Annual Report 2023

Techfin | Beyond Tech & Finance

CONTENTS

VISION

To be the leader in Technology Financing (“**Techfin**”) business through ICT Everything as a Service (“**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

CONTINUING ADVISOR

Malacca Securities Sdn Bhd
B01-A-13A, Level 13A, Menara 2,
No. 3, Jalan Bangsar,
KL Eco City, 59200,
Kuala Lumpur,
Wilayah Persekutuan

Tel : +603 2201 2100

COMPANY SECRETARIES

Tan Tong Lang
(SSM PC NO. 20220800250 / MAICSA 7045482)

Eng Khoon Hong
(SSM PC No. 202008001890 / MAICSA 7031959)

STOCK EXCHANGE LISTING

LEAP Market of Bursa Malaysia Securities Berhad
Sector: Technology
Sub-Sector: Technology Equipment

Ordinary Shares
Stock Name : ICTZONE
Stock Code : 03038

ICPS
Stock Name : ICTZONE-PA
ICPS Code : 03038P

CORPORATE INFORMATION

AUDITORS

Messrs PKF PLT
202206000012 (LLP0030836-LCA) & AF0911
Chartered Accountants
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

REGISTERED OFFICE

B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200, Kuala Lumpur,
Wilayah Persekutuan

Tel : +603 9770 2200
Fax : +603 9770 2239

SHARE REGISTRAR

Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200, Kuala Lumpur,
Wilayah Persekutuan

Tel : +603 9770 2200
: +603 9770 2239

PRINCIPAL BANKERS

Affin Islamic Bank Berhad
Al-Rajhi Banking & Investment Corporation (Malaysia) Berhad
Bank Muamalat Malaysia Berhad
CIMB Islamic Bank Berhad
Maybank Islamic Berhad

PRINCIPAL PLACE OF BUSINESS

Ground Floor, Block H,
Excella Business Park,
Jalan Ampang Putra,
55100 Ampang Kuala Lumpur,
Wilayah Persekutuan

Tel : +603 4289 5288
Fax : +603 4289 5388
Website : www.ictzone.asia
E-mail : info@ictzone.asia

GROUP STRUCTURE

ICT ZONE ASIA BERHAD

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

ICT ZONE SDN. BHD.
100%

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

ICT ZONE VENTURES BERHAD
100%

Dormant. Intended to provide ICT financing services

TECHFIN CAPITAL SDN. BHD.
100%

cloudify.asia

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

HAAS TECHNOLOGIES SDN. BHD.
58.25%

BOARD OF DIRECTORS' PROFILE

Datuk Seri Ng Thien Phing

Non-Independent Non-Executive Chairman
Malaysian, Aged 48, Male

Datuk Seri Ng Thien Phing was appointed as the Non-Independent Non-Executive Chairman of the Company on 28 January 2019.

He obtained his Diploma in Accountancy from the Kota Bharu Polytechnic in June 1997 and subsequently graduated with a Bachelor of Business Administration from University Kebangsaan Malaysia in October 2004.

After he obtained his Diploma in 1997, he joined Strategic Forum Expertise Sdn. Bhd. as a Conference Producer, where he was responsible for coordinating, organising and planning business conferences and events. With the vast clientele and experience that he has obtained during his stint in Strategic Forum Expertise Sdn. Bhd., in June 1999, he left Strategic Forum Expertise Sdn. Bhd. and founded NTP World Forum Sdn. Bhd., a company that is presently involved in the provision of corporate training programmes.

Datuk Seri Ng Thien Ping is a successful entrepreneur with a proven track record of co-founding and leading several businesses to great heights. Him and Lim Kok Kwang co-founded ICT Zone Holding Sdn. Bhd. (formerly known as NTP World Marketing Sdn. Bhd.) and ICT Zone Sdn. Bhd. in September 2000 and September 2001 respectively.

In November 2006, leveraging his vast experience in managing and developing businesses, he founded SkyWorld Development group of companies, marking his entry into the property development industry. Since then, he has spearheaded the company's growth, establishing it as a premier development company dedicated to providing the ultimate Sky Living experience in sustainable environments within city centers. Through his unwavering commitment to sustainable living and exceptional business acumen, he has earned a reputation as a visionary leader in the Malaysian business community, setting a benchmark for the industry as a whole.

He is also the founder of the Kuala Lumpur Chinese Assembly Hall ("**KLCAH**") and the NTP World Foundation which was established in 2003 and 2012 respectively. He served as the Secretary General of KLCAH from 2003 to 2015. Currently, he serves as the Honorary Adviser of KLCAH and as the Chairman of the National Polytechnic Youth Association.

He is the Director of ICT Zone Ventures Berhad and SkyWorld Capital Berhad, as well as the Non-Independent Executive Chairman of SkyWorld Development Berhad.

He has no family relationship with any Director and/or major shareholders of the Company. He does not have any conflict of interest with the Group. He has not been convicted of any offences within the past 5 years other than traffic offences, if any, and there is no sanction or penalty imposed on him by the relevant regulatory bodies during the Company's financial year ended 31 January 2023.

BOARD OF DIRECTORS' PROFILE (CONT'D)

Lim Kok Kwang

Managing Director and Chief Executive Officer
Malaysian, Aged 48, Male

Lim Kok Kwang was appointed as the Managing Director and Chief Executive Officer of the Company on 28 January 2019. He is responsible for overseeing the Group's strategic business direction and strategies.

He obtained his Diploma Politeknik Kementerian Pendidikan Malaysia from Politeknik Kota Bharu in 1997. After completing his Diploma at Politeknik Kota Bharu in 1997, he pursued his studies further and earned a Bachelor of Business Administration from University Kebangsaan Malaysia in 2005.

He began his professional journey as a Business Development Executive with Mobil Oil Malaysia Sdn. Bhd. in 1997. In this role, he was entrusted with the responsibility of selling the company's card program to corporate clients.

After gaining valuable experience, he left Mobil Oil Malaysia Sdn. Bhd. and co-founded ICT Zone Holding Sdn. Bhd. (formerly known as NTP World Marketing Sdn. Bhd.) with Datuk Seri Ng Thien Phing in 2000. Subsequently, he was appointed as General Manager of ICT Zone Holding Sdn. Bhd. to oversee the company's business development.

In 2003, he was appointed as the General Manager of ICT Zone Sdn. Bhd. when it commenced operations in the information and communication technologies ("**ICT**") solution trading and short-form rental businesses. His outstanding expertise and leadership skills earned him a promotion to the company's top management, and he was promoted to the position of Chief Executive Officer of ICT Zone Sdn. Bhd. in 2010. Later in the same year, he was appointed as Chief Executive Officer of ICT Zone Ventures Berhad. Under his leadership, the company has seen significant growth and has established itself as a leader in the ICT industry.

He does not hold any directorship in other public companies and listed issuers.

He has no family relationship with any Director and/or major shareholders of the Company. He does not have any conflict of interest with the Group. He has not been convicted of any offences within the past 5 years other than traffic offences, if any, and there is no sanction or penalty imposed on him by the relevant regulatory bodies during the Company's financial year ended 31 January 2023.

BOARD OF DIRECTORS' PROFILE (CONT'D)

Vincent Ng Soon Kiat

Executive Director and Chief Operating Officer
Malaysian, Aged 48, Male

Vincent Ng Soon Kiat was appointed as the Executive Director and Chief Operating Officer of the Company on 13 January 2020. He is responsible for overseeing the overall operations of the Group.

He completed his Malaysia Higher School Certificate when he left Sekolah Menengah Gajah Berang, Melaka in 1995.

He started his career in 1996 as a Retail Supervisor with Oto Bodycare Pte Ltd, where he exhibited strong leadership skills by overseeing a team that specialised in the sale of fitness and relaxation equipment. In this role, he gained valuable experience in managing people and sales, which laid the foundation for his future career growth.

In 2001, he left Oto Bodycare Pte Ltd and joined ICT Zone Holding Sdn. Bhd. (previously known as NTP World Marketing Sdn. Bhd.) as the Business Development Manager.

During his tenure as the Business Development Manager, he played a crucial role in the sales of audio-visual equipment and was responsible for overseeing the business's overall development. His successful stint as the Business Development Manager showcased his potential to grow within the group and take on greater responsibilities.

In 2006, he joined ICT Zone Sdn. Bhd. as the Corporate and Rental Sales Manager. His impressive performance earned him promotions to Senior Sales Manager in 2008, Rental and Information Technology (IT) Management Senior Manager in 2011, Senior Sales and Commercial Manager in 2012 and Sales and Marketing General Manager in the same year. In 2014, he was appointed as Sales and Service General Manager, where he was responsible for managing sales and services to meet the organization's objectives.

With his outstanding contributions, he was appointed as the Chief Operating Officer of ICT Zone Sdn. Bhd. in 2018, where he oversees the day-to-day operations of the group. His rise through the ranks and his outstanding performance are a testament to his hard work, dedication, and exceptional leadership skills.

He does not hold any directorship in other public companies and listed issuers.

He has no family relationship with any Director and/or major shareholders of the Company. He does not have any conflict of interest with the Group. He has not been convicted of any offences within the past 5 years other than traffic offences, if any, and there is no sanction or penalty imposed on him by the relevant regulatory bodies during the Company's financial year ended 31 January 2023.

KEY SENIOR MANAGEMENT'S PROFILE

Teh Siow Voon
Assistant General Manager – Admin & Finance
Malaysian, Aged 42, Female

Teh Siow Voon is the Company's Assistant General Manager, Admin & Finance since 2021, and is responsible for overseeing the Group's back-end operations, including accounts, finance, corporate finance as well as human resources and administration activities.

She obtained her Third Level Group Diploma in Accounting from London Chamber of Commerce and Industry Examinations Boards in 2001. Subsequently, she continued to pursue accounting and finance knowledge in Advanced Diploma in Accounting and Finance from FTMS College (previously known as Institute Latihan FTMS-ICL, Malaysia) in 2003. In 2004, she graduated with a Bachelor of Arts in Accounting and Finance from the University of East London, which equipped her with the necessary skills and knowledge to excel in her career.

She embarked on her career as an Account Officer with Penerbitan Pelangi Sdn. Bhd. in 2004, where she was responsible for the preparation of financial statements. In 2007, she left Penerbitan Pelangi Sdn. Bhd. and joined TSM Global Berhad to continued hone her skills in the field of accounting and financial reporting as an Account Executive.

In 2011, she left TSM Global Berhad and joined ICT Zone Sdn. Bhd. as Senior Account Executive. With her strong work ethic and expertise, she was quickly transferred to ICT Zone Ventures Berhad 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 demonstrated her potential and was later promoted to Senior Manager of Corporate Finance in 2017 and Assistant General Manager, Admin & Finance in 2021, a testament to her hard work and dedication.

She does not hold any directorship in other public companies and listed issuers.

She has no family relationship with any Director and/or major shareholders of the Company. She does not have any conflict of interest with the Group. She has not been convicted of any offences within the past 5 years other than traffic offences, if any, and there is no sanction or penalty imposed on her by the relevant regulatory bodies during the Company's financial year ended 31 January 2023.

KEY SENIOR MANAGEMENT'S PROFILE (CONT'D)

Lau Yeo Chuan
Credit Controller
Malaysian, Aged 52, Male

Lau Yeo Chuan is the Company's Credit Controller since 2020, and is responsible for the Group's customer collections, credit control and contract administration.

He graduated with a Masters of Business Administration from Universiti Tun Abdul Razak in 2001.

He began his career in 1995 with Ong Boon Bah & Co, where he worked as an Audit Supervisor responsible for the preparation audit reports. In 2000, he joined Rimbaka Forestry Corporation Sdn. Bhd. as a Finance Manager, where he handled financial operations and led the company's business development initiatives. Subsequently, he left Rimbaka Forestry Corporation Sdn. Bhd. and joined Hebat Abadi Sdn. Bhd. as a Finance and Administration Manager in 2003, Hanna Instruments (M) Sdn. Bhd. as a Finance Manager in 2005 and Damai Service Hospital (Melawati) Sdn. Bhd. as a Finance Manager in 2007. He later joined Asian Neuro & Cardiac Center Sdn. Bhd. as a Finance Manager in 2008 and Acmar International Sdn. Bhd. as a Finance and Business Development Manager in 2009. In 2012, he worked at Beverly Wilshire Medical Center Sdn. Bhd. as a Finance Manager on a project basis for 3 months. He has an extensive career background in the finance and business development functions.

In 2012, he joined ICT Zone Sdn. Bhd. as a Credit Controller, responsible for managing credit control activities. He later joined ICT Zone Holding Sdn. Bhd. in 2016, where he worked as a Financial Controller. His extensive experience in finance and business development has allowed him to bring valuable insights to the group for, and his contributions have helped the group to achieve the business objectives.

He does not hold any directorship in other public companies and listed issuers.

He has no family relationship with any Director and/or major shareholders of the Company. He does not have any conflict of interest with the Group. He has not been convicted of any offences within the past 5 years other than traffic offences, if any, and there is no sanction or penalty imposed on him by the relevant regulatory bodies during the Company's financial year ended 31 January 2023.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors ("**Board**") of ICT Zone Asia Berhad ("**ICT Zone Asia**" **or Company**"), we are pleased to present our Annual Report and audited financial statements for the financial year ended 31 January 2023.

