

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) (“LEAP MARKET”)

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY ICT ZONE ASIA BERHAD (“ICT ZONE ASIA” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Part A of this Circular has been reviewed by Malacca Securities Sdn Bhd, being the Continuing Adviser to ICT Zone Asia and Principal Adviser for the Proposals (as defined herein).

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



ICT ZONE ASIA BERHAD

(Registration No. 201901003459 (1312785-X))
(Incorporated in Malaysia)

CIRCULAR TO IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (“ICPS”) HOLDERS IN RELATION TO

PART A

- (I) **PROPOSED VOLUNTARY WITHDRAWAL OF ICT ZONE ASIA’S LISTING FROM THE LEAP MARKET OF BURSA SECURITIES (“PROPOSED WITHDRAWAL”);**
 - (II) **PROPOSED LISTING AND QUOTATION OF THE ENTIRE ENLARGED ISSUED ORDINARY SHARES OF ICT ZONE ASIA ON THE ACE MARKET OF BURSA SECURITIES (“PROPOSED LISTING”); AND**
 - (III) **PROPOSED AMENDMENTS TO THE CONSTITUTION OF ICT ZONE ASIA (“PROPOSED AMENDMENTS”)**
- (COLLECTIVELY, THE “PROPOSALS”)

PART B

INDEPENDENT ADVICE LETTER IN RELATION TO THE PROPOSALS AND THE PROPOSED PRE-CONDITIONAL VOLUNTARY GENERAL TAKE-OVER OFFER IN ACCORDANCE WITH THE RULES ON TAKE-OVERS, MERGERS AND COMPULSORY ACQUISITIONS ISSUED BY THE SECURITIES COMMISSION MALAYSIA FOR ALL THE REMAINING ORDINARY SHARES AND IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES IN ICT ZONE ASIA NOT ALREADY HELD BY DATUK SERI NG THIEN PHING AND ICT ZONE HOLDING SDN BHD

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser and Sponsor for
Part A



MALACCA SECURITIES SDN BHD
(Registration No. 197301002760 (16121-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Financial Adviser for Part A



SCS GLOBAL ADVISORY (M) SDN BHD
(Registration No. 200901020913 (864010-V))
(A licensed corporate finance advisory firm)

Independent Adviser for Part B



MAINSTREET ADVISERS SDN BHD
(Registration No. 200701032292 (790320-P))
(A licensed corporate finance advisory firm)

The Notice of extraordinary general meeting (“EGM”) for ICPS holders together with the Proxy Form are enclosed in this Circular. The details of ICT Zone Asia’s EGM are as follows:

- Day, date and time of the EGM : Friday, 21 June 2024 at 11.00 a.m. or immediately after the conclusion or adjournment of ICT Zone Asia’s Extraordinary General Meeting for shareholders, whichever is later or at any adjournment thereof
- Online Meeting Platform : 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
- Last date and time for lodging the Proxy Form : Wednesday, 19 June 2024 at 11.00 a.m. or at any adjournment thereof

A member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. The Proxy Form must be deposited at the Company’s Share Registrar’s office, 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 or email to admin@aldpro.com.my not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting at the EGM should you subsequently wish to do so.

This Circular is dated 27 May 2024

DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:

ACE LR	:	ACE Market Listing Requirements of Bursa Securities
ACE Market	:	ACE Market of Bursa Securities
Act	:	Companies Act 2016
Announcement	:	Announcement in relation to the Proposals on 19 February 2024
Board	:	Board of Directors of ICT Zone Asia
Bumiputera	:	In the context of: <ul style="list-style-type: none">(i) individuals – Malay and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia;(ii) companies – a company which fulfil, amongst others, the following criteria as may be imposed by the MITI:<ul style="list-style-type: none">(a) registered under the Act as a private company;(b) its shareholders are 100% Bumiputera; and(c) its board of directors (including its staffs) are at least 51% Bumiputera; and(iii) cooperatives – a cooperative whose shareholders or cooperative members are at least 95% Bumiputera or such other criteria as may be imposed by the MITI
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Channel Partner(s)	:	Companies which market, distribute and install ICT Solutions to the Group's end-user customers
Circular	:	This circular to the ICPS holders dated 27 May 2024 in relation to the Proposals
Closing Date	:	Being 5.00 p.m. on a date to be determined and fixed by the Joint Offerors at a later date on which the Proposed Exit Offer closes for acceptances, in accordance with the Rules
CMSA	:	Capital Markets and Services Act 2007
Director	:	A natural person who holds a directorship in a company, whether in an executive or non-executive capacity, and shall have the meaning given in subsection 2(1) of the CMSA and Section 2(1) of the Act
DS Ng	:	Datuk Seri Ng Thien Phing
EGM	:	Extraordinary general meeting
Holder(s)	:	Holder(s) of the Offer Securities
IAC	:	Independent advice circular in relation to the Proposed Exit Offer to be issued by the Independent Adviser

DEFINITIONS (Cont'd)

IAL	:	Independent advice letter prepared by the Independent Adviser dated 27 May 2024 as set out in Part B of this Circular
ICPS	:	Irredeemable convertible preference share(s) in ICT Zone Asia
ICPS Exit Offer Price	:	The offer price for the Offer ICPS pursuant to the Proposed Exit Offer
ICT	:	Information and communication technology
ICT Solutions	:	ICT hardware and software as well as ICT maintenance and technical support services
ICT Zone Asia or the Offeree	:	ICT Zone Asia Berhad (Registration No. 201901003459 (1312785-X))
ICT Zone Asia Group or the Offeree Group	:	Collectively, ICT Zone Asia and its subsidiaries
ICT Zone Asia Share(s) or Share(s)	:	Ordinary share(s) in ICT Zone Asia
ICT Zone Holding	:	ICT Zone Holding Sdn Bhd (Registration No. 200001023404 (526012-D))
Independent Directors	:	Member(s) of the Board who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company
Interested Directors	:	DS Ng, Lim Kok Kwang and Vincent Ng Soon Kiat, the Directors of ICT Zone Asia who are deemed interested in the Proposals
IPO Price	:	Issue/Offer Price of ICT Zone Asia Shares
IPO Share(s)	:	ICT Zone Asia Shares to be issued/offered pursuant to the Proposed Public Offering
Issue Price	:	Issue price to be determined by the Board and the underwriter at a later date, for the Issue Shares
Issue Share(s)	:	New Share(s) to be issued by the Company pursuant to the Proposed Public Issue
Joint Offerors	:	Collectively, DS Ng and ICT Zone Holding, being the offerors for the Proposed Exit Offer
LEAP LR	:	LEAP Market Listing Requirements of Bursa Securities
LEAP Market	:	LEAP Market of Bursa Securities
LPD	:	30 April 2024, being the latest practicable date before the date of the Circular
MainStreet or the Independent Adviser	:	MainStreet Advisers Sdn Bhd (Registration No. 200701032292 (790320-P))
Malacca Securities or the Principal Adviser	:	Malacca Securities Sdn Bhd (Registration No. 197301002760 (16121-H))
MITI	:	Ministry of Investment, Trade and Industry of Malaysia

DEFINITIONS (Cont'd)

Notice	: Notice on the Proposed Exit Offer to be served on the Board by the Joint Offerors
Offer Document	: Offer document to be issued in relation to the Proposed Exit Offer
Offer ICPS	: All the 75,320,000 ICPS not already owned by the Joint Offerors, representing 100.0% of the outstanding ICPS as at 7 May 2024
Offer Period	: Being the period commencing from the date of the Proposal Letter until the Closing Date
Offer Price	: Collectively, the Shares Exit Offer Price and ICPS Exit Offer Price
Offer Securities	: Collectively, Offer Shares and/or Offer ICPS
Offer Share(s)	: All the remaining 159,413,200 ICT Zone Asia Shares not already owned by the Joint Offerors, representing approximately 27.2% of the total issued share of ICT Zone Asia as at 7 May 2024
P/E Multiple	: Price-to-earnings multiple
PACs	: Persons acting in concert with the Joint Offerors in relation to the Proposed Exit Offer pursuant to subsection 216(3) of the CMSA, as at the LPD, namely, Lim Kok Kwang, Sandra Tioe, Lim Bee Lan, Lim Bee Leng, Vincent Ng Soon Kiat, Loh Huey Shi, Kwan Thean Poh, Lee Choi Yen, Ng Peik Fung, Ng Peik Hua and Zafidi Bin Mohamad
Pre-Conditions	: The approval/noting to be procured from the parties as set out in Section 10(i) to (iv) of Part A of this Circular
Principal	: Brand owners of ICT hardware and software
Proposal Letter	: The letter dated 16 February 2024 from the Company's major shareholder, ICT Zone Holding to the Board proposing the Company to undertake the Proposed Transfer of Listing. In the Proposal Letter, ICT Zone Holding has proposed to undertake the Proposed Exit Offer together with DS Ng to facilitate the Proposals
Proposals	: Collectively, Proposed Transfer of Listing and Proposed Amendments
Proposed Amendments	: Proposed amendments to the Constitution of ICT Zone Asia to ensure compliance with the ACE LR pursuant to the Proposed Listing and the Act
Proposed Exit Offer	: Proposed cash exit offer which will be extended through a pre-conditional voluntary general take-over offer by the Joint Offerors to acquire all the Offer Securities, in accordance with the Rules on the Offer Securities
Proposed Listing	: Proposed listing and quotation of the entire enlarged issued ordinary shares of ICT Zone Asia on the ACE Market
Proposed Offer for Sale	: Proposed offer for sale of Shares held by ICT Zone Holding and/or DS Ng to identified Bumiputera and/or non-Bumiputera investors by way of private placement
Proposed Public Issue	: Proposed issuance of new Shares to be allocated to the Malaysian public, eligible Directors, employees and persons who have contributed to the success of the ICT Zone Asia Group, selected Bumiputera investors approved by MITI and selected investors

DEFINITIONS (Cont'd)

Proposed Public Offering	:	Collectively, Proposed Public Issue and Proposed Offer for Sale
Proposed Transfer of Listing	:	Collectively, Proposed Withdrawal and Proposed Listing
Proposed Withdrawal	:	Proposed voluntary withdrawal of ICT Zone Asia's listing from the LEAP Market in accordance with Rules 8.06 and 8.08 of the LEAP LR
Prospectus	:	Prospectus to be issued by ICT Zone Asia pursuant to the Proposed Public Offering
Providence	:	Providence Strategic Partners Sdn Bhd (Registration No. 201701024744 (1238910-A))
RM and sen	:	Ringgit Malaysia and sen
Rules	:	Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC
SC	:	Securities Commission Malaysia
SCS Global	:	SCS Global Advisory (M) Sdn Bhd (Registration No. 200901020913 (864010-V))
Shares Exit Offer Price	:	The offer price for the Offer Shares pursuant to the Proposed Exit Offer
Strategic Partner(s)	:	Companies which the Group have signed strategic partnership agreements with to provide the Group with the exclusive rights to finance, supply and deliver ICT Solutions to its customers
VWAP	:	Volume weighted average price

All references to "we", "us", "our" and "ourselves" are to the Company. All references to "you" in this Circular are to the ICPS holders of the Company.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Group's plans and objectives will be achieved.

TABLE OF CONTENTS

	Page
PART A: LETTER TO THE ICPS HOLDERS OF ICT ZONE ASIA IN RELATION TO THE PROPOSALS	
EXECUTIVE SUMMARY	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSALS	2
3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSALS	24
4. RISK FACTORS	25
5. INDUSTRY OUTLOOK AND PROSPECTS OF THE GROUP	27
6. EFFECTS OF THE PROPOSALS AND PROPOSED EXIT OFFER	35
7. IMPACTS OF THE PROPOSALS	39
8. HISTORICAL SHARE AND ICPS PRICES	41
9. DETAILS AND STATUS OF THE UTILISATION OF PROCEEDS RAISED FROM THE INITIAL LISTING ON THE LEAP MARKET	41
10. APPROVALS REQUIRED AND CONDITIONALITY OF THE PROPOSALS	42
11. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS, MAJOR ICPS HOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM	43
12. DIRECTORS' STATEMENT	43
13. TENTATIVE TIMELINE FOR IMPLEMENTATION	44
14. EGM	44
15. APPLICATION TO BURSA SECURITIES	45
16. FURTHER INFORMATION	45
PART B: INDEPENDENT ADVICE LETTER IN RELATION TO THE PROPOSALS AND THE PROPOSED EXIT OFFER	
APPENDICES	
I INFORMATION ON THE ICT ZONE ASIA GROUP	103
II INFORMATION ON THE JOINT OFFERORS	112
III PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY	114
IV FURTHER INFORMATION	121
NOTICE OF EGM	ENCLOSED
PROXY FORM	ENCLOSED

PART A

LETTER TO THE ICPS HOLDERS OF ICT ZONE ASIA IN RELATION TO THE PROPOSALS

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY SETS OUT THE SALIENT INFORMATION ON THE PROPOSALS AND THE PROPOSED EXIT OFFER, WITH FULL DETAILS IN PART A OF THIS CIRCULAR. PLEASE READ THIS CIRCULAR IN ITS ENTIRETY (INCLUDING THE IAL AS SETS OUT IN PART B OF THIS CIRCULAR) FOR FURTHER DETAILS ON THE PROPOSALS AND THE PROPOSED EXIT OFFER BEFORE VOTING.

The Board recommends that you vote in favour of the resolutions in relation to the Proposals to be tabled at the forthcoming EGM.

PROPOSED WITHDRAWAL															
Details	<p>: The Proposed Withdrawal is undertaken as part of ICT Zone Asia's transfer of listing from the LEAP Market to the ACE Market.</p> <p>To facilitate the Proposed Withdrawal, an exit offer is required to be offered to the shareholders and ICPS holders of ICT Zone Asia. In this respect, ICT Zone Asia had, on 16 February 2024, received the Proposal Letter from the major shareholder, namely ICT Zone Holding, requesting the Board to consider undertaking the Proposed Withdrawal via the Proposed Exit Offer.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Brief details on the Proposed Exit Offer</th> </tr> </thead> <tbody> <tr> <td style="width: 20%;">Joint Offerors</td> <td>DS Ng and ICT Zone Holding</td> </tr> <tr> <td>Exit Offer Price</td> <td>It is the intention of the Joint Offerors to fix the Share Exit Offer Price and ICPS Exit Offer Price to be the same as the IPO Price, which will be determined by the Board and the underwriter at a later date, after taking into consideration the factors as set out in Section 2.2.5 of Part A of this Circular.</td> </tr> <tr> <td>Offer Period</td> <td>The Offer Period for the Proposed Exit Offer shall commence from the date of the Proposal Letter until the Closing Date.</td> </tr> <tr> <td>No. of Offer Securities</td> <td>159,413,200 ICT Zone Asia Shares, representing approximately 27.2% of the total issued share of the Company and 75,320,000 ICPS, representing 100.0% of the total outstanding ICPS as at 7 May 2024.</td> </tr> <tr> <td>Valid Acceptances</td> <td>DS Ng will be the legal and registered owner of all the valid acceptances of the Offer Securities, if any, pursuant to the Proposed Exit Offer.</td> </tr> <tr> <td>Undertaking from shareholders and ICPS holders</td> <td>The PACs and Undertaking Party (defined in Section 2.1.1 of Part A of this Circular) whom are holding in aggregate 62,842,500 ICT Zone Asia Shares (representing approximately 10.7% equity interest in ICT Zone Asia) and 12,020,000 ICPS (representing approximately 16.0% of the outstanding ICPS) have provided unconditional undertakings that they will not accept the Proposed Exit Offer, and will continue to hold and not dispose of their holdings in ICT Zone Asia Shares and ICPS (where applicable) until the completion of the Proposed Exit Offer.</td> </tr> </tbody> </table> <p>Please refer to Section 2.1.1 of Part A of this Circular for further details.</p>	Brief details on the Proposed Exit Offer		Joint Offerors	DS Ng and ICT Zone Holding	Exit Offer Price	It is the intention of the Joint Offerors to fix the Share Exit Offer Price and ICPS Exit Offer Price to be the same as the IPO Price, which will be determined by the Board and the underwriter at a later date, after taking into consideration the factors as set out in Section 2.2.5 of Part A of this Circular.	Offer Period	The Offer Period for the Proposed Exit Offer shall commence from the date of the Proposal Letter until the Closing Date.	No. of Offer Securities	159,413,200 ICT Zone Asia Shares, representing approximately 27.2% of the total issued share of the Company and 75,320,000 ICPS, representing 100.0% of the total outstanding ICPS as at 7 May 2024.	Valid Acceptances	DS Ng will be the legal and registered owner of all the valid acceptances of the Offer Securities, if any, pursuant to the Proposed Exit Offer.	Undertaking from shareholders and ICPS holders	The PACs and Undertaking Party (defined in Section 2.1.1 of Part A of this Circular) whom are holding in aggregate 62,842,500 ICT Zone Asia Shares (representing approximately 10.7% equity interest in ICT Zone Asia) and 12,020,000 ICPS (representing approximately 16.0% of the outstanding ICPS) have provided unconditional undertakings that they will not accept the Proposed Exit Offer, and will continue to hold and not dispose of their holdings in ICT Zone Asia Shares and ICPS (where applicable) until the completion of the Proposed Exit Offer.
Brief details on the Proposed Exit Offer															
Joint Offerors	DS Ng and ICT Zone Holding														
Exit Offer Price	It is the intention of the Joint Offerors to fix the Share Exit Offer Price and ICPS Exit Offer Price to be the same as the IPO Price, which will be determined by the Board and the underwriter at a later date, after taking into consideration the factors as set out in Section 2.2.5 of Part A of this Circular.														
Offer Period	The Offer Period for the Proposed Exit Offer shall commence from the date of the Proposal Letter until the Closing Date.														
No. of Offer Securities	159,413,200 ICT Zone Asia Shares, representing approximately 27.2% of the total issued share of the Company and 75,320,000 ICPS, representing 100.0% of the total outstanding ICPS as at 7 May 2024.														
Valid Acceptances	DS Ng will be the legal and registered owner of all the valid acceptances of the Offer Securities, if any, pursuant to the Proposed Exit Offer.														
Undertaking from shareholders and ICPS holders	The PACs and Undertaking Party (defined in Section 2.1.1 of Part A of this Circular) whom are holding in aggregate 62,842,500 ICT Zone Asia Shares (representing approximately 10.7% equity interest in ICT Zone Asia) and 12,020,000 ICPS (representing approximately 16.0% of the outstanding ICPS) have provided unconditional undertakings that they will not accept the Proposed Exit Offer, and will continue to hold and not dispose of their holdings in ICT Zone Asia Shares and ICPS (where applicable) until the completion of the Proposed Exit Offer.														
Rationale	<p>: The Proposed Withdrawal is undertaken to facilitate the Proposed Listing pursuant to the ACE LR.</p> <p>The Proposed Exit Offer provides an avenue for the shareholders and ICPS holders to realise their investment in ICT Zone Asia.</p> <p>Please refer to Section 3.1 of Part A of this Circular for further details.</p>														

EXECUTIVE SUMMARY (Cont'd)

PROPOSED LISTING	
Details	<p>: Proposed Listing entails the listing and quotation of the entire enlarged issued ICT Zone Asia Shares on the ACE Market of Bursa Securities.</p> <p>In order to ensure that there is a clear price discovery mechanism for the ICT Zone Asia Shares which will be transferred to the ACE Market, ICT Zone Asia shall undertake the Proposed Public Offering pursuant to Rule 3A.02(1)(d) of the ACE LR as part of the Proposed Transfer of Listing. The final details of the Proposed Listing (including the listing scheme, IPO Price and underwriting and placement arrangements) will be set out in the Prospectus.</p> <p>Please refer to Section 2.2 of Part A of this Circular for further details.</p>
Proposed utilisation of proceeds	<p>: The proceeds from the Proposed Public Issue are proposed to be used for, amongst others, the following purposes:</p> <ul style="list-style-type: none"> (i) to finance the purchase of ICT hardware and software as well as other incidental costs associated such as finance costs, legal fees and insurance expenses for the expansion of the Group's technology financing business; (ii) to finance the sales and marketing expenditures of the Group; and (iii) defrayment of expenses in relation to the Proposals which includes the professional advisory fees, fees payable to the relevant authorities for the Proposals, underwriting, placement and brokerage fees for the Proposed Public Offering. <p>Please refer to Section 2.2.6 of Part A of this Circular for further details.</p>
Rationale	<p>: (i) Marks another major milestone for ICT Zone Asia subsequent to its listing on the LEAP Market.</p> <p>(ii) Enhances the Group's credibility, prestige and reputation, and accord the Group with greater recognition and acceptance by its stakeholders.</p> <p>(iii) Enhances the attractiveness, liquidity and marketability of ICT Zone Asia Shares.</p> <p>(iv) Strengthens the confidence of ICT Zone Asia's employees, customers, suppliers, business associates, financial institutions and shareholders through its profile as a company listed on the ACE Market.</p> <p>Please refer to Section 3.2 of Part A of this Circular for further details.</p>
PROPOSED AMENDMENTS	
Details and rationale	<p>: The Company proposes to amend its Constitution to ensure compliance with the ACE LR pursuant to the Proposed Listing and the Act.</p>
PROPOSALS	
Risk Factors	<p>: (i) Completion risks: The completion of the Proposals is subject to the Pre-Conditions being satisfied/fulfilled. If the Pre-Conditions are not satisfied/fulfilled, the Proposals and the Proposed Exit Offer will not be implemented and the Shares and ICPS will remain listed on the LEAP Market.</p> <p>(ii) Investment risks: The Company's shareholders and ICPS holders will face an immediate paper loss and may not be able to recover their investment cost in the Shares and ICPS if the final IPO Price is below</p>

EXECUTIVE SUMMARY (Cont'd)

	<p>the Shares and ICPS prices traded on the LEAP Market or the Shares, upon listing on the ACE Market, are traded at a price below the Shares and ICPS prices on the LEAP Market or the final IPO Price.</p> <p>(iii) Risk of shareholding dilution: Upon issuance of new Shares pursuant to the Proposed Public Issue, the shareholders (upon full conversion of the ICPS) will experience dilution in its shareholdings and voting interest in the Company proportionately to the enlarged issued share capital of the Company.</p> <p>(iv) There is no prior market for ICT Zone Asia Shares on the ACE Market and it is uncertain whether a sustainable market for the Shares on the ACE Market will ever develop.</p> <p>Please refer to Section 4 of Part A of this Circular for further details.</p>
<p>Approvals Required</p>	<p>: The Proposals are conditional upon the following being obtained:</p> <p>(i) Bursa Securities for the following:</p> <ul style="list-style-type: none"> (a) approval for the Proposed Withdrawal; (b) approval for the admission of the entire enlarged issued ICT Zone Asia Shares to the Official List of the ACE Market; (c) approval for the listing and quotation of such number of new ICT Zone Asia Shares to be issued pursuant to the Proposed Listing and conversion of ICPS; and (d) approval-in-principle for the registration of the Prospectus to be issued by the Company pursuant to the Proposed Public Offering; <p>(ii) the Company's shareholders and ICPS holders for the approvals for the Proposals at the respective forthcoming EGMs for shareholders and ICPS holders;</p> <p>(iii) the SC for the approval for resultant equity structure under the equity requirement for public listed companies pursuant to the Proposed Listing;</p> <p>(iv) the MITI for taking note and having no objections to the Proposed Listing; and</p> <p>(v) the approval/consent from any other relevant authorities and/or parties, if required.</p> <p>Please refer to Section 10 of Part A of this Circular for further details.</p>
<p>Effects</p>	<p>: Please refer to Section 6 of Part A of this Circular for further details on the pro forma effects of the Proposals and the Proposed Exit Offer.</p>
<p>Other impact</p>	<p>: The price discovery mechanism as set out in Section 2.2.5 of Part A of this Circular seeks to determine a price for ICT Zone Asia Share that is reflective of the valuation of the Group. Therefore, the resultant share price arising from the price discovery mechanism may result in a share price that differs significantly from the current market price of the ICT Zone Asia Shares and ICPS, which would be expected to have an impact to the value of the shareholders and ICPS holders' shareholdings. Please refer to Section 7.3 of Part A of this Circular for further details.</p>



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

Registered Office

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

27 May 2024

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)
Karen Yap Pik Li (Independent Non-Executive Director)
Chong Pei Nee (Independent Non-Executive Director)
Sim Shu Mei (Independent Non-Executive Director)

To: ICPS holders of ICT Zone Asia Berhad

Dear Sir/Madam,

- (I) PROPOSED WITHDRAWAL**
- (II) PROPOSED LISTING**
- (III) PROPOSED AMENDMENTS**

1. INTRODUCTION

On 16 February 2024, Malacca Securities and SCS Global had, on behalf of the Board, announced that the Board received a letter dated on even date, from ICT Zone Holding, being a major shareholder of the Company, requesting the Board to consider undertaking the Proposed Transfer of Listing.

On 19 February 2024, Malacca Securities and SCS Global had, on behalf of the Board, announced that the Company proposes to undertake the Proposals. In the same announcement, it was announced that the Board (save for the Interested Directors) had appointed MainStreet as the Independent Adviser to advise and make recommendations for the consideration of the Company's shareholders and ICPS holders in connection with the Proposals as well as the fairness and reasonableness of the Proposed Exit Offer. The Proposed Exit Offer will be implemented to facilitate the Proposed Withdrawal upon all the Pre-Conditions being satisfied, in which the (i) notice on the Proposed Exit Offer will be served by the Joint Offerors to the Board, and thereafter, (ii) Offer Document and IAC will be despatched to the shareholders and ICPS holders (upon obtaining notification from the SC that they have no further comments on the Offer Document) as required under the Rules. The Independent Adviser will provide its views and recommendations to the non-interested Directors and non-interested shareholders and ICPS holders of the Company in relation to the Proposed Exit Offer.

Further details of the Proposals are set out in the ensuing sections in **Part A** of this Circular. The IAL containing the Independent Adviser's evaluation and recommendation on the Proposals as well as its opinion on the fairness and reasonableness of the Proposed Exit Offer is set out in **Part B** of this Circular.

THE PURPOSE OF THIS CIRCULAR TOGETHER WITH THE APPENDICES IS TO PROVIDE YOU WITH THE RELEVANT DETAILS OF THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE EGM AS WELL AS THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

ICT Zone Asia has been listed on the LEAP Market for more than 3 years, i.e. since 15 December 2020, which meets the requirements under Rule 3A.02(1)(a) of the ACE LR which stipulates that a transfer applicant must have been listed for at least 2 years on the LEAP Market at the time of application for a transfer of listing from the LEAP Market to the ACE Market.

As at 7 May 2024, the issued share capital of ICT Zone Asia is RM38,265,287 comprising 587,133,200 ICT Zone Asia Shares and 75,320,000 ICPS which are maturing on 21 January 2025 ("**Maturity Date**"). Any ICPS that are not converted by the Maturity Date shall be automatically converted into new ICT Zone Asia Shares at the conversion ratio of 1 ICPS into 1 new ICT Zone Asia Share.

The Proposed Transfer of Listing, which entails the transfer of the listing and quotation of the entire issued ICT Zone Asia Shares from the LEAP Market to the ACE Market, will involve the following:

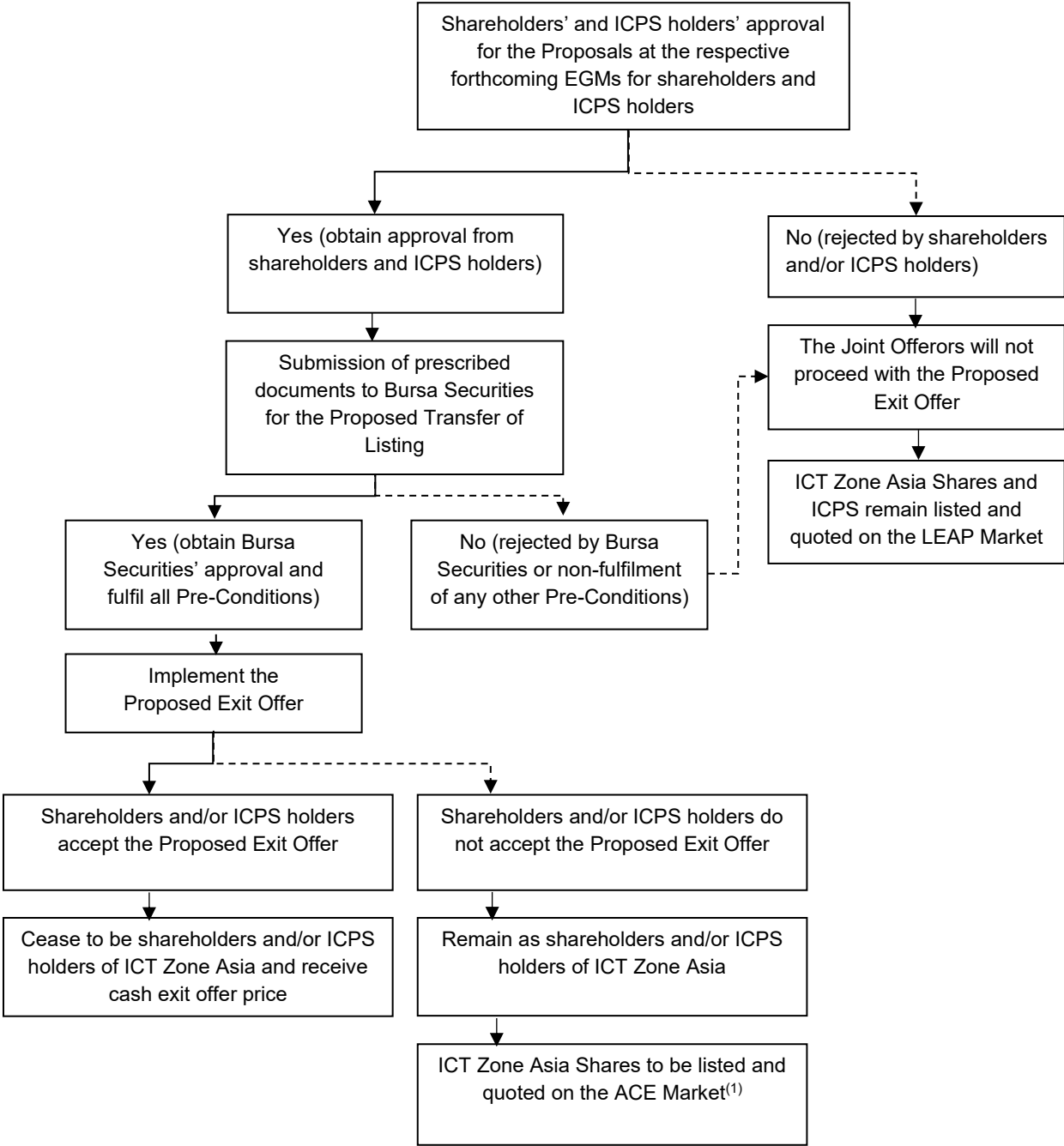
- (i) proposed voluntary withdrawal of ICT Zone Asia's listing from the LEAP Market in accordance with Rules 8.06 and 8.08 of the LEAP LR; and
- (ii) proposed listing and quotation of the entire enlarged issued ICT Zone Asia Shares on the ACE Market (after the maturity of the outstanding ICPS).

The Proposed Transfer of Listing is subject to, amongst others, the following requirements under Rule 3A.02 of the ACE LR:

<u>Rule</u>	<u>Requirements</u>	<u>Status of compliance</u>
3A.02(1)(a)	A transfer applicant must have been listed for at least 2 years on the LEAP Market at the time of application for transfer of listing.	Met. The Company was listed on the LEAP Market on 15 December 2020.

Rule	Requirements	Status of compliance
3A.02(1)(b)	A transfer applicant must be considered as suitable for listing after the assessment by a Sponsor (as defined in the ACE LR) or both the Sponsor and Recognised Approved Adviser (as defined in the ACE LR) as Joint Transfer Sponsor (as defined in the ACE LR) pursuant to Rule 4.07 of the ACE LR.	<p>To be met.</p> <p>The Company was listed on the LEAP Market on 15 December 2020 and has complied with the LEAP LR since then.</p> <p>As part of the application to Bursa Securities for the Proposed Listing, Malacca Securities (as the Sponsor) will undertake an assessment on the suitability of listing of the Company on the ACE Market on, amongst others, the Company's business prospects; systems, procedures, policies, controls and resources to comply with the ACE LR as well as governance, internal control and risk management systems; and that ICT Zone Asia's admission to the Official List of ACE Market is not detrimental to the interest of investors or does not undermine public interest.</p>
3A.02(1)(c)	A transfer applicant must comply with Chapter 3 and 3A of the ACE LR, as the case may be, subject to the additional requirements, modifications or exceptions set out in the Chapter.	Noted and to be met.
3A.02(1)(d)	A transfer applicant must undertake an issue of shares to the general public as part of its transfer of listing.	<p>To be met.</p> <p>The Proposed Transfer of Listing shall involve the Proposed Public Offering comprising, amongst others, issuance of ICT Zone Asia Shares to the general public via balloting process. Please refer to Section 2.2.1 of Part A of this Circular for further details of the indicative listing scheme.</p>
3A.02(1)(e)	A transfer applicant must comply with the relevant admission procedures and requirements as may be prescribed by the Exchange.	Noted and to be met.
	<i>Cross reference: Guidance Notes 15 (listing procedures for initial admission and prospectus registration) and 15A (procedures and other requirements relating to an application for transfer of listing pursuant to Rule 3A.02) of the ACE LR.</i>	Malacca Securities, as the Sponsor, shall ensure that the implementation of the Proposals comply with the ACE LR.

The impact of the Proposals and the Proposed Exit Offer on the Company, and ICT Zone Asia shareholders and ICPS holders is illustrated below:



Note:

(1) As the Proposed Listing will only take place after the maturity of the outstanding ICPS, all the outstanding ICPS will be converted into ICT Zone Asia Shares before the listing on the ACE Market.

The Proposals will not have any immediate impact on the existing shareholding structure of the Company. However, there may be changes to the shareholding structure of the Company upon completion of the Proposed Exit Offer depending on the valid acceptances of the Offer Securities, if any, to be received by DS Ng pursuant to the Proposed Exit Offer. In addition, the shareholding structure of the Company will change upon completion of the Proposals due to the issuance of Issue Shares pursuant to the Proposed Public Issue, and the disposal of ICT Zone Asia Shares by the Joint Offerors pursuant to the Proposed Offer for Sale.

2.1 Proposed Withdrawal

Pursuant to Paragraph 2.1 of Guidance Note 15A of the ACE LR, a transfer applicant must, as part of the transfer of listing to the ACE Market, request for a withdrawal of listing from the LEAP Market in accordance with Rules 8.06 and 8.08 of the LEAP LR with modifications where the transfer applicant must offer its shareholders and holders of any other class of listed securities, if applicable, the following:

- (i) an exit offer in accordance with Rule 8.06(1)(c) of the LEAP LR, in which case the transfer applicant must ensure full compliance with Rule 8.06 of the LEAP LR, including Rules 8.06(1)(d) and 8.06(2) of the LEAP LR in respect of the exit offer only; or
- (ii) any other exit mechanism that is equitable for its shareholders and holders of any other class of securities, if applicable, subject to the transfer applicant consulting Bursa Securities and submitting the proposed exit mechanism to Bursa Securities for its perusal. The transfer applicant must not proceed until Bursa Securities has notified that it has no further comments on the proposed exit mechanism.

Rule 8.06(1) of the LEAP LR

In accordance with Rule 8.06(1) of the LEAP LR, a listed corporation may not request to withdraw its listing from the LEAP Market unless:

- (i) the listed corporation convenes a general meeting to obtain its shareholders' approval and a separate meeting for the approval of the holders of any other class of listed securities, if applicable, and the circular sent to the shareholders and the holders of any other class of listed securities includes the information set out in Appendix 8B of LEAP LR;
- (ii) the passing of the resolution for the withdrawal of listing is subject to the following conditions:
 - (a) the resolution is approved by a majority of shareholders and holders of any other class of listed securities, if applicable, in number, representing 75% of the total number of issued securities held by the shareholders and other securities holders respectively, present and voting either in person or by proxy at each meeting; and
 - (b) the number of votes cast against the resolution, if any, by each class of listed securities respectively, if applicable, is not more than 10% of the total number of issued securities held by the shareholders and other securities holders respectively, present and voting either in person or by proxy at each meeting;
- (iii) the shareholders and holders of any other class of listed securities, if applicable, are offered a reasonable cash alternative or other reasonable alternative ("**Exit Offer**"); and
- (iv) the listed corporation appoints an independent adviser to advise and make recommendations for the consideration of the shareholders and holders of any other class of listed securities, if applicable, in connection with the withdrawal of its listing as well as the fairness and reasonableness of the Exit Offer.

Rule 8.06 of the LEAP LR

In accordance with Rule 8.08(1) of the LEAP LR, a listed corporation intending to withdraw its listing from the LEAP Market must file with Bursa Securities an application which includes the following information:

- (i) the full and detailed reasons for the withdrawal;
- (ii) the board resolution for the withdrawal;
- (iii) the confirmation that the approval of any other relevant authority, if required, has been obtained; and
- (iv) the confirmation that the listed corporation has obtained approval of its shareholders and holders of any other class of listed securities, if applicable, in accordance with Rule 8.06.

2.1.1 Proposed Exit Offer

As at 7 May 2024, ICT Zone Holding holds 427,720,000 ICT Zone Asia Shares, representing 72.8% equity interest in ICT Zone Asia. Pursuant to Rule 8.06(1)(c) of the LEAP LR and Paragraph 2.1 of Guidance Note 15A of the ACE LR, ICT Zone Holding had vide its Proposal Letter dated 16 February 2024, proposed to undertake a cash exit offer together with DS Ng which will be extended through a pre-conditional voluntary general take-over offer in accordance with the Rules for all the remaining 159,413,200 Offer Shares and 75,320,000 Offer ICPS not already held by ICT Zone Holding and DS Ng.

The Proposed Exit Offer shall only be implemented by the Joint Offerors, namely ICT Zone Holding and DS Ng upon all the Pre-Conditions being satisfied, in which the Joint Offerors will then:

- (i) serve the Notice to the Board; and
- (ii) despatch the Offer Document to the Board, the Company's shareholders and ICPS holders together with the form of acceptance and transfer for the Offer Securities and the procedures for acceptance of the Proposed Exit Offer upon obtaining notification from the SC that they have no further comments on the Offer Document.

For the avoidance of doubt, DS Ng will be the legal and registered owner of all the valid acceptances of the Offer Securities, if any, pursuant to the Proposed Exit Offer.

If the Company's shareholders and/or ICPS holders wish to participate in the Proposed Transfer of Listing, they are required to **vote for the Proposals** at the Company's respective forthcoming EGMs for shareholders and ICPS holders in relation to the Proposals and **opt not to accept the Proposed Exit Offer** during its implementation. The shareholders and ICPS holders may also opt to accept the Proposed Exit Offer in respect of part of the Offer Shares and/or Offer ICPS held by them if they seek to monetise part of their investment at ICT Zone Asia. Consequently, the existing ICT Zone Asia Shares held by them as well as the new ICT Zone Asia Shares to be allotted and issued pursuant to the Proposed Public Offering and conversion of the ICPS will be transferred, listed and/or quoted on the ACE Market upon completion of the Proposed Transfer of Listing.

If the Company fails to fulfil any of the Pre-Conditions, the Joint Offerors will not implement the Proposed Exit Offer. Consequently, the existing ICT Zone Asia Shares and ICPS will remain listed, quoted and traded on the LEAP Market.

