,000	2,400,000
Cost of goods sold		(39,897,432)	(29,799,693)	-	-
Gross profit		12,136,006	9,761,802	2,150,000	2,400,000
Other income	4	642,837	1,717,488	-	-
Other expenses		(5,457,646)	(3,978,798)	(197,287)	(927,210)
Profit/(Loss) from operations		7,321,197	7,500,492	1,952,713	1,472,790
Finance cost	6	(892,302)	(1,779,115)	(395,610)	(476,914)
Profit/(Loss) before tax	7	6,428,895	5,721,377	1,557,103	995,876
Tax expenses	8	(2,059,169)	(1,845,168)	-	-
Profit, representing total comprehensive income, for the financial year		4,369,726	3,876,209	1,557,103	995,876
Total comprehensive income attributable to:					
Owners of the company		4,282,772	3,876,209	1,557,103	995,876
Non-controlling interest		86,954	-	-	-
		4,369,726	3,876,209	1,557,103	995,876

STATEMENTS OF FINANCIAL POSITION AS AT 31 JANUARY 2022

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	9	42,929,575	41,721,771	4,589	5,109
Right-of-use assets	10	133,457	90,095	-	-
Investment properties	11	11,300,000	11,300,000	-	-
Investment in subsidiaries	12	-	-	33,886,000	33,406,000
		54,363,032	53,111,866	33,890,589	33,411,109
Current assets					
Inventories	13	902,459	322,196	-	-
Trade receivables	14	9,494,055	5,988,770	-	-
Non-trade receivables, deposits and prepayments	15	644,077	386,213	6,833	33,350
Tax recoverable		348,720	19,936	-	-
Fixed deposits with licensed banks	16	864,114	740,080	-	-
Net investment in sub-lease	17	-	4,785	-	-
Cash and bank balances		9,463,683	2,068,706	534,487	537,494
		21,717,108	9,530,686	541,320	570,844
TOTAL ASSETS		76,080,140	62,642,552	34,431,909	33,981,953

STATEMENTS OF FINANCIAL POSITION AS AT 31 JANUARY 2022 (CONTINUED)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	18	28,123,904	28,123,904	28,123,904	28,123,904
Reserve	19	8,945,354	4,860,686	2,383,065	825,962
Equity attributable to owners of the parent		37,069,258	32,984,590	30,506,969	28,949,866
Non-controlling interest		160,842	-	-	-
Total equity		37,230,100	32,984,590	30,506,969	28,949,866
Non-current liabilities					
Irredeemable Convertible Preference Shares	18	3,889,857	5,001,628	3,889,857	5,001,628
Deferred tax liabilities	20	6,654,787	4,655,204	-	-
Lease liabilities	21	-	42,934	-	-
Borrowings	22	14,463,803	5,403,632	-	-
		25,008,447	15,103,398	3,889,857	5,001,628
Current liabilities					
Trade payables	23	7,503,419	7,593,567	-	-
Non-trade payables and accruals	24	1,747,202	1,369,434	35,083	30,459
Borrowings	22	4,323,155	5,427,255	-	-
Tax payable		108,220	51,101	-	-
Lease liabilities	21	159,597	113,207	-	-
		13,841,593	14,554,564	35,083	30,459
Total liabilities		38,850,040	29,657,962	3,924,940	5,032,087
TOTAL EQUITY AND LIABILITIES		76,080,140	62,642,552	34,431,909	33,981,953

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022

	Attributable to the owners of the parent					
	Share capital RM	**Retained earnings RM**	**Merger reserve RM**	**Total RM**	**Non-controlling interests RM**	**Total RM**
Group						
At 1 February 2020	27,593,773	9,090,477	(8,106,000)	28,578,250	-	28,578,250
Issuance of ordinary shares	156,000	-	-	156,000	-	156,000
Issuance of ICPS	374,131	-	-	374,131	-	374,131
Profit, representing total comprehensive income, for the financial period	-	3,876,209	-	3,876,209	-	3,876,209
At 31 January 2021	28,123,904	12,966,686	(8,106,000)	32,984,590	-	32,984,590
Acquisition of subsidiary	-	(256,334)	58,230	(198,104)	73,888	(124,216)
Profit, representing total comprehensive income, for the financial year	-	4,282,772	-	4,282,772	86,954	4,369,726
At 31 January 2022	28,123,904	16,993,124	(8,047,770)	37,069,258	160,842	37,230,100

	Share capital RM	**(Accumulated losses)/ Retained earnings RM**	**Total RM**
Company			
At 1 February 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
Profit, representing total comprehensive income, for the financial year	-	1,557,103	1,557,103
At 31 January 2022	28,123,904	2,383,065	30,506,969