HIGHLIGHTS

I am pleased to report that our Group's leasing of ICT solution and rental of ICT solutions businesses' total unbilled order book for the next three years has reached an all-time high of RM181.4 million as of 31 January 2023. This substantial growth of RM100 million in just a year highlights the increasing demand for our services and the confidence that our clients have in our ability to deliver customer-centric and sustainable solutions. The amount is expected to be progressively translated to revenue and profit over the next 3 financial years, giving us strong visibility ahead. We believe that our focus on delivering value to our customers has enabled us to achieve sustainable growth, build long-term relationships with our customers and establish ourselves as a trusted partner in the ICT industry.

On top of the tremendous growth achieved, ICT Zone Ventures Berhad has achieved the ISO 14001:2015 certification, marking a significant milestone in our commitment to environmental sustainability. This certification not only demonstrates our dedication to reducing our carbon footprint and promoting environmentally conscious practices but also highlights our broader sustainability goals aligned with Environmental, Social, and Governance ("**ESG**") principles.

With the ISO 14001:2015 certification, we have a comprehensive framework to enhance our environmental management systems and integrate sustainability into our business practices. This enables us to improve our long-term resilience and contribute to the United Nations Sustainable Development Goals (SDGs), making it a fundamental part of our business philosophy. As an ICT solutions business, we recognise the importance of ESG considerations in building a resilient business, and this certification is a significant step towards achieving our sustainability objectives.

At ICT Zone Asia, we firmly believe that sustainability is critical to our business operations, and this certification underscores our efforts to conduct our ICT equipment leasing and rental businesses in an environmentally responsible manner. We are committed to delivering innovative and sustainable solutions to our clients, while minimising our impact on the environment.

Furthermore, the ISO 14001:2015 certification not only reinforces our commitment to sustainability but also positions us to assist our clients in achieving their sustainability objectives. At ICT Zone Asia, we believe that sustainability is not just a buzzword, but a fundamental aspect of doing business responsibly. At ICT Zone Asia, we strive to not follow the traditional take-consume-dispose approach, where old goods are ultimately destroyed. Instead, we adopt the circular economy approach, where we offer ICT solutions that are designed to be durable, recyclable, and reusable. One of ICT Zone Asia's featured solutions, namely Device-as-a-Service ("**DaaS**") 360, simplifies how commercial organisations can access technology and be equipped with the right ICT hardware and support, all backed by a robust financing service and sustainable practices. By repurposing, reconditioning, and reusing old ICT devices in the subscription model, we reduce the number of physical devices being wasted after their life cycle ends. Through DaaS 360, our clients can fulfill their ESG commitments and protect the environment with sustainable practices, while also achieving their business goals.

CHAIRMAN'S STATEMENT (CONT'D)

HIGHLIGHTS (CONTINUED)

The ISO 14001:2015 certification is not just a testament to our commitment to sustainability, but it also reflects our unwavering desire to lead by example in the ICT solutions industry. At ICT Zone Asia, we firmly believe that sustainability is not a mere talking point to be included in presentation slides or to meet regulatory requirements. Rather, it is a vital business imperative that is central to our operations. With this certification, we are excited about the opportunities that arise and look forward to continuing our journey towards a sustainable future.

PERFORMANCE REVIEW

We are delighted to report a significant improvement in our financial result this year. Our revenue experienced impressive growth, increasing by RM23.1 million or 44.4%, from RM52.0 million in the previous financial year to RM75.1 million in the current financial year. We are also pleased to report an increase in our profit before tax, which rose by RM1.8 million or 28.1% to RM8.2 million compared to RM6.4 million in the previous financial year. Furthermore, our profit after tax surged to RM6.4 million this financial year, an increase of RM2.0 million compared to RM4.4 million in the previous financial year. These impressive results were driven by strong demand for ICT solutions and services, which is attributable to, amongst others, the rise of hybrid working environment where ICT solutions are critical in file sharing, audio and video teleconferencing as well as project management, as well as the shift towards Digital Economy which involves the use of ICT solutions and digital technologies to create new business models, products, and services.

Our trading of ICT solutions segment had contributed RM34.4 million or 45.8% of our total revenue, remained as our Group main contributor during the financial year under review. This is followed by our leasing of ICT solutions segment and cloud solutions and services segment, which contributed RM31.7 million or 42.2% and RM4.6 million or 6.1% respectively. The remaining segments, namely rental of ICT solutions and provision of ICT services make up the balance, contributing RM4.1 million or 5.5% and RM0.3 million or 0.4%, respectively.

DIVIDENDS

As per the terms of our irredeemable convertible preference shares ("**ICPS**"), which are outlined in our Information Memorandum dated 6 November 2020, we have paid a preference dividend of approximately RM1.6 million to our ICPS holders for the current financial year. This demonstrates our commitment to fulfilling our obligations to our stakeholders and maintaining transparent communication regarding our financial performance.

Although we have performed well this financial year, our Board has decided not to declare any dividend pay-out to our ordinary shareholders for the FYE 31 January 2023. This decision has been taken to conserve our cash reserves, which will be critical for supporting our future growth plans. We remain committed to delivering long-term value to all of our shareholders, and we believe that by retaining our earnings, we can invest in strategic initiatives that will drive sustainable growth and profitability over the long term. We will continue to take a balanced and prudent approach to managing our capital allocation in the best interests of all our stakeholders. We are confident that our decision to retain our earnings will enable us to build a strong foundation for future success, and we look forward to sharing our progress with our shareholders in the coming years.

CHAIRMAN'S STATEMENT (CONT'D)

LOOKING INTO THE YEARS AHEAD / PROSPECTS

The ICT sector has been identified by the Malaysian government as a key driver of economic growth. The Malaysia government has taken steps in the past to encourage the development of ICT sector through initiatives such as the National Digital Network (Jendela) and the Digital Economy Blueprint.

As developing countries struggle to recover from the COVID-19 pandemic, digital solutions are enabling economic transformation and putting them on a path toward green, resilient, and inclusive growth. The Government has introduced Malaysia Digital as the new national strategic initiative to encourage and attract companies, talents and investment while enabling Malaysian businesses and Rakyat to play a leading part in the global digital revolution and digital economy. To achieve this, the Government had on 19 February 2021 launched the Malaysian Digital Economy blueprint, where an investment of RM15.0 billion was allocated to aid the implementation of 5G nationwide over a period of 10 years and the Malaysia Digital Economy is expected to contribute 22.6% of Malaysia's GDP and create about 500,000 new jobs by the year 2025. With the new digitalisation targets rolled out, it is evident that the demand for ICT products and services will increase in the near future in accordance with Malaysia's effort to achieve all the above targets. Our Group believes that the industry which we operate in will continue to be a key contributor in building a digital Malaysia over the long run and we are fully committed to playing our part in advancing our country's digitalisation journey.

We will continue with our strategic focus on our business model and value creation – Techfin ecosystem, to bridge the gap between technology and finance while promoting a circular economy for ICT solutions. The leasing of ICT solution and rental of ICT solutions segments will remain as our main focus for the coming year. On top of that, we will also continue to reshape our operating model and cost structure to explore new financing option of ICT solutions to our new and existing customers.

As we embark on the next chapter of our journey in 2023, we look forward to continuing deliver exceptional customer experiences, driving innovation and building a more connected and sustainable Malaysia.

ACKNOWLEDGEMENTS

We express our sincere appreciation and gratitude to all our stakeholders for their invaluable insights, astute guidance, and unwavering support over the years. As we look back on the past year, we are proud of the progress we have made and the achievements we have accomplished.

First and foremost, we would like to thank our valued customers for their trust and confidence in our services. Your continued patronage and feedback have helped us improve our offerings and meet your evolving needs. We are committed to providing you with the best possible solutions and services to support your businesses.

CHAIRMAN'S STATEMENT (CONT'D)

ACKNOWLEDGEMENTS (CONTINUED)

Additionally, we would like to recognise the crucial role played by our Principals namely Hewlett-Packard (M) Sdn. Bhd., Microsoft and Intel Malaysia to strategically collaborate to provide DaaS Solution which comprise life cycle management and device recovery services with financial solution. Your expertise, technology, and quality products have enabled us to provide our customers with cutting-edge solutions and services. We appreciate your trust and support, and we look forward to continuing our partnership and exploring new opportunities for collaboration in the future. We also acknowledge the support and cooperation of our Channel Partners, Strategic Partners and other business partners as well as other suppliers, who have played a vital role in enabling us to deliver quality services and solutions to our customers.

We also extend our heartfelt thanks to our senior management and employees, who have worked tirelessly to deliver exceptional results and maintain high standards of service. Your dedication, passion, and hard work have contributed significantly to our success, and we are grateful for your unwavering commitment to our vision and mission.

Finally, we express our appreciation to the regulatory authorities, industry associations, and other stakeholders who have supported and encouraged our efforts to enhance the quality of our services, comply with the relevant regulations, and uphold high standards of corporate governance.

Once again, we express our heartfelt appreciation to all stakeholders for their indispensable contributions towards the growth and prosperity of our organisation. We would like to reaffirm our commitment to be the leader in Technology Financing (Techfin) business through ICT Everything as a Services (XaaS) Solutions, enhancing our customers' experiences, and creating value for all our stakeholders. We look forward to your continued support and partnership in the years to come.

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

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

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"**) are principally involved in the rental, leasing, and trading of information and communication technologies ("**ICT**") solutions to private corporations, 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 our 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

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
- Computers
- Laptops
- Printers
- Projectors
- Related peripheral devices (sourced from Principals)

ICT Software*
- Operating system
- Antivirus and other computer security software
- Application software
- Device management software

ICT Services
- Periodic and corrective maintenance services
- Technical support in the case of technical issues

Cloud Solutions & Services
- Cloud Solutions
- Cloud consultancy service

*Normally budled with ICT Hardware and are sourced from Principals

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Our Group's principal activities are categorised into the following segments:

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.

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.

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 DISCUSSION & ANALYSIS (CONT'D)

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. Even though our 'Flexible Rent' solution does not require a binding contract but the solution is covered 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 cloud consultancy. Cloudify is a non-traditional cloud service provider that allows users to choose and customise their cloud services.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Business Developments

ICT Zone - An Ecosystem of ICT Services and Products that Supports a Circular Economy

Proactive management of topics relating to climate action and environment is a core component of our Company's sustainability strategy. We leverage a circular economy approach in everything we do to reduce environmental impacts and emissions from our operations, our portfolio and in society.

We focus on a circular approach where 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 – "Integrated Technology and Financing Framework" are the key areas for us. ICT Zone's Device-as-a-Service ("**DaaS**") 360 simplifies how commercial organisations can access technology and be equipped with the right hardware and support, all backed by a robust financing service and sustainable practices. With DaaS 360, there will be fewer physical devices being wasted after their life cycle ends. The device subscription model guarantees that the old products will be repurposed, reconditioned and reused. By recycling the old devices, we help our clients to fulfil their Environmental, Social, and Governance (ESG) commitment and protect the environment with sustainable practices. This is also in line with the circular economy concept where materials are kept inside life cycles.

Sustainability is at the Heart of ICT Zone's Philosophy, "One Vendor, One Experience, One Price" and It is the Core Value of our brand - Techfin

In the financial year ended 31 January 2023 ("**FYE 2023** "), our Company has been awarded the ISO 14001:2015 certification, marking a significant milestone in our commitment to environmental sustainability. With the ISO 14001:2015 certification, we have a comprehensive framework to enhance our environmental management systems and integrate sustainability into our ICT solution easing and rental businesses.

