

PERTAMA DIGITAL BERHAD (“PERTAMA DIGITAL” OR THE “COMPANY”)

PROPOSED PLACEMENT OF UP TO 43,000,000 NEW ORDINARY SHARES IN PERTAMA DIGITAL (“PROPOSED PLACEMENT”)

Unless otherwise stated, all defined terms and abbreviations used in this announcement shall carry the same meaning as those previously defined in the Company’s announcement dated 16 March 2023 in respect of the Proposed Placement (“**Announcement**”).

1. INTRODUCTION

On 16 March 2023, Mercury Securities had, on behalf of the Board, announced that the Company had entered into the Subscription Agreement with Macquarie Bank for the Proposed Placement.

On behalf of the Board, Mercury Securities wishes to announce that the Company had on 14 April 2023 entered into a supplemental subscription agreement with Macquarie Bank (“**Supplemental Subscription Agreement**”) to vary certain terms of the Subscription Agreement in order to implement the Proposed Placement in 2 separate tranches as follows:

- Tranche 1** : Initial subscription by Macquarie Bank of up to 21,500,000 Placement Shares (“**Tranche 1 Placement Shares**”) (“**Proposed Placement of Tranche 1 Shares**”); and
- Tranche 2** : Conditional right for Macquarie Bank to further subscribe for up to 21,500,000 Placement Shares (“**Tranche 2 Placement Shares**”), subject to the Company obtaining the approvals of Bursa Securities for its regularisation plan and for the listing of and quotation for the Tranche 2 Placement Shares (“**Proposed Placement of Tranche 2 Shares**”).

Please refer to **Appendix I** of this announcement for a summary of the salient amendments made to the Subscription Agreement pursuant to the Supplemental Subscription Agreement. Save as disclosed, all other terms and conditions of the Subscription Agreement shall remain unchanged.

Pursuant to the above, the Proposed Placement of Tranche 1 Shares will be undertaken pursuant to the General Mandate 2023, whilst the Proposed Placement of Tranche 2 Shares will form part of the Company’s regularisation plan. Thus, the detailed information relating to the Proposed Placement of Tranche 2 Shares, including the utilisation of proceeds, will be set out in the Company’s announcement of its regularisation plan which will be made in due course.

2. UTILISATION OF PROCEEDS

For illustrative purposes, based on the illustrative Subscription Price of RM2.041 per Placement Share as set out in the Announcement, the Company expects to raise gross proceeds of up to RM43.8 million from the Proposed Placement of Tranche 1 Shares which is to be utilised for the following purposes:

Purpose	Note	Amount	Estimated timeframe for utilisation of proceeds (from the date of listing of the Tranche 1 Placement Shares)
		RM’000	
Project roll-out costs	(i)	15,000	Within 24 months
Repayment of bank borrowings	(ii)	8,000	Within 3 months
Working capital	(iii)	19,882	Within 24 months
Estimated expenses in respect of the Proposed Placement of Tranche 1 Shares	(iv)	1,000	Within 12 months
Total		43,882	

Notes:

(i) Project roll-out costs

For information purposes, the Pertama Digital group of companies ("**Group**") is in the midst of rolling out a new project known as the 'coin conversion project', which entails the Group placing its kiosks at selected commercial areas for the general public (e.g. retailers and consumers) to sell coins (i.e. Malaysian syillings) in exchange for money which will be credited into their respective bank accounts *via* the Company's mobile application known as 'MyPay' or to buy coins from the kiosks. The Group in return will generate transaction fees from the total value of the coins bought or sold by the general public through the kiosks.

The coin conversion project was conceptualised to provide the general public with a way to manage their excess and/or unused coins by selling to the Group's kiosks. In addition, it also allows the general public that are in need of coins to buy coins from the kiosks, thereby providing the general public easy access to coins.

Over time, the coin conversion project is envisaged to create a sustainable ecosystem for the re-circulation of used coins. Further, as coins have monetary value and are used in daily cash transactions, it is envisaged that there will be positive demand towards such coin conversion services.