For the Proposed Exit Offer, the following are deemed as PACs pursuant to Section 216(3) of the CMSA:

- (i) Lim Kok Kwang (“**Mr Lim**”), being a Director and a major shareholder of ICT Zone Holding with 21.8% equity interest in ICT Zone Holding;
- (ii) Sandra Tioe, being Mr Lim’s spouse;
- (iii) Lim Bee Lan and Lim Bee Leng, being Mr Lim’s sisters;
- (iv) Vincent Ng Soon Kiat (“**Vincent Ng**”), being a substantial shareholder of ICT Zone Holding with 7.8% equity interest in ICT Zone Holding;
- (v) Loh Huey Shi, being Vincent Ng’s spouse;
- (vi) Kwan Thean Poh (“**Mr Kwan**”), being a Director and a substantial shareholder of ICT Zone Holding with 6.5% equity interest in ICT Zone Holding;
- (vii) Lee Choi Yen, being Mr Kwan’s spouse;
- (viii) Ng Peik Fung, being a shareholder of ICT Zone Holding with 2.4% equity interest in ICT Zone Holding and DS Ng’s sister;
- (ix) Ng Peik Hua, being DS Ng’s sister; and
- (x) Zafidi Bin Mohamad, being the business associate of DS Ng.

The Joint Offerors have received irrevocable and unconditional undertaking letters dated 12 March 2024 from the PACs (“**PACs Undertakings**”) that:

- (i) they will:
 - (a) not acquire any ICT Zone Asia Shares and ICPS; and
 - (b) continue to hold and not dispose of, transfer or reduce their entire shareholdings in ICT Zone Asia,

from the date of the undertaking letters until the completion or abortion of the Proposals;
and
- (ii) in consideration of ICT Zone Asia undertaking the Proposals, they will not accept the Proposed Exit Offer.

Collectively, the Joint Offerors and the PACs hold 487,812,500 ICT Zone Asia Shares, representing approximately 83.1% equity interest in ICT Zone Asia and 3,220,000 ICPS representing approximately 4.3% of the outstanding ICPS as at 7 May 2024. Details of their respective holdings of ICT Zone Asia Shares and ICPS are as follows:

	ICT Zone Asia Shares				ICPS				
	Direct		Indirect		Direct		Indirect		
	No. of Shares ('000)	(1)%	No. of Shares ('000)	(1)%	No. of ICPS ('000)	(2)%	No. of ICPS ('000)	(2)%	
Joint Offerors									
1.	ICT Zone Holding	427,720	72.8	-	-	-	-	-	-
2.	DS Ng	-	-	(3)427,720	72.8	-	-	-	-

	ICT Zone Asia Shares				ICPS				
	Direct		Indirect		Direct		Indirect		
	No. of Shares ('000)	(1)%	No. of Shares ('000)	(1)%	No. of ICPS ('000)	(2)%	No. of ICPS ('000)	(2)%	
<u>PACs</u>									
3.	Mr Lim	-	-	(4)428,020	72.9	140	0.2	(5)960	1.3
4.	Sandra Tioe	300	0.1	-	-	960	1.3	(5)140	0.2
5.	Lim Bee Lan	275	*	-	-	880	1.2	-	-
6.	Lim Bee Leng	125	*	-	-	400	0.5	-	-
7.	Vincent Ng	22,500	3.8	(5)125	*	-	-	(5)400	0.5
8.	Loh Huey Shi	125	*	(5)22,500	3.8	400	0.5	-	-
9.	Mr Kwan	14,455	2.5	(5)13	*	240	0.3	(5)40	0.1
10.	Lee Choi Yen	13	*	(5)14,455	2.5	40	0.1	(5)240	0.3
11.	Ng Peik Fung	25	*	-	-	80	0.1	-	-
12.	Ng Peik Hua	25	*	-	-	80	0.1	-	-
13.	Zafidi Bin Mohamad	22,250	3.8	-	-	-	-	-	-

Notes:

* Negligible.

(1) Based on 587,133,200 issued Shares as at 7 May 2024.

(2) Based on 75,320,000 outstanding ICPS as at 7 May 2024.

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

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

(5) Deemed interested by virtue of his/her spouse's shareholdings pursuant to Section 59(11) of the Act.

In addition, the Joint Offerors have received irrevocable and unconditional undertaking letter dated 12 March 2024 from Tan Sri Megat Najmuddin bin Haji Megat Khas, being a shareholder and ICPS holder ("**Undertaking Party**") that:

(i) he will:

- (a) not acquire any ICT Zone Asia Shares and ICPS; and
- (b) continue to hold and not dispose of, transfer or reduce his entire shareholdings in ICT Zone Asia,

from the date of the undertaking letter until the completion or abortion of the Proposals; and

(ii) in consideration of ICT Zone Asia undertaking the Proposals, he will not accept the Proposed Exit Offer.

Details of the Undertaking Party's holdings of ICT Zone Asia Shares and ICPS as at 7 May 2024 are as follows:

	ICT Zone Asia Shares				ICPS			
	Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	(1)%	No. of Shares ('000)	(1)%	No. of ICPS ('000)	(2)%	No. of ICPS ('000)	(2)%
1. Tan Sri Megat Najmuddin bin Haji Megat Khas	2,750	0.5	-	-	8,800	11.7	-	-

Notes:

(1) Based on 587,133,200 issued Shares as at 7 May 2024.

(2) Based on 75,320,000 outstanding ICPS as at 7 May 2024.

For the avoidance of doubt, the Undertaking Party shall not be deemed as PACs with the Joint Offerors by virtue of the undertaking provided. The Joint Offerors had confirmed that save for the above undertakings, there is no other arrangement and/or undertaking between the Undertaking Party and the Joint Offerors and/or their PACs.

2.1.2 Listing status and compulsory acquisition

The Joint Offerors intend to maintain the listing status of ICT Zone Asia. As part of the Proposals, upon the completion of the Proposed Exit Offer, the Company shall undertake the Proposed Listing which entails the transfer of the entire enlarged issued ICT Zone Asia Shares from the LEAP Market to the ACE Market.

Section 222(1) of the CMSA provides that, where an offeror:

- (i) has made a take-over offer for all the shares or all the shares in any particular class in an offeree; and
- (ii) has received acceptances of not less than 9/10 in the nominal value of the offer shares,

the offeror may, within 4 months of the date of the take-over offer, acquire the remaining shares or remaining shares in any particular class in the offeree, by issuing a notice in the form or manner specified by the SC to such effect, to all dissenting shareholders provided that the notice:

- (i) is issued within 2 months from the date of achieving the conditions under subsections 222(1)(a) and 222(1)(b) of the CMSA; and
- (ii) is accompanied by a copy of a statutory declaration by the offeror that the conditions for the giving of the notice are satisfied.

Section 222(1A) of the CMSA provides that for the purpose of subsection 222(1)(b) of the CMSA, the acceptances shall not include shares already held at the date of the take-over offer by the offeror or any persons acting in concert.

If the Joint Offerors receive acceptances of not less than 9/10 in the value of the total number of Offer Securities in issue (excluding ICT Zone Asia Shares and ICPS already held by the Joint Offerors and PACs as at the date of the Proposal Letter) on or before the Closing Date of the Proposed Exit Offer, the **Joint Offerors do not intend to invoke the provisions of subsection 222(1) of the CMSA to compulsorily acquire any remaining Offer Securities for which valid acceptances have not been received on or before the closing date of the Proposed Exit Offer.**

2.1.3 Requirements of the Rules

The SC had, vide its letter dated 14 February 2024, provided its consent for the announcement of the Proposed Exit Offer subject to the Pre-Conditions.

Pursuant to subparagraph 9.10(1) of the Rules, an offeror who has a firm intention to make a take-over offer shall:

- (i) make an immediate announcement regarding the take-over offer, including by way of press notice; and
- (ii) send a written notice to:
 - (a) the board of directors of the offeree or an adviser designated by the board of directors of the offeree;
 - (b) the SC; and
 - (c) the relevant stock exchange in Malaysia, if the securities of the offeree or the offeror are listed on the relevant stock exchange in Malaysia.

The announcement should be made only when an offeror has every reason to believe that it can and will continue to be able to implement the offer.

In this regard, the Joint Offerors will serve the Notice to the Board upon the Company fulfilling all the Pre-Conditions.

The Offer Period for the Proposed Exit Offer shall commence from the date of the Proposal Letter until the Closing Date.

2.1.4 Conditions of the Proposed Exit Offer

The Proposed Exit Offer shall only be implemented by the Joint Offerors, namely ICT Zone Holding and DS Ng when all the Pre-Conditions have been satisfied.

Pursuant to note (4) to subparagraph 6.01(2) of the Rules, as the Joint Offerors hold more than 50% of the voting shares or voting rights of the Company, the Proposed Exit Offer is not conditional upon any minimum level of acceptance of the Offer Securities.

2.1.5 Consideration

Pursuant to the Rules:

- (i) Paragraph 6.03 of the Rules stipulates that the offer price in a voluntary take-over offer must not be less than the highest price (excluding stamp duty and commission) paid or agreed to be paid by the offeror or persons acting in concert for any voting shares or voting rights to which the take-over offer relates, during the offer period and within 3 months prior to the beginning of the offer period.

For information purposes, there is no dealing in Shares and ICPS by the Joint Offerors and/or the PACs within the 3 months prior to the beginning of the Offer Period (i.e. 17 November 2023) and up to the LPD.

- (ii) note to Paragraph 5.01 of the Rules stipulates that a voluntary offer should not be made at a price that is substantially below the market price of the shares in the offeree company. A voluntary offer at more than 50% discount to the lesser of the closing price of the relevant shares of the offeree company on the day before the announcement under Paragraph 9.10 and the 5-day average closing price prior to such day will be considered as being “substantially below the market price of the shares in the offeree company.”

It is the intention of the Joint Offerors to fix the Share Exit Offer Price and ICPS Exit Offer Price to be the same as the IPO Price, which will be determined by the Board and the underwriter at a later date, after taking into consideration the factors as set out in Section 2.2.5 of Part A of this Circular. For illustrative purposes, based on the illustrative IPO Price of RM0.20 as illustrated in Section 2.2.5 of Part A of this Circular, the illustrative Share Exit Offer Price and ICPS Exit Offer Price of RM0.20 represents the following:

	Price	⁽¹⁾ Premium/(Discount)	
	RM	RM	%
Last reference price of ICT Zone Asia Share as at the LPD ⁽²⁾	0.2150	(0.0150)	(6.98)
Last reference price of ICPS as at the LPD ⁽³⁾	0.1950	0.0050	2.56

(Source: Bloomberg)

Notes:

- (1) Calculated based on the illustrative IPO Price of RM0.20.
- (2) ICT Zone Asia Shares was last traded at RM0.215 on 1 April 2024. As such, 1 April 2024 represents the last reference price of ICT Zone Asia Share as at the LPD.
- (3) ICPS was last traded at RM0.195 on 1 April 2024. As such, 1 April 2024 represents the last reference price of ICPS as at the LPD.

Holders of the Offer Securities may accept the Proposed Exit Offer in respect of all or any part of their Offer Securities. Entitlements to the cash payment will be rounded down to the nearest whole sen. The Joint Offerors will not pay fractions of a sen to the accepting holders. Where there are valid acceptances, the settlement for the Offer Securities to which such acceptances relate will be effected by DS Ng within 10 days from the date of receipt of such valid acceptances.

2.1.6 Rights of dissenting shareholders

Section 223 of the CMSA provides that subject to section 224 of the CMSA, if the Joint Offerors receive valid acceptances from the holders of Offer Securities resulting in the Joint Offerors and the PACs holding not less than 9/10 in the value of all of the ICT Zone Asia Shares in issue (including ICT Zone Asia Shares which are already held by the Joint Offerors and the PACs as at the date of the Proposal Letter) or ICPS (including ICPS which are already held by the Joint Offerors and the PACs as at the date of the Proposal Letter) on or before the Closing Date, a dissenting holder may exercise his rights, under subsection 223(1) of the CMSA, by serving a notice on the Joint Offerors to require the Joint Offerors to acquire his Offer Securities on the same terms and conditions as set out in the Offer Document or such other terms as may be agreed between the Joint Offerors and the dissenting holder.

If a dissenting holder invokes the provisions of subsection 223(1) of the CMSA, the Joint Offerors will acquire such Offer Securities in accordance with the provisions of the CMSA, subject to the provisions of section 224 of the CMSA which provides that when a dissenting holder exercises his rights under subsection 223(1) of the CMSA, the court may, on an application made by such dissenting holder or by the Joint Offerors, order that the Joint Offerors acquire the dissenting holders' Offer Securities on terms that the court thinks fit.

Subsection 223(2) of the CMSA requires the Joint Offerors to give the dissenting holders a notice in the manner specified under the Rules or specified by the SC of the rights exercisable by the dissenting holders under subsection 223(1) of the CMSA, within 1 month of the time the Joint Offerors having acquired not less than 9/10 in the value of all of the ICT Zone Asia Shares in issue (including ICT Zone Asia Shares which are already held by the Joint Offerors and the PACs as at the date of the Proposal Letter) or ICPS (including ICPS which are already held by the Joint Offerors and the PACs as at the date of the Proposal Letter). The notice to the dissenting holders under subsection 223(2) of the CMSA may specify the period for the exercise of the rights of the dissenting holders and such period shall not be less than 3 months after the Closing Date.

2.2 Proposed Listing

The Proposed Listing entails the listing and quotation of the entire enlarged issued ICT Zone Asia Shares on the ACE Market of Bursa Securities. The Proposed Listing will only take place after the maturity of the ICPS.

In order to ensure that there is a clear price discovery mechanism for the ICT Zone Asia Shares which will be transferred to the ACE Market, ICT Zone Asia shall undertake the Proposed Public Offering pursuant to Rule 3A.02(1)(d) of the ACE LR as part of the Proposed Transfer of Listing.

2.2.1 Proposed Public Offering

For illustration purposes, the effects of the indicative listing scheme pursuant to the Proposed Transfer of Listing is assumed to be based on the following 2 scenarios:

Minimum Scenario : Assuming none of the Company's shareholders and ICPS holders accept the Proposed Exit Offer

Maximum Scenario : Assuming all the Company's shareholders and ICPS holders (save for the Joint Offerors, PACs and Undertaking Party) accept the Proposed Exit Offer

The Company proposes to undertake the Proposed Public Offering, comprising the following:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Proposed Public Issue				
(i) Malaysian public ⁽²⁾	39,772,800	5.0	39,772,800	5.0
(ii) Placement to selected Bumiputera investors as approved by the MITI ⁽³⁾	89,090,800	11.2	89,090,800	11.2
(iii) Eligible persons ⁽⁴⁾	4,136,400	0.5	4,136,400	0.5
	133,000,000	16.7	133,000,000	16.7
Proposed Offer for Sale⁽⁵⁾				
(i) Placement to selected Bumiputera investors as approved by the MITI ⁽³⁾	10,340,900	1.3	10,340,900	1.3
(ii) Placement to selected investors	-	-	44,572,400	5.6
	10,340,900	1.3	54,913,300	6.9
Public shareholding spread	314,161,500	39.5	198,863,300	25.0

Please refer to Section 7.2 of Part A of this Circular for the effects of the Proposals and the Proposed Exit Offer on the Company's public shareholding spread.

Notes:

- (1) Calculated based on the enlarged issued shares of ICT Zone Asia comprising 795,453,200 Shares.
- (2) An indicative 5.0% of the enlarged issued shares of ICT Zone Asia will be made available for application by the Malaysian public through a balloting process, of which 50% will be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.
- (3) An indicative 12.5% of the enlarged issued shares of ICT Zone Asia will be made available by way of private placement to Bumiputera investors approved by the MITI.

- (4) An indicative 0.5% will be made available for application by eligible Directors (i.e. the Independent Directors) and/or employees of the ICT Zone Asia Group as well as persons who have contributed to the Group's success (i.e. the customers and suppliers of the ICT Zone Asia Group). 600,000 Issue Shares will be made available to the eligible Independent Directors at 200,000 Issue Shares to each of the Independent Director. The allocation to the following Independent Directors will be tabled for voting by the shareholders at the forthcoming EGM:

<u>Name</u>	<u>No. of new Shares</u>
Karen Yap Pik Li	200,000
Chong Pei Nee	200,000
Sim Shu Mei	200,000
	<u>600,000</u>

- (5) Under the Minimum Scenario and Maximum Scenario, the number of new ICT Zone Asia Shares to be issued pursuant to the Proposed Public Issue remains at 133,000,000 ICT Zone Asia Shares. Under the Maximum Scenario, the higher number of existing Shares allocated under Proposed Offer for Sale ("**Offer for Sale Shares**") is to comply with the minimum public shareholding spread requirement.

For clarity purposes, DS Ng will be the legal and registered owner of all the valid acceptances of the Offer Securities, if any, pursuant to the Proposed Exit Offer. DS Ng intends to offer a number of ICT Zone Asia Shares from the Offer Securities he may potentially acquire pursuant to the Proposed Exit Offer, if any, via the Proposed Offer for Sale to allow the Company to meet the public shareholding spread requirements under Rule 3.10(1) of the ACE LR (which requires that at least 25% of the total number of shares for which listing is sought in the hands of a minimum number of 200 public shareholders holding not less than 100 shares each).

The Proposed Listing entails the listing and quotation of the entire enlarged issued ICT Zone Asia Shares on the ACE Market, including the new Shares to be issued pursuant to the Proposed Public Issue and conversion of the ICPS, subject to approval and conditions from Bursa Securities. The quantity, group of investors, basis of allotment, issue price, the basis of determining the issue price and justification for the pricing of the new Shares to be issued as part of the Proposed Listing shall be determined at a later date and disclosed, where applicable, in the Company's circular to shareholders and ICPS holders in relation to the Proposals as well as the Company's Prospectus to be issued pursuant to the Proposed Public Offering.

An application will be made to Bursa Securities for the following:

- (i) admission of the entire enlarged issued ICT Zone Asia Shares to the Official List of the ACE Market; and
- (ii) listing and quotation of the entire enlarged issued ICT Zone Asia Shares (including any Shares to be allotted and issued pursuant to the Proposed Public Offering and conversion of the ICPS) on the ACE Market.

For the avoidance of doubt, the ICPS will not be admitted or listed and quoted on the ACE Market as the Proposed Listing will only take place after the maturity of the ICPS.

In addition to the above, the Proposed Public Offering would not result in any breach of Paragraphs 18.01 and 21.02 of the Rules as the Shares under the Proposed Public Offering will not be placed to any of the Joint Offerors and/or the PACs.

2.2.2 Underwriting and placement arrangements

The 39,772,800 Issue Shares to be made available for application by the Malaysian public and 4,136,400 Issue Shares to be made available for application by the eligible Directors and/or employees of the ICT Zone Asia Group as well as persons who have contributed to the Group's success shall be underwritten based on the terms of an underwriting agreement to be entered into by ICT Zone Asia and the underwriter at a later date.

The private placement of 89,090,800 Issue Shares to be made available to selected Bumiputera investors as approved by the MITI under the Proposed Public Issue and up to 54,913,300 Shares under the Proposed Offer for Sale shall be placed out by Malacca Securities (being the placement agent for the Proposed Listing) and will not be underwritten.

The relevant cost in relation to the underwriting and placement arrangements under the Proposed Public Issue shall be fully borne by the Company, while the relevant cost in relation to the placement arrangement under the Proposed Offer for Sale shall be fully borne by ICT Zone Holding and/or DS Ng (being the selling shareholders of the Proposed Offer for Sale).

2.2.3 Basis of allocation of the IPO Shares

The IPO Shares will be allocated on a fair and equitable manner and the basis of allocation for the IPO Shares shall take into account the desirability of distributing the IPO Shares to a reasonable number of applicants to broaden the Company's shareholding base and to establish a liquid market for ICT Zone Asia Shares.

2.2.4 Ranking of the IPO Shares

The Issue Shares shall, upon allotment and issuance, rank equally in all respects with the existing ICT Zone Asia Shares in issue, including voting rights, and will be entitled to all dividends, rights and other distributions that may be declared subsequent to the date of allotment and issuance of the Issue Shares.

The IPO Shares to be offered for sale shall rank equally in all respects with the existing issued ICT Zone Asia Shares, including voting rights, and will be entitled to all dividends, rights and other distributions that may be declared subsequent to the date of transfer of the IPO Shares to be offered for sale.

2.2.5 Price discovery mechanism

For illustrative purposes only, an illustrative IPO Price of RM0.20 is assumed throughout this Circular, which represents:

- (i) an illustrative P/E Multiple of approximately 17.07 times, computed based on the trailing 12-month earnings per Share ("**EPS**") of approximately 1.17 sen (based on the trailing 12-month profit after taxation and minority interest ("**PATAMI**") after adjusting for one-off expenses relating to the private placement⁽¹⁾ and ICPS finance cost of the ICT Zone Asia Group of RM7.76 million for the financial year ended ("**FYE**") 31 January 2024 ("**Trailing 12-month PAT**") and the total enlarged number of 662,453,200 ICT Zone Asia Shares in issue (assuming full conversion of ICPS) as at the LPD);
- (ii) an illustrative P/E Multiple of approximately 20.50 times, computed based on the trailing 12-month EPS of approximately 0.98 sen (based on the Trailing 12-month PAT of the ICT Zone Asia Group of RM7.76 million and the total enlarged number of 795,453,200 ICT Zone Asia Shares in issue (assuming full conversion of ICPS and issuance/allotment of Issue Shares) as at the LPD); and
- (iii) an illustrative enterprise value ("**EV**")-to-earnings before interest, taxation, depreciation and amortisation ("**EBITDA**") multiple ("**EV/EBITDA Multiple**") of approximately 4.56 times, computed based on the trailing 12-month EBITDA of the ICT Zone Asia Group of RM48.37 million for the FYE 31 January 2024 (after adjusting for one-off expenses relating to the private placement⁽¹⁾) and EV of RM220.41 million (based on total enlarged number of 795,453,200 ICT Zone Asia Shares in issue (assuming full conversion of ICPS and issuance/allotment of Issue Shares) as at the LPD). For information, the EV/EBITDA Multiple of ICT Zone Asia Group before and after the issuance/allotment of Issue Shares is the same as the EV is computed based on the market capitalisation less cash (including proceeds to be raised from the issuance/allotment of Issue Shares), add borrowings and non-controlling interests.

Note:

- (1) Kindly refer to Section 2.2.7 of Part A of this Circular for the details of the private placement exercise completed by the Company.

For comparison purposes, Malacca Securities and SCS Global have selected the comparable companies (“**Comparable Companies**”) based on the following criteria:

- (i) provision of information communications and technology equipment and solutions comprise more than 50% of the company’s revenue; and
- (ii) market capitalisation of less than RM1.0 billion.

For the avoidance of doubt, there is no publicly listed company which may be considered to be identical to ICT Zone Asia in terms of, amongst others, composition of business activities, scale of business operations, risk profile, accounting and tax policies, track record, future prospects, market standing in the competitive environment, cost of capital, reinvestment requirements, financial positions and that such business may have fundamentally difference profitability objectives. Any comparison made with respect to the Comparable Companies is merely to provide a comparison to the illustrative P/E Multiple represented by the illustrative IPO Price of ICT Zone Asia. The selection of Comparable Companies is highly subjective and judgemental, and the selected Comparable Companies may not be entirely comparable due to various factors.

The principal activities for the selected Comparable Companies are as follows:

Company	Principal activity
SNS Network Technology Berhad (listed on ACE Market)	Principally involved in the provision of a range of ICT products, broadband and web-based services and solutions, including advisory services and product recommendations. Its offerings include a combination of hardware, devices, and equipment, post-purchase services such as product setup, software installation.
VSTECs Berhad (listed on Main Market of Bursa Securities)	Principally involved in the marketing of computers, peripherals, software and the provision of computer maintenance services. It is a distributor of ICT products to consumers. The company and its subsidiaries provide services which include information technology services in the form of pre-sales, integration, and post-sales in support of the brands it represents. Its three main business segments are ICT distribution, enterprise systems, and ICT services.
Mesiniaga Berhad (listed on Main Market of Bursa Securities)	Principally involved in the sale and service of information technology products and related services. Its subsidiaries are involved in the sales of networking cables and related products, provision of design, development and implementation of business solutions and product and the provision of strategic information technology outsourcing services.
Edaran Berhad (listed on Main Market of Bursa Securities)	Principally involved in the provision of management services, and investment holding. Its subsidiaries are involved in the provisioning, installation, commissioning, integration and maintenance of information technology products and related services.

For information purposes, there are no companies listed on the LEAP Market which are comparable to ICT Zone Asia based on the criteria above.

The illustrative range of ICT Zone Asia's P/E Multiple of approximately 17.07 to 20.50 times is within the P/E Multiples of the selected Comparable Companies of 13.86 to 28.80 times. Additionally, an illustrative ICT Zone Asia's EV/EBITDA Multiple of approximately 4.56 times is lower than the EV/EBITDA Multiples of the selected Comparable Companies of 6.16 times to 13.03 times.

The illustrative range of P/E Multiple and illustrative EV/EBITDA Multiple of the Company as well as the P/E Multiple and EV/EBITDA Multiple of the selected Comparable Companies as at the LPD are as follows:

Company	Closing price (as at as the LPD)	(¹)Market capitalisation	(²)Diluted earnings per share	(³)P/E Multiple	(⁴)EV	(⁵)EBITDA	EV/EBITDA Multiple
	(RM)	(RM'mil)	(sen)	(times)	(RM'mil)	(RM'mil)	(times)
SNS Network Technology Berhad	0.365	588.66	1.98	18.43	530.87	59.75	8.88
VSTECs Berhad	2.620	934.17	18.91	13.86	822.56	85.73	9.59
Mesiniaga Berhad	1.550	93.62	6.46	23.99	56.94	4.37	13.03
Edaran Berhad	1.150	66.59	3.99	28.80	48.30	7.84	6.16
		High		28.80			13.03
		Low		13.86			6.16
		Average		21.27			9.42
		Median		21.21			9.24
ICT Zone Asia							
- After the conversion of ICPS	0.20⁽⁸⁾	132.49⁽⁶⁾	1.17	17.07	220.41	48.37	4.56
- After the conversion of ICPS and Proposed Public Issue	0.20⁽⁸⁾	159.09⁽⁷⁾	0.98	20.50	220.41	48.37	4.56

(Source: Bloomberg, prospectus, latest annual reports and quarterly reports of the respective comparable companies as at the LPD)

Notes:

- (1) Computed based on the share price multiplied by the total number of shares outstandings of the respective companies as at the LPD.
- (2) Computed based on the trailing 12-month profit after tax of the respective companies over the weighted average number of shares of the respective companies.
- (3) Computed based on the share price divided by the trailing 12-month diluted EPS of the respective companies as at the LPD.
- (4) Computed based on the formula of (market capitalisation – cash and cash equivalents + debts + non-controlling interest) of the respective companies.
- (5) Computed based on the formula of (profit before tax – finance income + finance costs + depreciation + amortisation) of the respective companies.
- (6) Based on total number of 662,453,200 ICT Zone Asia Shares in issue (assuming full conversion of ICPS) as at the LPD.
- (7) Based on total number of 795,453,200 ICT Zone Asia Shares in issue (assuming full conversion of ICPS and issuance/allotment of Issue Shares) as at the LPD.
- (8) Illustrative IPO Price of RM0.20.

The above listing scheme and illustrative IPO Price are strictly indicative at this juncture.

The final listing scheme and final IPO Price will be determined by the Board and the underwriter at a later date, after taking into due consideration, including but not limited to, the following:

- (i) the level of valid acceptances of Offer Securities pursuant to the Proposed Exit Offer;
- (ii) the total number of ICT Zone Asia Shares in issue after the Proposed Public Offering and the audited consolidated profit after taxation attributable to owners of ICT Zone Asia;
- (iii) the growth demonstrated by the historical financial performance and financial position of the ICT Zone Asia Group;
- (iv) the growth demonstrated by the unbilled order book secured by the ICT Zone Asia Group. For information purposes, the ICT Zone Asia Group has recorded an unbilled order book of RM242.52 million as at the LPD;
- (v) the additional cashflow to the Group arising from savings of the dividends payable to the ICPS holders (RM0.02 per ICPS per annum, aggregate to approximately RM1.51 million per annum) after the maturity date of 21 January 2025;

- (vi) the latest financial performance of the ICT Zone Asia Group (i.e., the latest audited financial results of the ICT Zone Asia Group before the issuance of the Offer Document, IAC and the Prospectus to be issued pursuant to the Proposed Public Offering);
- (vii) the relative valuation multiples, such as the P/E Multiple and EV/EBITDA Multiple, represented by the closing price of listed companies on Bursa Securities that could be comparable to ICT Zone Asia; and
- (viii) the competitive strengths, future plans and strategies of the ICT Zone Asia Group to sustain growth in financial performance and financial position, as well as the prevailing equity market and economic conditions in Malaysia.

Hence, for information, the listing scheme and IPO Price as mentioned in this Circular or to be stated in the Notice, Offer Document and Prospectus may differ. The final details of the Proposed Public Offering (including the listing scheme, IPO Price and underwriting arrangement(s)) will be set out in the Prospectus. Notwithstanding the above, the Board intends to fix the IPO Price at a price that is deemed attractive as well as acceptable to both the Company and potential investors. This will enhance the liquidity and marketability of the Issue Shares and would present an opportunity for the shareholders to leverage on the increase of trading activities of the Issue Shares.

Shareholders and ICPS holders of the Company should exercise caution and seek appropriate independent advice when dealing in ICT Zone Asia Shares and ICPS. The Proposed Public Issue will not be implemented on a staggered basis.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

As the trading of the Shares on the LEAP Market of Bursa Securities is restricted to sophisticated investors specified in the Guidelines on Categories of Sophisticated Investors issued by the SC, the market price of the Shares traded on the LEAP Market may be higher as sophisticated investors typically have higher risk appetite and are able to ascribe a higher P/E Multiple to their investments.

However, after the Proposed Transfer of Listing, the Shares will be traded on the ACE Market of Bursa Securities which is open to a significantly wider pool of investors who may not share the same investment sentiments as sophisticated investors. The impact of the Proposed Transfer of Listing on market price of ICT Zone Asia Shares is set out in Section 7.3 of Part A of this Circular.

For illustration purposes, the illustrative IPO Price represents the following:

	<u>Price</u>	<u>⁽¹⁾Premium/(Discount)</u>	
	<u>RM</u>	<u>RM</u>	<u>%</u>
Last reference price of ICT Zone Asia Shares as at the LPD ⁽²⁾	0.2150	(0.0150)	(6.98)
Up to and including the LPD:			
5-day VWAP	N/A ⁽⁵⁾	-	-
1-month VWAP	0.2150	(0.0150)	(6.98)
3-month VWAP	0.2150	(0.0150)	(6.98)
6-month VWAP	0.2150	(0.0150)	(6.98)
1-year VWAP	0.2121	(0.0121)	(5.70)
Last reference price of ICPS as at the LPD ⁽³⁾⁽⁴⁾	0.1950	0.0050	2.56

(Source: Bloomberg)

Notes:

- (1) Calculated based on the illustrative IPO Price of RM0.20.
- (2) ICT Zone Asia Shares was last traded at RM0.215 on 1 April 2024. As such, 1 April 2024 represents the last reference price of ICT Zone Asia Share as at the LPD.
- (3) ICPS was last traded at RM0.195 on 1 April 2024. As such, 1 April 2024 represents the last reference price of ICPS as at the LPD.
- (4) The ICPS will not be listed as the Proposed Listing will only take place after the maturity of the outstanding ICPS, in which each ICPS will be converted to 1 ICT Zone Asia Share.
- (5) Not applicable as there was no transaction of ICT Zone Asia Shares within 5 days from the LPD.

Assuming that the final IPO Price is equal to the illustrative IPO Price of RM0.20 per Share, this represents a dilution in the Share value of RM0.015 per Share to the Company's existing shareholders (based on the last reference price of ICT Zone Shares as at the LPD of RM0.215) where the existing shareholders will incur an immediate paper loss. Based on the last reference price of ICPS as at the LPD of RM0.195 per ICPS, the illustrative IPO Price of RM0.20 per Share represents a premium in the Share value of RM0.005 per ICPS to the Company's existing ICPS holders (after conversion of the ICPS upon maturity, which will take place prior to the Proposed Listing) where the ICPS holders will incur an immediate paper gain. Kindly refer to Section 7.3 of Part A of this Circular for more information.

2.2.6 Proposed utilisation of proceeds

Based on the illustrative Issue Price of RM0.20 per Issue Share, the Company will raise up to RM26.6 million from the Proposed Public Issue. The management proposes to use the proceeds to be raised from the Proposed Public Issue for, amongst others, the following purposes:

Utilisation of proceeds	Note	Estimated timeframe for utilisation from receipt of proceeds	RM'000	%
Expansion of the technology financing business	(i)	12 months	21,000	79.0
Sales and marketing expenditures	(ii)	24 months	1,500	5.6
Estimated listing expenses	(iii)	1 month	4,100	15.4
			26,600	100.0

Notes:

- (i) Expansion of the technology financing business

To expand the Group's technology financing business organically and to cater and capture increasing demand from customers, the Group proposes to allocate part of the proceeds to be raised from the Proposed Public Issue for the expansion of technology financing business in the following manner:

Purpose of use	RM'000	%
Purchase of ICT hardware and software for technology financing business ^(a)	18,500	88.1
Other operating expenses ^(b)	2,500	11.9
	21,000	100.0

Notes:

- (a) The proceeds allocated will be utilised to purchase ICT hardware and software to support its technology financing business. The ICT hardware includes procuring approximately 4,000 units of computers and laptops alongside a corresponding number of related peripheral devices, such as mice, keyboards, monitors and security locks. The ICT software includes operating systems, device management and computer security software that protects the ICT Solutions against computer viruses, malware, spyware and/or adware. The ICT software procured from third party providers will be bundled with the ICT hardware to meet the customer's specific needs and requirements. These bundled ICT Solutions encompass proactive and analytical services, remote managed services, device recovery services and Carbon Neutral Computing Services (CNCS), which are expected to enhance their management and monitoring capabilities over leased ICT Solutions. The number of units of hardware and software stated above is based on ICT Zone Asia's management's estimation. The actual number of units to be purchased is subject to the prevailing market price of the hardware and software at the point of procurement.

- (b) The proceeds allocated for other operating expenses to facilitate ICT Zone Asia Group's business expansion are proposed to be utilised as follow:

Details	%
Finance costs ^(aa)	45.7
Legal fees ^(bb)	30.0
Insurance expenses ^(cc)	24.3
	100.0

Notes:

(aa) Finance costs

To enable the ICT Zone Asia Group to leverage on financing to grow its business, the ICT Zone Asia Group procures financing from financial institutions upon entering into new leasing and rental contracts. As such, the ICT Zone Asia Group will incur finance costs such as processing fees, brokerage fees and other fees/incidental expenses when obtaining the financing facilities from financial institutions. In addition, the ICT Zone Asia Group is required to place a principal amount of up to 2 months of the instalment amount with the financial institutions before obtaining the financial facilities. For avoidance of doubt, the finance costs incurred is not for the ICT Zone Asia Group's existing borrowings and interest payment, and thus will not result in any savings in interest expenses for the ICT Zone Asia Group.

(bb) Legal fees

For the ICT Zone Asia Group's technology financing business, leasing and rental contracts are entered into between the ICT Zone Asia Group with its customers. As such, the ICT Zone Asia Group will be required to make payment for professional fees and stamp duty for execution of agreements.

(cc) Insurance expenses

The ICT Zone Asia Group purchases equipment-all-risks insurance policies for its ICT hardware leased or rented out. Such insurance coverage covers loss of or damage to the ICT hardware leased or rented out as a result of, amongst others, fire, theft or any accidental damage during the period of the insurance. The insurance coverage on ICT hardware serves to mitigate potential business operation risks and losses that resulted from the loss or damage of the insured ICT hardware and safeguard the value of the insured ICT hardware in case of loss or damage. It is also often required by the financial institutions as a condition of the financing agreement.

- (ii) Sales and marketing expenditures of the ICT Zone Asia Group comprise expenses for sales and marketing activities to increase the ICT Zone Asia Group's market visibility and brand recognition. These include digital marketing efforts on social media platforms such as LinkedIn, Instagram and TikTok as well as search engine marketing on Google and Bing. In addition, the ICT Zone Asia Group also intends to invest in amongst others, media advertising, telemarketing, email marketing, event marketing and content marketing strategies. The proceeds allocated will also be used to finance the associated costs of the recruiting and staff costs for up to 7 new sales and marketing personnel over the next 24 months. Out of the RM1.50 million earmarked for the sales and marketing expenditures, the Group plans to allocate RM0.33 million or 22.00% for the sales marketing activities, and RM1.17 million or 78.00% for the recruitment and staff salaries for the 7 new personnel.
- (iii) Defrayment of expenses in relation to the Proposals which includes professional advisory fees, fees payable to authorities for the Proposals, and underwriting, placement and brokerage fees for the Proposed Public Offering.

The above allocation (in percentage and RM) is indicative at this juncture and subject to revision in the future. The exact breakdown of the abovementioned proposed utilisation and timeframe for utilisation have not been finalised at this juncture as it shall depend on the final Issue Price of the Issue Shares to be determined in the future.

Pending utilisation, the proceeds from the Proposed Public Issue will be placed in deposits with licensed financial institution(s) or short-term money market instruments as the Board deems fit. The interest derived or any gain arising from thereon will be used for working capital requirements of the Group (such as expenses for utilities, staff costs, and rental payment for offices), of which the breakdown for the utilisation cannot be determined at this juncture. The Board intends to utilise the interest derived or the gain within 6 months from the receipt of such interest/gain.

For the avoidance of doubt, the proceeds arising from the Proposed Offer for Sale, if any, shall accrue entirely to the selling shareholder(s).

The final details on the utilisation of proceeds will be set out in the Prospectus.

2.2.7 Previous fundraising exercise

On 14 June 2023, Malacca Securities had, on behalf of the Company, announced that ICT Zone Asia proposes to undertake a private placement of up to 53,375,750 new ICT Zone Asia Shares (“**Placement Shares**”), representing 10% of the total number of issued ICT Zone Asia Shares (“**Private Placement**”). Bursa Securities had, vide its letter dated 13 July 2023, noted that up to 53,375,750 new ICT Zone Asia Shares arising from the Private Placement will be listed and quoted on the LEAP Market.

The Company had, on 3 November 2023, completed the Private Placement following the issuance of 53,375,700⁽¹⁾ Placement Shares, which resulted to an enlarged 587,133,200 ICT Zone Asia Shares.

Note:

⁽¹⁾ The Board has disregarded the balance of 50 Shares from the Private Placement.

As at the LPD, the status of utilisation of the gross proceeds raised from the Private Placement is as follows:

<u>Utilisation purposes</u>	<u>Proposed utilisation</u>	<u>Actual utilisation</u>	<u>Balance</u>	<u>Estimated timeframe for utilisation from receipt of proceeds</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
Working capital ⁽¹⁾	10,071	10,071	-	Within 12 months
Defray estimated expenses for the Private Placement	70	70	-	Within 1 month
Total	10,141	10,141	-	

Note:

⁽¹⁾ The working capital was utilised for the purchase of ICT hardware and software for leasing/rental of ICT Solutions (RM7.12 million) and other operating expenses which includes payment of finance costs, legal fees and insurance expenses (RM2.95 million).

2.2.8 Pre-emptive rights pursuant to Section 85(1) of the Act

Pursuant to Section 85(1) of the Act read together with Clause 61 of the Constitution, the shareholders of ICT Zone Asia have the pre-emptive rights to be offered any new Shares to be issued by the Company which rank equally to the existing issued Shares or other convertible securities.

Section 85(1) of the Act 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 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 view of the above, the Company is required to seek shareholders' approval for the waiver of the pre-emptive rights provided by Section 85 of the Act and Clause 61 of the Constitution to undertake any issuance of new Shares (**“Pre-emptive Rights”**). As such, the waiver of such Pre-Emptive Rights by the shareholders will be tabled for approval at the forthcoming EGM for shareholders.