At ICT Zone, we're committed to delivering innovative and sustainable solutions to our clients while minimizing our impact on the environment. This certification not only reinforces our commitment to sustainability, but it also positions us to help our clients achieve their own sustainability goals. With this certification, we are excited about the opportunities that arise and look forward to continuing our journey towards a sustainable future.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

5-Years Group Financial Summary

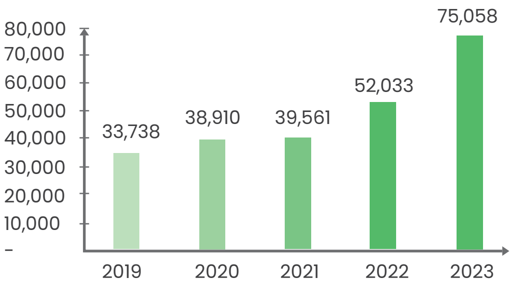
For the Financial Year Ended 31 January	2019	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Statement of Comprehensive Income					
Revenue	33,738	38,910	39,561	52,033	75,058
Gross profit	6,416	8,888	9,762	12,136	15,797
Profit before tax (“**PBT**”)	(114)	1,381	5,721	6,429	8,176
Profit after tax (“**PAT**”)	(306)	1,049	3,876	4,370	6,376
Statement of Financial Position					
Deposits, cash and bank balances	1,756	1,225	2,809	10,328	8,969
Total borrowings (including lease liabilities)	4,320	5,853	10,987	18,947	37,918
Net debts(1)	2,564	4,628	8,178	8,619	28,949
Total assets	72,522	87,064	62,643	76,080	105,854
Total liabilities	57,271	58,486	29,658	38,850	62,247
Net assets	15,251	28,578	32,985	37,230	43,606
Financial Ratios					
Gross profit margin (%)	19.02	22.84	24.68	23.32	21.05
PBT margin (%)	(0.34)	3.55	14.46	12.36	10.89
PAT margin (%)	(0.91)	2.70	9.80	8.40	8.44
Gearing (times)(2)	0.17	0.16	0.25	0.23	0.66
Basic earnings per share	(3)(4.24)	(4)0.20	(5)0.73	(5)0.80	(5)1.19
Diluted earnings per share	(3)(4.24)	(6)0.17	(7)0.64	(7)0.70	(7)1.04
Net assets per share	(3)211.53	(4)5.36	(5)6.18	(5)6.98	(5)8.17

Notes:

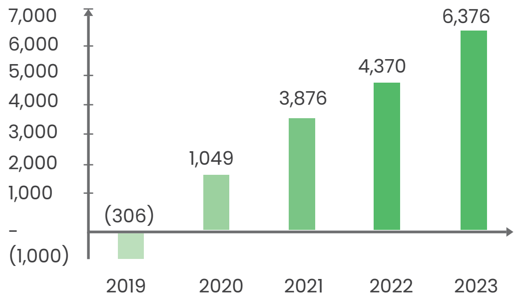
(1) Computed based on the total borrowings (include lease liabilities) less any cash and bank balances.
(2) Computed based on the net debts divide by net assets.
(3) Computed based on 7,210,000 shares.
(4) Computed based on 532,782,500 shares.
(5) Computed based on 533,757,500 shares.
(6) Computed based on 604,982,500 shares, based on a fully diluted basis.
(7) Computed based on 609,077,500 shares, based on a fully diluted basis.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

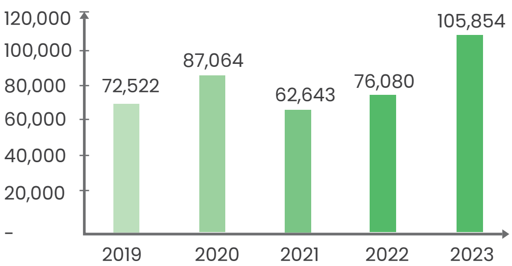
Revenue (RM'000)



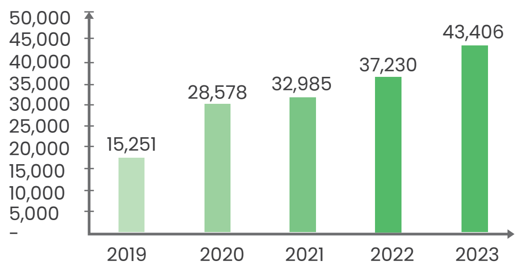
Profit/(Loss) After Tax (RM'000)



Total Assets (RM'000)



Total Equity (RM'000)



The segmental breakdown of our Group's revenue for the FYE 2023 and FYE 2022 by business segments is illustrated below:

	FYE 2023	FYE 2022
	RM'000	**RM'000**
Leasing of ICT hardware and software	31,719	20,349
Trading of ICT solutions	34,381	21,375
Rental of ICT solutions	4,129	5,191
Provision of ICT services	253	57
Provision of Cloud solutions	4,576	5,061
Total	**75,058**	**52,033**

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Financial Performance Review

Our Group registered an increase in total revenue of RM23.03 million or 44.26% to RM75.06 million in FYE 2023 as compared to RM52.03 million in FYE 2022. The increase in revenue was mainly attributable to the following:

(i) increase in revenue contributed from trading of ICT solutions segment by RM13.00 million or 60.8%, which was mainly attributable to the increased demand arising from amongst others, adoption of hybrid working environment following the reopening of the Malaysian economy and contracts secured from the corporate and government sectors; and

(ii) increase in revenue contributed from leasing of ICT solutions segment by RM11.37 million or 55.87%, which was mainly attributable to extension of expired rental contracts and additional financing obtained from the financial institutions as well as better pricing strategy implemented by our Group which allowed our Group to secure additional contracts from the corporate and government sectors.

Our Group's PAT also increased by RM2.01 million or 46.00% to RM6.38 million in FYE 2023 as compared to RM4.37 million in FYE 2022. The increase in PAT was mainly attributable to the higher gross profit as a result of the increase in our Group's revenue as explained above. The increase in gross profit was partially offset by an increase in staff costs as a result of amongst others, an increase in headcount to cater for our Group's business expansion.

Our Group's total assets increased by RM29.77 million or 39.13% to RM105.85 million as at 31 January 2023 from RM76.08 million as at 31 January 2022. The increase in total assets was mainly attributable to the increase in our rental equipment and trade receivables by RM22.83 million and RM7.58 million respectively, which were arising from the additional contracts secured. The increase in total assets was partially offset by the decrease in cash and bank balances by RM1.08 million.

Our Group's total borrowings increased by RM18.97 million or 100.11% to RM37.92 million in FYE 2023 from RM18.95 million in FYE 2022. The increase in total borrowings was mainly due to additional term loans obtained from the financial institutions for our Group's project financing purposes.

ANTICIPATED OR KNOWN RISK

1. **Credit risk**

The collection from our leasing and rental business is dependent on the creditworthiness of our customers. If our customers are unable or unwilling to pay us, we may experience payment delays or we may not be able to recover debt from them. Accordingly, we would have to make an allowance for doubtful debts or write-off bad debts, which may have an impact on our financial performance and financial position adversely.

Notwithstanding the above, our management team will continue to actively monitor outstanding trade receivables and take appropriate actions to mitigate the risk of bad debts. We remain committed to maintaining a sound credit risk management framework to safeguard the financial health of our business. For information purposes, our trade receivable aging profile remained healthy in FYE 2023, with less than 4% of our trade receivables aging past due more than 90 days.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

ANTICIPATED OR KNOWN RISK (CONTINUED)

2. Dependency on continuous relationship with our strategic partners

We have signed strategic partnership agreements with Strategic Partners to provide us with the exclusive rights to finance, supply and deliver ICT solutions to their customers. Any adverse change in our relationship with Strategic Partners may have a short-term negative impact on our order book, which is expected to affect our financial performance.

However, we do not anticipate any adverse change to these relationships as these agreements have been in place for more than 10 years and we have established reliable, trusted and mutually beneficial relationships with them. Nevertheless, we will also continuously expand our pool of Channel Partners and Strategic Partners as well as diversify our customer base to include retail consumers and third-party resellers. While we remain committed to our strategic partnerships, we recognise the importance of maintaining a diversified business model to mitigate potential risks associated with dependence on any one partner or customer.

3. Competition risk

Our Group faces competition from both established and potential new ICT solution providers in Malaysia. This heightened competition has a significant impact on our ability to retain our existing customers and attract new ones, which may adversely affect our operational and financial performance.

Our Group's future success and competitiveness are heavily reliant on our ability to meet customer requirements and maintain our service level and industry reputation. As a result, we are proactively taking measures to mitigate such risks. This includes continuously reviewing and updating our business strategies in response to changing market trends and collaborating with major ICT brands to offer our customers the latest and most reputable ICT products.

We have earned a strong reputation over the years, which is reflected in our customer base in both the private and public sectors. We are confident that by providing high-quality services, we can build long-term business relationships with our customers, enabling us to remain competitive.

4. Political, economic and regulatory risk

Like all other business entities, changes in the economic and political conditions in Malaysia, may indirectly affect the overall profitability of our business. Changes in interest rates, inflation rates, employment regulations, fiscal and monetary policies and regulations relating to taxation, licensing or business permits relating to our Group's business as well as other uncertainties may affect our operations and profitability. Any regulatory changes in relation to the leasing of ICT solutions may also affect our ability to offer these services to our customers.

While we will continue to take measures to undertake careful financial planning and ensure efficient operating procedures, there is no assurance that adverse political and economic conditions will not materially affect our business.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

DIVIDEND

Save for the dividend payable for the ICPS holders, the Company has not adopted any dividend policy. However, it is committed to distributing a portion of its profits as dividends after taking into account, amongst others, the availability of adequate reserves and cash flows, financing commitments and anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans.

FUTURE PROSPECTS AND OUTLOOK

The ICT industry in Malaysia is expected to remain flourish, mainly attributable to the rollout of 5G, hybrid business models and consumers who keep up with the newest trends. Today, technology is employed everywhere in our daily lives, from communications to decision-making. Not only is digitalization the foundation of the economy, but it is also quickly evolving into the foundation of society. The government is battling to keep up with the rapid speed of digitalization while sustaining, directing, and offering support for the economy and society to grow with the technologies.

According to the Department of Statistics Malaysia (DOSM), the ICT industry has contributed RM359.3 billion to the Malaysia's gross domestic product ("**GDP**") in 2021, growing from RM250.8 billion in 2017. In 2021, the ICT industry contributed 23.2% of Malaysia's GDP, with an increase of 1.6% from the past year. The growth areas in the ICT industry are mainly from ICT manufacturing, ICT trade and ICT Services of 11.1%, 6.6% and 7.0% respectively in 2021, however the growth is offset slightly by the content and media sector of negative 2.0%.

Cloud computing has become an indispensable technology/solution for enterprises, coupled with the development of 5G, the network can transmit information faster, thereby supports the development of amongst others, big data analytics, virtual reality (VR) and augmented reality (AR), edge computing and artificial intelligence (AI). The Malaysian government had on 19 February 2021 launched the Malaysian Digital Economy blueprint, where an investment of RM15.0 billion was allocated to aid the implementation of 5G nationwide over a period of 10 years. According to the Communications and Digital Minister, there are 4,363 5G sites as of February 2023 which provides coverage in 54.7% of populated areas. The Malaysian government aims to expedite the 5G rollout to achieve 80% 5G population coverage by the end of 2023, which is one year ahead of Digital Nasional Berhad's schedule. The Malaysian government has also allocated RM725 million from the revised Budget 2023 to implement digital connectivity in 47 industrial areas and nearly 3,700 schools. With the new digitalisation targets rolled out, it is evident that the demand for ICT products and services will increase in the near future in accordance with Malaysia's effort to achieve all the above targets. .

In addition, the COVID-19 pandemic has also served as a catalyst to boost the demand of ICT solution, mainly due to work from home arrangement and online classes for students. Even though Malaysia has entered into transition to endemic phase starting 1 April 2022, some companies have adopted hybrid working environment following positive experiences with remote work during the pandemic. ICT solutions such as file sharing, messaging platforms, video conferencing and project management tools have become a necessity in facilitating hybrid working arrangement and virtual meetings. As such, the demand for ICT solutions is expected to remain strong moving forward with the increased reliance on ICT solutions.

Premise on the above, the prospect of our Group is expected to remain positive in tandem with the growth in the ICT industry from the continuous growth in demand for ICT solutions. Our Board will continue to formulate and implement new business strategies to achieve sustainable growth for our Group in the coming years, to create and enhance value for our stakeholders.

SUSTAINABILITY STATEMENT

ICT Zone Asia Berhad ("**ICT Zone Asia**" or "**Company**") recognises the importance of balancing its interests with those of the broader community and is committed to uphold good governance and sustainability practices in the operations in the Company and its subsidiaries ("**ICT Group**" or "**Group**").

SCOPE OF REPORT AND COVERAGE

ICT Zone Asia prepares this Sustainability Statement ("**Statement**") to report on the ongoing efforts, practices, and performance of how ICT Zone Asia manages its material sustainability matters to its stakeholders under the purview of Economic, Environment and Social ("**EES**") for the financial year ended 31 January 2023 ("**FYE 2023**"). This Statement reports on the sustainability practices and performance pertaining to the Group's entire operations in Malaysia. This Statement is to be read in conjunction with the rest of the Company's Annual Report, highlighting other financial and non-financial aspects of the Group's business.

GOVERNANCE STRUCTURE

In order to instil strong sustainability stewardship and a clear tone at the top, sustainability is also incorporated in ICT Group's corporate governance structure where the Board of Directors ("**Board**") holds ultimate responsibility in ensuring sustainability is considered in the Group's corporate strategies in the long term. The Group's sustainability initiatives are led by a six-member Sustainability Committee which is helmed by the Group Managing Director and is responsible for identifying sustainability targets, developing sustainability strategies, proposing them for the Board's approval, overseeing the implementation of sustainability strategies towards realising the Board-approved strategies. The Sustainability Committee will ensure that the sustainable initiatives are communicated to and supported by the ICT Group's internal stakeholders. They will ensure that there are proper processes and controls in place within respective departments so that the sustainability-related activities are carried out effectively.