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from operating activities				
Profit before tax	6,428,895	5,721,377	1,557,103	995,876
Adjustments for:				
Depreciation of property, plant and equipment	16,222,818	13,862,847	520	91
Depreciation of right-of-use assets	125,792	69,450	-	-
Effective interim nett yield on ICT Interest Value	-	656,076	-	-
Interest expenses	879,717	1,109,886	395,610	475,932
Loss on lease modification	-	4,772	-	-
Interest income from net investment in sub-lease	(13)	(4,265)	-	-
Loss/(Gain) on disposal of property, plant and equipment	-	(663,612)	-	-
Right-of-use assets written off	1,876	-	-	-
Property, plant and equipment written off	3,311	-	-	-
Operating profit before working capital changes	23,622,396	20,756,531	1,953,233	1,471,899
(Increase)/Decrease in inventories	(580,263)	111,559	-	-
Decrease in net investment in sub-lease	4,785	540,935	-	-
(Increase)/Decrease in receivables	(3,267,245)	8,924,982	26,517	3,016,650
Decrease in capital reserve fund	-	23,083,000	-	-
(Decrease)/Increase in payables	(1,431,920)	(21,129,128)	3,643	(138,996)
Cash generated from operations	18,387,753	32,287,879	1,983,393	4,349,553

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONTINUED)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash generated from operations	18,387,753	32,287,879	1,983,392	4,349,553
Interest received from net investment in sub-lease	13	4,265	-	-
Tax paid	(369,401)	(503,831)	-	-
Tax refunded	5,100	-	-	-
Net cash from operating activities	18,023,465	31,788,313	1,983,392	4,349,553
Cash flows from investing activities				
Net cash flows on acquisition of subsidiaries	263,331	-	(480,000)	(3,100,000)
Net changes in fixed deposits with licensed banks	(113,868)	(517,544)	-	-
Proceeds from disposal of property, plant and equipment	2,314,810	1,328,933	-	-
Acquisition of property, plant and equipment	(18,659,259)	(18,217,936)	-	(5,200)
Net cash used in investing activities	(16,194,986)	(17,406,547)	(480,000)	(3,105,200)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONTINUED)

		Group		Company	
		2022	2021	2022	2021
		RM	RM	RM	RM
Cash flows from financing activities					
Drawdown of term loan	(ii)	14,230,000	7,710,000	-	-
Repayment of term loan	(ii)	(4,445,468)	(2,840,729)	-	-
Dividend paid to ICPS holders		(1,506,400)	(1,506,400)	(1,506,339)	(1,506,400)
Repayment of lease liabilities	(ii)	(3,456)	(527,363)	-	-
Interest paid - others		(868,358)	(617,638)	-	-
Interest paid - lease liabilities		(11,359)	(16,316)	-	-
Net changes in short-term borrowings	(ii)	(1,828,461)	689,204	-	-
Payment of ICT Interest value	(ii)	-	(16,330,427)	-	-
Proceeds from issuance of ordinary shares		-	156,000	-	156,000
Proceeds from issuance of ICPS		-	624,000	-	624,000
Interim nett yield on ICT Interest Value		-	(656,076)	-	-
Net cash from/(used in) financing activities		5,566,498	(13,315,745)	(1,506,339)	(726,400)
Net increase/(decrease) in cash and cash equivalents		7,394,977	1,066,021	(3,007)	517,953
Cash and cash equivalents at 1 February 2021		2,068,706	1,002,685	537,494	19,541
Cash and cash equivalents at 31 January	(i)	9,463,683	2,068,706	534,487	537,494

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONTINUED)

Notes:

(i) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash and bank balances	9,463,683	2,068,706	534,487	537,494

(ii) Reconciliation of liabilities arising from financing activities

	1 February RM	Non-cash flows RM	Cash flows RM	31 January 2022 RM
Group				
Term loan	9,002,426	-	9,470,208	18,472,634
Bankers' acceptance and trust receipts	1,828,461	-	(1,514,137)	314,324
Lease liabilities	156,141	-	3,456	159,597
ICPS	5,001,628	394,629	(1,506,400)	3,889,857

	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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONTINUED)

Notes:

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

	1 February 2021 RM	Non-cash flows RM	Cash flows RM	31 January 2022 RM
Company				
ICPS	5,001,628	394,629	(1,506,400)	3,889,857

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

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 and effective

On 1 February 2021, the Group and the Company have adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 February 2021:

Description

- 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
- Amendments to MFRS 16, Leases: Covid-19-Related Rent Concessions

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

(b) Standards issued but not yet effective

The Group and the Company has 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 beyond 30 June 2021	1 April 2021

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

1. Basis of preparation (continued)

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

The Group and the Company has 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 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
• Annual improvements to MFRSs 2018 - 2020 cycle	
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*	1 January 2022
- Amendments to MFRS 9, *Financial Instruments*	1 January 2022
- 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
• Amendment to MFRS 17 *Insurance Contracts*: Initial Application of MFRS 17 and MFRS 9—Comparative Information	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, *Presentation of Financial Statements*: Disclosure of Accounting Policies	1 January 2023

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

1. Basis of preparation (continued)

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

The Group and the Company has 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 108, *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates	1 January 2023
• Amendments to MFSR 112, *Income Tax*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 Group and 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 2022

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 2022

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 2022

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 12 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 2022

2. Summary of significant accounting policies

(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 2022

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 2022

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.

(iv) 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.