For information purposes, the Group had launched its 1st kiosk in Subang Jaya, Selangor in April 2021 and as at 13 April 2023 ("**LPD**"), being the latest practicable date prior to the date of this announcement, the Group is operating 3 kiosks in Klang Valley. Up to December 2022, the Group's kiosks had achieved a total of 49,970,425 coin transactions with an aggregate transaction value of RM9.4 million. Moving forward, the Group intends to further expand this business by placing more kiosks throughout Malaysia from 3 to 130 kiosks by 2024.

This business expansion requires a significant amount of investment as the Group would need to recruit operation personnel for each of its kiosk to assist the general public in executing the transactions. In addition, to capture a larger market share, the Group would also need to carry out promotional activities to raise market awareness of its coin conversion service.

Further to the above, the Group would also need to incur leasing costs for the leasing of machines for its kiosks from the manufacturer(s) as well as rental costs for the placement of its kiosks at third-party locations. Further, the Group would also need to rent vaults to store surplus coins and incur transportation costs to transport coins between the kiosks.

In view of the above, the Company proposes to utilise RM15.0 million of the gross proceeds to defray the estimated rollout costs of the coin conversion project over the next 2 years, which is to be utilised as follows:

	RM'000
Staff salaries	5,000
Leasing of machines	4,000
Location rental costs	2,000
Transportation costs	3,000
Other expenses (including vault rental)	1,000
Total	15,000

(ii) Repayment of bank borrowings

As at 31 December 2022, the Group's total bank borrowings stood at RM8.0 million. In view of the Group's current low level of operations, it is the Company's intention to repay its bank borrowings in order to enhance its financial flexibility.

Pursuant thereto, the Company proposes to utilise RM8.0 million of the gross proceeds to repay its bank borrowings. Based on the Group's bank borrowings average interest rate of 4.43% per annum, the repayment of bank borrowings is expected to result in annual interest savings of RM0.3 million.

(iii) Working capital

As set out in the Announcement, the disposal of the entire equity interest in Be Top Group Limited by the Company had resulted in the Group not having an adequate level of operations to warrant its continued trading or listing on the Main Market of Bursa Securities. Notwithstanding the foregoing, as the Company intends to maintain its continued listing on the Main Market of Bursa Securities, the Company is in the midst of formulating a regularisation plan in order to comprehensively regularise its financial condition.

As the implementation of a comprehensive regularisation plan requires time and is a lengthy process, the Group would require additional funding to support the working capital requirements of its on-going operations.

Pursuant thereto, the Company proposes to utilise RM19.9 million of the gross proceeds to defray its estimated working capital requirement, which is expected to be sufficient to defray its day-to-day operational costs over the next 24 months. The allocated proceeds are intended to be utilised in the following manner:

	RM'000
Staff costs and Directors' fees	14,000
Administrative expenses (including office rental, utilities, audit fees and other general expenses)	5,882
Total	19,882

(iv) Estimated expenses in respect of the Proposed Placement of Tranche 1 Shares

Mainly comprise professional fees, placement fees, fees payable to authorities, arranger's fees and other miscellaneous expenses to be incurred in relation to the Proposed Placement of Tranche 1 Shares.

The actual proceeds to be raised from the Proposed Placement of Tranche 1 Shares are dependent on the Subscription Price to be determined as well as the actual number of Tranche 1 Placement Shares issued. Any excess or shortfall in the allocated amount will be adjusted to/from the proceeds allocated to defray the Group's working capital requirement.

Prior to utilisation for the above purposes, the proceeds raised from the Proposed Placement of Tranche 1 Shares will be placed in interest-bearing deposits and/or short-term money market instruments with licensed financial institutions as the Board deems fit and in the Group's best interest. Any interest income earned from such deposits and/or money market instruments will be used, when available, as the Group's working capital.