The approval of the shareholders for the Proposed Transfer of Listing at the forthcoming EGM for shareholders (i.e. passing of the resolutions which shall contain the waiver of the Pre-Emptive Rights) shall mean that the shareholders will be waiving their Pre-Emptive Rights. Accordingly, the resolutions in respect of the Proposed Transfer of Listing, if passed, will constitute a waiver of the shareholders' Pre-Emptive Rights to be offered the Issue Shares pursuant to the Proposed Public Issue, and will consequently result in a dilution of the percentage of the shareholders' shareholdings in the Company.

2.2.9 Minimum subscription level

There is no minimum subscription level in terms of the amount of proceeds to be raised from the Proposed Listing. However, the minimum subscription in terms of the number of IPO Shares will be the number of IPO Shares required to be held by public shareholders for the Company to comply with the public shareholding spread requirements as per the ACE LR or as approved by Bursa Securities. Please refer to Section 7.2 of Part A of this Circular for the pro forma public shareholding spread of the Company upon completion of the Proposals.

2.3 Proposed Amendments

The Company proposes to amend its Constitution to ensure compliance with the ACE LR pursuant to the Proposed Listing and the Act. Further details of the Proposed Amendments are set out in **Appendix III** of this Circular.

3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSALS

3.1 Proposed Withdrawal

The Proposed Withdrawal is undertaken to facilitate the Proposed Listing pursuant to the ACE LR.

In this respect, ICT Zone Asia had, on 16 February 2024, received the Proposal Letter from the major shareholder, namely ICT Zone Holding, requesting the Board to consider undertaking the Proposed Transfer of Listing. The Proposed Exit Offer provides an avenue for the shareholders and ICPS holders to realise their investment in ICT Zone Asia.

The Board, having considered the rationale above, believes it is an opportune time to undertake the Proposals to facilitate the Group's future growth. Pursuant thereto, the Board had decided to put forth the Proposals for consideration by the Company's shareholders and ICPS holders.

3.2 Proposed Listing

The Proposed Listing will mark another major milestone for ICT Zone Asia subsequent to its listing on the LEAP Market. It signifies that ICT Zone Asia has grown in the strength of its operations and profitability to be suitable for a transfer of listing to the ACE Market. The profit after tax and net assets ("**NA**") of the ICT Zone Asia Group had grown from approximately RM1.0 million and RM28.6 million (based on the audited consolidated financial statements for the FYE 31 January 2020 at the point of its listing on the LEAP Market) to approximately RM6.4 million and RM43.4 million, respectively (based on the audited consolidated financial statements for the FYE 31 January 2023).

Whilst the Company's listing on the LEAP Market was a significant milestone allowing the Group to advance its profile as a listed entity, the Board believes that the Proposed Listing will enable the Group to enhance its credibility, prestige and reputation, and accord the Group with greater recognition and acceptance by its stakeholders, including investors and shareholders. The Proposed Listing is also expected to enhance the attractiveness, liquidity and marketability of ICT Zone Asia Shares. In addition, the Proposed Listing is envisaged to strengthen the confidence of ICT Zone Asia's employees, customers, suppliers, business associates, financial institutions and shareholders through its profile as a company listed on the ACE Market.

At present, the LEAP Market is a qualified market which is meant for sophisticated investors as specified in the Guidelines on Categories of Sophisticated Investors issued by the SC which include, amongst others, accredited investors, high net-worth entities and high net-worth individuals. Shareholders who are not sophisticated investors are not able to invest in ICT Zone Asia Shares unless they subsequently become sophisticated investors. Therefore, the Proposed Listing will enable all investors, including retail investors, to purchase ICT Zone Asia Shares. With access to a wider pool of investors, the ACE Market offers a more robust listing environment with relatively greater vibrancy, more liquidity and better price discovery for ICT Zone Asia Shares.

3.3 Proposed Amendments

The Proposed Amendments allow the Company to amend its Constitution to ensure compliance with the ACE LR pursuant to the Proposed Listing and the Act.

4. RISK FACTORS

4.1 Completion risks

The completion of the Proposals is subject to the Pre-Conditions being satisfied/fulfilled. If the Pre-Conditions are not satisfied/fulfilled, the Proposals and the Proposed Exit Offer will not be implemented and the ICT Zone Asia Shares and ICPS will remain listed on the LEAP Market. Following which, the Company would not be able to tap into a wider pool of investors on the ACE Market, which includes individuals and entities that do not fall under the sophisticated investors specified in the Guidelines on Categories of Sophisticated Investors issued by the SC.

In the event of non-implementation of the Proposals, the Group will still continue with its business, including implementing its future plans as set out in Section 2.2.6 of Part A of this Circular (albeit on a more staggered basis) via internally generated funds, bank borrowings and/or other fund-raising exercises, of which the breakdown could not be determined at this juncture as it would depend on the mode and quantum of funds available to the Group at that point in time. However, there is no assurance that the execution of the Group's future plans will increase its profitability in the future, nor will the Group be able to anticipate all the risks and uncertainties that may arise during the implementation of these future plans, which may adversely affect the Group's earnings growth, future results of operations and prospects.

The Company intends to allocate RM4.1 million from the proceeds of the Proposed Public Issue for the expenses in relation to the Proposals, which include advisory and professional fees, underwriting, brokerage and placement fees, fees payable to the relevant authorities and other miscellaneous expenses. In the event of non-implementation of the Proposals, the Company will still be required to pay the accrued cost to the relevant parties using its internally generated fund, which may, in turn, have an adverse impact on the results of the Company's operations and financial condition. As at the LPD, the Company has been billed for approximately RM0.6 million in relation to the Proposals of which RM0.2 million was recorded as expenses and RM0.4 million was recorded as prepayment.

4.2 Investment risks

The final IPO Price will be determined after taking into consideration the factors as set out in Section 2.2.5 of Part A of this Circular and these factors could cause the Share price to fluctuate which may adversely affect the market prices of the Shares. In view of the above and subject to the fulfilling all the Pre-Conditions, there can be no assurance on the following:

- (i) the final IPO Price will be the same or higher than the Shares and ICPS price traded on the LEAP Market;
- (ii) that the Shares will trade at or above the final IPO Price upon the listing on the ACE Market; and/or
- (iii) that the Shares, upon listing on the ACE Market, will trade at a price above the Share and ICPS price on LEAP Market.

In addition to the above, the market price of the Shares upon listing on ACE Market, like all listed securities traded on Bursa Securities, may be subject to significant price fluctuations and frequent volatility that have not been experienced by the shareholders while the Company is listed on the LEAP Market as the Shares traded on the ACE Market is open to a significantly wider pool of investors. The market price of the Shares will be influenced by, amongst others, the prevailing market sentiments, the volatility of the stock market, movements in interest rates, outlook of the industry in which the Group operates in, the Group's financial performance, vagaries of market forces and other uncertainties.

The Company's shareholders and ICPS holders will face an immediate paper loss and may not be able to recover their investment cost in the Shares and ICPS if:

- (i) the final IPO Price is below the Shares and ICPS prices traded on the LEAP Market; or
- (ii) the Shares, upon listing on the ACE Market, are traded at a price below the Shares and ICPS prices on the LEAP Market or the final IPO Price.

4.3 Risk of shareholding dilution

Upon issuance of new Shares pursuant to the Proposed Public Issue, the shareholders (upon full conversion of the ICPS) will experience dilution of 20.08% in its percentage shareholdings and voting interest in the Company proportionately to the enlarged issued share capital of the Company. Consequently, the proportionate entitlement to any future distribution, rights and/or allotment that the Company may make or declare after completion of the Proposals will correspondingly be diluted. However, the Proposals are expected to contribute positively to the consolidated earnings of the Company for the ensuing financial years when the benefits of the utilisation of proceeds raised from the Proposed Public Issue are realised.

4.4 No prior market for the Shares on the ACE Market and it is uncertain whether a sustainable market for the Shares on the ACE Market will ever develop

There is no assurance that upon completion of the Proposals, an active market for the Shares on the ACE Market will develop or if develop, that such a market will be sustainable. In addition, there is also no assurance as to the liquidity of the Shares, the ability of holders to sell the Shares or the prices at which holders would be able to sell the Shares on the ACE Market.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

5. INDUSTRY OUTLOOK AND PROSPECTS OF THE GROUP

5.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded moderately in the first quarter of 2024 (4.2%; 4Q 2023: 2.9%) driven by stronger private expenditure and positive turnaround in exports. Household spending was higher amid continued growth in employment and wages. Better investment activities were supported by higher capital spending by both the private and public sectors. Exports rebounded amid higher external demand. On the supply side, most sectors registered higher growth. The manufacturing sector was lifted by a rebound across both the electrical and electronic and non-electrical and electronic industries. The stronger growth in the services sector was driven by higher retail trade activities and continued support from the transport and storage subsector. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 1.4% (4Q 2023: -1%).

Headline inflation remained moderate at 1.7% during the quarter (4Q 2023: 1.6%). The modest increase in headline inflation reflects the policy adjustments to water tariffs in February and services tax for high-usage electricity in March, which increased by 20.8% (4Q 2023: 2.1%) and 0.7% (4Q 2023: 0%) respectively. Core inflation moderated to 1.8% (4Q 2023: 2%), largely driven by continued easing in the food and beverages segment. Inflation pervasiveness edged higher, as the share of Consumer Price Index items recording monthly price increases rose to 44.2% during the quarter (4Q 2023: 36.3%). Nonetheless, this remains well below the first quarter long-term average (corresponding first quarter periods during 2011-2019) of 52.2%.

Domestic financial markets continued to be driven mainly by shifting financial market expectations over the monetary policy path of major central banks. In particular, global financial markets reacted to expectations that the US Federal Reserve would maintain its current policy interest rate for a longer period and make fewer policy rate cuts in light of continued strong US economic data. The current pressure reflects broader currency market dynamics and is not specific to Malaysia.

Credit growth to the private non-financial sector increased to 5.2% (4Q 2023: 4.8%). This was supported by higher growth in outstanding loans to both businesses (4.9%; 4Q 2023: 3.7%) and households (6.2%; 4Q 2023: 5.7%) while outstanding corporate bonds growth grew at a more moderate pace (3.2%; 4Q 2023: 4.2%). The higher business loan growth was driven mainly by higher growth in investment-related loans. By sector, the stronger growth was supported by the construction and services sectors. For households, outstanding loan growth was higher across most loan purposes, reflecting continued demand for loans, particularly for the purchase of housing and cars.

Growth in 2024 will be driven by resilient domestic expenditure with additional support from the recovery in external demand. On the domestic front, continued employment and wage growth will support household spending. Improvement in tourist arrivals and spending are expected to continue. Investment activities will be driven by progress in multi-year projects across private and public sectors, alongside catalytic initiatives announced in national master plans, as well as the higher realisation of approved investments. The Malaysian economy is projected to grow between 4% and 5%*.

For 2024, headline and core inflation are projected to remain moderate between 2% – 3.5% and 2% – 3%, respectively. These broadly reflect stabilising demand and contained cost pressures, coupled with some potential upside that could arise from the implementation of fuel subsidy rationalisation. The outlook for the rest of the year is dependent on the implementation of domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments.

(Source: Bank Negara Malaysia Economic and Financial Developments in Malaysia in the First Quarter of 2024, Bank Negara Malaysia)

Note:

- * Source: Press release by Bank Negara Malaysia “Bank Negara Malaysia Publishes Annual Report 2023, Economic and Monetary Review 2023 and Financial Stability Review for Second Half 2023” dated 20 March 2024.

5.2 Overview and outlook of the Malaysian ICT industry

ICT Solutions encompasses ICT products as well as services have become increasingly important in organisations ranging from private businesses to government agencies, as dependency on technology continues to grow. The implementations of these solutions have often been essential for companies to run their day-to-day business operations, as well as perform transactions with customers and suppliers.

The ICT trading industry size in Malaysia grew from RM28.2 billion in 2018 to RM34.2 billion in 2022, registering a compound annual growth rate (“**CAGR**”) of 4.9% during the period. The ICT trading industry in Malaysia grew by an estimated 4.4% to RM35.7 billion in 2023 and is forecast to increase to RM37.3 billion in 2024. Meanwhile the ICT services industry size registered a CAGR of 6.6% during the same period, having grown from RM79.2 billion in 2018 to RM102.1 billion in 2022. The ICT services industry in Malaysia grew by 5.9% to an estimated RM108.1 billion in 2023 and is forecast to increase to RM114.3 billion in 2024.

Moving forward, Providence expects that the growth of the ICT solution industry will be supported by the following factors:

- (i) government initiatives to encourage digitalisation, which will drive demand for ICT Solutions;
- (ii) the digitalisation of the economy and rapid pace of technological evolution creates a need for enterprises to upgrade their ICT Solutions;
- (iii) increasing adoption of cloud computing is expected to lead to a growth in demand for ICT Solutions from data centres;
- (iv) growing number of companies indicates an increase in demand for ICT Solutions;
- (v) benefits of reducing upfront investments for ICT Solutions for corporations and organisations.

(Source: Providence)

5.3 Prospects of ICT Zone Asia Group

The Board notes the continuous growth of the ICT industry in Malaysia. In this regard, the Board is of the view that ICT Zone Asia Group is well positioned to capitalise on the growing ICT industry in Malaysia and will continue to enjoy favourable prospects in the long term, by providing rental, leasing and trading of ICT Solutions, ICT cloud solutions and related services in Malaysia on the back of its historical track record.

Moving forward, the ICT Zone Asia Group intends to leverage on its existing customer base to expand its revenue stream from ICT cloud solutions. The ICT Zone Asia Group will analyse and evaluate the current needs and usage patterns of its existing customers to introduce cloud solutions as complementary offerings that specifically address their requirements and collaborate with Channel Partners and Strategic Partners in the government sector. Through cross-selling, the ICT Zone Asia Group can promote cloud solutions to customers who are not currently using them. These ICT cloud solutions include device management such as security management, data backup as well as device replacement or upgrades.

Against this backdrop, ICT Zone Asia Group is seeking a transfer of listing from the LEAP Market to the ACE Market to facilitate its future growth and strengthen its market presence.

(Source: ICT Zone Asia Group’s Management)

5.4 Business plans of ICT Zone Asia Group as disclosed in the Information Memorandum

The details of the Group's business future plans as disclosed in the Information Memorandum and its current status/progress is as set out below:

Section	Disclosures in the Information Memorandum	Current Status or Progress
Section 4.13	<p>(i) We intend to expand our revenue stream from device management software and computer security software.</p> <p>We recognise the growing need for corporations and associations to monitor the usage and status of ICT hardware and software as well as ICT maintenance and technical support services (“ICT Solutions”) to effectively manage their assets and avoid any potential operational disruptions. We also acknowledge the need for customers’ assurance of permanent data removal from ICT hardware after the rental period is completed or the device is disposed.</p> <p>We believe these products, which will be procured from third-party providers, will add value to our existing ICT Solutions as they enable us to offer our customers the ability to better manage and monitor the ICT Solutions rented, leased or procured from us. As an illustration, device management software can identify any potential technical issues with an ICT hardware and alert users to make the necessary ICT hardware replacement if required.</p> <p>Meanwhile, the computer security software will assist us to provide our customers with added assurance of permanent data removal of all ICT Solutions through a certified and secured data removal process before its usage in a company is terminated as compared to the current process of reformatting all ICT hardware after the expiry of the rental/leasing period.</p> <p>As such, we have been creating awareness of the benefits of device management software and computer security software to our Channel Partners and Strategic Partners to gauge the</p>	<p>Since its listing on the LEAP Market, the ICT Zone Asia Group has begun offering device management and computer security software to enhance the value of the Group’s technology financing business.</p> <p>In particular, the Group has begun offering the following value-added services by sourcing device management and computer security software from third-party ICT Solutions providers since 2021:</p> <ul style="list-style-type: none"> (i) proactive and analytics service to monitor and predict device health in term of: <ul style="list-style-type: none"> (a) inventory and asset management, which allows for monitoring of devices where details (such as utilisation and warranty) for all devices are illustrated on a single Dashboard; (b) device proactive incident management, which predicts and prevents technical issues concerning the devices by monitoring the condition of the devices. This allows for planning and prompt resolution(s) of technical issues; (c) device performance and health analytical management, which analyses device performance with proactive insights and reports to anticipate the needs of service or maintenance and easy device management; and (d) device security and user management, which manage users with attached devices and monitor device usage by user(s); and (ii) permanent data removal service, which produces an auditable and digitally signed certificate as proof that customers’ device’s

Section

Disclosures in the Information Memorandum

Current Status or Progress

market acceptance of these products. Moving forward, we intend to grow our revenue stream from these products by actively marketing to both our existing and potential end-user customers. In particular, we will be marketing these products to private corporations such as Small and medium-sized enterprises (“**SMEs**”) and large corporations.

We also intend to undertake online advertising and set up a dedicated website to promote these products. Further, we plan to organise events and participate in events to create awareness of these products. The cost for these marketing activities over the span of 1 year is expected to be approximately RM50,000, which will be funded via internally generated funds.

data has been 100% erased after the leasing/rental period or when the ICT hardware is disposed of.

From FYE 2022 to FYE 2024, the Group had utilised RM51,000 to undertake initiatives such as campaigns or content marketing with Microsoft and Principals (RM25,000), as well as webinars and events hosted by media to promote the above-mentioned value-added services (RM26,000).

In 2022, the Group launched Device-as-a-Service (“**DaaS**”) 360 in a subscription model, which comprises life cycle management and device recovery services with financial solutions. DaaS 360 enables enterprises to optimise the usage of ICT hardware and supports as well as repurpose and reuse old ICT hardware, thereby reducing the number of ICT hardware wasted after their life cycle ends. The DaaS 360 has been certified with the MyHIJAU mark, a green recognition scheme endorsed by the Government of Malaysia.

The Group’s efforts in marketing the abovementioned services have been concentrated on creating awareness among the Group’s Channel Partners and Strategic Partners to gauge market acceptance. The introduction of these software serves to enhance the value proposition of the Group’s products offerings, thereby increasing the demand for the Group’s products.

The Group has also been developing marketing strategies to further capitalise on this opportunity by way of, amongst others, online advertising via a dedicated website (i.e., <https://daas.my/>) which went live in June 2022, social media or social networking platforms (i.e. TikTok and LinkedIn), and participation in events (such as Microsoft 365 DaaS Seminar 2022, HP DaaS Seminar 2022, SME Growth Summit 2023 and Top in Tech Talk Series Webinar 2023) and/or tenders (or presentation, as the case may be) to corporations and Government associations via the Group’s Channel Partners and/or Strategic Partners to promote these products to both existing and potential end-user customers, particularly within the private sector, including SMEs and large corporations.

Section	Disclosures in the Information Memorandum	Current Status or Progress
	<p data-bbox="389 395 1196 454">(ii) We intend to offer our new and existing customers a new option for financing ICT Solutions</p> <p data-bbox="389 488 1196 884">We presently offer our customers the option to rent, lease or purchase ICT Solutions. Moving forward, we intend to enable the purchase of ICT Solutions through factoring financing. Factoring financing refers to short-term financing offered by our Group to finance invoices relating to ICT Solutions purchases by our customers. Through our past experience in the ICT industry, we understand that our Channel Partners commonly face cash flow constraints when acquiring ICT Solutions for their onward sale to their customers. With factoring financing, we will be able to provide capital to our Channel Partners and Strategic Partners for the purchase of ICT Solutions. This would also benefit our trading segment as it will ease the outright purchase of ICT Solutions.</p> <p data-bbox="389 917 1196 1070">We are currently finalising our arrangements with stakeholders such as financial institutions as well as our Channel Partners and Strategic Partners to facilitate this new business model. We plan to finalise the arrangements and launch this business model before the end of 2022.</p>	<p data-bbox="1218 272 2045 360">The Group proposes to allocate part of the proceeds to be raised from the Proposed Public Issue to fund these marketing activities over the next few years.</p>
	<p data-bbox="389 1104 1196 1131">(iii) We intend to grow sales on our e-commerce platform</p> <p data-bbox="389 1165 1196 1358">On 16 February 2020, we launched our e-commerce platform, www.komputermurah.my, and have generated sales of approximately RM0.4 million up to the LPD. Subsequent to the launch, we have optimised our back-end operational activities in terms of payment gateway solutions and logistics to improve customer experience.</p>	<p data-bbox="1218 395 2045 576">The ICT Zone Asia Group has been constantly monitoring the evolving technology financing needs and have focused its efforts on bundling its technology financing solutions with other ICT products or offerings to meet its customers' needs and demands. Correspondingly, the Group's revenue increased from RM39.6 million for the FYE 31 January 2021 to RM75.1 million for the FYE 31 January 2023.</p> <p data-bbox="1218 609 2045 821">Having observed significant growth in the Group's revenue during this period, the Group has decided to remain focused on its core product offerings (i.e. bundling its technology financing solutions with other ICT products or offerings) and has yet to launch its business model of purchasing ICT Solutions through factoring financing. Nevertheless, the Group may revisit this plan again in the future, should the need arise.</p> <p data-bbox="1218 1104 2045 1417">Since its launch, the Group's e-commerce platform, www.komputermurah.my, has contributed approximately RM3.53 million, RM2.49 million and RM3.0 million in revenue for the FYE 31 January 2022, FYE 31 January 2023, and FYE 31 January 2024 respectively. The Group's e-commerce platform enables the Group to capitalise on refurbished ICT hardware following the expiration of the leasing and rental contracts for the relevant ICT hardware. The Group's e-commerce platform serves as a distribution channel to facilitate the Group's disposal of refurbished ICT hardware (i.e. laptops, desktops, monitors, printers and projectors), thereby enhancing the Group's</p>

Section**Disclosures in the Information Memorandum****Current Status or Progress**

We acknowledge e-commerce as an effective means to reach out to the mass market and we believe that we can leverage the potential of the e-commerce industry to expand our business. According to the IMR report by Providence, the e-commerce market in Malaysia has illustrated healthy growth. The e-commerce market size in Malaysia, as depicted by e-commerce transaction values in the country, increased from RM195.1 billion in 2015 to RM268.6 billion in 2019 at a CAGR of 8.3%. The e-commerce market is expected to continue to grow in light of growing broadband penetration, proliferation of mobile devices, increased acceptance of digital payments, change in consumer lifestyle trends, rising income levels over the long-term, improved logistics infrastructure and favourable government initiatives.

As such, we intend to grow sales from our e-commerce platform by intensifying our marketing efforts to promote our e-commerce platform. To this end, we will be investing in online advertising activities to increase traffic to our e-commerce platform. We also intend to expand our sales team to include 2 new personnel by the end of 2020, who will be responsible for growing sales from this e-commerce platform. The estimated cost for these online advertising activities over the span of 1 year are approximately RM50,000, which will be funded via internally generated funds.

Our e-commerce platform will allow us to capitalise on refurbished ICT hardware after expiry of the leasing and rental contracts. Further, our e-commerce platform will allow us to diversify our end-user customer base not just to include private corporations, government organisations and Channel Partners, but also retail consumers and third-party resellers.

financial performance. Additionally, it allows the Group to diversify its end-user customer base beyond private corporations, government organisations, and Channel Partners to include retail consumers and third-party resellers.

Following the launch, the Group had in 2021 commenced and completed the optimisation of the back-end operational and marketing activities. Such optimisation includes enablement of online payment gateway solutions and logistics for door-to-door delivery, both of which serves to enhance the overall customer experience. In addition, the Group has also undertaken, amongst others, the following initiatives efforts to promote the e-commerce platform:

- (i) the Group has been collaborating with logistic service providers since 2021 to deliver ICT hardware purchased by the customers. As at the LPD, the Group has engaged 18 logistic service providers;
- (ii) launched a new range of removable vinyl sticker products with visually appealing designs in 2023 to enable customers to enhance the appearance of ICT hardware purchased;
- (iii) enhancing the functionality of the Group's e-commerce platform by including limited warranty on the product, which covers ICT hardware defects and ICT software malfunctions. In addition, the Group has also inserted a parcel/shipment tracking webpage on the e-commerce platform since 2021; and
- (iv) creating awareness on social media platforms (i.e. Facebook and Instagram) or social networking platforms (i.e. TikTok and LinkedIn) as well as investing in search engine optimisation for the Google Ad Word Search Engine to direct traffic to the Group's e-commerce platform since 2020. In addition, the Group also engages in promotional materials such as bunting and flyers as well as an LED advertisement on a skybridge.

Section	Disclosures in the Information Memorandum	Current Status or Progress
Section 4.1.4 Prospects (as disclosed by the Management of ICT Zone Asia)	<p data-bbox="389 580 1196 1046">Our Group intends to leverage on our existing customer base to expand our revenue stream from device management software and computer security software. Further, our Group also intends to capture future growth opportunities by offering corporations and organisations factoring financing of ICT Solutions. This will allow potential customers to finance their assets, namely ICT hardware, to purchase newer ICT Solutions. We believe this to be an attractive proposition to corporations and organisations seeking to reduce initial upfront investments on ICT Solutions. In addition, our Group also intends to grow our e-commerce platform, namely www.komputermurah.my, which would target retail consumers and third-party resellers. In light of the growing e-commerce market in Malaysia, as highlighted in the IMR report by Providence, we acknowledge e-commerce as an effective means to reach out to retail consumers and third-party resellers, to expand our business.</p> <p data-bbox="389 1082 1196 1417">The recent COVID-19 pandemic had led to the implementation of national lockdown policies in many countries, including Malaysia. In Malaysia, the Movement Control Order (“MCO”), which was implemented in March, entailed the closure of all Government and private premises except those involved in essential services (water, electricity, energy, telecommunications, postal, transportation, irrigation, oil, gas, fuel, lubricants, broadcasting, finance, banking, health, pharmacy, fire, prison, port, airport, safety, defence, cleaning, retail and food supply). The subsequent transition to Conditional MCO in May and Recovery MCO in June provided some relief to corporations as they were allowed to operate, though at a limited</p>	<p data-bbox="1218 272 2047 360">Since 2020, the Group had incurred marketing expenses of approximately RM54,000 for the promotion of the Group’s e-commerce platform.</p> <p data-bbox="1218 395 2047 547">As at the LPD, the Group has recruited 4 personnel as the sales team dedicated to growing sales from the e-commerce platform and the number of visits/page views has grown to 2,002 for April 2024. Please refer to Section 5.3(i) for the details on the events/ marketing activities organised/participated.</p> <p data-bbox="1218 580 2047 732">The Government of Malaysia has identified the ICT sector as a key driver of economic growth. The Government of Malaysia has taken steps to encourage the development of the ICT sector through initiatives such as the National Digital Network (Jendela) and the Digital Economy Blueprint.</p> <p data-bbox="1218 767 2047 1318">As developing countries struggle to recover from the COVID-19 pandemic, digital solutions enable economic transformation and put them on a path toward green, resilient, and inclusive growth. The Government of Malaysia has introduced Malaysia Digital as the new national strategic initiative to encourage and attract companies, talents and investment while enabling businesses and population in Malaysia to play a leading part in the global digital revolution and digital economy. To achieve this, the Government of Malaysia 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 gross domestic product (GDP) and create about 500,000 new jobs by the year 2025. With the new digitalisation targets rolled out, it is expected that the demand for ICT Solutions will increase in the near future following the Government of Malaysia’s efforts to achieve all the above targets. The Group is fully committed to playing its part in advancing the country’s digitalisation journey.</p>

Section**Disclosures in the Information Memorandum****Current Status or Progress**

capacity. Although Conditional MCO and Enhanced MCO are implemented in October in several states and territories including Kuala Lumpur, Selangor, Putrajaya, Penang and Sabah due to a resurgence in number of new COVID-19 cases, the corporations are still allowed to operate at a limited capacity and are subject to travel restrictions in the relevant areas.

As mentioned in the IMR report by Providence, the COVID-19 pandemic played a part in driving the Digital Economy. Many corporations have implemented work-from-home policies during the MCO, Conditional MCO, Recovery MCO and Enhanced MCO periods, which gave rise to the use of digital tools to enable file sharing, virtual video and audio teleconferencing as well as project management tools. Our Group benefitted from the accelerated shift towards the Digital Economy and is expected to continue benefiting as ICT Solutions become increasingly essential in carrying out daily operational tasks.

Thus, in the short-term, we do not foresee any material adverse impact from the COVID-19 pandemic on our financial performance, liquidity position and business operations.

Against this backdrop, we seek a listing on the LEAP Market of Bursa Securities to facilitate our future growth and strengthen our position as an ICT Solutions provider in Malaysia.

For information purposes, the Group's technology financing businesses' total unbilled order book for the next five years has increased to RM242.52 million as at the LPD from RM45.9 million as at 26 October 2020, being the latest practicable date before the date of the Information Memorandum issued on 6 November 2020. The substantial growth over the years highlights the increasing demand for the services and the confidence that its clients have in its ability to deliver customer-centric and sustainable solutions. The unbilled order books of RM242.52 million are expected to be progressively translated to revenue and profit over the next 5 financial years.

In addition, the Group's e-commerce platform, www.komputermurah.my, has contributed approximately RM3.53 million, RM2.49 million and RM3.0 million in revenue for the FYE 31 January 2022, FYE 31 January 2023 and FYE 31 January 2024, respectively. The Group's initiatives to improve and grow the e-commerce platform is set out in subsection 4.13 (iii) of this Section 5.4 of Part A of this Circular.

The Group will continue with its strategic focus on its business model of providing technology financing solutions and creating an ecosystem around these solutions to add value to its technology financing solutions. Thus, the leasing and rental of ICT Solutions will remain the Group's primary focus for the coming year. On top of that, the Group will continue to enhance its operating model and cost structure to explore new financing options (including factoring financing) for ICT Solutions for its new and existing customers, should the need arise.

As the Group has embarked on the next chapter of its journey at Bursa Securities via the Proposals, the Group looks forward to continuing to enhance customer experiences and add value to its technology financing solutions.

(Source: ICT Zone Asia Group's Management)

6. EFFECTS OF THE PROPOSALS AND PROPOSED EXIT OFFER

The Proposed Amendments will not have any effect on the Company's issued share capital, substantial shareholders' shareholdings and convertible securities, as well as the Group's consolidated NA, gearing, earnings and EPS.

6.1 Share Capital

The Proposed Withdrawal and Proposed Exit Offer will not have any impact on the Company's issued share capital as the Proposed Withdrawal and Proposed Exit Offer do not involve any issuance of new Shares.

The pro forma effects of the Proposed Transfer of Listing on the Company's issued share capital, under both the Minimum Scenario and Maximum Scenario, are as illustrated below:

	<u>No. of Shares</u>	<u>RM</u>
As at the 7 May 2024	587,133,200	29,233,383
Shares to be issued pursuant to the full conversion of ICPS	75,320,000	15,064,000
No. of Shares before Proposed Listing	662,453,200	44,297,383
Shares to be issued pursuant to the Proposed Public Issue ⁽¹⁾	133,000,000	26,600,000
Enlarged issued share capital	795,453,200	70,897,383

Note:

(1) Computed based on an illustrative IPO Price of RM0.20 per IPO Share.

The Company has no treasury shares as at 7 May 2024.

6.2 NA and Gearing

The Proposed Withdrawal and Proposed Exit Offer will not have any effect on the Group's NA, NA per Share and gearing as the Proposed Withdrawal and Proposed Exit Offer do not involve any issuance of new Shares.

The pro forma effects of the Proposed Listing on the NA per Share and gearing of the ICT Zone Asia Group based on the audited consolidated financial statements of the Company as at 31 January 2023, under both the Minimum Scenario and Maximum Scenario, are as follows:

	<u>Audited 31 January 2023 RM'000</u>	<u>(I) (1)Subsequent events RM'000</u>	<u>(II) After (I) and full conversion of ICPS RM'000</u>	<u>(III) After (II) and Proposed (4)Listing RM'000</u>
Share capital				
- Ordinary shares	19,092	29,233	44,297	70,898
- ICPS	9,032	9,032	-	-
Reserves	15,283	(2)15,076	(5)9,044	9,044
Shareholders' equity/NA	43,407	53,341	53,341	79,942
Non-controlling interests	199	199	199	199
Total equity	43,606	53,540	53,540	80,141
No. of ordinary ICT Zone Asia Shares in issue ('000)	533,758	587,133	662,453	795,453

	(I)	(II)	(III)	
	Audited 31 January 2023	(1)Subsequent events	After (I) and full conversion of ICPS	After (II) and Proposed (4)Listing
	RM'000	RM'000	RM'000	RM'000
NA per ICT Zone Asia Share (sen) ⁽³⁾	8.13	9.09	8.05	10.05
Borrowings (including lease liabilities)	37,918	37,918	37,918	37,918
Gearing (times) ⁽⁶⁾	0.87	0.71	0.71	0.47

Notes:

- (1) The subsequent events refer to the following:
- (i) issuance of 31,318,700 Placement Shares being the first tranche Private Placement at RM0.19 each which was completed on 14 August 2023;
 - (ii) issuance of 12,052,400 Placement Shares being the second tranche Private Placement at RM0.19 each which was completed on 20 October 2023; and
 - (iii) issuance of 10,004,600 Placement Shares being the third and final tranche Private Placement at RM0.19 each which was completed on 3 November 2023.
- (2) After accounting for RM0.21 million estimated expenses for the Private Placement.
- (3) NA per ICT Zone Asia Share is calculated based on the Company's total number of ordinary shares in issue.
- (4) Assuming 133,000,000 Issue Shares are issued at the illustrative IPO Price of RM0.20 each.
- (5) After accounting for estimated expenses for the Proposals of RM4.10 million.
- (6) Computed based on borrowings (including lease liabilities) over NA.

6.3 Earnings and EPS

The Proposed Withdrawal and Proposed Exit Offer will not have any effect on the Group's earnings and EPS as the Proposed Withdrawal and Proposed Exit Offer do not involve any issuance of new Shares.

The Proposed Listing is expected to have dilutive effects on the Group's EPS due to the increase in the number of Shares in issue after the Proposed Public Issue. However, the extent of dilution to the Group's EPS will depend on, amongst others, the Group's future earnings and the returns to be generated by the Group from the utilisation of proceeds pursuant to the Proposed Public Issue.

6.4 Substantial shareholders' shareholdings

The Proposed Withdrawal will not have any effect on the Company's substantial shareholders' shareholdings as it does not involve any issuance of new Shares.

The pro forma effects of the Proposed Exit Offer and Proposed Listing on the Company's substantial shareholders' shareholdings as at 7 May 2024 are as follows:

Minimum Scenario – Assuming none of the Company's shareholders and ICPS holders accept the Proposed Exit Offer

Substantial Shareholder	As at 7 May 2024				(I) After the Proposed Exit Offer and full conversion of ICPS				(II) After (I) and the Proposed Listing			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	(3)%	No. of Shares ('000)	(3)%	No. of Shares ('000)	(6)%	No. of Shares ('000)	(6)%
ICT Zone Holding	427,720	72.8	-	-	427,720	64.6	-	-	⁽⁴⁾ 417,379	52.5	-	-
DS Ng	-	-	⁽¹⁾ 427,720	72.8	-	-	⁽¹⁾ 427,720	64.6	-	-	⁽¹⁾ 417,379	52.5
Mr Lim	-	-	⁽²⁾ 428,020	72.9	140	*	⁽²⁾ 428,980	64.8	140	*	⁽²⁾ 418,639	52.6

Maximum Scenario - Assuming all the Company's shareholders and ICPS holders (save for the Joint Offerors, PACs and Undertaking Party) accept the Proposed Exit Offer

Substantial Shareholder	As at 7 May 2024				(I) After the Proposed Exit Offer and full conversion of ICPS				(II) After (I) and the Proposed Listing			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	(3)%	No. of Shares ('000)	(3)%	No. of Shares ('000)	(6)%	No. of Shares ('000)	(6)%
ICT Zone Holding	427,720	72.8	-	-	427,720	64.6	-	-	⁽⁵⁾ 417,379	52.5	-	-
DS Ng	-	-	⁽¹⁾ 427,720	72.8	159,871	24.1	⁽¹⁾ 427,720	64.6	⁽⁵⁾ 115,298	14.5	⁽¹⁾ 417,379	52.5
Mr Lim	-	-	⁽²⁾ 428,020	72.9	140	*	⁽²⁾ 428,980	64.8	140	*	⁽²⁾ 418,639	52.6

Notes:

- * Negligible.
- (1) Deemed interested by virtue of his shareholdings held through ICT Zone Holding pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of his shareholdings held through ICT Zone Holding as well as his spouse's shareholdings pursuant to Section 8 and Section 59(11) of the Act.
- (3) Based on the pro forma enlarged 662,453,200 ICT Zone Asia Shares in issue after the conversion of ICPS into ICT Zone Asia Shares and the completion of the Proposed Exit Offer.
- (4) After the Proposed Offer for Sale by ICT Zone Holding of 10,340,900 Shares.
- (5) After the Proposed Offer for Sale by ICT Zone Holding of 10,340,900 Shares and by DS Ng of 44,572,400 Shares.
- (6) Based on the pro forma enlarged 795,453,200 ICT Zone Asia Shares in issue after the completion of the Proposed Listing.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

6.5 Convertible securities

As at the LPD, save for the outstanding 75,320,000 ICPS, the Company does not have any other convertible securities. For information, the ICPS is maturing on 21 January 2025. Any remaining ICPS that are not converted by 21 January 2025 shall be automatically converted into new ICT Zone Asia Shares at the conversion ratio of 1 ICPS into 1 new ICT Zone Asia Share.

The Proposals will not result in any adjustments to the ICPS.

7. IMPACTS OF THE PROPOSALS

7.1 Impacts to the Company's existing holders' shareholdings

The Proposed Listing is intended to increase the liquidity and marketability of the Shares by providing the Company access to a bigger fundraising platform to raise funds for the Group and allowing a wider pool of investors to engage in the trading of the Shares upon the listing of the Shares on the ACE Market of Bursa Securities.

The Proposed Public Issue pursuant to the Proposed Listing would result in a dilution of shareholding for the Company's shareholders (upon full conversion of the ICPS). Consequently, their proportionate entitlement to any dividends, rights, allotments and/or other distributions that the Company may declare, make or pay after completion of the Proposed Listing will be diluted correspondingly. The extent of the dilution to the substantial shareholders of the Company is as illustrated in Section 6.4 of Part A of this Circular.

7.2 Effects on the public shareholding spread

Based on the Record of Depositors of ICT Zone Asia as at 7 May 2024, approximately 16.9% of the issued Shares of the Company are held by 392 public shareholders holding not less than 100 ICT Zone Asia Shares each and approximately 95.7% of the ICPS of the Company is held by 369 public ICPS holders holding not less than 100 ICPS.

Under the Proposed Listing, in addition to the Proposed Public Issue, ICT Zone Holding and/or DS Ng intend to offer a number of existing ICT Zone Asia Shares held by ICT Zone Holding and/or DS Ng via an offer for sale to meet the public shareholding spread requirement under Rule 3.10(1) of the ACE LR.

Minimum Scenario

Particulars	As at 7 May 2024		After the Proposed Exit Offer and full conversion of ICPS		After the Proposed Listing	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Share capital	587,133,200	100.0	662,453,200	100.0	795,453,200	100.0
Less:						
(i) Shareholdings of Directors and substantial shareholders of the Group and their associates	(487,812,500)	(83.1)	(491,032,500)	(74.1)	(481,291,600)	(60.5)
(ii) Shareholders holding less than 100 Shares	(100)	*	(100)	*	(100)	*
Public shareholding spread	99,320,600	16.9	171,420,600	25.9	314,161,500	39.5

Maximum Scenario

Particulars	As at 7 May 2024		After the Proposed Exit Offer and full conversion of ICPS		After the Proposed Listing	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Share capital	587,133,200	100.0	662,453,200	100.0	795,453,200	100.0
Less:						
(i) Shareholdings of Directors and substantial shareholders of the Group and their associates	(487,812,500)	(83.1)	(650,903,200)	(98.3)	(596,589,900)	(75.0)
(ii) Shareholders holding less than 100 Shares	(100)	*	-	-	-	-
Public shareholding spread	99,320,600	16.9	11,550,000	1.7	198,863,300	25.0

Note:

* Negligible.