(v) Rendering of networking and cloud services

Revenue from rendering of networking and cloud services is recognised when the services are performed.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

2. Summary of significant accounting policies (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

2. Summary of significant accounting policies (continued)

(d) Tax expense (continued)

(ii) Deferred tax (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

2. Summary of significant accounting policies (continued)

(e) Impairment (continued)

(i) Financial assets (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

2. Summary of significant accounting policies (continued)

(e) Impairment (continued)

(i) 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.

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 ("CGUs")).

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 2022

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% - 20%
Computer and software	20% - 50%
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 2022

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) 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

2. Summary of significant accounting policies (continued)

(h) Financial assets (continued)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

2. Summary of significant accounting policies (continued)

(h) Financial assets (continued)

(i) Subsequent measurement (continued)

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

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.

(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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

2. Summary of significant accounting policies (continued)

(h) Financial assets (continued)

(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.

(i) 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.

(J) Financial liabilities

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

2. Summary of significant accounting policies (continued)

(J) Financial liabilities (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

2. Summary of significant accounting policies (continued)

(k) 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.

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.

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

2. Summary of significant accounting policies (continued)

(k) Leases (continued)

(i) Initial recognition and measurement (continued)

(b) As a lessor (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

2. Summary of significant accounting policies (continued)

(k) Leases (continued)

(ii) Subsequent measurement (continued)

(a) As a lessee (continued)

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.

(l) 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

2. Summary of significant accounting policies (continued)

(m) 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.

(n) Fair value measurements

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.

(o) Government grant

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Government grants relating to income shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to an asset are amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments or presented in the statements of financial position by deducting the grants in arriving at the carrying amount of the asset.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

3. Revenue

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Revenue from contract customers				
At point in time				
Sales of assets	22,249,603	15,150,579	-	-
IT Services	3,007,269	74,706	-	-
	25,256,872	15,225,285	-	-
Other source of income				
Dividend income	-	-	2,150,000	2,400,000
Training	52,106	-	-	-
Rental income from:				
- Computer hardware	8,347,882	4,504,820	-	-
- ICT Equipment	18,376,578	19,831,390	-	-
	26,776,566	24,336,210	2,150,000	2,400,000
	52,033,438	39,561,495	2,150,000	2,400,000

4. Other income

	Group 2022 RM	Group 2021 RM
Government grant	8,400	73,200
Interest income from:		
- fixed deposits	11,975	1,037,313
- net investment in sub-lease	13	4,265
Lease income	593,392	574,008
Others	29,057	28,702
	642,837	1,717,488

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

5. Employee benefits expense

	Group	
	2022	2021
	RM	RM
(a) Staff cost:		
Salaries, allowances and bonus	2,328,706	1,331,022
Contributions to defined contribution plan	252,675	145,200
Social security contributions	24,702	13,795
Other short-term employee benefits	242,070	59,493
	2,848,153	1,549,510
(b) Directors' remuneration:		
Salary and other emoluments	805,722	503,600
Contributions to defined contribution plan	88,380	57,120
Social security contributions	3,385	1,846
	897,487	562,566
	3,745,640	2,112,076

6. Finance costs

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Interest expense on:				
- ICT Interest Value	-	656,076	-	-
- lease liabilities	11,359	16,316	-	-
- ICPS	394,628	475,932	395,610	475,932
- term loans	473,730	439,522	-	-
- bank overdraft	-	1,854	-	-
- bankers' acceptance and trust receipts	-	176,262	-	-
Others	12,585	13,153	-	982
	892,302	1,779,115	395,610	476,914

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

7. Profit before tax

	Group		Company	
	2022	2021	2022	2021
Profit for the year is arrived at after charging:	RM	RM	RM	RM
Auditors' remunerations				
Audit fees	83,500	57,500	20,000	20,000
Material expenses				
Depreciation of				
- property, plant and equipment	16,222,818	13,862,847	520	91
- right-of-use assets	125,792	69,450	-	-
Gain on disposal of property, plant and equipment	21,800	-	-	-
Property, plant and equipment written-off	3,311	-	-	-
Right-of-use assets written off	1,876	-	-	-
	16,437,297	13,989,797	20,520	20,091

8. Tax expense

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Current tax				
- current year	324,960	655,390	-	-
- (Over)/Under provision in prior year	(265,374)	2,940	-	-
	59,586	658,330	-	-
Deferred tax (Note 20)				
- current year	1,491,116	1,066,067	-	-
- underprovision in prior year	508,467	120,771		
	1,999,583	1,186,838	-	-
	2,059,169	1,845,168	-	-

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

8. Tax expense (continued)

Reconciliation of tax expense

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Profit/(Loss) before tax	6,428,895	5,721,377	1,557,103	995,876
Tax calculated using statutory tax rate at 24%	1,542,935	1,373,130	373,705	239,010
Non-deductible expenses	484,336	358,817	142,295	336,990
Non-taxable income	(166,665)	(10,490)	(516,000)	(576,000)
Utilisation of deferred tax assets not recognised in prior year	(44,530)	-	-	-
	1,816,076	1,721,457	-	-
(Over)/under provision of income tax in prior year	(265,374)	2,940	-	-
Underprovision of deferred tax in prior year	508,467	120,771	-	-
	2,059,169	1,845,168	-	-