STAKEHOLDER ENGAGEMENT

Although the Group has not formally engaged with all stakeholders, the Group has in place the following channels of engagement with various stakeholders:

Stakeholders	Mode of Engagement
• Customers	• Customers' feedbacks • Customers' meetings
• Employees	• Management meetings • Learning and development programme • Staff appraisals
• Shareholders / ICPS holders	• Annual general meetings
• Suppliers	• Suppliers' feedback • Suppliers' meeting
• Government and regulators	• Regulatory requirements
• Local communities	• Community programmes

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL AND AREAS OF FOCUS

ICT Zone Asia has conducted a series of materiality assessments to identify topics prioritised by the stakeholders to provide a framework for the Company's annual disclosure and alignment with the Group's strategic objectives. The stakeholders' feedback, combined with an assessment of industry trends and research, forms the key areas on which the Company's sustainability focus lies. These areas are:

(i) Economic

- Quality of products and services and timeliness in delivery

  Customer satisfaction is essential for achieving long-term business success. The attraction, retention and referrals of customers is vital for the sustainability of the Group. Therefore, product quality and timely delivery of the products and services are material aspects of the Group's economic performance. The Company has established policies and procedures to ensure delivery are made in accordance with the standards and specifications as well as the terms of contractual agreements entered into. In addition, product knowledge and service skills training also formed as are part of the Company's routine training programmes to ensure that the Company's employees provide excellent quality services to the customers. The Company places high priority on customer engagement and interaction via customer feedback form to further improve on its customer service and achieving customer satisfaction. For the year under review, the Group did not receive any customer complaints in relation to its products and services and the Company aims to maintain this achievement in the next year as well.

- Community investment

  As a part of the global community, the Company's aspiration is to help shape society through its products, technologies and community engagement. Accordingly, the Company has worked with its employees to promote a diverse range of social initiatives that help tackle challenges at the local level. The Company believes in the philosophy of giving back to society to show its gratitude and appreciation for its success. In giving, it strengthens the local communities which in turn will contribute to nation building to become more stable, henceforth support future businesses though well-funded infrastructure and high-quality talent pool.

  The Company has offered internship programme in order to bring highly qualified and motivated students with diverse education backgrounds into the Company to work. The internship programme provides the students an environment to acquire knowledge and skills with practical experience. During the year, the Company offered internships to 21 students (FYE 31 January 2022: 10 students) in various department that relevant to their course of study.

SUSTAINABILITY STATEMENT (CONT'D)

(ii) Environment

- Waste management

Waste management is important as it saves the environment from the toxic effects of inorganic and biodegradable element present in waste. Proper waste management is key in ensuring the health and well-being of any environment. The Group's day-to-day operations generate non-hazardous waste and minimal quantities of hazardous waste. The Group's non-hazardous waste includes typical office and cafeteria waste, as well as packaging of products for delivery which consist mostly boxes and plastic film. Hazardous waste is waste designated as hazardous by applicable laws or regulations in a country, state, region, or locality and may include broken electronic devices, batteries and fluorescent light bulbs.

The Company recognises that waste management is important and has engaged waste management service providers to assist the Company in recycling and disposal of waste. For the discarded waste which are suitably assessed to be usable will be repurposed to extend its useful lifespan. For example, in the Company's business practice, all the old ICT equipment returned to the Company are refurbished and remarketed to ensure the life cycle is optimised up to at least 6 years before they are sent for recycling. The recycling process involves reusing all possible spare parts from the ICT equipment before it is disposed to a qualified e-waste recycler. In addition, the Group has also recycled approximately 500 kg to 520 kg of paper wastes through recycling vendors in the FYE 2023.

- Water and energy consumption

Environmental sustainability is important to preserve resources like clean air, water and wildlife for future generations. The Group is committed to continuing proactively to manage and monitor the water and energy use within the businesses in order to enhance operational efficiency and reduce the carbon footprints. The several energy-saving initiatives undertaken by the Group include educating the employees to turn off the computers or set workstations to hibernate mode, turn off the printers and any other office equipment when not in use, especially overnight and on weekends. The Group's energy consumption per thousand sales are as follows:

	As at 31 Jan 2022	As at 31 Jan 2023
Electricity (kWh) / Sales (RM'000)	7.73	4.98

The Group's business activities are not a significant water consumer aside from workplace hygiene, general cleaning, canteen (food preparation and cleaning-up) operations and minimal landscaping maintenance. The Company has put signs up to remind the employees to turn off the water while lathering and scrubbing hands, then turn it back on to rinse. The Company also put signs in the office kitchen to remind people to compost food scraps instead of using the garbage disposal, which uses water each time. This serves to minimise water wastage via lower water consumption.

SUSTAINABILITY STATEMENT (CONT'D)

(iii) Social

• Ethical business practices

The Group strongly believes that maintaining high standards of ethical business practices is pivotal and forms the foundation of sustainable business operations. Hence, the Group has embedded strong business ethics in the Company's corporate culture and in all the business dealings. The Company has formulated the Code of Conduct to establish standards of ethical behaviour and communicated to Directors, Senior Management, employee, suppliers and business associates of the Group. The anti-bribery and anti-corruption clauses are set out in the Code of Conduct to ensure all employees are equally responsible for preventing and reporting bribery and other forms of corruption.

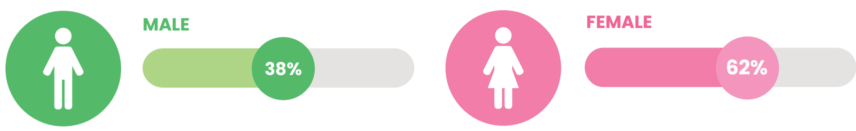
There has not been any incidence of conduct violation or breach during the reporting period.

• Workplace diversity

The Group values diversity in the workplace. The Group believes that diversity in skills, experience, age group and gender will enhance creativity and quality of solutions. The Group's conviction in treating employees fairly and providing equal opportunities to all employees will enable the Group to attract and retain a diverse and an engaged workforce.

In the past 3 financial years, the Group has a total of 26, 48 and 50 employees respectively, as follows:

Workforce by Gender



Workforce by Age

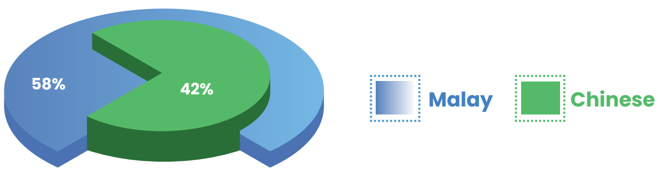
21 - 30 years old 30%

31 - 40 years old 25%

41 - 50 years old 36%

51 - 60 years old 10%

Workforce by Race



SUSTAINABILITY STATEMENT (CONT'D)

(iii) Social (countinued)

- Employment engagement

  Employee engagement is about improving the work environment and culture to encourage employees to be more dedicated to company goals and values. Employee engagement is important to all organisations as having effective strategies in-place helps create a better work culture, reduce staff turnover, increase productivity, build better work and customer relationships which is expected to have an indirect impact on the company's financial performance. To achieve this, the Company has organised several employee engagement activities over the years, including departmental futsal, badminton, and bowling competitions, as well as monthly birthday celebrations at the Group level. Additionally, the Group also celebrated religious and cultural festivals such as Chinese New Year and Raya Aidilfitri Open House, Iftar sessions, and organised company trips. The Company has ensured that all celebrations and gathering organised during the pandemic outbreak were in compliance with COVID-19 standard operating procedures.

- Talent attraction and retention

  Employees play an important role in the Group's operations as they contribute to business growth and maintain the quality and safety of products. Hence, various employee welfare is introduced to attract and retain talent and reward employee efforts. Amongst others, the benefits that the Company provided are as follows:

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

  In addition to the industry-competitive remuneration package and staff benefits offered to attract talents, the Company also take note of ensuring a steady pipeline of talents for the workforce. As such, the Company has offered 21 internship placement to the nation's undergraduate pool from the local universities in Malaysia to expose them to real-world experience while also developing and refining skills such as leadership, communication and time management amongst others. Upon completing the internship programme, the students will be offered a permanent job with the Group if their performance meets the Company's expectation.

  Despite the Group's best efforts, a total of 7 employees left the Group during the FYE 2023 to pursue other career advancement opportunities.

SUSTAINABILITY STATEMENT (CONT'D)

(iii) Social (countinued)

- Training and development

  Continuous skill development and knowledge improvement remain to be one of the Group's key focus areas as talented and skilled person is a vital asset that brings the business to success. The Group acknowledges the importance of training and development in talent retention and development. To facilitate a high-performance culture and to unlock the potential of the Group's employees, the Company has sent its employees to participate in external professional training programmes such as Internal Audit of ISO 14001:2015 Training. In addition, the Company also provide onboarding programme and on-job practical trainings for the employees to gain insight into the Group's corporate culture, processes and operations.

  The Company also has in place a comprehensive employee revaluation system to better monitor and manage the employees' key performance indicators (**KPI**) and their overall performance. The system not only serve as quantifiable indicators of progress toward an intended result but also help to foster employees' personal growth.

- Occupation safety and health

  Occupational safety and health is deeply ingrained in the Group's workplace culture, and the Group places a high emphasis on cultivating and fostering a proactive occupation safety and health culture across the Group's operations. The Company acknowledges that it is its duty to create a safe and healthy work environment for its employees and external stakeholders namely contractors, visitors, and others, to protect them from serious occupational hazards. Hence, the Company has established an Occupational Safety, Health & Environment Policy which sets out the Company's commitment in providing a safe, secure, and conducive working environment to the employees and serves as a communication tool internally and externally. The Occupational Safety, Health & Environment Policy is reviewed and updated when necessary to ensure effectiveness and compliance with relevant laws and regulations.

  During the reporting period, there was 1 work-related injury incident reported but no fatalities within the Group. The work-related injury incident involved a staff injured in a minor car accident when travelling to his house from office after working hour. The Group will continuously raise awareness on health and safety measures among employees towards the potential risks in the operations to prevent further workplace incidents.

Moving Forward

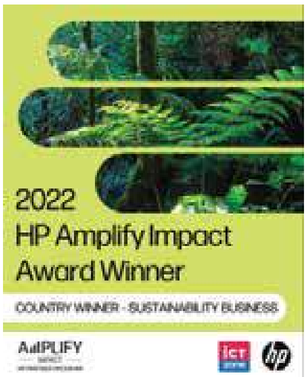
The Company's achievements rely on the unwavering and consistent support of various groups, such as its employees, shareholders, consumers, suppliers, local communities, government and relevant authorities. The Company firmly believes that to earn respect and confidence from these stakeholders, it must be an exceptional corporate citizen and contribute to the thriving of its marketplace. One crucial approach to achieving this is by constantly enhancing its sustainability initiatives. Therefore, as the Company moves ahead towards more growth, it is committed to upholding and prioritizing sustainability efforts in its core strategies. This ensures that the Company operate in a safe, efficient, and responsible manner while also delivering broader benefits to its environment.

SUSTAINABILITY STATEMENT (CONT'D)

Company Events and Awards

HP AMPLIFYING IMPACT AWARD 2022

The Company was awarded the Sustainability Business Award for Malaysia under the HP Amplify Impact program. The HP Amplify Impact Sustainable Business Award is an accolade given to companies that demonstrate exceptional commitment to sustainable business practices. It is a recognition program created by HP Inc., a global technology company, to celebrate and reward partners who are leading the way in sustainability and making a positive impact on the environment and society.



TAMAN NEGARA TRIP

RAYA POTLUCK

SUSTAINABILITY STATEMENT (CONT'D)

Company Events and Awards

Staff meeting and TechFin Lounge Launching 2022

ISO 14001:2015 Awareness Briefing

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the external auditors by the Company and its subsidiaries for the financial year ended 31 January 2023 are as follows:

Type of Fees	Company	Group
	(RM)	(RM)
Audit fees	26,500	90,500
Non-audit fees	-	-

2. MATERIAL CONTRACTS

The Company and its subsidiaries do not have any material contracts involving the interests of Directors and major shareholders either subsisting at the end of the financial period or entered into since end of the previous financial year.

3. RECURRENT RELATED PARTY TRANSACTIONS

There were no material recurrent related party transactions of a revenue or trading nature entered by the Company or its subsidiaries during the financial year ended 31 January 2023 other than those which are disclosed in Note 26 of the financial statements for the financial year ended 31 January 2023.

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 Market Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements for the financial year ended 31 January 2023 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 2023 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 2023.

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	6,376,170	1,131,023
Profit for the financial year attributable to:		
Owners of the parent	6,337,534	1,131,023
Non-controlling interest	38,636	-
	6,376,170	1,131,023

Reserves and provisions

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

Dividends

On 26 September 2022, 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 2023. The preference dividend amounting to a total of RM1,506,400 was paid on 14 October 2022.

The Directors do not recommend any final dividend for the financial year ended 31 January 2023.

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 names of the Directors 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 are:

Loh Kuo Hsiung	
Kwan Thean Poh	- Appointed on 1 July 2022
Lim Chen Yao	- Appointed on 1 July 2022
Lee Reng Kwan	- Resigned on 1 July 2022

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 2023 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 1.2.2022	**Bought**	**Sold**	**Balance as at 31.1.2023**
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 1.2.2022	**Bought**	**Sold**	**Balance as at 31.1.2023**
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 RM989,346 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 2023 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.

Auditors

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

The auditors' remuneration of the Group and of the Company for the financial year ended 31 January 2023 amounted to RM90,500 and RM26,500 respectively.