3. EFFECTS OF THE PROPOSED PLACEMENT OF TRANCHE 1 SHARES

3.1 Share Capital

The pro forma effects of the Proposed Placement of Tranche 1 Shares on the Company's issued share capital are as follows:

	No. of Shares	RM
Issued share capital as at the LPD	433,360,812	48,816,000
To be issued pursuant to the Proposed Placement of Tranche 1 Shares ⁽ⁱ⁾	21,500,000	43,881,500
Enlarged issued share capital	454,860,812	92,697,500

Note:

- (i) Assuming 21,500,000 Placement Shares are fully subscribed by Macquarie Bank pursuant to the Proposed Placement of Tranche 1 Shares based on the illustrative Subscription Price of RM2.041 per Placement Share.

3.2 Substantial Shareholders' Shareholdings

As set out in the Announcement, Macquarie Bank has expressed that it does not intend to be a major shareholder (as defined under the Listing Requirements) of the Company nor to appoint a board representative or to participate in the management or decision making of the Company.

Further, Macquarie Bank may sell any of the Tranche 1 Placement Shares before, on or after it subscribes any Tranche 1 Placement Shares. Taking into account the above and for illustrative purposes, based on the register of substantial shareholders of the Company as at the LPD, the pro forma effects of the Proposed Placement of Tranche 1 Shares on the Company's substantial shareholders and assuming full subscription of 21,500,000 Placement Shares by Macquarie Bank are as follows:

		As at the LPD				After the Proposed Placement of Tranche 1 Shares			
		Direct		Indirect		Direct		Indirect	
Name		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Perfect Hexagon Commodity & Investment Bank Limited		99,845,400	23.0	-	-	99,845,400	22.0	-	-
Perfect Hexagon Limited		-	-	⁽ⁱ⁾ 99,845,400	⁽ⁱ⁾ 23.0	-	-	⁽ⁱ⁾ 99,845,400	⁽ⁱ⁾ 22.0
Sim Tze Shiong		-	-	⁽ⁱ⁾ 99,845,400	⁽ⁱ⁾ 23.0	-	-	⁽ⁱ⁾ 99,845,400	⁽ⁱ⁾ 22.0
Mypay Capital Sdn Bhd		50,000,000	11.5	-	-	50,000,000	11.0	-	-
Tun Dato' Seri Zaki Bin Tun Azmi		-	-	⁽ⁱⁱ⁾ 50,000,000	⁽ⁱⁱ⁾ 11.5	-	-	⁽ⁱⁱ⁾ 50,000,000	⁽ⁱⁱ⁾ 11.0
Sabri Bin Ab Rahman		50,860,438	11.7	⁽ⁱⁱⁱ⁾ 120,000,000	⁽ⁱⁱⁱ⁾ 27.7	50,860,438	11.2	⁽ⁱⁱⁱ⁾ 120,000,000	⁽ⁱⁱⁱ⁾ 26.4
Dato' Ahmad Nazri Bin Abdullah		22,320,000	5.2	-	-	22,320,000	4.9	-	-
Datuk Seri Dr Nik Norzrul Thani Bin Nik Hassan Thani		50,125,000	11.6	-	-	50,125,000	11.0	-	-

Notes:

- (i) *Deemed interest by virtue of his/its interest in Perfect Hexagon Commodity & Investment Bank Limited pursuant to Section 8 of the Act.*
- (ii) *Deemed interest by virtue of his interest in Mypay Capital Sdn Bhd pursuant to Section 8 of the Act.*
- (iii) *Deemed interest by virtue of his interest in Gifted Investment Limited and Mypay Capital Sdn Bhd pursuant to Section 8 of the Act.*

3.3 NA, NA per Share and Gearing

Based on the Company's audited consolidated financial statements as at 31 December 2021 and assuming the Proposed Placement of Tranche 1 Shares has been completed as at that date, the pro forma effects of the Proposed Placement of Tranche 1 Shares on the Group's NA, NA per Share and gearing are as follows:

	Audited as at 31 Dec 2021	After the Proposed Placement of Tranche 1 Shares
	RM'000	RM'000
Share capital	48,816	⁽ⁱ⁾ 92,698
Reserves	22,779	⁽ⁱⁱ⁾ 21,779
Reserves classified as held for sale	55,755	55,755
NA	127,350	170,232
Non-controlling interests	(5,073)	(5,073)
Total equity	122,277	165,159
No. of Shares in issue ('000)	433,361	454,861
NA per Share (RM)	0.28	0.37
Total borrowings	8,000	⁽ⁱⁱⁱ⁾ -
Gearing (times)	0.07	-

Notes:

- (i) *Assuming 21,500,000 Placement Shares are fully subscribed by Macquarie Bank pursuant to the Proposed Placement of Tranche 1 Shares based on the illustrative Subscription Price of RM2.041 per Placement Share.*
- (ii) *After deducting the estimated expenses of approximately RM1 million pursuant to the Proposed Placement of Tranche 1 Shares.*
- (iii) *Assuming full repayment of the Group's bank borrowings pursuant to the Proposed Placement of Tranche 1 Shares.*

3.4 Earnings and EPS

The Tranche 1 Placement Shares to be issued pursuant to the Proposed Placement of Tranche 1 Shares will result in a dilution in the Group's EPS due to the increase in the number of Shares in issue upon completion of the Proposed Placement of Tranche 1 Shares.

Nevertheless, the utilisation of the proceeds to be raised from the Proposed Placement of Tranche 1 Shares as set out in **Section 2** of this announcement are expected to contribute positively to the Group's future financial performance.

3.5 Convertibles Securities

As at the LPD, the Company does not have any outstanding convertible securities.

4. LISTING OF AND QUOTATION FOR THE PLACEMENT SHARES

In view of the Supplemental Subscription Agreement, Mercury Securities had, on behalf of the Board, submit an application to Bursa Securities to withdraw its application to Bursa Securities dated 17 March 2023 for the listing of and quotation for up to 43,000,000 Placement Shares on the Main Market of Bursa Securities.

In place thereof, a new application to Bursa Securities for the listing of and quotation for up to 21,500,000 Placement Shares pursuant to the Proposed Placement of Tranche 1 Shares will be made within 1 month from the date of this announcement.

For clarification purposes, the Company will make a separate application to Bursa Securities for the listing of and quotation for the Tranche 2 Placement Shares when the Company submits its regularisation plan to Bursa Securities for its approval.

5. OTHER INFORMATION

The Supplemental Subscription Agreement is available for inspection at Pertama Digital's registered office at 802, 8th Floor, Block C, Kelana Square, 17, Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 14 April 2023.

SALIENT TERMS OF THE SUPPLEMENTAL SUBSCRIPTION AGREEMENT

Set out below is a summary of salient amendments made to the Subscription Agreement pursuant to the Supplement Subscription Agreement:

No.	Under the Subscription Agreement	Amended pursuant to the Supplemental Subscription Agreement
(i)	<u>Subscription Total</u>	
	Up to 43,000,000 Placement Shares	<p>(a) Initially, up to 21,500,000 Placement Shares; and</p> <p>(b) If and after the right of Macquarie Bank to subscribe for the Tranche 2 Placement Shares becomes unconditional, up to 43,000,000 Placement Shares.</p> <p>The right of Macquarie Bank to further subscribe the Tranche 2 Placement Shares shall become unconditional upon Pertama Digital obtaining the approvals of Bursa Securities for its regularisation plan and the listing of and quotation for the Tranche 2 Placement Shares (and any other regulatory approvals necessary at the time). Pertama Digital shall notify Macquarie Bank promptly upon obtaining such approvals along with a copy of the relevant record(s) evidencing proof of such approvals.</p>
(ii)	<u>Conditions</u>	
	The obligation of Macquarie Bank to effect completion of the issue of the Placement Shares and completion of each subscription is subject to among others, the Condition that, as at the Subscription Closing Date, Subscription Notice Date and on each Subscription Completion Date, Macquarie Bank being satisfied, acting reasonably, that it does not reasonably believe that it is in possession of information which may have a material effect on the price or the value of the Shares and that is not generally available and Pertama Digital has not disclosed any such information to Macquarie Bank.	The obligation of Macquarie Bank to effect completion of the issue of the Placement Shares and completion of each subscription is subject to among others, the Condition that, as at the Subscription Closing Date, Subscription Notice Date and on each Subscription Completion Date, Macquarie Bank being satisfied, acting reasonably, that it does not reasonably believe that it is in possession of information which may have a material effect on the price or the value of the Shares and that is not generally available.