The Group has unabsorbed capital allowance amounting to RM2,386,123 (2021: RM2,968,814) available of offsetting against future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

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**
2022								
Cost								
At 1 February 2021	526,287	726,338	464,000	454,703	77,200	186,853	77,955,403	80,390,784
Reclassification	-	17,410	(17,410)	-	-	-	-	-
Additions	-	54,787	43,852	36,540	2,945	-	18,521,135	18,659,259
Acquisition of subsidiary	-	6,319	7,670	19,313	1,030	4,783	1,492,045	1,531,160
Disposals/Written off	-	(2,037)	-	(3,500)	-	-	(15,492,000)	(15,497,537)
At 31 January	526,287	802,817	498,112	507,056	81,175	191,636	82,476,583	85,083,666
Accumulated depreciation								
At 1 February 2021	510,287	702,821	434,647	406,085	63,325	118,707	36,433,141	38,669,013
Reclassification	-	10,296	(10,296)	-	-	-	-	-
Depreciation charge	7,999	18,545	11,814	11,362	2,662	13,273	16,157,163	16,222,818
Acquisition of								441,676
subsidiary	-	3,294	3,012	18,916	256	1,876	414,322	-
Disposals/Written off	-	(1,339)	-	(887)	-	-	(13,177,190)	(13,179,416)
At 31 January	518,286	733,617	439,177	435,476	66,243	133,856	39,827,436	42,154,091
Carrying amount								
At 31 January	8,001	69,200	58,935	71,580	14,932	57,780	42,649,147	42,929,575

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

9. Property, plant and equipment (continued)

	2022	2021
Signboard	**RM**	**RM**
Company		
Cost		
At 1 February 2021/2020	5,200	-
Additions	-	5,200
At 31 January	5,200	5,200
Accumulated depreciation		
At 1 February 2021/2020	91	-
Depreciation charge	520	91
At 31 January	611	91
Carrying amount		
At 31 January	4,589	5,109

10. Right-of-use assets

	Group	
	2022	2021
	RM	RM
Carrying amount		
At 1 February 2021	90,095	61,773
Addition	22,514	-
Acquisition of subsidiary	148,516	-
Written-off	(1,876)	-
Lease modification	-	97,772
Depreciation charge	(125,792)	(69,450)
At 31 January	133,457	90,095

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

11. Investment properties

	Freehold property RM	Leasehold properties RM	Total RM
Group			
Fair value			
2022			
At 1 February 2021/31 January	1,800,000	9,500,000	11,300,000
2021			
At 1 February 2020/31 January	1,800,000	9,500,000	11,300,000

	Group 2022 RM	Group 2021 RM
Recognised in profit or loss:		
Rental income	593,392	574,008

The fair value of the investment properties of the Group at 31 January 2022 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 22 to the financial statements.

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

	Level 2 2022 RM	Level 2 2021 RM
Leasehold building	1,800,000	1,800,000
Office building	9,500,000	9,500,000
	11,300,000	11,300,000

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

12. Investment in subsidiaries

	Company 2022 RM	2021 RM
At 1 February 2021	33,406,000	30,306,000
Additions	480,000	3,100,000
At 31 January	33,886,000	33,406,000

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

Name of company:	Effective equity interest 2022	2021	Principal activities
ICT Zone Ventures Bhd.	100%	100%	Information and communication technology, investment schemes and leasing and factoring facilities services
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
HaaS Technologies Sdn. Bhd.	58.25%	-	Information technologies an cloud solutions services

Acquisition of subsidiary

On 18 November 2021, the Company have a share sale and purchase agreement with ICT Zone Holding Sdn. Bhd. ("the holding company") to acquire 255,000 ordinary shares in HaaS Technologies Sdn. Bhd. ("HaaS"), a company which is principally engaged in cloud solutions and cloud consultancy services under the brand 'CLOUDIFY.ASIA', for a total cash consideration of RM204,000. Besides, the Company has entered a share subscription agreement with HaaS to subscribe for 345,000 new ordinary shares in HaaS for a total subscription sum of RM276,000.

On 22 November 2021, the Company had held 600,000 ordinary shares with paid-up capital of RM480,000 and representing 58.25% of total shareholding or total paid-up capital. HaaS has become a subsidiary of the Company on that date onwards.

Consideration transferred for acquisition of a subsidiary

	2022 RM
Fair value of consideration transferred	
Purchase consideration in cash	480,000

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

12. Investment in subsidiaries (continued)

Identifiable assets acquired and liabilities assumed

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	Fair value recognised on acquisition 2022 RM
Net assets as date of acquisition:	
Property, plant and equipment	1,089,484
Right-of-use assets	148,516
Performance guarantee	10,166
Trade receivables	418,807
Non-trade receivables, deposits and prepayment	77,097
Cash and bank balances	743,331
Trade payables	(224,202)
Non-trade payables and accruals	(370,377)
Amount due to related company	(1,168,580)
Tax payables	(33,050)
Lease liabilities	(202,531)
	488,661
Non-controlling interest (41.75%)	(73,888)
Retained earnings arising from merger accounting	(256,334)
	158,439
Purchase consideration	(480,000)
Merger reserve	58,230
Cash inflow for acquisition	(263,331)
Purchase consideration	480,000
Less: Cash and cash equivalents of subsidiary acquired	(743,331)
Net cash inflow on acquisition	(263,331)

13. Inventories

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

	Group 2022 RM	2021 RM
At cost:		
Finished goods	902,459	322,196
Recognised in profit or loss		
Inventories recognised as cost of sales	22,100,669	14,747,093

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

14. Trade receivables

	Group	
	2022	2021
	RM	RM
Trade receivables	9,482,577	5,988,770
Accrued revenue	11,478	-
	9,494,055	5,988,770

The normal trade credit terms of the Group are 60 days (2021: 60 days). Other credit terms are assessed and approved on a case-by-case basis.

