

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

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

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#### **1. INTRODUCTION**

On behalf of the Board of Directors of Pertama Digital (“**Board**”), Mercury Securities Sdn Bhd (“**Mercury Securities**”) wishes to announce that Pertama Digital had entered into a conditional subscription agreement dated 16 March 2023 with Macquarie Bank Limited (“**Macquarie Bank**” or “**Investor**”) (“**Subscription Agreement**”) in relation to the subscription by Macquarie Bank of up to 43,000,000 new ordinary shares in Pertama Digital (“**Shares**”) (“**Placement Shares**”), representing approximately 10% of Pertama Digital’s total number of issued Shares, in accordance with the terms and conditions of the Subscription Agreement. Please refer to **Appendix I** of this announcement for the salient terms of the Subscription Agreement.

The Proposed Placement will be undertaken pursuant to the shareholders’ mandate for issuance of Shares under Section 75 of the Companies Act 2016 (“**Act**”) obtained at Pertama Digital’s extraordinary general meeting held on 13 March 2023, which authorised the Directors of Pertama Digital to allot and issue Shares not exceeding 10% of Pertama Digital’s total number of issued Shares (“**General Mandate 2023**”).

For avoidance of doubt, the Proposed Placement does not form part of the regularisation plan of Pertama Digital. The Proposed Placement is intended to provide Pertama Digital with an interim source of funds for the utilisations as set out in **Section 2.4** of this announcement.

Please refer to the ensuing sections for further details of the Proposed Placement.

#### **2. DETAILS OF THE PROPOSED PLACEMENT**

##### **2.1 Size of the Proposed Placement**

As at 15 March 2023, being the latest practicable date prior to this announcement (“**LPD**”), Pertama Digital’s issued share capital was RM48,816,000 comprising 433,360,812 Shares.

Based on the above, the Proposed Placement entails the issuance of up to 43,000,000 Placement Shares, representing approximately 10% of Pertama Digital’s total number of issued Shares. The Placement Shares may be issued in multiple tranches pursuant to the terms and conditions of the Subscription Agreement and may be subscribed by the Investor at any time within 12 months from the date on which the conditions of the Subscription Agreement (as detailed in **Appendix I** of this announcement) are satisfied.

##### **2.2 Pricing of the Placement Shares**

The Placement Shares shall be issued by Pertama Digital to the Investor at a price equal to 91% of the 5-day volume weighted average market price (“**VWAP**”) (excluding cross transactions and block trades, whether on-market or off-market) of the Shares as traded on Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) immediately prior to the relevant date on which the Investor sends a subscription notice to Pertama Digital to subscribe for the Placement Shares (“**Subscription Notice**”) (“**Subscription Price**”).

The Subscription Price was determined on a negotiated basis between Pertama Digital and the Investor after taking into consideration, amongst others, Paragraph 6.04(a) of the Main Market Listing Requirements of Bursa Securities (“**Listing Requirements**”) which states that, for issuance of new securities under a general mandate, a listed issuer must ensure that the shares are not priced at more than 10% discount to the VWAP of the shares for the 5 market days immediately before the price-fixing date.

For illustrative purpose, based on the 5-day VWAP of the Shares up to the LPD of RM2.2437 (source: *Bloomberg*), the illustrative Subscription Price is RM2.041 per Placement Share, representing a discount of approximately 9.0% to the 5-day VWAP of the Shares.

## 2.3 Details of the Investor

Macquarie Bank Limited (Australian Business Number. 46 008 583 542), a company incorporated under the laws of Australia and having its registered office at Level 6, 50 Martin Place, Sydney NSW 2000, Australia, is a subsidiary of the Macquarie Group Limited (Australian Company No. 122 169 279) and is regulated by the Australian Prudential Regulation Authority as an Authorised Deposit-taking Institution.

The principal activity of Macquarie Bank and its subsidiaries is to act as a full service financial services provider offering a range of commercial banking and retail financial services in Australia and selected financial services offshore.

(Source: *Macquarie Bank*)

## 2.4 Utilisation of Proceeds

Based on the illustrative Subscription Price of RM2.041 per Placement Share, Pertama Digital expects to raise total gross proceeds of up to RM87.8 million from the Proposed Placement, which will be utilised in the following manner:

Purpose	Notes	Amount	Estimated timeframe for utilisation of proceeds (from the date of listing of the Placement Shares)
		RM'000	
Acquisition of business in the digital solutions sector	(i)	35,000	Within 24 months
Expansion of business <i>via</i> acquisitions and/or investments into other digital solutions business	(ii)	35,000	Within 24 months
Working capital	(iii)	16,263	Within 24 months
Estimated expenses in respect of the Proposed Placement	(iv)	1,500	Within 12 months
<b>Total</b>		<b>87,763</b>	

Notes:

- (i) On 10 August 2022, Pertama Digital announced that it had completed the disposal of its entire equity interest in Be Top Group Limited. The said disposal is deemed a major disposal and had resulted in Pertama Digital not having a level of operations that is adequate to warrant its continued trading or listing on the Official List of Bursa Securities. Accordingly, on 10 August 2022, Pertama Digital was classified by Bursa Securities as an affected listed issuer pursuant to Paragraph 8.03A of the Listing Requirements.