SALIENT TERMS OF THE SUPPLEMENTAL SUBSCRIPTION AGREEMENT

No.	Under the Subscription Agreement	Amended pursuant to the Supplemental Subscription Agreement
(iii)	<u>Subscription Period and Subscription Expiry Date</u>	
	The Placement Shares may be subscribed by Macquarie Bank at any time from and including the Subscription Closing Date to and excluding the earlier of the following (" Subscription Expiry Date "):	The Placement Shares may be subscribed by Macquarie Bank at any time on or before the following (" Subscription Expiry Date "):
	(a) the date which is 12 months from the Subscription Closing Date (or such later date as mutually agreed); or	(a) the later of the following (or such later date as mutually agreed): (i) the date falling 12 months from and including the Subscription Closing Date; or (ii) the date falling 6 months from and including the date of approval of Bursa Securities (and any other regulatory approvals necessary at the time) for the listing of and quotation for the Tranche 2 Placement Shares; or
	(b) such earlier termination date of the Subscription Agreement.	(b) if the Subscription Agreement is terminated earlier, such earlier termination date of the Subscription Agreement.
	On the Subscription Expiry Date, Pertama Digital's obligations to issue the Placement Shares in respect of any Subscription Notice and the relevant Subscription Payment Amount received by Pertama Digital prior to the Subscription Expiry Date shall remain, even if the Subscription Completion Date occurs after the Subscription Expiry Date, to the extent permitted under law and the regulatory authorities.	On the Subscription Expiry Date, Pertama Digital's obligations to issue the Placement Shares in respect of any Subscription Notice and the relevant Subscription Payment Amount received by Pertama Digital prior to the Subscription Expiry Date shall remain, even if the Subscription Completion Date occurs after the Subscription Expiry Date, to the extent permitted under law and the regulatory authorities.
(iv)	<u>Committed Subscription</u>	
	Subject to:	Subject to:
	(a) any threshold that may otherwise require Macquarie Bank to undertake a takeover offer under the Takeover Code or any foreign ownership limit (if applicable); and	(a) any threshold that may otherwise require Macquarie Bank to undertake a takeover offer under the Takeover Code or any foreign ownership limit (if applicable); and
	(b) the Subscription Total,	(b) the Subscription Total,