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

DATUK SERI NG THIEN PHING	LIM KOK KWANG

Kuala Lumpur
Dated 18th May 2023

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 44 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 2023 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
Dated 18th May 2023

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 44 to 144 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 18th May 2023)

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 2023, 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 statements, including a summary of significant accounting policies, as set out on pages 44 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 2023, and of their financial performance and their cash flows for the financial year ended 31 January 2023 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 Matter

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 Matter (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, adjustments for differences in the key attributes of the transacted value of comparable properties and reasonableness of the projection used.

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.

Responsibilities of the Directors for the Financial Statements (continued)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- 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.

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

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

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

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

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

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

Other Matters

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

PKF PLT
202206000012 (LLP0030836-LCA) & AF0911
CHARTERED ACCOUNTANTS

NGU SIOW PING
03033/11/2023 J
CHARTERED ACCOUNTANT

Kuala Lumpur
Dated 18th May 2023

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023**

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Revenue	3	75,058,009	52,033,438	1,605,000	2,150,000
Cost of goods sold		(59,260,567)	(39,897,432)	-	-
Gross profit		15,797,442	12,136,006	1,605,000	2,150,000
Other income	4	797,772	642,837	-	-
Other expenses		(6,832,432)	(5,457,646)	(166,086)	(197,287)
Profit from operations		9,762,783	7,321,197	1,438,914	1,952,713
Finance cost	6	(1,586,390)	(892,302)	(307,891)	(395,610)
Profit before tax	7	8,176,393	6,428,895	1,131,023	1,557,103
Tax expenses	8	(1,800,223)	(2,059,169)	-	-
Profit, representing total comprehensive income, for the financial year		6,376,170	4,369,726	1,131,023	1,557,103
Total comprehensive income attributable to:					
Owners of the company		6,337,534	4,282,772	1,131,023	1,557,103
Non-controlling interest		38,636	86,954	-	-
		6,376,170	4,369,726	1,131,023	1,557,103

STATEMENTS OF FINANCIAL POSITION AS AT 31 JANUARY 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	9	65,915,985	42,929,575	4,069	4,589
Right-of-use assets	10	263,272	133,457	-	-
Investment properties	11	11,300,000	11,300,000	-	-
Investment in subsidiaries	12	-	-	33,886,000	33,886,000
		77,479,257	54,363,032	33,890,069	33,890,589
Current assets					
Inventories	13	574,942	902,459	-	-
Trade receivables	14	17,065,848	9,494,055	-	-
Non-trade receivables, deposits and prepayments	15	1,002,484	644,077	8,333	6,833
Tax recoverable		354,467	348,720	-	-
Fixed deposits with licensed banks	16	592,577	864,114	-	-
Other investment	17	407,647			
Net investment in sub-lease	18	-	-	-	-
Cash and bank balances		8,376,361	9,463,683	459,491	534,487
		28,374,325	21,717,108	467,824	541,320
TOTAL ASSETS		105,853,582	76,080,140	34,357,893	34,431,909

STATEMENTS OF FINANCIAL POSITION AS AT 31 JANUARY 2023 (CONTINUED)

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	19	28,123,904	28,123,904	28,123,904	28,123,904
Reserve	20	15,282,888	8,945,354	3,514,088	2,383,065
Equity attributable to owners of the parent		43,406,792	37,069,258	31,637,992	30,506,969
Non-controlling interest		199,478	160,842	-	-
Total equity		43,606,270	37,230,100	31,637,992	30,506,969
Non-current liabilities					
Irredeemable Convertible Preference Shares	19	2,690,367	3,889,857	2,690,367	3,889,857
Deferred tax liabilities	21	8,240,882	6,654,787	-	-
Borrowings	22	25,297,456	14,463,803	-	-
		36,228,705	25,008,447	2,690,367	3,889,857
Current liabilities					
Trade payables	23	10,039,074	7,503,419	-	-
Non-trade payables and accruals	24	3,358,694	1,747,202	29,534	35,083
Borrowings	22	12,329,169	4,323,155	-	-
Tax payable		-	108,220	-	-
Lease liabilities	25	291,670	159,597	-	-
		26,018,607	13,841,593	29,534	35,083
Total liabilities		62,247,312	38,850,040	2,719,901	3,924,940
TOTAL EQUITY AND LIABILITIES		105,853,582	76,080,140	34,357,893	34,431,909

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

	← Attributable to the owners of the parent →					
	Share capital RM	**Retained earnings RM**	**Merger reserve RM**	**Sub-total RM**	**Non-controlling interests RM**	**Total Equity RM**
Group						
At 1 February 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 period	-	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
Profit, representing total comprehensive income for the financial year	-	6,337,534	-	6,337,534	38,636	6,376,170
At 31 January 2023	28,123,904	23,330,658	(8,047,770)	43,406,792	199,478	43,606,270

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023 (CONTINUED)

	Share capital RM	Retained earnings RM	Total Equity RM
Company			
At 1 February 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
Profit, representing total comprehensive income for the financial year	-	1,131,023	1,131,023
At 31 January 2023	28,123,904	3,514,088	31,637,992

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from operating activities				
Profit before tax	8,176,393	6,428,895	1,131,023	1,557,103
Adjustments for:				
Depreciation of property, plant and equipment	21,440,874	16,222,818	520	520
Depreciation of right-of-use assets	111,693	125,792	-	-
Interest expenses	1,577,963	879,717	306,910	395,610
Interest income from net investment in sub-lease	(363,667)	(13)	-	-
Interest income	(7,913)	(11,975)	-	-
Fair value gain on short-term cash investment	(7,647)	-	-	-
Gain on disposal of property, plant and equipment	(1,439,000)	-	-	-
Right-of-use assets written off	-	1,876	-	-
Property, plant and equipment written off	-	3,311	-	-
Operating profit before working capital changes	29,488,696	23,650,421	1,438,453	1,953,233
Decrease/(Increase) in inventories	327,517	(580,263)	-	-
Decrease in net investment in sub-lease	-	4,785	-	-
(Increase)/Decrease in receivables	(7,930,200)	(3,267,245)	(1,500)	26,517
Increase/(Decrease) in payables	4,147,148	(1,431,920)	(5,549)	3,643
Cash generated from operations	26,033,161	18,375,778	1,431,404	1,983,393

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023 (CONTINUED)

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash generated from operations	26,033,161	18,375,778	1,431,404	1,983,393
Interest received from net investment in sub-lease	363,667	13	-	-
Tax paid	(219,875)	(369,401)	-	-
Tax refunded	-	5,100	-	-
Net cash from operating activities	25,176,953	18,011,490	1,431,404	1,983,393
Cash flows from investing activities				
Net cash flows on acquisition of subsidiaries	-	263,331	-	(480,000)
Interest income	7,913	11,975	-	-
Acquisition of cash investment	(500,000)	-	-	-
Proceed from redemption of short-term cash investment	100,000	-	-	-
Net changes in fixed deposits with licensed banks	163,317	(113,868)	-	-
Proceeds from disposal of property, plant and equipment	3,334,361	2,314,810	-	-
Acquisition of property, plant and equipment	(46,322,645)	(18,659,259)	-	-
Net cash used in investing activities	(43,217,054)	(16,183,011)	-	(480,000)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023 (CONTINUED)

		Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from financing activities					
Drawdown of term loan	(ii)	26,411,000	14,230,000	-	-
Repayment of term loan	(ii)	(7,571,333)	(4,445,468)	-	-
Dividend paid to ICPS holders		(1,506,400)	(1,506,400)	(1,506,400)	(1,506,400)
Repayment of lease liabilities	(ii)	(109,435)	(3,456)	-	-
Interest paid		(1,279,480)	(879,717)	-	-
Net changes in short-term borrowings	(ii)	-	(1,828,461)	-	-
Net cash from/(used in) financing activities		15,952,779	5,566,498	(1,506,400)	(1,506,400)
Net (decrease)/ increase in cash and cash equivalents		(1,087,322)	7,394,977	(74,996)	(3,007)
Cash and cash equivalents at 1 February 2022/2021		9,463,683	2,068,706	534,487	537,494
Cash and cash equivalents at 31 January	(i)	8,376,361	9,463,683	459,491	534,487

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023 (CONTINUED)

Notes:

(i) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
Cash and bank balances	8,376,361	9,463,683	459,491	534,487

(ii) Reconciliation of liabilities arising from financing activities

2023	**1 February 2022/2021 RM**	**Non-cash flows RM**	**Cash flows RM**	**31 January RM**
Group				
Term loan	18,786,958	-	18,564,217	37,351,175
Lease liabilities	159,597	241,508	(109,435)	291,670
ICPS	3,889,857	306,910	(1,506,400)	2,690,367
2022				
Group				
Term loan	9,002,426	-	9,784,532	18,786,958
Bankers' acceptance and trust receipts	1,828,461	-	(1,828,461)	-
Lease liabilities	156,141	-	3,456	159,597
ICPS	5,001,628	394,629	(1,506,400)	3,889,857
2023				
Company				
ICPS	3,889,857	306,910	(1,506,400)	2,690,367
2022				
Company				
ICPS	5,001,628	394,629	(1,506,400)	3,889,857

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

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 2022, 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 January 2022

Description

- Amendments to MFRS 3, Business Combinations: Reference to the Conceptual Framework
- Amendments to MFRS 116, Property, Plant and Equipment: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract
- Annual improvements to MFRSs 2018 - 2020 cycle
  - Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards
  - Amendments to MFRS 9, Financial Instruments
  - Amendments to MFRS 16, Leases
  - Amendments to MFRS 141, Agriculture

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

Description	Effective for annual periods beginning on or after
• MFRS 17, Insurance Contracts	1 January 2023
• Amendments to MFRS 17, Insurance Contracts	1 January 2023

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

1. Basis of preparation (continued)

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

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

Description	Effective for annual periods beginning on or after
• Amendment to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
• 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 16, Leases: Lease Liability in a Sale and Leaseback	1 January 2024
• Amendments to MFRS 101, Non-current Liabilities with Covenants	1 January 2024
• 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 above-mentioned accounting standards, amendments or interpretations are not expected to have any material impact to the financial statements of the Group and of the Company.

(c) Basis of measurement

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

(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:

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2022

1. Basis of preparation (continued)

(d) Significant accounting estimates and judgements (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

1. Basis of preparation (continued)

(d) Significant accounting estimates and judgements (continued)

(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.

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

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

(vii) Revaluation of Investment Properties

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

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.

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

2. Summary of significant accounting policies

(a) Basis of consolidation (continued)

(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.

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.

A performance obligation may be satisfied set a point in time or over time. The amount of revenue recognised is the amount allocate to satisfied performance obligation.

The Group transfers control of a goods and services over time and thereafter satisfied a performance obligation and recognised revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consume the benefits provided by the Group's performance as the Group performances.
- The Group's performance, creates or enhance an asset that the customer control as the assets is created or enhanced; or
- The Group's performance does not create an asset with an alternatives use to the Group and the Group has an enforceable right to payment for performance complete to date.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

2. Summary of significant accounting policies (continued)

(b) Revenue (continued)

(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.

In order 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 of ICT equipment

Rental income from the rental asset is recognised in profit or loss on a straight-line basis over the term of the lease and when the services are rendered. In the event invoices are yet to be issued at the year end, the revenue is accrued to the extent of the services rendered at the end of the reporting period.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

2. Summary of significant accounting policies (continued)

(b) Revenue (continued)

(v) Rendering of networking and cloud services

Revenue from rendering of networking and cloud services. The revenue is recognised overtime in proportion to the services performed on the contract at the end of the reporting date and based on services furnished to the customer as the customer simultaneously receive and consume the benefit provided by the services rendered. The normal credit term is 30 days to 60 days upon issuance of the sale invoice.

The customer pays the amount based on invoice. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payment receives exceed the services rendered, a contract liability is recognised.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

2. Summary of significant accounting policies (continued)

(d) Tax expense (continued)

(ii) Deferred tax

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

2. Summary of significant accounting policies (continued)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

2. **Summary of significant accounting policies (continued)**

(e) Impairment (continued)

(i) Financial assets (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

2. Summary of significant accounting policies (continued)

(e) Impairment (continued)

(i) Non-financial assets (continued)

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.

(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 vehicles	20%
Office equipment	20%
Furniture and fittings	10% - 20%
Computer and software	20% - 50%
Signboard	10%
Renovation	20%
Rental equipment	20% - 33%

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

2. Summary of significant accounting policies (continued)

(f) Property, plant and equipment (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

2. Summary of significant accounting policies (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

2. Summary of significant accounting policies (continued)

(h) Financial assets (continued)

(ii) Subsequent measurement (continued)

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

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

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

(c) FVOCI – equity investment

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

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

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

2. Summary of significant accounting policies (continued)

(h) Financial assets (continued)

(ii) Subsequent measurement (continued)

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

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

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

(iii) Derecognition

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

2. Summary of significant accounting policies (continued)

(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.

(ii) Subsequent measurement

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

(a) Amortised cost

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

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

(b) FVTPL

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

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

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

2. Summary of significant accounting policies (continued)

(j) Financial Liabilities (continued)

(ii) Derecognition

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

2. Summary of significant accounting policies (continued)

(k) Leases (continued)

(i) Initial recognition and measurement (continued)

(a) As a lessee (continued)

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

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

(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.