The Company undertakes to comply with the public shareholding spread requirements of the ACE LR upon the completion of the Proposals.

7.3 Impact on market price of ICT Zone Asia Shares

As at the LPD, the last reference price of ICT Zone Asia Shares and ICPS was RM0.215 (being the last traded price on 1 April 2024) and RM0.195 (being the last traded price on 1 April 2024), respectively. Assuming that the final IPO Price is equal to the illustrative IPO Price of RM0.20 per Share, this represents a dilution in the share value of RM0.015 per Share to the Company's existing shareholders, whereby the existing shareholders of ICT Zone Asia will incur an immediate paper loss. Notwithstanding this, there will be an immediate paper gain in the value of RM0.005 per ICPS to the Company's ICPS holders (after conversion of the ICPS upon maturity, which will take place prior to the Proposed Listing).

For information, the illustrative IPO Price represents a discount of approximately 6.98% over the 1-month, 3-month and 6-month VWAP and 5.70% over the 12-month VWAP of ICT Zone Asia Shares up to and including the LPD of RM0.215 and RM0.2121, respectively.

For information, the historical VWAPs for ICPS is not applicable as the ICPS will not be listed, given that the Proposed Listing will only take place after the maturity of the outstanding ICPS, in which each ICPS will be converted to 1 ICT Zone Asia Share.

Please refer to Section 2.2.5 of Part A of this Circular for further information and illustration on the impact of price discovery mechanism.

8. HISTORICAL SHARE AND ICPS PRICES

The monthly highest and lowest prices of the Shares and ICPS as traded on Bursa Securities, for the period of 12 months up to the LPD are set out below:

	ICT Zone Asia Shares ⁽¹⁾		ICPS ⁽²⁾	
	High	Low	High	Low
	RM	RM	RM	RM
2023				
May	-	-	-	-
June	-	-	-	-
July	0.210	0.210	-	-
August	0.240	0.240	-	-
September	0.210	0.210	-	-
October	0.220	0.190	-	-
November	-	-	-	-
December	-	-	-	-
2024				
January	-	-	-	-
February	-	-	-	-
March	-	-	-	-
April	0.215	0.215	0.195	0.195
The last transacted market price immediately before the date of the announcement on 16 February 2024		-(3)		-(3)
Last transacted market price on the LPD		-(3)		-(3)

(Source: Bloomberg)

Notes:

- (1) There was no transaction of ICT Zone Asia Shares during the months of May 2023 to June 2023 and November 2023 to March 2024.
- (2) There was no transaction of ICPS during the months of May 2023 to March 2024.
- (3) There was no transaction of ICT Zone Asia Shares and ICPS on 16 February 2024, being the last market day immediately before the Announcement and on the LPD.

9. DETAILS AND STATUS OF THE UTILISATION OF PROCEEDS RAISED FROM THE INITIAL LISTING ON THE LEAP MARKET

The listing of ICT Zone Asia on the LEAP Market was implemented via listing by way of introduction and did not entail any fund-raising exercise, hence, ICT Zone Asia did not raise any funds during its listing on the LEAP Market.

10. APPROVALS REQUIRED AND CONDITIONALITY OF THE PROPOSALS

The Proposals are conditional upon the following being obtained:

- (i) Bursa Securities for the following:
 - (a) approval for the Proposed Withdrawal;
 - (b) approval for the admission of the entire enlarged issued ICT Zone Asia Shares to the Official List of the ACE Market;
 - (c) approval for the listing and quotation of such number of new ICT Zone Asia Shares to be issued pursuant to the Proposed Listing and conversion of ICPS; and
 - (d) approval-in-principle for the registration of the Prospectus to be issued by the Company pursuant to the Proposed Public Offering;
- (ii) the Company's shareholders and ICPS holders for the approvals at the respective forthcoming EGMs for shareholders and ICPS holders for the Proposals;
- (iii) the SC for the approval for resultant equity structure under the equity requirement for publicly listed companies pursuant to the Proposed Listing;
- (iv) the MITI for taking note and having no objections to the Proposed Listing; and
- (v) the approval/consent from any other relevant authorities and/or parties, if required.

The SC has, vide its letter dated 14 February 2024, provided its consent for the announcement of the Proposed Exit Offer to be subject to the Pre-Conditions.

In accordance with note 6 to Paragraph 6.02 of the Rules, the Joint Offerors expect all Pre-Conditions to be fulfilled within 6 months after the exposure draft prospectus to be issued by the Company pursuant to the Proposed Public Offering is published, and the Pre-Conditions shall not be relied upon to cause the Proposed Exit Offer to lapse unless the SC is satisfied that:

- (i) the Joint Offerors have demonstrated reasonable efforts to fulfil the Pre-Conditions within the time period specified; and
- (ii) the circumstances that give rise to the right to rely upon the Pre-Conditions are material in the context of the Proposals.

For information purposes, if any of the Pre-Conditions are not fulfilled, the Proposed Exit Offer will not be made, and Malacca Securities will make an announcement, on behalf of the Joint Offerors, confirming the fact as soon as reasonably practicable.

The Proposals are inter-conditional on each other.

The Proposed Exit Offer is conditional upon the Proposals being undertaken.

Save for the above, the Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.

Save for the Proposals, which is the subject matter of this Circular, the Board confirms that there are no other outstanding proposals which have been announced but not yet completed as at the LPD.

The application for the Proposals shall be made to Bursa Securities in accordance with Rule 8.08 of the LEAP LR and Paragraph 2.0 of Guidance Note 15 of the ACE LR, provided that shareholders and ICPS holders of the Company approve the Proposals at the respective forthcoming EGMs for shareholders and ICPS holders.

The proposed allocation of new Shares pursuant to the Proposed Public Issue to the Company's eligible Directors is subject to approval from the Company's shareholders at the forthcoming EGM for shareholders.

11. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS, MAJOR ICPS HOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

The following Directors of ICT Zone Asia are deemed interested in the Proposals by virtue of the following:

- (i) DS Ng, being one of the Joint Offerors, is also a Director of ICT Zone Holding and a major shareholder of ICT Zone Holding with 61.5% equity interest in ICT Zone Holding as at the LPD;
- (ii) Mr Lim, being one of the PACs to the Joint Offerors, is also a Director of ICT Zone Holding and a major shareholder of ICT Zone Holding with 21.8% equity interest in ICT Zone Holding as at the LPD; and
- (iii) Vincent Ng, being one of the PACs to the Joint Offerors.

The Interested Directors have and will abstain from the deliberation and voting in the Board's meeting in relation to the Proposals.

As the Proposals affect the rights of all the Company's shareholders and ICPS holders equally and no specific shareholder, ICPS holder, group of shareholders or group of ICPS holders would derive any special benefits from the Proposals, all shareholders and ICPS holders (including the Joint Offerors, PACs and the Undertaking Party) are entitled to vote in respect of their shareholdings and ICPS holdings in the Company on the resolutions pertaining to the Proposals at the respective forthcoming EGMs for shareholders and ICPS holders.

In conjunction with the Proposed Listing, the Independent Directors of ICT Zone Asia are proposed to be allocated with 200,000 Issue Shares each. The allocation has been approved by the Board, of which the respective Independent Director have abstained and will continue to abstain from all deliberation and voting on their respective allocation and allocations to persons connected with them (if any) at the relevant Board meetings of the Company. The Independent Directors will also abstain from all voting and will undertake to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect holdings, if any, in ICT Zone Asia Shares, on the resolutions pertaining to their respective allocations as well as allocations to persons connected with them (if any) at the Company's forthcoming EGM for shareholders.

Save for the above, none of the other Directors, major shareholders, major ICPS holders, chief executive and/or persons connected with them has any interest, direct or indirect, in the Proposals.

12. DIRECTORS' STATEMENTS

After taking into consideration all aspects of the Proposals including but not limited to the rationale, risk factor and the financial effects of the Proposals, as well as the evaluation and recommendation from the Independent Adviser as set out in **Part B** of this Circular, the Board (save for the Interested Directors) is of the opinion that the Proposals are in the best interest of the Company and recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGMs for shareholders and ICPS holders.

The Independent Directors have abstained from forming an opinion and making recommendation on, their respective allocations as well as allocations to persons connected to them (if any).

13. TENTATIVE TIMELINE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Board expects the Proposals to be completed by the 1st quarter of 2025.

The tentative timeline for the implementation of the Proposals is as follows:

Timeline	Details
21 June 2024	<ul style="list-style-type: none">EGMs for shareholders and ICPS holders for the Proposals (Shareholders shall also vote on the proposed allocation of the IPO Shares to each Independent Directors)
2 nd quarter 2024	<ul style="list-style-type: none">Submission of applications to Bursa Securities (comprising the application for Proposed Withdrawal, the listing application and the registration file to Bursa Securities), SC (Equity Compliance Unit) and MITI
4 th quarter 2024	<ul style="list-style-type: none">Receipt of decisions from Bursa Securities, SC (Equity Compliance Unit) and MITIAll Pre-Conditions fulfilled/satisfiedServing of Notice by the Joint Offerors to the BoardImplementation of the Proposed Exit Offer which includes:<ul style="list-style-type: none">- Despatch of the Offer Document by the Joint Offerors- Despatch of the IAC- Closing Date
1 st quarter 2025	<ul style="list-style-type: none">Maturity of the ICPSAnnouncement on final details of the Proposed ListingIssuance of the Prospectus for the Proposed Public OfferingAllotment of IPO Shares*Withdrawal of listing of the Company on the LEAP MarketListing of ICT Zone Asia on the ACE MarketCompletion of the Proposals

Note:

- * Trading of the Shares will be suspended from the date of allotment of the IPO Shares, which shall be determined and announced later, until the date of listing of the Company on the ACE Market.

14. EGM

The EGM, the notice of which is enclosed in this Circular, will be conducted by way of 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 Friday, 21 June 2024 at 11.00 a.m. or immediately after the conclusion or adjournment of ICT Zone Asia's Extraordinary General Meeting for shareholders, whichever is later or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolutions to give effect to the Proposals.

If you are unable to attend and vote at the EGM and wish to appoint a proxy or proxies, you must complete the Proxy Form in accordance with the instructions contained therein and deposit it at the office of the Share Registrar of the Company, 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 or email to admin@aldpro.com.my not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting at the forthcoming EGM should you subsequently decide to do so.

15. APPLICATION TO BURSA SECURITIES

Subject to the Company's shareholders and ICPS holders approving the Proposals at the respective forthcoming EGMs for shareholders and ICPS holders, the application for the Proposals shall be made to Bursa Securities in accordance with Rule 8.08 of the LEAP LR and Paragraph 2.0 of Guidance Note 15 of the ACE LR upon the completion of, amongst others, the due diligence as well as related preparation works in relation to the Proposals and the Company's shareholders and ICPS holders approve the Proposals at the respective forthcoming EGMs for shareholders and ICPS holders.

16. FURTHER INFORMATION

Please refer to the IAL as set out in **Part B** of this Circular and the appendices of this Circular for further information.

Yours Faithfully,
For and behalf of the Board of
ICT ZONE ASIA BERHAD

KAREN YAP PIK LI
Independent Non-Executive Director

PART B

**INDEPENDENT ADVICE LETTER IN RELATION TO THE PROPOSALS
AND PROPOSED EXIT OFFER**

EXECUTIVE SUMMARY

All the definitions used in this executive summary shall have the same meanings and expressions as defined in the Definitions section of and throughout the Circular, except where the context otherwise requires or where otherwise defined herein. All references to “you” and “your” are to the shareholders and ICPS holders of ICT Zone Asia (“**Shareholders and ICPS Holders**”), whilst references to “we”, “us” and “our” are to MainStreet, being the Independent Adviser for the Proposals and the Proposed Exit Offer.

This executive summary highlights the salient information of the Proposals and the Proposed Exit Offer. Shareholders and ICPS Holders are advised to read and understand this IAL in its entirety, together with Part A of the Circular and the appendices thereto for any other relevant information, and not to rely solely on the executive summary before forming an opinion on the Proposals. You are also advised to consider carefully the recommendation contained herein before voting on the relevant resolutions pertaining to the Proposals to be tabled at the forthcoming EGMs of ICT Zone Asia.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, investment adviser, accountant, solicitor, or other professional advisers immediately.

1. INTRODUCTION

On 16 February 2024, Malacca Securities and SCS Global had, on behalf of the Board, announced that the Board received a letter dated 16 February 2024 from ICT Zone Holding, being a major shareholder of the Company, requesting the Board to consider undertaking the Proposed Transfer of Listing.

On 19 February 2024, Malacca Securities and SCS Global had, on behalf of the Board, announced that ICT Zone Asia proposes to undertake the Proposals.

Accordingly, the Board (save for the Interested Directors) had on 19 February 2024 appointed MainStreet as the Independent Adviser to provide comments, opinions, information and recommendation to the Shareholders and ICPS Holders in connection with the Proposed Withdrawal, as well as the non-interested directors of ICT Zone Asia and the Holders in relation to the fairness and reasonableness of the Proposed Exit Offer. As each component of the Proposals is inter-conditional upon one another, our evaluation would also encompass the evaluation of the Proposed Listing and Proposed Amendments in order to provide the Shareholders and ICPS Holders with a holistic view of the fairness and reasonableness of the Proposed Withdrawal and Proposed Exit Offer.

Pursuant to the note of paragraph 5.01 and subparagraph 6.03(2) of the Rules, the offer price in a voluntary take-over offer must meet the following criteria:

	Remarks
<p><u>Note of paragraph 5.01 of the Rules</u></p> <p>A voluntary offer should not be made at a price that is substantially below the market price of the shares in the offeree company. A voluntary offer at more than a 50 per cent discount to the lesser of the closing price of the relevant shares of the offeree company on the day before the announcement under paragraph 9.10 of the Rules and the five-day average closing price prior to such day will be considered as being “substantially below the market price of the shares in the offeree company.”</p>	<p>The last reference price of the Shares and ICPS on 15 February 2024, being the market day prior to the date of the Proposal Letter (“LMD”), was RM0.22 per Share and RM0.20 per ICPS.</p> <p>For your information, there have been no trading of Shares and ICPS during the 5 market days up to the LMD and therefore there was no 5-day VWAP of the Share and ICPS up to the LMD.</p> <p>Therefore, the illustrative Share Exit Offer Price and ICPS Exit Offer Price of RM0.20 each are not lower than a 50 per cent discount to the closing price of the respective Share and ICPS on the day before the announcement of the Proposed Exit Offer.</p>

EXECUTIVE SUMMARY (Cont'd)

	Remarks
<p><u>Subparagraph 6.03(2) of the Rules</u></p> <p>The offer price in a voluntary take-over offer must not be less than the highest price (excluding stamp duty and commission) paid or agreed to be paid by the offeror or persons acting in concert for any voting shares or voting rights to which the take-over offer relates, during the offer period and within three months prior to the beginning of the offer period.</p>	<p>There was no dealing in Shares and ICPS by the Joint Offerors and/or the PACs within the three (3) months prior to the beginning of the Offer Period (i.e. 17 November 2023).</p>

The purpose of this IAL is to provide the Shareholders and ICPS Holders with an independent opinion as to whether the Proposals are fair and reasonable as well as on the fairness and reasonableness of the Proposed Exit Offer. For clarity, upon implementation of the Proposed Exit Offer, the Offer Document and the IAC will be despatched to the Holders as required under the Rules where we will provide our views and recommendations to the non-interested directors and Holders in relation to the Proposed Exit Offer. The Offer Period for the Proposed Exit Offer shall commence from the date of the Proposal Letter until the Closing Date of the Proposed Exit Offer.

Please refer to **Section 2 of Part A of the Circular** for the details of the Proposals.

2. OUR EVALUATION OF THE PROPOSALS

In evaluating the Proposals, we have taken into consideration the following factors:

Section in this IAL	Area of evaluation	Comments
Section 6.1	Rationale and justifications for the Proposals	We are of the view that the rationale and justifications for the Proposals are reasonable as it will provide an avenue for the Shareholders and ICPS Holders to hold the ICT Zone Asia Shares on the ACE Market with enhanced marketability. In conjunction with the Proposed Listing, the Company plans to expand its technology financing business and strengthen its market visibility and brand recognition. The Proposed Withdrawal together with the Proposed Exit Offer are essentially aimed to facilitate the Proposed Listing pursuant to the ACE LR. However, you should note that the Proposals are subject to the Company fulfilling the Pre-Conditions as set out in Section 10 of Part A of the Circular .
Section 6.2	Indicative listing scheme	<p>We are of the view that the basis of allocation of the IPO Shares is reasonable as it broadens the Company's shareholder base to meet the public shareholding spread requirement as well as comply with other relevant requirements as stated in the ACE LR, Equity Guidelines and Bumiputera equity requirement for public listed companies ("Bumiputera Equity Requirement").</p> <p>However, you should note that the allotted percentage of the enlarged issued share capital of the Company is indicative at this juncture in view that the proposed allocation of new Shares to each of the eligible Independent Directors of the Company is subject to the shareholders' approval at the forthcoming EGM.</p>

EXECUTIVE SUMMARY (Cont'd)

Section in this IAL	Area of evaluation	Comments
Section 6.3	Bases and justifications for the illustrative IPO Price	<p>We note that the IPO Price will be determined by the Board and the underwriter at a later date, after taking into consideration, amongst others, the latest financial performance of the Group; the prevailing P/E Multiple and EV/EBITDA Multiple of selected comparable public listed companies on Bursa Securities; and the prevailing equity market and economic conditions in Malaysia.</p> <p>Based on Section 6.3 of this IAL, an illustrative IPO Price of RM0.20 per IPO Share is assumed, which represents:</p> <ul style="list-style-type: none"> (a) an illustrative P/E Multiple of approximately 17.07 times, computed based on the trailing 12-month EPS of approximately 1.17 sen (based on the Trailing 12-month PAT of the ICT Zone Asia Group of RM7.76 million for the FYE 31 January 2024 and the total enlarged number of 662,453,200 ICT Zone Asia Shares in issue (assuming full conversion of ICPS) as at the LPD); (b) an illustrative P/E Multiple of approximately 20.50 times, computed based on the trailing 12-month EPS of approximately 0.98 sen (based on the Trailing 12-month PAT of the ICT Zone Asia Group of RM7.76 million for the FYE 31 January 2024 and the total enlarged number of 795,453,200 ICT Zone Asia Shares in issue (assuming full conversion of ICPS and issuance/allotment of Issue Shares) as at the LPD); and (c) an illustrative EV/EBITDA Multiple of approximately 4.56 times, computed based on the trailing 12-month EBITDA of the ICT Zone Asia Group of RM48.37 million for the FYE 31 January 2024 (after adjusting for one-off expenses relating to the private placement and EV of RM220.41 million (based on total enlarged number of 795,453,200 ICT Zone Asia Shares in issue (assuming full conversion of ICPS and issuance/allotment of Issue Shares) as at the LPD). <p>With further reference to Section 6.3 of this IAL, we are of the opinion that the bases and justifications of arriving at the illustrative IPO Price are fair and reasonable as the illustrative P/E Multiple of 17.07 times to 20.50 times falls within the range of P/E Multiples of the Comparable Companies of 13.86 times to 28.80 times and the illustrative EV/EBITDA of the Company of 4.56 times is below the range of EV/EBITDA Multiples of the Comparable Companies of between 6.16 times and 13.03 times.</p>
Section 6.4	Effects of the Proposals and Proposed Exit Offer	<p>The Proposed Withdrawal and Proposed Exit Offer will not have an effect on the issued share capital of ICT Zone Asia, the NA, NA per Share, gearing, earnings and EPS of the Group as they do not involve any issuance of new shares.</p> <ul style="list-style-type: none"> (1) Under both Minimum Scenario and Maximum Scenario, the Proposed Listing will increase the issued share capital of ICT Zone Asia pursuant to the issuance of new Shares from the Proposed Public Issue.

EXECUTIVE SUMMARY (Cont'd)

Section in this IAL	Area of evaluation	Comments
		<p>(2) Based on the audited consolidated financial statement of ICT Zone Asia as at 31 January 2023,</p> <ul style="list-style-type: none"> • the Group's NA per Share will increase from 8.13 sen to 10.05 sen under both Minimum Scenario and Maximum Scenario; and • the Group's gearing will improve from 0.87 times to 0.47 times under both Minimum Scenario and Maximum Scenario, <p>after the completion of the Proposed Listing.</p> <p>(3) The Proposed Listing is expected to have an immediate dilutive effect on the Group's EPS under both Minimum Scenario and Maximum Scenario, due to the increase in the number of Shares in issue after the Proposed Public Issue. However, the extent of dilution to the EPS of the Group will depend on, amongst others, future earnings of the Group and the returns to be generated by the Group from the utilisation of proceeds pursuant to the Proposed Public Issue.</p> <p>(4) The Proposed Withdrawal will not have any effect on the Company's substantial shareholders shareholdings as it does not involve any issuance of new Shares. However, under both scenarios, the substantial shareholders will experience a dilution in their shareholdings upon completion of the Proposed Listing.</p> <p>(5) The Proposals will not result in any adjustments to the ICPS. Save for the outstanding 75,320,000 ICPS that is maturing on 21 January 2025, the Company does not have any other convertible securities as at the LPD. Any remaining ICPS that are not converted by 21 January 2025 shall be automatically converted into new ICT Zone Asia Shares at the conversion ratio of one (1) ICPS into one (1) new ICT Zone Asia Share.</p> <p>With further reference to the effects as illustrated in Section 6.4 of this IAL, we are of the view that the overall financial effects of the Proposals and the Proposed Exit Offer are not detrimental to the interest of the Shareholders and ICPS Holders.</p>
Section 6.5	Industry outlook and prospects of the Group	<p>We note that the ICT industry in Malaysia is expected to grow underpinned by the growing ICT solution industry in Malaysia and supported by the robust core government policies, high-tech-focused national development and accessibility of trained labor. Premised on the above and based on the generally positive outlook on the Malaysian economy, we are of the view that the overall prospects of the ICT Zone Asia Group following the completion of the Proposals are favourable.</p> <p>Nonetheless, we wish to highlight that all businesses are subject to uncertainties which are not within the Board's control such as, amongst others, changes in government policies, changes in interest rates, changes in global economic conditions and changes in the ICT industry in Malaysia.</p>

Section in this IAL	Area of evaluation	Comments
Section 6.6	Risk factors for the Proposals	<p>In evaluating the Proposals, you should also carefully consider the following risk factors as set out in Section 4 of Part A of the Circular:</p> <ul style="list-style-type: none"> (a) Completion risks; (b) Investment risks; (c) Risks relating to shareholding dilution; and (d) Risks relating to no prior market for the Shares on the ACE Market and the uncertainty on whether a sustainable market for the Shares on the ACE Market will ever develop. <p>We wish to highlight that although efforts and measures would be taken by the Company to ensure that the risks associated with the Proposals are mitigated, no assurance can be given that one or a combination of risk factors will not occur and give rise to material and adverse impact on the business operations of ICT Zone Asia, its competitiveness, financial performance, financial position, or prospects thereon, and that the Shares will trade at or above the final IPO Price upon ICT Zone Asia's listing on the ACE Market.</p>

3. OUR EVALUATION OF THE PROPOSED EXIT OFFER

In arriving at our recommendation in respect of the Proposed Exit Offer, we have assessed the fairness and reasonableness of the Proposed Exit Offer in accordance with paragraphs 1 to 6 under Schedule 2: Part III of the Rules, whereby:

- (i) in relation to a take-over, the term “fair and reasonable” should generally be analysed as two (2) distinct criteria i.e. whether the offer is “fair”; and whether the offer is “reasonable”, rather than as a composite term;
- (ii) the take-over offer is considered “fair” if the offer price (or value of consideration) is equal to or higher than the market price and is also equal to or higher than the value of the securities of the offeree. However, if the offer price (or value of consideration) is equal to or higher than the market price but is lower than the value of the securities of the offeree, the take-over offer is considered as “not fair”. In making the assessment, the value of the securities of the offeree is determined based on the assumption that 100% of the issued shares of the offeree is being acquired;
- (iii) pursuant to paragraph 4 of Schedule 2: Part III of the Rules, in considering whether a take-over offer is “reasonable”, the independent adviser should take into consideration matters other than the valuation of the securities that are subject of the take-over offer. Generally, a take-over offer would be considered “reasonable” if it is “fair”. Nevertheless, an independent adviser may also recommend for shareholders to accept the take-over offer despite it being “not fair”, if the independent adviser is of the view that there are sufficiently strong reasons to accept the offer in the absence of a higher bid and such reasons should be clearly explained. If there were inadequate justifications, such take-over offer should be regarded as ‘not reasonable’ and thus, the recommendation would be to reject the offer;
- (iv) the independent adviser should take into consideration all relevant factors in evaluating whether an offer is ‘reasonable’ including, but not limited to, the following:

EXECUTIVE SUMMARY (Cont'd)

- (a) the existing shareholding of the offeror and persons acting in concert with the offeror in the offeree and their ability to pass special resolutions or control the assets of the offeree;
 - (b) any other significant shareholding in the offeree, other than (a) above;
 - (c) the liquidity of the market in the offeree's securities;
 - (d) the expected market price if the take-over offer is unsuccessful; and
 - (e) the likelihood and value of alternative offers or competing offers before the close of the take-over offer; and
- (v) in the event that the independent adviser concludes that the offer is "not fair but reasonable", the independent adviser must clearly explain the following:
- (a) what is meant by "not fair but reasonable";
 - (b) how has the independent adviser reached to this conclusion; and
 - (c) the course of action that the shareholders are recommended to take pursuant to the conclusion.

3.1 Fairness

Premised on our evaluation in **Section 8 of this IAL**, we are of the view that the Proposed Exit Offer is **NOT FAIR** after taking into consideration the following:

Offer Shares	<p>The Share Exit Offer Price of RM0.20 represents:</p> <ul style="list-style-type: none">(i) a discount of RM0.0370 (15.61%) to the estimated fair value of ICT Zone Asia Share of RM0.2370 based on the discounted cash flow ("DCF") valuation;(ii) a discount of RM0.0100 (4.76%) to the estimated diluted fair value of ICT Zone Asia Share of RM0.2100 (after full conversion of the ICPS) based on DCF method;(iii) a discount of RM0.0150 (6.98%) to the last reference price of ICT Zone Asia Shares on the LPD of RM0.2150;(iv) a discount of RM0.0200 (9.09%) to the last reference price of ICT Zone Asia Shares on the LMD of RM0.2200; and(v) a discount of RM0.0116 (5.48%) to the one (1)-year VWAP of ICT Zone Asia Shares up to the LMD of RM0.2116.
Offer ICPS	<p>The ICPS Exit Offer Price of RM0.20 represents:</p> <ul style="list-style-type: none">(i) a discount of RM0.0370 (15.61%) to the estimated fair value per Offer ICPS of RM0.2370 on a "see-through" basis;(ii) a discount of RM0.0100 (4.76%) to the estimated diluted fair value of ICT Zone Asia Share of RM0.2100 on a "see-through" basis;(iii) a premium of RM0.0050 (2.56%) over the last reference price of ICPS on the LPD of RM0.1950; and(iv) a price equals to the last reference price of ICPS on the LMD.

Please refer to **Section 8 of this IAL** for further details.

3.2 Reasonableness

Premised on our evaluation as set out in **Section 9 of this IAL**, we are of the view that the Proposed Exit Offer is **NOT REASONABLE** after taking into consideration the following factors:

- (i) in the event of fulfilment of the Pre-Conditions, ICT Zone Asia will be withdrawn from the LEAP Market and listed on the ACE Market irrespective of the acceptance level for the Proposed Exit Offer. **As such, Holders who do not accept the Proposed Exit Offer will be holding ACE Market listed ICT Zone Asia Shares (in view that the ICPS will not be listed on the ACE Market as the Proposed Listing will only take place after the maturity of the ICPS) upon completion of the Proposed Transfer of Listing and will still be able to realise their investment in ICT Zone Asia Shares in the ACE Market which are expected to be more liquid; and**
- (ii) the Joint Offerors **do not intend to invoke the provisions of Section 222(1) of the CMSA** to compulsorily acquire any remaining Offer Securities from the dissenting holders for which valid acceptances have not been received under the Proposed Exit Offer even if the conditions stipulated in subsection 222(1) of the CMSA are fulfilled.

Please refer to **Section 9 of this IAL** for further details.

4. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposals holistically and have set out our evaluation in **Section 6 of this IAL**. The Shareholders and ICPS Holders should carefully consider the merits and demerits of the Proposals based on all relevant and pertinent factors including those enumerated above and other considerations as set out in this IAL, the Circular and appendices.

The Proposed Exit Offer is the adopted exit mechanism in order to facilitate the Proposed Withdrawal. Furthermore, the Proposed Exit Offer would only be implemented subsequent to the Company fulfilling the Pre-Conditions. Based on the above and our evaluation as set out in **Sections 8 and 9 of the IAL**, we are of the view that the Proposed Exit Offer is **not fair** and **not reasonable**.

Therefore, even if the Holders were to reject the Proposed Exit Offer, the ICT Zone Asia Shares including the Shares to be converted from the ICPS will remain tradeable on the ACE Market of Bursa Securities and the Holders will still be able to realise their investment in ICT Zone Asia in the open market. Furthermore, Holders will be able to enjoy the potential advantages of holding ACE Market listed ICT Zone Asia Shares such as the benefit from being exposed to a larger pool of investors and better price discovery. These benefits will be realised with the outcome of voting in favour of the resolutions pertaining to the Proposals.

However, in the event the Shareholders and ICPS Holders were to vote against the resolutions pertaining to the Proposals at the forthcoming EGMs of ICT Zone Asia, the Company will remain listed on the LEAP Market but will not be able to enjoy the benefits of the Proposed Transfer of Listing as set out in **Sections 3.1 and 3.2 of Part A of the Circular** whilst the expenses paid for the Proposals will not be recovered.

We note that the illustrative Share IPO Price is indicative at this juncture and the final IPO Price may differ from the illustrative IPO Price as it will depend on, amongst others, the latest financial performance of the Group; the prevailing P/E Multiple and EV/EBITDA Multiple of selected comparable public listed companies on Bursa Securities; and the prevailing equity market and economic conditions in Malaysia.

We will provide our detailed independent evaluation and recommendation on the Proposed Exit Offer in a separate IAC at a later stage after the Offer Document from the Joint Offerors has been despatched to you.

EXECUTIVE SUMMARY (Cont'd)

Based on our assessment and evaluation, we are of the opinion that the Proposals are **fair** and **reasonable** and are **not detrimental** to the Shareholders and ICPS Holders. Accordingly, we recommend that Shareholders and ICPS Holders **vote in favour** of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGMs of ICT Zone Asia.

As far as our analyses and assessment as contained in the IAL are concerned, we have considered factors which we believe to be of general relevance to the Shareholders and ICPS Holders as a whole. We have not taken into consideration any specific investment objective, financial situation, risk profile and particular need of any individual Shareholders and ICPS Holders or any specific groups of Shareholders and ICPS Holders.

(The rest of this page has been intentionally left blank)

Registered Office:

Lot 805, Block F
Pusat Perdagangan Phileo
Damansara 1
Jalan 16/11, Off Jalan
Damansara
46350 Petaling Jaya
Selangor, Malaysia

Place of Business:

Unit 906, Level 9, Block A
Pusat Dagangan Phileo
Damansara 2
No. 15 Jalan 16/11 Off Jalan
Damansara
46350 Petaling Jaya
Selangor, Malaysia
Tel: (603) 7968 3398
Fax: (603) 7954 2299

27 May 2024

To: The Shareholders and ICPS holders of ICT Zone Asia

Dear Sir/Madam,

ICT ZONE ASIA BERHAD (“ICT ZONE ASIA” OR “COMPANY”)

IAL TO THE SHAREHOLDERS AND ICPS HOLDERS IN RELATION TO THE PROPOSALS AND PROPOSED EXIT OFFER

All the definitions used in this IAL shall have the same meanings and expressions as defined in the Definitions section of and throughout the Circular, except where the content otherwise requires or where otherwise defined herein. This IAL is prepared for the inclusion in the Circular to the Shareholders and ICPS Holders dated 27 May 2024 in relation to the Proposals.

1. INTRODUCTION

On 16 February 2024, Malacca Securities and SCS Global had, on behalf of the Board, announced that the Board received a letter dated 16 February 2024 from ICT Zone Holding, being a major shareholder of the Company, requesting the Board to consider undertaking the Proposed Transfer of Listing.

On 19 February 2024, Malacca Securities and SCS Global had, on behalf of the Board, announced that ICT Zone Asia proposes to undertake the Proposals.

Accordingly, the Board (save for the Interested Directors) had on 19 February 2024 appointed MainStreet as the Independent Adviser to provide comments, opinions, information and recommendation to the Shareholders and ICPS Holders in connection with the Proposed Withdrawal, as well as the non-interested directors of ICT Zone Asia and the Holders in relation to the fairness and reasonableness of the Proposed Exit Offer. As each component of the Proposals is inter-conditional upon one another, our evaluation would also encompass the evaluation of the Proposed Listing and Proposed Amendments in order to provide the Shareholders and ICPS Holders with a holistic view of the fairness and reasonableness of the Proposed Withdrawal and Proposed Exit Offer.

Pursuant to the note of paragraph 5.01 and subparagraph 6.03(2) of the Rules, the offer price in a voluntary take-over offer must meet the following criteria:

	Remarks
<p><u>Note of paragraph 5.01 of the Rules</u></p> <p>A voluntary offer should not be made at a price that is substantially below the market price of the shares in the offeree company. A voluntary offer at more than a 50 per cent discount to the lesser of the closing price of the relevant shares of the offeree company on the day before the announcement under paragraph 9.10 of the Rules and the five-day average closing price prior to such day will be considered as being “substantially below the market price of the shares in the offeree company.”</p>	<p>The last reference price of the Shares and ICPS on 15 February 2024, being the LMD, was RM0.22 per Share and RM0.20 per ICPS.</p> <p>For your information, there have been no trading of Shares and ICPS during the 5 market days up to the LMD and therefore there was no 5-day VWAP of the Share and ICPS up to the LMD.</p> <p>Therefore, the illustrative Share Exit Offer Price and ICPS Exit Offer Price of RM0.20 each are not lower than a 50 per cent discount to the closing price of the respective Share and ICPS on the day before the announcement of the Proposed Exit Offer.</p>
<p><u>Subparagraph 6.03(2) of the Rules</u></p> <p>The offer price in a voluntary take-over offer must not be less than the highest price (excluding stamp duty and commission) paid or agreed to be paid by the offeror or persons acting in concert for any voting shares or voting rights to which the take-over offer relates, during the offer period and within three months prior to the beginning of the offer period.</p>	<p>There was no dealing in Shares and ICPS by the Joint Offerors and/or the PACs within the three (3) months before the beginning of the Offer Period (i.e. 17 November 2023).</p>

The purpose of this IAL is to provide the Shareholders and ICPS Holders with an independent opinion as to whether the Proposals are fair and reasonable as well as on the fairness and reasonableness of the Proposed Exit Offer. For clarity, upon implementation of the Proposed Exit Offer, the Offer Document and the IAC will be despatched to the Holders as required under the Rules where we will provide our views and recommendations to the non-interested directors and Holders in relation to the Proposed Exit Offer. The Offer Period for the Proposed Exit Offer shall commence from the date of the Proposal Letter until the Closing Date of the Proposed Exit Offer.

Shareholders and ICPS Holders should nonetheless also perform their own evaluation on the merits of the Proposals and Proposed Exit Offer before making a decision on the course of action to be taken.

This IAL is prepared solely for the use of the Shareholders and ICPS Holders for the purpose of considering the Proposals and Proposed Exit Offer and should not be used or relied upon by any other parties for any other purposes whatsoever.

THE SHAREHOLDERS AND ICPS HOLDERS ARE ADVISED TO READ BOTH THIS IAL AND PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES AND CAREFULLY CONSIDER THE RECOMMENDATION CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGMS.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, INVESTMENT ADVISER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE PROPOSALS AND PROPOSED EXIT OFFER

The full details of the Proposals and Proposed Exit Offer are set out in **Section 2 of Part A of the Circular**, which should be read in its entirety by the Shareholders and ICPS Holders.

3. SCOPE AND LIMITATIONS TO OUR EVALUATION OF THE PROPOSALS AND PROPOSED EXIT OFFER

We were not involved in the formulation or negotiations of the terms and conditions of the Proposals and the Proposed Exit Offer nor were we involved in the deliberations leading up to the decision by the Board in respect of the Proposals and the Proposed Exit Offer. The terms of reference of our appointment as the Independent Adviser to the Shareholders and ICPS Holders in relation to the Proposed Withdrawal and Proposed Exit Offer are in accordance with the requirements as set out in Rule 8.06(1)(d) of the LEAP LR as stated in **Section 2.1 of Part A of the Circular**.

Our scope as the Independent Adviser is limited to expressing an independent opinion on the Proposals as well as on the fairness and reasonableness of the Proposed Exit Offer, together with our recommendation on whether you should vote in favour of the resolutions pertaining to the Proposals. We have carried out our independent evaluation based on the information and documents requested and provided to us or which are available to us, including the following:

- (i) the information contained in Part A of the Circular and the appendices attached thereto;
- (ii) information furnished to us (both orally and in writing) by ICT Zone Asia as well as discussions with the Board and management of ICT Zone Asia;
- (iii) the financial forecasts and projections of ICT Zone Asia Group for the five (5) years from FYE 2025 to FYE 2029 ("**Future Financials**") which was prepared by the management of ICT Zone Asia;
- (iv) past financial statements of ICT Zone Asia Group; and
- (v) other relevant publicly available information.

We have relied on the Board and management of ICT Zone Asia to exercise due care to ensure that all information, documents, confirmations, and representations provided to us to facilitate our evaluation of the Proposals and Proposed Exit Offer are accurate, valid, and complete in all material aspects. After making all reasonable enquiries and to the best of our knowledge, we are satisfied that sufficient information has been extended to us and we have no reason to believe that the aforesaid information and documents provided to us or which are available to us are unreasonable, incomplete and/or inaccurate as at the LPD.

The Board has seen, reviewed and accepted this IAL. The Board, collectively and individually, accepts full responsibility for the accuracy of the information contained in this IAL (save for the views and recommendations of MainStreet) and confirms that, after having made all reasonable enquiries and to the best of their knowledge, there are no omissions of any material facts which would make any statements in this IAL false or misleading.

In rendering our advice, we have taken into consideration pertinent factors which we believe are of relevance and importance to you for a holistic assessment of the Proposals and Proposed Exit Offer and therefore are of general concern to you. Notwithstanding the following:

- (i) it is not within our terms of reference to express any opinion on the legal, accounting and taxation issues relating to the Proposals and Proposed Exit Offer; and
- (ii) we have not taken into consideration any specific investment objectives, financial situation, risk profile or particular needs of any individual Shareholders and ICPS Holders or any specific groups of Shareholders and ICPS Holders. We recommend that if any of you who require specific advice in relation to the Proposals and Proposed Exit Offer in the context of your individual investment objectives, financial situation, risk profile or particular needs should consult your stockbroker, bank manager, solicitor, accountant, or other professional adviser immediately.

Our advice should be considered in the context of the entirety of this IAL. Our evaluation and opinion as set out in this IAL are based on, amongst others, the equity capital market, economic, industry, regulatory and other prevailing conditions and the information/documents made available to us as at the LPD.