15. Non-trade receivables, deposits and prepayments

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Non-trade receivables	65,819	40,612	-	-
Deposits	112,709	106,348	-	-
Prepayments	465,549	239,253	6,833	33,350
	644,077	386,213	6,833	33,350

16. 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 1.85% to 2.10% (2021: 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.

17. Net investment in sub-lease

	Group	
	2022	2021
	RM	RM
At 1 February 2021	4,785	545,721
Additions	2,071,843	-
Finance income	13	4,265
Lease payment received	(2,076,641)	(545,201)
At 31 January	-	4,785
Recognised in profit or loss:		
Finance income	13	4,265

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

18. Share capital

	Note	Group and Company 2022 Number of shares	2022 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	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

(a) Issued and fully paid ordinary shares

	Group and Company			
	2022 Number of shares	2022 RM	2021 Number of shares	2021 RM
At 1 February	533,757,500	19,092,000	532,782,500	18,936,000
Issuance of ordinary shares	-	-	975,000	156,000
At 31 January	533,757,500	19,092,000	533,757,500	19,092,000

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

18. Share capital (continued)

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

	Group and Company			
	2022 Number of ICPS	2022 RM	2021 Number of ICPS	2021 RM
At 1 February	75,320,000	9,031,904	72,200,000	14,440,000
Issuance of ICPS	-	-	3,120,000	624,000
At 31 January	75,320,000	9,031,904	75,320,000	15,064,000
Less: Liabilities component		-		(6,032,096)
		9,031,904		9,031,904

	Group and Company	
	2022	2021
ICPS – Liabilities Component	RM	RM
At 1 February 2021	5,001,628	5,782,227
Addition	-	249,869
Accrued interest	394,629	475,932
Less: Dividend	(1,506,400)	(1,506,400)
	3,889,857	5,001,628

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

18. Share capital (continued)

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

The salient features of the ICPS are as follows: (continued)

(i) 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.

19. Reserves

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Distributable					
Merger reserve	(a)	(8,047,770)	(8,106,000)	-	-
Retained earnings	(b)	16,993,124	12,966,686	2,383,065	825,962
		8,945,354	4,860,686	2,383,065	825,962

(a) Merger reserve

The distributable merger reserve is of deficit amounted to RM8,047,770. This arose from the merger of ICT Zone Ventures Sdn. Bhd. ("ICT Zone Ventures"), ICT Zone Sdn. Bhd. ("ICT Zone"), Techfin Capital Sdn. Bhd. ("Techfin") and HaaS Technologies Sdn. Bhd. ("HaaS") 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 ICT Zone Venture's, ICT Zone's, Techfin's and HaaS's share capitals that merged under pooling of interest method of accounting.

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

20. Deferred tax liabilities

	Group 2022 RM	Group 2021 RM
At 1 February 2021/2020	4,655,204	3,468,366
Recognised in profit or loss (Note 8)	1,999,583	1,186,838
At 31 January	6,654,787	4,655,204

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 2021	24,324	3,572,927	1,081,060	4,678,311
Recognised in profit or loss	92,993	2,617,082	(199,154)	2,510,921
At 31 January 2022	117,317	6,190,009	881,906	7,189,232
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 2021	-	(23,107)	(23,107)
Recognised in profit or loss	(572,670)	61,332	(511,338)
At 31 January 2022	(572,670)	38,225	(534,445)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

20. Deferred tax liabilities (continued)

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

	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)

21. Lease liabilities

	Group 2022 RM	2021 RM
Representing:		
Non-current liabilities	-	42,934
Current liabilities	159,597	113,207
	159,597	156,141
Recognised in profit or loss:		
Interest expense on lease liabilities	11,359	16,316

The Group's lease liabilities bear interest at the rate of 3.60% to 8.11% (2021: 3.60% to 8.11%)

The total cash outflow for leases for the financial year ended 31 January 2022 is RM14,815(2021: RM543,679)

22. Borrowings

	Note	Group 2022 RM	2021 RM
Non-current			
Term loans	(a)	14,463,803	5,403,632
Current			
Term loans	(a)	4,323,155	3,598,794
Bankers' acceptance and trust receipts	(b)	-	1,828,461
		4,323,155	5,427,255
		18,786,958	10,830,887

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

22. Borrowings (continued)

(a) Term loans

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

	Group	
	2022	**2021**
	RM	**RM**
Repayable within one (1) year	4,323,155	3,598,794
Repayable between two (2) to five (5) years	14,463,803	5,403,632
	18,786,958	9,002,426

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;

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

(ii) Rental proceed over the property;

(iii) Guarantee from strategic partners;

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

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

(vi) 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 5.56% to 8.26% (2021: 5.36% to 8.06%).