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

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

2. Summary of significant accounting policies (continued)

(k) Leases (continued)

(ii) Subsequent measurement

(a) As a lessee

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

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

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

(b) As a lessor

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

2. **Summary of significant accounting policies (continued)**

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

2. Summary of significant accounting policies (continued)

(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 2023

3. Revenue

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contract customers				
At point in time				
Sales of assets	40,217,492	22,249,603	-	-
IT services	1,272,054	2,149,579	-	-
Training	326,557	52,106	-	-
	41,816,103	24,399,182	-	-
At over time				
Cloud solution and service	988,984	857,690	-	-
Other source of income				
Dividend income	-	-	1,605,000	2,150,000
Rental income from:				
- Computer hardware	4,929,225	8,347,882	-	-
- ICT equipment	27,323,697	18,376,578	-	-
	37,579,479	26,776,566	1,605,000	2,150,000
	75,058,009	52,033,438	1,605,000	2,150,000

4. Other income

	Group	
	2023 RM	2022 RM
Government grant	-	8,400
Interest income from:		
- fixed deposits	7,913	11,975
- net investment in sub-lease	363,667	13
Lease income	260,525	593,392
Others	165,667	29,057
	797,772	642,837

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

5. Employee benefits expense

	Group 2023 RM	Group 2022 RM
(a) Staff cost:		
Salaries, allowances and bonus	3,485,767	2,328,706
Contributions to defined contribution plan	422,791	252,675
Social security contributions	37,100	24,702
Other short-term employee benefits	389,115	242,070
	4,334,773	2,848,153
(b) Directors' remuneration:		
Salary and other emoluments	874,850	805,722
Contributions to defined contribution plan	110,796	88,380
Social security contributions	3,700	3,385
	989,346	897,487
	5,324,119	3,745,640

6. Finance costs

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Interest expense on:				
- lease liabilities	13,592	11,359	-	-
- ICPS	306,910	394,628	306,910	395,610
- term loans	1,257,461	473,730	-	-
Others	8,427	12,585	981	-
	1,586,390	892,302	307,891	395,610

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

7. Profit before tax

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Profit before tax is arrived at after charging/ (crediting):				
Auditors' remunerations				
Audit fees	90,500	83,500	26,500	24,000
Material expenses				
Depreciation of				
- property, plant and equipment	21,440,874	16,222,818	520	520
- right-of-use assets	111,693	125,792	-	-
Gain on disposal of property, plant and equipment	(1,439,000)	-	-	-
Fair value gain on short-term cash investment	(7,647)	-	-	-
Property, plant and equipment written-off	-	3,311	-	-
Right-of-use assets written-off	-	1,876	-	-

8. Tax expense

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Current tax				
- current year	423,241	324,960	-	-
- overprovision in prior year	(209,113)	(265,374)	-	-
	214,128	59,586	-	-
Deferred tax (Note 21)				
- current year	2,056,337	1,491,116	-	-
- (over)/under provision in prior year	(470,242)	508,467	-	-
	1,586,095	1,999,583	-	-
	1,800,223	2,059,169	-	-

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

8. Tax expense (continued)

Reconciliation of tax expense

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
Profit before tax	8,176,393	6,428,895	1,131,023	1,557,103
Tax calculated using statutory tax rate at 24%	1,962,334	1,542,935	271,446	373,705
Non-deductible expenses	901,991	484,336	113,754	142,295
Non-taxable income	(443,640)	(166,665)	(385,200)	(516,000)
Deferred tax assets not recognised during the financial year/(Utilisation of deferred tax assets not recognised in prior year)	58,893	(44,530)	-	-
	2,479,578	1,816,076	-	-
Overprovision of income tax in prior year	(209,113)	(265,374)	-	-
(Over)/Under provision in prior year	(470,242)	508,467	-	-
	1,800,223	2,059,169	-	-

The Group has unabsorbed capital allowance amounting to RM1,598,325 (2022: RM2,386,123) available of offsetting against future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

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
2023								
Cost								
At 1 February 2022	526,287	802,817	498,112	507,056	81,175	191,636	82,476,583	85,083,666
Additions	-	52,932	90,971	25,406	-	66,480	46,086,856	46,322,645
Disposal	(240,000)	-	-	-	-	-	(13,413,672)	(13,653,672)
At 31 January	286,287	855,749	589,083	532,462	81,175	258,116	115,149,767	117,752,639
Accumulated depreciation								
At 1 February 2022	518,286	733,617	439,177	435,476	66,243	133,856	39,827,436	42,154,091
Depreciation charge for the financial year	8,000	25,084	13,614	15,385	2,478 -	18,488	21,357,825	21,440,874
Disposal	(240,000)	-	-	-	-	-	(11,518,311)	(11,518,311)
At 31 January	286,286	758,701	452,791	450,861	68,721	152,344	49,666,950	51,836,654
Carrying amount								
At 31 January	1	97,048	136,292	81,601	12,454	105,772	65,482,817	65,915,985

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
Disposal	-	(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 for the financial year	7,999	18,545	11,814	11,362	2,662	13,273	16,157,163	16,222,818
Acquisition of subsidiary	-	3,294	3,012	18,916	256	1,876	414,322	441,676
Disposal	-	(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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

9. Property, plant and equipment (continued)

	2023	2022
Signboard	**RM**	**RM**
Company		
Cost		
At 1 February 2022/2021/31 January	5,200	5,200
Accumulated depreciation		
At 1 February 2022/2021	611	91
Depreciation charge	520	520
At 31 January	1,131	611
Carrying amount		
At 31 January	4,069	4,589

10. Right-of-use assets

	Group	
	2023	**2022**
	RM	**RM**
Carrying amount		
At 1 February 2022/2021	133,457	90,095
Addition	241,508	22,514
Acquisition of subsidiary	-	148,516
Written-off	-	(1,876)
Depreciation charge	(111,693)	(125,792)
At 31 January	263,272	133,457

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

11. Investment properties

	Freehold property RM	Leasehold properties RM	Total RM
Group			
Fair value			
2023			
At 1 February 2022/31 January	1,800,000	9,500,000	11,300,000
2022			
At 1 February 2021/31 January	1,800,000	9,500,000	11,300,000

	Group	
	2023 RM	**2022 RM**
Recognised in profit or loss:		
Lease income	624,192	593,392

The fair value of the investment properties of the Group at 31 January 2023 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 a 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 was categorised as follows:

	Level 2 RM	Level 3 RM	Total RM
2023			
Leasehold building	1,800,000	-	1,800,000
Office building	-	9,500,000	9,500,000
	1,800,000	9,500,000	11,300,000
2022			
Leasehold building	1,800,000	-	1,800,000
Office building	9,500,000	-	9,500,000
	11,300,000	-	11,300,000

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

11. Investment properties (continued)

Level 2 Fair Value

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

Level 3 Fair Value

Level 3 fair value of office buildings have been derived from the income approach. The change in level 2 to level 3 due to the change in the method of valuation used during the year. The most significant input are average gross rental and capitalisation rate.

12. Investment in subsidiaries

	Company	
	2023	**2022**
	RM	**RM**
At 1 February 2022/2021	33,886,000	33,406,000
Additions	-	480,000
At 31 January	33,886,000	33,886,000

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

Name of company:	**Effective equity interest**		**Principal activities**
	2023	**2022**	
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 Techonolgies Sdn. Bhd.	58.25%	58.25%	Information technologies and cloud solutions services

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

13. Inventories

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

	Group	
	2023 **RM**	**2022** **RM**
At cost:		
Finished goods	574,942	902,459
Recognised in profit or loss		
Inventories recognised as cost of sales	58,770,057	22,100,669

14. Trade receivables

	Group	
	2023 **RM**	**2022** **RM**
Trade receivables	17,065,848	9,482,577
Accrued revenue	-	11,478
	17,065,848	9,494,055

The normal trade credit terms of the Group are 60 days (2022: 60 days). Other credit terms are assessed and approved on a case-by-case basis.

15. Non-trade receivables, deposits and prepayments

	Group		Company	
	2023 **RM**	**2022** **RM**	**2023** **RM**	**2022** **RM**
Non-trade receivables	238,177	65,819	-	-
Deposits	144,215	112,709	-	-
Prepayments	620,091	465,549	8,333	6,833
	1,002,483	644,077	8,333	6,833

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% (2022: 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

17. Short-term cash investment

	Group	
	2023	2022
	RM	RM
At fair value		
Cash management fund with investment management company	407,647	-

18. Net investment in sub-lease

	Group	
	2023	2022
	RM	RM
At 1 February 2022/2021	-	4,785
Additions	3,779,329	2,071,843
Finance income	363,667	13
Lease payment received	(4,142,996)	(2,076,641)
At 31 January	-	-
Recognised in profit or loss:		
Finance income	363,667	13

19. Share capital

	Note	Group and Company	
		2023 Number of shares	2023 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
		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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

19. Share capital (continued)

(a) Issued and fully paid ordinary shares

	Group and Company			
	2023	2022	2023	2022
	Number of shares		RM	RM
At 1 February 2022/2021/ 31 January	533,757,500	532,782,500	19,092,000	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.

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

	Group and Company			
	2023	2023	2022	2022
	Number of ICPS	RM	Number of ICPS	RM
At 1 February 2022/2021/ 31 January	75,320,000	9,031,904	75,320,000	9,031,904

	Group and Company	
	2023	2022
ICPS – Liabilities Component	RM	RM
At 1 February	3,889,857	5,001,628
Accrued interest	306,910	394,629
Less: Dividend	(1,506,400)	(1,506,400)
	2,690,367	3,889,857

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 2023

19. Share capital (continued)

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

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

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

20. Reserves

		Group		Company	
	Note	2023	2022	2023	2022
		RM	RM	RM	RM
Distributable					
Merger reserve	(a)	(8,047,770)	(8,047,770)	-	-
Retained earnings	(b)	23,330,658	16,993,124	3,514,088	2,383,065
		15,282,888	8,945,354	3,514,088	2,383,065

(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 2023

21. Deferred tax liabilities

	Group 2023 RM	Group 2022 RM
At 1 February 2022/2021	6,654,787	4,655,204
Recognised in profit or loss (Note 8)	1,586,095	1,999,583
At 31 January	8,240,882	6,654,787

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 2022	117,317	6,190,009	881,906	7,189,232
Recognised in profit or loss	(38,451)	2,215,402	116,836	2,293,787
At 31 January 2023	78,866	8,405,411	998,742	9,483,019
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

	Unrealised foreign exchange RM	Unabsorbed capital allowance RM	Lease liabilities RM	Total RM
Deferred tax assets of the Group:				
At 1 February 2022	-	(572,670)	38,225	(534,445)
Recognised in profit or loss	43,481	189,072	(940,245)	(707,692)
At 31 January 2023	43,481	(383,598)	(902,020)	(1,242,137)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

21. 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 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)

22. Borrowings

	Group 2023 RM	2022 RM
Non-current		
Term loans	25,297,456	14,463,803
Current		
Term loans	12,329,169	4,323,155
	37,626,625	18,786,958

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

	Group 2023 RM	2022 RM
Repayable within one (1) year	12,329,169	4,323,155
Repayable between two (2) to five (5) years	25,297,456	14,463,803
	37,626,625	18,786,958

Term loan 1

The term loans are secured by the following:

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

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

(iii) Guarantee from the holding company.

The effective interest rate of the bank borrowings at the end of the reporting period is ranging from 5.56% to 8.05% (2022: 5.56%).

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

22. Borrowings (continued)

Term loan 2

The term loans are secured by the following:

(i) First party assignment of rental/lease proceeds by the subsidiary to the Bank duly acknowledged by the Strategic Partner(s);

(ii) Third part assignment of rental/lease proceeds by Strategic Partner(s) to the Bank duly acknowledged by the Principal Project Awarder(s);

(iii) A fixed charge over all the Escrow/Project Accounts to be maintained with the Bank;

(iv) Upfront placement of amount equivalent to 2 months principal amount for each tranche to be drawn (amount to be earmarked in escrow account); and

(v) Specific Debenture over the Assets to be delivered under the contract financed by the Bank.

The effective interest rate of the bank borrowings at the end of the reporting period is ranging from 4.48% to 4.98% (2022: Nil).

Term loan 3

The term loans are secured by the following:

(i) Joint and several guarantees by the Directors;

(ii) SJPP-Government Guarantee issued by Syarikat Jaminan Pembiayaan Perniagaan Bhd.; and

(iii) Corporate guarantees by the holding company.

The effective interest rate of the bank borrowings at the end of the reporting period is ranging from 5.05% to 5.40% (2022: 5.56%).

23. Trade payables

The normal trade credit term granted to the Group is 60 days (2022: 60 days).