After the despatch of the Circular and the IAL, we will notify the Shareholders and ICPS Holders if we become aware of the following:

- (i) significant change materially affecting the information contained in the IAL;
- (ii) there is a reason to believe that the statements in the IAL are misleading/deceptive; and
- (iii) there is a material omission in the IAL.

4. **DECLARATION OF CONFLICT OF INTEREST AND OUR CREDENTIALS, EXPERIENCE AND EXPERTISE**

MainStreet confirms that there are no circumstances which exist or are likely to give rise to a possible conflict of interest situation for MainStreet to carry out the role as the Independent Adviser in connection with the Proposals and Proposed Exit Offer. Save for the current appointment as the Independent Adviser, we did not have any other professional relationship with ICT Zone Asia at any time during the past two (2) years prior to the date of this IAL.

MainStreet is a corporate finance advisory firm licensed by the SC to carry on the regulated activity of advising on corporate finance under the CMSA. We have in the past assumed the role as an Independent Adviser for other corporate exercises, which included the following transactions since the last two (2) years:

- (i) Proposed acquisition of the entire equity interest in iMedia Asia Sdn Bhd by Catcha Digital Berhad ("**Catcha Digital**") from Catcha Investments Ltd and iCreative Asia Sdn Bhd for a total purchase consideration of RM10.00 million ("**Proposed Acquisition of iMedia**"); and proposed exemption under subparagraphs 4.08(1)(a) and 4.08(1)(b) of the Rules for Patrick YKin Grove, Catcha Group Pte Ltd and the persons acting in concert with them from the obligation to undertake a mandatory take-over offer upon completion of the Proposed Acquisition of iMedia and the proposed rights issue in Catcha Digital, as per our independent advice letter dated 30 June 2022;
- (ii) Unconditional mandatory take-over offer by Dato' Sri Dr. Pang Chow Huat through M&A Securities Sdn Bhd to acquire all the remaining ordinary shares in Computer Forms (Malaysia) Berhad not already owned by Dato' Sri Dr. Pang Chow Huat, as per our independent advice circular dated 5 May 2022;

- (iii) Proposed disposal of 100% equity interest in Lee Soon Seng Plastic Industries Sdn Bhd, a wholly-owned subsidiary of SCGM Bhd for a total cash consideration of approximately RM544.38 million ("**Proposed Disposal**") and proposed distribution of the proceeds arising from the Proposed Disposal to all entitled shareholders of SCGM Bhd by way of proposed capital reduction and repayment as well as proposed special dividend, as per our independent advice letter dated 29 July 2022;
- (iv) Proposed exemption under subparagraph 4.08(1)(b) of the Rules for Heng Holdings Sdn Bhd and persons acting in concert with it from the obligation to undertake a mandatory offer for the remaining Hua Yang Berhad shares and warrants not already owned by them pursuant to the proposed renounceable rights issue, as per our independent advice letter dated 12 August 2022;
- (v) Unconditional voluntary take-over offer by Lee Ming Tee, Lee Seng Huang, Lee Seng Hui, Klang Enterprise Sdn Bhd, Sagittarius Management Sdn Bhd, Mount Glory Investments Limited, Magic Unicorn Limited, Mountbatten Corporation & Nautical Investments Limited (collectively, the "**Mulpha Joint Offerors**") to acquire all the remaining ordinary shares in Mulpha International Bhd not already held by the Mulpha Joint Offerors, as per our independent advice circular dated 25 October 2022;
- (vi) Conditional mandatory take-over offer by Intisari Delima Sdn Bhd through TA Securities Sdn Bhd to acquire all the remaining ordinary shares in Ornapaper Berhad not already owned by Intisari Delima Sdn Bhd as well as Sai Ah Sai, Sai Han Siong, Sai Chin Hock and persons acting in concert with them, as per our independent advice circular dated 25 October 2022;
- (vii) Proposed disposal of 100% equity interest in Seng Yip Furnitures Sdn Bhd, a wholly-owned subsidiary of SYF Resources Berhad ("**SYF**") to Mieco Chipboard Berhad for a total cash consideration of approximately RM50.0 million, proposed disposal of two (2) parcels of freehold land to Juta Development Sdn Bhd for a total cash consideration of approximately RM21.2 million, proposed acquisition of the entire equity interest and redeemable convertible preference shares in M&A Securities Sdn Bhd by SYF from Insas Berhad ("**Insas**") for a purchase consideration of RM222.0 million ("**Proposed Acquisition**") and proposed exemption under subparagraph 4.08(1)(a) of the Rules for Insas and its persons acting in concert with it from the obligation to undertake a mandatory offer to acquire the remaining shares in SYF not already owned by them upon completion of the Proposed Acquisition, as per our independent advice letter dated 28 December 2022;
- (viii) Proposed acquisition of 3 industrial properties by RHB Trustees Berhad, being the trustee of AME REIT, from the subsidiaries of AME Elite Consortium Berhad for a total cash consideration of RM69,250,000, as per our independent advice letter dated 10 February 2023;
- (ix) Proposed private placement of 240,405,370 new ordinary shares in LFE Corporation Berhad ("**LFE**") ("**LFE Shares**"), representing approximately 30.0% of the total number of issued LFE Shares and proposed acquisition of 367,500 ordinary shares in Cosmo Property Management Sdn Bhd ("**CPMSB**") representing the remaining 49% equity interest in CPMSB from Resolute Accomplishment Sdn Bhd for a purchase consideration of RM29.40 million to be satisfied via a combination of cash and issuance of new LFE Shares, as per our independent advice letter dated 12 April 2023;
- (x) Conditional mandatory take-over offer by Special Flagship Holdings Sdn Bhd through UOB Kay Hian Securities (M) Sdn Bhd to acquire all the remaining ordinary shares in Minda Global Berhad not already held by Special Flagship Holdings Sdn Bhd and Tan Sri Dato' Dr Palaniappan A/L Ramanathan Chettiar, as per our independent advice circular dated 19 June 2023;

- (xi) Proposed acquisition of 100% equity interest in Zapland Property Sdn Bhd from Gan Lee Ha and Lee Cheh Hian for a purchase consideration of RM39,034,668.65; proposed acquisition of 100% equity interest in Asiatic Network Sdn Bhd from Chai Chang Guan and Chai Seong Min for a purchase consideration of RM32,196,845.87; proposed acquisition of 100% equity interest in Brogan Maxim Sdn Bhd from Tan Sri Gan Seong Lam and Gan Kuok Chyuan for a purchase consideration of RM21,411,281.71; proposed acquisition of 100% equity interest in Maxim Realty Sdn Bhd from Tan Sri Gan Seong Liam and Puan Sri Loh Foong Ping for a purchase consideration of RM10,757,108.81 and proposed acquisition of 13.11% equity interest in Maxim Holdings Sdn Bhd from Sanlens Sdn Bhd for a purchase consideration of RM15,600,094.96, as per our independent advice letter dated 20 July 2023;
- (xii) Proposed disposal by Eurospan Holdings Berhad (“**EHB**”) of 2,600,000 ordinary shares in Dynaspan Furniture Sdn Bhd (“**DFSB**”) and 15,000,000 non-cumulative redeemable convertible preference shares in DFSB, representing the entire equity interest in DFSB for a total disposal consideration of RM38.90 million to be fully satisfied via cash; proposed disposal by Eurospan Furniture Sdn Bhd (“**EFSB**”), a wholly-owned subsidiary of EHB, of two (2) parcels of freehold industrial land in mukim 16, Daerah Seberang Perai Utara, Negeri Pulau Pinang, together with the buildings erected thereon (collectively, “**EFSB Properties**”) to DFSB for a total disposal consideration of RM15.65 million to be fully satisfied via cash (“**Proposed Disposal of EFSB Properties**”); and proposed tenancy between DFSB as landlord, and EFSB as tenant, in respect of EFSB Properties upon completion of the Proposed Disposal of EFSB Properties, as per our independent advice letter dated 20 November 2023;
- (xiii) Proposed transfer of the listing and quotation of the entire enlarged issued share capital of Carlo Rino Group Berhad (formerly known as CRG Incorporated Berhad) (“**CRG**”) from the LEAP Market to the ACE Market of Bursa Securities; and proposed withdrawal of CRG’s listing from the LEAP Market; as well as the proposed pre-conditional voluntary general offer in accordance with the Rules on the remaining shares in CRG not already held by Dato’ Sri Chiang Fong Yee, Chiang Sang Sem and Freeway Team Sdn Bhd, as per our independent advice letter dated 6 December 2023;
- (xiv) Proposed acquisition by Iconic Worldwide Berhad (“**Iconic**”) of the entire equity interest in Goldenluck Development Sdn Bhd from Dato’ Seri Tan Kean Tet (“**DS Tan**”) and Tan Seok Ying for a cash consideration of RM39.80 million; and proposed exemption under paragraphs 4.08(1)(b) and 4.08(1)(c) of the Rules to DS Tan and any persons acting in concert with him from the obligation to undertake a mandatory take-over offer on the remaining ordinary shares in Iconic not already owned by them, pursuant to the undertaking to subscribe for the rights shares (including excess rights shares) and exercise of warrants by DS Tan and any persons acting in concert with him, as per our independent advice letter dated 7 December 2023;
- (xv) Proposed partial settlement of outstanding financing facilities given by the financiers to Boustead Heavy Industries Corporation Berhad (“**BHIC**”) via a combination of cash, issuance of new ordinary shares in BHIC (“**BHIC Shares**”), redeemable convertible preference shares - class A in BHIC and islamic redeemable convertible preference shares - class A in BHIC; and proposed full settlement of amounts owing to Boustead Holdings Berhad by BHIC amounting up to RM234,000,000 as at 31 December 2023 via combination of issuance of new BHIC Shares, redeemable convertible preference shares - class B in BHIC and redeemable preference shares - class C in BHIC, as per our independent advice letter dated 14 December 2023;
- (xvi) Proposed disposal by JKB Development Sdn Bhd, a wholly-owned subsidiary of Jasa Kita Berhad (“**JKB**”), of a parcel of leasehold industrial land to Urban Reach Sdn Bhd, a 55%-owned subsidiary of FCW Holdings Berhad, for a cash consideration of RM43.08 million, as per our independent advice letter dated 28 December 2023; and

- (xvii) Unconditional mandatory take-over offer by Dato' Seow Gim Shen (“**Dato’ Seow**”) and Metaco Asset Holdings Sdn Bhd (“**Metaco**”) and Bemas Holdings Sdn Bhd (“**Bemas**”) through UOBKH Kay Hian Securities (M) Sdn Bhd to acquire all the remaining ordinary shares in Rexit Berhad not already held by Dato’ Seow, Metaco and Bemas, as per our independent advice circular dated 19 February 2024.

Premised on the foregoing, MainStreet is capable and competent in carrying out its role and responsibilities as the Independent Adviser to advise the Shareholders and ICPS Holders in relation to the Proposals and Proposed Exit Offer.

5. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS, MAJOR ICPS HOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

The interests of the Directors, major shareholders, major ICPS holders, chief executive and/or persons connected with them are disclosed in **Section 11 of Part A of the Circular**.

DS Ng, Mr Lim and Vincent Ng (collectively deemed as the “**Interested Directors**”) have and will abstain from the deliberation and voting in the Board meeting in relation to the Proposals.

As the Proposals affect the rights of all Shareholders and ICPS Holders equally and no specific shareholder, ICPS holder, group of shareholders or group of ICPS holders would derive any special benefits from the Proposals, all Shareholders and ICPS Holders (including the Joint Offerors, PACs and the Undertaking Party) are entitled to vote in respect of their shareholdings and ICPS holdings in the Company on the resolutions pertaining to the Proposals at the respective forthcoming EGMs for the Shareholders and ICPS Holders.

In conjunction with the Proposed Listing, the Independent Directors of ICT Zone Asia are proposed to be allocated with 200,000 Issue Shares each. The allocation has been approved by the Board, of which the respective Independent Directors have abstained and will continue to abstain from all deliberation and voting on their respective allocation and allocations to persons connected to them (if any) at the relevant Board meetings of the Company. The Independent Directors will also abstain from all voting and undertake to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect holdings, if any, in ICT Zone Asia Shares, on the resolutions pertaining to their respective allocations as well as allocations to persons connected with them (if any) at the Company’s forthcoming EGM.

6. OUR EVALUATION OF THE PROPOSALS

As the Proposed Withdrawal, Proposed Listing and Proposed Amendments are inter-conditional upon one another, the evaluation on the Proposed Listing and Proposed Amendments is necessary to provide the Shareholders and ICPS Holders with a holistic view of the Proposed Withdrawal. In evaluating the Proposals, we have taken into consideration the following factors:

	Factors	Details in this IAL
(i)	Rationale and justifications for the Proposals	Section 6.1
(ii)	Indicative listing scheme	Section 6.2
(iii)	Bases and justifications for the illustrative IPO Price	Section 6.3
(iv)	Effects of the Proposals and Proposed Exit Offer	Section 6.4
(v)	Industry outlook and prospects of the Group	Section 6.5
(vi)	Risk factors for the Proposals	Section 6.6

6.1 Rationale and justifications for the Proposals

6.1.1 Proposed Withdrawal

We take note of the rationale and justifications for the Proposed Withdrawal as set out in **Section 3.1 of Part A of the Circular**.

The Proposed Withdrawal is essentially aimed to facilitate the Proposed Listing pursuant to the ACE LR.

6.1.2 Proposed Listing

We take note of the rationale and justifications for the Proposed Listing as set out in **Section 3.2 of Part A of the Circular**.

The Company has been listed by way of introduction on the LEAP Market since 15 December 2020. Since its debut on the LEAP Market, the Group's PAT and NA had grown at CAGR of 86% and 15% respectively (based on the audited financial statements for the FYE 31 January 2023), on the back of enhanced profiling of the Company being a listed entity.

Notwithstanding the above, we note that the liquidity of the Shares and ICPS has been at a relatively low level since its listing. This is generally the case for all LEAP Market listed companies in view of a smaller pool of investors available as LEAP Market presently is meant only for sophisticated investors as specified in the Guidelines on Categories of Sophisticated Investors issued by the SC.

The Board believes that the Proposed Listing will enable the Group to enhance its reputation and profiling which in turn would accord the Group with greater recognition and acceptance by its stakeholders, including investors and shareholders. The Proposed Listing is also expected to enhance the attractiveness, liquidity and marketability of ICT Zone Asia Shares. In addition, the Proposed Listing is envisaged to strengthen the confidence of ICT Zone Asia's employees, customers, suppliers, business associates, financial institutions and shareholders through its status as a more established company listed on the ACE Market. Upon successful listing of ICT Zone Asia on the ACE Market, the liquidity and marketability of the Company's shares are expected to improve as corporations listed on the ACE Market are accessible by a wider pool of investors. This would offer a more robust listing environment with relatively greater vibrancy, higher liquidity, and better price discovery.

We also note that in conjunction with the Proposed Listing, the Company plans to undertake the Proposed Public Issue whereby the Company will raise proceeds to be utilised for, amongst others, the following purposes:

- (i) expansion of its technology financing business – purchase of hardware and software for technology financing business and other operating expenses such as finance costs, legal fees and insurance expenses;
- (ii) sales and marketing expenditures; and
- (iii) defrayment of expenses in relation to the Proposals.

The abovementioned indicative utilisation will enable the Group to further grow its business which is expected to contribute to the Group's future earnings and enhance shareholders' value.

6.1.3 Proposed Amendments

We take note of the rationale and justifications for the Proposed Amendments as set out in **Section 3.3 of Part A of the Circular**.

The Proposed Amendments is necessary to facilitate the implementation of the Proposed Listing as it allows the Company to comply with ACE LR and the Act.

Based on the above, we are of the view that the rationale and justifications for the Proposals are **reasonable** as the Proposed Withdrawal and the Proposed Exit Offer will facilitate the Proposed Listing. The Proposed Exit Offer is the adopted exit mechanism in order to facilitate the Proposed Withdrawal. Furthermore, the Proposed Exit Offer would only be implemented subsequent to the Company fulfilling the Pre-Conditions.

In conjunction with the Proposed Listing, the Company plans to expand its technology financing business and strengthen its market visibility and brand recognition. The Proposed Listing entails the listing and quotation of the entire enlarged issued ICT Zone Asia Shares on the ACE Market, including the new Shares to be issued pursuant to the Proposed Public Issue and conversion of the ICPS, subject to approval and conditions from Bursa Securities. The ICPS will not be admitted or listed and quoted on the ACE Market as the Proposed Listing will only take place after the maturity and conversion of the ICPS.

Hence, even if the Holders were to reject the Proposed Exit Offer, the ICT Zone Asia Shares including those to be converted from the ICPS will remain tradeable on the ACE Market of Bursa Securities upon getting the relevant approvals and Holders will still be able to realise their investment in ICT Zone Asia in the open market. As such, the Proposals provide an avenue for the Shareholders and ICPS Holders to hold ICT Zone Asia Shares on the ACE Market with enhanced marketability. In addition, the Proposed Exit Offer will also provide an option to the Holders to exit the Company if they wish to do so prior to the listing on the ACE Market.

6.2 Indicative listing scheme

We take note of the indicative listing scheme as set out in **Section 2.2.1 of Part A of the Circular**.

In conjunction with the Proposed Listing, ICT Zone Asia proposes to undertake the Proposed Public Offering, comprising the following:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Proposed Public Issue				
(i) Malaysian public ⁽²⁾	39,772,800	5.0	39,772,800	5.0
(ii) Placement to selected Bumiputera investors as approved by the MITI ⁽³⁾	89,090,800	11.2	89,090,800	11.2
(iii) Eligible persons ⁽⁴⁾	4,136,400	0.5	4,136,400	0.5
	133,000,000	16.7	133,000,000	16.7
Proposed Offer for Sale⁽⁵⁾				
(i) Placement to selected Bumiputera investors as approved by the MITI ⁽³⁾	10,340,900	1.3	10,340,900	1.3
(ii) Placement to selected investors	-	-	44,572,400	5.6
	10,340,900	1.3	54,913,300	6.9
Public shareholding spread	314,161,500	39.5	198,863,300	25.0

Please refer to **Section 7.2 of Part A of the Circular** for the effects of the Proposals and the Proposed Exit Offer on the Company's public shareholding spread.

Notes:

- (1) *Calculated based on the enlarged issued shares of ICT Zone Asia comprising 795,453,200 Shares.*
- (2) *An indicative 5.0% of the enlarged issued shares of ICT Zone Asia will be made available for application by the Malaysian public through a balloting process, of which 50% will be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.*
- (3) *An indicative 12.5% of the enlarged issued shares of ICT Zone Asia will be made available by way of private placement to Bumiputera investors approved by the MITI.*
- (4) *An indicative 0.5% of the enlarged issued share of ICT Zone Asia will be made available for application by eligible Directors (i.e. the Independent Directors) and/or employees of the ICT Zone Asia Group as well as persons who have contributed to the Group's success (i.e. the customers and suppliers of the ICT Zone Asia Group). 600,000 Issue Shares will be made available to the eligible Independent Directors at 200,000 Issue Shares to each of the Independent Director. The allocation to the following Independent Directors will be tabled for voting at the forthcoming EGM:*

Name	No. of new Shares
Karen Yap Pik Li	200,000
Chong Pei Nee	200,000
Sim Shu Mei	200,000
	600,000

- (5) *Under the Minimum Scenario and Maximum Scenario, the number of new ICT Zone Asia Shares to be issued pursuant to the Proposed Public Issue remains at 133,000,000 ICT Zone Asia Shares. Under the Maximum Scenario, the higher number of existing Shares allocated under Proposed Offer for Sale ("**Offer for Sale Shares**") is to comply with the minimum public shareholding spread requirement.*

MainStreet's commentary:

We are of the view that the basis of allotment for the Proposed Public Issue:

- (i) to the Malaysian Public is reasonable as it enables the Company to have a broad base of shareholders and to meet the shareholding spread requirement under Rule 3.10 of the ACE LR. We also note that this is consistent with paragraph 5.15 of the Equity Guidelines in which a corporation seeking listing on Bursa Securities with an enlarged issued share capital of below RM200 million must provide a minimum offering to the Malaysian public of at least 5% of the enlarged number of shares issued and will be made available for application through a balloting process. The Company will also comply with the Bumiputera Equity Requirement which states that at least 50% of the new Shares offered to Malaysian public investors via balloting must be made available to Bumiputera public investors.
- (ii) to the eligible persons of the Company is reasonable as it complies with paragraph 3.16 of the ACE LR which states that restricted offers for subscription which is undertaken as part of a listing scheme may only be made to selected groups which includes the directors and employees of the corporation seeking listing on Bursa Securities. We also note that this is consistent with paragraph 5.22 of the Equity Guidelines which states that the aggregate number of securities to be offered under a restricted offers for subscription to the directors and employees of a corporation seeking listing on Bursa Securities must not be more than 10% of the enlarged number of shares of said corporation upon listing. We note that the

proposed allocation of new Shares to the eligible Independent Directors is subject to the Company's shareholders' approval at the forthcoming EGM. In addition, the proposed allocation of new Shares to the eligible Independent Directors has been approved by the Board, of which the respective Independent Directors have abstained and will continue to abstain from all deliberation and voting on their respective allocation and allocations to persons connected to them (if any) at the relevant Board meetings of the Company. The Independent Directors will also abstain from all voting and will undertake to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect holdings, if any, in ICT Zone Asia Shares, on the resolutions pertaining to their respective allocations as well as allocations to persons connected with them (if any) at the Company's forthcoming EGM.

- (iii) to be placed to selected Bumiputera investors as approved by the MITI is reasonable as it complies with the Bumiputera Equity Requirement which states that corporations seeking listing on Bursa Securities are required to allocate 12.50% of the enlarged number of issued shares to Bumiputera investors to be approved or recognised by the MITI.

We are of the view that the basis of allotment for the Proposed Offer for Sale placement to Bumiputera investors as approved by the MITI and selected shareholders under Maximum Scenario is reasonable as it is consistent with paragraph 5.22 of the Equity Guidelines which states that the aggregate number of securities offered under a restricted offer for sale must not be more than 10% of the enlarged number of shares of a corporation upon listing on Bursa Securities. The actual number of Shares to be retained by DS Ng and/or made available for the Proposed Offer for Sale shall be determined and finalised after the closing date of the Proposed Exit Offer as it is subject to the level of valid acceptances of the Proposed Exit Offer.

We are of the view that the basis of allocation of the IPO Shares is reasonable as it broadens the Company's shareholder base to meet the public shareholding spread requirement as well as comply with the other relevant requirements as stated in the ACE LR, Equity Guidelines and Bumiputera Equity Requirement. However, Shareholders and ICPS Holders should note that the allotted percentage of the enlarged issued share capital of the Company is indicative at this juncture in view that the proposed allocation of new Shares to each of the eligible Independent Directors of the Company is subject to the shareholders' approval at the forthcoming EGM.

6.3 Bases and justifications for the illustrative IPO Price

We note from **Section 2.1.5 of Part A of the Circular** that it is the intention of the Joint Offerors to fix the Share Exit Offer Price and ICPS Exit Offer Price to be the same as the IPO Price. We also note that as set out in **Section 2.2.5 of Part A of the Circular**, the final IPO Price will be determined by the Board and the underwriter at a later date, after taking into consideration, amongst others, the following:

- (i) the total number of ICT Zone Asia Shares in issue after the Proposed Public Offering and the audited consolidated profit after taxation attributable to owners of ICT Zone Asia;
- (ii) the growth demonstrated by the historical financial performance and financial position of the ICT Zone Asia Group;
- (iii) the growth demonstrated by the unbilled order book secured by the ICT Zone Asia Group. For information purposes, the ICT Zone Asia Group has recorded an unbilled order book of RM242.52 million as at the LPD;
- (iv) the additional cashflow to the Group arising from savings of the dividends payable to the ICPS holders (RM0.02 per ICPS per annum, aggregate to approximately RM1.51 million per annum) after the maturity date of 21 January 2025;

- (v) the latest financial performance of the ICT Zone Asia Group (i.e., the latest audited financial results of the ICT Zone Asia Group before the issuance of the Offer Document, the IAC and the Prospectus to be issued pursuant to the Proposed Public Offering);
- (vi) the relative valuation multiples, such as the P/E Multiple and EV/EBITDA Multiple, represented by the closing price of listed companies on Bursa Securities that could be comparable to ICT Zone Asia; and
- (vii) the competitive strengths, future plans and strategies of the ICT Zone Asia Group to sustain growth in financial performance and financial position, as well as the prevailing equity market and economic conditions in Malaysia.

For illustrative purposes only, as set out in **Section 2.2.5 of Part A of the Circular**, an illustrative IPO Price of RM0.20 per IPO Share is assumed throughout the Circular, which represents:

- (i) an illustrative P/E Multiple of approximately 17.07 times, computed based on the trailing 12-month EPS of approximately 1.17 sen (based on the Trailing 12-month PAT of the ICT Zone Asia Group of RM7.76 million for the FYE 31 January 2024 and the total enlarged number of 662,453,200 ICT Zone Asia Shares in issue (assuming full conversion of ICPS) as at the LPD);
- (ii) an illustrative P/E Multiple of approximately 20.50 times, computed based on the trailing 12-month EPS of approximately 0.98 sen (based on the Trailing 12-month PAT of the ICT Zone Asia Group of RM7.76 million and the total enlarged number of 795,453,200 ICT Zone Asia Shares in issue (assuming full conversion of ICPS and issuance/allotment of Issue Shares) as at the LPD); and
- (iii) an illustrative EV/EBITDA Multiple of approximately 4.56 times, computed based on the trailing 12-month EBITDA of ICT Zone Asia Group of RM48.37 million for the FYE 31 January 2024 (after adjusting for one-off expenses relating to the private placement⁽¹⁾) and EV of RM220.41 million (based on total enlarged number of 795,453,200 ICT Zone Asia Shares in issue (assuming full conversion of ICPS and issuance/allotment of Issue Shares) as at the LPD). For information, the EV/EBITDA Multiple of ICT Zone Asia Group before and after the issuance/allotment of Issue Shares is the same as the EV is computed based on the market capitalisation less cash (including proceeds to be raised from the issuance/allotment of Issue Shares), add borrowings and non-controlling interests.

Note:

- (1) *Kindly refer to **Section 2.2.7 of Part A of the Circular** for the details of the private placement exercise completed by the Company.*

Relative valuation multiples seek to compare a company's implied trading multiple to that of selected comparable companies to determine the company's financial worth. We are of the view that P/E Multiple and EV/EBITDA Multiple are appropriate references to be used for price discovery purpose in view of the following considerations:

P/E Multiple

P/E Multiple is the measure of the market price of a company's shares relative to its annual sustainable net income per share earned by the company. P/E multiple is commonly used to estimate the value of the business, even more so for profit-making companies. For information purposes, ICT Zone Asia has been generating profits for the past five (5) financial years up to FYE 31 January 2024. As at the LPD, the Group has unbilled order book of RM242.52 million.

EV/EBITDA Multiple

EV/EBITDA multiple valuation methodology is a relative valuation approach used to provide an indication of market expectations on the valuation of companies as compared to its peers. EV/EBITDA multiple is capital structure-neutral and therefore will not be affected by changes and dissimilarities in capital structure such as different leverage level and borrowing costs. It can make better comparisons on the selected comparable companies with different market capitalisation and capital structures. It is also not affected by differences in accounting for depreciation and amortisation, which can be computed at different rates over time.

We note that for comparison purposes, Malacca Securities and SCS Global have selected SNS Network Technology Berhad (“**SNS**”), VSTECS Berhad (“**VSTECS**”), Mesiniaga Berhad (“**Mesiniaga**”) and Edaran Berhad (“**Edaran**”) as the Comparable Companies as they are profit-generating publicly listed companies in Malaysia principally involved in the provision of information communications and technology equipment and solutions with a market capitalisation of less than RM1.0 billion. For information purposes, there are no companies listed on the LEAP Market which are comparable to ICT Zone Asia based on the criteria above.

We concur with the selection of Comparable Companies due to the limited number of profitable companies whose principal activities are broadly comparable to the business ICT Zone Asia. Please note that the selection of Comparable Companies is highly subjective and judgmental, and the comparison made is merely to provide an indicative current market expectation with regard to the implied value of ICT Zone Asia.

Further, it should be recognised that there is no Comparable Company identical to ICT Zone Asia in various aspects such as composition of business activities, market capitalisation, scale of business operations, asset base, risk profile, profit track record and financial strength.

(The rest of this page has been intentionally left blank)

The trading P/E Multiple and EV/EBITDA Multiple of the Group vis-à-vis the Comparable Companies are as follows:

Comparable Companies / (Board)	Principal activities	As at LPD		Diluted earnings per share ⁽²⁾	P/E Multiple ⁽³⁾	EV ⁽⁴⁾	EBITDA ⁽⁵⁾	EV/EBITDA
		Illustrative IPO price/ Closing price	Market capitalisation ⁽¹⁾					
		(RM)	(RM'mil)	(sen)	(times)	(RM'mil)	(RM'mil)	(times)
		(A)		(B)	(A/B)	(C)	(D)	(C)/(D)
ICT Zone Asia / (LEAP Market)	The Group is principally involved in (i) technology financing via amongst others, rental, leasing and subscription model; (ii) trading of ICT Solutions; (iii) provision of ICT services; and (iv) provision of cloud solutions and services.	0.200 ⁽⁸⁾	132.49 ⁽⁶⁾	1.17	17.07	220.41	48.37	4.56
		0.200 ⁽⁸⁾	159.09 ⁽⁷⁾	0.98	20.50	220.41	48.37	4.56
Comparable Companies								
SNS / (ACE Market)	Principally involved in the provision of a range of ICT products, broadband and web-based services and solutions, including advisory services and product recommendations. Its offerings include a combination of hardware, devices, and equipment, post-purchase services such as product setup, software installation.	0.365	588.66	1.98	18.43	530.87	59.75	8.88
VSTECS / (Main Market)	Principally involved in the marketing of computers, peripherals, software and the provision of computer maintenance services. It is a distributor of ICT products to consumers. The company and its subsidiaries provide services which include information technology services in the form of pre-sales, integration, and post-sales in support of the brands it represents. Its three main business segments are ICT distribution, enterprise systems, and ICT services.	2.620	934.17	18.91	13.86	822.56	85.73	9.59

Comparable Companies / (Board)	Principal activities	As at LPD		Diluted earnings per share ⁽²⁾	P/E Multiple ⁽³⁾	EV ⁽⁴⁾	EBITDA ⁽⁵⁾	EV/ EBITDA
		Illustrative IPO price/ Closing price	Market capitalisation ⁽¹⁾					
		(RM)	(RM'mil)	(sen)	(times)	(RM'mil)	(RM'mil)	(times)
		(A)		(B)	(A/B)	(C)	(D)	(C)/(D)
Mesiniaga / (Main Market)	Principally involved in the sale and service of information technology products and related services. Its subsidiaries are involved in the sales of networking cables and related products, provision of design, development and implementation of business solutions and product and the provision of strategic information technology outsourcing services.	1.550	93.62	6.46	23.99	56.94	4.37	13.03
Edaran / (Main Market)	Principally involved in the provision of management services, and investment holding. Its subsidiaries are involved in the provisioning, installation, commissioning, integration and maintenance of information technology products and related services.	1.150	66.59	3.99	28.80	48.30	7.84	6.16
				High	28.80			13.03
				Low	13.86			6.16
				Average	21.27			9.42
				Median	21.21			9.24

(Source: Bloomberg, prospectus, latest annual reports and quarterly reports of the respective comparable companies as at LPD)

(The rest of this page has been intentionally left blank)

Notes:

- (1) Computed based on the share price multiplied by the total number of shares outstanding of the respective companies as at the LPD.
- (2) Computed based on the trailing 12-month profit after tax of the respective companies over the weighted average number of shares of the respective companies.
- (3) Computed based on the share price divided by the trailing 12-month diluted EPS of the respective companies as at the LPD.
- (4) Computed based on the formula of (market capitalisation – cash and cash equivalents + debts + non-controlling interest) of the respective companies.
- (5) Computed based on the formula of (profit before tax – finance income + finance costs + depreciation + amortisation) of the respective companies.
- (6) Based on total number of 662,453,200 ICT Zone Asia Shares in issue (assuming full conversion of ICPS) as at the LPD.
- (7) Based on total number of 795,453,200 ICT Zone Asia Shares in issue (assuming full conversion of ICPS and issuance/allotment of Issue Shares) as at the LPD.
- (8) Illustrative IPO Price of RM0.20.

Based on the above table, we note the following:

- the illustrative P/E Multiple of ICT Zone Asia which ranges between 17.07 times to 20.50 times is **within the range** of P/E Multiples of the Comparable Companies of between 13.86 times and 28.80 times; and
- the illustrative EV/EBITDA Multiple of approximately 4.56 times is **below the range** of EV/EBITDA Multiples of the Comparable Companies of between 6.16 times and 13.03 times.

We note that the illustrative IPO Price is strictly indicative at this juncture. The actual IPO Price will be disclosed in the Prospectus and may differ from the illustrative IPO Price to be disclosed in the Offer Document and IAC in relation to the Proposed Exit Offer. For illustration purposes, the illustrative IPO Price represents the following:

	Share prices (as traded on LEAP Market) ⁽¹⁾	Illustrative IPO Price	(Discount) / Premium of illustrative IPO Price to the share price	
	(A)		(B)	(B – A)
	RM	RM	RM	%
Last reference price of ICT Zone Asia Shares as at the LPD ⁽²⁾	0.2150	0.2000	(0.0150)	(6.98)
Up to and including the LPD:				
Five (5)-day VWAP	N/A ⁽⁵⁾	0.2000	N/A	N/A
One (1)-month VWAP	0.2150	0.2000	(0.0150)	(6.98)
Three (3)-month VWAP	0.2150	0.2000	(0.0150)	(6.98)
Six (6)-month VWAP	0.2150	0.2000	(0.0150)	(6.98)
One (1)-year VWAP	0.2121	0.2000	(0.0121)	(5.70)

	Share prices (as traded on LEAP Market) ⁽¹⁾	Illustrative IPO Price	(Discount) / Premium of illustrative IPO Price to the share price	
	(A)	(B)	(B – A)	
	RM	RM	RM	%
Last reference price of ICPS as at the LPD ⁽³⁾⁽⁴⁾ (The historical VWAPs for ICPS for the past 1 year up to the LPD is not available as there was no transaction of ICPS during this period)	0.1950	0.2000	0.0050	2.56

Notes:

- (1) Source: Bloomberg.
- (2) ICT Zone Asia Shares was last traded at RM0.215 on 1 April 2024. As such, 1 April 2024 represents the last reference price of ICT Zone Asia Share as at the LPD.
- (3) ICPS was last traded at RM0.195 on 1 April 2024. As such, 1 April 2024 represents the last reference price of ICPS as at the LPD.
- (4) The ICPS will not be listed as the Proposed Listing will only take place after the maturity of the outstanding ICPS, in which each ICPS will be converted to 1 ICT Zone Asia Share.
- (5) Not applicable as there was no transaction of ICT Zone Asia Shares within 5 days from the LPD.

Based on the above table, we note that the illustrative IPO Price of RM0.20 per Share represents a dilution in the Share value of RM0.0150 per Share to the Company's existing shareholders (based on the last reference price of ICT Zone Shares as at the LPD of RM0.2150), and the existing shareholders of ICT Zone Asia will thus incur an immediate paper loss. Based on the last reference price of ICPS as at the LPD of RM0.195 per ICPS, the illustrative IPO Price of RM0.20 per Share represents a premium in the value of RM0.005 per ICPS to the Company's existing ICPS holders (after conversion of the ICPS upon maturity, which will take place prior to the Proposed Listing) where the ICPS holders will incur an immediate paper gain.

In addition, there can be no assurance that:

- (i) the market price of the Shares will not decline below the final IPO Price after the Proposed Listing; and
- (ii) final IPO Price will not fall below the share price on LEAP Market. The Shares could trade at prices lower than the final IPO Price depending on various factors, including current economic, financial, and fiscal condition in Malaysia, the Group's operations and financial performance as well as the market price volatility for securities in similar or related industry in Malaysia.

There is no assurance that any market for the Shares will not be disrupted by price volatility or other factors, which may have a material adverse effect on the market price of the Shares. You are advised to exercise caution and take note there is potential immediate unrealised loss or paper loss of holding ICT Zone Asia Shares upon completion of the Proposals.

Nonetheless, we note that the Board aims to establish the IPO Price at a level that is both appealing and agreeable to both the Company and potential investors, facilitating investment in the Issue Shares on the ACE Market platform.

Premised on the above, we are of the opinion that the bases and justifications of arriving at the illustrative IPO Price are **fair and reasonable**. Nevertheless, the Shareholders and ICPS Holders should note that the price discovery mechanism is subject to certain risk factors as disclosed in **Section 4 of Part A of the Circular**.

6.4 Effects of the Proposals and Proposed Exit Offer

We take cognisance of the effects of the Proposals and Proposed Exit Offer as detailed in **Section 6 of Part A of the Circular** and set out below are our comments on the pro forma effects:

(i) Share capital

The Proposed Withdrawal and Proposed Exit Offer will not have any effect on the issued share capital ICT Zone Asia as they do not involve any issuance of new Shares. For illustrative purposes only, as extracted from **Section 6.1 of Part A of the Circular**, the proforma effects of the Proposed Listing on ICT Zone Asia's issued share capital under both Minimum Scenario and Maximum Scenario, are as follows:

	No. of Shares	RM
As at 7 May 2024	587,133,200	29,233,383
Shares to be issued pursuant to the full conversion of ICPS	75,320,000	15,064,000
No. of Shares before Proposed Listing	662,453,200	44,297,383
Shares to be issued pursuant to the Proposed Public Issue ⁽¹⁾	133,000,000	26,600,000
Enlarged issued share capital	795,453,200	70,897,383

Note:

(1) Computed based on an illustrative IPO Price of RM0.20 per IPO Share.

The Company has no treasury shares as at 7 May 2024.

(ii) NA and gearing

The Proposed Withdrawal and Proposed Exit Offer will not have any effect on the NA, NA per Share and gearing of the Group as they do not involve any issuance of new Shares.

For illustrative purposes only, as extracted from **Section 6.2 of Part A of the Circular**, the pro forma effects of the Proposed Listing on the NA, NA per Share and gearing of the Group based on the audited consolidated financial statement of the Company as at 31 January 2023, under both Minimum Scenario and Maximum Scenario, are as follows:

	Audited 31 January 2023	(I) Subsequent events ⁽¹⁾	(II) After (I) and full conversion of ICPS	(III) After (II) and Proposed Listing ⁽⁴⁾
	RM'000	RM'000	RM'000	RM'000
Share capital				
- Shares	19,092	29,233	44,297	70,898
- ICPS	9,032	9,032	-	-
Reserves	15,283	15,076 ⁽²⁾	9,044 ⁽⁵⁾	9,044
Shareholders' equity/NA	43,407	53,341	53,341	79,942
Non-controlling interests	199	199	199	199
Total equity	43,606	53,540	53,540	80,141

	Audited 31 January 2023	(I) Subsequent events ⁽¹⁾	(II) After (I) and full conversion of ICPS	(III) After (II) and Proposed Listing ⁽⁴⁾
	RM'000	RM'000	RM'000	RM'000
No. of ordinary ICT Zone Asia Shares in issue ('000)	533,758	587,133	662,453	795,453
NA per ICT Zone Asia Share (sen) ⁽³⁾	8.13	9.09	8.05	10.05
Borrowings (including lease liabilities (RM'000))	37,918	37,918	37,918	37,918
Gearing (times) ⁽⁶⁾	0.87	0.71	0.71	0.47

Notes:

- (1) *The subsequent events refer to the following:*
- (i) *Issuance of 31,318,700 Placement Shares being the first tranche Private Placement at RM0.19 each which was completed on 14 August 2023;*
 - (ii) *Issuance of 12,052,400 Placement Shares being the second tranche Private Placement at RM0.19 each which was completed on 20 October 2023; and*
 - (iii) *Issuance of 10,004,600 Placement Shares being the third and final tranche Private Placement at RM0.19 each which was completed on 3 November 2023.*
- (2) *After accounting for RM0.21 million estimated expenses for the Private Placement.*
- (3) *NA per ICT Zone Asia Share is calculated based on the Company's total number of ordinary shares in issue.*
- (4) *Assuming 133,000,000 Issue Shares are issued at the illustrative IPO Price of RM0.20 each.*
- (5) *After accounting for estimated expenses for the Proposals of RM4.10 million.*
- (6) *Computed based on borrowings (including lease liabilities) over NA.*

We note that ICT Zone Asia Group's NA per Share will increase from 8.13 sen to 10.05 sen upon completion of the Proposed Listing. We also note that ICT Zone Asia Group's gearing will improve from 0.87 times to 0.47 times upon completion of the Proposed Listing.