Pursuant to Paragraph 8.03A(3) of the Listing Requirements, Pertama Digital is obliged to, amongst others, regularise its condition within a period of 12 months from the date it announces that it has become an affected listed issuer, i.e. by 9 August 2023. As at the LPD, Pertama Digital is in the midst of formulating its regularisation plan.

As part of its efforts to formulate a regularisation plan, Pertama Digital is in the midst of discussion with the vendors in relation to a potential acquisition of a company involved in the digital solutions sector. Based on Pertama Digital's preliminary discussions with the vendors, the cash consideration in respect of the indicative purchase consideration is approximately RM35 million. Thus, taking into consideration the foregoing, Pertama Digital intends to allocate up to RM35 million of the gross proceeds raised to meet the proposed cash consideration for such potential acquisition exercise.

Based on Pertama Digital's preliminary assessments, the potential acquisition is expected to be sufficient to address its status as an affected listed issuer as it would allow the Company to acquire a new profitable business with significant operations to warrant its continued listing on the Official List of Bursa Securities. However, nothing has been finalised as at this juncture. Pertama Digital shall make the requisite announcements for such acquisition when confirmed and shall seek the necessary approvals, including its shareholders' approval, for the potential acquisition.

For avoidance of doubt, in the event the above potential acquisition does not materialise, Pertama Digital shall utilise the earmarked proceeds for the potential acquisition of other company(ies) principally involved in the digital solutions sector as part of its regularisation plan.

- (ii) In addition to the abovementioned potential acquisition as part of its regularisation plan, Pertama Digital is also looking to further expand its business via acquisitions and/or investments into other companies principally involved in the provision of digital solutions services such as companies specialising in government and/or financial technologies, as part of its strategy to enhance and/or expand its digital solutions offerings.

In this regard, it is Pertama Digital's intention to allocate any additional proceeds raised in excess of the amounts allocated for the acquisition of business in the digital solutions sector, working capital for the Pertama Digital group of companies ("**Pertama Digital Group**") and estimated expenses in respect of the Proposed Placement.

However, as at this juncture, the Company has not identified any such potential company and/or business to acquire and/or invest into. In the event such potential acquisition and/or investment have been confirmed, Pertama Digital shall make the requisite announcements as well as seek the necessary approvals for the same where required under the Listing Requirements.

- (iii) As mentioned above, the disposal of Be Top Group Limited by Pertama Digital had resulted in the Pertama Digital Group not having an adequate level of operations. Accordingly, pending the implementation of its regularisation plan, Pertama Digital expects that it would require additional funding to support the working capital requirements of its on-going operations over the next 24 months. The proceeds to be raised are expected to be utilised for the following purposes:

	<b>RM'000</b>
Staff costs and Directors' fees	10,000
Administrative expenses and office overheads	6,263
	<u>16,263</u>

- (iv) 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.

The actual proceeds to be raised from the Proposed Placement are dependent on the Subscription Price to be determined as well as actual number of Placement Shares issued. Any excess or shortfall in the allocated amount will be adjusted to/from the proceeds allocated for the expansion of business *via* acquisitions and/or investments into other digital solutions business.

Prior to utilisation for the above purposes, the proceeds raised from the Proposed Placement 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 Pertama Digital's best interest. Any interest income earned from such deposits and/or money market instruments will be used, when available, as the Pertama Digital Group's working capital.

## **2.5 Ranking of the Placement Shares**

The Placement Shares shall, upon allotment and issuance, rank equally in all respects with the then existing issued Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions in respect of which the entitlement date is prior to the date of allotment and issuance of the Placement Shares.

## **2.6 Listing of and Quotation for the Placement Shares**

An application will be made to Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities.

## **3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED PLACEMENT**

The Proposed Placement is undertaken mainly to raise the required funds for the utilisations as set out in **Section 2.4** of this announcement.

Taking into account the above as well as after consideration of various fund-raising options, the Board is of the view that the Proposed Placement is the most appropriate means to raise funds premised on the following key factors:

- (i) Pertama Digital has entered into the Subscription Agreement with the Investor to facilitate the Proposed Placement, which in turn would allow Pertama Digital to raise funds expeditiously notwithstanding its current status as an affected listed issuer;
- (ii) the Proposed Placement would provide an avenue for Pertama Digital to raise funds without increasing its gearing ratio as well as incurring interest cost as compared to bank borrowings and/or other interest-bearing debt instruments; and
- (iii) the Proposed Placement is expected to strengthen Pertama Digital's capital base as well as improve its liquidity and financial flexibility.

In addition to the above, the Board has also considered the following aspects in relation to the Proposed Placement:

### **(i) Impact and value creation to Pertama Digital and its shareholders**

The Board is mindful that the issuance of Placement Shares would dilute the existing shareholders' shareholding in Pertama Digital. However, the Proposed Placement is expected to generate long-term value to Pertama Digital and its shareholders as it would allow the Company to raise the required funds to acquire a complementary business to address its status as an affected listed issuer as well as further expand its business via acquisitions and/or investments into another complementary business as part of its strategy to enhance and/or expand its mobile and digital solutions offerings. Further, the successful implementation of the regularisation plan would also enable Pertama Digital to uplift its status as an affected listed issuer, subject to Bursa Securities' approval.