(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 NIL% per annum (2021: 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;

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

(iii) Guarantee from holding company.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

23. Trade payables

The normal trade credit term granted to the Group is 60 days (2021: 60 days).

24. Non-trade payables and accruals

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-trade payables	375,492	288,047	8,000	-
Amount due to a director	144	-	-	-
Accruals	194,956	80,407	27,083	30,459
Deposits received	1,176,610	1,000,980	-	-
	1,747,202	1,369,434	35,083	30,459

Amount due to a director is unsecured, interest-free, and repayable on demand.

Significant related party transactions are disclosed in Note 25 to the financial statements.

25. Significant related party's transactions

Related party transactions

The Group's related party transactions for the financial years ended 31 January 2022 and 31 January 2021 are as follows:

Name of company With related parties	Type of transaction	2022 RM	2021 RM
Skyworld Development Sdn. Bhd.	Rental received	484,872	472,088
Risco Consulting Sdn. Bhd.	Insurance premium	(8,926)	(389,124)
Director			
Loh Kuo Hsiung	Payment on behalf	144	-

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

26. 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 mainte nance
(iv)	Rental	- Rental of ICT hardware and software inclusive of corrective and preventa tive maintenance
(v)	Cloud solution and service	- Provision of customised cloud services with architecture solution

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 2022

26. Operating segments (continued)

Business segments

	Leasing RM	Trading RM	Service RM	Rental RM	Cloud Solution and Service RM	Others RM	Elimination RM	Consolidated RM
Group								
2022								
Revenue								
Revenue	23,925,555	23,254,765	57,435	3,122,050	5,179,866	2,150,000	(5,656,233)	52,033,438
Results								
Segment profit/(loss) before interest and taxation	5,348,384	531,892	40,165	1,345,860	493,462	1,940,735	(2,379,301)	7,321,197
Interest expense	(501,608)	(265,604)	(656)	(35,659)	(149,344)	(395,609)	456,178	(892,302)
Tax expense	(1,854,253)	(60,764)	(150)	(8,158)	(135,844)	-	-	(2,059,169)
Consolidated profit for the financial year								4,369,726

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

	Leasing RM	Trading RM	Service RM	Rental RM	Cloud Solution and Service RM	Others RM	Elimination RM	Consolidated RM
Group								
2022								
Depreciation of property, plant and equipment	15,783,732	32,977	82	4,427	401,080	520	-	16,222,818
Depreciation of right-of-use assets	50,411	8,253	20	1,108	468,624	-	(402,624)	125,792
ASSETS								
Segment assets	51,934,219	22,084,468	134,506	2,964,933	2,609,088	34,431,909	(38,078,983)	76,080,140
LIABILITIES								
Segment liabilities	20,429,448	13,847,485	37,591	1,859,083	2,223,837	3,924,940	(3,472,344)	38,850,040

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

26. Operating segments (continued)

Business segments

	Leasing RM	Trading RM	Service RM	Rental RM	Others RM	Elimination RM	Consolidated RM
Group							
2021							
Revenue							
Revenue	23,091,065	17,467,906	74,706	1,734,858	2,400,000	(5,207,040)	39,561,495
Results							
Segment profit/(loss) before interest and taxation	7,328,959	544,722	35,571	534,209	1,463,254	(2,406,223)	7,500,492
Interest expense	(1,096,950)	(375,422)	(1,606)	(37,286)	(476,914)	209,063	(1,779,114)
Tax expense	(1,654,555)	(172,721)	(739)	(17,154)	-	-	(1,845,169)
Consolidated profit for the financial year							3,876,209

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

	Leasing RM	Trading RM	Service RM	Rental RM	Others RM	Elimination RM	Consolidated 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	(37,039,091)	62,642,552
LIABILITIES							
Segment liabilities	16,801,098	9,477,844	43,104	941,310	5,032,087	(2,637,481)	29,657,962

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

27. 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		
2022		
Financial assets		
Trade receivables	9,494,055	9,494,055
Non-trade receivables and deposits (exclude prepayment)	178,528	178,528
Fixed deposits with licensed banks	864,114	864,114
Cash and bank balances	9,463,683	9,463,683
	20,000,380	20,000,380
Financial liabilities		
Trade payables	7,503,419	7,503,419
Non-trade payables and accruals	1,747,202	1,747,202
Borrowings	18,786,958	18,786,958
Lease liabilities	159,597	159,597
Irredeemable Convertible Preference Shares ("ICPS")	3,889,857	3,889,857
	32,087,033	32,087,033
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
Lease liabilities	156,141	156,141
Irredeemable Convertible Preference Shares ("ICPS")	5,001,628	5,001,628
	24,951,657	24,951,657

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

27. Financial instruments (continued)

Categories of financial instruments (continued)