(iii) Earnings and EPS

The Proposed Withdrawal and Proposed Exit Offer will not have any effect on the earnings and EPS of ICT Zone Asia Group as they do not involve any issuance of new Shares.

We note that the Proposed Listing is expected to have dilutive effects on the Group's EPS due to the increase in the number of Shares in issue after the Proposed Public Issue. However, the extent of dilution to the EPS of the Group will depend on, amongst others, future earnings of the Group and the returns to be generated by the Group from the utilisation of proceeds pursuant to the Proposed Public Issue.

(iv) **Substantial shareholders' shareholdings**

The Proposed Withdrawal will not have any effect on the shareholdings of the Company's substantial shareholders as it does not involve any issuance of new Shares.

For illustrative purposes only, as extracted from **Section 6.4 of Part A of the Circular**, the pro forma effects of the Proposed Exit Offer and the Proposed Listing on the shareholdings of the Company's substantial shareholders as at 7 May 2024 are as follows:

Minimum Scenario – Assuming none of the Holders accept the Proposed Exit Offer

	As at 7 May 2024				(I) After the Proposed Exit Offer and upon conversion of ICPS				(II) After (I) and the Proposed Listing			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares (^{'000})	%	No. of Shares (^{'000})	%	No. of Shares (^{'000})	% ⁽³⁾	No. of Shares (^{'000})	% ⁽³⁾	No. of Shares (^{'000})	% ⁽⁶⁾	No. of Shares (^{'000})	% ⁽⁶⁾
ICT Zone Holding	427,720	72.8	-	-	427,720	64.6	-	-	417,379 ⁽⁴⁾	52.5	-	-
DS Ng	-	-	427,720 ⁽¹⁾	72.8	-	-	427,720 ⁽¹⁾	64.6	-	-	417,379 ⁽¹⁾	52.5
Mr Lim	-	-	428,020 ⁽²⁾	72.9	140	*	428,980 ⁽²⁾	64.8	140	*	418,639 ⁽²⁾	52.6

Maximum Scenario – Assuming all the Holders (save for the PACs and Undertaking Party) accept the Proposed Exit Offer

	As at 7 May 2024				(I) After the Proposed Exit Offer and upon conversion of ICPS				(II) After (I) and the Proposed Listing			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares (^{'000})	%	No. of Shares (^{'000})	%	No. of Shares (^{'000})	% ⁽³⁾	No. of Shares (^{'000})	% ⁽³⁾	No. of Shares (^{'000})	% ⁽⁶⁾	No. of Shares (^{'000})	% ⁽⁶⁾
ICT Zone Holding	427,720	72.8	-	-	427,720	64.6	-	-	417,379 ⁽⁵⁾	52.5	-	-
DS Ng	-	-	427,720 ⁽¹⁾	72.8	159,871	24.1	427,720 ⁽¹⁾	64.6	115,298 ⁽⁵⁾	14.5	417,379 ⁽¹⁾	52.5
Mr Lim	-	-	428,020 ⁽²⁾	72.9	140	*	428,980 ⁽²⁾	64.8	140	*	418,639 ⁽²⁾	52.6

Notes:

- * *Negligible.*
- (1) *Deemed interested by virtue of his shareholdings held through ICT Zone Holding pursuant to Section 8 of the Act.*
- (2) *Deemed interested by virtue of his shareholdings held through ICT Zone Holding as well as his spouse's shareholdings pursuant to Section 8 and Section 59(11) of the Act.*
- (3) *Based on the pro forma enlarged 662,453,200 ICT Zone Asia Shares in issue after the conversion of ICPS into ICT Zone Asia Shares and the completion of the Proposed Exit Offer.*
- (4) *After the Proposed Offer for Sale by ICT Zone Holding of 10,340,900 Shares*
- (5) *After the Proposed Offer for Sale by ICT Zone Holding of 10,340,900 Shares and by DS Ng of 44,572,400 Shares.*
- (6) *Based on the pro forma enlarged 795,453,200 ICT Zone Asia Shares in issue after the completion of the Proposed Listing.*

(v) Convertible securities

We note from **Section 6.5 of Part A of the Circular** that save for the outstanding 75,320,000 ICPS that is maturing on 21 January 2025, the Company does not have any other convertible securities as at the LPD. Any remaining ICPS that are not converted by 21 January 2025 shall be automatically converted into new ICT Zone Asia Shares at the conversion ratio of one (1) ICPS into one (1) new ICT Zone Asia Share.

The Proposals will not result in any adjustments to the ICPS.

(vi) Public shareholding spread

We note from **Section 7.2 of Part A of the Circular** that under the Proposed Listing, in addition to the Proposed Public Issue, ICT Zone Holding and/or DS Ng intend to offer a number of existing ICT Zone Asia Shares held by ICT Zone Holding and/or DS Ng via an offer for sale to meet the public shareholding spread requirement under Rule 3.10(1) of the ACE LR.

Pursuant to Rule 3.10(1) of the ACE LR, ICT Zone Asia must have at least 25% of its total number of ICT Zone Asia Shares for which listing is sought (excluding treasury shares, if any) to be in the hands of a minimum number of 200 public shareholders holding not less than 100 ICT Zone Asia Shares each.

We note that the Company undertakes to comply with the public shareholding spread requirements of the ACE LR upon the completion of the Proposals.

Based on the above, we are of the view that the overall financial effects of the Proposals and the Proposed Exit Offer are **not detrimental** to the interest of the Shareholders and ICPS Holders.

6.5 Industry outlook and prospects of the Group

The industry overview and outlook of the Malaysian economy, Malaysian ICT industry and Prospects of the Group are set out in **Section 5 of Part A of the Circular**.

6.5.1 Overview and outlook of the Malaysian economy

The Malaysian economy continued to expand in 2023 despite external headwinds

The Malaysian economy grew by 3.7% despite facing challenges stemming from weak external demand, disruptions in commodity production and higher cost of living. Growth was mainly supported by resilient domestic demand and recovery in tourism activities. On the external front, exports declined due to subdued global demand, lower commodity prices and shifts towards services spending. Additionally, improving labour market conditions coupled with supportive policy measures helped household spending, especially among the vulnerable households affected by higher cost of living. Private sector capital spending drove overall investment activity, particularly in information technology and electrical and electronics (E&E). In tandem with external trade performance, export-oriented industries saw some moderation in growth. Nonetheless, all sectors continued to expand in 2023.

The Malaysian economy is projected to grow between 4%–5% in 2024, underpinned by continued expansion in domestic demand and improvement in external demand

Growth will be driven by resilient domestic expenditure, with additional support from the expected recovery in exports. Tourism is expected to improve further, while the implementation of new and ongoing multi-year projects by both the private and public sectors would support investment activity. Nevertheless, domestic growth remains subject to downside risks from both external and domestic factors. External factors include a weaker-than-expected global growth and further escalation of geopolitical conflict. Domestically, more severe shocks on commodity production and the implementation of subsidy rationalisation could also weigh on the growth outlook, although this could be partially offset by targeted cash assistance from the Government. Greater spillover from the tech upcycle, stronger-than-expected tourism activity, and faster implementation of existing and new investment projects would provide upside risks to the domestic growth.

The core and headline inflation are expected to remain moderate against the backdrop of stable demand conditions and contained cost pressures. Upside risks include external drivers such as geopolitical tensions and weather disruptions impacting global commodity prices as well as changes in domestic policies related to subsidies and price controls. While the rationalisation of subsidies may have short-term implications on growth and inflation, well-planned and well executed implementation strategies alongside targeted cash assistance can help mitigate these effects.

(Source: Economic & Monetary Review 2023, Bank Negara Malaysia)

MainStreet's commentary:

Despite the challenging environment in the global landscape, we note that the Malaysian economy is expected to continue to grow, driven by resilient domestic expenditure, with additional support from the expected recovery in exports. The GDP is forecast to expand by 4% to 5% in 2024.

We also note that based on the Quarterly Bulletin for the 1st Quarter of 2024 issued by Bank Negara Malaysia, the growth outlook remains subject to downside risks arising from weaker-than-expected external demand and larger declines in commodity production. Meanwhile, upside risks to growth mainly emanate from greater spillover from the tech upcycle, more robust tourism activity and faster implementation of existing and new projects.

6.5.2 Overview and outlook of the Malaysian ICT industry

We take cognisance of the overview and outlook of the ICT industry in Malaysia as set out in the IMR Report by Providence in **Section 5.2 of Part A of the Circular** as follows:

ICT Solutions encompass ICT products as well as services have become increasingly important in organisations ranging from private businesses to government agencies, as dependency on technology continues to grow. The implementations of these solutions have often been essential for companies to run their day-to-day business operations, as well as perform transactions with customers and suppliers.

The ICT trading industry size in Malaysia grew from RM28.2 billion in 2018 to RM34.2 billion in 2022, registering a CAGR of 4.9% during the period. The ICT trading industry in Malaysia grew by an estimated 4.4% to RM35.7 billion in 2023 and is forecast to increase to RM37.3 billion in 2024. Meanwhile the ICT services industry size registered a CAGR of 6.6% during the same period, having grown from RM79.2 billion in 2018 to RM102.1 billion in 2022. The ICT services industry in Malaysia grew by 5.9% to an estimated RM108.1 billion in 2023 and is forecast to increase to RM114.3 billion in 2024.

Moving forward, Providence expects that the growth of the ICT solution industry will be supported by the following factors:

- (i) government initiatives to encourage digitalisation, which will drive demand for ICT Solutions;
- (ii) the digitalisation of the economy and rapid pace of technological evolution creates a need for enterprises to upgrade their ICT Solutions;
- (iii) increasing adoption of cloud computing is expected to lead to a growth in demand for ICT Solutions from data centres;
- (iv) growing number of companies indicates an increase in demand for ICT Solutions; and
- (v) benefits of reducing upfront investments for ICT Solutions for corporations and organisations.

(Source: Providence)

MainStreet's commentary:

We note that the ICT trading industry size in Malaysia grew by a CAGR of 4.8% from RM28.2 billion in 2018 to an estimated RM35.7 billion in 2023 and is forecast to increase to RM37.3 billion in 2024 whilst the ICT services industry size in Malaysia grew by a CAGR of 6.4% from RM79.2 billion in 2018 to an estimated RM108.1 billion in 2023 and is forecast to increase to RM114.3 billion in 2024. The robust core government policies, high-tech-focused national development, and accessibility of trained labour in the Malaysian ICT market have helped and are expected to continue to help promote the sector's growth in Malaysia moving forward.

6.5.3 Prospects of ICT Zone Asia Group

We take note of the details and current status/progress of the Group's business future plans as disclosed in the Information Memorandum is set out in **Section 5.4 of Part A of the Circular** and the prospects of the Group as set out in **Section 5.3 of Part A of the Circular**.

We also note that the Board is of the view that the ICT Zone Asia Group is well positioned to capitalise on the growing ICT industry in Malaysia and will continue to enjoy favourable prospects in the long term, by providing rental, leasing and trading of ICT Solutions, ICT cloud solutions and related services in Malaysia on the back of its historical track record.

Moving forward, the ICT Zone Asia Group intends to leverage on its existing customer base to expand its revenue stream from ICT cloud solutions. The ICT Zone Asia Group will analyse and evaluate the current needs and usage patterns of its existing customers to introduce cloud solutions as complementary offerings that specifically address their requirements and collaborate with Channel Partners and Strategic Partners in the government sector. Through cross-selling, the ICT Zone Asia Group can promote cloud solutions to customers who are not currently using them. These ICT cloud solutions include device management such as security management, data backup as well as device replacement or upgrades.

Against this backdrop, ICT Zone Asia Group is seeking a transfer of listing from the LEAP Market to the ACE Market to facilitate its future growth and strengthen its market presence.

(Source: ICT Zone Asia Group's Management)

We note that the ICT industry in Malaysia is expected to grow underpinned by the growing ICT solution industry in Malaysia and supported by the robust core government policies, high-tech-focused national development and accessibility of trained labour. Premised on the above and based on the generally positive outlook on the Malaysian economy, we are of the view that the overall prospects of the ICT Zone Asia Group following the completion of the Proposals are favourable.

Nonetheless, we wish to highlight that all businesses are subject to uncertainties which are not within the Board's control such as, amongst others, changes in government policies, changes in interest rates, changes in global economic conditions and changes in the ICT industry in Malaysia.

6.6 Risk factors for the Proposals

Section 4 of Part A of the Circular sets out the following risk factors of the Proposals:

(i) Completion risks

We note that the completion of the Proposals is dependent on the Pre-Conditions as set out in **Section 10 of Part A of the Circular** (which include approvals from the Shareholders and ICPS Holders) being satisfied/fulfilled. The non-satisfaction/non-fulfilment of the Pre-Conditions will hinder the implementation of the Proposals and the Proposed Exit Offer and hence ICT Zone Asia Shares and ICPS will remain listed on the LEAP Market. As a result, ICT Zone Asia will not be able to tap into a wider pool of investors on the ACE Market, which includes individuals and entities that do not fall under the sophisticated investors specified in the Guidelines on Categories of Sophisticated Investors issued by the SC.

We note that the Group intends to expand its technology financing business as well as strengthen its market visibility and brand recognition through greater marketing efforts as set out in **Section 2.2.6 of Part A of the Circular**. The implementation of these future plans is subject to additional expenditures including purchase of ICT hardware and software, finance costs, legal fees and insurance expenses, which are expected to be funded via the proceeds from the Proposed Public Issue. Such additional capital expenditures will increase the Group's operational costs including the depreciation costs which may adversely affect the Group's financial performance if they are unable to generate sufficient revenue or turnover following the implementation of these future plans.

The Company intends to allocate RM4.1 million from the proceeds of the Proposed Public Issue for the expenses in relation to the Proposals, which include advisory and professional fees, underwriting, brokerage and placement fees, fees payable to the relevant authorities for the Proposals and other miscellaneous expenses. In the event of non-implementation of the Proposals, the Company will still be required to pay the accrued cost to the relevant

parties using its internally generated fund, which may, in turn, have an adverse impact on the results of the Company's operations and financial condition. As at the LPD, the Company has been billed for approximately RM0.6 million in relation to the Proposals of which RM0.2 million was recorded as expenses and RM0.4 million was recorded as prepayment.

If the Proposals are not fully implemented and/or aborted or there is a delay in implementing the Proposals and the receipt of proceeds arising therefrom, we note that the Group will still continue with its business, including implementing its future plans as set out in **Section 2.2.6 of Part A of the Circular** (albeit on a more staggered basis) via internally generated funds, bank borrowings and/or other fund-raising exercises, of which the breakdown could not be determined at this juncture as it would depend on the mode and quantum of funds available to the Group at that point in time.

Notwithstanding the above, there is no assurance that the execution of the Group's future plans will increase the Group's profitability in the future, nor will the Group be able to anticipate all the risks and uncertainties that may arise during the implementation of these future plans, which may adversely affect the Group's earnings growth, future results of operations and prospects.

(ii) Investment risks

We note that the investment risk in relation to the Proposals is of the basis that the IPO Price is not fixed at this juncture and a different illustrative IPO Price may be stated in the Circular, the Notice and the Offer Document. The final IPO Price will be determined after taking into consideration various factors and these factors could cause the Share price to fluctuate which may adversely affect the market prices of the Shares.

There can be no assurance on whether:

- (i) the final IPO Price will be the same or higher than the Company's Shares and ICPS price traded on the LEAP Market;
- (ii) the Shares will trade at or above the final IPO Price after the listing on the ACE Market; and/or
- (iii) that the Shares, upon listing on the ACE Market, will trade at a price above the Company's Share and ICPS price on LEAP Market.

We also note that the price of the Shares upon completion of the Proposals may be subject to significant price fluctuations and frequent volatility that has not been experienced by the shareholders of ICT Zone Asia during its listing on the LEAP Market. Upon the Company's listing on the ACE Market, ICT Zone Asia will have access to a wider pool of investors and will therefore experience fluctuations in the market price of ICT Zone Asia Shares as influenced by, amongst others, the prevailing market sentiments, the volatility of stock market, movements in interest rates, outlook of the industry in which the Group operates in, the Group's financial performance, vagaries of market forces and other uncertainties.

If the final IPO Price is below the Company's Shares and ICPS prices traded on the LEAP Market or, upon listing on the ACE Market, the Shares are traded at a price below the Company's Shares and ICPS prices on the LEAP Market or the final IPO Price, this will result in an immediate unrealised loss or paper loss for the Shareholders and ICPS Holders without the guarantee of recovering your initial investment immediately.

We are of the opinion that as long as the investment cost in ICT Zone Asia Shares and ICPS (including the ICPS allotted from redemption of interest scheme) is lower than the final IPO Price, albeit the final IPO Price might be lower than the current indicative IPO

Price, the Shareholders and ICPS Holders will be able to realise a higher return on their investment in ICT Zone Asia.

(iii) Risk of shareholding dilution

We note that upon completion of the Proposed Public Issue, the issuance of new Shares will result in a dilution of the percentage shareholdings and voting interest of the existing shareholders of the Company (post full conversion of the ICPS) proportionate to the Company's enlarged issued share capital. Consequently, your proportionate entitlement to any future distribution, rights and/or allotment that the Company may make or declare after completion of the Proposals will be diluted correspondingly.

(iv) No prior market for the Securities on the ACE Market and it is uncertain whether a sustainable market for the Securities on the ACE Market will ever develop

We note that prior to the Proposals, there is no prior public market for the ICT Zone Asia Shares on the ACE Market. Accordingly, there is no assurance that upon completion of the Proposals, an active market for the Shares on the ACE Market will develop or if developed, that such a market will be sustainable. In addition, there is also no assurance as to the liquidity of any market that may develop for the Shares, the ability of Holders to sell the Shares or the prices at which Holders would be able to sell the Shares on the ACE Market.

It is pertinent to recognise that although efforts and measures would be taken by the Company to ensure that the risks associated with the Proposals are mitigated, no assurance can be given that one or a combination of risk factors will not occur and give rise to material and adverse impact on the business and operations of the Group, its competitiveness, financial performance, financial position, or prospects thereon, and that ICT Zone Asia Shares will trade at or above the final IPO Price or its share price on the LEAP Market upon ICT Zone Asia's listing on the ACE Market.

In evaluating the Proposals, Shareholders and ICPS Holders should carefully consider the said risk factors and their respective mitigating factors prior to voting on the resolution pertaining to the Proposals at the respective forthcoming EGMs for the Shareholders and ICPS Holders. Shareholders and ICPS Holders should also note that the risk factors mentioned therein are not meant to be exhaustive.

Notwithstanding the above risk factors, we are of the view that the rationale and justifications of the Proposals as disclosed in **Section 3 of Part A of the Circular**, outweigh the potential risks highlighted above as the Proposed Transfer of Listing will benefit the Shareholders and ICPS Holders by holding ACE Market listed ICT Zone Asia Shares that are accessible to a wider pool of investors which offers a more robust listing environment and there will be relatively greater vibrancy, higher liquidity, and better price discovery. As such, the remaining Shareholders and ICPS Holders will be able to realise their investment in ICT Zone Asia in the open market. Additionally, the indicative utilisation of proceeds from the Proposed Public Issue, which will be undertaken in conjunction with the Proposed Transfer of Listing, will enable the Group to expand its technology financing business as well as strengthen its market visibility and brand recognition through greater marketing efforts. This could potentially improve the Group's financial performance in the future.

7. OUR EVALUATION OF THE PROPOSED EXIT OFFER

In arriving at our recommendation in respect of the Proposed Exit Offer, we have assessed the fairness and reasonableness of the Proposed Exit Offer in accordance with Paragraph 1 to Paragraph 6 under Schedule 2: Part III of the Rules, whereby:

- (i) in relation to a take-over, the term "fair and reasonable" should generally be analysed as two (2) distinct criteria i.e. whether the offer is "fair"; and whether the offer is "reasonable", rather than as a composite term;

- (ii) the take-over offer is considered “fair” if the offer price (or value of consideration) is equal to or higher than the market price and is also equal to or higher than the value of the securities of the offeree. However, if the offer price (or value of consideration) is equal to or higher than the market price but is lower than the value of the securities of the offeree, the take-over offer is considered as “not fair”. In making the assessment, the value of the securities of the offeree is determined based on the assumption that 100% of the issued shares of the offeree is being acquired;
- (iii) pursuant to paragraph 4 of Schedule 2: Part III of the Rules, in considering whether a take-over offer is “reasonable”, the independent adviser should take into consideration matters other than the valuation of the securities that are subject of the take-over offer. Generally, a take-over offer would be considered “reasonable” if it is “fair”. Nevertheless, an independent adviser may also recommend for shareholders to accept the take-over offer despite it being “not fair”, if the independent adviser is of the view that there are sufficiently strong reasons to accept the offer in the absence of a higher bid and such reasons should be clearly explained. If there were inadequate justifications, such take-over offer should be regarded as ‘not reasonable’ and thus, the recommendation would be to reject the offer;
- (iv) the independent adviser should take into consideration all relevant factors in evaluating whether an offer is ‘reasonable’ including, but not limited to, the following:
 - (a) the existing shareholding of the offeror and persons acting in concert with the offeror in the offeree and their ability to pass special resolutions or control the assets of the offeree;
 - (b) any other significant shareholding in the offeree, other than (a) above;
 - (c) the liquidity of the market in the offeree’s securities;
 - (d) the expected market price if the take-over offer is unsuccessful; and
 - (e) the likelihood and value of alternative offers or competing offers before the close of the take-over offer; and
- (v) in the event that the independent adviser concludes that the offer is “not fair but reasonable”, the independent adviser must clearly explain the following:
 - (a) what is meant by “not fair but reasonable”;
 - (b) how has the independent adviser reached to this conclusion; and
 - (c) the course of action that the shareholders are recommended to take pursuant to the conclusion.

For the evaluation of the Proposed Exit Offer, we have taken into consideration the following factors:

	Fairness of the Proposed Exit Offer	Details in this IAL
(i)	Valuation of the ICT Zone Asia Shares	Section 8.1
(ii)	Historical share price analysis of the ICT Zone Asia Shares	Section 8.2
(iii)	Valuation of the ICPS	Section 8.3
(iv)	Historical share price analysis of the ICPS	Section 8.4
(v)	Illustrative IPO Price comparison	Section 8.5

	Reasonableness of the Proposed Exit Offer	Details in this IAL
(i)	Listing status of ICT Zone Asia	Section 9.1
(ii)	Compulsory acquisition	Section 9.2
(iii)	Rights of dissenting shareholders and ICPS holders	Section 9.3

8. FAIRNESS OF THE PROPOSED EXIT OFFER

We have assessed the fairness of the Share Exit Offer Price and ICPS Exit Offer Price by taking into consideration the following:

8.1 Valuation of the ICT Zone Asia Shares

The ICT Zone Asia Group is principally involved in (i) technology financing; (ii) trading of ICT Solutions; (iii) provision of ICT services; and (iv) provision of cloud solutions and services.

A summary of the consolidated financial information of ICT Zone Asia Group for the past four (4) financial years up to the FYE 2024 are set out below:

	Audited			Unaudited
	FYE 31 January			
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Revenue	39,561	52,033	75,058	114,428
GP	9,762	12,136	15,797	20,901
Other operating income	1,717	643	798	662
Finance costs	(1,779)	(892)	(1,586)	(3,723)
PBT	5,721	6,429	8,176	8,972
Tax expense	(1,845)	(2,059)	(1,800)	(1,517)
PAT	3,876	4,370	6,376	7,455
PAT attributable to owners of the Company	3,876	4,283	6,338	7,342
Dividend paid to Shareholders	-	-	-	-
Dividend paid to ICPS holders	1,506	1,506	1,506	1,506
EBITDA	21,429	23,658	30,944	48,022
GP margin (%)	24.68	23.32	21.05	18.27
PBT margin (%)	14.46	12.36	10.89	7.84
PAT margin (%)	9.80	8.40	8.49	6.52
Number of Shares in issue ('000)	533,758	533,758	533,758	587,133
Number of ICPS in issue ('000)	75,320	75,320	75,320	75,320
Basic EPS (sen)	0.73	0.80	1.19	1.25
Diluted EPS (sen)	0.64	0.70	1.04	1.11

FYE 31 January 2022 vs FYE 31 January 2021

The Group's revenue increased by RM12.47 million or 31.52% to RM52.03 million in FYE 2022 as compared to RM39.56 million in FYE 2021. This was mainly due to the higher sales for the Group's trading of ICT Solutions segment as a result of a contract secured from the government sector during the FYE 31 January 2022. In addition, the income recognition of RM5.1 million or 9.7% of the Group's total revenue from the new cloud solutions and services segment via the Acquisition of HaaS on 22 November 2021 also contributed to the increase in revenue for the FYE 31 January 2022.

The Group's PAT also increased by RM0.49 million or 12.63% to RM4.37 million in FYE 2022 as compared to RM3.88 million in FYE 2023. This was mainly attributable to higher gross profit contributed from the rental of ICT Solutions segment mainly as a result of lower cost of ICT Solutions attributable to the extension of expired rental contracts under the technology financing segment as well as the lower finance costs incurred for the year due to redemption of ICT Zone Ventures Scheme in January 2020 and April 2020. For information purposes, in order to finance and support its business operations, ICT Zone Ventures had launched the first interest scheme on 28 March 2011 (which was subsequently converted from a conventional interest scheme to Shariah-compliance scheme after a year from its launch) and second Shariah-compliance interest scheme on 20 October 2014. Up to January 2019, ICT Zone Ventures had raised a total of RM34.1 million from both schemes. The interest schemes were redeemed and terminated subsequently to facilitate the ICT Zone Asia Group's listing of its entire issued share capital on the LEAP Market of Bursa Securities.

The Group's PAT margin decreased by 1.4% to 8.4% for the FYE 31 January 2022 (FYE 31 January 2021: 9.8%), which was mainly attributable to the lower interest income from fixed deposit and increase in staff costs.

For information purposes, save for the professional costs incurred for the Group's listing on the LEAP Market in the FYE 31 January 2021 amounting to RM0.70 million, there is no exceptional item for the FYE 31 January 2021 and FYE 31 January 2022.

FYE 31 January 2023 vs FYE 31 January 2022

The Group's revenue increased by RM23.03 million or 44.26% to RM75.06 million in FYE 2023 as compared to RM52.03 million in FYE 2022. This was mainly due to (i) higher sales from trading of the ICT Solutions segment in response to the adoption of hybrid working environment after the reopening of the Malaysian economy as well as the contracts secured from the corporate and government sectors; and (ii) higher revenue from the technology financing segment which was mainly attributable to the extension of expired rental contracts and additional financing obtained from the financial institutions as well as a better pricing strategy implemented by the Group which allowed the Group to secure additional contracts from the corporate and government sectors.

The 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, in tandem with the increase in the Group's revenue. 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 the Group's business expansion.

There is no exceptional item for the FYE 31 January 2023.

FYE 31 January 2024 vs FYE 31 January 2023

The Group's revenue increased by RM39.37 million or 52.45% to RM114.43 million in FYE 31 January 2024 as compared to RM75.06 million in FYE 31 January 2023. This was mainly due to the extension of expired rental contracts and additional contracts secured during the FYE 31 January 2024. The additional funds obtained from private placement exercise undertaken during the year and the financing obtained from the financial institutions as well as a better pricing strategy implemented by the Group, allowed the Group to secure additional contracts from the corporate and government sectors in the FYE 31 January 2024.

The Group's PAT also increased by RM1.08 million or 16.93% to RM7.46 million in FYE 31 January 2024 as compared to RM6.38 million in FYE 31 January 2023, in tandem with the increase in the Group's revenue as explained above. The increase in gross profit was partially offset by an increase in finance cost and staff costs with additional headcount to support the Group's business expansion and one-off expenses for the private placement exercise undertaken during the year.

The Group's PAT margin has decreased by 2.0% to 6.5% for the FYE 31 January 2024 (FYE 31 January 2023: 8.5%), which was mainly attributable to higher finance cost and increase in staff costs as well as one-off expenses for Private Placement.

For information purposes, save for the one-off expenses incurred for the Private Placement in the FYE 31 January 2024 amounting to RM0.21 million, there is no exceptional item for the FYE 31 January 2024.

For information purposes, the Group's technology financing businesses' total unbilled order book as at LPD is RM242.52 million. The unbilled order books of RM242.52 million are expected to be progressively translated to revenue and profit over the next five (5) financial years.

In arriving at the value of ICT Zone Asia Shares, we have considered the DCF methodology as the primary valuation methodology and relative valuation analysis using P/E Multiple and EV/EBITDA Multiple as a cross check valuation methodology based on the following justifications:

- (i) we note that the Group's financial performance, financial position and total unbilled order book have been consistently growing during the last five (5) FYEs. As at the LPD, the Group has a total unbilled order book of RM242.52 million, to be recognised progressively over the next five (5) financial years. Premised on this, the stream of the Group's future cash flows is expected to be fairly predictable in the immediate term and the key bases and assumptions of the Future Financials as prepared by the management of ICT Zone Asia can be supported by the Group's unbilled order book as well as historical financial performance trend. Therefore, we are able to apply earnings-based valuation methodologies such as P/E Multiple, EV/EBITDA Multiple and DCF based approach as a basis to determine the fair value of ICT Zone Asia Shares; and
- (ii) in view that ICT Zone Asia's underlying value is more likely to be derived from its business operations of technology financing, trading of ICT Solutions and provision of ICT services as well as cloud solutions and services rather than its underlying assets, asset-based valuation methodologies such as revalued net asset valuation may not accurately reflect the potential worth of ICT Zone Asia Group.

DCF methodology

The DCF approach considers both the time value of money and the future cash flows to be generated from business over a specified period of time. As the methodology entails the discounting of future cash flows to be generated from the business at an appropriately selected discount rate to arrive at the enterprise value of the business, the riskiness of generating such cash flows will also be taken into consideration.

We have reviewed the Future Financials, which was prepared by the management of ICT Zone Asia based on forecast on a best-effort basis. We have considered and evaluated the key bases and assumptions used in the preparation of the Future Financials and are of the view that the bases and assumptions are reasonable given the prevailing circumstances and significant factors that are known as at the LPD. We had also reviewed the arithmetic accuracy of the Financial Projections. Notwithstanding this, we do not, in any way, guarantee or otherwise warrant the achievability of the Future Financials. As far as the Future Financials are concerned, ICT Zone Asia remains ultimately responsible for the accuracy, completeness and reliability of the Future Financials including the underlying bases and assumptions.

The Future Financials, together with the bases and assumptions adopted herein, have been reviewed and approved by the Board. Please note that the Future Financials inherently has its limitation as it is projected over an extended period of time and is subject to meeting the bases and assumptions which might be affected by the then prevailing market conditions and business risks which may not be within the control or foresee by the management of ICT Zone Asia Group during the period of the Future Financials.

The key bases and assumptions adopted in the preparation of the Future Financials are as follows:

- (a) the Group's business will continue to operate on a going concern basis and is expected to sustain its operations in perpetuity;
- (b) the unbilled order book of RM242.52 million (as at LPD) secured by the ICT Zone Asia Group shall be deployed over the course of the Future Financials;
- (c) there will not be any significant or material changes in the principal activities of the ICT Zone Asia Group;
- (d) sufficient internally generated funds and bank borrowings will be available to finance the working capital requirements and capital expenditure of the Group's business activities without any material adverse effect on the financial results, cash flows or business prospects of the Group;
- (e) there will not be any significant or material increase in costs which is expected to have a material adverse effect on the financial results, cash flows, or business prospects;
- (f) there will not be any significant changes in present legislation or government regulations which will adversely affect the business activities of the Group;
- (g) the current accounting policies adopted by the ICT Zone Asia Group will remain relevant and there will not be any significant changes in the accounting policies of the ICT Zone Asia Group which have a material adverse impact on the financial performance and financial position of the ICT Zone Asia Group; and
- (h) there will not be any significant or material changes in political, social, and economic conditions, monetary and fiscal policies, inflation and regulatory requirements of the industry and/or countries in which the ICT Zone Asia Group operates in subsequent to the LPD which may have an adverse effect on the financial performance and financial position of the Group.

(The rest of this page has been intentionally left blank)

Our valuation, together with the key bases and assumptions adopted as at 31 January 2024 (which represents the start of the Future Financials as prepared by the management of ICT Zone Asia), are as follows:

No.	Key bases and assumptions as at:		Descriptions
		31 January 2024	
1.	Free cash flow to equity (“FCFE”)	Based on the Future Financials	<p>There are two commonly used methods of DCF valuation namely FCFE and free cash flow to the firm (“FCFF”). FCFE is free cash flow from operations available to the equity holders of a company after taking into consideration all operating expenses, movements in working capital, net investing cash flows and net financing cash flows. FCFF is the free cash flow from operations available to all capital providers of a company including debt holders and equity holders after taking into consideration all operating expenses, movements in working capital and net investing cash flows, but without the net financing cash flows. We are of the view that FCFE (instead of FCFF) is the most appropriate approach to compute the equity value of ICT Zone Asia to the equity holders (instead of all investors, including debt holders and equity holders) as this approach is able derive the present value of all future cash flows from the business of the ICT Zone Asia Group attributable to the Shareholders (as opposed to deriving the value of the business as a whole) and therefore has adopted it in determining the fair value of ICT Zone Asia Share. As such, the cost of equity was chosen as the adopted discount rate.</p> <p>We have reviewed the Future Financials and the bases and assumptions used in its preparation and are of the opinion that they have been reasonably prepared on bases reflecting the best currently available estimates and judgement by the management of ICT Zone Asia and of which the management of ICT Zone Asia is solely responsible for. It should also be noted that our evaluation in itself is highly dependent on, amongst others, the achievability of the Future Financials as well as the materialisation of the bases and assumptions used therein.</p> <p>In order to derive the equity value of ICT Zone Asia, we have first discounted the FCFE projected to be generated from the business of ICT Zone Asia Group at an appropriate cost of equity to reflect the rate of return required by the providers of capital for the business.</p>

No.	Key bases and assumptions as at:		Descriptions
		31 January 2024	
2.	Cost of equity (“ K_e ”)	9.00%	<p>K_e = Cost of equity, which represents the rate of return required by an investor on the cash flow streams generated by the business given the risks associated with the cash flows. In deriving the cost of equity for ICT Zone Asia, we have adopted the capital asset pricing model (“CAPM”) and derived an estimated cost of equity with the following inputs:</p> $K_e = R_f + \beta(R_m - R_f)$ <p>The components of CAPM are explained in Items 3, 4 and 5 of this table.</p>
3.	Risk-free return (“ R_f ”)	3.79%	<p>Risk-free rate of return represents the expected rate of return from a risk-free investment. The closest available approximation of the risk-free rate of return is the yield of ten (10)-year Malaysian Government Securities as at 31 January 2024, as extracted from the Bank Negara Malaysia website.</p>
4.	Expected market rate of return (“ R_m ”)	9.58%	<p>Expected market rate of return represents the expected rate of return for investing in a portfolio consisting of a weighted sum of assets representing the entire equity market.</p> <p>In our opinion, the expected rate of return for FTSE Bursa Malaysia Top 100 Index (which is a reasonable representative of a diversified market portfolio) is a good indicator of the equity market return in Malaysia. Given the volatility of the stock market and market cycles, we view that a ten (10)-year historical expected rate of return of the said index is an appropriate estimate of the expected market rate of return as it normalises the year-on-year fluctuations of the stock market and mitigates market bias.</p> <p>We have derived an average expected market rate of return in Malaysia for the past ten (10) years up to 31 January 2024, as extracted from Bloomberg.</p>

No.	Key bases and assumptions as at:		Descriptions
		31 January 2024	
5.	Beta (“β”)	0.90	<p>Beta is the sensitivity of an asset’s return relative to the market’s return. A beta of more than +1 means the asset’s return is riskier compared to the market and vice versa.</p> <p>In deriving the estimated beta of ICT Zone Asia, we have adopted the re-levered average of unlevered historical raw betas of the Comparable Companies for the past three (3) years. Relying on the three (3)-year historical beta of the peers is appropriate as it will capture the characteristics and risk profiles of the companies that are comparable to ICT Zone Asia today and adequately estimate the systematic risks (relying on the beta of a longer time period may include covering a time period where a peer may have materially different characteristics and risk profiles (e.g. due to, amongst others, being in a different industry life cycle, position in the value chain and/or different product mix) which would then declassify such peer from being comparable with ICT Zone Asia.</p> <p>As the historical adjusted beta extracted from Bloomberg is based on the capital structure of the respective companies, we have unlevered the respective beta and re-levered the average beta of the Comparable Companies based on the current capital structure of ICT Zone Asia as at 31 January 2024 which is a Debt to Equity (“D/E”) ratio of 0.6114. We have re-levered the beta based on the following formula:</p> $\begin{aligned} \text{Re-levered beta} &= \text{Average un-levered beta} \times [1 + (1 - \text{tax rate}) \times \text{D/E Ratio of ICT Zone Asia}] \\ &= 0.6149 \times 1.4647 = 0.9006 \end{aligned}$ <p>As there are no comparable companies listed on the LEAP Market, the comparable companies that were selected are public companies listed on the ACE Market and Main Market based on the following criteria:</p> <ul style="list-style-type: none"> • principally involved in the provision of ICT products and services; • market capitalisation of less than RM1.00 billion; and • recorded profits in its latest audited financial statements.