**(ii) Adequacy in addressing Pertama Digital's financial concerns**

The Board is of the view that the Proposed Placement is adequate to address Pertama Digital's immediate financial concerns as the proceeds to be raised from the Proposed Placement are to be utilised for amongst others, acquisition of a complementary business as part of Pertama Digital's efforts to regularise its financial condition, and defray its working capital requirements for the next 24 months pending the implementation of its regularisation plan.

**(iii) Steps and actions taken/will be taken to improve Pertama Digital's financial condition**

Pertama Digital remained focused in operating its existing business of provision of mobile and digital solutions. As part of its efforts to improve its financial condition, Pertama Digital is seeking avenues to enhance its revenue such as investing into in-house research and development activities in order to constantly innovate and/or enhance the features of its existing mobile and digital solutions, as well as undertaking marketing activities to increase the visibility and usage of its mobile and digital solutions. In addition, Pertama Digital is also in the midst of formulating its regularisation plan with the objective of timely regularising its financial condition.

## **4. OUTLOOK AND PROSPECTS**

### **4.1 Outlook of the Malaysian Economy**

The Malaysian economy experience a softer economic growth, by 7.0% in the 4<sup>th</sup> quarter of 2022 (3Q 2022: 14.2%). The soft economic growth is attributed by the negative low base effect where there is a decrease in economic activity in the 3<sup>rd</sup> quarter of 2021 and later contribute towards a high growth later in the 3<sup>rd</sup> quarter of 2022. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a decline of 2.6% (3Q 2022: +1.9%). Overall, the Malaysian economy expanded by 8.7% in 2022.

The economic growth by 7.0% in the 4<sup>th</sup> quarter of 2022 is primarily driven by the domestic demand. The growth was supported by private sector activity of consumption and investment. Due to better labour market conditions, it aided in the continuity growth in the private consumption activities. Although the overall export growth moderated as a result of weaker external demand, this was partly offset by the resilient demand of exports in the electrical and electronic products as well as a high tourism activities in Malaysia. Apart from that, the service and manufacturing sectors also continued to foster the economic growth.

The headline inflation for the 4<sup>th</sup> quarter of 2022 moderated to 3.9% (3Q 2022: 4.5%), mainly due to the decline in the base effect on electricity inflation. In view of the moderated inflation during the quarter, certain Consumer Price Index (CPI) items, including fuel, experienced lower price rises as a result of the easing trend in global commodity price. At the same time, inflation for some key staple food item, like fresh meat and eggs, moderated as well. However, the increment of core inflation to 4.2% (3Q 2022: 3.7%) in return is offset by the downward impact of these factors. For 2022 as a whole, headline inflation increased to 3.3% (2021: 2.5%) and core inflation averaged higher at 3.0% (2021: 0.7%).

Going forward, Malaysian's economic growth is anticipated to expand at a more modest phase, and the growth will be supported by the domestic demand with improvement in the labour market conditions, realisation of multi-year projects as well as from the service and manufacturing sectors. While export demand is expected to decline, this will be partly cushioned by the higher tourism activity. The balance of risks to Malaysia's growth outlook remains tilted to the downside. This stems from weaker-than-expected global growth, financial conditions, further escalation of geopolitical conflicts, and worsening supply chain disruptions.

*(Source: Economic and Financial Developments in the Malaysian Economy in the 4<sup>th</sup> Quarter of 2022, Bank Negara Malaysia)*

## 4.2 Outlook of the Malaysian Digital Economy

According to Malaysia Digital Economy Corporation (“**MDEC**”), the Malaysian digital economy is one of Malaysia’s key economic pillars, which currently contributes to 22.6% of its gross domestic product (“**GDP**”) and such share of GDP contribution is expected to increase to 25.5% by 2025, predicated on an explosive growth in e-commerce and rising rates of digital adoption.

In an effort to further improve the Malaysian digital economy, MDEC, together with the Ministry of Communications and Multimedia, had launched a national initiative known as “Malaysia Digital” to encourage and attract companies, talents and investments in the Malaysian digital economy, while enabling Malaysians to play a leading role in the global digital revolution.

Besides serving as the engine to accelerate the growth of Malaysia’s digital ecosystem, the national initiative “Malaysia Digital” also seeks to drive adoption and opportunities in the digital economy to support the national recovery plan, especially through the Malaysia Digital Catalytic Programmes.

*(Source: The Edge Markets, Catalysing Malaysia’s Digital Economy, 27 September 2022)*

Further, through the revised Budget 2023, the Malaysian government remains committed in expanding Malaysia’s digital economy by introducing various form of initiatives and support for the development of the digital economy, which includes assistance in automation and digitalisation among small and medium-sized enterprises (SMEs), strengthening the digital infrastructure to facilitate the implementation of digitalisation among the public sector, as well as introducing incentives like tax allowances, secure infrastructure and clean energy facilities to help in digitalising the business.

In short, the Malaysian government’s revised Budget 2023 has a clear indication of their commitment to help in digitalising businesses as well as to thrive the Malaysian digital economy. With the Malaysian government’s initiatives and support, the future outlook of the digital economy is seen to be promising in Malaysia.