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

24. Non-trade payables and accruals

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-trade payables	1,925,166	375,636	51	8,000
Accruals	571,565	194,956	29,483	27,083
Deposits received	861,964	1,176,610	-	-
	3,358,695	1,747,202	29,534	35,083

25. Lease liabilities

	Group	
	2023 RM	2022 RM
Representing:		
Current liabilities	291,670	159,597
Recognised in profit or loss:		
Interest expense on lease liabilities	13,592	11,359

The Group's lease liabilities bear interest at the rate of 3.60% to 8.11% (2022: 3.60% to 8.11%).

The total cash outflow for leases for the financial year ended 31 January 2023 is RM123,027 (2022: RM14,815).

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

26. Significant related party's transactions

Related party transactions

The Group's related party transactions for the financial years ended 31 January 2023 and 31 January 2022 are as follows:

Name of company With related parties	Type of transaction	2023 RM	2022 RM
Skyworld Development Sdn. Bhd.	Rental received	260,525	484,872
Risco Consulting Sdn. Bhd.	Insurance premium	(8,926)	(8,926)

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.

27. Operating segments

Operating segments are presented in respect of the Group's business segments. The primary format, business segment. The 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:

Segments	Descriptions
(i) Leasing	- Leasing involves operating lease of ICThardware 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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

27. Operating segments (continued)

(a) Business segments (continued)

The Group comprises the following main business segments: (continued)

Segments	Descriptions
(iii) Service	- Provision of ICT services that comprise of corrective and preventative maintenance
(iv) Rental	- Rental of ICT hardware and software inclusive of corrective and preventative maintenance
(v) Cloud solution and service	- Provision of customised cloud services with architecture solution

The 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 2023

27. 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								
2023								
Revenue								
Revenue	32,283,636	40,217,492	1,272,054	4,929,225	988,984	1,931,557	(6,564,939)	75,058,009
Results								
Segment profit/ (loss) before interest and taxation	7,777,485	1,295,308	120,428	1,059,568	109,650	1,464,087	(2,063,743)	9,762,783
Interest expense	(964,335)	(544,818)	(47,509)	(132,054)	(42,941)	(322,070)	467,338	(1,586,390)
Tax expense	(1,396,621)	(110,877)	(48,555)	(182,037)	(46,709)	(15,423)	-	(1,800,223)
Consolidated profit for the financial year								6,376,170

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								
2023								
Depreciation of property, plant and equipment	18,426,637	264,843	112,525	2,491,433	108,943	36,493	-	21,440,874
Depreciation of right-of-use assets	50,937	9,549	537	1,170	150,154	-	(100,654)	111,693
ASSETS								
Segment assets	69,368,288	30,795,514	1,171,556	9,814,523	952,043	34,740,960	(40,989,303)	105,853,582
LIABILITIES								
Segment liabilities	36,994,907	21,529,981	1,007,549	5,254,011	848,788	3,003,336	(6,391,259)	62,247,312

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

27. 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 2023

28. 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") and financial assets at fair value through profit or loss ("FVTPL").

	Carrying amount	AC	FVTPL
Group			
2023			
Financial assets			
Trade receivables	17,065,848	17,065,848	-
Non-trade receivables and deposits (exclude prepayment)	382,393	382,393	-
Fixed deposits with licensed banks	592,577	592,577	-
Short-term cash investment	407,647	-	407,647
Cash and bank balances	8,376,361	8,376,361	-
	26,824,826	26,417,179	407,647
Financial liabilities			
Trade payables	10,039,074	10,039,074	-
Non-trade payables and accruals	3,358,694	3,358,694	-
Borrowings	37,626,625	37,626,625	-
Irredeemable Convertible Preference Shares ("ICPS")	2,690,367	2,690,367	-
	53,714,760	53,714,760	-
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	-
Irredeemable Convertible Preference Shares ("ICPS")	3,889,857	3,889,857	-
	31,927,436	31,927,436	-

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

28. Financial instruments (continued)

Categories of financial instruments (continued)

	Carrying amount	AC
Company		
2023		
Financial assets		
Cash and bank balances	459,491	459,491
Financial liabilities		
Non-trade payables and accruals	29,534	29,534
Irredeemable Convertible Preference Shares ("ICPS")	2,690,367	2,690,367
	2,719,901	2,719,901
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

Net gains and losses arising from financial instruments

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Net losses arising from:				
Financial assets measured at amortised cost				
Fixed deposits interest income	7,913	11,975	-	-
Financial assets at FVTPL				
Short-term cash investment income	7,647	-	-	-

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

28. Financial instruments (continued)

Categories of financial instruments (continued)

Net gains and losses arising from financial instruments (continued)

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Net losses arising from:				
Financial liabilities measured at amortised cost				
Interest expenses on:				
- term loans	1,257,461	473,730	-	-
- ICPS	306,910	394,628	306,910	395,610
	1,564,371	868,358	306,910	395,610

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 2023

28. 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 (2022: 3) major customers which constituted approximately 95% (2022: 82%) 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 2023

28. 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 2023 was determined as follows for trade receivables:

	Gross amount RM	Loss allowances RM	Carrying amount RM
Group			
2023			
Not past due	14,548,423	-	14,548,423
Past due:			
- more than 30 days	353,794	-	353,794
- more than 60 days	1,598,352	-	1,598,352
- more than 90 days	71,674	-	71,674
- more than 120 days	493,605	-	493,605
	17,065,848	-	17,065,848
2022			
Not past due	7,496,708	-	7,496,708
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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

28. 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	
	2023	**2022**
	RM	**RM**
Fixed rate instruments		
Fixed deposits with licensed banks	592,577	864,114
Interest on Irredeemable Convertible Preferences Shares ("ICPS")	2,690,367	3,889,857
	3,282,944	4,753,971
Floating rate instruments		
Borrowings		
- term loans	37,626,625	18,796,958

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 2023

28. 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	
	2023	**2022**
	RM	**RM**
Effect on profit after tax		
Increase of 100 basis points	(285,962)	(142,857)
Decrease of 100 basis points	285,962	142,857

(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 forall non-derivative financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

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.

	Interest rate	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	Between 2 to 5 years RM
Group					
2023					
Term loan	4.48% - 8.05%	37,626,625	38,608,636	12,957,900	25,650,736
Trade payables		10,039,074	10,039,074	10,039,074	-
ICPS	7.89%	2,690,367	4,196,767	-	4,196,767
Non-trade payables and accruals		3,358,694	3,358,695	3,358,695	-
		53,714,760	56,203,172	26,355,669	29,847,503
Company					
2023					
ICPS	7.89%	2,690,367	4,196,767	-	4,196,767
Non-trade payables and accruals		29,534	29,534	29,534	-
		2,719,901	4,226,301	29,534	4,196,767

	Interest rate	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	Between 2 to 5 years RM
Group					
2022					
Term loan	5.56% - 8.26%	18,786,958	19,260,688	4,560,020	14,700,668
Trade payables		7,503,419	7,503,419	7,503,419	-
ICPS	7.89%	3,889,857	5,396,257	-	5,396,257
Non-trade payables and accruals		1,747,202	1,747,202	1,747,202	-
		31,927,436	33,907,566	13,810,641	20,096,925
Company					
2022					
ICPS	7.89%	3,889,857	5,396,257	-	5,396,257
Non-trade payables and accruals		35,083	35,083	35,083	-
		3,924,940	5,431,340	35,083	5,396,257

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

28. 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 of the opinion that the carrying amounts recorded at the statement of financial position date do not differ significantly from the values that would eventually be recovered.

Fair value hierarchy

Fair value measurement of the financial assets was categorised as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Input for the assets or liabilities that are not based on observable market data (unobservable inputs).

Group 2023	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
Financial asset				
Short-term cash investment	-	407,647	-	407,647

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, in light of changes in economic conditions. In order 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 2023 and 31 January 2022.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 JANUARY 2023

29. Capital management (continued)

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

	Group	
	2023	2022
	RM	RM
Borrowings	37,626,625	18,786,958
Add: Irredeemable Convertible Preference Shares	2,690,367	3,889,857
Less: Fixed deposits with licensed banks	(592,577)	(864,114)
Less: Cash and bank balances	(8,376,361)	(9,463,683)
Net debt	31,348,054	12,349,018
Total equity	43,606,270	37,230,100
Total capital	74,954,324	49,579,118
Gearing ratio (times)	0.42	0.25

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 B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

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 18th May 2023.

ANALYSIS OF SHAREHOLDINGS AS AT 08 MAY 2023

SHARES CAPITAL

Type of Securities	: Ordinary share
Total Number of Issued Share	: 533,757,500 ordinary shares
Voting Rights	: One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS
(based on the Record of Depositors as at 8 May 2023)

Size of Shareholdings	No. of Shareholders	%	NO. OF SHARES HELD	%
Less than 100	1	0.26	50	*
100 to 1,000	1	0.26	1,000	*
1,001 to 10,000	88	22.62	546,150	0.10
10,001 to 100,000	249	64.00	7,365,300	1.38
100,001 to less than 5% of issued shares	49	12.60	98,125,000	18.38
5% and above of issued shares	1	0.26	427,720,000	80.14
Total	**389**	**100.00**	**533,757,500**	**100.00**

Note :
** Less than 0.01%*

DIRECTORS' SHAREHOLDINGS
(based on the Register of Directors' Shareholdings as at 8 May 2023)

No	Names	Direct Interest		Indirect Interest	
		No. of Shares	%	No. of Shares	%
1	Datuk Seri Ng Thien Phing	-	-	(i)427,720,000	80.13
2	Lim Kok Kwang	-	-	(ii)428,020,000	80.19
3	Vincent Ng Soon Kiat	22,500,000	4.22	(iii)125,000	0.02

Notes :

*(i) Deemed interested by virtue of his shareholdings held through ICT Zone Holding Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("**Act**").*
(ii) Deemed interested by virtue of his shareholdings held through ICT Zone Holding Sdn. Bhd., as well as his spouse's shareholdings pursuant to Section 8 and Section 59(11) of the Act.
(iii) Deemed interested by virtue of his spouse's shareholdings pursuant to Section 59(11) of the Act.

ANALYSIS OF SHAREHOLDINGS AS AT 08 MAY 2023 (CONT'D)

SUBSTANTIAL SHAREHOLDERS
(based on the Register of Substantial Shareholders' Shareholdings as at 8 May 2023)

No	Names	Direct Interest		Indirect Interest	
		No. of Shares	%	No. of Shares	%
1	ICT Zone Holding Sdn. Bhd.	427,720,000	80.13	-	-
2	Datuk Seri Ng Thien Phing	-	-	(i)427,720,000	80.13
3	Lim Kok Kwang	-	-	(ii)428,020,000	80.19

Notes :

(i) Deemed interested by virtue of his shareholdings held through ICT Zone Holding Sdn. Bhd. pursuant to Section 8 of the Act.

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

ANALYSIS OF SHAREHOLDINGS AS AT 08 MAY 2023 (CONT'D)

THIRTY LARGEST SHAREHOLDERS
(based on the Record of Depositors as at 8 May 2023)

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	4.22
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	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
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	0.06
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	0.04
30	FELICIA CHOW LI YEE	187,500	0.04

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") HOLDINGS AS AT 08 MAY 2023

SHARES CAPITAL

Type of Securities	: ICPS
Total Number of Issued ICPS	: 75,320,000 ICPS
Voting Rights	: No voting rights

DISTRIBUTION OF ICPS HOLDINGS
(based on the Record of Depositors as at 8 May 2023)

Size of ICPS Holdings	No. of ICPS Holders	%	No. of ICPS Held	%
Less than 100	-	-	-	-
100 to 1,000	-	-	-	-
1,001 to 10,000	2	0.53	20,000	0.03
10,001 to 100,000	260	68.97	11,459,600	15.21
100,001 to less than 5% of issued ICPS	113	29.97	40,560,000	53.85
5% and above of issued ICPS	2	0.53	23,280,400	30.91
Total	**377**	**100.00**	**75,320,000**	**100.00**

DIRECTORS' ICPS HOLDINGS
(based on the Register of Directors' ICPS holdings as at 8 May 2023)

No	Names	Direct Interest		Indirect Interest	
		No. of ICPS	%	No. of ICPS	%
1	Datuk Seri Ng Thien Phing	-	-	-	
2	Lim Kok Kwang	140,000	0.19	(i)960,000	1.28
3	Vincent Ng Soon Kiat	-	-	(i)400,000	0.53

Note :
(i) Deemed interested by virtue of his spouse's shareholdings pursuant to Section 59(11) of the Act.