SALIENT TERMS OF THE SUPPLEMENTAL SUBSCRIPTION AGREEMENT

No.	Under the Subscription Agreement	Amended pursuant to the Supplemental Subscription Agreement
	<u>Committed Subscription (cont'd)</u>	
	Macquarie Bank shall subscribe to a number of Placement Shares amounting to an aggregate of at least RM40,000,000.00 in 1 or more subscriptions within the following period (" Committed Subscription Period ") (" Committed Subscription "):	Macquarie Bank shall subscribe to the lesser of the following in 1 or more subscriptions within the period from (and including) the Subscription Closing Date to (and including) the date falling on 35 Trading Days after the Subscription Closing Date (or such longer period as may be separately agreed in writing by the parties) (" Committed Subscription Period ") (" Committed Subscription "):
(a)	if the Subscription Closing Date occurs on or before 23 March 2023, the period from (and including) the Subscription Closing Date to (and including) 5 May 2023; or	(a) a number of Placement Shares representing an aggregate subscription placement amount of at least RM40,000,000.00; or
(b)	if the Subscription Closing Date occurs after 23 March 2023, the period from (and including) the Subscription Closing Date to (and including) the date falling on 35 Trading Days after the Subscription Closing Date.	(b) 21,500,000 Placement Shares.
(v)	<u>Non-Completion Fee</u>	
	Pertama Digital shall pay Macquarie Bank a fee of RM200,000.00, in, among others, any of the following events:	Pertama Digital shall pay Macquarie Bank a fee of RM200,000.00, in, among others, any of the following events:
(a)	Pertama Digital fails to fulfil the Conditions (save and except for certain conditions as set out in Appendix I of the Announcement) or have them expressly waived by Macquarie Bank by 6.00 p.m. (Malaysian time) on the deadline for satisfaction of the Conditions;	(a) Pertama Digital fails to fulfil the Conditions (save and except for certain conditions as set out in Appendix I of the Announcement) or have them expressly waived by Macquarie Bank by 6.00 p.m. (Malaysian time) on the deadline for satisfaction of the Conditions;
(b)	the Subscription Agreement is terminated by Macquarie Bank or unilaterally by Pertama Digital prior to subscription of 25% of the Subscription Total, unless such termination is by order of a court or a governmental or regulatory authority with competent jurisdiction;	(b) the Subscription Agreement is terminated by Macquarie Bank or unilaterally by Pertama Digital prior to subscription of 10,750,000 Placement Shares, unless such termination is by order of a court or a governmental or regulatory authority with competent jurisdiction;
(c)	less than 25% of the Subscription Total have been issued in aggregate as at the Subscription Expiry Date; or	(c) less than 10,750,000 Placement Shares have been issued in aggregate as at the Subscription Expiry Date;

SALIENT TERMS OF THE SUPPLEMENTAL SUBSCRIPTION AGREEMENT

No.	Under the Subscription Agreement	Amended pursuant to the Supplemental Subscription Agreement
<u>Non-Completion Fee (cont'd)</u>		
(d)	Pertama Digital does not perform its obligations or breaches its undertakings under the Subscription Agreement and (any such breach has not been remedied by Pertama Digital within 10 business days of Macquarie Bank giving notice to Pertama Digital or Pertama Digital becoming aware of the breach) prior to the subscription of 25% of the Subscription Total (including where Pertama Digital fails to obtain any necessary authorisation for the issue, delivery and listing of the Placement Shares).	(d) Pertama Digital does not perform its obligations or breaches its undertakings under the Subscription Agreement and (any such breach has not been remedied by Pertama Digital within 10 business days of Macquarie Bank giving notice to Pertama Digital or Pertama Digital becoming aware of the breach) prior to the subscription of 10,750,000 Placement Shares (including where Pertama Digital fails to obtain any necessary authorisation for the issue, delivery and listing of the Placement Shares).
(vi) <u>Automatic Termination</u>		
	Subject to the terms and conditions of the Subscription Agreement, the Subscription Agreement shall terminate:	Subject to the terms and conditions of the Subscription Agreement, the Subscription Agreement shall terminate:
(a)	if the aggregate Placement Shares subscribed under the Subscription Agreement reaches the Subscription Total prior to the Subscription Expiry Date, upon the completion of the last relevant subscription; or	(a) if the aggregate Placement Shares subscribed under the Subscription Agreement reaches 43,000,000 Placement Shares prior to the Subscription Expiry Date, upon the completion of the last relevant subscription; or
(b)	otherwise, on the Subscription Expiry Date.	(b) otherwise, on the Subscription Expiry Date.
	save that if a Subscription Notice is issued prior to the Subscription Expiry Date but the Subscription Completion Date for such subscription falls after the Subscription Expiry Date, then on the completion of such subscription.	save that if a Subscription Notice is issued prior to the Subscription Expiry Date but the Subscription Completion Date for such subscription falls after the Subscription Expiry Date, then on the completion of such subscription.