*(Source: HSBC, Malaysia Budget 2023 Summary: SME Digitalisation Grant and Other Subsidies, 14 March 2023 and PWC, A refreshed Budget 2023)*

## 4.3 Prospects of the Pertama Digital Group

The Pertama Digital Group currently operates the Malaysian government’s short messaging service (SMS) gateway, namely “mySMS 15888”. In addition, the Pertama Digital Group also owns and operates a mobile application known as “MyPay” whereby such application consolidates the e-services of Malaysian government agencies into a single digital platform, which allows users to easily retrieve information, check status and make payments to the Malaysian government agencies through their mobile phones.

Further, the Pertama Group also owns and operates a website application known as “eJamin” whereby such application allows users to make payment electronically for criminal courts bails in Malaysia. Up to early March 2023, the website application “eJamin” is live in 180 criminal courts throughout Malaysia. In addition, the Pertama Digital Group is also looking into expanding to the other prospective areas for digital bail system which may include police remands and the Syariah criminal courts.

The positive outlook of the Malaysian digital economy as set out in **Section 4.2** of this announcement indicates that the Malaysian economy is progressively shifting into a technology driven economy. As Malaysia moves towards adopting a digital economy, the anticipated increase in usage of information technology is expected to bolster positively to the future demand for information and communications technology (ICT) services such as mobile and digital solutions offered by the Pertama Digital Group.

Having considered the above and the envisaged value accretion from the Proposed Placement as set out in **Section 3(i)** of this announcement, the Board is optimistic of the Pertama Digital Group's long-term prospects.

(Source: The management of Pertama Digital)

## 5. EFFECTS OF THE PROPOSED PLACEMENT

### 5.1 Share Capital

The pro forma effects of the Proposed Placement on Pertama Digital's issued share capital are as follows:

	<b>No. of Shares</b>	<b>RM</b>
Issued share capital as at the LPD	433,360,812	48,816,000
To be issued pursuant to the Proposed Placement <sup>(i)</sup>	43,000,000	87,763,000
<b>Enlarged issued share capital</b>	<b>476,360,812</b>	<b>136,579,000</b>

Note:

(i) Assuming 43,000,000 Placement Shares are fully subscribed based on the illustrative Subscription Price of RM2.041 per Placement Share.

### 5.2 Substantial Shareholders' Shareholdings

The Investor has expressed that it does not intend to be a major shareholder (as defined under the Listing Requirements) of Pertama Digital nor to appoint a board representative or to participate in the management or decision making of Pertama Digital. Further, the Investor may sell any of the Placement Shares before, on or after it subscribes any Placement Shares.

Taking into account the above and for illustrative purposes, based on the register of substantial shareholders of Pertama Digital as at the LPD, the pro forma effects of the Proposed Placement on Pertama Digital's substantial shareholders and assuming full subscription of 43,000,000 Placement Shares by Macquarie Bank are as follows:

		<b>As at the LPD</b>				<b>After the Proposed Placement</b>			
		<b>Direct</b>		<b>Indirect</b>		<b>Direct</b>		<b>Indirect</b>	
<b>Name</b>		<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Perfect Hexagon Commodity & Investment Bank Limited		99,845,400	23.0	-	-	99,845,400	21.0	-	-
Perfect Hexagon Limited		-	-	<sup>(i)</sup> 99,845,400	<sup>(i)</sup> 23.0	-	-	<sup>(i)</sup> 99,845,400	<sup>(i)</sup> 21.0
Sim Tze Shiong		-	-	<sup>(i)</sup> 99,845,400	<sup>(i)</sup> 23.0	-	-	<sup>(i)</sup> 99,845,400	<sup>(i)</sup> 21.0
Mypay Capital Sdn Bhd		50,000,000	11.5	-	-	50,000,000	10.5	-	-
Tun Dato' Seri Zaki Bin Tun Azmi		-	-	<sup>(ii)</sup> 50,000,000	<sup>(ii)</sup> 11.5	-	-	<sup>(ii)</sup> 50,000,000	<sup>(ii)</sup> 10.5
Sabri Bin Ab Rahman		50,860,438	11.7	<sup>(iii)</sup> 120,000,000	<sup>(iii)</sup> 27.7	50,860,438	10.7	<sup>(iii)</sup> 120,000,000	<sup>(iii)</sup> 25.2

Name	As at the LPD				After the Proposed Placement			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Ahmad Nazri Bin Abdullah	22,320,000	5.2	-	-	22,320,000	4.7	-	-
Datuk Seri Dr Nik Norzrul Thani Bin Nik Hassan Thani	50,125,000	11.6	-	-	50,125,000		-	-

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.

### 5.3 Net Assets ("NA"), NA per Share and Gearing

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

	Audited as at 31 Dec 2021	After the Proposed Placement
	RM'000	RM'000
Share capital	48,816	<sup>(i)</sup> 136,579
Reserves	22,779	<sup>(ii)</sup> 21,279
Reserves classified as held for sale	55,755	55,755
<b>NA</b>	<b>127,350</b>	<b>213,613</b>
Non-controlling interests	(5,073)	(5,073)
<b>Total equity</b>	<b>122,277</b>	<b>208,540</b>
No. of Shares in issue ('000)	433,361	476,361
<b>NA per Share (RM)</b>	<b>0.28</b>	0.44
Total borrowings	8,000	8,000
<b>Gearing (times)</b>	<b>0.07</b>	0.04

Notes:

- (i) Assuming 43,000,000 Placement Shares are fully subscribed based on the illustrative Subscription Price of RM2.041 per Placement Share.
- (ii) After deducting the estimated expenses of approximately RM1.5 million in relation to the Proposed Placement.