No.	Key bases and assumptions as at:		Descriptions																								
	31 January 2024																										
			<p>Please note that the selection of comparable companies is highly subjective and judgmental and the selected comparable companies may not be entirely comparable due to various factors such as composition of business activities, scale and size of operations, risk profiles and track records.</p> <p>The Comparable Companies identified together with their market capitalisation as at 31 January 2024 and their respective un-levered beta are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 5%;">No</th> <th style="width: 45%;">Company</th> <th style="width: 25%;">Market capitalisation (RM'000)</th> <th style="width: 25%;">Un-levered beta (times)</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>SNS</td> <td style="text-align: right;">370,939</td> <td style="text-align: right;">0.390</td> </tr> <tr> <td>(ii)</td> <td>VSTECS</td> <td style="text-align: right;">531,268</td> <td style="text-align: right;">0.479</td> </tr> <tr> <td>(iii)</td> <td>Mesiniaga</td> <td style="text-align: right;">86,979</td> <td style="text-align: right;">0.557</td> </tr> <tr> <td>(iv)</td> <td>Edaran</td> <td style="text-align: right;">68,907</td> <td style="text-align: right;">1.034</td> </tr> <tr> <td colspan="3" style="text-align: right;">Average un-levered beta</td> <td style="text-align: right;">0.615</td> </tr> </tbody> </table>	No	Company	Market capitalisation (RM'000)	Un-levered beta (times)	(i)	SNS	370,939	0.390	(ii)	VSTECS	531,268	0.479	(iii)	Mesiniaga	86,979	0.557	(iv)	Edaran	68,907	1.034	Average un-levered beta			0.615
No	Company	Market capitalisation (RM'000)	Un-levered beta (times)																								
(i)	SNS	370,939	0.390																								
(ii)	VSTECS	531,268	0.479																								
(iii)	Mesiniaga	86,979	0.557																								
(iv)	Edaran	68,907	1.034																								
Average un-levered beta			0.615																								
6.	Perpetual growth rate (“g”)	2.0%	<p>Perpetual growth rate is the constant annual rate at which the FCFE is assumed to grow indefinitely beyond the forecast period of the Future Financials of ICT Zone Asia. We adopted a perpetual growth rate of 2.0% after taking into consideration:</p> <ul style="list-style-type: none"> the Group’s consistent revenue growth for the past four (4) financial years up to the FYE 2024 which ranges from 32% to 52%; and the average 10-year annual inflation rate from 2014 to 2023 in Malaysia of 2.0%. <i>(Source: Department of Statistics Malaysia Official Portal)</i> 																								
7.	Fair value of ICT Zone Asia	RM139.15 million	<p>The formula used to derive the fair value of ICT Zone Asia is as follows:</p> $\begin{aligned} \text{Fair value of ICT Zone Asia} &= \text{Present value of projected FCFE based on the Future Financials of ICT Zone Asia Group}^{(1)} + \text{Present value of terminal value}^{(2)} \\ &= \text{RM28.99 million} + \text{RM110.16 million} \end{aligned}$																								

No.	Key bases and assumptions as at:		Descriptions
		31 January 2024	
			<p>Notes:</p> <p>(1) Computed based on the following formula:</p> $\text{Present value of FCFE} = \frac{\text{FCFE}}{(1 + K_e)^n}$ <p>whereby, <i>n</i> represents time, in years into the future.</p> <p>(2) Computed based on the following formula:</p> $\text{Present value of terminal value} = \frac{\text{FCFE for FYE 2028} \times (1 + g)}{(K_e - g)} \times \frac{1}{(1 + K_e)^n}$ <p>whereby, <i>n</i> represents the last financial year of the Future Financials of ICT Zone Asia Group in which the expected sustainable level of FCFE is derived based on the expected cash flow to perpetuity.</p>

(The rest of this page has been intentionally left blank)

Based on the above, we have then derived the value per share of ICT Zone Asia Share as follows:

	31 January 2024
	RM
Equity value of ICT Zone Asia	139,147,154
No. of Shares in issue	587,133,200
Estimated value per ICT Zone Asia Share (RM)	0.2370
Discount of the Share Exit Offer Price to the estimated value per ICT Zone Asia Share (RM)	0.0370
Discount of the Share Exit Offer Price to the estimated value per ICT Zone Asia Share (%)	15.61

For your information, the ICPS are due to mature on 21 January 2025. Any remaining ICPS which are not converted by 21 January 2025 shall be automatically converted into new ICT Zone Asia Shares at the conversion ratio of one (1) ICPS into one (1) new ICT Zone Asia Share.

In this regard, we have also derived the estimated value per ICT Zone Asia Share on a diluted basis assuming the full conversion of 75,320,000 ICPS, as follows:

	31 January 2024
	RM
Equity value of ICT Zone Asia	139,147,154
No. of proforma enlarged Shares	662,453,200
Estimated diluted value per ICT Zone Asia Share (RM)	0.2100
Discount of the Share Exit Offer Price to the estimated diluted value per ICT Zone Asia Share (RM)	0.0100
Discount of the Share Exit Offer Price to the estimated diluted value per ICT Zone Asia Share (%)	4.76

Based on the above, the Share Exit Offer Price of RM0.20 per Offer Share represents the following:

- a discount of RM0.0370 or approximately 15.61% to the estimated fair value of ICT Zone Asia Share of RM0.2370 based on the DCF valuation; and
- a discount of RM0.0100 or approximately 4.76% to the estimated diluted fair value of ICT Zone Asia Share of RM0.2100 (after full conversion of the ICPS) based on the DCF valuation.

Premised on the above, we are of the view that the Share Exit Offer Price of RM0.20 per Offer Share is **not fair**.

To further support the valuation derived from the DCF methodology, we have adopted a P/E Multiple and EV/EBITDA Multiple comparison method as a cross-check method to determine how the estimated P/E Multiple and EV/EBITDA Multiple, derived from the estimated value per ICT Zone Asia Share under the DCF methodology, compares with the traded P/E Multiples and EV/EBITDA Multiples of the Comparable Companies.

Under the P/E Multiple and EV/EBITDA Multiple analysis, the parameters used for the selection of comparable companies is identical to the DCF methodology. The trading P/E Multiples and EV/EBITDA Multiples of the Comparable Companies to the Group as at the LPD are as follows:

Selected comparable companies	P/E Multiple	EV/ EBITDA
	(times)	(times)
SNS	18.43	8.88
VSTECS	13.86	9.59
Mesiniaga	23.99	13.03
Edaran	28.80	6.16
High	28.80	13.03
Low	13.86	6.16
Simple average	21.27	9.42

Based on our estimated value per ICT Zone Asia Share of RM0.2100 (as derived on page 45 above on a fully diluted basis assuming the full conversion of 75,320,000 ICPS) and the total enlarged number of 662,453,200 ICT Zone Asia Shares (assuming full conversion of ICPS) as at the LPD, the illustrative P/E Multiple and EV/EBITDA Multiple of ICT Zone Asia is computed as follows:

	Estimated diluted fair value per Share	Market capitalisation ⁽¹⁾	Diluted earnings per share ⁽²⁾	EV ⁽³⁾	EBITDA ⁽⁴⁾	P/E Multiple ⁽⁵⁾	EV/ EBITDA Multiple ⁽⁶⁾
	(RM)	(RM'000)	(sen)	(RM'000)	(RM'000)	(times)	(times)
	(A)		(B)	(C)	(D)	(A)/(B)	(C)/(D)
ICT Zone Asia	0.2100	139,115	1.17	227,039	48,373	17.92	4.69

Notes:

- (1) Computed based on the share price multiplied by the total enlarged number of 662,453,200 ICT Zone Asia Shares (assuming full conversion of ICPS) as at the LPD.
- (2) Computed based on the trailing 12-month profit after tax over the total enlarged number of 662,453,200 ICT Zone Asia Shares (assuming full conversion of ICPS) as at the LPD.
- (3) Computed based on the formula of (market capitalisation – cash and cash equivalents + debts + non-controlling interest).
- (4) Computed based on the formula of profit before tax – finance income + finance costs + depreciation + amortisation).
- (5) Computed based on the share price divided by the diluted earnings per share.
- (6) Computed based on the EV divided by the EBITDA.

From the above table, we note the following:

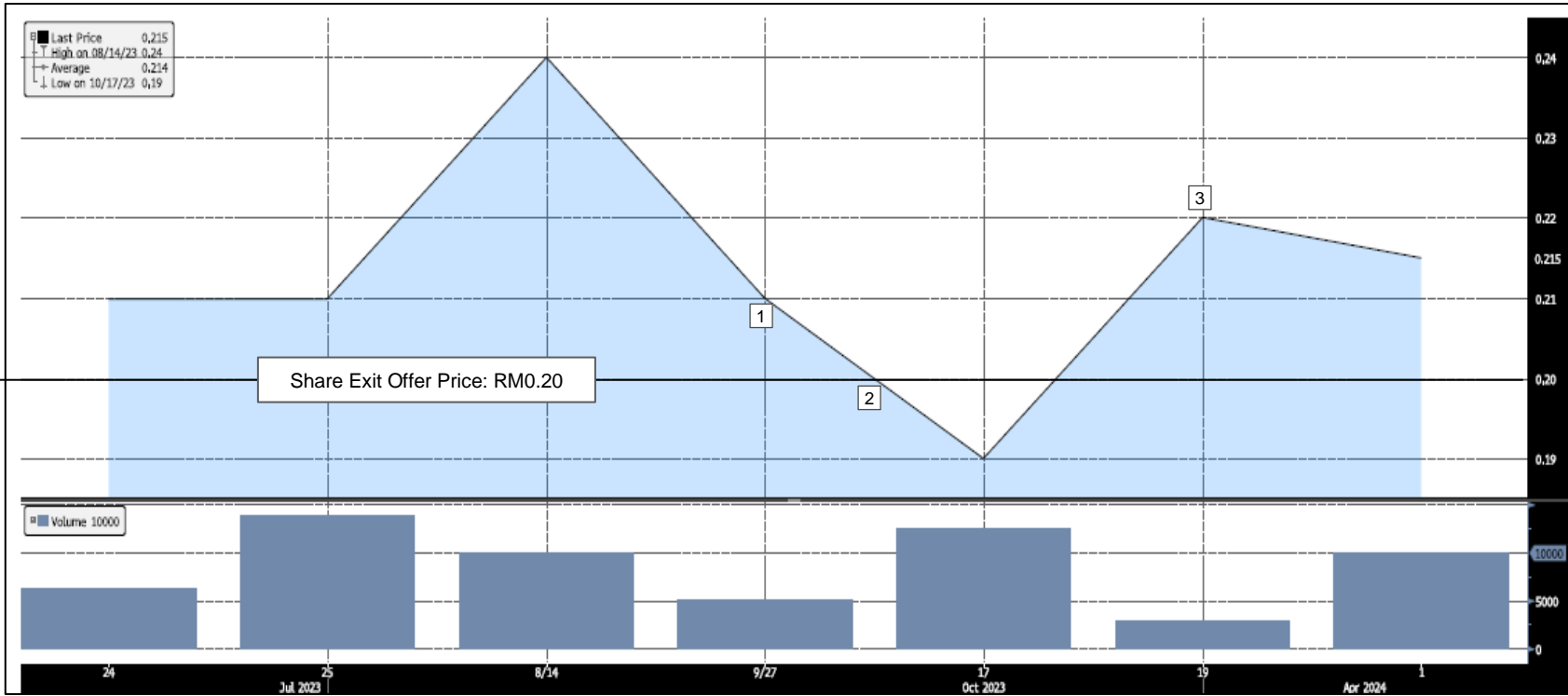
- the illustrative P/E Multiple of ICT Zone Asia of approximately 17.92 times is **within the range** of P/E Multiples of the Comparable Companies of between 13.86 times and 28.80 times; and
- the illustrative EV/EBITDA Multiple of ICT Zone Asia of approximately 4.69 times is **below the range** of EV/EBITDA Multiples of the Comparable Companies of between 6.16 times and 13.03 times.

For your information, we have not computed the P/E Multiple and EV/EBITDA Multiple based on the total enlarged number of 795,453,200 ICT Zone Asia Shares in issue (assuming full conversion of ICPS and issuance/allotment of Issue Shares) as at the LPD in view that the Proposed Exit Offer would have been completed prior to the Proposed Public Issue and thus will not involve the Issue Shares.

(The rest of this page has been intentionally left blank)

8.2 Historical share price analysis of the ICT Zone Asia Shares

The chart below sets out the historical daily closing price movements of the Shares for the past one (1) year up to the LPD compared to the Share Exit Offer Price of RM0.20 per Offer Share. We note that ICT Zone Asia Shares are generally traded at a higher price than the Share Exit Offer Price as depicted in the chart below.



(Source: Bloomberg)

Apart from the announcements made on the Bursa Securities for the past one (1) year up to the LPD below, to the best of our knowledge and upon confirmation from the management of ICT Zone Asia, there have been no material news/developments throughout the period of analysis which may have led to the upward or downward movements of market prices of ICT Zone Asia Shares for the past one (1) year up to the LPD:

Annotation	Date	Significant event
1	26 September 2023	Release of ICT Zone Asia Group's 2 nd half yearly report on consolidated results for FPE 31 January 2023
2	9 October 2023	Announcement on the fixing of issue price for the second tranche up to 22,057,050 placement shares to be issued pursuant to the Proposed Private Placement at RM0.19 per ICT Zone Asia Share
3	19 October 2023	Announcement on additional listing for 12,052,400 Shares issued pursuant to the Proposed Private Placement

We set out below a comparison of the Share Exit Offer Price of RM0.20 per Offer Share *vis-à-vis* the historical market prices of ICT Zone Asia:

	Market price of ICT Zone Asia Shares ⁽¹⁾ RM	(Discount) / Premium of the Share Exit Offer Price to the prevailing market price	
		RM	%
Last reference price on the LMD	0.2200	(0.0200)	(9.09)
Last reference price on the LPD	0.2150	(0.0150)	(6.98)
Up to and including the LMD:			
Five (5)-day VWAP ⁽²⁾	N/A	N/A	N/A
One (1)-month VWAP ⁽²⁾	N/A	N/A	N/A
Three (3)-month VWAP ⁽²⁾	N/A	N/A	N/A
Six (6)-month VWAP	0.1991	0.0009	0.45
One (1)-year VWAP	0.2116	(0.0116)	(5.48)

Notes:

(1) Source: Bloomberg.

(2) No trading of ICT Zone Asia Shares during the 5 market days, 1 month and 3 months up to the LMD.

Based on the table above, we note that the Share Exit Offer Price represents:

- (i) a discount of RM0.0150 (6.98%) to the last reference price of ICT Zone Asia Shares on the LPD;
- (ii) a discount of RM0.0200 (9.09%) to the last reference price of ICT Zone Asia Shares on the LMD;
- (iii) a slight premium of RM0.0009 (0.45%) over the six (6)-month VWAP of the ICT Zone Asia Shares up to the LMD; and
- (iv) a discount of RM0.0116 (5.48%) to the one (1)-year VWAP of the ICT Zone Asia Shares up to the LMD.

8.3 Valuation of the ICPS

As at the LPD, the total outstanding ICPS which are not held by the Joint Offerors amount to 75,320,000.

The ICPS Offer Price is on a “see-through” basis in view that the ICPS are convertible into ICT Zone Asia Shares. Hence, the value of ICT Zone Asia Shares is reflective of the value of the ICPS. In this regard, our analysis of the Offer Shares is also relevant to the holders of the Offer ICPS.

We have derived the estimated fair value and estimated diluted fair value per Offer ICPS based on “see-through” using the following formula:

$$\text{Estimated value based on "see-through"} = \text{Conversion ratio (from Offer ICPS to Offer Shares)} \times \text{Estimated value per Offer Share}$$

Based on the estimated fair value and estimated diluted fair value per ICT Zone Asia Share as computed on page 45 above and at the conversion ratio of 1 ICPS into 1 new ICT Zone Asia Share, the estimated fair value and estimated diluted fair value per Offer ICPS based on “see-through” are RM0.2370 and RM0.2100 respectively.

Based on the above, the Share Exit Offer Price of RM0.20 per Offer Share represents the following:

- a discount of RM0.0370 or approximately 15.61% to the estimated fair value of ICT Zone Asia Share of RM0.2370 on a “see-through” basis; and
- a discount of RM0.0100 or approximately 4.76% to the estimated diluted fair value of ICT Zone Asia Share of RM0.2100 on a “see-through” basis.

8.4 Historical share price analysis of the ICPS

The ICPS was last traded at RM0.1950 on 1 April 2024. As such, 1 April 2024 represents the last reference price of ICPS as at the LPD.

Save for the above, there was no transaction of ICPS during the past one (1) year up to the LPD. Hence, comparison of the Share Exit Offer Price vis-à-vis the historical market prices of the ICPS is not meaningful.

We note that the ICPS Exit Offer Price equals to the last reference price of ICPS on the LMD.

We also note that the ICPS Exit Offer Price represents a premium of RM0.0050 or approximately 2.56% over the last reference price of ICPS as at the LPD of RM0.1950.

8.5 Illustrative IPO Price comparison

We note from **Section 2.1.5 of Part A of the Circular** that it is the intention of the Joint Offerors to fix the Share Exit Offer Price and ICPS Exit Offer Price to be the same as the IPO Price, which will be determined by the Board and the underwriter at a later date, after taking into consideration the factors as set out in **Section 2.2.5 of Part A of the Circular**.

We also note that the ICPS will not be admitted or listed and quoted on the ACE Market of Bursa Securities and any remaining ICPS not converted by the Maturity Date of 21 January 2025 shall be automatically converted into new ICT Zone Asia Shares at the conversion ratio of one (1) ICPS into one (1) new ICT Zone Asia Share.

Notwithstanding, we have compared the ICPS Exit Offer Price of RM0.20 per Offer ICPS against the illustrative IPO Price which equals the Share Exit Offer Price. We note that the illustrative IPO Price is indicative at this juncture.

Please refer to **Section 6.3 of this IAL** for further details and our view on the bases and justifications on of the illustrative IPO Price.

8.6 Our view on the fairness of the Proposed Exit Offer

Based on our evaluation in **Sections 8.1 and 8.2 of this IAL**, the Share Exit Offer Price of RM0.20 represents:

- (i) a discount of RM0.0370 (15.61%) to the estimated fair value of ICT Zone Asia Share of RM0.2370 based on DCF method;
- (ii) a discount of RM0.0100 (4.76%) to the estimated diluted fair value of ICT Zone Asia Share of RM0.2100 (after full conversion of the ICPS) based on DCF method;
- (iii) a discount of RM0.0150 (6.98%) to the last reference price of ICT Zone Asia Shares on the LPD of RM0.2150;
- (iv) a discount of RM0.0200 (9.09%) to the last reference price of ICT Zone Asia Shares on the LMD of RM0.2200; and
- (v) a discount of RM0.0116 (5.48%) to the one (1)-year VWAP of ICT Zone Asia Shares up to the LMD of RM0.2116.

Based on our evaluation in **Sections 8.3 and 8.4 of this IAL**, the ICPS Exit Offer Price of RM0.20 represents:

- (i) a discount of RM0.0370 (15.61%) to the estimated fair value per Offer ICPS of RM0.2370 on a “see-through” basis;
- (ii) a discount of RM0.0100 (4.76%) to the estimated diluted fair value of ICT Zone Asia Share of RM0.2100 on a “see-through” basis;
- (iii) a premium of RM0.0050 (2.56%) over the last reference price of ICPS on the LPD of RM0.1950; and
- (iv) a price equals to the last reference price of ICPS on the LMD.

Premise on the above, we are of the view that the Share Exit Offer Price and ICPS Exit Offer Price are **not fair**.

9. REASONABLENESS OF THE PROPOSED EXIT OFFER

9.1 Listing status of ICT Zone Asia

The Proposals involve the withdrawal of the Company’s listing from the LEAP Market and the transfer of the listing and quotation of the entire enlarged issued ordinary shares of the Company to the ACE Market, subject to the Company fulfilling the Pre-Conditions for the Proposals as set out in **Section 10 of Part A of the Circular**.

The passing of the resolution pertaining to the Proposed Withdrawal at ICT Zone Asia’s EGM is subject to the following conditions:

- (i) the resolution is approved by a majority of shareholders and ICPS holders, in number, representing 75% of the total number of issued securities by the shareholders and ICPS holders present and voting either in person or by proxy at the respective EGM; and
- (ii) the number of votes cast against the resolution by the shareholders and ICPS holders is not more than 10% of the total number of issued Shares and ICPS held by the shareholders and ICPS holders respectively present and voting either in person or by proxy at the respective EGM.

Once the Company has fulfilled the Pre-Conditions of the Proposals, the Proposed Exit Offer shall be implemented by the Joint Offerors and subsequently, ICT Zone Asia will be withdrawn from the LEAP Market and listed on the ACE Market, irrespective of the acceptance level for the Proposed Exit Offer. As the Proposed Listing is inter-conditional with the Proposed Withdrawal, Holders who have not accepted the Proposed Exit Offer will be holding ACE Market listed ICT Zone Asia Shares upon completion of the Proposed Transfer of Listing whereas Holders who have accepted the Proposed Exit Offer will forego the future potential benefits of holding ACE Market listed ICT Zone Asia Shares. For the avoidance of doubt, the ICPS will not be admitted or listed and quoted on the ACE Market as the Proposed Listing will only take place after the maturity of the ICPS.

For information, the Joint Offerors are eligible to vote at the EGM. The Joint Offerors collectively hold 427,720,000 ordinary shares in ICT Zone Asia as 7 May 2024, representing approximately 72.85% of the total issued share capital of the Company. The Joint Offerors do not hold any ICPS as 7 May 2024.

9.2 Compulsory acquisition

We note from **Section 2.1.2 of Part A of the Circular** that if the Joint Offerors receive acceptances of not less than 9/10 in the value of the total number of Offer Securities in issue (excluding Shares and ICPS already held by the Joint Offerors and the PACs as at the date of the Proposal Letter) on or before the closing date of the Proposed Exit Offer, **the Joint Offerors do not intend to invoke the provisions of subsection 222(1) of the CMSA** to compulsorily acquire any remaining Offer Securities for which valid acceptances have not been received on or before the closing date of the Proposed Exit Offer even if the conditions stipulated in subsection 222(1) of the CMSA are fulfilled. This will assist the Company in complying with the public shareholding spread requirement as set out in Rule 3.10(1) of the ACE LR upon completion of the Proposed Transfer of Listing and allow the Holders of the Company who do not accept the Proposed Exit Offer to not have their Offer Securities compulsorily acquired by the Joint Offerors.

9.3 Rights of dissenting shareholders and ICPS holders

Notwithstanding **Section 2.1.2 of Part A of the Circular**, Section 9.2 above, and subject to section 224 of the CMSA, section 223 of the CMSA provides that if the Joint Offerors receive valid acceptances from the holders of Offer Securities resulting in the Joint Offerors and the PACs holding not less than 9/10 in the value of all of the ICT Zone Asia Shares in issue (including the Shares which are already held by the Joint Offerors and the PACs as at the date of the Proposal Letter) or ICPS (including ICPS which are already held by the Joint Offerors and the PACs as at the date of the Proposal Letter) on or before the Closing Date, a dissenting holder may exercise his rights, under subsection 223(1) of the CMSA, by serving a notice on the Joint Offerors to require the Joint Offerors to acquire his Offer Securities on the same terms and conditions as set out in the Offer Document or such other terms as may be agreed.

If a dissenting holder invokes the provisions of subsection 223(1) of the CMSA, the Joint Offerors will acquire such Offer Securities in accordance with the provisions of the CMSA, subject to the provisions of section 224 of the CMSA which provides that when a dissenting holder exercises his rights under subsection 223(1) of the CMSA, the court may, on an application made by such

dissenting holder or by the Joint Offerors, order that the Joint Offerors acquire the dissenting holders' Offer Securities on terms that the court thinks fit.

Subsection 223(2) of the CMSA requires the Joint Offerors to give the dissenting holders a notice in the manner specified under the Rules or specified by the SC of the rights exercisable by the dissenting holders under subsection 223(1) of the CMSA, within 1 month of the time the Joint Offerors have received valid acceptances from the holders of Offer Shares resulting in the Joint Offerors and the PACs holding not less than 9/10 in the value of all of the ICT Zone Asia Shares in issue (including ICT Zone Asia Shares which are already held by the Joint Offerors and the PACs as at the date of the Proposal Letter) or ICPS (including ICPS which are already held by the Joint Offerors and the PACs as at the date of the Proposal Letter). The notice to the dissenting holders under subsection 223(2) of the CMSA may specify the period for the exercise of the rights of the dissenting holders and such period shall not be less than 3 months after the Closing Date.

9.4 Our view on the reasonableness of the Proposed Exit Offer

We are of the view that the Proposed Exit Offer is **not reasonable** after taking into consideration the following factors:

- (i) in the event of fulfilment of the Pre-Conditions, ICT Zone Asia will be withdrawn from the LEAP Market and listed on the ACE Market irrespective of the acceptance level for the Proposed Exit Offer. The Proposed Exit Offer would only be implemented subsequent to the Company fulfilling the Pre-Conditions and the ICT Zone Asia Shares will remain tradeable on the ACE Market.

As such, Holders who do not accept the Proposed Exit Offer will be holding ACE Market listed ICT Zone Asia Shares (in view that the ICPS will not be listed on the ACE Market as the Proposed Listing will only take place after the maturity of the ICPS) upon completion of the Proposed Transfer of Listing and will still be able to realise their investment in ICT Zone Asia Shares in the ACE Market which are expected to be more liquid.

Whereas Holders who accept the Proposed Exit Offer will forego the future potential benefits of holding ACE Market listed ICT Zone Asia Shares such as the benefit from being exposed to a larger pool of investors and better price discovery.

We note that the illustrative IPO Price is indicative at this juncture and the final IPO Price may differ from the illustrative IPO Price as it will depend on the latest financial performance of the Group; the prevailing P/E Multiple and EV/EBITDA Multiple of selected comparable public listed companies on Bursa Securities; and the prevailing equity market and economic conditions in Malaysia. The IPO Price to be disclosed in the Prospectus shall be either the same or lower (if any major adverse events occur prior to the signing of the underwriting agreement) than the IPO Price to be disclosed in the Offer Document and IAC; and

- (ii) the Joint Offerors **do not intend to invoke the provisions of Section 222(1) of the CMSA** to compulsorily acquire any remaining Offer Securities from the dissenting holders for which valid acceptances have not been received under the Proposed Exit Offer even if the conditions stipulated in subsection 222(1) of the CMSA are fulfilled. This will assist the Company in complying with the public shareholding spread requirement as set out in Rule 3.10(1) of the ACE LR upon completion of the Proposed Transfer of Listing and allow the Holders who do not accept the Proposed Exit Offer to not have their Shares and/or ICPS compulsorily acquired by the Joint Offerors.

10. OUR CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposals after taking into consideration the relevant factors as discussed in **Section 6 of this IAL**. In arriving at our opinion on the fairness and reasonableness of the Proposals, we have taken into consideration the following pertinent factors:

- (i) The rationale and justifications for the Proposals are reasonable and not detrimental to the Shareholders and ICPS Holders;
- (ii) The financial effects of the Proposals are reasonable and not detrimental to the Shareholders and ICPS Holders;
- (iii) The prospects of ICT Zone Asia Group are positive;
- (iv) The completion risk of the Proposals which is dependent on the Company fulfilling the Pre-Conditions as set out in **Section 10 of Part A of the Circular**;
- (v) The investment risk of the Proposals which is dependent on the final IPO Price compared to the illustrative IPO Price stated in the Circular, the Notice and the Offer Document; and
- (vi) The other risks associated with the Proposals as set out in **Section 4 of Part A of the Circular** do not outweigh the rationale and justifications of the Proposals as set out in **Section 3 of Part A of the Circular**.

In arriving at our recommendation in respect of the Proposed Exit Offer, we have assessed the fairness and reasonableness of the Proposed Exit Offer in accordance with paragraphs 1 to 6 under Schedule 2: Part III of the Rules, whereby:

- (i) in relation to a take-over, the term “fair and reasonable” should generally be analysed as two (2) distinct criteria i.e. whether the offer is “fair”; and whether the offer is “reasonable”, rather than as a composite term;
- (ii) the take-over offer is considered “fair” if the offer price (or value of consideration) is equal to or higher than the market price and is also equal to or higher than the value of the securities of the offeree. However, if the offer price (or value of consideration) is equal to or higher than the market price but is lower than the value of the securities of the offeree, the take-over offer is considered “not fair”. In making the assessment, the value of the securities of the offeree is determined based on the assumption that 100% of the issued shares of the offeree is being acquired;
- (iii) pursuant to paragraph 4 of Schedule 2: Part III of the Rules, in considering whether a take-over offer is “reasonable”, the independent adviser should take into consideration matters other than the valuation of the securities that are subject of the take-over offer. Generally, a take-over offer would be considered “reasonable” if it is “fair”. Nevertheless, an independent adviser may also recommend for shareholders to accept the take-over offer despite it being “not fair”, if the independent adviser is of the view that there are sufficiently strong reasons to accept the offer in the absence of a higher bid and such reasons should be clearly explained. If there were inadequate justifications, such take-over offer should be regarded as ‘not reasonable’ and thus, the recommendation would be to reject the offer;
- (iv) the independent adviser should take into consideration all relevant factors in evaluating whether an offer is ‘reasonable’ including, but not limited to, the following:
 - (a) the existing shareholding of the offeror and persons acting in concert with the offeror in the offeree and their ability to pass special resolutions or control the assets of the offeree;

- (b) any other significant shareholding in the offeree, other than (a) above;
 - (c) the liquidity of the market in the offeree's securities;
 - (d) the expected market price if the take-over offer is unsuccessful; and
 - (e) the likelihood and value of alternative offers or competing offers before the close of the take-over offer; and
- (v) in the event that the independent adviser concludes that the offer is "not fair but reasonable", the independent adviser must clearly explain the following:
- (a) what is meant by "not fair but reasonable";
 - (b) how has the independent adviser reached to this conclusion; and
 - (c) the course of action that the shareholders are recommended to take pursuant to the conclusion.

We have assessed and evaluated the Proposed Exit Offer as set out in **Sections 8 and 9 of this IAL**. In arriving at our opinion, we have taken into consideration the following pertinent factors:

Based on our evaluation in **Section 8 of this IAL**, we are of the view that the Proposed Exit Offer is **not fair** as the Share Exit Offer Price of RM0.20 represents:

- (i) a discount of RM0.0370 (15.61%) to the estimated fair value of ICT Zone Asia Share of RM0.2370 based on DCF method;
- (ii) a discount of RM0.0100 (4.76%) to the estimated diluted fair value of ICT Zone Asia Share of RM0.2100 (after full conversion of the ICPS) based on DCF method;
- (iii) a discount of RM0.0150 (6.98%) to the last reference price of ICT Zone Asia Shares on the LPD of RM0.2150;
- (iv) a discount of RM0.0200 (9.09%) to the last reference price of ICT Zone Asia Shares on the LMD of RM0.2200; and
- (v) a discount of RM0.0116 (5.48%) to the one (1)-year VWAP of ICT Zone Asia Shares up to the LMD of RM0.2116.

In addition, the ICPS Exit Offer Price of RM0.20 represents:

- (i) a discount of RM0.0370 (15.61%) to the estimated fair value per Offer ICPS of RM0.2370 on a "see-through" basis;
- (ii) a discount of RM0.0100 (4.76%) to the estimated diluted fair value per Offer ICPS of RM0.2100 on a "see-through" basis;
- (iii) a premium of RM0.0050 (2.56%) over the last reference price of ICPS on the LPD of RM0.1950; and
- (iv) a price equals to the last reference price of ICPS on the LMD.

Based on our evaluation in Section 9 of this IAL, we are of the view that the Proposed Exit Offer is **not reasonable** after taking into consideration the following factors:

- (i) in the event of fulfilment of the Pre-Conditions, ICT Zone Asia will be withdrawn from the LEAP Market and listed on the ACE Market irrespective of the acceptance level for the Proposed Exit Offer. As such, Holders who do not accept the Proposed Exit Offer will be holding ACE Market listed ICT Zone Asia Shares (in view that the ICPS will not be listed on the ACE Market as the Proposed Listing will only take place after the maturity of the ICPS) upon completion of the Proposed Transfer of Listing and will still be able to realise their investment in ICT Zone Asia Shares in the ACE Market which are expected to be more liquid; and
- (ii) the Joint Offerors do not intend to invoke the provisions of Section 222(1) of the CMSA to compulsorily acquire any remaining Offer Securities from the dissenting holders for which valid acceptances have not been received under the Proposed Exit Offer even if the conditions stipulated in subsection 222(1) of the CMSA are fulfilled.

The Proposed Exit Offer is the adopted exit mechanism in order to facilitate the Proposed Withdrawal. Furthermore, the Proposed Exit Offer would only be implemented subsequent to the Company fulfilling the Pre-Conditions. Based on the above, we are of the view that the Proposed Exit Offer is **not fair** and **not reasonable**.

Therefore, even if the Holders were to reject the Offer, the ICT Zone Asia Shares including the Shares to be converted from the ICPS will remain tradeable on the ACE Market of Bursa Securities and the Holders will still be able to realise their investment in ICT Zone Asia Shares and ICPS in the open market. Furthermore, Holders will be able to enjoy the potential advantages of holding ACE Market listed ICT Zone Asia Shares such as the benefit from being exposed to a larger pool of investors and better price discovery. These benefits will be realised with the outcome of voting in favour of the resolutions pertaining to the Proposals.

However, in the event the Shareholders and ICPS Holders were to vote against the resolutions pertaining to the Proposals at the forthcoming EGMs of ICT Zone Asia, the Company will remain listed on the LEAP Market but will not be able to enjoy the benefits of the Proposed Transfer of Listing as set out in **Sections 3.1 and 3.2 of Part A of the Circular** whilst the expenses paid for the Proposals will not be recovered.

We will provide our detailed independent evaluation and recommendation on the Proposed Exit Offer in a separate IAC at a later stage after the Offer Document from the Joint Offerors has been despatched to you.

We have assessed and evaluated the Proposals and have set out our evaluation in Section 6 of this IAL. The Shareholders and ICPS Holders should carefully consider the merits and demerits of the Proposals based on all relevant and pertinent factors including those set out above and other considerations as set out in this IAL, the Circular and the appendices.

Based on our holistic assessment and evaluation, we are of the opinion that the Proposals are **fair** and **reasonable**, and are **not detrimental** to the Shareholders and ICPS Holders.

Accordingly, we recommend that the Shareholders and ICPS Holders **vote in favour** of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM of ICT Zone Asia.

Yours faithfully,
MAINSTREET ADVISERS SDN BHD

Lai Swee Sim
Managing Director

Dato' Siow Kim Lun
Adviser

1. BACKGROUND OF ICT ZONE ASIA GROUP

The history of the ICT Zone Asia Group can be traced back to 2000, when the Company's Managing Director and Chief Executive Officer ("**CEO**"), Mr Lim, and Non-Independent Non-Executive Chairman, DS Ng, incorporated ICT Zone Holding (then known as NTP World Marketing Sdn Bhd). At that time, ICT Zone Holding was involved in the trading of audio-visual equipment to private corporations.

ICT Zone Sdn Bhd ("**ICT Zone**") was subsequently incorporated in 2001 by the Company's Non-Independent Non-Executive Chairman, DS Ng and another shareholder, Hoo Geok Choong (who had ceased to be a shareholder of ICT Zone since 2006). ICT Zone remained dormant until 2003, when the Company's Managing Director and CEO, Mr Lim, and ICT Zone Holding became shareholders. ICT Zone commenced its business in the trading and short-term rental of ICT Solutions to private corporations and retail consumers in 2003. ICT Zone began to secure sales from Channel Partners in subsequent years and, since then, ceased selling to retail consumers.

Realising the opportunities in the ICT Solutions long-term rental business, the Group began to venture into long-term rental of ICT Solutions. In 2010, ICT Zone Ventures Berhad ("**ICT Zone Ventures**") was incorporated with the intention to establish, manage and operate the Shariah-compliant interest scheme under Section 28 of the Interest Schemes Act 2016 and Interest Schemes Regulations 2017, which provided the Group with the capital to finance and support its long-term rental of ICT Solutions business. Interest scheme involves the pooling of financial contribution from the public in exchange for an interest in a particular scheme. Such interest includes the usage of the facilities and services provided under the scheme or profit or returns, depending on the nature of the scheme. Such scheme is registered with the Companies Commission of Malaysia.

ICT Zone Ventures had launched its first interest scheme on 28 March 2011 (which was subsequently converted from a conventional interest scheme to Shariah-compliance scheme after a year from its launch) and second Shariah-compliance interest scheme on 20 October 2014. Up to January 2019, ICT Zone Ventures had raised a total of RM34.1 million from both schemes. The interest schemes were redeemed and terminated subsequently to facilitate the ICT Zone Asia Group's listing of its entire issued share capital on the LEAP Market of Bursa Securities.

ICT Zone Asia was incorporated in Malaysia under the Act on 28 January 2019 as a public company under its present name as a special purpose vehicle to facilitate the listing on the LEAP Market. It commenced its business on 9 December 2019 upon completion of the acquisition of ICT Zone, ICT Zone Ventures and Techfin Capital Sdn Bhd ("**Techfin Capital**"). ICT Zone Asia has been listed on the LEAP Market for more than 3 years since 15 December 2020.

In February 2020, the Group launched its e-commerce platform, www.komputermurah.my, to expand its customer base to include retail consumers and third-party resellers.

On 18 November 2021, ICT Zone Asia announced that the Company had entered into a share sale and purchase agreement with ICT Zone Holding to acquire 255,000 ordinary shares in HaaS Technologies Sdn Bhd ("**HaaS**") for a total cash consideration of RM204,000 ("**Acquisition of HaaS**"). HaaS is principally engaged in cloud solutions and cloud consultancy services under the CLOUDIFY.ASIA brand. At the same time, ICT Zone Asia had also entered into a share subscription agreement with HaaS for the subscription of 345,000 new ordinary shares for a total cash consideration of RM276,000. Upon completion of the transactions, HaaS became a 58.3%-owned subsidiary of the Group on 22 November 2021. The transactions were not subject to the approval of the shareholders of ICT Zone Asia.

In April 2023, ICT Zone Ventures attained the ISO 14001:2015 certification, marking a significant milestone in its commitment to environmental sustainability. With the ISO 14001:2015 certification, the Group have a comprehensive framework to enhance its environmental management system and integrate sustainability into its business practices. This includes offering ICT Solutions that are designed to be durable, recyclable, and reusable. In particular, the Group provides the DaaS 360 in a subscription model, which comprises life cycle management and device recovery services with financial solutions. This enables enterprises to optimise the usage of ICT hardware and supports as well as repurpose and reuse old ICT hardware, thereby reducing the number of ICT hardware being wasted after their life cycle ends. The DaaS 360 has been certified with the MyHIJAU mark, a green recognition scheme endorsed by the Government of Malaysia.

The principal activity of ICT Zone Asia is the investment holding of subsidiaries involved in the following business segments:

(i) Technology financing

Technology financing solutions refer to a combination of technology solutions to provide ICT solutions, and financing solutions to provide customers with access to these ICT solutions over an agreed duration. Value-added services to manage these ICT hardware are typically offered alongside these technology financing solutions.

In contrast to the traditional ICT distributors/resellers whose primary function is to distribute ICT solutions outright but their involvement usually ends at the point of sale as well as the financial service providers who strictly specialise in providing financial solutions to facilitate the purchase of ICT solutions, technology financing solutions refer to a combination of ICT solutions and financing solutions to provide customers with access to ICT solutions on a subscription basis, thereby spreading the cost of the customer over time, whilst providing customers with an ease of mind as such ICT solutions are covered with maintenance services. Essentially, technology financing solutions:

(a) provide alternative means for customers to use and manage their ICT hardware and software so that:

- end-users need not incur capital expenditure to acquire and own the ICT hardware and software;
- end-users need not seek monetary financing services and separately source and procure their ICT hardware and software. Effectively, this minimises the need for end-users to manage multiple contracts with financing solution provider and ICT solution provider;
- end-users need not negotiate pricing and other terms directly with the Principals. As ICT Zone Asia is the Appointed Reseller of Principals, i.e. HP, Dell and Lenovo, it can assist customers in negotiating pricing and terms directly with the Principals to procure the necessary ICT hardware and software;
- end-users, who lack relevant competencies in the ICT domain, can avoid unnecessary spending on redundant ICT solutions;
- end-users can upgrade their ICT hardware which are near the end of its lifespan or which are not relevant to the latest technological trends, without having to incur capital expenditure to acquire new ICT hardware; and

(b) provide value-added services to manage the ICT services so that end-users need not incur cost to manage a team of IT personnel to manage the ICT solutions.

Thus, with technology financing, customers can liaise with a single vendor for the abovementioned services as opposed to navigating between multiple vendors.