	Carrying amount	AC
Company		
2022		
Financial assets		
Cash and bank balances	534,487	534,487
Financial liabilities		
Non-trade payables and accruals	35,083	35,083
Irredeemable Convertible Preference Shares ("ICPS")	3,889,857	3,889,857
	3,924,940	3,924,940
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

Net gains and losses arising from financial instruments

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Net losses arising from:				
Financial assets measured at amortised cost				
Fixed deposits interest income	11,975	1,037,313	-	-

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

27. Financial instruments (continued)

Categories of financial instruments (continued)

Net gains and losses arising from financial instruments (continued)

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Net losses arising from:				
Financial liabilities measured at amortised cost				
Interest expenses on:				
- ICT Interest Value	-	656,076	-	-
- term loans	473,730	439,522	-	-
- bankers' acceptance and trust receipts	-	176,262	-	-
- bank overdraft	-	1,854	-	-
- lease liabilities	11,359	16,316	-	-
- ICPS	394,628	475,932	395,610	475,932
	879,717	1,749,646	395,610	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 2022

27. 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 (2021: 3) major customers which constituted approximately 82% (2021: 87%) 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 2022

27. 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 2022 was determined as follows for trade receivables:

	Gross amount RM	Loss allowances RM	Carrying amount RM
Group			
2022			
Not past due	7,496,708	-	7,496,780
Past due:			
- more than 30 days	21,211	-	21,211
- more than 60 days	1,698,916	-	1,698,916
- more than 90 days	21,370	-	21,370
- more than 120 days	255,850	-	255,850
	9,494,055	-	9,494,055
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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

27. 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	
	2022	**2021**
	RM	**RM**
Fixed rate instruments		
Fixed deposits with licensed banks	864,114	740,080
Borrowings		
- bankers' acceptance and trust receipts	-	1,828,461
	864,114	2,568,541
Floating rate instruments		
Borrowings		
- term loans	18,796,958	9,002,426

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 2022

27. 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	
	2022	**2021**
	RM	**RM**
Effect on profit after tax		
Increase of 100 basis points	(142,857)	(68,418)
Decrease of 100 basis points	142,857	68,418

(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 2022

27. 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				
2022				
Lease liabilities	159,597	170,956	170,956	-
Term loan	18,786,958	19,260,688	4,560,020	14,700,668
Trade payables	7,503,419	7,503,419	7,503,419	-
ICPS	3,889,857	3,889,857	3,889,857	-
Non-trade payables and accruals	1,747,202	1,747,202	1,747,202	-
	32,087,033	32,572,122	17,871,454	14,700,668
Company				
2022				
ICPS	3,889,857	3,889,857	3,889,857	-
Non-trade payables and accruals	35,083	35,083	35,083	-
	3,924,940	3,924,940	3,924,940	-

	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	19,976,380	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 2022

27. 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.

28. 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 2023 will remain favourable.

29. 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 2022 and 31 January 2021.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

29. Capital management (continued)

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

	Group	
	2021	2020
	RM	RM
Borrowings	18,786,958	10,830,887
Add: Irredeemable Convertible Preference Shares	3,889,857	5,001,628
Less: Fixed deposits with licensed banks	(864,114)	(740,080)
Less: Cash and bank balances	(9,463,683)	(2,068,706)
Net debt	12,349,081	13,023,729
Total equity	37,230,100	32,984,590
Total capital	49,579,118	46,008,319
Gearing ratio (times)	0.25	0.28

30. 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 30 May 2022.

ANALYSIS OF SHAREHOLDINGS AS AT 10 MAY 2022

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 10 MAY 2022

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES HELD	% OF SHARES HELD
1 – 99	1	0.26	50	0.00
100 - 1,000	1	0.26	1,000	0.00
1,001 - 10,000	88	22.56	546,150	0.10
10,001 - 100,000	250	64.10	7,365,300	1.39
100,001 to less than 5% of issued shares	49	12.56	98,125,000	18.38
5% and above of issued shares	1	0.26	427,720,000	80.13
Total	390	100.00	533,757,500	100.00

DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company as at 10 May 2022 are as follows:

NO	NAME OF DIRECTORS	NO. OF SHARES HELD			
		DIRECT INTEREST	%	INDIRECT INTEREST	%
1	Datuk Seri 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 10 MAY 2022

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 10 May 2022 and their shareholdings are as follows: -

NO	NAME OF DIRECTORS	NO. OF SHARES HELD			
		DIRECT INTEREST	%	INDIRECT INTEREST	%
1	ICT Zone Holding Sdn Bhd	427,720,000	80.13	-	
2	Datuk Seri Ng Thien Phing	-	-	427,720,000[2]	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 10 MAY 2022 (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 MAYBANK PRIVATE WEALTH MANAGEMENT FOR MEGAT NAJMUDDIN BIN HAJI MEGAT KHAS (PW-M00635)(419483)	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 10 MAY 2022 (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 10 MAY 2022

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

DISTRIBUTION OF ICPS HOLDINGS AS AT 10 MAY 2022

SIZE OF HOLDINGS	NO. OF ICPS SHAREHOLDERS	% 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	2	0.53	20,000	0.03
10,001 - 100,000	262	69.31	11,579,600	15.37
100,001 to less than 5% of issued ICPS	112	29.63	40,440,000	53.69
5% and above of issued ICPS	2	0.53	23,280,400	30.91
Total	378	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 10 May 2022 are as follows: -