#### **5.4 Earnings and Earnings per Share (“EPS”)**

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

Nevertheless, the utilisation of the proceeds to be raised from the Proposed Placement as set out in **Section 2.4** of this announcement are expected to contribute positively to the Pertama Digital Group’s future financial performance.

#### **5.5 Convertibles Securities**

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

### **6. APPROVALS REQUIRED**

The Proposed Placement is subject to approvals being obtained from the following:

- (i) Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities; and
- (ii) any other relevant authorities, if required.

As set out in **Section 1** of this announcement, Pertama Digital had obtained the General Mandate 2023 from its shareholders to facilitate the implementation of the Proposed Placement.

Accordingly, the Board is authorised to undertake the issuance of Placement Shares pursuant to the General Mandate 2023. Such authority shall continue to be in force until the conclusion of Pertama Digital’s next annual general meeting.

The Proposed Placement is not conditional upon any other corporate proposal undertaken or to be undertaken by Pertama Digital.

### **7. FUND-RAISING EXERCISES FOR THE PAST 12 MONTHS**

Save for the Proposed Placement, there were no fund-raising exercises undertaken by Pertama Digital in the past 12 months prior to the date of this announcement.

### **8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM**

None of the Directors, major shareholders and/or chief executive of Pertama Digital and/or persons connected with them have any interest, direct or indirect, in the Proposed Placement.

### **9. DIRECTOR’S RECOMMENDATION**

The Board, having considered all aspects of the Proposed Placement, including the rationale and effects of the Proposed Placement, is of the opinion that the Proposed Placement is in the best interest of the Pertama Digital Group.

### **10. OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING IMPLEMENTATION**

Save for the Proposed Placement, there are no other corporate exercises which has been announced but yet to be completed as at the LPD.

**11. PRINCIPAL ADVISER AND PLACEMENT AGENT**

Mercury Securities has been appointed as the Principal Adviser and Placement Agent for the Proposed Placement.

**12. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances, the application to Bursa Securities in relation to the Proposed Placement is expected to be made within 1 month from the date of this announcement.

Subject to the relevant approvals being obtained and barring any unforeseen circumstances, the Proposed Placement is expected to be completed by the 1<sup>st</sup> quarter of 2024.

This announcement is dated 16 March 2023.

**SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT**

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The salient terms of the Subscription Agreement are set out as follows:

- Issuer : Pertama Digital
- Investor : Macquarie Bank
- Subscription Total : Up to 43,000,000 Placement Shares ("**Subscription Total**")
- Conditions : The obligation of Macquarie Bank to effect completion of the issue of the Placement Shares and completion of each subscription is subject to the conditions precedent ("**Condition(s)**") that, as at the Subscription Closing Date (as defined below), Subscription Notice Date (as defined below) and on each completion date for the subscription ("**Subscription Completion Date**"), Macquarie Bank being satisfied, acting reasonably, that:
- (a) it has conducted, and has notified to Pertama Digital that it is satisfied with the results of, financial, legal, taxation and commercial investigations into the Pertama Digital Group's business, assets and liabilities based on information and data which are within the public domain and which are not materially price sensitive;
  - (b) it has obtained all necessary internal approvals to proceed with the Proposed Placement;
  - (c) each representation and warranty made by Pertama Digital in the transaction documents for the Proposed Placement ("**Transaction Document(s)**") is true in all material respects as though it had been made at that date in respect of the facts and circumstances then subsisting;
  - (d) no Event of Default (as defined below) subsists or will result from the relevant subscription;
  - (e) such resolution(s) to approve, implement and effect the transactions contemplated by the Transaction Documents have been passed at a duly convened general meeting of Pertama Digital;
  - (f) all authorisations necessary for the issue, delivery and listing of the Placement Shares and to approve, implement and effect the transactions contemplated by the Transaction Documents have been obtained or made and are all in full force and effect, and provided that where any authorisation is subject to any conditions, such conditions being mutually acceptable;
  - (g) no facts, matters or circumstances exist which are required to be announced by Pertama Digital pursuant to the Listing Requirements, Malaysian Code on Take-overs and Mergers 2016 and Rules on Take-overs, Mergers and Compulsory Acquisitions (collectively, "**Takeover Code**"), any practice notes or otherwise required by law or any government agency and which have not been so announced;

**SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (cont'd)**

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- Conditions (cont'd)
- (h) no admission document or prospectus is required under the Listing Requirements, the Capital Markets and Services Act 2007, the Act or otherwise by law or any government agency in respect of the Placement Shares other than those documents required in connection with the authorisations below:
    - (i) the approval of Bursa Securities for the listing of the Placement Shares;
    - (ii) the resolutions of Directors of Pertama Digital authorising the execution of the Transaction Documents and the issue of the Placement Shares; and
    - (iii) the resolutions of shareholders of Pertama Digital approving the issue of the Placement Shares in accordance with the Transaction Documents and in accordance with the Listing Requirements and the Act;
  - (i) the trading of the Shares is not suspended by Bursa Securities and Pertama Digital has not received any notice threatening the continued trading and tradability of the Shares on Bursa Securities;
  - (j) Pertama Digital has no knowledge of any event which might cause the trading of the Shares on Bursa Securities to be suspended or otherwise restricted or terminated;
  - (k) all fees due and payable by Pertama Digital have been paid (or as mutually agreed to be set off against the Subscription Payment Amount (as defined below));
  - (l) 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;
  - (m) all filings related to the Proposed Placement has been duly completed;
  - (n) there having been delivered to Macquarie Bank opinions as to Malaysian law, in form and substance satisfactory to Macquarie Bank, confirming the legality and enforceability of the transaction.

Conditions (a) and (b) above shall only apply as at the Subscription Closing Date. Macquarie Bank may waive any or all of the Conditions in whole or in part or extend the time for performance of any Condition by written notice to Pertama Digital. If any of the Conditions are not satisfied or expressly waived by Macquarie Bank by 6.00 p.m. (Malaysian time) on the date falling 2 months from the date of the Subscription Agreement (or such other date to be mutually agreed), then except for the agreed surviving provisions and any accrued rights and liabilities, the Subscription Agreement shall lapse without any of the parties being liable to the other. The date on which all the Conditions are declared satisfied or expressly waived by Macquarie Bank shall be referred to as the subscription closing date ("**Subscription Closing Date**").

**SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT** (cont'd)

Subscription Period and Subscription Expiry Date : 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**"):

- (a) the date which is 12 months from the Subscription Closing Date (or such later date as mutually agreed); or
- (b) 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.

Subscription of the Placement Shares : The Placement Shares may be subscribed by Macquarie Bank issuing and delivering to Pertama Digital a Subscription Notice together with the corresponding subscription payment amount equal to the Subscription Price multiplied by the number of Placement Shares subscribed ("**Subscription Payment Amount**") before 5.00 p.m. (Malaysian time) (or such time as otherwise mutually agreed) on any Trading Day (as defined below). The subscription of the Placement Shares is subject to a minimum of 100 Placement Shares or such other number as may be prescribed by Bursa Securities to constitute a board lot for trading on Bursa Securities from time to time. The date on which Pertama Digital receives a Subscription Notice pursuant to the terms of the Subscription Agreement shall be referred to as the subscription notice date ("**Subscription Notice Date**"). There may be more than 1 Subscription Notice issued by Macquarie Bank to Pertama Digital.

"**Trading Day**" means a day on which Bursa Securities is open for securities trading ("**Market Day**") and the Shares are freely tradable for the schedule trading sessions.

Subscription Price : The Subscription Price of each Placement Share shall be an amount equal to 91% of the 5-day VWAP of the Shares as traded on Bursa Securities immediately preceding the relevant Subscription Notice Date, rounded down to 3 decimal places ("**Subscription Price**"). Crossing transactions and block trades (whether on-market or off-market) in the Shares shall be disregarded in computing the VWAP of the Shares.

Completion : Where Macquarie Bank has sent the relevant Subscription Notice and has made payment of the corresponding Subscription Payment Amount:

- (i) before 11.00 a.m. (Malaysian time) on the relevant Subscription Notice Date, the Subscription Completion Date shall be the 2<sup>nd</sup> Trading Day after the Subscription Notice Date; or
- (ii) after 11.00 a.m. (Malaysian time) on the relevant Subscription Notice Date, the Subscription Completion Date shall be the 3<sup>rd</sup> Trading Day after the Subscription Notice Date.

Pertama Digital shall by 11.30 a.m. (Malaysian time) procure the delivery of the Placement Shares to the securities account of Macquarie Bank (or its nominee(s)) and provide evidence reasonably satisfactory to Macquarie Bank of the delivery, admission, listing and quotation of the Placement Shares.

**SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (cont'd)**

Each Placement Share issued shall:

- (i) rank equally with, and carry the same rights and privileges as, in all respects, all other issued Shares, except for any entitlements that may be declared, made or paid to the shareholders of Pertama Digital, the entitlement date of which is prior to the issuance date of the Placement Shares;
- (ii) not be subject to any mortgage, pledge, lien, charge, security or preferential interest or arrangement of any kind created by Pertama Digital or other adverse right held by any third party;
- (iii) be fully paid and shall entitle Macquarie Bank to all dividends with a record date subsequent to the date of issue; and
- (iv) be immediately tradeable by Macquarie Bank on admission, listing and quotation and is not subject to any form of moratorium, lock-up and any other transfer restrictions.

**Arranger's Fee** : In respect of each calendar month, Pertama Digital shall pay to Macquarie Capital Securities (Malaysia) Sdn Bhd ("**Macquarie Malaysia**") an amount equal to 1% of the aggregate Subscription Payment Amount in relation to all Placement Shares subscribed in the relevant calendar month with respect to Macquarie Malaysia's role in arranging, facilitating and assisting with the Proposed Placement, within 3 business days after receiving an invoice issued by Macquarie Malaysia after the end of the relevant month.