APPENDIX I – INFORMATION ON THE ICT ZONE ASIA GROUP (Cont'd)

The Group provides customers with various alternative means to use and manage their ICT hardware and software, including:

- Lease of ICT Solutions – where it involves the lease of new ICT hardware and software for a contract tenure of between 1 and 5 years. As at the LPD, the Group has 361 contracts on hand; and
- Rental of ICT Solutions – where it involves the rental of new ICT hardware and software and refurbished ICT hardware and the provision of ICT services such as maintenance and technical support to the end-customers throughout the tenure of the rental. The contract tenure is adaptable to varying time frames, accommodating both short-term durations (between 1 day and 6 months) and long-term durations (between 6 months and up to 5 years). As at the LPD, the Group has 142 contracts on hand.

Furthermore, the Group can also augment its technology financing solutions to include other value-added ICT service offerings based on customer's needs and requirements. These value-added ICT services include proactive and analytical services for devices, managed services to provide maintenance and technical support services, data backup and device recovery services, security management and Carbon Neutral Computing Services (CNCS).

(ii) Trading of ICT Solutions

In addition to its technology financing operations, the Group engages in the trading of new ICT hardware and software and refurbished ICT hardware, employing both direct sales channels and its proprietary e-commerce platform, www.komputermurah.my. These transactions, characterised by their nature as being transaction-based, typically do not include ICT maintenance and technical support services to customers.

(iii) Provision of ICT services

The Group charges maintenance and service fees for providing ICT maintenance and technical support services. These fees encompass a spectrum of services, ranging from corrective and preventive maintenance to comprehensive technical support, ensuring the sustained functionality of ICT Solutions provided to its customers. As at the LPD, the Group has 4 contracts on hand.

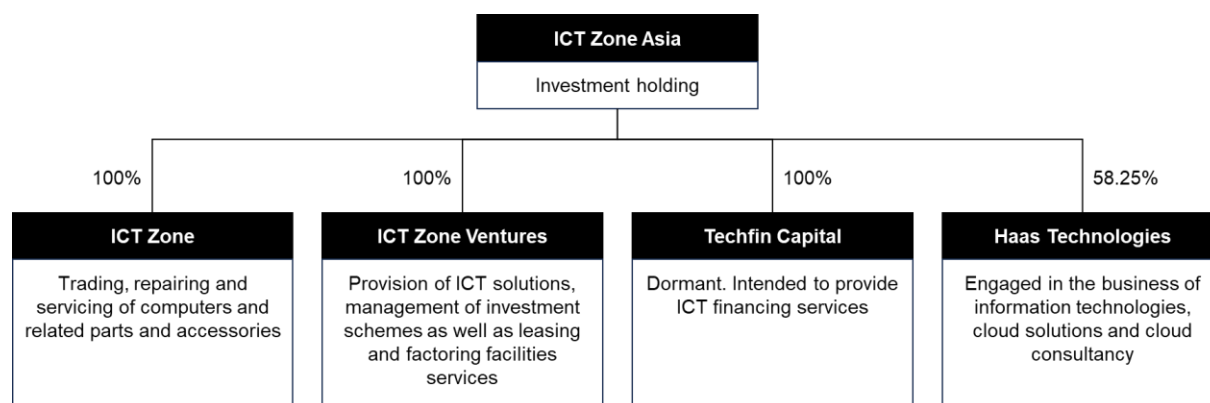
(iv) Provision of cloud solutions and services

The Group also offers cloud solutions to its customers, including infrastructure as a service (IaaS), platform as a service (PaaS), and software as a service (SaaS) through a subscription fee model. This service is complemented by ICT consultancy services specifically tailored for cloud solutions. The consultancy services involve proposing suitable cloud-based infrastructure and solutions and guiding customers through migrating their software applications and data from on-premises ICT infrastructure to cloud-based alternatives. These services are delivered through consultation and implementation fees, offering a comprehensive approach to cloud adoption for the Group's clientele. As at the LPD, the Group has 33 contracts on hand.

For the FYE 2022 to FYE 2024, the Group's principal market is Malaysia. The Group's customer base comprises Channel Partners / Strategic Partners, private and public corporations, government linked corporations and associations as well as retail consumers.

APPENDIX I – INFORMATION ON THE ICT ZONE ASIA GROUP (Cont'd)

As at the LPD, the Group structure is as follows:



The details of the Group's subsidiaries as at the LPD are as follows:

Company	Date/Country of Incorporation	Date of Commencement of Business	Issued Share Capital (RM)	Effective Equity Interest %
ICT Zone	7 September 2001 / Malaysia	26 June 2003	2,000,000	100
ICT Zone Ventures Berhad	28 January 2010 / Malaysia	28 January 2010	23,000,000	100
Techfin Capital Sdn Bhd	29 May 2007 / Malaysia	Dormant	300,000	100
HaaS Technologies Sdn Bhd	2 December 2003 / Malaysia	30 August 2017	924,000	58.3

2. SHARE CAPITAL

As at 7 May 2024, the issued share capital of ICT Zone Asia is RM38,265,287, comprising 587,133,200 ICT Zone Asia Shares and 75,320,000 ICPS.

Terms of the ICPS

The ICPS shall rank *pari passu* amongst themselves and may rank in priority to, or equally with other preference shares that may be created in future. The ICPS shall rank in priority to any other class of ordinary shares in the capital of the Company, but shall rank behind all secured and unsecured obligations of the Company. The ICPS is convertible into 1 new ordinary share at the conversion price of RM0.20 for each new ordinary share within 5 years up to 21 January 2025 (being the Maturity Date). Any remaining ICPS that are not converted by 21 January 2025 shall be automatically converted into new ordinary shares at the conversion ratio of 1 ICPS into 1 new ordinary share. The ICPS is not redeemable.

APPENDIX I – INFORMATION ON THE ICT ZONE ASIA GROUP (Cont'd)

3. PROFIT AND DIVIDEND RECORDS

The audited consolidated financial statements for the FYE 31 January 2021, 2022 and 2023 as well as its unaudited consolidated financial statements for the FYE 31 January 2024 are as follows:

	Audited			Unaudited
	FYE	FYE	FYE	FYE
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Revenue	39,561	52,033	75,058	114,428
Gross profit ("GP")	9,762	12,136	15,797	20,901
Net other operating expenses	(2,262)	(4,815)	(6,035)	(8,206)
Finance costs	(1,779)	(892)	(1,586)	(3,723)
Profit before tax ("PBT")	5,721	6,429	8,176	8,972
Tax expense	(1,845)	(2,059)	(1,800)	(1,517)
Profit after tax ("PAT")	3,876	4,370	6,376	7,455
PAT attributable to owners of the Company	3,876	4,283	6,338	7,342
PAT/(loss after taxation) attributable to non-controlling interest of the Company	-	87	38	113
EBITDA ⁽¹⁾	21,429	23,658	30,944	48,022
GP margin (%) ⁽²⁾	24.7	23.3	21.0	18.3
PBT margin (%) ⁽³⁾	14.5	12.4	10.9	7.8
PAT margin (%) ⁽⁴⁾	9.8	8.4	8.5	6.5
Number of Shares in issue ('000)	533,758	533,758	533,758	587,133
EPS In)				
- basic ⁽⁵⁾	0.73	0.80	1.19	1.25
- diluted	⁽⁶⁾ 0.64	⁽⁶⁾ 0.70	⁽⁶⁾ 1.04	⁽⁷⁾ 1.11
Equity attributable to owners of the company / NA	32,985	37,069	43,407	60,890
NA per Share (sen)	6.18	6.94	8.13	10.37
Current ratio (times)	0.65	1.57	1.09	0.77
Total borrowings	10,987	18,947	37,918	96,595
Gearing (times) ⁽⁸⁾	0.25	0.23	0.67	1.42
Dividends declared and paid	1,506	1,506	1,506	1,506

Notes:

(1) The table below sets forth a reconciliation of ICT Zone Asia Group's PBT to EBITDA:

	Audited			Unaudited
	FYE	FYE	FYE	FYE
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
PBT	5,721	6,429	8,176	8,972
<i>Adjusted for:</i>				
<i>Depreciation of property, plant and equipment</i>	13,863	16,223	21,441	35,324
<i>Depreciation of right-of-use assets</i>	69	126	112	147
<i>Interest expenses</i>	1,779	892	1,586	3,723
<i>Interest income</i>	4	(12)	(372)	(144)
EBITDA	21,429	23,658	30,944	48,022

APPENDIX I – INFORMATION ON THE ICT ZONE ASIA GROUP (Cont'd)

- (2) GP margin is computed based on GP over revenue.
- (3) PBT margin is computed based on PBT over revenue.
- (4) PAT margin is computed based on PAT attributable to owners of the Company over revenue.
- (5) Computed based on PAT attributable to owners of the Company over the number of ICT Zone Asia Shares in issue as at the end of the respective reporting period.
- (6) Computed based on 609,077,500 shares, based on a fully diluted basis.
- (7) Computed based on 662,453,200 shares, based on a fully diluted basis.
- (8) Computed based on net debt (total borrowings (including lease liabilities) – cash and bank balances) over NA.

Financial analysis and commentary**Comparison between FYE 31 January 2021 and FYE 31 January 2022**

The Group's revenue increased by RM12.4 million or 31.3% to RM52.0 million for the FYE 31 January 2022 (FYE 31 January 2021: RM39.6 million). The increase in revenue was mainly attributable to higher sales from the trading of the ICT Solutions segment due to a contract secured from the government sector during the FYE 31 January 2022. In addition, the income recognition of RM5.1 million or 9.7% of the Group's total revenue from the new cloud solutions and services segment via the Acquisition of HaaS on 22 November 2021 also contributed to the increase in revenue for the FYE 31 January 2022.

The Group's PAT increased by RM0.5 million or 12.8% to RM4.4 million for the FYE 31 January 2022 (FYE 31 January 2021: RM3.9 million). The increase in PAT was mainly attributed to lower cost of ICT Solutions resulting from the extension of expired rental contracts under the technology financing segment as well as lower finance costs due to the redemption of ICT Zone Ventures Scheme in January 2020 and April 2020. For information purposes, in order to finance and support its business operations, ICT Zone Ventures had launched the first interest scheme on 28 March 2011 (which was subsequently converted from a conventional interest scheme to Shariah-compliance scheme after a year from its launch) and second Shariah-compliance interest scheme on 20 October 2014. Up to January 2019, ICT Zone Ventures had raised a total of RM34.1 million from both schemes. The interest schemes were redeemed and terminated subsequently to facilitate the ICT Zone Asia Group's listing of its entire issued share capital on the LEAP Market of Bursa Securities.

The Group's PAT margin decreased by 1.4% to 8.4% for the FYE 31 January 2022 (FYE 31 January 2021: 9.8%), which was mainly attributable to the lower interest income from fixed deposit and increase in staff costs.

For information, save for the professional costs incurred for the Group's listing on the LEAP Market in the FYE 31 January 2021 amounting to RM0.70 million, there is no exceptional item for the FYE 31 January 2021 and FYE 31 January 2022.

Comparison between FYE 31 January 2022 and FYE 31 January 2023

The Group's revenue increased by RM23.1 million or 44.4% to RM75.1 million for the FYE 31 January 2023 (FYE 31 January 2022: RM52.0 million), which was mainly attributable to the following:

APPENDIX I – INFORMATION ON THE ICT ZONE ASIA GROUP (Cont'd)

- (i) higher sales from trading of the ICT Solutions segment arising from, amongst others, the adoption of a hybrid working environment following the reopening of the Malaysian economy and contracts secured from the corporate and government sectors; and
- (ii) higher revenue from the technology financing segment which was mainly attributable to the extension of expired rental contracts and additional financing obtained from the financial institutions as well as a better pricing strategy implemented by the Group which allowed the Group to secure additional contracts from the corporate and government sectors.

The Group's PAT increased by RM2.0 million or 45.5% to RM6.4 million for the FYE 31 January 2023 (FYE 31 January 2022: RM4.4 million), which was mainly attributable to higher gross profit as a result of the increase in 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 to the Group's business expansion.

There is no exceptional item for the FYE 31 January 2023.

Comparison between FYE 31 January 2023 and FYE 31 January 2024

The Group's revenue increased by RM39.3 million or 52.3% to RM114.4 million for the FYE 31 January 2024 (FYE 31 January 2023: RM75.1 million), which was mainly attributable to the extension of expired rental contracts and additional contracts secured in the FYE 31 January 2024. The additional funds obtained from Private Placement and financing obtained from the financial institutions as well as a better pricing strategy, enabled the Group to secure additional contracts from the corporate and government sectors.

The Group's PAT increased by RM1.1 million or 17.2% to RM7.5 million for the FYE 31 January 2024 (FYE 31 January 2023: RM6.4 million), which was mainly attributable to the higher gross profit as a result of the increase in the Group's revenue as explained above. The increase in gross profit was partially offset by an increase in finance cost and staff costs with additional headcount to support the Group's business expansion and one-off expenses for Private Placement.

The Group's PAT margin has decreased by 2.0% to 6.5% for the FYE 31 January 2024 (FYE 31 January 2023: 8.5%), which was mainly attributable to higher finance cost and increase in staff costs as well as one-off expenses for Private Placement.

For information, save for the one-off expenses incurred for the Private Placement in the FYE 31 January 2024 amounting to RM0.21 million, there is no exceptional item for the FYE 31 January 2024.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

APPENDIX I – INFORMATION ON THE ICT ZONE ASIA GROUP

4. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The Directors and substantial shareholders and their shareholdings of Shares and ICPS as at 7 May 2024 are as follows:

Designation	Nationality / Country of incorporation	ICT Zone Asia Shares				ICPS				
		Direct		Indirect		Direct		Indirect		
		No. of Shares ('000)	(1)%	No. of Shares ('000)	(1)%	No. of ICPS ('000)	(2)%	No. of ICPS ('000)	(2)%	
<u>Substantial shareholder</u>										
1.	ICT Zone Holding	-		Malaysia	427,720	72.8	-	-	-	-
<u>Directors and substantial shareholders</u>										
2.	DS Ng	Non-Independent Non-Executive Chairman		Malaysian	-	-	(3)427,720	72.8	-	-
3.	Mr Lim	Managing Director and Chief Executive Officer		Malaysian	-	-	(4)428,020	72.9	140	0.2
<u>Directors</u>										
4.	Vincent Ng	Executive Director and Chief Operating Officer		Malaysian	22,500	3.8	(5)125	*	-	-
5.	Karen Yap Pik Li	Independent Non-Executive Director		Malaysian	-	-	-	-	-	-
6.	Chong Pei Nee	Independent Non-Executive Director		Malaysian	-	-	-	-	-	-
7.	Sim Shu Mei	Independent Non-Executive Director		Malaysian	526	0.1	-	-	-	-

APPENDIX I – INFORMATION ON THE ICT ZONE ASIA GROUP (Cont'd)

Notes:

- (1) Based on 587,133,200 issued Shares as at 7 May 2024.
- (2) Based on 75,320,000 outstanding ICPS as at 7 May 2024.
- (3) Deemed interested by virtue of his shareholdings held through ICT Zone Holding pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of his shareholdings held through ICT Zone Holding, as well as his spouse's shareholdings pursuant to Section 8 and Section 59(11) of the Act.
- (5) Deemed interested by virtue of his/her spouse's shareholdings pursuant to Section 59(11) of the Act.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

APPENDIX II – INFORMATION ON THE JOINT OFFERORS

The information on the Joint Offerors is as follows:

(i) ICT Zone Holding

ICT Zone Holding was incorporated in Malaysia as a private limited company under the Companies Act 1965 and deemed registered under the Act on 13 September 2000. As at the LPD, its issued share capital is RM7,600,000 comprising 7,600,000 ordinary shares.

ICT Zone Holding is principally an investment holding company. The directors and shareholders of ICT Zone Holding and their shareholdings in the company as at the LPD are as follows:

Name	Designation	Direct		Indirect	
		No. of shares	%	No. of shares	%
DS Ng	Director/ Shareholder	4,675,520	61.5	-	-
Mr Lim	Director/ Shareholder	1,656,040	21.8	-	-
Vincent Ng	Shareholder	590,520	7.8	-	-
Mr Kwan	Director/ Shareholder	495,520	6.5	-	-
Ng Peik Fung	Shareholder	182,400	2.4	-	-
		7,600,000	100.0	-	-

(ii) DS Ng

DS Ng, Malaysian, 49 is the Promoter and Non-Independent Non-Executive Chairman of ICT Zone Asia. He was appointed to the Board as Non-Independent Non-Executive Chairman 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 the National University of Malaysia in October 2004.

Upon obtaining his Diploma, he joined Strategic Forum Expertise Sdn Bhd (“**Strategic Forum**”) as a Conference Producer in July 1997 whereby he was involved in the organisation and coordination of conference events.

With the vast clientele and experience that he has obtained during his time in Strategic Forum, in June 1999, Datuk Seri Ng founded NTP World Forum Sdn Bhd, a company that is currently involved in the provision of corporate training programmes.

He later on co-founded ICT Zone Holding (formerly known as NTP World Marketing Sdn Bhd) (currently the controlling shareholder of ICT Zone Asia Berhad) and ICT Zone in September 2000 and September 2001, respectively. He is currently an indirect controlling shareholder (via his interests in ICT Zone Holding) and Non-Independent Non-Executive Chairman of ICT Zone Asia.

In November 2006, with his extensive experience in managing and developing businesses, he founded SkyWorld Development Berhad (formerly known as NTP World Development Sdn Bhd) (“**SkyWorld**”) and subsequently ventured into the property development industry. SkyWorld is listed on the Main Market of Bursa Securities. As at the LPD, he is the controlling shareholder and Non-Independent Executive Chairman of SkyWorld.

He is also the founder of the Malaysia Chinese Assembly Hall (“**MCAH**”) and the NTP World Foundation (a non-profit organisation incorporated under the Trustees (Incorporation) Act 1952) which was established in October 2003 and December 2012 respectively. He currently serves on the board of trustees of NTP World Foundation. He served as the Secretary General of

APPENDIX II – INFORMATION ON THE JOINT OFFERORS (Cont'd)

MCAH from October 2003 to January 2015 and he was appointed as the Honorary Adviser of MCAH from 2021 to 2024. He was also appointed as the Chairman of the National Polytechnic Youth Association in October 1999, a position he currently holds. In addition, he is also the co-founder and director of SkyWorld Foundation which was established in May 2023 to serve as a platform for SkyWorld group's corporate social responsibility initiatives. The foundation aims to provide aid and improve the welfare of communities.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

APPENDIX III - PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

The constitution of the Company will be amended in the following manner:

Clause No.	Existing Provisions	Proposed Amendments
13A	-	<p>IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES</p> <p>The irredeemable convertible preference shares (“ICPS”) shall confer on their holders the following rights:</p> <p>Issue Size : 80,000,000 ICPS</p> <p>Form and denomination : The ICPS shall be issued in registered form and will be constituted by the Constitution.</p> <p>Issue Price : RM0.20 per ICPS.</p> <p>Dividend : A cumulative preference dividend rate of 10% per annum of the ICPS Issue Price shall be payable out of the distributable profits of the Company. The dividends, when declared, shall be paid annually in arrears after 31 July each calendar year. No dividends shall be paid on the ordinary shares of the Company unless the dividends on the ICPS have first been paid.</p> <p>Tenure and Maturity Date : 5 years commencing from and inclusive of the date of issuance of the ICPS (“Issue Date”) and ending at 5.00 p.m. on the last market day immediately preceding the date which is the 5th anniversary of the Issue Date (“Maturity Date”).</p> <p>Conversion Price : RM0.20 for each new ordinary share, subject to the Conversion Ratio and adjustments in accordance with the Constitution.</p> <p>Conversion Ratio : The Conversion Ratio has been fixed at 1 ICPS to be converted into 1 new ordinary share.</p> <p>Conversion Rights : Each ICPS carries the entitlement to be converted into new ordinary shares at the Conversion Price and the Conversion Ratio through the surrender of the ICPS at any time during the Conversion period. No adjustment to the Conversion Price shall be made for any declared and unpaid dividends on the ICPS surrendered for conversion.</p>

APPENDIX III - PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (Cont'd)

		<p>If the conversion results in a fractional entitlement of less than 1 ordinary share, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the ICPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.</p> <p>Conversion period : i. The ICPS may be converted at any time within 5 years commencing on and including the Issue Date up to and including the Maturity Date.</p> <p>ii. Any remaining ICPS that are not converted by the Maturity Date shall be automatically converted into new ordinary shares at the conversion ratio of 1 ICPS into 1 new ordinary share.</p> <p>Redemption : The ICPS is not redeemable.</p> <p>Ranking of the ICPS and liquidation preference : The ICPS shall rank <i>pari passu</i> amongst themselves and may rank in priority to, or equally with other preference shares that may be created in future. The ICPS shall rank in priority to any other class of ordinary shares in the capital of the Company, but shall rank behind all secured and unsecured obligations of the Company. In the event of liquidation, dissolution, winding up, reduction of capital or other repayment of capital:</p> <p>i. The ICPS shall confer on the holders the rights to receive in priority to the holders of ordinary shares in the Company, cash repayment in full of the amount which is equal to the ICPS Issue Price for each ICPS, provided that there shall be no further right to participate in any surplus capital or surplus profits of the Company.</p> <p>ii. In the event that the Company has insufficient assets to permit payment of the full ICPS Issue Price to the ICPS holders, the assets of the Company shall be distributed pro rata on an equal priority to the ICPS holders in proportion to the amount that each ICPS holder would otherwise be entitled to receive.</p> <p>iii. In the event of capital being written off on a reduction of capital due to accumulated losses, the amounts paid or credited on the ordinary</p>
--	--	--

		<p>shares shall be written off before the amounts paid or credited on the ICPS.</p> <p>iv. In the event of repayment of capital to the holders of the ordinary shares, the remaining ICPS shall then be automatically converted in the new shares as the conversion ratio of 1 ICPS for 1 new ordinary share prior to any distribution to be made to the holders of the ordinary shares.</p> <p>Ranking of new ordinary shares to be issued pursuant to the conversion of the ICPS : All new ordinary shares to be issued upon the conversion of the ICPS shall, upon allotment and issuance, rank <i>pari passu</i> in all respects with the then existing ordinary shares except that such new shares shall not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date of which is prior to the date of allotment and the issuance of the new ordinary shares arising from the conversion of the ICPS.</p> <p>Board lot : *For the purpose of trading on the LEAP Market of Bursa Securities, a board lot of ICPS will consist of 100 units of ICPS or such other number of units as may be prescribed by Bursa Securities from time to time.</p> <p>Rights of the holders of the ICPS : The ICPS holders have the same rights as ordinary shareholders as regards to receiving notices, reports and audited financial statements and attending general meetings. ICPS holders 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 ordinary shares except in the following circumstances:</p> <ul style="list-style-type: none"> i. on a proposal to reduce the Company's share capital; ii. on a proposal for the disposal of the whole of the Company's property, business and undertaking; iii. on a proposal that affects their rights and privileges attached to the ICPS; iv. on a proposal to wind up the Company; and v. during the winding up of the
--	--	---

		<p style="text-align: center;">Company.</p> <p>Adjustment to the Conversion Price and/or Conversion Ratio : The Conversion Price and/or Conversion Ratio will be adjusted at the determination of the Company, in all or any of the following events:</p> <ol style="list-style-type: none"> i. an alteration to the number of shares by reason of consolidation or subdivision; or ii. a bonus issue of ordinary shares by the Company or any other capitalisation issue for accounting purposes; or iii. a capital distribution to shareholders made by the Company whether on a reduction of capital or otherwise, but excluding any cancellation of capital which loss is or unrepresented by assets; or iv. a rights issue of ordinary shares by the Company; or v. any other circumstances that the Board deems necessary, including circumstances such as the issuance of shares credited as fully paid by way of capitalisation of profits or reserves by the Company to the shareholders or an offer or invitation to shareholders made by the Company by way of rights whereby shareholders acquire or subscribe for securities convertible into shares, or rights to acquire or subscribe for shares. <p>In the event, the Board would consult its approved principal adviser and/or auditors before deciding whether such adjustments are required, provided that any adjustment to the Conversion Price will be rounded down to the nearest one sen (RM0.01). No adjustment to the Conversion Price and/or Conversion Ratio will be made unless the computation has been certified by the auditors of the Company.</p> <p>Transferability : *The ICPS shall be transferable in the manner provided under the rules of Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W)) (“Bursa Depository”) pursuant to the Securities Industry (Central Depositories) Act, 1991 (“Rules”). The ICPS will be transferable</p>
--	--	--

		<p>only by instrument in writing in the usual or common form or such other form as the Directors of the Company and the relevant authorities may approve. As the ICPS will be listed on and traded on the LEAP Market of Bursa Securities, they will be deposited in a central depository system and will be subject to the rules under the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository.</p> <p>In the event that the Company does not elect or fails to list and trade on the ACE Market of Bursa Securities, then the ICPS shall be transferable in the usual manner according to relevant regulations and laws.</p> <p>Listing : *The ICPS will be listed and traded on the LEAP Market of Bursa Securities.</p> <p>Variation of right and further issues : Unless otherwise required by the applicable laws and notwithstanding any other provision of these presents, any variation or abrogation of the rights, preferences and privileges of the ICPS holders by way or amendment of these presents or otherwise (including, without limitation, the authorisation or creation of any shares in the capital of the Company ranking, as to participation in the profits or assets of the Company, senior to the ICPS holders) shall require:</p> <ul style="list-style-type: none"> i. the consent in writing of the ICPS holders of at least 75% of the outstanding ICPS; or ii. the sanction of a special resolution passed at a separate class meeting of the ICPS holders (the quorum at such class meeting to be such number of the ICPS holders holding or representing not less than two-thirds of the outstanding ICPS), provided that: <ul style="list-style-type: none"> a) no such consent or sanction shall be required if the change is solely, formal, minor or technical nature or is to correct an error or cure an ambiguity (but such change shall not reduce the amounts payable to ICPS holders, impose any material obligation on ICPS holders or
--	--	---

		<p>materially adversely affect their voting rights); and</p> <p>b) no such consent or sanction shall be required for the creation or issue of further shares ranking junior to the ICPS (the creation or issue of such other shares, regardless of the dividends and other amounts payable in respect of such shares and whether and when such dividends and other amounts may be so payable, shall not be deemed to be a variation or abrogation of the rights, preferences and privileges of the ICPS).</p> <p>Governing law : The laws of Malaysia.</p> <p>Payment: No further rights to participate in Distributable Profits : The ICPS shall not confer any right or claim as regards to participation in the Distributable Profits of the Company. "Distributable Profits" means the amount (comprising current profits and/or accumulated revenue reserves) certified by the auditors to be the profits available to the Company for distribution as a dividend in compliance with the Act.</p> <p>Class meetings : ICPS holders shall be entitled to attend class meetings of ICPS holders. Every ICPS holder who is present in person at such class meetings shall have a poll one vote for every ICPS of which he is the ICPS holder. Notice of such class meetings shall be given in accordance with the procedures in respect of notice of general meetings as set out in these presents.</p> <p>Purchase and cancellation : Subject to the prevailing laws and the approval by the shareholders of the Company, the Company may at any time purchase the ICPS from the ICPS holders at any price. The ICPS so purchased must be cancelled. Any such purchase and cancellation of an ICPS by the Company shall constitute an absolute discharge by the Company.</p> <p>Prescription : Any liquidation distribution or any other amount in respect of the ICPS unclaimed for 7 years after the relevant date of declaration shall be forfeited and revert to the Company and after such forfeiture no ICPS holder or other</p>
--	--	--

APPENDIX III - PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (Cont'd)

		<p>person shall have any right to or claim in respect of any such payments. No other moneys payable on or in respect of an ICPS shall bear interest against the Company.</p> <p>Notice or other documents : Any notice or other documents may be served by the Company upon any ICPS holder and vice versa in the manner provided in these presents. Any such notice or document shall be deemed to be served and delivered in accordance with these presents.</p> <p>Conflicts : In the event of any conflict or inconsistency between the provisions of this Clause and the other provisions of these presents, the provisions of this Clause shall prevail, and the prevailing law shall be the laws of Malaysia.</p> <p>Note <i>* Applicable only if Company successfully listed on the LEAP Market of Bursa Malaysia Securities Berhad</i></p>
46	<p>The Company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the member or deceased member.</p>	<p>The Company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, if the shares were acquired under an employee share option scheme, amounts which are owed to the company for acquiring them and to such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the member or deceased member.</p> <p>In each case, the lien extends to reasonable interest and expenses incurred because the amount is not paid.</p>

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading.

2. CONSENTS AND CONFLICT OF INTEREST**2.1 Principal Adviser and Sponsor**

Malacca Securities, being the Principal Adviser and Sponsor for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name in this Circular and all references thereto in the form and context in which they appear in this Circular.

Malacca Securities confirms that as at the LPD, there is no conflict of interest situation that exists or is likely to exist in its capacity as Principal Adviser and Sponsor for the Proposals.

2.2 Financial Adviser

SCS Global, being the Financial Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name in this Circular and all references thereto in the form and context in which they appear in this Circular.

SCS Global confirms that as at the LPD, there is no conflict of interest situation that exists or is likely to exist in its capacity as Financial Adviser for the Proposals.

2.3 Independent Adviser

MainStreet, being the Independent Adviser for the Proposals and the Proposed Exit Offer, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of the IAL, its name and all references thereto in the form and context in which they appear in this Circular. MainStreet has confirmed that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Independent Adviser for the Proposals and Proposed Exit Offer.

2.4 Independent Market Researcher

Providence, being the Independent Market Researcher for the Proposed Listing, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular. Providence has confirmed that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Independent Market Researcher for the Proposed Listing.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any material commitments and contingent liabilities incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on the profits and NA of the Group.

4. MATERIAL LITIGATIONS, CLAIMS OR ARBITRATION

Save as disclosed below, neither the Company nor the subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has or may have a material effect on the financial position or business of the Group, and the Board confirms that there is no proceeding pending or threatened against the Group or any fact likely to give rise to any proceedings which may materially or adversely affect the financial position or business of the Group:

- (iii) Potential claim by Rhipе Malaysia Sdn Bhd (“**Rhipе**”) against ICT Zone Sdn Bhd (“**ICT Zone**”), details of which are as follows:

Parties	ICT Zone (a wholly-owned subsidiary of ICT Zone Asia) and Rhipе
Amount Claimed	RM 2,162,120.74
Facts	<p>Rhipе has notified ICT Zone by an email dated 27 July 2023 that Rhipе will initiate legal proceedings to claim for the sum of RM2,162,120.74 being the outstanding sum due and payable for providing Microsoft Azure cloud services (“Services”) to ICT Zone. ICT Zone denies the claim on the ground that the account with Rhipе was hacked by unknown third parties who had fraudulently used the Services without ICT Zone’s authorisation and/or knowledge.</p> <p>On or about 4 September 2023, ICT Zone received a letter of demand dated 1 September 2023 from Messrs Anandan Sandosh as solicitors for Rhipе addressed to ICT Zone Asia to claim for the sum of RM2,166,726.08 being outstanding sum due and payable for the Services as at 24 July 2023.</p> <p>The letter of demand dated 1 September 2023 addressed to ICT Zone Asia is an invalid demand against ICT Zone by virtue of the principle of separate legal entity. Meanwhile, ICT Zone Asia had on 15 September 2023 responded to the aforementioned letter of demand, stating that it has no knowledge of the allegations therein and denies the claims by Rhipе. ICT Zone also had on 19 January 2024, through its solicitors, issued a letter to request for discovery against Rhipе seeking clarification on pertinent matters relating to their claim.</p>
Status	As at the LPD, ICT Zone has not received any letter of demand or court of summons from Rhipе or its solicitors to claim for the alleged outstanding sums due and payable for the Services. Both ICT Zone Asia and ICT Zone have not received any response to their respective letters to Rhipе.

5. MATERIAL CONTRACTS

Neither the Company nor the subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) within 2 years preceding the date of this Circular.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at ICT Zone Asia's registered office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Malaysia from Monday to Friday (except for public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) the Company's Constitution;
- (ii) the audited consolidated financial statements of ICT Zone Asia for the past 2 FYEs as at 31 January 2022 and 31 January 2023 and the unaudited consolidated financial statement for the FYE 31 January 2024;
- (iii) Proposal Letter referred to in Section 2 of Part A of this Circular;
- (iv) undertaking letters from the PACs and Undertaking Party referred to in Section 2 of Part A of this Circular;
- (v) letters of consent referred to in Section 2 of this Appendix IV; and
- (vi) relevant letters related to the potential claim referred to in Section 4 of this Appendix IV.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



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

NOTICE OF EXTRAORDINARY GENERAL MEETING FOR IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (“ICPS”) HOLDERS

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) for ICPS holders of ICT Zone Asia Berhad (“**ICT Zone Asia**” or “**Company**”) will be conducted by way of 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 Friday, 21 June 2024 at 11.00 a.m. or immediately after the conclusion or adjournment of ICT Zone Asia’s Extraordinary General Meeting for shareholders, whichever is later or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:

SPECIAL RESOLUTION 1

PROPOSED VOLUNTARY WITHDRAWAL OF ICT ZONE ASIA’S LISTING FROM THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) (“PROPOSED WITHDRAWAL”)

“**THAT** subject to the passing of the Special Resolution 2, Ordinary Resolution 1 and the approval of all relevant authorities and/or parties as set out in the circular to ICPS holders dated 27 May 2024 (“**Circular**”) being obtained for the Proposed Withdrawal and Proposed Listing (“**Proposed Transfer of Listing**”) including resolutions to be passed by the shareholders of the Company, approval be and is hereby given for the Company to undertake the Proposed Withdrawal (details of which were set out in Section 2.1 of Part A of the Circular);

AND THAT the Directors of the Company be and are hereby empowered and authorised to do the following:

- (i) to take all steps and to do all acts, deeds and things as they may consider necessary, expedient and/or appropriate to execute, sign, deliver and cause to be delivered on behalf of the Company of all such documents and/or applications to implement, complete and give full effect to the Proposed Withdrawal; and
- (ii) to assent any conditions, modifications, variations and/or amendments to the terms of the Proposed Withdrawal as may be required by Bursa Securities or any of the relevant authorities or in such manner as the Directors may in their absolute discretion deem fit or expedient for the benefit of the Company.”

SPECIAL RESOLUTION 2

PROPOSED AMENDMENTS TO THE CONSTITUTION OF ICT ZONE ASIA TO ENSURE COMPLIANCE WITH THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES PURSUANT TO THE PROPOSED LISTING AND THE COMPANIES ACT 2016 (“PROPOSED AMENDMENTS”)

“**THAT** subject to the passing of the Special Resolution 1 and Ordinary Resolution 1, approval be and is hereby given for the Company to implement the Proposed Amendments with effect from the date of listing of ICT Zone Asia on the ACE Market of Bursa Securities as set out in Appendix III of the Circular;

AND THAT the Directors of the Company be and are hereby empowered and authorised to do the following:

- (i) to take all steps and to do all acts, deeds and things as they may consider necessary, expedient and/or appropriate to execute, sign, deliver and cause to be delivered on behalf of the Company of all such documents and/or applications to implement, complete and give full effect to the Proposed Amendments; and
- (ii) to assent any conditions, modifications, variations and/or amendments to the terms of the Proposed Amendments as may be required by Bursa Securities or any of the relevant authorities or in such manner as the Directors may in their absolute discretion deem fit or expedient for the benefit of the Company.”

ORDINARY RESOLUTION 1

PROPOSED LISTING AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED ICT ZONE ASIA SHARES ON THE ACE MARKET OF BURSA SECURITIES (“PROPOSED LISTING”)

“**THAT** subject to the passing of Special Resolutions 1 and 2, and the approval of all relevant authorities and/or parties as set out in the Circular being obtained for the Proposed Withdrawal and Proposed Listing including the resolutions of the shareholders of the Company, approval be and is hereby given for the Company to undertake the Proposed Listing (details of which were set out in Section 2.2 of Part A of the Circular);

AND THAT the Directors of the Company be and are hereby empowered and authorised to do the following:

- (i) to take all steps and to do all acts, deeds and things as they may consider necessary, expedient and/or appropriate to execute, sign, deliver and cause to be delivered on behalf of the Company of all such documents and/or applications to implement, complete and give full effect to the Proposed Listing; and
- (ii) to assent any conditions, modifications, variations and/or amendments to the terms of the Proposed Listing as may be required by Bursa Securities or any of the relevant authorities or in such manner as the Directors may in their absolute discretion deem fit or expedient for the benefit of the Company.”

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

Date: 27 May 2024
Kuala Lumpur

Notes:

- (1) *A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. Where a member appoints more than one proxy to attend and vote at the Meeting, such appointment shall be invalid unless he/she shall specify the proportion of his/her holdings to be represented by each proxy.*
- (2) *Where a member of the Company is an exempt authorised nominee which holds ICPS 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. An “exempt authorised nominee” refers to an authorised nominee defined under Securities Industry (Central Depositories) Act, 1991 (“**SICDA**”) which is exempted from compliance with the provisions subsection 25A(1) of SICDA.*
- (3) *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation’s Seal or under the hand of an officer or an attorney duly authorised.*

- (4) 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 forty-eight (48) hours before the time appointed for holding this EGM 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 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, Wilayah Persekutuan, Malaysia.
 - (ii) By electronic means
The proxy form can be electronically submitted with the Share Registrar of the Company at admin@aldpro.com.my.
- (5) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 10 June 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, vote and speak on his/her behalf.
- (6) 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, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding this EGM 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.
- (7) For a corporate member who has appointed an authorised representative, must 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, Wilayah Persekutuan, Malaysia. 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 two (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.
- (8) 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.



ICT ZONE ASIA BERHAD

(Registration No. 201901003459 (1312785-X))

(Incorporated in Malaysia)

PROXY FORM

No. of ICPS held	
CDS Account No.	

I/ We _____ I.C./ Passport/ Registration No. _____
of _____
contact no. _____ and email address _____
being a member/members of ICT ZONE ASIA BERHAD hereby appoint
_____ I.C./ Passport No. _____
of _____
contact no. _____ and email address _____
*and/or failing _____ I.C./ Passport No. _____
of _____
contact no. _____ and 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 Extraordinary General Meeting (“**EGM**”) of the Company to be conducted by way of 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 Friday, 21 June 2024 at 11.00 a.m. or immediately after the conclusion or adjournment of ICT Zone Asia’s Extraordinary General Meeting for shareholders, whichever is later or at any adjournment thereof.

*My/Our proxy(ies) is(are) to vote as indicated below:

No.	Resolutions	For	Against
1.	Special Resolution 1 - Proposed Withdrawal		
2.	Special Resolution 2 - Proposed Amendments		
3.	Ordinary Resolution 1 – Proposed Listing		

*Strike out whichever not applicable

[Please indicate with an “X” or “√” in the space provided above how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.]

Dated this _____ day of _____ 2024

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

(Signature(s) and/or Common Seal of ICPS holder, when applicable)

Notes:

- (1) A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. Where a member appoints more than one proxy to attend and vote at the Meeting, such appointment shall be invalid unless he/she shall specify the proportion of his/her holdings to be represented by each proxy.
- (2) Where a member of the Company is an exempt authorised nominee which holds ICPS 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. An "exempt authorised nominee" refers to an authorised nominee defined under Securities Industry (Central Depositories) Act, 1991 ("**SICDA**") which is exempted from compliance with the provisions subsection 25A(1) of SICDA.
- (3) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or an attorney duly authorised.
- (4) 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 forty-eight (48) hours before the time appointed for holding this EGM 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 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, Wilayah Persekutuan, Malaysia.
 - (ii) By electronic means
The proxy form can be electronically submitted with the Share Registrar of the Company at admin@aldpro.com.my.
- (5) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 10 June 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, vote and speak on his/her behalf.
- (6) 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, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding this EGM 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.
- (7) For a corporate member who has appointed an authorised representative, must 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, Wilayah Persekutuan, Malaysia. 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 two (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.
- (8) 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.

1st Fold Here

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

c/o Aldpro Capital 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
Malaysia

2nd Fold Here

Fold This Flap For Sealing