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") HOLDINGS AS AT 08 MAY 2023 (CONT'D)

THIRTY LARGEST ICPS HOLDERS
(based on the Record of Depositors as at 8 May 2023)

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	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
16	CHEAM JIA WEN	800,000	1.06
17	KARTINI SULROLDO	780,000	1.04
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	CHANG NGEE FANG	400,000	0.53
30	LOO CHEE KIAN	400,000	0.53

NOTICE OF FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourth ("4th") Annual General Meeting ("**AGM**") of ICT Zone Asia Berhad ("**Company**") will be conducted on a fully virtual basis through live streaming via Remote Participation and Voting ("**RPV**") Facilities using Vote2U at *https://web.vote2u.my* (Domain Registration No. with MYNIC – D6A471702) provided by Agmo Digital Solutions Sdn. Bhd. in Malaysia on Monday, 19 June 2023 at 10:00 a.m. or at any adjournment thereof for the following businesses:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 January 2023 together with the Reports of the Directors and Auditors thereon. *Explanatory Note A*

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 4th AGM until the conclusion of the Fifth (5th) AGM of the Company. *Ordinary Resolution 1*

3. To re-elect Vincent Ng Soon Kiat 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 PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *Ordinary Resolution 3*

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification the following resolution:

5. **Authority to allot and issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016** *Ordinary Resolution 4*

   Waiver of pre-emptive rights over new ordinary shares or other convertible securities in the Company under Section 85(1) of the Companies Act 2016 read together with Clause 61 of the Company's Constitution

   "THAT subject to the Companies Act 2016, the LEAP Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"), the Company's Constitution and approval of the relevant governmental regulatory authorities, if required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to allot and issue new shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer at any time and from time to time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 100% of the total number of issued shares of the Company, 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 or such other percentage as prescribed by Bursa Securities.

NOTICE OF FOURTH ANNUAL GENERAL MEETING (CONT'D)

Authority to allot and issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016 (continued)

Ordinary Resolution 4

AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so allotted and issued from Bursa Securities.

AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.

AND THAT in connection with the above, pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 61 of the Company's Constitution, the shareholders of the Company by approving this resolution are deemed to have waived their pre-emptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with the existing shares in the Company."

6. To transact any other business of which due notice shall 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

Kuala Lumpur
19 May 2023

Notes :

1. *Please refer to the Administrative Guide for the procedures to register and participate in the virtual 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 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.*

NOTICE OF FOURTH ANNUAL GENERAL MEETING (CONT'D)

6. *The appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Share Registrar of the Company not less than 48 hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote:*

   (i) In hard copy form
   In the case of an appointment made in hard copy form, this proxy form must be deposited with the Company's Share Registrar at Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200, Kuala Lumpur, Malaysia.

   (ii) By electronic means
   The proxy form can be electronically submitted with the Share Registrar of the Company at admin@aldpro.com.my.

7. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*

8. *For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holdings this AGM. The certificate of appointment of authorised representative should be executed in the following manner.*

   (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

   (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:

      (a) at least 2 authorised officers, of whom one shall be a director; or
      (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

9. *Only the member whose names appear on the Record of Depositors as at 9 June 2023 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.*

10. *The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/ or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.*

NOTICE OF FOURTH ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES :

Ordinary Business:

Item 1 of the Agenda - Audited financial statements for the financial year ended 31 January 2023

This item in the agenda is solely for discussion purposes, as Section 340(1)(a) of the Companies Act 2016 does not require shareholders to formally approve the audited financial statements. Therefore, this item will not be put forward for voting.

Ordinary Resolution 1 : Payment of Directors' fees and other benefits

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

If passed, the proposed Ordinary Resolution 1 will facilitate the payment of the proposed Directors' fees and other benefits amounting to RM150,000 from the conclusion of the 4th AGM or at any adjournment thereof until the conclusion of the next AGM of the Company. The total estimated amount of Directors' benefit payable is calculated based on the number of scheduled meetings of the Company's Board of Directors ("**Board**") and other benefits from the conclusion of 4th 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.

Ordinary Resolution 2 : Re-election of Director who retires in accordance with 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 AGM of the Company, where one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office and be eligible for re-election, PROVIDED ALWAYS that the Directors shall retire from office once at least in each 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.

Vincent Ng Soon Kiat is standing for re-election as the Director of the Company pursuant to Clause 105(1) of the Company's Constitution at the forthcoming 4th AGM of the Company and who is being eligible for re-election has offered himself for re-election in accordance with the Company's Constitution.

The Board has deliberated on the suitability of Vincent Ng Soon Kiat to be re-elected as Director. Upon deliberation, the Board (except for the respective Director concerned) collectively agreed that Vincent Ng Soon Kiat meets the criteria of character, experience, integrity, competence and time commitment to effectively discharge his role as Director of the Company and recommended the retiring Director be re-elected as the Director of the Company.

NOTICE OF FOURTH ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES (continued)

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 of the Company. The current Auditors, Messrs. PKF PLT ("**PKF**") has expressed its willingness to continue in office.

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

Special Business:

Ordinary Resolution 4: Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016; and waiver of pre-emptive rights over new ordinary shares or other convertible securities in the Company under Section 85(1) of the Companies Act 2016 read together with Clause 61 of the Company's Constitution.

The proposed 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.

As at the date of this Notice, the Company has not issued any ordinary shares pursuant to the general mandate granted by the shareholders at the 3rd AGM of the Company held on 13 July 2022 and hence, no proceeds were raised therefrom.

The proposed Ordinary Resolution 4, if passed, will renew the general mandate given to the Directors of the Company to allot ordinary shares of the Company from time to time and expand the mandate to grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer at any time and from time to time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 100% of the total number of issued shares of the Company, 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 ("**Renewed General Mandate**"). The Renewed General Mandate, unless revoked or varied 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 Renewed General Mandate will enable the Directors to allot and issue ordinary shares at any time without convening a general meeting which will be both time and cost consuming. The mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to the placement of shares for the purpose of funding future investment projects, working capital and/or acquisitions.

NOTICE OF FOURTH ANNUAL GENERAL MEETING (CONT'D)

Special Business: (Continued)

Please refer to Section 85(1) of the Companies Act 2016 and Clause 61 of the Company's Constitution as detailed below.

Section 85(1) of the Companies Act 2016 provides as follows:

"85. Pre-emptive rights to new shares

(1) Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 61 of the Company's Constitution provides as follows:

"(61) Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may, likewise, also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause."

In order for the Directors to issue any new Shares or other convertible securities free of pre-emptive rights, such pre-emptive rights must be waived. The proposed Ordinary Resolution 4, if passed, will exclude the Company's shareholders' pre-emptive rights over all new shares, options over or grant of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities under the authority to Directors to allot shares.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

ICT ZONE ASIA BERHAD – Fourth ("4th") Annual General Meeting ("AGM")

Day, Date, and Time of Meeting	: Monday, 19 June 2023 at 10:00 a.m.
Remote Participation and Voting Facilities	: https://web.vote2u.my
Meeting Venue	: Online Meeting Platform of Vote2U at https://web.vote2u.my
Domain Registration Numbers with MYNIC	: D6A471702

The meeting of ICT Zone Asia Berhad ("**ICT Zone**" or the "**Company**") will be held as fully virtual meeting via live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities provided by Vote2U at https://web.vote2u.my.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of shareholders and proxies. Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained.

Entitlement to Participate and Vote Remotely

Shareholders whose names appear on the Record of Depositors ("**ROD**") as at **9 June 2023** shall be eligible to attend, participate and vote remotely in the meeting, or appoint proxy(ies)/ the Chairman of the general meeting to attend, participate and/or vote on his/her behalf.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONT'D)

PROCEDURES TO PARTICIPATE IN RPV FACILITIES

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

BEFORE MEETING DAY

A: REGISTRATION

	Description	Procedure
i.	Shareholders to Register with Vote2U ➢ Individual Shareholders	a. Access the website at *https://web.vote2u.my*. b. Select "***Sign Up***" to sign up as user. c. Read and indicate your acceptance of the 'Privacy Policy' and 'Terms & Conditions' by clicking on a small box ☐. Then select "***Next***". d. Fill-in your details – (i) ensure your email address is valid & (ii) create your own password. Then select "***Continue***". e. Upload a clear copy of your MyKAD for Malaysian (front only) or passport for non-Malaysian (page with photo). f. Registration as user completed. g. An email notification will be sent to you. *Note:* *If you have already signed up/registered as a user with Vote2U previously, you are not required to register again.*

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONT'D)

PROCEDURES TO PARTICIPATE IN RPV FACILITIES (Continued)

B: REGISTER PROXY

	Description	Procedure
i.	Submit Proxy Form (hard copy) ➢ Individual Shareholders ➢ Corporate Shareholders ➢ Authorised Nominee ➢ Exempt Authorised Nominee	a. Fill-in the details on the hard copy of the Proxy Form by providing the following information: o Proxy(ies) & Corporate Representative • Name • Number of MyKAD for Malaysian or passport for non-Malaysian • Address and email address – ensure email address is valid b. Corporate Representative only – deposit the hard copy of the Proxy Form together with the following document to the address as stated on the Proxy Form: • A copy of Certificate of Appointment as corporate representative c. Individual shareholders must deposit the hard copy Proxy Form to address as stated on the Proxy Form or email to Share Registrar of the Company at admin@aldpro.com.my not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote. d. Corporate Shareholders, authorised nominee and exempt authorised nominee must deposit the hard copy of the Proxy Form to the address as stated on the Proxy Form not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote. e. Submitted Proxy Form will be verified. f. After verification, proxy(ies) and corporate representative will receive an email notification with temporary credentials, i.e. email address & password, to log in to Vote2U.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONT'D)

REVOCATION OF PROXY

	Description	Procedure
i.	Revoke a Proxy ➢ Individual Shareholders ➢ Corporate Shareholders ➢ Authorised Nominee ➢ Exempt Authorised Nominee	a. Email to the Share Registrar of the Company at admin@aldpro.com.my to revoke the appointment of your proxy(ies) not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote. *Note:* *Applicable to individual shareholders/ corporate shareholders/ authorised nominee/ exempt authorised nominee who have appointed proxy(ies)/ corporate representative using Proxy Form.*

ON GENERAL MEETING DAY

1. Log in to https://web.vote2u.my with your registered email address and password.

   For proxy(ies) and corporate representative, log in with the temporary credentials in the email which you have received from Vote2U.

2. Vote2U will be opened for log in **one (1) hour** before the commencement of the general meeting you are attending.

3. When you are logged in, select the general meeting event you are attending. On the main page, you are able to access the following:

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONT'D)

ON GENERAL MEETING DAY

	Description	Procedures
i.	Live Streaming	a. Select "***Watch Live***" button to view the live streaming.
ii.	Ask Question (real time)	a. Select "***Ask Question***" button to pose a question. b. Type in your question and select "***Submit***". _Note:_ *The Chairman of the general meeting/ Board of Directors will endeavour to respond to questions submitted by remote shareholders and proxies and corporate representatives during the meeting.*
iii.	Remote Voting	a. On the main page, scroll down and select "***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. Select "***Next***" to continue voting for all resolutions. c. After you have completed voting, a Voting Summary page appears to show all the resolutions with you voting choices. Select "***Confirm***" to submit your vote. _Note:_ *Once you have confirmed and submitted your votes, you are not able to change your voting choices.*
iv.	View Voting Results	a. On the main page, scroll down and select "***View Voting Results***".
v.	End of RPV	a. Upon the announcement by the Chairman of the general meeting on the closure of the said meeting, the live streaming will end. b. You may log out from Vote2U.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONT'D)

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.

No Door Gift or e-Voucher or Food Voucher

There will be no e-Voucher, gift, and food voucher for shareholders, proxies and corporate representatives who participate in the meeting.

Enquiry

a. For enquiries relating to the general meeting, please contact our Share Registrar during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:

Telephone No : 03-9770 2200
Email : admin@aldpro.com.my

b. For enquiries relating to RPV facilities or issues encountered during registration, log in, connecting to the live streaming and online voting facilities, please contact Vote2U helpdesk during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:

Telephone No : 03-7664 8520 / 03-7664 8521
Email : vote2u@agmostudio.com

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

No. of shares held	
CDS Account No	

PROXY FORM

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 Fourth ("4th") Annual General Meeting ("**AGM**") of the Company to conducted on a fully virtual basis through live streaming via Remote Participation and Voting ("**RPV**") Facilities using Vote2U at *https://web.vote2u.my* (Domain Registration No. with MYNIC – D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia on Monday, 19 June 2023 at 10.00 a.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 fourth 4th AGM until the conclusion of the fifth 5th AGM of the Company.		
2.	To re-elect Vincent Ng Soon Kiat who is retiring by rotation in accordance with Clause 105(1) of the Company's Constitution.		
3.	To re-appoint Messrs. PKF PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
4.	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016; and waiver of pre-emptive rights over new ordinary shares or other convertible securities in the Company under Section 85(1) of the Companies Act 2016 read together with Clause 61 of the Company's Constitution.		

** 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.................................2023

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.*

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 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 appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Share Registrar of the Company not less than 48 hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote:*

   (i) In hard copy form

   In the case of an appointment made in hard copy form, this proxy form must be deposited with the Company's Share Registrar at Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200, Kuala Lumpur, Malaysia.

   (ii) By electronic means

   The proxy form can be electronically submitted with the Share Registrar of the Company at admin@aldpro.com.my.

7. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*

8. *For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holdings this AGM. The certificate of appointment of authorised representative should be executed in the following manner.*

   (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

   (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:

   (a) at least 2 authorised officers, of whom one shall be a director; or

   (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

9. *Only the member whose names appear on the Record of Depositors as at 9 June 2023 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.*

10. *The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/ or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.*

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AFFIX
STAMP

The Share Registrar of
ICT ZONE ASIA BERHAD
Registration No. 201901003459 (1312785-X)
c/o Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur, Malaysia

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