**Non-Completion Fee** : Without prejudice to any other remedies that are available to Macquarie Bank pursuant to the Subscription Agreement or under general law, in the event that:

- (a) Pertama Digital fails to fulfil the Conditions (save and except for Conditions (a), (b) and (l)) (other than by disclosure by Pertama Digital in the case of Condition (l)) 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;
- (c) less than 25% of the Subscription Total have been issued in aggregate as at the Subscription Expiry Date; or
- (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 the 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),

Pertama Digital shall pay Macquarie Bank a fee of RM200,000.00 no later than 15 days after its receipt of a letter or notice of demand from Macquarie Bank.

**SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT** (cont'd)

**Adjustments to the Placement Shares** : If Pertama Digital proposes to vary its total number of issued ordinary shares (whether by way of a capitalisation of profits or reserves, a consolidation, reduction, sub-division or conversion of Shares or a rights issue, share placements or any other form of capital distribution), at any time prior to the Subscription Expiry Date, the terms of the Proposed Placement (including the price or number of the Placement Shares, as applicable) shall be adjusted accordingly.

**Committed Subscription** : Subject to (i) 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 (ii) the Subscription Total, 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**"):

- (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
- (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.

The Committed Subscription shall be cancelled immediately if:

- (i) a termination notice is issued pursuant to the terms of the Subscription Agreement;
- (ii) the 10 consecutive Market Day (unless a different period is mutually agreed) VWAP of the Shares immediately preceding any day within the period from the date of the Subscription Agreement to the last day of the Committed Subscription Period (both dates inclusive) has fallen below 50% for a period of 10 consecutive Market Days immediately preceding 15 March 2023;
- (iii) the average daily traded value of the Shares over 10 consecutive Market Day period (unless a different period is mutually agreed) immediately preceding any day within the period from the date of the Subscription Agreement to the last day of the Committed Subscription Period (both dates inclusive) is less than RM6,000,000.00; or
- (iv) on any day within the Committed Subscription Period, any of the Conditions are not satisfied or otherwise expressly waived.

Upon completion of the Committed Subscription, and subject to satisfaction of the Conditions and there being no Event of Default, Macquarie Bank will use commercially reasonable endeavours, taking into consideration factors including (but not limited to) market and economic conditions at the time, to subscribe for the remainder of the Subscription Total before the Subscription Expiry Date.

**Block Trade** : If Macquarie Bank has determined to transfer in aggregate the Shares equivalent to or greater than 2% of the total outstanding Shares (as of the relevant time) to a single third-party purchaser through 1 or more block trades in which Macquarie Bank is able to identify the purchaser ("**Block Trade(s)**"), Macquarie Bank shall give prior notice informing Pertama Digital of the identity of the prospective purchaser. Pertama Digital may object to such Block Trade(s) in writing within 3 hours of its receipt of the notice. On-market trades for which Macquarie Bank cannot identify the purchasers are not considered as Block Trades.

**SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT** *(cont'd)*

No Intention to Nominate Board Representatives : Macquarie Bank has no intention to nominate any person to the Board, remove or replace any person from the Board or participate in the management of Pertama Digital, regardless of the number Placement Shares held by it arising from or in connection with the Proposed Placement.

Termination : (a) Automatic termination

Subject to the terms and conditions of the Subscription Agreement, the Subscription Agreement shall terminate: (i) 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; (ii) 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.

(b) Termination by Macquarie Bank

Macquarie Bank may immediately terminate the Subscription Agreement by written notice to Pertama Digital (i) following the occurrence of an Event of Default; (ii) if it is not reasonably satisfied with the results of its current investigations into the Pertama Digital Group's affairs; (iii) the 10 Market Day VWAP of the Shares immediately preceding any day within the term of the Subscription Agreement has fallen below 50% of the VWAP of the Shares for a period of 10 consecutive Market Days immediately preceding 15 March 2023; or (iv) the average daily traded value of the Shares over any 10 consecutive Market Days immediately preceding any day within the term of the Subscription Agreement, is less than RM6,000,000.00.

(c) Termination by Pertama Digital

Pertama Digital may terminate the Subscription Agreement by issuing a written notice to Macquarie Bank not less than 20 Trading Days prior to the termination taking effect ("**Notice Period**"). Macquarie Bank shall have the right to issue a Subscription Notice during the Notice Period and Pertama Digital shall satisfy its obligations pursuant to the Subscription Agreement during and after the Notice Period including, without limitation, in respect of any Subscription Notice which has been delivered by Macquarie Bank during the Notice Period.

Event(s) of Default : An event of default is deemed to have occur if any of the following events or circumstances occurs:

(a) Pertama Digital does not comply with any provision of the Transaction Documents to which it is a party, save that the failure to comply is:

- (i) in the opinion of Macquarie Bank, capable of remedy and is remedied within 10 business days of Macquarie Bank giving notice to Pertama Digital or Pertama Digital becoming aware of the failure to comply; or
- (ii) attributable to the wilful default, gross negligence or material breach of the terms and conditions of the Transaction Documents by Macquarie Bank.

**SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT** *(cont'd)*

Event(s) of Default <i>(cont'd)</i>	<p>(b) The Shares cease to be listed or are suspended from the Official List or are otherwise not tradeable for 1 Market Day or more at any time during the term of the Subscription Agreement, save where a trading halt or suspension of trading is required to enable Pertama Digital to disclose material information (and such halt or suspension does not exceed 1 Market Day) or to comply with any directive of the government agency.</p> <p>(c) A representation, warranty or statement by or on behalf of Pertama Digital or each of its affiliates ("<b>Group Member</b>") in a Transaction Document, is or proves to have been incorrect or misleading in any material respect when made or repeated.</p> <p>(d) An application or an order is made, proceedings are commenced, a resolution is passed or proposed in a notice of meeting, an application to a court or other steps are taken with regards to the appointment of a liquidator, receiver, administrator or other similar officer in respect of any Group Member or any of its assets, administration, winding up, arrangement or insolvency (or any other analogous procedure or steps taken in any jurisdiction) of a Group Member.</p> <p>(e) A Group Member ceases, suspends or threatens to cease or suspend the conduct of all or a substantial part of its business or disposes of or threatens to dispose of a substantial part of its assets.</p> <p>(f) A Group Member is unable to pay its debts as they fall due or suspends or threatens to suspend payment of all or a class of its debts.</p> <p>(g) The value of the assets of any Group Member is less than its liabilities (taking into account contingent and prospective liabilities).</p> <p>(h) A mortgage, pledge, lien, charge or any security or preferential interest or arrangement of any kind is enforced in respect of all or a material part of the assets of a Group Member.</p> <p>(i) Any expropriation, attachment, sequestration, distress or execution affects any asset or any asset of a Group Member and is not discharged within 10 business days.</p> <p>(j) All or any substantial part of the assets of a Group Member is compulsorily acquired by or by order of a government agency or under law or a government agency orders the sale, vesting or divesting of all or any substantial part of the assets of a Group Member.</p> <p>(k) An authorisation or shareholder approval which is required for the performance by Pertama Digital of a Transaction Document and the transactions contemplated by them or the validity and enforceability of a Transaction Document, is repealed, revoked, terminated or expires or is amended in a manner unacceptable to Macquarie Bank.</p> <p>(l) It is or becomes unlawful for a party to perform any obligation or to comply with any material term of a Transaction Document.</p> <p>(m) Any Transaction Document ceases for any reason to be the legal and valid obligation of that party or any person repudiates a Transaction Document to which it is a party.</p> <p>(n) An event occurs which is, or a series of events occur which together are, likely to have a material adverse effect on the validity or enforceability of any Transaction Document, and/or the ability of a Group Member to perform its obligations under a Transaction Document.</p>
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**SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT** (cont'd)

Event(s) of Default (cont'd)	<p>(o) Any change, or any development involving a prospective change or any crisis in local, national, regional or international financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, industrial, economic, law, legal or monetary conditions, taxation or exchange controls or a combination of any such changes or development or crisis or deterioration thereof, or there subsists any status or any event has happened, which, as determined by Macquarie Bank, in any way affects its ability to subscribe for, settle or trade in the Shares, hedge its risks or any other financial or business risks in connection with the Proposed Placement or substantially increases the cost for such hedging, or makes it impossible or impracticable to transfer or remit United States Dollar ("<b>USD</b>") out of Malaysia or convert Ringgit Malaysia into USD or obtain a firm quote for such conversion.</p> <p>(p) Any credit facility granted to any Group Member is withdrawn, terminated or suspended on account of a default by that Group Member.</p> <p>(q) Pertama Digital makes an announcement to enter into any reorganisation, amalgamation, demerger, merger, takeover, or corporate reconstruction or scheme of compromise or arrangement that would affect its present constitution during the Subscription Period as to have a material impact on the validity or nature of, or rights attached to, the Placement Shares (including potential Placement Shares not yet subscribed for).</p> <p>(r) Pertama Digital substantially changes the general nature of its business or the business of the Pertama Digital Group as a whole from that carried on at the date of the Subscription Agreement to an extent that Pertama Digital is or would be materially and fundamentally transformed, unless the prior approval in writing of Macquarie Bank has been obtained.</p>
Right of First Refusal	<p>: Macquarie Bank shall be offered the right of first refusal to arrange and participate in any future financing transactions entered into or proposed to be entered into by Pertama Digital which are substantially similar to the Proposed Placement (including any transactions contemplated by way of debt or equity financing facilities) which Macquarie Bank is permitted by law to participate or enter into, save and except for any issuance, debt or equity to a strategic investor where such investor is not a financial company providing financing primarily as part of its financial or lending business ("<b>Financing Activity</b>"). Pertama Digital shall not (and shall procure that any subsidiary undertaking of Pertama Digital shall not) appoint any other person to act in relation to any Financing Activity unless either:</p> <p>(a) the terms of engagement for any particular Financing Activity are not or cannot be agreed within 15 business days of a written request by Pertama Digital; or</p> <p>(b) Macquarie Bank has confirmed to Pertama Digital in writing that it does not wish or is unable to participate in the Financing Activity.</p>
	<p>Macquarie Bank is not obligated to act in relation to any particular Financing Activity and the right of first refusal granted shall survive post termination or expiry of the Subscription Agreement until 6 calendar months after such termination or expiry.</p>
Governing Law	: Laws of Malaysia.