NO	NAME OF DIRECTORS	NO. OF SHARES ICPS HELD			
		DIRECT INTEREST	%	INDIRECT INTEREST	%
1	Datuk Seri Ng Thien Phing	-	-	-	
2	Lim Kok Kwang	140,000	0.19	960,000[1]	1.28
2	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 10 MAY 2022 (CONTINUED)

LIST OF TOP 30 LARGEST ICPS HOLDERS

NO	NAME OF ICPS HOLDERS	NO OF ICPS	%
1	CHOO CHIN THYE	14,480,000	19.23
2	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR MEGAT NAJMUDDIN BIN HAJI MEGAT KHAS (PW-M00635)(419483)	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	1.59
8	LIEW SIAW CHUI	1,200,000	1.59
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 10 MAY 2022 (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	CHIA SIEW LING	400,000	0.53
23	CHONG LEN OI	400,000	0.53
24	LAM SENG HON	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	LIM BEE LENG	400,000	0.53
29	LAM KOK MENG @ DUNCAN LAU	400,000	0.53
30	LOO CHEE KIAN	400,000	0.53

NOTICE OF THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Third (3rd) Annual General Meeting (**"AGM"**) of ICT Zone Asia Berhad (the **"Company"**) will be conducted 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 Wednesday, 13 July 2022 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 2022 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 3rd AGM until the conclusion of the 4th AGM of the Company. *Ordinary Resolution 1*

3. To re-elect Datuk Seri Ng Thien Phing 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 4th AGM of the Company."

NOTICE OF THIRD 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. 202208000250)
ENG KHOON HONG (MAICSA 7031959 / SSM PC NO. 202008001890)
Company Secretaries

Selangor Darul Ehsan
31 May 2022

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 3rd 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, Aldpro Corporate Services 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 1 July 2022 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.*

NOTICE OF THIRD ANNUAL GENERAL MEETING (CONTINUED)

Explanatory Notes:

1. Audited Financial Statements for the Financial Year Ended 31 January 2022

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 3rd 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.

Datuk Seri Ng Thien Phing 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 2023. 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 THIRD 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 2nd AGM of the Company held on 15 July 2021 and hence, no proceeds were raised therefrom.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

ICT ZONE ASIA BERHAD – Annual General Meeting

Date	**:** Wednesday, 13th July 2022
Time	**:** 4.00 p.m
Virtual Meeting accessible at	**:** https://web.vote2u.my
Domain Registration Numbers with MYNIC	**:** D6A471702

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").**

For the purpose of determining a member who shall be entitled to attend the 3rd AGM, the Company shall request from Bursa Malaysia Depository Sdn Bhd a copy of the Record of Depositors ("ROD") as at 1 July 2022. Only a depositor/shareholder whose name appears on the ROD as at 1 July 2022 shall be entitled to attend the 3rd AGM or to appoint proxy(ies) to attend and/or vote on his/her behalf.

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.my

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.my 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. Click "***Submit"*** to complete the registration 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)

PROCEDURES TO PARTICIPATE IN RPV (Continued)

B: REGISTER PROXY

Individual Shareholder / Corporate Shareholder / Nominees Company

	Description	Procedure
i.	Submit Proxy Form (hardcopy)	The closing time to submit your hardcopy Proxy Form is at **4 pm , Monday, 11 July 2022.** a. *Fill-in details on the hardcopy Proxy Form and ensure to provide the following information: ○ MYKAD (for Malaysian) / Passport (for-non-Malaysian) number of the Proxy ○ *Email address of the Proxy b. Submit/Deposit the hardcopy Proxy Form to **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 hardcopy Proxy Form 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.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONTINUED)

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 **3.00pm, Wednesday, 13 July 2022**, one (1) hour before the commencement of the AGM. a. Login with your email and password b. Select the General Meeting event (for example, "ICT ZONE ASIA AGM"). c. Check your details. d. Click "Watch Live " button to view the live streaming.

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.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONTINUED)

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.

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.

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.

No Door Gift or e-Voucher or Food Voucher

There will be no door gift or e-Voucher or food voucher given at this AGM.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONTINUED)

Enquiry

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

Email: admin@aldpro.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 Registration No. ....
of ....
contact number..and email address...
being a member/members of ICT ZONE ASIA BERHAD hereby appoint ....
.... I.C./Passport No. ....
of ....
contact number... and email address ....
and/ or failing him/her, ... I.C./Passport 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 Third (3rd) Annual General Meeting ("AGM") of the Company to be conducted 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 Wednesday, 13 July 2022 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 3rd AGM until the conclusion of the 4th AGM of the Company.		
2.	To re-elect Datuk Seri Ng Thien Phing 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...............................2022

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 3rd 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, Aldpro Corporate Services 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 1 July 2022 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.*

2nd Fold Here

AFFIX
STAMP

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

1st Fold Here

www.ictzone.asia

Techfin | Beyond Tech & Finance